

GUIDE FOR TREASURERS

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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.

The position involves providing information to the board of your club to assist with cash flow management and the making of managerial decisions with respect to club subscriptions, dinner dues etc. and to ensure that the club's assets are adequately protected by insurance. You are the Finance Director.

You should be familiar with the requirements of the Charitable Fundraising Act 1991 and, as your club is incorporated, the requirements of NSW Fair Trading so that you can assist the Secretary.

Additionally, as moneys raised by the club from the public for charitable purposes must be kept separate from other club funds under the Charitable Fund Raising Act, particular care needs to be given to the disposition of these funds, i.e. money raised for a particular charity should in fact be applied to that charity.

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.

- 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.

2 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.

Further information can be obtained from:

http://www.olgr.nsw.gov.au/olgr_default.asp

Best practice guidelines

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

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

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.

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.

3 BASIC BOOKS, FORMS AND FILING SYSTEM

As has been already mentioned, your club must maintain two bank accounts, eg. One for general (admin) club funds, and the other for project (Charitable) activities. Other accounts can be opened for special purposes but these will be associated with one of the primary ones.

With this in mind, the following records will need to be maintained:

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.

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.

In addition the auditor may require to see the following held by the Club Secretary:

- Board and Club Minutes
- Attendance Record
- Membership Records:

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:AcctNos) and payments, the other will 'release' the payments once fully satisfied that the payments are in order.

Back Ups are Critical. You must never be heard to say "The laptop's crashed; I've lost the lot". There are various ways of backing up, ie making emergency copies of files. Memory sticks are very useful. A good way of ensuring off site back up is in "the cloud", i.e. using online services. Drop Box allows 2 gb of storage free and is very easy to use.

4 BANKING

You will be the Club Officer primarily responsible for managing banking. Generally banks all offer similar services which should be evaluated in terms of fees, interest rates on deposits, and the availability of coin counting machines. There can be differences. For example Bendigo allows “pay anyone” payments directly out of Cash Management Accounts but typically pays a very poor rate of interest on these accounts. Westpac does not allow “pay anyone” from Cash Reserve accounts but does pay a reasonable rate of interest. Convenience for you in terms of Branch location is important and the possibility of assistance from the Bank in support of Club projects can also be an issue. Deposits should be made only at the club’s bankers (any branch) always using magnetically encoded deposit slips. Cheque and credit card details should be typed preferably using a spreadsheet. Receipts are required for cash (notes and coin) deposits. Some bank branches have publicly accessible coin counting machines which are fee free for account holders. For example, if you have a personal account at NAB, you can use the machine at Hornsby branch to bank coins. A receipt is issued which can be deposited into your account. You can then pay the Club by eft or cheque.

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.

For functions every effort should be made to get fees paid in advance. It will still be necessary to have an “attendance” desk so that a complete record of who was there is obtained.

Term Deposits. These require careful management particularly as banks like to rollover on redemption, often into a deposit with a lower rate of interest. It’s a good idea to instruct the bank on making the deposit that redemption is to be into a nominated bank a/c.

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. With a merchant facility there is no need to have ‘hardware’ for processing. All that’s needed is to collect the 16 digit account numbers, expiry date and security code (three digit code on the back of cards) and to lodge the numbers on a deposit slip. Banks prefer typed lists.

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.

For Conferences, District uses ClubRunner (PayPal). PayPal is difficult to set up. A popular product is Trybooking , also My Booking Manager. Merchant fees and ease of use vary with each but both are popular within Rotary Districts in Australia.

5 FUNCTIONS, ACTIVITIES AND FUND RAISINGS

Most of these activities will be delegated by the board to a specific committee or member, who will be responsible for all aspects including collection 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.

It is important that these committees or members document transactions in an acceptable manner so that at the end of the day, the Treasurer has a clear record of the source and disposition of funds. There is obviously a need for the Treasurer to liaise with these committees to ensure a system is established.

Where functions require cash floats, you will need to provide these as and when required. It is suggested that a standard form be prepared recording transactions through each change centre, eg:-

Stall Report	
Date
Stall location
Person in charge
Cash handed to Treasurer	\$.....
Less cash float	\$.....
Gross stall takings	\$.....
Expenses	\$.....
Agreed Treasurer	

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.

