



The Heart of a Community... The Hope of a Nation!

# **Apex Training Manual**

## **Club Treasurers**



## Club Treasurer's Training Manual

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### TREASURERS DUTIES

1. Prepare a club budget for the next Apex year and set club membership fees.
2. Present reports to the Club and Board regarding the financial position of all accounts.
3. Keep an eye on the balances of accounts to ensure that you are not exceeding your budgeted expenditure.
4. Ensure your accounts have enough funds at the times required for the direct debit of payments for State and National Fees.
5. Ensure authority for participation in Direct Debiting for State and National fees is in force and correct bank account details are notified.
6. Ensure that a cheque is forwarded with every order to Apex National Supply House. (No cheque - no supplies).
7. Be prepared to advise the Club on directions that should be taken with regard to financial matters.
8. Make suggestions regarding changes to the standing orders of your Club, which will make the financial operations of the Club more effective.
9. Ensure that payments and deposits are made from or into the correct accounts.
10. Issue receipts immediately you receive money. Ideally you should write a receipt and hand to the person at the time of receiving payment. When receiving cash ideally you should have the person giving you the cash count it and be present when you check the amount, then issue the receipt immediately. This is for your protection. Make sure you write a receipt for everything to be banked.
11. Ensure the correct procedures are followed in handling petty cash and cash floats and their re-banking.
12. Bank all monies promptly.
13. Check that the receipts issued since last banking total the amount to be banked.
14. Present accounts for approval by Board after verifying their accuracy.
15. Pay all accounts promptly.
16. All payments must be made by cheque; there are no exceptions. Apart from this being a legal requirement it provides protection for you.
17. As Treasurer you should not receipt monies from yourself. When receipting your membership fees you should have the President sign the receipt.
18. Ensure that you enter the details of a cheque on the cheque butt at the time of issue. Don't leave it because you are rushed. This is when mistakes are likely to occur. Bank charges to fix the problem are substantial. Record - who to, why and how much.
19. Three signatures are required on all accounts. viz President, Secretary, Treasurer. Two must sign all cheques.
20. Arrange with your bank to receive statements at the end of each month. If your bank does not issue monthly statements consider requesting monthly statements, as it will make your reconciliations easier.
21. You should reconcile your books every month, the more methodical Treasurer may even do this before (or after) each meeting.
22. Record details of all receipts, deposits and payments in the appropriate cash analysis book and prepare the Annual Financial Report.
23. Ensure you always have a carry forward balance on your cheque butts. This keeps you aware of the balance of your accounts and ensures you don't overdraw the account.



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### REQUIREMENTS FOR YOUR JOB

1. Discuss the operation of the Club accounts and books with the current Treasurer.
2. Cheque books, receipt books and deposit books are required for each account. Receipt books for General and Service accounts are available from Apex National Supply House. You may wish to start each new Apex year with all new books but it is not necessary.
3. Separate Cash Analysis books are required for General and Service accounts. Where a Club operates more than one form of General or Service account these may be operated in different parts of the same cash analysis book. 12-column money analysis will normally be adequate for most Apex accounts, but check with the current treasurer if not certain.
4. Correct signatories for all accounts. Any two of the executive of the Club, namely the President, Secretary and Treasurer are normally authorised to sign cheques on behalf of the Club. New signatories must be arranged by obtaining the appropriate forms from the bank, completing and returning when signed. Your bank officers will be more than happy to assist you with this task. (Refer also to pages 63 and 64 of this manual.)
5. A reliable calculator and a commitment to meticulous accuracy. The time taken to ensure that all entries in cash books, deposit books, receipt books and cheque books are correct, is more than repaid in time saved trying to find errors when books do not reconcile.
6. A current list of Club members and their details.

### TYPES OF ACCOUNTS OPERATED

Apex Clubs generally operate a minimum of two accounts, the General and Service Accounts. Some Clubs may have special (regular) functions that they operate and therefore choose to operate a separate account for these activities.

#### GENERAL ACCOUNT

The General Account is for the running of the Club. It includes items such as Dinner Fees, Club supplies, social functions, secretarial expenses and Dinner Notice costs. Funding may derive from such things as Club events which have usual profit margins eg: membership fees, raffles, fines catering etc. Where monies are raised from the public for the General Account it must be clearly stated and advertised at the time of the event that the funds being raised are being used for the Club's own administration.

#### SERVICE ACCOUNT

This account holds funds that have been raised from the community in the name of charity. This money is being held in **trust and must be accounted for at all times.**

#### SPECIAL PURPOSE ACCOUNTS

If your Club runs any special functions or continuing fund raising project eg local shows, trade shows etc, it is advisable to operate a separate account to record the transactions.

#### GENERAL RULES REGARDING ACCOUNTS

1. Where funds are raised from the public for a specific purpose, then the funds raised must be used only for that purpose.
2. Where funds are raised, in the name of Apex in such a manner as to lead the public to believe that the funds are being used for general Apex charitable work, then such funds may only be used for service or charitable work and may not be subjected to any deduction (percentage or otherwise) to cover **unspecified** administration costs.



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3. These funds raised (items 1 & 2) may have deducted from them any definite and ascertainable expenses arising as a result of the work undertaken to raise the funds, including realistic depreciation and maintenance of the Club property.
4. Funds raised for specific charities or as defined in items 1 & 2 above, may not be used for payment of that part of the Association Fees authorised to be paid from Club General or Service Funds.
5. Funds raised by a Club or individual Apexian in any of the following ways may be used to pay that part of the Association Fees authorised to be paid from Club General or Service Funds:-
  - Where the Club conducts a business based on normal business principles with usual margins of profit such as a canteen.
  - Where funds are raised through the physical efforts of Club members which is the only reason for the resultant fund, e.g. bottle drives, waste paper drives, sale of firewood (where there is no donation of materials or service by members or the public), sale of grain grown by Club members (where there is no donation of use of land, seed or services by members or the public), or similar activities.
6. That apart from the payment of that part of the Association Fees authorised to be paid from the Club General or Service Funds, money raised in the manner set out in 5 above may only be used for general charitable purposes or as authorised by the Department of Consumer Affairs of the State concerned.
7. It is permissible to recoup from service funds the loss made on a project intended to raise service funds.
8. Funds from an individual or organisation, company etc may not be applied to other than charitable purposes unless :-
  - The individual, organisation or company has been advised in advance in writing of the purpose for which the funds are required and
  - The organisation has consented in writing to their being used for that purpose.
9. No Donations & Legacies to a Club shall be used for any purpose other than charitable unless:-
  - They have been donated for some definite non-charitable purpose, or
  - They have been donated by a person to whom the Club has made it clear that some or all would be used for administrative or other non-charitable purposes.
10. Under no circumstances whatsoever may any funds other than those raised from members themselves be used to offset or recoup a loss resulting from any form of **social activities for** Club members.
11. Service Funds: It is important to ascertain whether or not your Club is a registered charity under the appropriate State act. If not, registration should be made immediately. Relevant information is obtainable from the Department of Finance in your State.

## DIRECT DEBITING

The current rules of Apex (Association Best Practices 5.1.3) provide that each Club shall pay the total annual National and State fees to its State Board/Committee by way of four direct debits. These direct debits to a Club's bank accounts occur on the 31<sup>st</sup> July, 31<sup>st</sup> October, 31<sup>st</sup> January and 30<sup>th</sup> April in each Apex year. The first direct debit in any Apex Year will be a standard amount for all clubs as determined by the National Board at the Post Convention Board Meeting. The following three direct debit instalments shall each be one third of the remaining balance of the fee payable by each club.

Where a Club does not participate in direct debiting, they may pay their National/State fees by cheque, after arrangement with the National Treasurer. Clubs that choose to pay their fees by cheque may incur an administrative surcharge of no more than \$50, to reflect the costs to the Association of processing payments by this method.

To make the collection of the State and National Fees feasible, it is essential that all Clubs participate in the Direct Debiting process. Your Club may already participate in Direct Debiting. If they don't, please arrange for them to by completing Direct Debit Authority forms. These forms give the Association Board the authority to directly debit the accounts that you specify.



