

RESPONSIBILITIES AS CLUB TREASURER

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Rotary Melbourne Treasurer 2012-19

District 9800 Treasurer 2022->

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What you need to be aware of

- 1. Structure and reporting requirements*
- 2. Taxation issues*
- 3. Club budgets and annual fees*
- 4. Accounting systems and financial reporting*
- 5. Banking related issues*
- 6. Managing surplus funds*

1. Structure

All D9800 Clubs - Victorian Incorporated Associations

Most Clubs are NOT charities; some Clubs manage separate Charitable Trusts - Australian Charities and Not-for-profits Commission (ACNC)

Club Secretaries role to update Victorian Consumer Affairs and ACNC records

Treasurer to provide required financial information

1.1. Reporting – Incorporated Associations

Financial statements to AGM within 5 months of year end

Incorporated Association Tiers from 1 July 2024:

- *Tier 1 – Total revenue < \$500,000*
- *Tier 2 – Total revenue \$500,000 to \$3 million*
- *Tier 3 – Total revenue more than \$3 million*

While only Tier 2 & 3 entities require an audit review , Rotary International requires all clubs to have an annual independent financial review

Annual Statement to be lodged within 1 month of AGM

1.2. Reporting - ACNC

Reporting dependent on size:

- *Small – Revenue < \$500,000*
- *Medium – Revenue \$500,000 to \$3m*
- *Large – Revenue >\$3m*

Annual financial statement filing for small charity is optional

Other charities to file full audited financial statements

Detailed Trust compliance requirements to ensure retention of charitable status

2. Tax Exemption

Clubs - Tax-Exempt as not-for-profit entities

Charitable Trusts - Tax-Exempt as charitable entities

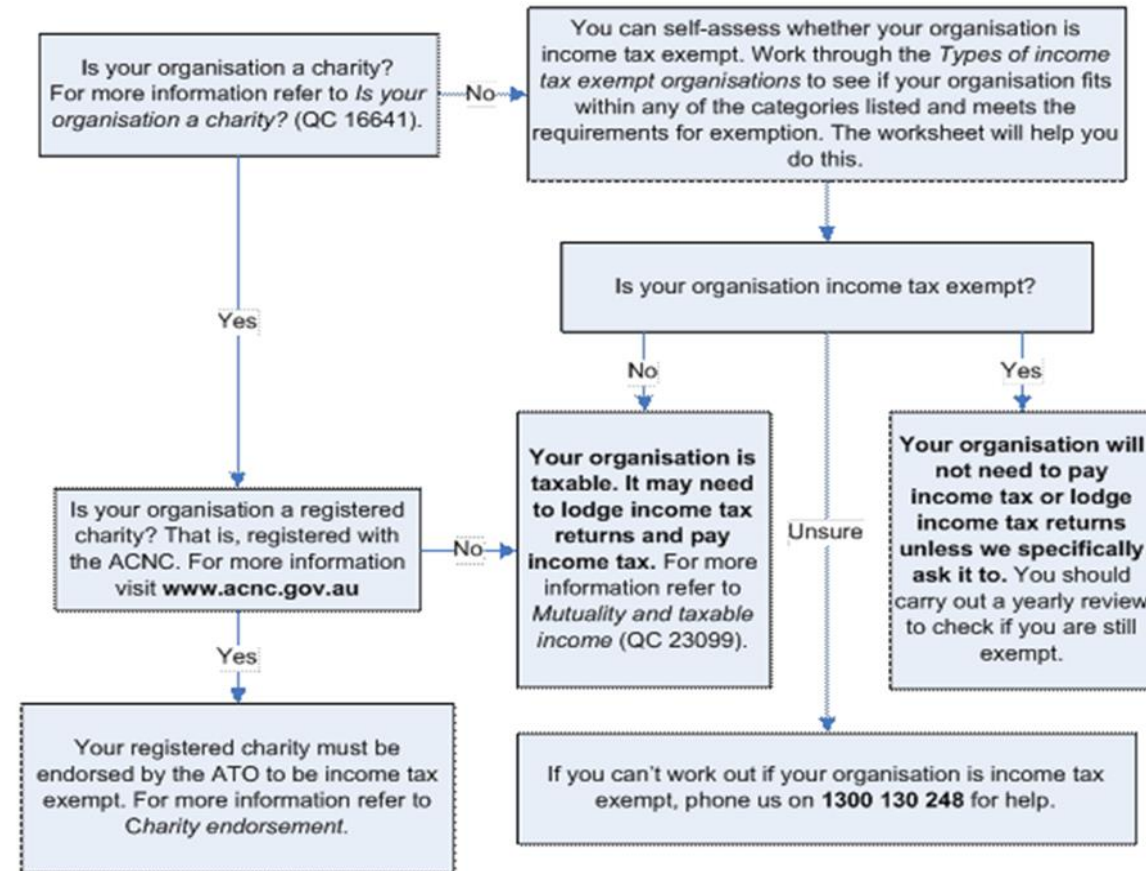
NEVER *apply for a Tax File Number (TFN) for either of these entities*