Where the activity being monitored involves the sale of, for example, paintings in an art show, receipts will have to be issued to the purchasers, and totalled to agree with the takings figure shown above.

For functions a clearly defined cancellation policy with respect to refunds is needed and should be made clear on booking forms. A common approach is to provide a full refund if cancellation is made two days before the event, 50% a day before and zero on the day.

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:

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.

(b) the accompanying Special Purpose Balance Sheet(s) 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 There can be debate about which President (current or past) or Treasurer should sign owing to the quirk in Rotary that office bearer's change at July 1st, not at the AGM. It is the current officers who should sign.

It is vital that the Board has up to date information on the Club's financial position when considering the resolution.

The accounts once signed should be sent to members with the notice of meeting for the AGM, which must be held by December 31st.

7 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'. Tier 1 statements must comply with accounting standards.

All Rotary Clubs should aim to present accounts on an accrual basis, not just receipts and payments. This is really the only way truly meaningful information can be provided, especially with year on year comparatives. You should seek help from accountants or the Club auditor if required.

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.
- 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
- 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. There is no objection to writing these off when purchased provided records are kept in the form of an assets register and insurance cover is arranged if warranted. If the assets are not written off they must be 'depreciated' over several years, say five.

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.

Sample outline statements are shown at Attachment A.

Clubs sometimes want to 'set aside' funds for future purposes. This can be done by nominating a specific bank account such as a term deposit as a restricted asset, or by setting aside reserves in the funds employed section of the balance sheet. Make sure there is an appropriate authorising minute of the Board.

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.

Auditors should be treated as a friend and adviser, not a foe.

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.

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>

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.

10 TAXATION

GOODS AND SERVICES TAX (GST)

Most Clubs will not need to register for GST, but all should register for an Australian Business Number (ABN). Non - Profit organisations, such as Rotary, do not need to register for GST unless annual turnover exceeds \$150,000.

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. A donation or gift is money received for which no material benefit is given and is made voluntarily. With the exception of things like “gold coin in the bucket” the amount of the donation is always a matter for the donor.

A sale of Christmas cards or fees for an event (eg Golf Day) are not donations, and GST applies if you are so registered.

GST often makes little difference to the Club’s General account as Input Tax credits can be claimed on all purchases paid for on Tax Invoices. This also applies to the Project account but it’s more likely that “value added” will give rise to a net amount payable to the ATO. Clubs registered for GST can nominate individual projects as sub entities, and if any sub entity is below the \$150,000 threshold, it can operate as a GST exempt project which means that no GST is paid nor can input tax credits be claimed on expenses incurred with the project – see below.

Each quarter Club’s registered for GST will receive a BAS form for lodgement. The key items on the form are:

Total Sales G1 – indicate whether gst included

Non Capital Purchases G11

Do not lodge without the form as the Document ID is critical to ATO processing.

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.

In order to achieve this sub entity exemption:

- The club itself must be registered for GST
- There must be a board minute documenting the nomination
- There must be separate accounting for the project.
- The separate accounting can be simply separate ledger accounts in the one main ledger.

There is no need to advise the Tax Office of this nomination.

GST Registration Examples

Example 1. Bulamakanka Rotary Club

T'over	Club dues	\$ 16,000
	Sergeant's fines	\$ 5,000
	Dinner fee	\$ 70,000
	Donations	\$125,000

The Bulamakanka Club would not have to register for GST as the donations are excluded from turnover, and the other turnover totals less than \$150,000.

Example 2. Newport Rotary Club

T'over	Club dues	\$ 16,000
	Sergeant's fines	\$ 5,000
	Dinner fees	\$ 75,000
	Golf Day	\$ 80,000

The Newport Club would have to register for GST, because their total turnover is above \$150,000, but could nominate the Golf Day as a sub entity, and operate it without GST. This means that no GST would be payable on Golf Day fees but input tax credits would not be claimable on costs such as Golf Club charges.

GST would then apply to club dues and dinner fees, less GST on meals supplied by GST registered caterers, and District/ RI fees etc. which include GST.

