



DISTRICT TREASURERS 2016

Rotary
District 9685



TREASURERS' ROLE & RESPONSIBILITIES

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District Treasurer 2016-17

GUIDE FOR TREASURERS

1 YOUR ROLE AS TREASURER

Key recommendations to note:

- Separate General (Club, Admin) and Project (Charity) bank accounts, and financial reports
- GST if turnover above \$150,000 pa
- All payments to be authorised by a Board Member or Club member with delegated authority, non-routine payments require Board approval before commitment.
- Two signatures for cheques or electronic payments
- Bank reconciliations at least monthly
- AGM by December 31st, Annual Return within one month of AGM.
- Audit, not compulsory for Clubs with Fundraising gross revenue <\$250,000 but highly recommended.
- Semi Annual Dues Payments in July and January

As Treasurer you are not simply responsible for the banking of club funds and the payment of club accounts.



GUIDE FOR TREASURERS

What to do to get started if you are new to the role:

- Read the Constitution and By Laws – see Attachment B
- Review the last published annual accounts
- Review the latest Board report by the existing Treasure
- By late June set up banking authorities to be effective 1st July.
- Signatories are typically the President, Secretary, Treasurer and President Elect of the incoming Board. Arrange with the current Secretary for a Board minute to authorise this.
- After year-end, review the bank reconciliation and be clear when term deposits, if any, mature.
- Obtain the cheque books (the auditor won't want them) and deposit books.
- Set up a filing system which should use lever arch files or multi ring binders so that papers are secured firmly. Consider scanning all critical documents.



GUIDE FOR TREASURERS

- Review the current Treasurer's bookkeeping system. If it works for him it should work for you but bear in mind respective computer skills. Seek help if you need it. There is no need to use MYOB if you can cope otherwise.
- Contact the auditor – establish a relationship.
- Work with Directors to establish a budget. Focus on commitments that may exist at the start of the year for things like Youth Exchange or which may exist at the end of the year. Be aware of linkages between revenue and expenses, eg dinner fees and costs.
- Review insurance with the secretary bearing in mind that public liability is organised by District.

Much of this is dependent on co-operation with your predecessor. Regrettably sometimes that is not as forthcoming as it should be. It's vital that your predecessor closes off as soon as possible after year end and arranges the audit (he does that, not you).

Being Treasurer is a full on – week by week – activity. If you take leave for more than two weeks ensure that your role is covered by another Director.

If you have commitments that prevent a high level of attendance consider appointing an assistant to handle banking of dinner meeting fees or other aspects of the work.

YEAR END ACCOUNTS

6 YEAR END ACCOUNTS

The aim is to provide members with Statements of Income and Expenditure and Balance Sheets within a reasonable time after June 30th. Aim for end August.

Key Steps

- Advise offices and any members with expenses to be reimbursed of a deadline for submission of claims.
- Obtain supplier invoices for services / goods supplied by year end
- Pay as much as possible by June 30th.
- Reconcile bank accounts, debtors and creditors as at June 30th

By mid-July there may still be a few loose ends for which estimates will be required. These can be firmed up later if significant.

The accounts can then be audited and if the auditor agrees draft accounts should be issued to members in August. They are timely and very useful for the incoming Board.

In November the accounts should be adjusted if required, and audit agreement obtained. The Board should then pass the solvency resolution:



AUDIT

8 AUDIT

Under the NSW Associations Incorporated Act 2009 Tier 1 organisations (those with annual fundraising receipts over \$250,000) must be audited.

The auditor must be a Registered Company Auditor unless the Department administering the Charitable Fundraising Act 1991 approves of someone else. It is suggested that the minimum qualification should be membership of a recognised accounting body.

For ethical reasons the Auditor should not be a Director, Member or anybody closely related to either.

From 1st September 2015, the accounts of a Rotary Club with gross fundraising receipts less than \$250,000 no longer require an audit each year. This was a change to the Charitable Fundraising Regulation 2015, administered by the Department of Fair Trading.

From a governance perspective it is highly recommended that clubs continue to have their accounts independently audited

An audit will provide club members with some degree of comfort about the running of the club's finances.

Should a Club decide not to appoint an auditor then Club Bylaws will most likely need to be amended, as most will contain a requirement to appoint an auditor and to present audited financial statements to members at AGM.

Annual financial statements will still need to be prepared in accordance with 'The NSW Associations Incorporation Act 2009' (sec 47)

Rotary Clubs often pay for an audit. A concessional fee of around \$1,000 is normal for a medium sized club however many Clubs have their accounts audited on a 'Pro Bono' basis. It helps greatly to keep the fee reasonable if the account and record keeping is of a high standard.



TAX DEDUCTIONS?

9 TAX DEDUCTIONS FOR DONATIONS

A common question asked of Rotary Clubs is “Can I get a tax deduction for my donation (of \$2 or more)?”

The short answer is NO.

The longer answer is Yes if the Club has a registered DGR (Deductible Gift Recipient) fund. Such a fund can normally only use the donations received to pass on to other DGR funds; ie it cannot use the funds for normal Rotary Charitable purposes. More on this below.

Sometimes for business donors it may be possible to invoice the donors for ‘sponsorships’. The donor may then be able to claim a tax deduction for advertising. This typically arises when clubs have events such as art shows, fun runs or golf days. The sponsors get publicity through inclusion on promotional literature, banners etc. The possibility of a tax deduction should not be publicly advertised to potential sponsors. Generally Rotary charities such as the Foundation are DGRs and can issue receipts for income tax deductibility.

DGR Funds

See; <http://www.ato.gov.au/content/62774.htm>



- Turnover \$150,000 - definition
- Suspense/Agency accounts
- Sub Entity concept
- Don't register unless necessary



DUES

- District - \$45 each half (incl. GST)
- R.I. - \$US28 each half (+GST). On 1st July \$US1.50 (+GST) for cost of Council on Legislation fees
- RDU - \$20 each half (incl. GST)