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The Association Board will only debit the State and National Fees and never any other amounts from your accounts. Your Club will be notified of the amounts to be debited well in advance, giving your Club the chance to query the amount due or to seek a temporary suspension of the drawdown if necessary or to seek relief from the fees.

A Club that has not paid its State and National Fee may be regarded as unfinancial and is not permitted to participate in voting at conventions and their members are not covered by Apex Insurance.

### WHY DO WE HAVE A DIRECT DEBIT SYSTEM

Prior to the introduction of Direct Debiting, the rule was that each Club had to pay its State and National Fees before October in each year. That system incurred several problems that eventually led to the introduction of the Direct Debiting Scheme. Those problems were:-

1. Many Clubs found it very difficult to find the whole amount of State and National Fees early in each Apex Year. This meant that often they were unable to pay the amount. Some Clubs were lost as a result.
2. Other Clubs felt that they would try to express their unhappiness with one or another decision of State and/or National Boards by delaying payment of their fee (despite having had ample opportunity to make their views known at various democratic forum's).
3. Those Clubs, which had not paid the amount on time, had to be followed up by the respective State and National Treasurers. This became an onerous burden upon the people concerned.
4. The fact that much of The Association's income became available 4 months after the start of a financial year caused cash flow problems. The cash flow problems were met by (a) Bank Overdrafts (b) the creation of large cash reserves and (c) over-budgeting to allow some funds to carry over until next year.

The net effect was to increase the overall costs of running The Association. The Direct Debiting System was introduced to overcome a lot of these issues and reduce costs. The Direct Debiting System :-

1. Makes it easier for Clubs to manage payment of the fee by spreading the overall amount over 4 smaller installments.
2. Provides a steady income flow to the State and National Boards to meet expenses as they occur.
3. Makes life easier for the State and National Treasurers to do their job since they have fewer Clubs to follow up due to late payment of fees.
4. The need for Bank Overdrafts and large cash reserves has been significantly reduced and there has been a net reduction in State and National fees as a direct result.

The advantages to your Club of Direct Debiting your State and National Fees are :-

- **SIMPLICITY.** *You don't ever need to write out another cheque for the fees.*
- **COST SAVINGS.** *Your Club need only be notified once of what your fees will be. Letters do not need to be sent out to remind your Club to pay upcoming fees. You do not need to post quarterly cheques.*

The advantages to the Association are identical, but multiplied 500 fold. It would be almost impossible to coordinate the collection of the fees if some 2000 cheques from 500 Clubs throughout the year have to be monitored by the National Treasurer.

It can be seen that continued involvement in the direct debiting system is in the best interests of Clubs and The Association as a whole. It should be noted that the only amounts that can be deducted from a Club's accounts are those which have been authorised via the budget process.

For those Clubs who have difficulty with the 'trust' aspect associated with Direct Debiting, it is recommended as an alternative that they open up a separate bank account. This account can be used to deposit quarterly the amounts required to be paid and then can be used as their direct debit authority account. This way, only amounts which are due can be debited (which is the case anyway!) but may give those Clubs with any doubts, the necessary reassurance.



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### DIFFICULTIES IN MAKING PAYMENTS

As Treasurer of your Club, one of your principle duties is to ensure that all of the Club's bills are paid on time. Payment of the State and National Fees are included in that responsibility, so you should always ensure there are sufficient funds in the General and Service accounts to meet the fees at the time they are due.

If you become aware that your Club will incur difficulty in meeting a payment of the State and/or National Fee amount, you should make contact with your District Governor, State President or State Treasurer to discuss the problem. No doubt an equitable arrangement can be negotiated, provided your Club acts in good faith and before a debt in arrears is incurred. Don't leave it until the National Treasurer has made an unsuccessful attempt to make the direct debit deduction to discuss the problem. The National Finance Services Committee has been established to, amongst other issues, deal with Clubs who are in need of 'fee relief'. Ask your District Governor for details of what is required to apply.





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### ASSOCIATION STATEMENT & TAX INVOICE

2002-2003 Apex State and National Fees

**THE ASSOCIATION OF APEX CLUBS OF AUSTRALIA INC.      ABN 123 456 7890**

Apex Club of Sometown,  
PO Box 1214  
Sometown VIC 3333

15<sup>th</sup> September 2002  
Club: 9876    State: VIC  
13 Active Members

**1**

#### GENERAL ACCOUNT

01 JUL 2002	OPENING BALANCE	0.00
	VIC STATE FEES FOR 2002-2003	502.88
	NATIONAL FEES FOR 2002-2003	531.17
28 JUL 2002	PAID BY DIRECT DEBIT	- 209.00
<b>TOTAL FEES PAYABLE (including GST)</b>		<b>\$ 825.05</b>

These fees are to be paid by direct debit on the instalment dates listed below.  
The fees will be debited from A/C No 987654321 , BSB No 123-456

**2**

Amount (excl GST)	250.01	250.01	250.03
GST payable	25.00	25.00	25.00
<b>TOTAL DUE (incl GST)</b>	<b>\$ 275.01</b>	<b>\$ 275.01</b>	<b>\$ 275.03</b>
<b>INSTALMENT DUE ON</b>	<b>30<sup>th</sup> OCT 2002</b>	<b>30<sup>th</sup> JAN 2003</b>	<b>30<sup>th</sup> APRIL 2003</b>

**3**

**4**

#### SERVICE ACCOUNT

01 JUL 2002	OPENING BALANCE - DEBIT	771.02
	VIC STATE FEES FOR 2002-2003	105.47
	NATIONAL FEES FOR 2002-2003	1,017.66
12 JUL 2002	FEES DEFERRED	- 500.00
01 APR 2002	RECHARGE DEFERRED FEES	500.00
<b>TOTAL FEES PAYABLE (including GST)</b>		<b>\$ 1,894.15</b>

These fees are to be paid by direct debit on the instalment dates listed below.  
The fees will be debited from A/C No 987654321 , BSB No 123-456

**5**

**6**

Amount (excl GST)	840.14	248.67	703.23
GST payable	6.92	24.87	70.32
<b>TOTAL DUE (incl GST)</b>	<b>\$ 847.06</b>	<b>\$ 273.54</b>	<b>\$ 773.55</b>
<b>INSTALMENT DUE ON</b>	<b>30<sup>th</sup> OCT 2002</b>	<b>30<sup>th</sup> JAN 2003</b>	<b>30<sup>th</sup> APRIL 2003</b>



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### Sample Apex Fee Statement & Tax Invoice

In June or July each year your Club will be notified of the first instalment of its annual Apex fees to the Association and your State Committee. This first instalment is a standard amount, irrespective of the size of your Club. The final fees will be calculated based upon the number of Active members in your Club at the start of the Apex year, as advised via the census completed and returned to National Office by your club Secretary.

Then, in around September (once the National Census and Budget have been finalised) you will receive the final Statement of your Club's fees for the Apex year. An example of what this statement will look like is shown on the previous page.

The statement will also act as a Tax Invoice, which your Club will need if it is registered with an Australian Business Number (ABN) and also registered for the GST. To claim back the GST your Club pays as Input Tax Credits, Tax Invoices need to be obtained and held at the time of the supply. For this reason the statement details the GST that is paid with each of its fee instalments.

You will see that the statement shows the fees for both accounts (General and Service) separately. An explanation of some of its other features follows:-

- 1** This shows the number of members that your Club had at the start of the Apex year, according to the latest census return from your Club. The number of members determines how much your Club is charged for its State and National Fees.
- 2** The fees that your Club owes are listed here. Note that on the 28th July 2002, the Club has paid the amount of \$209.00 by direct debit, this being the first instalment of the year's fees, and this has been deducted from the fees owing.
- 3** This indicates how your Club is paying its fees (by direct debit in this instance). You need to check that the account number and BSB (bank and branch) number are correct. If the numbers are not correct then notify the National Treasurer urgently.

If your Club is not enlisted in direct debiting, then the instructions will indicate that you are to pay by cheque and who the cheque is to be made out to. This is different for the Service and General Accounts.