Sergeant's fines are donations, and not subject to GST.

Further information on GST can be obtained from the Tax Office on telephone 132866, or the Tax Website www.ato.gov.au.

AGENCY SITUATIONS

Situations can arise where your Club is acting on behalf of other Clubs or organisations.

Donations received on behalf of other organisations (eg Salvation Army, Bowelcare) do not need to be recorded as Club receipts provided the donating public is aware that the money is not for Rotary and the money is passed on without deduction. The accounting treatment is to use a 'suspense' account. Disclosure by way of note in the accounts may be done.

Typically much of this money consists of cheques made out to the final recipient. These cannot be banked by Rotary.

OTHER TAX LIABILITIES

Income earned by Rotary Clubs has been specifically exempted from Federal Income Tax.

Rotary Clubs should not 'employ' staff as this gives rise to a host of issues, not just taxation. If labour type services need to be bought the supplier should invoice the club showing an ABN.

For further information on this please see the 'Tax Basics for non-profit organisations' ATO Publication NAT 7966-05.2007 which outlines the types of organisations that are 'Income Tax Exempt (ITE), such as "traditional service clubs".

11 INVOICES (Receivable)

Clubs often have to raise invoices on members, other Rotary Clubs or entities or third parties. Generally there should be no need to raise invoices on members for subscriptions or function fees but they will require formal notice for the former.

All invoices should be dated and serially numbered.

Cross referencing to other documents (emails, purchase orders etc) should be as complete as possible.

Contact details for the Club officer handling the activity should be shown.

If the club is prepared to accept electronic payment the BSB and Acct No of the Club's bank account should be shown prominently; not in small print in the corner.

If electronic transmission is proposed a PDF should be produced. Do not send invoices as Word or Excel files. Generally the extra expense and hassle of post mail to the recipient is warranted; emails often get unnoticed, accidentally deleted or lost.

IMPORTANT – Clubs not in the GST system must not use the term TAX INVOICE.

TAX INVOICES

A valid tax invoice for amounts over \$1,000 must contain at least the following information:

- Prominently display the words "tax invoice"
- Show:
 - the name of the supplier (Your name)
 - the ABN of the supplier
 - the name of the recipient
 - the address or ABN of the recipient
 - the date of issue
 - Contain a brief description and quantity of the goods or services supplied
 - Either show the GST amount charged, or a statement that the 10% GST is included in the price.

Valid tax invoices for amounts less than \$1,000 (net of GST) need not contain the name and address of the recipient. One example of these is a docket issued by most (not all) petrol stations, and other check-out registers.

12 DUES

Semi Annual Dues

These consist of:-

- 1. District Dues**
- 2. Rotary International Dues**
- 3. Magazine “Rotarian” or “Rotary Down Under” Dues**

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

District Dues

For 2015/16 District Dues per member (incl. GST) will be set at the District Assembly by the Presidents Elect.

Honorary members are exempt from paying District Dues.

The dues amount includes the cost of the District Training Days and District Insurance, together with \$20 (for 2016/17) per member towards the cost of the District Conference.

Club Secretaries should regularly update membership records on ClubRunner.

Payment of District Dues is to be made on the basis of membership numbers at 1st July and 1st January.

R.I. Dues

Each half year in January and July an invoice will be emailed to the Treasurer requiring payment upon receipt.

The amount billed is based on what appears on the R.I. system and RDU database. Remember “What is billed is what is payable” – no adjustment.

The invoice will be in \$US and will need to be converted to \$A.

To determine the current RI exchange rate, go to:

<http://www.rotary.org.au/en/RESOURCES/Documents/ERates.pdf>

Click on Exchange Rates and scroll down until you find the current month.

To convert to Australian Dollars, for example \$US1,000 to \$AUS, multiply the amount by the current month exchange rate. (1.20 was the February 2015 Rotary exchange rate), i.e. \$US1 000 x 1.20 = \$AUS1,200.

If not paid within the month a different exchange rate may apply as these are updated monthly.

Payment methods are shown on the Club Invoice issued by RI.

