

PUAAViC Guidelines and Policy Library

Exposure Draft of Finance Guidelines

21st November 2015

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2 Executive Summary

This document is presented to the members as an exposure draft. The members are invited to make their submissions to guidelines.puaavic@peradeniya.com.au until the 30th June 2016. The revised document will be presented at the next AGM for approval.

This document contains the collective experiences of previous committees and its office bearers as a best practise guide to an incoming committee and in particular to the Treasurer and his assistant appointed for the year. The experiences recorded here are those that have had a beneficial effect in carrying out the business of the association. It provides a guide to the next committee and its office bearers. It also clearly records the procedures the current committee should follow for the smoothly transition to the next committee and the hand over procedures.

Each new committee is expected to read and examine this document and while using these guidelines they are expected to validate, assess their practicality and continually improve upon these best practise guidelines. At the end of each tenure the committee should present to the members the changes it has proposed to the best practice guidelines.

The best practice guidelines will have acceptance if it is seen as a helpful document not imposed by one committee to the next. These guidelines and changes thereof will be recorded after wide consultation with the membership particularly with the current and previous committee members who have direct experience in holding office or carrying out specific tasks. The document will then be presented at the AGM for formal approval.

These guidelines however have no binding effect on any committee or sub-committee. The rules of the association are the only document which are binding by law which the members owe to the association and which the executive committee owes to the members as their agents. If any section of the best practice guidelines is in conflict with the rules, the rules clearly take precedence. The fact that best practice recorded was followed by previous committees is not a valid defence in overriding the rules.

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3 Implementation of Finance Guidelines

3.1 Implementation

These guidelines will become practical and useful only when they are implemented for a number of years.

3.2 Revision

During implementation where the guidelines are found wanting, in that they do not provide assistance, are too onerous to implement, are superfluous or needs rearrangement, the guidelines would be revised together with the custodians of the guidelines

3.3 Delegation of duties

At the inception of the term of office, the treasurer appointed should convene the Finance subcommittee which must include the assistant treasurer and the guidelines should be made available to all the members. Thereafter a person should be allocated to carry out specific tasks. These persons would be the treasurer, assistant treasurer, any member of the finance subcommittee or any other member. Those tasks marked Treasurer should not be delegated but should be carried out by the treasurer or his assistant.

3.4 Responsibility

Although tasks can be allocated, the delegation does not absolve the treasurer and the assistant treasurer of their ultimate responsibility.

4 Definitions

4.1 Management Year

PUAAViC Management year for which the executive committee is responsible is from the AGM from which they were elected to the next AGM.

4.2 Financial Year

The financial year for which the executive committee is responsible in publishing its annual accounts and getting the accounts audited is from 1st July of the previous Management Year to 30th June of the current Management Year.

4.3 Accounting Spreadsheet

Until we invest in some accounting software we will use the spreadsheet devised by a previous auditor and has been improved over the years. This essentially analyses the bank statement for the operating account to derive the income and expenditure into reporting and project codes. Please see example attached.

4.4 Appointed Member

In this document appointed member means the treasurer or the assistant treasurer or anyone appointed by the treasurer from the financial subcommittee. The appointed member will be carry out the duty assigned on behalf of the treasurer. The ultimate responsibility and reporting to the executive committee and member at the AGM will reside with the Treasurer.

4.5 Finance Sub Committee

The finance subcommittee is one of the many subcommittees constituted within the framework of the rules of the organisation. The treasurer at his discretion would draw from resources within the finance subcommittee. The current treasurer would be expected to serve in this subcommittee for at least one year after handing over to another treasurer.

5 Handover procedure

5.1 Accounting Spreadsheets

Description	Responsibility	Date of completion
These are for historical and auditing purposes. The incoming treasurer and his finance team will all the financial accounts he received from the previous treasurer	Outgoing treasurer	In the month ending after the AGM.
The spreadsheets for the previous financial year produced by outgoing treasurer.	Outgoing treasurer	
The spreadsheet for the year starting 1 st June at least until 30 th September of the current financial year	Outgoing treasurer	
All financial documents should be loaded to the PUAAViC External Storage for each year with a copy of financial documents in a memory stick given to the treasurer	Outgoing treasurer	

5.2 Payment related documents

Description	Responsibility	Date of completion
Cheque books including those of all the previous years Payments made in the current year with supporting documents numbered and marked paid with cheque numbers. Payments to be made with supporting documents of the claim Bank statements for the current year	Outgoing treasurer	In the month ending the AGM.