- 4** This is the important part! The shaded boxes show when the fees are due (when the direct debits are going to occur) and how much the instalments are for each account. The instalments are usually approximately the same, unless any changes are made to your payment schedule by agreement with the National Treasurer.

The statement shows that there are going to be three more General Account direct debits for the year:

\$275.01 on the 30th October 2002,  
\$275.01 on the 30th January 2003,  
\$275.03 on the 30th April 2003.

The line above lists how much GST has been included in each of these instalments.

- 5** An amount of \$771.02 is shown as the Opening Balance (debit) for the Service Account. This would be because the Club had not fully paid its fees from the previous year. The Club has also not paid its first instalment for the current year, which would have shown up as 'Paid by Direct Debit' on the 28th July 2002 (as shown on the General Account).

The National Direct debit system will always attempt to recover any previously outstanding amounts from the next scheduled direct debit. For the Club in this example, this means that for the first drawdown on 30th October 2002, the Club would be liable for all of the unpaid fees from last year, the unpaid first instalment for this year and the normal amount that would have been debited on 30th October. This would add up to \$1,347.06.

This large amount may be beyond the means of the Club at that time. If this happens to your Club, then contact the National Treasurer (& advise your State Committee) who can arrange for some or all of the fees to be deferred.



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**6** This shows that on the 12th July 2002, the Club arranged for \$500 of its fees to be deferred. The \$500 has then been recharged to the Club on the 1st April, by negotiation with the National Treasurer.

The instalment amounts show that the \$500 that was deferred on 12th July, has been taken from the 30th October 2002 instalment and added to the 30th April 2003 instalment instead.

As Club Treasurer you will need to be aware of the impending direct debits from your Club accounts every three months. You need to keep a copy of this statement for your information and ensure that the accounts have enough funds in them at the time of the scheduled direct debits.

If your Club does not have the funds, then you need to contact the National Treasurer to arrange for some or all of the fees to be deferred. Otherwise your account may become overdrawn, depending upon any arrangements that you have with your bank. It is just much better to notify the National Treasurer that your Club needs some assistance by deferring payment of its fees.

As stated earlier, if there is an amount outstanding from a previous instalment, the amount outstanding will be added to the next scheduled instalment. The National Treasurer can arrange for a special direct debit to occur, but this will only be done with your agreement.

If you ever need another copy of this Statement, need to know the payment status of your Club's fees, or any other assistance with your Club's fees, then please contact the National Treasurer.

## THE GST AND APEX CLUBS

### understanding the gst & how it works

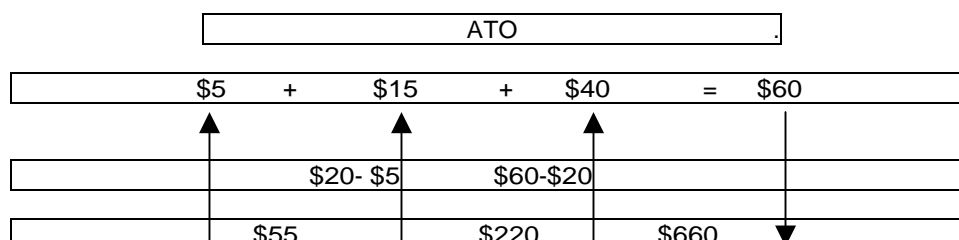
GST is a broad-based tax of 10% on most supplies of goods and services consumed in Australia. GST replaced wholesale sales tax (and various other State & Territory Taxes) which was applied at varying rates to a range of products. The consumer will bear the cost of the GST, while the organisation providing the goods bears the liability to collect and pay the GST to the Australian Taxation Office (ATO).

As the seller of goods, clubs which are registered for the GST, or required to be registered, will have to charge GST on certain goods or services they provide (taxable supplies), with the GST collected from the consumer being paid to the ATO.

As the buyer of goods, all clubs will find from 1<sup>st</sup> July, 2000 that they will be paying a 10% GST on certain goods or services (input tax credits). Clubs which are registered for the GST will generally be able to claim a credit for any GST included in the price paid for goods or services or anything else used in its activities. As a result, GST will not be a cost to a registered club.

For a club which is registered, the difference between the GST payable on supplies (as charged to customers/consumers) and GST included in the purchase price of acquisitions (input tax credits) is the amount the club owes to or is owed by the ATO. Where the club's input tax credits are greater than the amount of GST payable, the club will be entitled to a refund.

The following diagram demonstrates how the GST should work and how clubs registered for the GST will be able to receive any GST included in the price paid for goods and services used in the club's activities.





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SUPPLIER #2 ← SUPPLIER #1 ← CLUB ← CONSUMER

As a brief explanation of the above diagram, consider the position of the GST registered club. Their selling price of \$660 which includes \$60 GST charged on to the customer. The club paid \$220 for acquisitions, including \$20 GST. The club is entitled to claim an input tax credit for \$20 and only remits \$40 to the ATO. Note that the club has added \$400 in value to the product (being its net of GST price of \$600 less \$200 it paid to supplier #1). The amount of GST the club remits to the ATO is \$40, being 10% on the \$400 value added.

The total GST paid to the ATO over the supply chain is \$60, which is equal to the GST included in the price paid by the consumer at the last point in the chain. The ATO has collected the \$60 in three stages, \$5 from supplier #2, \$15 from supplier #2 and \$40 from the club. There is no duplication of the amount on which the tax is to be charged, because each supplier, including the club, is entitled to a credit for the GST it paid on the things acquired to make the sale.

### DOES OUR APEX CLUB HAVE TO BE REGISTERED FOR THE GST ?

Clubs that have an annual turnover of \$100,000 or more must be registered. If your Club's annual turnover is below \$100,000 registration is optional.

THE ASSOCIATION STRONGLY RECOMMENDS THAT CLUBS **DO NOT** REGISTER FOR THE GST UNLESS THEY HAVE TO. IF A CLUB IS REGISTERED, THE RECORD KEEPING AND REPORTING REQUIREMENTS ARE ONEROUS.

The Association also **strongly** recommends that if your Club has to register, based on the best possible professional advice obtained, **your club should take steps immediately to appoint a qualified person to assist you with the requirements of the GST.**

### WHAT DO WE DO IF WE HAVE TO OR WANTED TO REGISTER FOR THE GST ?

A club must register and obtain an Australian Business Number and to be part of the GST system. Application forms are available from the ATO, some newsagents and Post Offices. A club can also register electronically at [www.business.gov.au](http://www.business.gov.au)

### WHAT ARE THE IMPLICATIONS OF REGISTERING FOR THE GST ?

The implications of registration are onerous and include:-

- (i) The Club's records will have to adequately record GST paid and received.
- (ii) GST has to be included in the price of any goods or services supplied (taxable supplies). This would also include any membership fees charged by the Club. GST will also be payable on any grants that are received by the Club. For example, if a local council gives the club a grant to rebuild a playground, the Club must remit 1/11th of that grant to the ATO.
- (iii) The club will have to issue "tax invoices" for goods & services it supplies (Refer to the example of a tax invoice in the section "Association Statement & Tax Invoice".
- (iv) All Clubs will incur GST in the price of things they acquire in their usual course of activities. Clubs registered for the GST will be able to claim back from the ATO the GST they have paid on these goods and services (input tax credits).
- (v) A quarterly Business Activity Statement has to be completed declaring the amounts of GST collected and deducting any amounts of GST paid (input tax credits) and lodged with the Australian Taxation Office, together with any funds (GST) owing.



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### WHAT HAPPENS IF WE DON'T REGISTER for the GST?

If a club does not register:-

1. They do not have to charge GST on goods or services they supply.
2. The Club cannot claim "input tax credits" on goods or services it purchases ie: the Club is the consumer and will most likely have to pay 10% more for goods and services it now uses.
3. The Club does not have to issue tax invoices.
4. The Clubs does not have to complete quarterly Business Activity Statements.

