



Community
Management
Solutions

GUIDANCE • ADVICE • SUPPORT

Now you are Treasurer What does this mean?

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Welcome to the wonderful world of Finance

What we will cover today:

- The lingo
- Your responsibilities
- Fraud - the risks and traps, and what we've seen
- Good practice checklist
- What's next?

- Education (General Provisions) Act 2006;
- P&C Constitution;
- Financial Accountability Act 2009;
- Statutory Bodies Financial Arrangements Act 1982;
- Auditor-General Regulation 2009;
- Collections Act 1966;
- Accounting Manual for P&C Associations.

Common Terms and what they mean.....

- Bank Reconciliations
- Cashbooks
- Reconciliation of accounts
- General Ledger accounts
- Assets/Fixed or other assets
- Liabilities
- Trade Debtors/Accounts Receivable
- Trade Creditors/Accounts Payable
- Gross profit/Net Profit
- Budgets/Cashflows
- Balance sheets and Profit and Loss Statements
- Stocktakes
- PAYG
- IAS
- BAS
- Any others?

You are running a business – don't ever forget this!

You need to be aware of what is going on in your “business”

- Parts of organisation and events
- Insurance
- Staff
- Executive Meetings and minutes
- GST
- Financial transactions
- ATO returns
- Regular reporting
- Approving expenditures
- Banking and counting
- Monies owing
- Stock control
- Tuckshop and uniform shop
- Grants
- Other statutory reporting

Don't be steamrollered into accepting information if you don't think its correct. The Executive is required to sign a statement at audit time agreeing that the accounts are true and fair, so be sure you know!

You are running a business – don't ever forget this!

You need to be aware of what is going on in your “business”

- A member of the Executive must be **responsible** for each part of the organisation and each event that is held
- Your **insurance** must be adequate to cover uniforms and tuckshop stock, equipment, buildings and improvement to the buildings
- If you have **staff**, you are responsible for them including their safety and their working conditions such as hours worked, leave and pay rates

- **Meetings** must be held regularly and conducted as per your constitution. This particularly includes keeping meaningful minutes
- **GST status** should be reviewed each year. If registered for GST you must record it correctly and lodge your BAS on time.
- **Financial transactions** must be recorded regularly and accurately – include all the information you have
- Preparation, lodgement and payment of **ATO returns** – the ATO will fine you for late lodgements and payments
- **Regular reporting** to the Executive and members of the association

- **Approving expenditures** – authority from two members of the Executive on invoices and payments
- **Banking and counting of money** for normal operations
- **Banking and counting of money** for fundraising events
- Regular and consistent **follow up of monies owing** to the organisation
e.g. OSHC fees. The older the debt, the harder it is to collect

- **Stock** needs to be stored safely and counted regularly
- Are your **tuckshop** and **uniform shop** profitable? Do you know how they operate?
- **Grants** need to be recorded and spent as per the terms and an acquittal may need to be prepared for the funding body
- Other **statutory reporting** requirements – Education Qld, and grant bodies

Opportunity...

- Lack of financial information available
- Financial information provided late and incomplete
- Lack of understanding of what the available financial information means
- Steamrolling over questions and concerns
- One person authorising physical payments
- One person counting and banking fundraising proceeds or takings or cash fees
- Bookkeeper/Admin being able to process and approve payments

Opportunity...

- Tuckshops and uniform shops that are not running profitably
- Poor control over inventory
- Unpaid amounts like superannuation or creditors or wages
- No audit performed/Auditor only speaking to the bookkeeper
- Qualified audit reports that detail missing information or financial losses or repeated weaknesses in control systems

- Fundraising monies not being banked.
- Invoices being duplicated and paid by single authoriser.
- Wages being paid to “friends” of bookkeepers/executive members outside award entitlements.
- Bookkeepers billing multiple times in one month.
- Cash takings not being counted by two people and some of the cash being taken.
- Cash being taken out of the cash drawer by volunteers.
- Tuckshop supplies being bought on a Friday and then being taken home because they'll be off by Monday.
- Treasurer falsifying an audit report.

- **Handover** from prior committee
- **Two signatures** on all invoices
- **Two people authorising** all payments
- **Two people counting ALL** cash
- **Allocate responsibility** for each **part of the organisation** including your staff
- **Allocate responsibility** for each **fundraising event**

- **Regular reports** with review and discussion by the Executive
- **Regular meetings** of the Executive
- **Thorough minutes** kept for all meetings – including Executive meetings
- All **financial information recorded** each month or better still each week
- Financial information, including bank statements **presented and reviewed at each meeting**

- All **ATO returns** lodged and paid on time
- Monthly follow up of **monies owed** to the organisation
- Financial information **filed systematically and regularly**
- **Stocktakes** performed once a term
- **Insurance reviewed** at least twice a year.
- **Annual audit** performed by a qualified auditor and a review of the findings by the Executive and action taken on identified issues
- If in doubt **ASK**

- Education Qld Accounting Manual for Parents and Citizens' Associations
- ATO website – Not for Profit area
- Community Management Solutions – make use of your membership.

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