5.3 Receipts related documents

Description	Responsibility	Date of completion
Receipts books from previous years	Outgoing treasurer	
Current and unused receipt books with supporting documents marked with receipt numbers	Outgoing treasurer	In the month ending with AGM.

5.4 Access to online banking and signatures

Description	Responsibility	Date of completion
Online banking access & List of signatories	Outgoing treasurer	In the month ending AGM.

6 Banking

Description	Responsibility	Date of completion
Discuss with committee and get minuted who the signatories for signing bank cheques and who will have online banking access.	Treasurer	At the first committee meeting
Arrange with bank to make this change	Treasurer	Before second committee meeting
Until new signatories are established with the bank carry out online transactions only on written requests (maybe email) from current treasurer	Outgoing Treasurer	Until signatures are established with the bank

7 Financial Transactions

7.1 Payments

Description	Responsibility	Date of completion
Expenses in a budget for an event approved by the executive committee constitute approval for an expense. Any unforeseen expenses exceeding the budget have to be recommended by the subcommittee and approved by the committee and at least by the president in the interim.	Treasurer	
All expenses must be paid to individuals against a claim supported by invoices. Expenses paid to individuals against a claim not supported by invoices must be approved by the committee and a claim form duly filled should be filed.	Treasurer	
Expenses to external parties will be paid against invoices or a claim form.	Treasurer	
All expenses must be numbered something like 2015-xxx where 2015 is the year and xxx is a running number. This will make it easy to submit supporting documents to auditor	Treasurer	
Payments may be made by transferring funds into accounts but all such payments also must be supported by documents and stamped with the running number.	Treasurer	
Payments may be made by cash. Every attempt must be made to withdraw the exact amount required for one or more payments. Supporting documents and running numbers are a requirement for all payments.	Treasurer	
Any supporting document sent by email must be printed and running number stamped and attached to the claim form.	Treasurer	
All supporting documents must be filed in the order of the running number	Treasurer	

7.2 Receipts

Description	Responsibility	Date of completion
Receipt books with running numbers must be used to acknowledge receipts. These should be stamped with the organisation seal and signed by the treasurer.	Treasurer	
A receipt note must be issued for all receipts including remittances made into bank accounts signed against the seal	Treasurer	
If a single bank receipt consist many separate, receipts a receipt note should be issued to each receipt.	Treasurer	

7.3 Receivables & Payables

Description	Responsibility	Date of completion
A Spreadsheet needs to be maintained in which all the receivables and Payables are listed including who is responsible for following it up and an estimated date for to receive payment.	Appointed Member	

The spreadsheet will be for one year financial year and a fresh spreadsheet must be started by the current treasurer at the end of the financial year and handed over to the new treasurer after the AGM.	Appointed Member	
Any write off of receivables should only be by minuted committee approval. All write offs over the year should be presented as a note to the annual accounts.	Appointed Member	

7.4 Reserves

Description	Responsibility	Date of completion
All reserves particularly those into which individuals have contributed funds must be maintained separately.	Appointed Member	
No changes to reserves should be made except by committee approval and recommendation and approved at a General Meeting of the Members.	Appointed Member	

7.5 Fixed Assets

Description	Responsibility	Date of completion
All asset should be listed including the person holding the asset or the stock.	Appointed Member	
Use of the Asset, write off of an asset should be only by minuted committee approval.	Appointed Member	

8 Reporting to the executive committee

Description	Responsibility	Date of completion
A statement of all income and expenditure from last reporting date to the current.	Appointed Member	End of each month
The amounts in each bank account including proposed transfers.	Appointed Member	End of each month
Receivables with age, person responsible for pursuing the debt.	Appointed Member	End of each month
Accounts of Projects or Events completed including variances from budget	Appointed Member	End of each month
Budget for any events submitted by the relevant subcommittee for approval	Appointed Member	End of each month
Any receivable recommended to be written off with reasons for such recommendation	Appointed Member	End of each month