**NOTE : - SERIOUS IMPLICATIONS ARISE FOR CLUBS THAT SHOULD HAVE REGISTERED BUT DO NOT!**

### WHAT HAPPENS IF WE HAVE A MAJOR PROJECT ? CAN WE CLAIM BACK THE GST ON THE INPUTS ?

If the Club wants to complete a major project, or one of its supplier's demands that it is registered for GST purposes (for example a local Council), it is possible for the Club to register for only one year. (Once registered the Club must remain registered for the entire year.) However, during that year the Club would be required to comply with all the regulations applying to registered GST providers including to lodge (and pay any GST due) the quarterly Business Activity Statement, quarterly for that year.

If the Club has a major project in excess of \$5,000 and it falls within the objects of the Apex National Relief Fund, it may be possible to run the project through that Fund. The National Association will then do all the accounting for the GST, including issuing tax invoices and completing the Business Activity Statement. If this applies to you, written enquiry should be made (e-mail will suffice) with the National Office, in the first instance.

### WHERE DO I GET HELP?

- (i) The Tax Office Web Site: [www.taxreform.ato.gov.au](http://www.taxreform.ato.gov.au)
- (ii) The Tax Office - Business Tax Reform Infoline: 13 24 78
- (iii) Local professionals and Apexians
- (iv) The Association - please call the National Office on 08 8562 4009 during reasonable hours.

**REGISTRATION DEPENDS ON THE CIRCUMSTANCES OF YOUR CLUB. OVERALL THE ASSOCIATION STRONGLY RECOMMENDS THAT CLUBS DO NOT REGISTER FOR THE GST IF THEY DON'T HAVE TO. HOWEVER, IF THERE ARE ANY UNUSUAL CIRCUMSTANCES FOR YOUR CLUB, PLEASE DISCUSS THEM WITH YOUR LOCAL TAX PROFESSIONALS OR THE NATIONAL OFFICE.**

### **THE NEW TAX SYSTEM - AUSTRALIAN BUSINESS NUMBER**

Under The New Tax System, the new Pay As You Go (PAYG) System has also been incorporated. Under the PAYG system, businesses supplying goods and services must issue an invoice quoting their Australian Business Number (ABN). If the ABN is not quoted on the invoice, the payer is required to withhold tax from the payment to the supplier. This is called the No ABN Withholding Tax. The amount which must be withheld is the top marginal rate of tax plus the Medicare Levy (currently 48.5%). The amount withheld is then forwarded onto the ATO.



## Club Treasurer's Training Manual

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Examples :-

- if a business supplies goods and services to a club and does not quote an ABN on their invoice, the club is required to withhold tax from the payment to the business/supplier.
- if a club provides goods and services to a business and the club does not quote an ABN on their invoice, the business is required to withhold tax from the payment to the club eg: the club will receive 48.5% less than the amount invoiced to the business.

### WILL OUR APEX CLUB HAVE TO apply FOR AN ABN?

Clubs that have any dealings with businesses will need to apply for an ABN. Advice from the ATO indicates that there aren't any (negative) ramifications in clubs obtaining an ABN even for those clubs who do not currently deal with businesses. It is better to obtain a number now so that a club can quote it's ABN should the need arise. Note: if a club intends to apply for any grants, an ABN will most likely be requested.

THE ASSOCIATION STRONGLY RECOMMENDS THAT CLUBS DO APPLY FOR AN ABN.

### HOW DO WE APPLY FOR AN ABN ?

A club must register to obtain an Australian Business Number to be part of The New Tax System. Application forms are available from the ATO, some newsagents and Post Offices. A club can also register electronically at [www.business.gov.au](http://www.business.gov.au)

**CAUTION : THE ONE FORM IS USED TO APPLY FOR AN ABN AND TO REGISTER FOR THE GST. PLEASE NOTE THE ASSOCIATION'S STRONG RECOMMENDATION -**

- THAT ALL CLUBS ARE TO APPLY FOR AN ABN (and then quote it on all invoices it issues after 1<sup>st</sup> July, 2000)
- **ONLY REGISTER FOR THE GST SYSTEM (IF TURNOVER IS OVER \$100000) IF YOU HAVE TO**
- **IF IN DOUBT WHEN FILLING IN THE APPLICATION FORM - ASK SOMEONE WHO KNOWS !**

### WHERE DO I GET HELP?

- (v) The Tax Office Web Site: [www.taxreform.ato.gov.au](http://www.taxreform.ato.gov.au)
- (vi) The Tax Office - Business Tax Reform Infoline: 13 24 78
- (vii) Local professionals and Apexians
- (viii) The Association - please call the National Office on 08 8562 4009 during reasonable hours.



## Club Treasurer's Training Manual

### PREPARING YOUR CLUB'S BUDGET

Many Clubs fail to prepare budgets for the coming year. The basic purposes of the budget are to provide the Club board with a guide as to the financial activities of the Club and to help determine what they will be able to achieve during the year without running out of funds.

Budgets should ideally be set for both the General and Service Accounts. In many instances it is difficult to set a budget for the Service Account because of the difficulties associated with determining income or expenses and it can be considered understandable why some Clubs do not prepare budgets for this account.

However the General Account must have a budget prepared before the year starts. The general account is the administration funds for the Club. Income sources for the General Account are very often far more limited than the Service account and it is important to know how the Club will fare in the coming year

Before preparing your budget (either account) you need to obtain facts that will be used to derive the budget. These include :-

1. Consulting the incoming directors to determine their plans for the year - what projects are they planning to do that will cost money?
2. Consult the current treasurer to determine the current trend of actual figures against their budget.
3. Know or obtain the costs involved with items :-
  - Post Box Rental
  - National and State Fees
  - Club Newsletter Costs
  - Socials Planned
  - Postage, Letter heads
  - Apex National Supply House
  - Dinner fees for coming year (any increase?)
  - Approximate attendance at Club Meetings, How many planned at home?
  - How many "freebies" are expected this coming year (Guest speakers, District & State Visitors)
  - Special awards for the year (Senior Actives, Life Members etc)
  - Bank Charges, Government Duties etc

Once you have collected all the relevant information you should sit down with the current Treasurer and the incoming President and prepare the budget. As a guide, use last year's budget and actual figures achieved to help you in determining the proposed budget.

The following example of a finished budget may assist you in preparing your own Club's budget for this year.

### SAMPLE GENERAL ACCOUNT BUDGET

Expenditure		Income	
Meals (20 x 22 meetings @ \$9)	3,960	Dinner Levy (20 x 22 @ \$10)	4,400
Assoc. General National Fee	1,100	Fines	300
State Fee	900	Raffles	200
New Member Kits	50	Newsletter Ads	150
Newsletter Costs 25 issues @ \$8	200	Sundries	100
Postage Club Newsletter (40 copies x 22 issues x 45c)	395	Fundraising	1,500
Secretaries Postage/PO Box	100		
Dinners for Club Guests 10 @ \$9	90		
Awards, Presentations, Trophies	250		
Badges for new members and partners	55		
Stationery	50		
<b>TOTAL EXPENSES</b>	<b>7,150</b>	<b>TOTAL INCOME</b>	<b>6,650</b>



## Club Treasurer's Training Manual

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Excess of Expenditure over Income = \$500. Numbers of Members = 20. Membership fee required \$500/20 members = \$25.00 each. Recommend that Club Membership Fee be \$30. This is only for the General Account, and there would be a similar budget for the Service Account. Making a total Club membership fee of say \$50.00.

Many Clubs subsidise their membership fees by various schemes (complying with the appropriate rules relating to raising funds for the General Account) by raising money for their General Account (refer section on General/Service funds).

Now try the following draft budget exercise to see how it can be done.

### budget exercise

Your task is to prepare the Club's **General Account** Budget based on the following information:-

The Apex Club of Nuriootpa Inc meets fortnightly at the Great Northern Hotel with the exception of Christmas holidays and it is anticipated there will be 24 meetings over the next 12 months. The hotel charges \$13.00 per head for meals and the average dinner attendance is 14 members.

The current membership is 21 but 3 will retire at 30th June this year. National and State annual fees for the coming year have been advised as \$350 and \$250 respectively. The District annual fees amounts to \$400.

The club Newsletter Editor estimates it will cost \$10 per issue in photocopying costs. The newsletter is posted out to all members before each meeting. On average 30 newsletters are posted out each time to either club members, other clubs, National & State officials or Life members.

