

A GUIDE FOR CLUB TREASURERS

A resource to help incoming treasurers understand their responsibilities

Small club accounts are not complicated so you don't have to be an accountant to be a treasurer.

Duties of the Treasurer

The Treasurer is required to:

- Ensure that adequate accounts and records exist regarding the club financial transactions including accurate and up-to-date records of all income and expenditure;
- Coordinate the preparation of a budget and monitor it carefully;
- Issue receipts and promptly deposit all monies received in the club bank account;
- Make all approved payments and invoice members and debtors promptly;
- Act as the signatory to the club bank accounts, cheque accounts, investments and loan facilities (with at least one other management committee member);
- Manage the club cash flow and be accountable for the petty cash;
- Prepare and present regular financial statements to the committee at meetings;
- Negotiate with banks for overdraft facilities, and other loan facilities where required by the committee;
- Regularly file business activity statements (including GST) with the relevant authorities, where applicable;
- Prepare financial accounts for an annual audit, and provide the auditor with information as required; and
- Prepare an annual financial report.

Holding the money

The treasurer is responsible for the safety of the money received by the organisation and for banking receipts as soon as possible so the club gets maximum benefit from any deposit or investment.

A treasurer, as custodian for the resources of the club, should also budget carefully to ensure there is always sufficient cash at the bank to cover cheques.

Taxation Issues

While the goods and services tax (GST) is likely to apply to most club operations, the Treasurer should ensure they seek appropriate advice on the those areas outside the GST regulations, e.g. payment summaries (previously known as group certificates), Fringe Benefits Tax, Withholding Tax (these all relate to employment and may not be relevant to many clubs).

The GST is a broad-based tax of 10% applied to supplies of most goods and services consumed in Australia. Sport and recreation organisations, including those in the non-profit sector, must be registered for the GST if their annual turnover is \$50,000 or more (commercial sector) or \$100,000 or more (non-profit sector).

Even if your turnover is under \$100,000, it would be of financial benefit to your organisation to register and receive an Australian Business Number (ABN). There are some supplies where the GST does not have to be included.

Always consult the Australian Tax Office (ATO) or a qualified accountant if you are unsure as to how best to deal with the GST.

Assets and liabilities

Assets can be described as "items which will be of benefit in the future".

Some organisations will require the treasurer to retain a record of assets and depreciation of those assets.

A liability register may also be required so that the club knows quickly what its future commitments are.

Sponsorship

While it may be the task of others to arrange sponsorship, some clubs will make it the treasurer's duty to maintain a sponsorship register containing all relevant details of sponsorship.

This keeps the club on track regarding the sponsor's entitlements and the club's delivery of what has been agreed on.

Making things easy

The Treasurer should make sure – for the sake of the club and its members – that the club financial affairs are kept as simple as possible.

He or she should be able to:

- Give members and elected office bearers information they need when they need it;
- Give the committee appropriate financial information to enable rational decisions to be made on behalf of members;
- Report on the effects of any decision on the financial progress of club; and
- Satisfy members, through the auditor's report, that their funds have been managed honestly and effectively.

THE TREASURER'S 10 COMMANDMENTS:

1. Issue receipts for all money received.
2. Promptly bank all money received.
3. Seek out the safest and most productive place to bank the club cash.
4. Do not pay out any money without the authority of the committee.
5. Do not issue petty cash without receiving a voucher.
6. Clearly distinguish between capital, revenue and expenditure.
7. Record receipts and payments clearly and accurately.
8. Make sure that the balance shown on the bank statements can be reconciled to the balance in the cashbook.
9. Report the past, present and future financial progress and position of the organisation to all committee meetings and the AGM.
10. Faithfully discharge your responsibilities to the committee of the organisation, its members, its sponsors and others with whom it does business.