ATO requires an annual self-assessment to confirm tax-exempt status:

- *ATO implemented an annual online reporting process from years ending 30 June 2024 – **currently only 23 of our 61 clubs have confirmed compliance***
- *Important to maintain current records with ATO through Change of Registration form (ATO form 2943)*

2.1. Tax Exemption

Working out if your organisation is exempt from income tax



2.2. GST Registration

Optional for Not-for-profit entities with Revenue <\$150,000

Currently only 11 of the 61 D9800 Clubs are GST registered

Practically all income attracts GST

Should my Club register for GST?

PROS	CONS
Recovery of all GST paid to suppliers	Need to add GST to member subscriptions
If other non-GST income received, Club may be entitled to a net GST refund	In the absence of other non-GST income, the benefits are harder to justify
Voluntary registrants may opt for annual reporting	Registration imposes a quarterly reporting requirement

2.3. Tax Invoice – What is it?

7 components:

- *Words “Tax Invoice”*
- *Sellers’s identity*
- *Australian Business Number (ABN)*
- *Date of issue*
- *Quantity and price of items sold*
- *GST payable (if any)*
- *Extent of GST in items sold*

Tax Invoice is NOT specifically related to GST registration.

2.4. Tax Invoice – Why is it important?

If a supplier does not provide an ABN, you generally withhold the top rate of tax from the payment and pay it to the ATO.

However, when the payment for the full supply is \$75 or less, exclusive of GST, you do not have to get an invoice with an ABN, a tax invoice or withhold tax.

The first response to the absence of an ABN should be:

- *No ABN, No Payment.*

Reimbursement of expenses should be supported by Tax Invoice from the service provider

3. Club Budgets and Annual Fees

An annual budget is required for each club

Two key components:

- *Projected income and expenses for proposed projects*
 - *Focuses on fundraising required*
 - *Recovery of applicable expenses e.g. insurance*
- *Club subscriptions and administration costs*
 - *Focuses on members annual fees*

Approved by incoming Board in July

Basis for regular reporting of progress during the year

4. Accounting Systems

RI requires that all clubs maintain proper financial records

To comply each club should use a recognised accounting system; e.g.:

- XERO
- QuickBooks
- MYOB

An EXCEL spreadsheet has inherent risks to its integrity

The recent Grouping of Clubs (RCGs) may provide some opportunities to share these administrative burdens

5. Bank Account management

Bank signatories and delegated authority

Before 30 June – Board approval to enable incoming team to act from 1 July.

Update cheques signatories with your bank

R I rules require at least 2 signatories

Account management

Regular bank reconciliation

Payments correctly authorised and within budget

Lodge funds received promptly

6. Managing Surplus Funds – Club Funds

When RBA Cash rate 0.1% - not an issue - how the world has changed

Short term surpluses need to be managed effectively. Issues to consider:

- Term Deposits – Better than nothing but unlikely to keep pace with inflation*
- Other deposit managers – ensure you understand the degree of risk*
- Understand what other Clubs are doing*
- Co-manage funds with other Clubs (e.g. RC Melbourne/D9800)*

Fund transfers to/from a Financial institution need only one signatory as accounts are pre-defined

6.1. Managing Surplus Funds – Charitable Trusts

Completely different - objective long term

Focus on only spending income while retaining the corpus

Access to broad range of asset classes, including Equities

Need for professional advice

Consider managing on an outsourced discretionary management basis

QUESTIONS?