The club runs a raffle for the General Account at the Barossa Valley Picnic Races and usually makes \$1500 profit.

The membership director anticipates that the club will attract 10 new members during the next twelve months. Apex National Supply House has advised that the cost of new member kits is \$11 each and member's badges are \$8, with partner's badges at a cost of \$5 each. The club also needs to obtain club shirts for new members as well as new shirts for current members. The cost of these from Apex National Supply House will be \$25 each. The club normally supplies new members with a complimentary shirt.

The Secretary has advised that they will require the following amounts to be budgeted for :- postage \$100, Post Office box rental \$75, club letterhead \$45 and other sundry stationery \$50.

The President has requested the following be included or implemented during their term :-

- Handover Dinner including presentation and trophies \$500
- Club Socials \$1000
- To make \$2 profit from dinner meals
- To include an item for flowers for members who may be ill, have babies etc
- Registration Cost for State Convention of \$100
- Travel to State Convention of \$80 and accommodation allowance of \$150

The current Club Treasurer has advised the following :-

- Proceeds from club meeting raffles is expected to be \$20 per dinner meeting (following the pattern over the last 9 months)
- Advertisements in the club newsletter earn the club \$150 annually
- Fines at club meetings come to \$300 for the year usually
- Bank charges of \$15 including Federal Debits Tax
- There are normally 10 guests during the year for which the club pays for and of course the club pays 1 meal for each new member.

Use the following blank page to draft this. There is a suggested "answer" at the end of the treasurer's section. How did you go ?







## Club Treasurer's Training Manual

### RECEIPTING INCOME AND RECORDING PAYMENTS

All income that comes into the account must be issued with a formal, signed receipt. Apex receipt books are available from Apex National Supply House. One receipt book should be used for each account operated. Each receipt book holds one hundred receipts, in duplicate. Remember not to sign receipts for monies that you personally have paid to the account - get someone else to check the money and sign the receipt.

All payments paid out must be by cheque. A voucher is recommended as an addition to the payment of the cheque to assist you in keeping your records correctly. This voucher can be used to record details of the date, who made the request for payment, the reason the payment was necessary and should have the applicable receipt attached to it. If your Club receives a letter requesting funds, a copy of this request should be attached to the payment voucher. Any correspondence that went out with the payment should also be attached. This makes the auditor's job easier and helps keep the records straight.

An example of a payment voucher that could be used is :-

<b>Apex Club of Somewhere Special Inc</b>	<b>Expenditure Voucher</b>
Date:	-----
<b>Requested By:</b>	-----
<b>Expense Details:</b>	
	-----
	-----
<b>Amount:</b>	\$-----
Signature:	-----
<i>Account/Allocation. [SERVICE] [GENERAL]</i>	
<i>Cheque Number:</i>	-----
<i>Board Approval On:</i>	-----
<i>Treasurer:</i>	-----

You will note that this payment voucher includes a section to record the date that the Club board approved the payment. Payments must either be approved by the Club Board or at a Club Meeting. Record all details and payments in order according to receipt or cheque number. It is a good idea to write down these receipt or cheque numbers into your cashbook first, to avoid missing or duplicating any. Occasionally, [say every week or fortnight], you should check to determine that the books balance and no discrepancies have occurred. Add the individual columns of numbers and then check to see they agree. For example the totals of all the individual credit items should agree with the total in the banked column. The sum of all the individual category columns should agree with the banked and receipt total columns. The more often you carry out this process then the easier it will be to find errors and correct them. This will make the later process, reconciliation easier.

### PREPARING AND KEEPING CASH ANALYSIS BOOKS

The Cash books that you keep are the final records of all financial transactions of your Club. They require meticulous accuracy. Many treasurers hesitate at the thought of keeping cash books, however providing you set the parameters correctly at the start and enter details regularly, you should find it relatively easy to complete your task.

For each account that you operate you will require a cash analysis book. Receipts and deposits into the account need to be dissected into various categories according to what the receipt or payment was for. The purpose of this is to allow you at any time to report on the amounts received or paid, for any one item eg: the expenses to date for the Club Newsletter.

The cash analysis book comes with multiple columns into which you enter the details. You will find that books containing between 10 and 14 columns will be adequate for the Club's needs. To keep continual records of the Club's financial activities, rule off the book at the end of each Apex Year and then just continue on recording, starting on the next new page. This will also enable you to see what the present treasurer has done and (assuming accurate recording) enable you to follow on likewise.



## Club Treasurer's Training Manual

There is no hard and fast rule how to draw up the cashbooks and the column headings used will vary from Club to Club and account to account. However, in each type of transaction (receipt or payment) several columns will be required as essential.

In the Receipts section of the cashbook you will require :-

- Date Column
- Receipt Number
- From who received
- Amount Received
- Banking Column
- Type of Income ie: membership fee, fines

In the Payments section of the cashbook you will require :-

- Date Column
- Cheque Number
- Payment Details- who paid to
- Amount of the Cheque
- Type of Payment ie: postage, Apex National Supply House

Now try the following Cash Analysis exercise :-

### CASH ANALYSIS EXERCISE

Headings for the Cash Analysis used are :-

#### Receipts

Date, Particulars, Receipt No, Amount, Banking, Dinner Fees, Membership Fees, Fines, Raffles, Socials, Sundries

#### Payments

Date, Particulars, Cheque No, Amount, Dinner Meals, Raffles, Association Fees, Socials, Sundries

From the following list of transactions prepare the Cash Analysis Journal for Receipts and Payments :-.

- 14 October Received \$210 from J Power (Commissariat) for dinner fees (rcpt # 12)
  - Received \$95 from A Phillips for membership fees (rcpt # 13)
  - Received \$50 from P Krogh for club BBQ (rcpt 14) from recent social function
  - Invoice received from Great Northern Hotel for meals \$182 (chq 101)
  - Received \$32 from J Edgar for raffle income ( rcpt #15)
  - Paid J Edgar \$22.50 for raffle prize (chq 102)
- 15 October State/National Fees Direct Debited for \$150
- 22 October Received \$95 from V Wilkinson for membership fees (rcpt #16)
  - Received \$55 from T McKee for membership fees (rcpt 17)
- 28 October Received \$270 from J Power (Commissariat) for dinner fees (rcpt #18)
  - Received \$32 from J Edgar for raffle income (rcpt #19)
  - Paid J Edgar \$22.50 for raffle prize (chq 103)
  - Paid Great Northern Hotel for meals of \$234 (chq 104)
  - Received an invoice from Australia Post for Post Office Box Rental \$75 - club meeting approved payment (chq 105)
  - Received \$28 for fines at Dinner Meeting from A Jolly (rcpt #20)
  - Received Invoice from Apex National Supply House for new members kit \$15 (chq 106)

Use the following blanks to draft this. There is a suggested "answer" at the end of the treasurer's section. How did you go ?



# Club Treasurer's Training Manual

## RECEIPTS JOURNAL

Date	Particulars	Rcpt No	Amount	Banked	Dinner Fees	Membership Fees	Fines	Raffles	Socials	Sundry
Total										

## PAYMENTS JOURNAL

Date	Particulars	Cheque No	Amount	Dinner Meals	Raffles	Association Fees	Socials	Sundry
Total								



## Club Treasurer's Training Manual

# RECONCILIATION OF THE ACCOUNTS

The reason for carrying out reconciliation is for you to ensure that what you believe is the amount of money in your particular account agrees with what the Bank advises it holds on your behalf.

It's not as easy as it sounds - you may have recorded items that the Bank is not aware of eg: written cheques or made deposits that they haven't received or recorded yet. They may have recorded items you are not aware of eg: charged fees, bounced cheques etc. Or you may have recorded incorrect details on the cheque butt because of an error or the cheque may have been altered later without the cheque butt being altered too.

So it is necessary to reconcile your CashBook calculation with the Bank's balance, adjusting for those deposits or cheques it has not yet received.

