

ROTHERHAM FEDERATION

TREASURERS' HANDBOOK

YOUR RESPONSIBILITIES

- General responsibilities
- An Expenses Policy
- Receipts
- Opening a Bank Account
- Keeping a track of money
- Fundraising

GENERAL RESPONSIBILITIES

People can be very touchy about money matters and therefore the Treasurer holds a very important position within your association. All the members of your association should know exactly what the duties of the treasurer are so that misunderstandings are avoided from the start.

The Treasurer is responsible for paying out money on behalf of the association, collecting any money which is due to the association and for keeping the accounts.

The Treasurer is not responsible for deciding what bills and expenses should be paid and what should not be paid. This is the responsibility of the whole of the committee and such decisions should be made at a full committee meeting.

If there are any disagreements regarding payments these should be discussed by the committee members and, if necessary, a vote should be taken.

Committees usually decide that regular bills, such as room hire, electricity, water rates etc. can be paid by the Treasurer without consulting with the full committee. However, problems can sometimes arise with personal expenses such as transport costs, telephone calls, etc. Committee members are not always sure of what they can claim for, how much they are entitled to claim and how to go about getting their money. The best way of making it clear what expenses can be claimed by members and how to go about making a claim is for the committee members to agree on an Expenses Policy.

EXPENSES POLICY

An Expenses Policy is a 'set of rules' which lets committee members know what expenses they are entitled to; how much will be paid and how to go about claiming their money.

The easiest way to go about drawing up an Expenses Policy is to have a number of headings, such as:

- Transport
- Telephone
- Stationery
- Refreshments
- Equipment

and work through them, deciding what will be paid, how much will be paid and how to go about making a claim.

An Expenses Policy should be in writing so that there can be no misunderstandings at a later date and everyone knows where they stand. Below are some points to consider under each heading;

TRANSPORT COSTS

A group should always pay the travelling costs for members making journeys on behalf of the group. These costs could be bus fares, rail fares, mileage allowance, or in some cases taxi fares.

Committee members will need to decide how much mileage allowance will be paid to members using their own vehicle (**at the most this figure shall be 45p per mile**). There will also need to be guidelines about the use of taxis. It is not fair to expect someone with mobility problems to struggle to use public transport if they are on group business; neither should anyone put their personal safety at risk by travelling alone to meetings which are held during the dark winter evenings.

TELEPHONE COSTS

All telephone calls made on behalf of the group should be paid for out of the group's funds. The easiest way of keeping a check on calls made is for the person making the calls to ask for an itemised bill so that the exact cost of the calls can be refunded.

STATIONERY, POSTAGE, ETC

All stationery requirements, etc. should be paid for out of group funds. Some groups arrange for the Secretary to be given a small float from which to buy such things as paper, envelopes and stamps. This float can then be topped up as necessary. Such an arrangement needs to be written in to the Expenses Policy along with the amount being put into the float so that the Secretary is clear about the arrangement. It is the responsibility of the Secretary to keep receipts for any money spent from the float and to pass these receipts on to the Treasurer when the float is topped up.

REFRESHMENTS

The cost of refreshments for Committee meetings & Public meetings should come out of group funds and should not be left to the goodwill of one or two generous committee members. Even if a meeting is held in someone's home, they should be given the money to pay for tea, coffee, biscuits, etc. which they may provide.

EQUIPMENT

Items of equipment which are bought from group funds should remain the property of the group even if committee members change or leave the association. If an officer or committee member resigns then such things as a laptop, briefcases, cash boxes, filing cabinets, etc. purchased by the group should be passed on to the person taking over from them.

RECEIPTS

Claims for expenses should always be accompanied by a receipt.

If someone from the group is asked to buy tea, sugar, coffee, etc. for a meeting they should ask the shopkeeper for a receipt. Large supermarkets give receipts (till roll) without being asked but at a small local shop you may have to ask. Train tickets and bus tickets can be used as receipts for any journeys made on association business and taxi drivers will usually write out a receipt if asked.

Putting in a claim for mileage is not so straightforward. Groups should ask members to supply a slip of paper which shows the mileage covered and the reason for the journey; this can then be used as a receipt for accounting purposes. A similar system should be used for care costs. See the examples above.

Despite every good intention receipts may sometimes get lost or someone may forget to ask for one, in these cases it is not up to the Treasurer alone to decide whether to pay out expenses which are not backed up by a receipt. This kind of decision should be made at a committee meeting so that everyone on the committee is aware that money has been paid out without the back up of a receipt.

It is very important that all receipts are kept so that they can be passed on to the examiner when the statement of accounts is prepared for the Annual General Meeting. Receipts need to be kept in date order.

OPENING A BANK ACCOUNT

For security reasons it would not be very wise to keep the group funds in a shoebox or a cupboard and so it is essential that an account is opened with either a bank or a building society. There are lots of

these around and they are all interested in looking after other people's money - so shop around for one that suits your own particular needs. Some things to think about are:

- Is it in a convenient location and does it have convenient opening hours? Banks and building societies vary widely in the number of branches they have, so choose one which is easy to get to.
- Look at whether the building is easily accessible for someone pushing a pram or for someone with a mobility problem.
- Will they charge for their services? Many banks and building societies give free banking to small voluntary groups so it is worth shopping around for a good deal.
- Do they offer current account facilities? It is recommended that groups open a current account which has cheque book facilities as this is far safer than dealing in cash. It is also much easier to keep track of what is being spent as regular statements will be provided and these can be checked against the association's own records.

It is recommended that three members of the committee act as signatories for the cheque book so there are always two people available to sign cheques. These should not be from the same family or household.

KEEPING TRACK OF THE MONEY

The most important task for the Treasurer of a group is to keep a record of the finances. There needs to be a clear system for recording money coming in (income) and money going out (expenditure). The main record should be the Bank Account Book which should be brought up to date regularly and checked against bank statements when they are received from the bank.

FINANCIAL INCOME

When a group opens a bank or building society account they will be issued with a Paying In Book which needs to be completed and taken to the bank with the cheque or cash which is to be deposited into the account. The bank will stamp the counterfoil which will then act as proof that the cheque and/or cash has been put into the bank. This transaction should then be recorded in the Bank Account Book.

FINANCIAL EXPENDITURE

Every time anything is paid by cheque or money is taken out of the bank this must be recorded in the Bank Account Book. The cheque number, the date, who the cheque was made out to and what it was for, should be included.

PETTY CASH

Petty Cash is money which is kept as a float and which can be used to pay for small items such as bus fares, buying refreshments, stamps etc. In order to keep accurate records of how a groups funds are spent it is essential to have a Petty Cash Book where all items purchased from this float are listed.

ANNUAL STATEMENT & EXAMINATION

Every year the Treasurer has the job of putting together an annual statement of accounts to present to the Annual General Meeting. Prior to the AGM the treasurer will need to get all the financial information together and send them for an examination. Rotherham Federation provide an Examination service through HSL Accountancy Services.

In order to check the accounts, the examiner will need:

- The Bank Account Book
- The Petty Cash Book
- The Receipts File
- The Bank Statements
- The Cheque Book
- The Paying-in Book
- A note of how much money is left in the Petty Cash float.

Once the examiner has checked your accounts you will be supplied with a Statement of Accounts.

This Statement of Accounts should then be presented at the Annual General Meeting under the item "Treasurer's Report". The Treasurer should be prepared to answer any questions which may arise about the yearly accounts.

Finally, always remember that there is help at hand.

Rotherham Federation and the Examiner will always be more than willing to give advice about keeping your groups accounts.