These include -

- Payment made through My Rotary via credit card, paying the converted \$AUS amount of the invoice.
- EFT payment made to: BSB 332084 Acct 1003-45217 (subject to change). Make sure the Payment Ref. is specified in the details of the payment. It is recommended you email RISPPPO@rotary.org to advise them of the payment.
- Payment can also be made by cheque

Dues for 2016/17 will be \$US28.00 each half year. On 1st July an additional \$US1.50 per member will be charged to cover Council on Legislation fees.

Pro rata dues apply e.g. if a new member starts during October the invoice as at 1st January will show 2 months up to 31st December and 6 months up to 30th June. No pro rata applies and no rebates are given for members who cease membership during the year.

It is the responsibility of Club Secretaries to ensure that all member changes are made on the District Website (ClubRunner) **by 12 December and 12 June** to ensure that synchronisation with the RI database takes place in due time.

Later data changes run the risk of missing the RI deadlines. (For terminations use 30th June or 31st December not 1st of January or July otherwise there will be charge for 6 months).

Magazine “Rotary Down Under”

Prior to 30th June and 31st December, RDU will send an invoice and list of members to all Clubs. Secretaries will be encouraged to make any member changes directly to the RDU database, if required.

For the first half, invoice adjustments will be allowed up to 31st July 2015.

Provided the member changes have been made to the RDU database, a credit will be allowed for those who are no longer members and an additional charge for those new members not on the list. As with R.I., pro rata dues will apply to new members.

13 BOARD REPORTING

It's vital that you keep the Board and members fully informed of the Club's financial position.

The core responsibility is to report the cash position; it has been traditional for Treasurers' reports to include bank reconciliations:

Rotary Club of ABC Inc.

Treasurer's Report to the Board as at XX/ XX/ 201X

	Gen a/c	Project a/c
Balance as at 1/XX/201X		
As per bank statement
Add o/s deposits
Less o/s cheques (listed)
Balance as per cash book

The report should also refer to any outstanding's – subs due from members, dues payable etc.

It is also required that payments be listed for 'ratification" (too late for approval). This stems from Charities – see p 100 of the Guide to Best Practice.

Payments for board approval

Gen a/c			Project a/c	
Payee	\$		Payee	\$
.....
.....
.....
.....
Total		Total

Ideally you should also present income and expenditure reports with budget comparisons on a period and year to date basis showing also the original budget and the board agreed revised budget.

An advantage of using MYOB is that Month and YTD can be produced but often Month doesn't tie in well with Board meeting cycles.

Sample Outline Annual Financial Statements

Attachment A

Rotary Club of BBBB, Inc

ABN nnnnn

General Account

Statement of Income and Expenditure for the Year ended 30th June 20nn

	This Year	Last Year
	\$	\$
Income		
Member subscriptions		
Dinner fees		
Sergeants Fines		
Donations		
Interest	_____	_____
Total Income		
Expenses		
Dues – RI		
Dues – RDU		
Dues – District		
Dinner costs		
Fair Trading fee		
Bank charges		
Postage		
Gifts	_____	_____
Total Expenses	_____	_____
Surplus / deficit		

Balance Sheet as at June 30th 20nn

	This Year	Last Year
	\$	\$
Assets		
Cash at bank		
Term deposit (matures)		
Deposits prepaid	_____	_____
Total assets		
Liabilities		
Creditors		
Subs in advance	_____	_____
Total liabilities		
	_____	_____
Net assets		
Funds employed		
As at July 1st		
Surplus / deficit	_____	_____
As at June 30th		

Rotary Club of BBBB, Inc ABN nnnnn

Project (Charities) Account

Statement of Income and Expenditure for the Year ended 30th June 20nn

	This Year	Last Year
	\$	\$
Fund raiser #1		
Income		
Expenses _	_____	_____
Surplus / (deficit)		
Fund raiser #2		
Income		
Expenses	_____	_____
Surplus / (deficit)	_____	_____
Total Fund raising		
Donations (general)		
Interest	_____	_____
Total income		
Donations		
Rotary Foundation		
Rotary Health		
Local charity #1		
Local charity #2	_____	_____
Total donations		
Expenses		
Bank charges		

Other _____

Total expenses _____

Surplus / (deficit)

Attachment B

LIST OF ARTICLES (as at Apr 2013)