The general procedure for reconciling your accounts is to :-

1. Check deposits in your cashbook with the deposits on the statement and ensure that they agree. Using a pencil, tick deposits in the cash book and on the bank statement that agree. Deposits in your cashbook that do not appear on the statement are called outstanding deposits.
2. Check the withdrawals (payments) in your cashbook against those that are listed on the bank statement. Again, using a pencil, tick off those payments in the cash book and on the bank statement that agree. Cheques that have been drawn, but that do not appear on the bank statement are referred to as outstanding payments.
3. Check the bank statement for any bank charges, or interest payments that have been made, and which are not recorded in the cashbook. Enter these amounts in the appropriate section of the cashbook and then tick the entries in both the cash book and bank statement.
4. Determine the balance from your cashbook.

The checking off of all the entries in the CashBook to the Bank statements, as outlined above, should have corrected any discrepancies in entering the correct amount in the CashBook. The totals of deposits and cheques drawn allow you to produce the "Balance as per Cash Book" sections. The list of unticked cheques and receipts in the CashBook gives you the information to complete the "Balance as per Bank Statements" section.

A worked example of a reconciliation report is provided below :-

### BANK RECONCILIATION

As at 31 Aug 20XX

#### BALANCE AS PER BANK STATEMENT    BALANCE AS PER CASH BOOK

Statement Balance at 31/8/XX	\$128.63	Opening Balance	\$153.96
<b>Less Unpresented Cheques</b>		Add receipts for Month	\$685.97
Chq 041	28.62		
Chq 043	15.00		
Chq 056	18.00		
	\$61.62	Less Payments for Month	\$660.36
<b>Add Outstanding deposits</b>			
Receipt 45	11.36		
Receipt 46	101.20		
	\$112.56		
Balance at 31/8/XX	\$179.57	Cash Book Balance 31/8/XX	\$179.57



## Club Treasurer's Training Manual

### WHAT IF IT DOESN'T BALANCE?

Firstly, check all additions. Then determine the difference between your CashBook balance and that of the Bank statement as determined by reconciliation.

If your CashBook balance is different to that determined by reconciliation from the Bank statement you must find the reason for the difference.

Is there an unpresented cheque (possibly from the previous month or year) or an outstanding cheque which you haven't taken into account? Start by looking for cheques or deposits for the amount you are out. Is there Bank charges or interest payments shown on the Statement (or previous statements) which have not been entered in the CashBook?

Are there other amounts shown on the Bank statement, which are not shown in the CashBook? If so, these represent deposits or withdrawals that have not been entered in the CashBook. If it is still not obvious, start ticking everything again - paying particular attention that the cheque and deposit amounts agree with the amounts in the CashBook.

Finding the error should be reasonably easy, particularly if you have been reconciling your statement with the CashBook every month. If you are having trouble finding the discrepancies then don't leave it - get some help from someone else in the Club.

Having reconciled your figures, write the reconciliation details into your CashBook. You'll need it to use for your next reconciliation. Your successor will certainly need it. You now have the information to prepare financial statements and to use as a basis for decision making.

Now, using the Cash Analysis Exercise and the following "draft" bank statement, try the following reconciliation exercise in the space below. There is a suggested "answer" at the end of the treasurer's section. How did you go ?

### RECONCILIATION exercise

#### BANK OF AUSTRALIA

Statement of Transactions  
Apex Club of Nuriootpa Inc  
Account Number 031 004 123 456  
From 1<sup>st</sup> October, 2002 to 31<sup>st</sup> October, 2002  
Statement page 4

DATE	TRANSACTION DETAILS	WITHDRAWAL	DEPOSIT	BALANCE
	Opening Balance		1250.00	
15 OCT	DEPOSIT (NURIOOTPA)		387.00	1637.00
	TRF DIRECT DEBIT APEX AUSTRALIA	150.00		
17 OCT	TRF CHEQUE 101	182.00		1305.00
18 OCT	REF CHEQUE 102	22.50		1282.50
23 OCT	DEPOSIT (NURIOOTPA)		150.00	1432.50
29 OCT	DEPOSIT (NURIOOTPA)		330.00	1762.50
30 OCT	TRF CHEQUE 103	22.50		1740.00
	TRF CHEQUE 104	234.00		1506.00
	REF CHEQUE 105	75.00		1431.00
31 OCT	STATE GOV TAX	3.50		1427.50
	INTEREST	1.12		1428.62
TOTALS AT END OF PERIOD		689.50	868.12	
CLOSING BALANCE			1428.62	



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### BANK RECONCILIATION

As at 31 August 2002

#### BALANCE AS PER BANK STATEMENT    BALANCE AS PER CASH BOOK

Statement Balance at 31/8/02		Opening Balance	
<b>Less Unpresented Cheques</b>		Add receipts for Month	
		Less Payments for Month	
<b>Add Outstanding deposits</b>			
Balance at 31/8/02		Cash Book Balance 31/8/02	

## REPORTING TO THE CLUB

### REPORTS TO CLUB OR BOARD MEETINGS

Your reports to meetings of your Club and Board should be such that they advise the members of transactions which have occurred since the previous meeting, the balances of the accounts and any other matters which you might need to discuss. In some instances the Club may choose only to receive the balances of the accounts at regular Club meetings and leave the full transaction report to the Club Board meetings. The format of reporting is entirely up to the individual Club.

A report to your Club Meeting or Board may take the following form, (or condensed) to give the necessary information.

Balance as at 11/01/XX    \$6,310.11

Add Receipts

Rec. No	Date	From	For	Amount
43	11/01/XX	R. Walker	Fines D.M. 585	16.00
44	11/01/XX	D. Watson	Raffle D.M. 585	58.26
45	11/01/XX	T. Baker	Dinner fees D.M. 585	120.00
			<b>Total Receipts</b>	<b>194.26</b>

Deduct payments (Approved 18/01/XX)

Chq No.	Date	To	For	Amount
200025	11/01/XX	Catering Co. Ltd.	Meals for D.M. 585	100.00
200058	11/01/XX	Supply House	New Members Kits	22.00
			<b>Total Payments</b>	<b>122.00</b>
			Balance as at 25/01/XX	\$6,382.37

NOTE: A report should be presented for each account operated by the Club.

If your Club has been involved in any special functions since the last meeting then you should also report on the financial results of this activity. You should include details of the items sold, quantities remaining, the gross takings and expected profits or losses from the event.

Ideally you should try to type up your report and include it in your Club Newsletter or have sufficient photocopies of the report that you can circulate at the meeting. This provides sufficient time for those



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present to review the details and will ultimately make your job of reporting and having your report adopted, easier.

If not possible to have copies for all the members, at least make certain that the Club Secretary receives a copy for inclusion in the minutes of the meeting. You and the President should sign them.

Where there are accounts for payment, these will need to be detailed so that they can be approved. The minutes must record who the account was from and the amount that was owed. Under Incorporation Regulations, the Club's Board only may approve all accounts for payment.

### REPORTING AGAINST BUDGET

It is important for the Club Board to be aware of how the Club's finances are going as compared against the budget developed at the start of the Club year. You should therefore provide information to the Board that will assist them to ensure that the balance of the year runs smoothly and that the Club does not find itself in financial difficulties.

The easiest way is to provide each Board member with a copy of the budget set at the start of the year. Along side each of the categories in the budget you should provide a figure indicating the expense (or income) to date allocated to that category of the budget. If you have been balancing your accounts regularly then this should be an easy task.

### **SPECIAL EVENTS**

We have already briefly discussed the presentation of reports to the Club on special events that have taken place involving the Club and its members. This report involves advising the Club on the profitability or otherwise of the event. One aspect of special events that is often overlooked is preparing a budget for the event.

Budgets should also be prepared when preparing for functions to be run by the Club. For example, in selling food or drinks as a fund raising effort, how do you determine the price to charge to ensure you make a profit? Even a simple social should be the subject of a budget to determine how much it is going to cost the members.

In large events or where public funds will be involved budgets for special events should be considered essential. Once formulated this budget should be presented to the Club Board for approval. It may be considered a nuisance to prepare a special budget, but it will provide clearer details of the events to ensure that losses do not occur.

