

FACT SHEET 14: ROLE OF THE TREASURER

Whilst all P&C members must be mindful of complying with financial accountability requirements, this is the Treasurer's primary responsibility. The Treasurer receives and deposits monies, maintains records, draws cheques and presents accounts. The Treasurer presents a report in the form of an income and expenditure statement together with a reconciled bank statement for each and every P&C meeting.

The Treasurer also ensures that all funds held and handled by P&C are properly and openly accounted for as the Treasurer is responsible for all funds held in the name of the P&C. This includes the canteen and any other P&C committees. This does not mean that the Treasurer must undertake the actual bookkeeping themselves but they must ensure that the various sub-committee financial records have been kept to the Treasurer's satisfaction. The Treasurer is a signatory on the P&C accounts and should not delegate this responsibility.

The Treasurer should encourage members to understand the state of the P&C finances. The Treasurer must ensure a case book or books are kept, recording all financial transactions of the P&C Association.

Planning, budgeting and cash flow

A budget is a planning document to estimate the income and expenditure of the organisation for a given period (usually the financial year of the P&C). The budget is a statement of intention rather than of fact and can be altered at any time, with due notice given by way of the Agenda, by majority vote, after its initial ratification at a general or special meeting.

Budget estimates are founded on past economic performance, adjusted to anticipate the probable effect any special projects or one-off events. Once the overall budget has been approved, it is helpful to break the budget estimates with actual income and expenditure levels at regular interval throughout the year. This comparison allows the Treasurer to recommend changes to the budget so that it more accurately reflects the real financial situation of the P&C association. These changes, in turn, allow the association to amend its fundraising or expenditure plans for the year.

Note: The P&C Association budget is separate from the school's budget.

Surplus funds

The Treasurer makes recommendations about surplus funds. Surplus funds may be lodged as term deposits with any financial institution that has full trustee status.

Audit

The financial accounts of the P&C Association must be submitted to an independent audit each year.

The Treasurer produces a full statement of financial position declaring all funds held in the name of the P&C Association, including those of sub-committees, along with the Secretary who presents the Minute book of the same period to the Auditor. After completion of the audit the financial statements, with all signed certificates appended, are to be presented at the Annual General Meeting for approval and adoption.

Appointing an auditor

You must appoint the auditor at the P&C Association's Annual General Meeting.

The auditor does not need to be a qualified professional. The auditor must possess appropriate skills and experience in auditing and financial record management together with an appreciation of the issues of probity as they relate to the role of association auditor. The auditor must not have or appear to have any conflict of interest arising, for example, from a personal or business relationship with an Officer of the association and must be prepared to swear that the records are a true and correct statement of the information provided by the Treasurer.

To meet reporting requirements under their Prescribed Constitution, the Treasurer of incorporated associations should ensure that copies of the audited accounts, signed by the President and Treasurer, are forwarded to the Federation of P&C Associations of NSW within one month of the AGM at which they were presented. By undertaking to send the records to P&C Federation the need for incorporated P&C Associations to publicly record their financial statements is fulfilled.

The Treasurer is responsible for the handing over of all financial records to the incoming Treasurer should the Annual General Meeting result in a new Treasurer being elected.

There are many useful conventions which should be followed when dealing in financial matters and the role of the Treasurer will be made easier if all P&C members appreciate and understand that rules and protocols are to be complied with.

Proper accounting procedures have two purposes:

- (i) They prevent loss and fraud. You might trust everyone in your association, but accounting procedures will tell you if the wrong thing is happening and where.
- (ii) To protect the P&C Executive. Good accounting of P&C funds ensures financial propriety.

Cheques

Never sign blank cheques.

Ensure that the P&C Association has resolved to expend the monies before drawing a cheque. No motion, no payment.

Do not make cheques out to cash.

Ensure all cheques are marked 'Not Negotiable'

Cheque signatories should sight all supporting documents; ensure they are correctly drawn to the payee and there is agreement between the amount on the invoice and the amount on the cheque before signing cheques.

Monitor that payment are approved for appropriate purposes.

Two members of the same family should not, as a general rule, act as signatories.

Where possible, cheque signatories should not counter-sign a cheque drawn in their favour.

The school Principal should not be a signatory to P&C bank accounts.

Employees of the association should not be a signatory to the association or sub-committee bank accounts.

Payments

All accounts should be paid by cheque, except for small payments from petty cash.

Support all payments with invoices, receipts or docketts.

Mark all paid invoices with a "paid" stamp and cheque number.

Receipts

Issues receipts in sequential date order as per takings.

Ensure two independent people are responsible for collecting and counting money. Likewise, at the end of the collection period, counting should occur in the company of at least two members and the amount verified, in writing, by each member involved in the count.

Issue receipts to people responsible for collecting and counting money.

Banking

Check that the amount banked corresponds with the receipt totals.

Bank money daily or secure in a fireproof safe if you are unable to bank on the day. (Your cash may not be insured if you do not make an effort to secure it adequately.)

Cash books (computerised bookkeeping package or manual)

Keep cash books up to date. The cash book should be totalled and balanced at the end of each month.

Match the sequence of entries in the cash book with the sequence of receipts and cheque payments.

Figures must never be erased with white-out. If you make an error in your cash book, receipt book or cheque butts, rule a line through the incorrect figure and write the correct figure next to it.