CLUB CONSTITUTION	
1	Definitions
2	Name
3	Locality of the Club
4	Object
5	Five Avenues of Service
6	Meetings
7	Membership
8	Classifications
9	Attendance
10	Directors and Officers
11	Admission Fees and Dues
12	Duration of Membership
13	Community, National, and International Affairs
14	Rotary Magazines
15	Acceptance of Object and Compliance with Constitution and Bylaws
16	Arbitration and Mediation
17	Bylaws
18	Interpretation
19	Amendments

CLUB BY LAWS	
1	DEFINITIONS
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BY LAWS

District's model By laws provide (in part):

Article 4 Duties of Officers

Section 6 - Treasurer. It shall be the duty of the treasurer to have custody of all funds, accounting for it to the club annually and at any other time upon demand by the board and to perform such other duties as pertain to the office of treasurer. Upon retirement from office the treasurer shall turn over to the incoming treasurer or to the president all funds, books of accounts or any other club property.

Article 12 Finances

The club shall operate two bank accounts – one for 'general' (operations, admin), the other for charitable/service (project) activities.

The Treasurer must ensure that only nominated Board members are listed with the Bank as authorized to operate the accounts which must be on the basis of 'two to sign'.

Prior to the beginning of each fiscal year starting on July 1st, the Board shall adopt a budget of estimated income and expenditures for the year for the general account ensuring that membership fees are set at a level that will provide adequate funds, after paying District, RDU and Rotary International dues for ordinary expenses. Allowance may be made for miscellaneous income such as interest.

Likewise a budget should be prepared for those projects in the charitable area for which commitments already exist (eg Youth exchange) and for those intended to be made.

All receipts are to be banked. All payments are to be made by cheque or bank transfer only on the basis of authorization by a Board member or nominated committee chairman.

The Treasurer shall provide the Board with a listing of all payments made.

Surplus funds may only be invested in bank cash management accounts and term deposits.

The Board shall arrange for audited income and expenditure statements and balance sheets for 'general' and 'charitable', as well as any trust accounts, to be presented for adoption at the Club's Annual General Meeting. The auditor should be a 'Registered Company Auditor' or qualified accountant. The auditor must not be a member of the Board for the year he is auditing the accounts.

Section 1 – Prior to the beginning of each fiscal year, the Board shall prepare a budget of estimated income and expenditures for the year, which shall stand as the limit of expenditures for these purposes, unless otherwise ordered by action of the Board.

The budget shall be broken into two separate parts: one in respect of club operations and one in respect of charitable/service operations.

Section 2 –

- 1 The Treasurer shall deposit all Club funds in a bank named by the Board. The Club funds shall be divided into two separate parts: club operations and service projects.
- 2 The funds of the club shall be derived from admission fees and annual membership dues, donations and, subject to any resolution passed by the club in general meeting, such other sources as the Board determines.
- 3 The Club shall as soon as practicable after receiving money, issue an appropriate receipt.
- 4 Subject to any resolution passed by the Club in general meeting, the funds of the Club shall be used in pursuance of the objects of the Club in such manner as the Board determines

Section 3 – All bills shall be paid by the Treasurer or other authorized officer only when approved by Board members.

Section 4 – As soon as practicable after the end of each financial year, the Board: (a) must cause financial statements for that year to be prepared in relation to the club's financial affairs (including its affairs as trustee of any trust), and (b) must cause the financial statements to be audited in time for them to be submitted to the club's next annual general meeting, such audit to be in compliance with requirements of section 43 of the Associations Incorporation Act 2009

Section 5 – The fiscal year of this club shall extend from 1 July to 30 June, and for the collection of Members' dues shall be divided into two (2) semiannual periods extending from 1 July to 31 December, and from 1 January to 30 June. The payment of per capita dues and RI official magazine subscriptions shall be made on 1 July and 1 January of each year on the basis of the membership of the Club on those dates.

Section 6 - The income and property of the Club however derived shall be applied solely toward the promotion of the objectives of the Club and no portion thereof shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise howsoever by way of profit to the Members of the club, provided that nothing herein shall prevent the payment in good faith of reasonable and proper rent for premises let by any Member of the club.