### CASH FLOATS

Many Clubs will require a cash float at various times of the year to provide change for a particular function. The method of handling these is as follows :-

1. Draw a cheque for the amount required.
2. When returning the float it must be deducted from any takings from the function and a separate receipt issued.
3. Rebank the float as a separate deposit or show the amount separately in the CashBook.

NOTE: If practical have another Club member be responsible for collecting/checking the cash at the function, then you write out the appropriate receipt or receipts.

### PETTY CASH

1. Usually the Secretary will require petty cash for postage etc. The method of accounting for petty cash expenditure is as follows:
2. Draw a cheque for the amount of petty cash required. ( say \$50)
3. Keep petty cash vouchers (pads available from newsagents) for all payments. Attach dockets to vouchers to support payment.
4. Draw cash cheques for the amount of vouchers to replace original petty cash as required.
5. When you draw the cheque you can allocate the amount into the various components (eg: postage, repairs, social functions) and allocate each to the appropriate column in the CashBook.





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6. At the end of the Apex year,
- Draw a cheque for vouchers not previously covered.
  - Have Secretary return the sum of the original cheque (\$50)
  - Write a receipt and rebank prior to 30<sup>th</sup> June.

## REFERENCE INFORMATION YOU NEED TO KEEP

### REGISTER OF MEMBERS

Keep an up to date list of members. You need this as a quick reference for such things as who still owes their annual subs. You can also add columns for other activities like socials, etc. This provides a simple permanent record of monies still outstanding from Club members.

It may be possible to use a spare section of your cash Analysis Books to record this information.

### PAYMENTS TO STATE OR NATIONAL

All payments of fees that are made to the State or National are made via direct debiting. These are the payment of the annual National and annual State Fees that have been approved by the State or National Conventions. Direct Debiting was covered in a previous section – please refer back (pages 44-46) for more information.

There may be other occasions where payments need to be made to the State or National Administration. These will include items such as Life Membership Applications, purchases of Association or State supplied goods etc. In all cases payment should be made by cheque.

Payments to the State should be made payable to whatever the invoice says and those to the Association to "Association of Apex Clubs of Australia."

If at any time you find that your Club is in a position where it may not be able to meet its commitments to the State or Association then you should contact the person concerned. This will be the National or State Treasurer. In most cases they will be able to work out some arrangements regarding payment. Don't just ignore the problem.

### REGISTER OF ASSETS

It is in your Clubs interests to keep a register of assets. This should record all property owned by the Club. A proposed format is shown below. This register stops the problem of property being lost within the Club.

Date	Property Description	Value or Cost	Purchased From	Donated By	Date Sold or Disposed of

You should also maintain a register of cash and investments. This can then be presented at the end of the financial year as follows.

#### **APEX CLUB OF SOMEWHERE SPECIAL INC.**

Schedule of Assets held as at 30<sup>th</sup> June 20XX

#### INVESTMENTS

Fixed deposit Westpac Bank      \$2,000.00

#### EQUIPMENT

From Register of Assets              \$5,000.00

TOTAL                                              \$7,000.00

NOTE: All Petty cash, postage floats, etc. should have been re-banked by 30<sup>th</sup> June.



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# ANNUAL FINANCIAL REPORT

At the end of the Apex year (30<sup>th</sup> June), you will need to prepare your club's annual financial report. This financial report is a summary of all financial transactions for the year (from 1<sup>st</sup> July to 30<sup>th</sup> June) and a report should be completed for each club bank account separately. The report, once your financial reports have been audited, should then be included with all other reports in your club's annual report. Note, copies of the club annual report are usually handed out to all members at handover and should also be distributed to your District Governor, State Committee and also to the Association at National Office. An example of an annual financial report is shown below.

### **STATEMENT OF INCOME & EXPENDITURE - GENERAL ACCOUNT APEX CLUB OF SOMEWHERE NICE INC FOR THE PERIOD 1<sup>ST</sup> JULY, 2000 TO 30<sup>TH</sup> JUNE, 2001**

<b>1999/00   INCOME</b>	<b>2000/01</b>
450.00 Administration Fees	500.00
175.00 Fines	200.00
75.00 Donations	100.00
250.00 Special Purpose Account	1000.00
500.00   Dinner Badges/Membership	750.00
875.00 Fundraising	2000.00
950.00 Club Meetings	840.00
100.00 Executive Training Seminar Reimbursement	200.00
Red Cross Membership	50.00
200.00 Raffles	350.00
5.00 Bank Interest	15.00
45.00 Sundry other	10.00
<b>3625.00</b>	<b>6015.00</b>
1705.00 <b>Opening Balance at 1st July, 2000</b>	500.00
<b>5330.00</b>	<b>6515.00</b>
<b>EXPENDITURE</b>	
1750.00 Apex National Fees	1500.00
800.00 Apex State Fees	750.00
125.00 Apex District Fees	100.00
45.00 Bank fees	50.00
900.00 Club meetings	800.00
125.00 Convention Registrations	250.00
650.00 Fundraising	500.00
125.00 Handover Expenses	50.00
90.00 Newsletter	35.00
80.00 Postage	90.00
125.00 Stationery	75.00
85.00 Supply house - badges etc	100.00
55.00 Sundry other	35.00
<b>4830.00</b>	<b>4335.00</b>
500.00 <b>Closing Bank Balance at 30<sup>th</sup> June, 2001</b>	2180.00
<b>5330.00</b>	<b>6515.00</b>



## Club Treasurer's Training Manual

### MINOR ART UNIONS/LOTTERIES

As rules differ from State to State it is recommend that you obtain a booklet available in your State such as "Minor Art Unions - Your Questions Answered" which will cover all aspects of ticket sales, records etc that relate to holding a Minor Art Union or Lottery. These information booklets can be obtained by contacting the State Government Information service in your state.

A minor art union is one where the gross proceeds (ie: the total value of the ticket sales) do not exceed \$5000, but does not include bingo, lucky envelopes, small private raffles or a Calcutta sweep. By far the most popular form of minor art union is the raffle. Others include sweeps, silver circles, chocolate wheels and footy doubles.

If you will be running a raffle or other fund raiser where tickets are being sold to the public then you must be registered and have a permit or license from the State Government to conduct the minor art union. Normally you receive a minor art union permit for the period that the art union will run, with a maximum of 4 months. Minor Art union or Lottery licenses can be issued for periods of one to three years, these typically being issued to Associations. These allow for multiple art unions to be run over the period of the license.

The Art Union permits and licenses can be obtained from your relevant State Government Department.

Recent changes to the legislation now includes a category of Small Private Raffles which allows the sale of tickets "in house" to persons who live at the same premises, work at the same premises, or who are members or genuine guests of an Association. The gross proceed of this raffle must not exceed \$500 for the raffle. This category applies to regular Apex Club meetings. These raffles do not require a permit to operate the art union. Remember however, that as soon as you sell one ticket at your Club meeting to the public, you are running a minor art union and must have a permit.

You are required to record and maintain certain documentation regarding each minor art union run. This includes items such as copies of the advertisements run, correspondence, banking records, records of receipts etc. records of the art unions run and sales of tickets etc and must be recorded in the manner expected by your relevant State Government Department.

### AUDITING OF THE ACCOUNTS

All Clubs are required to have their annual financial accounts audited. Under the terms of the Associations Incorporation Act as it applies in each State, an auditor must audit the accounts and this person may not be a member of the Club.

Your auditor will want to check things such as :-

- Receipts against deposits to ensure that the amounts agree and to confirm the incoming funds. They will also want to use the receipts to confirm the banking deposit amounts.
- That the cheques which have been drawn, have been approved by the Club and as such are recorded in the minutes, either at Club or Board level.
- The accounts received for payment support the value of cheques that have been drawn.
- The operation of the Club accounts is in accordance with the requirements of the Association, Corporate Affairs, Dept of Justice, or any other body you are required to submit annual reports to. Note that some States require your Club to submit returns and others do not. Where art unions have been conducted a record is kept of the tickets issued to confirm receipts.
- That the names of the bank accounts agree with the incorporated name of the Club.

In most cases your auditor will be acting in a voluntary capacity and it therefore is your responsibility to ensure that you make the job as easy as possible.

