

# THE ROLE OF THE TREASURER

## WHO MAKES AN IDEAL TREASURER?

- Someone with bookkeeping/Accounting experience
- Someone who is trustworthy (check references)
- Someone who can work to deadlines
- Someone who can work as part of a team

## WHAT ARE THE RESPONSIBILITIES

- To manage the finances of the group/clubs/organization
- To be responsible for recording all income, expenditure and other relevant functions.
- To ensure accounts and taxes are paid on time.
- To provide regular reports to management on the financial affairs of the organisation

## WHAT THE DUTIES INCLUDE AND REQUIRE

- Equipment required will vary from Bank account, cash box, and receipt book to a computer program. Discuss and decide which system is best for your group - review from time to time, it may be time to update and simplify or improve the systems.
- Prepare budgets. It is important to know how much income is expected, from what source and when it will be received, you will then know what funds will be available. You may be advised to prepare a budget in consultation with the chairman, manager president or whoever holds authority.
- Receive, receipt and bank income and record source of income.
- Pay accounts on time, and if necessary code against specific activity, eg. Fundraising event must show income and expenditure . That way, you will know how much it has cost to raise money.
- To be responsible for wages/salary payments and IRD obligations.
- Keep accurate records of income and expenditure and present reports to the committee.
- To have signing authority on cheques with at least one other person.
- To be responsible for GST (where applicable), ACC and other levies.
- To have all accounts available and ready for annual audit.
- To manage investments, money on fixed deposit, and be prepared for reinvestment options.

## **DONATIONS/SUBSCRIPTIONS**

- These must be receipted as soon as possible. People become anxious when giving money to group/clubs, particularly by post!
- Subs should be recorded on membership lists, so that you can always recognize financial members, they can vote you in or out!
- Don't confuse donations with subscriptions. Keep separate records. eg. You may have a donor who gives to a cause but does not wish to become a member.
- Decide the most cost effective method of receiving subs. The cost of posting an invoice, receipting and posting receipt may reduce the income substantially. It may however increase the number of members and therefore be justified. You should look at all the options and cost them out.

Donations are non taxable but they must be unconditional. Therefore clearly define the difference between your subscriptions and donations. Inland Revenue Department has some very good guides to help you clarify this point.

## **TAX**

- Like it or not you are a tax collector for the government.
- Taxes must be paid, so do not accept any exceptions.
- Pay them on time and so avoid surcharges.
- Some people use a year planner chart. A small diary (you look at each day) is as efficient - Allow time, to have the returns completed on time.

Do not leave everything till the last minute. You will be penalised for each day your payment is late.

## **PAY AS YOU EARN (PAYE)**

If you employ staff, you will be required to pay their tax deductions, contact your local Inland Revenue Department for details.

## **ACCIDENT COMPENSATION CORPORATION (ACC) LEVY**

IRD can supply you with the details of how much you are required to pay for each employee. (Remember, this is subject to change) keep money aside for this.

## **GOODS AND SERVICE TAX (GST)**

- You must register for GST, if your taxable income is 40,000.00 or more per year.
- add GST to all income
- keep records of all GST paid
- complete GST forms within periods best suited to your group and as agreed with IRD
- Inland Revenue have easy to understand booklets of GST or ask advice from your accountant - maybe from another community group.
- Don't be afraid, it can become a simple accounting procedure.

## **END OF YEAR ACCOUNTS AND AUDIT**

Your accounts must be audited by a registered accountant. Your group may already have an honorary auditor, if not you will need the services of an accountant who can audit your accounts for you - maybe you can find someone who will do it as part of their community service.

If you are an incorporated society, your accounts need to be audited prior to the AGM. As well as an account of the 12 months income and expenditure you will need to show assets and liabilities, investment, bequests, and depreciation.

On presenting the accounts at the AGM be prepared to answer any questions and you may be asked to "speak to the accounts" so it is important that you understand the form the Auditor has used and can answer questions. Remember, the members may not understand the financial jargon, so keep it simple. Don't be afraid to seek help. If necessary co-opt help. You are a volunteer, making an important contribution to an organization.

Be organised, plan and diary what needs to be done and when.

## **BEQUESTS**

These may involve specific wishes and conditions as set out in the will, you must read and understand these carefully (eg dividends from shares may be used only for research purposes). In dealing with bequests, if possible speak with the family of the deceased and work with them in the use of the bequest.

Organisations should also be aware of past bequests and ensure that the terms of the bequest are well documented. Committees change but often the purpose of the bequest

### *Case*

*A small house in the country was left to a young group to be used as a club but is now unusable because it is remote from the activity. Before the property can be sold permission must be obtained from the trustees.*

cannot.

## **FUNDRAISING**

Often the treasurer is required to help with funding applications. It is important to have the following documents together in one place:

- Your IRD Number
- Your Certificate of Incorporation
- A copy of your latest audited accounts and Chairperson's report
- Your annual budget
- A breakdown of what particular grants have been used for and all the income and expenditure associated with that grant.

If you have the above at your fingertips you are half way to filling in the funding application form.

## **FURTHER RESOURCES**

Inland Revenue Department have many excellent publications which can assist you. The Role of a Treasurer - Community Resource (see below to order)

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**If you would like a list of our other community resources, or to be put on our mailing list, contact us at:**



Phone (09) 486-4820

Fax (09) 486-4823



Visit North Shore Community and Social Services Inc.  
Mary Thomas Centre, 3 Gibbons Rd, Takapuna



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