9 Handling of Large Events

9.1 Receipts and Payments - Recommended Practice on the day

Description	Responsibility	Date of completion
It is recommended that at the discretion of the treasurer a person should be allocated to look after receipts on the day. If there are different types of receipts more than one person could be appointed for receiving funds. For example receiving and accounting for funds from ticket sales, raffle sales, membership payments or any other. No one other than the allotted person should accept funds.	Appointed Member	
This person must keep a detailed account of receipts, from whom money was received and the amount	Appointed Member	
Any money given to the person making payments should be noted down.	Appointed Member	
Another person should be allocated the task of making all payments on the day.	Appointed Member	
This person should keep a detailed account of the funds paid out including amounts, to whom and signature on document accepting funds.	Appointed Member	
All residual funds after the event should be banked with a summary accounting for the amount deposited. The summary should be a detailed account of funds withdrawn from the bank, received from each source and disbursed to each supplier or service provided by external parties or members.	Treasurer	

9.2 Accounting for tickets and income from tickets.

Description	Responsibility	Date of completion
One person should be responsible for all the tickets and its distribution. Tickets should be treated exactly the same as money.	Appointed Member	
This person should maintain a register of receipt numbers and numbers issued to each agent.	Appointed Member	
The agent must be clearly told that the agent is responsible for the tickets, their distribution and collection of funds.	Appointed Member	
All reported loss of tickets must be recorded in the spreadsheet and new tickets issued in lieu.	Appointed Member	
All ticket counter foils must be collected and checked against ticket issues to ensure that they lost tickets had not been used.	Appointed Member	
All counterfoils and unsold tickets must be handed over to the treasurer and stored for audit purposes.	Appointed Member	

9.3 Accounting for raffle ticket income

Description	Responsibility	Date of completion
A person should be appointed to be responsible for raffle	Appointed	

tickets.	Member	
Raffle tickets must be placed in envelopes and counterfoils placed in barrel.	Appointed Member	
All the raffle ticket envelopes should be numbered.	Appointed Member	
The funds realised and remaining tickets should be handed over to the treasurer.	Appointed Member	

9.4 Accounting for Advertisement Income

Description	Responsibility	Date of completion
All advertisements should be noted against the souvenir in a spreadsheet including amount, person or company advertising, person responsible for collecting the fees.	Appointed Member	
Every month until all debts are secured the person responsible has to be reminded.	Appointed Member	

9.5 Payments to Caterers, Musicians Etc

Description	Responsibility	Date of completion
Every attempt must be made to ensure that payments to external parties should be paid by cheque.	Appointed Member	
Every attempt must be made to draw out separately the exact amount as required by the supplier of goods and services. This ensures smooth bank reconciliation.	Appointed Member	
If cash payments are made on the day they should be paid against invoices or against payment form duly signed.	Appointed Member	

9.6 Payments to members

Description	Responsibility	Date of completion
Every attempt must be made to make internet transfers to members after the event or by cheque during the event.	Appointed Member	
Every attempt must be made to avoid cash payments.	Appointed Member	
All payments must be made against payment or claim forms.	Appointed Member	

10 Writing off debts

10.1 Write off of irrecoverable debts.

Description	Responsibility	Date of completion
Proposal to write off a debt and reason for its recommendation must be presented to the executive committee	Event Coordinator	
If any advertisements are written off they should be reflected in the accounts for the event or project.	Treasurer	
All debts written off must be provided as a note to the accounts	Treasurer	

11 Preparation of Accounts

11.1 Bank Reconciliation.

Description	Responsibility	Date of completion
The bank reconciliation is done using the accounting spreadsheet. For each bank account the bank statement from the bank is copied to the leading columns and each debit is matched to the corresponding expenditure or transfer and each credit is matched to receipts.	Appointed Member	
The bank reconciliation should be done each month even if there are very few transactions for some months.	Appointed Member	

11.2 Preparation of Final Accounts.

Description	Responsibility	Date of completion
The final accounts include a statement of income and expenditure for the year 1 st July to 30 th June, the balance sheet as at 30 th June and notes to the accounts. Please see Template.	Appointed Member	
The final accounts should be prepared by 31 st August and presented to the auditor	Appointed Member	
The final accounts together with the auditor's certification and report constitute an integral part of the treasurer's report	Appointed Member	