**DON'T EXPECT THE AUDITOR TO DO YOUR JOB, OR DO  
EXPECT TO PAY THEM FOR THE TIME THEY SPEND TO DO SO**



## Club Treasurer's Training Manual

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To do this you should :-

1. Ensure that you have entered all amounts accurately in the Cash Analysis Books
2. Have balanced your books with Bank statements
3. Have checked the minutes to ensure that all accounts have been approved
4. Have accounts for each Club account separated and attached to a remittance advice/voucher (this is important - see details earlier)
5. Have bank statements for each month for all accounts, preferably in separate folders
6. Ask the Secretary for items on their file, which will assist the auditor to verify donations and any other transactions (receipts, letters thanking the Club for donations etc, letters sent to the recipient of the donation)
7. Ensure you leave notes to show why you did what you did e.g. dissecting the sundry column

### WHAT TO TAKE TO THE AUDITOR

For each account that the Club operates, you should take :-

Receipt Books	Cheque Books
Deposit Books	Cash Analysis Book
Payment Vouchers	Minute Book
Bank Statements for each Account	Annual Financial Statement

Make sure they are neatly presented in binders/folders suitably labeled and identified.

### DON'T GIVE THE AUDITOR A PILE OF LITTLE BITS OF PAPER IN A BOX.

If you are using a new auditor, you should provide them with copies of the Association Constitution, By Laws and Best Practices together with your own Club rules, so that they can ensure that your Club is operating within the required guidelines.

After the accounts have been audited these audited accounts must be presented to the Annual General Meeting of the Club. The Annual General Meeting of the Club is a requirement of the Incorporations Act (refer to your State Legislation) and of the Apex Association Constitution, By-laws and Best Practices. The AGM shall be held within two months of the end of the financial year ie July or August. (according to Association By-law 6.3.13.2) and once held and the accounts approved, they must be lodged (where necessary according to State Legislation) with the appropriate State Government Department within one month of the close of the Annual General Meeting.

You may be required to submit to the Government Department, a statement of the income and expenditure for the year and a statement of the assets and liabilities at the close of the year. The auditor must certify the statements that you submit.

## HANDING OVER TO YOUR SUCCESSOR

Start to plan the handover of information to the incoming Treasurer shortly after the incoming one has been appointed. Once the incoming Treasurer has been appointed try to involve them in your activities so that they are familiar with the duties required.

1. Have sufficient cheque, receipt and deposit books available to begin the new fiscal year on 1<sup>st</sup> July.
2. Ensure that signatories on accounts have been changed or will be changed at the appropriate time. Forms to change the signatories can be obtained from the bank that handles your accounts. Under Federal Law each signatory is required to provide "100 points" to provide evidence that they are an eligible person to operate a bank account. The types of evidence vary, depending on the banking group.
3. For Westpac branches a copy of the items that may be used to provide the 100 points is included on the following page. (Other banks will require similar evidence) Do NOT use this sample form to present to the bank. You must present yourself to the bank branch in person and produce the necessary evidence to achieve 100 points. Westpac points documentation is controlled and will only be completed on personal presentation.



## Club Treasurer's Training Manual

4. Ensure that the books have been audited and returned. Often the auditing will be carried out in the new Apex year, so you should continue to follow this matter up yourself and not leave it to the incoming treasurer. It is your responsibility to present the audited accounts to your Club's Annual General Meeting.
5. Assist the incoming President and Treasurer in the preparation of their budget.

### 100 POINTS GUIDELINES

The following is a list of the items or activities that can be used or accepted by Banks when changing the signatories on your accounts. It is necessary for you and the other signatories to present yourselves personally to the bank in order to provide the necessary evidence to attain the 100 points. Your bank will advise the exact procedure you must follow.

Items that can be presented	Points Value
Birth Certificate, Passport or Citizenship certificate	70
Another financial body, eg: bank, insurance company, credit union. An acceptable referee Westpac customer for whom customer identification is held.	40
License issued under current law, e.g. drivers license Identification card issued eg: Pension Card, student card etc	40
Mortgage or other security document over customers property	35
Current ATM or credit card issued by a bank, building society or credit union, Medicare Card, passbook issued by a bank that contains a black light signature	25
Written reference by an acceptable referee - must meet specific guidelines	100
Existing Bank Customer - account greater than 3 years	100
Existing Bank Customer - account less than 3 years but older than 12 months	40
Current employer, or employer within two years Rating Authority (e.g. Land rates) Lands Titles Office records The Credit Reference Association of Australia (only with credit request)	35
Telephone directory and telephone contact with the customer on that phone	25
Electoral Roll Acceptable referee who has not known customer longer than 12 months Owner, manager, or landlord of rented premises in which the customer lives or carries on business Records of public utility (eg electricity) Public register maintained under law (other than Lands Titles) Records of another financial institution where customer is known to that institution for longer than 12 months	25
Records of an educational institution attended by customer in last 10 years Records of a professional or trade association where customer is a member	25



## Club Treasurer's Training Manual

### BUDGET EXERCISE - SUGGESTED ANSWER

INCOME	\$	\$
Dinner Levy	5040	
Dinner Notice	150	
Fines	300	
Raffles - Dinner Meetings	480	
- Picnic Races	1500	7470

#### EXPENDITURE

Bank Charges	15	
Dinner Meals - guests	260	
Dinner Meals - members	4368	
Dinner Notice - Photocopying	240	
- Postage	324	
Fees - National	350	
- State	250	
- District	400	
Flowers	100	
Handover	500	
Membership - Kits	110	
- Badges	130	
- Shirts	250	
Secretary's Costs	270	
Socials	1000	
State Convention	330	
Sundries	200	9097

Income less expenditure balance =	1627
Membership Fees	
Add extra for unknowns	200
Per member for say 19 members =	\$96

**Membership fee to be set at  
\$100/member**



## Club Treasurer's Training Manual

# CASH ANALYSIS EXERCISE - SUGGESTED ANSWER

### RECEIPTS JOURNAL

TE	PARTICULARS	RCPT NO	AMOUNT	BANKED	DINNER FEES	MEMBERSHIP FEES	FINES	RAFFLES	SOCIALS	SUNDRIES
Oct	J Power	12	210.00		210.00					
	A Phillips	13	95.00			95.00				
	P Krogh - Club BBQ	14	50.00						50.00	
	J Edgar	15	32.00	387.00				32.00		
Oct	V Wilkinson	16	95.00			95.00				
	T McKee	17	55.00	150.00		55.00				
Oct	J Power	18	270.00		270.00					
	J Edgar	19	32.00					32.00		
	A Jolly	20	28.00	330.00			28.00			
Oct	Interest		1.12	1.12						
										1.12
<b>TOTAL</b>			868.12	868.12	480.00	245.00	28.00	64.00	50.00	1.12

### PAYMENTS JOURNAL

TE	PARTICULARS	CHQ NO	AMOUNT	DINNER MEALS	RAFFLES	ASSOCIATION FEES	SOCIALS	SUNDRIES
Oct	Great Northern Hotel	101	182.00	182.00				
	J Edgar	102	22.50		22.50			
Oct	State/National Direct Debit		150.00			150.00		
Oct	J Edgar	103	22.50		22.50			
	Great Northern Hotel	104	234.00	234.00				
	Australia Post	105	75.00					75.00
	Apex National Supply House	106	15.00					15.00
Oct	Govt Tax		3.50					3.50
<b>TOTAL</b>			704.50	416.00	45.00	150.00	0.00	93.50



## Club Treasurer's Training Manual

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### RECONCILIATION exercise - suggested answer

#### BANK RECONCILIATION

As at 31 Aug 2002

#### BALANCE AS PER BANK STATEMENT    BALANCE AS PER CASH BOOK

Statement Balance at 31/8/02	1428.62	Opening Balance	1250.00
<b>Less Unpresented Cheques</b>		Add receipts for Month	
106	15.00	October	868.12
		Less Payments for Month	
<b>Add Outstanding deposits</b>			
		October	704.50
Balance at 31/8/02	1413.62	Cash Book Balance 31/8/02	1413.62