



## TREASURERS 2017

**Rotary**  
District 9685



**ROTARY:  
MAKING A  
DIFFERENCE**

# TREASURERS' ROLE & RESPONSIBILITIES



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# TABLE OF CONTENTS

1. Your role as Treasurer	Page 4
2. Regulatory Responsibilities	Page 10
3. The Charitable Fund Raising Act 1991	Page 11
4. Basic books, forms and filing procedures	Page 16
5. Banking	Page 18
6. Functions, Activities and Fund Raising	Page 21
7. Year End Accounts	Page 22
8. Accrual Accounting	Page 25
9. Audit	Page 29
10. Tax Deductions	Page 33
11. Taxation	Page 35
12. Dues	Page 41



## 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



## YOUR ROLE AS TREASURER

- 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



## YOUR ROLE AS TREASURER

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

- Read the Constitution and By Laws
- Review the last published annual accounts
- Review the latest Board report by the existing Treasurer
- By late June set up banking authorities to be effective 1st July.



## YOUR ROLE AS TREASURER

- 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 and deposit books.



## YOUR ROLE AS TREASURER

- 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.
- 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.





## YOUR ROLE AS TREASURER

- 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 organized by District.



## REGULATORY RESPONSIBILITIES

- Charitable Fundraising Act 1991
- Club Constitution and By Laws
- Corporations Law
- Rotary International – Manual of Procedure
- Tax and Employment Laws



## THE CHARITABLE FUNDRAISING ACT 1991

The objects of the Charitable Fundraising Act 1991 are:

- to promote proper and efficient management and administration of fundraising appeals for charitable purposes;
- to ensure proper keeping and auditing of accounts in connection with such appeals; and
- to prevent deception of members of the public who desire to support worthy causes.



# THE CHARITABLE FUNDRAISING ACT 1991

Further information can be obtained from:

[http://www.olgr.nsw.gov.au/olgr\\_default.asp](http://www.olgr.nsw.gov.au/olgr_default.asp)

Best practice guidelines

[http://www.olgr.nsw.gov.au/pdfs/char\\_fund\\_bpg.pdf](http://www.olgr.nsw.gov.au/pdfs/char_fund_bpg.pdf)

Regulations:

[http://www.austlii.edu.au/au/legis/nsw/consol\\_reg/cfr2008292/sch1.html](http://www.austlii.edu.au/au/legis/nsw/consol_reg/cfr2008292/sch1.html)



## THE CHARITABLE FUNDRAISING ACT 1991

Some accounting requirements of the Act are:-

- S20 (6) Proceeds of fundraisings must be paid into a bank account before deduction of expenses. The bank account is to consist only of monies raised in fundraising appeals. No fewer than two persons are to sign fund withdrawals.
- S21 Surplus funds may be invested only in what used to be called “Trustee” investments. These are investments in which a prudent person would invest, such as a bank term deposit or cash management account



## THE CHARITABLE FUNDRAISING ACT 1991

- S5 Receipt of Club subscriptions, donations or collections made internally from members, is not fundraising
- S22 Records are to be kept for seven (7) years.
- S23 Returns are required annually if the fundraiser is unincorporated, and details must include Gross Receipts, and Net Receipts after deduction of expenditure. Rotary Clubs are all incorporated but this reporting requirement must be met in the annual accounts.



## THE CHARITABLE FUNDRAISING ACT 1991

Penalties for non-compliance can be as high as \$ 5,000!!!

Rotary dinner badges or other identification should be worn for identification when fundraising from the public.

**The Authority to Fundraise needs to be renewed each 5 years.**



## BASIC BOOKS, FORMS AND FILING SYSTEM

- **Books of account**, if electronic fully backed up, consisting of receipts and payments for both general and projects and, where double entry bookkeeping is in use, general ledgers with associated journals.
- **Bank Statements**, downloaded versions are acceptable.
- **Cheque Books**
- **Payment Vouchers**, ie supplier invoices, payment requisitions etc. Ensure that an appropriate Board member has signed off on these or has requested payment by email.





## BASIC BOOKS, FORMS AND FILING SYSTEM

- **Bank deposit slips**, preferably electronic and remittance advices where supplied.
- **Receipt Books** – receipts to be issued for all exceptional cash (cheque on request) receipts.
- **Budgets**
- **Board and Annual Financial reports.**
- **Asset register**, for all items of value, eg computers, even if not capitalised.



## BANKING

**Internet Banking.** It is highly desirable that you have internet access to the bank accounts so that transfer deposits can be quickly verified and every opportunity taken to place funds into Cash Management Accounts or Term Deposits. For transfers and electronic payments (B-Pay or Pay Anyone), it's vital that two officers are involved. One, normally you as Treasurer, will set up payees (loading BSB:Acct Nos) and payments, the other will 'release' the payments once fully satisfied that the payments are in order.



## BANKING

**Club members** should be encouraged to pay subscriptions and fees by eft “pay anyone” as a first choice and by cheque given to you as a second one.

### **Two methods should be avoided:**

- direct deposit by members at a bank (no detail on statement often not even branch of deposit) and
- cash. Problems with cash can be distressing for all concerned and can lead to you being out of pocket.

