



## **Equipment (transferred from previous treasurer)**

- Bank of Montreal cheque book, transaction booklet, deposit book.
- Bank of Montreal Access Card - for on line access to the operating account at any time.  
Password for Online access.
- Cheque endorsement stamp
- Files — current and six previous years.
- 2 file boxes.

## **Procedures**

### **Bi-monthly or as needed:**

Most activity arises out of the two club meetings per month and management meetings. At meetings the Treasurer will usually receive cash and cheques covering membership fees, member sign-ups for events or activities, share-the-wealth proceeds, etc. It is also convenient at club meetings for the Treasurer to obtain the necessary second signature on disbursement cheques, including the Lions Center rent, which must be paid that day or in advance.

Committee chairs will also usually deliver invoices to be paid, including personal expense statements, for reimbursement. Such statements must have receipts attached (unless absolutely unavailable) to be valid. If convenient, and at the discretion of the Treasurer, cheques for such items can be issued on the spot to save further wait times for the second signature.

The daily routine, after each meeting, follows:

### **Receipts:**

- Prepare promptly a single bank deposit to put all cheques and cash in the bank.
- Use the duplicate facility provided in the bank deposit book and obtain the teller's stamp on the second copy.
- Support the deposit with a voucher kept in the “bank deposits” file folder for the current year showing the make-up of the deposit, its accounting distribution, and any attachments.
- Record the deposit in appropriate spreadsheet and mark the voucher as posted.

### **Disbursements;**

1. Write cheques for accounts payable.
2. Record them in the chequebook transaction booklet.
3. Support the payment with a voucher kept in the “paid items” file folder for the current year, attaching the invoice or statement being paid, and showing its accounting distribution.
4. Record the payment in the appropriate spreadsheet.
5. Obtain the necessary second signature on the cheques and mail them to suppliers. Member cheques can be mailed or held until next meeting as preferred.

### **Bank Reconciliation:**

At least once a month check the online statement from BMO and reconcile deposits and expenses with the Excel spreadsheets.

## **Reporting**

At the meeting of the Management Committee, a Treasurer's Report is submitted along the following lines:

- In the months following the end of a quarter (November, February, May, August), submit the “Comparative Income Statement” showing revenues and expenses compared to budget for the quarter just ended.
- Discuss the report, drawing the Committee's attention to any material shortfalls in revenue or overspending. Provide recommendations accordingly.
- Additionally at the August meeting, present the unaudited July 31 year-end statements (Balance Sheet, Income Statement) as delivered to the Auditor. Report on the year-end results and the audit that is underway.
- In other months it is sufficient to give a written or verbal report on financial progress and outlook and any other matters requiring a decision or the attention of the Management Committee.

## **Year End:**

The fiscal year ends on July 31 and the Treasurer's role is to close the books, produce all necessary management and other financial reports, arrange for the annual audit, and present the audited results to management and the membership.

The following is the general procedure:

1. Advise all officers, committee chairs, and petty cash holders to ensure that any funds for deposit or accounts to be paid are submitted well in advance of July 31 so that they can be recorded in the current year.
2. Alert the Auditor to the expected date when statements will be ready and discuss any special needs the Auditor may have.
3. Without waiting for the bank statement, proceed to close the books as at July 31 as follows:
  - a. Reconcile the bank account on line and provide a recap as proof for the Auditor.
  - b. Adjust for any prepaid expenses or deferred revenue. (Caution: usually there are funds on hand in the bank account for events or activities which have not yet occurred. These funds have been recorded as revenue to be paid out later as expense. Thus they do not belong to the current period. Such funds must be backed out of revenue and recorded over year-end as Deferred Revenue.
  - c. Similarly, if we have paid for any expense that properly belongs to next year, it should be backed out of the expense account and recorded as pre-paid expenses.
  - d. Adjust for any accruals. This is not normally material enough to bother with. However, interest income does accrue in our GIC investments and could be recorded over year-end if material.
  - e. Print both the Expense and Revenue sheets and provide the auditor with agreed upon back up paperwork for deposits and expenses.

## **Annual Operating Budget:**

The club operates primarily on revenue from membership fees, collected at the beginning of the fiscal year. They must be adequate to cover expenses for the full year ahead. To ensure this, an operating budget is employed which shows the membership fees necessary to cover anticipated expenses during the year. This is approved by the Management Committee in May and the membership fee set accordingly.

The general procedure is as follows:

1. Around April 30<sup>th</sup> prepare a comparative Budget vs. Forecast to year end at July 31 based on Actual to date and estimated for year end. Add a column for next year's budget and estimate the Revenue and Expenses for the coming year using inflation and best estimate of costs. This will allow for the new Membership fee to be calculated for the coming year
2. Ensure that no budget (either revenue or expense) is included for Activities. All activities and events are expected to break even.
3. Present the budget for approval ideally at the Management Committee meeting and set the Membership fee for August 1 renewals.

**Date last updated**

**May 2020**