11.3 Preparation of Management Accounts

Description	Responsibility	Date of completion
The management accounts should be prepared by starting a fresh accounting spread sheet for the next year.	Appointed Member	
The management accounts should be prepared by 31 st October or two weeks before the AGM whichever comes first.	Appointed Member	
The management accounts will not be audited until the end of next year.	Appointed Member	
After the AGM the new treasurer should be introduced to the accounting spreadsheet and helped in its preparation until the 31 st December of the new year.	Appointed Member	

12 Membership

Description	Responsibility	Date of completion
If membership fees are received by Bank Transfer should be followed up with secretary until the member is registered in the member registry and listed in the web with correct status.	Treasurer	
If a membership application is received by any member, the application together with the membership fees must be handed over to the treasurer	Committee Member	
At every bank reconciliation any funds received as transfers of membership fees must be followed up with secretary.	Treasurer	
The treasurer would deposit the money with a suitable description and update his register of membership funds received.	Treasurer	
The treasurer updates the membership spreadsheet of members with amounts received and dates,	Treasurer	
The membership application together with an endorsement of the funds received is handed over to the Secretary.	Treasurer	
The applicant is verified as to his eligibility and membership is recommended for approval at the next executive committee meeting.	Secretary	
On approval the Membership register is update by the secretary and a membership number is issued to the member.	Secretary	
Welcome letter is then sent to the new member	Secretary/President	
Media subcommittee is informed of the new memberships approved	Secretary	
Web listing of the members is updated	Media Subcommittee	

13 Auditing Requirements

13.1 Appointment of an Auditor.

Description	Responsibility	Date of completion
An auditor should be proposed at the AGM and appointed for the current year. This should be done even if it is the continuation of the auditor from the previous year.	Treasurer	
An auditor should not be extended beyond five years. The treasurer, together with the committee should seek a new auditor for the next period and forwarded to be appointed at the AGM.	Treasurer	
The executive committee should make every attempt to get an honorary auditor, If auditing fees are involved they should be approved at the AGM.	Treasurer	
The accounts for the year 1 st July to 30 th June should be subjected to be audited.		
The following documents should be presented to the auditor		

<ol style="list-style-type: none"> 1. Bank statements for each bank for the financial year 2. All receipt books 3. All numbered documents on which payments had been made. 4. All cheque books with stubs clearly describing the purpose for which the cheque had been issued. 5. Analysis of the bank statements. 6. Project accounts for major events. 7. Accounts for the financial year with receivables, payables, prepayments and stocks. 8. Management Accounts for the subsequent period showing receipts and payments of accrual amounts. 		
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13.2 Assisting the Auditor.

Description	Responsibility	Date of completion
A date must be fixed with the auditor as to when the audit would begin.	Treasurer	
All subcommittees and the previous treasurer should be alerted when the audit is to begin and informed to be available to respond to queries raised by the auditor.	Treasurer	
The spreadsheet on which the accounts for the year 1 st July to 30 th June is presented to the auditor should be completed and handed over to the auditor.	Treasurer	
All receipt books, payment documents, cheque stubs and bank statements of all the bank accounts should be handed over to the auditor. All documents should be have the internal document number.	Treasurer	
All queries raised by the auditor should be answered as soon as possible with the help of the subcommittees.	Treasurer	
The next treasurer should be helped by responding to all queries raised for the period 1 st July to AGM at the next audit	Treasurer	

14 Annual Report to Members and the Public

14.1 Financial Matters at the AGM

Description	Responsibility	Date of completion
The Annual Report should contain the audited accounts for the Financial Year for the year ending on 30 th June of the year of the AGM.	Treasurer	
The Annual Report should include the independent statement of the auditor as to the extent to which they reflect the actual financial performance and state,	Treasurer	
The Annual Report should contain management accounts for the period from the beginning of the current financial year until the 30 th of September of the year of the AGM	Treasurer	
The Annual Report should contain a written report of the performance of the organisation, any major commitments made and any risks facing the organisation should be presented.	Treasurer	
Any changes to reserves and proposed appropriation should be presented to the members for approval.	Treasurer	
The appointment of an auditor for the year should be proposed and approval sought from the members.	Treasurer	