**Merchant Facility:** In order to accept payment by credit card a Club needs to be established as a “merchant” with a bank. This will result in fixed monthly fees as well as a % fee on each transaction. Most clubs find this too expensive.

**Internet Booking Systems:** These are becoming increasingly popular and should be considered by Clubs for functions especially when members of the public are invited to participate (Pay Pal, Try Booking or My Booking Manager).

## FUNCTIONS ACTIVITIES AND FUND RAISING

- **Control of Cash:** There is an underlying principle of internal control that at least two officers are involved with the collection of cash. For this reason Treasurers should not be the primary collectors of cash.
- **Gross and Net for Fundraising:** Invoices for costs associated with the project will be certified by the committee and submitted to the Treasurer for payment and he should prepare a report detailing the overall results of the project.



## 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

## YEAR END ACCOUNTS

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:

*In the opinion of the members of the Board:*

*(a) The accompanying Special Purpose Income and Expenditure statements are drawn up so as to give a true and fair view of the results for both the General and Project*

*accounts.*



## YEAR END ACCOUNTS

*(b) the accompanying Special Purpose Balance Sheets are drawn up so as to give a true and fair view of the state of affairs of the Club as at June 30th 20YY.*

*(c) At the date of this statement there are reasonable grounds to believe that the Club will be able to pay all debts as and when they fall due.*

*Signed in accordance with a resolution of the Board.*

*Place: xxx, NSW      Date:*

*YYY*

*ZZZ President*

*Treasurer*





## ACCRUAL ACCOUNTING

The NSW Associations Incorporation Act 2009 sect 47 requires that Tier 2 associations' (turnover less than \$250,000) financial statements give a 'true and fair view'.

All Rotary Clubs should aim to present accounts on an accrual basis, not just receipts and payments.

A couple of examples illustrate the point:

- If a deposit is paid in June to a restaurant for, say, a Christmas Party, the club has an asset as at June 30th, not an expense for the year just ended.



## ACCRUAL ACCOUNTING

- The caterer for a function held in June sends his invoice to the Club in mid-July. This needs to be treated as a creditor, an amount owing as at June 30th, as the expense need to be booked into the year just ended.

It is necessary as at June 30th to identify (and prove to the auditor) the following:

- Debtors, ie amounts owing to the club
- Prepayments for deposits etc

## ACCRUAL ACCOUNTING

- Stock, eg Christmas puddings on hand
- Fixed assets
- Creditors, amounts owing to suppliers or to members for expenses
- Subscriptions in advance (unlikely but does happen)

Fixed assets are items of plant such as computers, furniture, trailers, signs etc that have long term use and therefore value.



## ACCRUAL ACCOUNTING

The financial statements must be 'special' purpose, not 'general' purpose as the latter requires an inappropriate consolidation and full compliance with accounting standards.

Separate Income and Expenditure Statements must be prepared for both General and Project Accounts.

The balance sheet may be combined but must identify General v Project items.



# AUDIT

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

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



## AUDIT

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.



## AUDIT

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.



## Record Retention

The books of account, and all receipts, vouchers, bank statements and other documents relating to the accounts of a charity should be preserved for seven (7) years, and should not be destroyed earlier without permission in writing from the Minister.





## TAX DEDUCTIONS

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.



### DGR Funds

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

The DGR fund must be set up as a Trust with a deed and trustees. Accounting for the fund must be separate from other Club activities and a report should be included in the annual financial statements.

Generally the Australian Taxation Office will only allow the fund to operate on the basis that all payments go as donations to other DGR funds except for bank fees and any unavoidable expenses.

## Good and Services Tax (GST)

- The GST registration turnover threshold for a non-profit organization is \$150,000 (\$75,000 for other organizations).
- This means a non-profit organization is not required to be registered for GST unless its annual turnover is \$150,000 or more.
- Donations, grants (e.g. From the TRF) or gifts received, in cash or kind, and raffle ticket sales are not subject to GST and should not be included in the \$150,000 calculation.



## TAXATION

- A Not for Profit organization may voluntarily register for GST if its annual turnover is under \$150,000. This may be because it wants to claim back the credits for the GST it pays in the price of goods and services it purchases for use in its activities.
- However, the decision to remain voluntarily registered for GST is one that ought to be based on the administrative needs of the organization.



## Benefit of not being registered for GST

- Not for Profit organizations with an annual turnover under \$150,000 may prefer not to register for GST because they consider that it is better to forgo the GST credits that may be available, rather than undertake the tax obligations that registration places on them.



# TAXATION

- These tax obligations include:
  - paying GST on memberships
  - paying GST on other sales (unless they are GST-free or input taxed)
  - issuing tax invoices for sales of \$75 (excl.GST) or more, and
  - completing and lodging Business activity statements.



## TAXATION

Goods & Services Tax (GST): Where a non-profit organization is registered or required to be registered for GST, the price of most sales of goods and services and anything else will be inclusive of GST. Similarly, the organization may be entitled to claim GST credits on the purchases it makes in carrying out its activities.



## Sub Entity Concept

This of real value for Project activities expected to make a surplus. These can be nominated as a Sub Entity if turnover is below \$150,000. No GST is collected on sales but no input tax credits can be claimed.



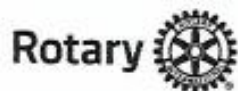
## DUES

- District - \$50 each half (incl. GST)
- R.I. – US \$28 each half (+GST). On 1<sup>st</sup> July US \$1.35 (+GST) for cost of Council Legislation fees
- RDU - \$20 each half (incl. GST)

and are payable in July and January based on membership as at first of those months.



# ROTARY INTERNATIONAL DUES



South Pacific & Philippines Office  
PO Box 1415 Parramatta NSW 2124  
ABN 36 434 882 113  
TAX INVOICE

## CLUB INVOICE — JANUARY 2017

INVOICE NUMBER INV-0000166339  
CLUB NUMBER C000084132  
ROTARY CLUB OF E-Club of Greater Sydney  
DISTRICT 9685  
INVOICE DATE 01-01-2017

Rotary Club of E-Club of Greater Sydney (District - 9685)  
922 Old Northern Road  
Glenorie N.S.W. 2157  
Australia

PAYMENT DUE UPON RECEIPT  
**1,027.40 USD**

### JAN-JUN CHARGES

QUANTITY	UNIT OF MEASURE	DESCRIPTION	UNIT PRICE(USD)	TOTAL (USD)
31	Members	RI Per Capita Dues	28.00	868.00
5	Subscriptions	The Rotarian International - Paper	12.00	60.00
3	Months	The Rotarian International - Paper Pro Rata	2.00	6.00
31	Members	GST on Membership Dues	2.80	86.80
5	Subscriptions	GST on International Rotarian Digital/Hard Copy	1.20	6.00
3	Months	GST on The Rotarian International - Paper Pro Rata	.20	.60

<b>TOTAL JAN-JUN CHARGES</b>	1,027.40
<b>PREVIOUS BALANCE</b>	.00
<b>TOTAL CLUB BALANCE (USD)</b>	1,027.40
<b>PAYMENT DUE UPON RECEIPT</b>	1,027.40 USD

### NOTIFICATIONS

Visit [www.rotary.org/exchange-rates](http://www.rotary.org/exchange-rates) for the current RI Monthly Exchange Rate. Want to go paperless? Opt your club out of the paper invoice in My Rotary under Edit invoice preferences.

### QUESTIONS?

Contact : Sally Furto  
T: 612 8894 9832  
E: [sally.furto@rotary.org](mailto:sally.furto@rotary.org)

The 2016 Council on Legislation voted to increase per capita dues by \$4 per year beginning in July 2017. For more information, please visit <http://on.rotary.org/COLDues>



# ROTARY DISTRICT DUES



**ROTARY INTERNATIONAL  
DISTRICT 9685 INC.**  
ABN 212 564 68211  
PO Box 143, Pennant Hills, NSW 1715

Bruce Lakin  
Governor

## TAX INVOICE

Invoice To:  
**Rotary Club of  
E-Club of Greater Sydney**

INVOICE/RECEIPT NO: **1718**

DATE: **1/01/2017**

ORDER NO:

REFERENCE:

	Item	Qty	Unit Price \$	Total \$
1	District Dues January - June. 2017	31	45	1,395.00
2		-		-
3		-		-
4		-		-
5		-		-
			<b>TOTAL</b>	<b>1,395.00</b>

GST Included

**126.82**

Payment to BSB 032086 Acct 333071, please quote Invoice No as ref.

Notes:

# ROTARY DOWN UNDER



Rotary Down Under Inc ABN: 62 113 485 795  
 RDU Pty Ltd ABN: 11 001 408 377

Rotary Down Under House  
 Level 3, 43 Hunter St  
 Parramatta NSW 2150 Australia

PO Box 779  
 Parramatta NSW 2124 Australia

Tel: +61 2 9633 4888  
 Fax: +61 2 9891 5964

enquiries@rotarydownunder.com.au  
 www.rotarydownunder.org

Invoice To:

ROTARY E-CLUB OF GREATER SYDNEY  
 922 Old Northern Road  
 Glenorie NSW 2157  
 Australia

A.B.N.: 62 113 485 795

14/12/2016

Tax Invoice

Club ID 96801

Invoice #: 00031074

Number of Magazines	Description	Price	Amount	GST Code
27	Subscriptions Jan-Jun 2017	\$20.00	\$540.00	GST

Pay by EFT		If paying by EFT please include Invoice Number as Payment Reference
BSB	112-879	
Account No.	153530395	
Account Name	Rotary Down Under	Terms: 14 Days

Invoice #: 00031074

COMMENT

Invoice Total \$540.00  
 Includes GST of \$49.09  
 Payment Applied \$0.00

**Balance Due \$540.00**

Email: subscriptions@rotarydownunder.com.au





# ROTARY: MAKING A DIFFERENCE



## PRESENTATION AVAILABLE ONLINE

Today's presentations  
are available on the  
District 9685 website  
Go to District > District Training >  
District Assembly or:  
[assembly.rotarydistrict9685.org.au](http://assembly.rotarydistrict9685.org.au)

