



BC Summer Swimming Association
SWIMMING | DIVING | WATER POLO | SYNCHRO

CLUB TREASURERS' GUIDE

Version 3 – October 9th, 2013



This work is licensed under a [Creative Commons Attribution-NonCommercial-ShareAlike 2.5 Canada License](https://creativecommons.org/licenses/by-nc-sa/2.5/ca/).

Contents

Introduction	2
--------------	---

1 Role and Responsibilities	2
Managing funds	3
Reporting on Club Finances	4
Annual Financial Review	4
Government Reporting	4
Developing a Budget	5
Preparing your Successor	5

2 Best Financial Practices	5
Risk Management	6
Financial Controls	7
Best Practices Checklists for Treasurers	7

INTRODUCTION

The Club Treasurers' Guide has been developed to provide guidelines for member clubs of the BCSSA. Because the individual responsibilities of club treasurers may vary depending on club procedures, operations and billing systems, clubs should adapt the guidelines as appropriate.

This Guide includes two sections. The first describes the major responsibilities of the club treasurer. The second provides a summary of financial best practices, including a monthly and annual checklist.

If you are becoming a club treasurer for the first time, consider the following questions as you review the information in this Guide:

1. What are the major responsibilities of the treasurer in the club?
2. How can I prepare for my term as treasurer?
3. What potential fundraising activities will the club hold this year, and how will I be involved as treasurer?
4. Who might be a resource to me in the club?
5. How can I work with fellow club board members and committees to manage club funds responsibly?
6. What is one goal the club will work toward in the coming year? How does this support the club's long-range goals?
7. What potential problems could arise, and how could I address them?

ROLE AND RESPONSIBILITY

Most clubs appoint their treasurer at the annual general meeting. The precise nature and scope of your position will depend on the club's size, and various activities and events.

Your responsibilities as club treasurer include:

- Collecting membership fees from club registrants
- Payment of bills, and coaches payroll
- Managing funds
- Reporting on the state of club finances at board meetings
- Developing the club budget
- Preparing your successor

To prepare for your new position, determine what will be expected of you by the club's board of directors and members. It is recommended that you assist the outgoing club treasurer to allow for a smooth transition before taking on the overall responsibilities.

Ask questions such as:

- How is the bank account(s) setup?
- How do club members pay dues?
- What is the process for authorizing club disbursements (writing of cheques)?
- What is the budget for the coming year? How was it established?

- How are funds allotted for club committees?
- What kind of accounting system is in place for bookkeeping? How are financial records kept?

To further prepare, consult with incoming and outgoing treasurers in other clubs to compare your responsibilities, reporting requirements, and accounting procedures.

MANAGING FUNDS

When you begin your term, you may be responsible for adhering to the budget created in the previous club year, or to develop a budget if one has yet to be made. This will require you to manage and track incoming and outgoing funds.

Incoming funds include, but are not limited to:

- Club membership fees (club, regional & BCSSA fees)
- Donations and sponsorship funds
- Fundraising from club activities
- Gaming revenue
- Club merchandise revenue (suits, clothing, caps etc.)

Outgoing funds include, but are not limited to:

- Eligible gaming expenses
- Pool costs
- BCSSA and regional fee payments
- Meet entry costs
- Coaches' payroll & CRA remittances
- Equipment & supplies costs
- Meeting expenses (e.g.: facilities, meals etc.)
- Promotional and advertising costs
- Miscellaneous other costs

Ensure that all collected funds and expenses are accurately documented. Provide members with receipts for their dues and donations, and record any transactions, including club purchases, in a ledger. If exceeding budget is unavoidable, be sure to request the board's approval.

An accounting program will automate many of the tasks associated with your position. Consult your club's outgoing treasurer to find out which software is used, if any. If you're selecting a new program, choose one that you're comfortable with and that meets your club's needs.

Coaches of clubs are considered employees in almost all cases. Boards are therefore required to remit source deductions to the Canada Revenue Agency, which are taken off each payroll period. Clubs are required to deduct tax, CPP and EI, and remit it to the CRA as per tax code requirements. Failure to do so could possibly result in substantial fines and/or penalties, plus any amounts which the CRA determines you owe, subject to a CRA audit. As well, directors on the board may be held personally liable for these amounts. It is recommended that clubs find a person in the club who is experienced in payroll and can assist with setting up a system for deductions and tax remittances.

Government requirements call for separate accounting for gaming revenue and expenses, and operating funds to ensure that funds from gaming grants or events are used to support gaming eligible activities or expenses. If gaming events are intended to benefit specific service efforts, you may also want to consider creating separate project accounts.

REPORTING ON STATE OF CLUB FINANCES

Your duties include issuing a report to your club's board as requested (generally monthly at every meeting), regular financial updates to club members, and a detailed annual report. At board meetings, present the club's monthly expenses and income, and indicate the status of fundraising efforts. Compare the current financials to budget. The size and nature of your report will depend on the club size and activities.

As treasurer, you are primarily responsible for the accuracy of your club's financial records. It is important that board and club meeting minutes list account balances and disbursements to match actual financial activity. All records should be preserved for seven years in case the club has to account for the use of funds during a specific period.

ANNUAL FINANCIAL REVIEW

A qualified person, who is not a member of the board, should review the club's financial transactions annually. Your club may want to establish an auditing or review committee, or hire a professional for this purpose. The financial review could be in the form of a professional audit, review or internal peer review. As many clubs may not be able to afford professional services, a peer review at a minimum should be completed by an "accounting literate" individual. This individual should review each account to determine the amounts listed are accurate. Following the peer review, the reviewer should produce a report to the club members and board stating that in his/her opinion, the financial records are accurate, or to identify any issues in the financial records.

GOVERNMENT REPORTING

- ✓ Society Annual Report
- ✓ T4 & Payroll Deduction Remittance Forms
- ✓ Gaming Event Reports
- ✓ Gaming Annual Reports

Some club treasurers may be responsible for filings for tax purposes annually. Consult an expert in your club or community about specific tax and government filing related questions.

DEVELOPING A BUDGET

As a member of your club's board, you will help develop a club budget for the coming year. Before creating the budget, review the club's financial history to determine the likely sources of income and expense. Meet with incoming officers to discuss their plans for the year. The income and expenses included in the budget should be broken down into two parts: club operations and gaming revenue/expenses. Additionally, establishing a reserve fund can help your club handle unexpected expenses; some clubs base this fund on their annual operating costs.

Remember that the final budget must be approved by the board.

PREPARING YOUR SUCCESSOR

At the end of your term, meet with the incoming treasurer to discuss the role and responsibilities of the position. Review recording and reporting procedures, and share tips on budgeting and managing club funds. If practical, allow the incoming treasurer to assist you in your regular responsibilities. After your last meeting, turn over all funds, accounting records, and any other related materials to your successor.

BEST FINANCIAL PRACTICES

Consider implementing the best practices included in this chapter while serving as club treasurer to help protect your club's assets and to shield you and your club from liability should an issue arise. When you assume the role of club treasurer, consult with outgoing treasurer to learn which controls your club already has in place, and which may need to be established during your term.

RISK MANAGEMENT

Risk management is the process of planning, organizing, leading, and controlling an organization's activities to minimize the adverse effects of accidental losses. As club treasurer, you are in a position to minimize risk and safeguard your club's members and assets. Liability issues and potential penalties are geographically specific, and it is your responsibility to learn the laws regarding financial practices and to make sure your club abides by them. Limit your personal liability and that of your club by answering three basic questions when planning activities and events for your year as treasurer:

- What can go wrong?
- If something goes wrong, how will I or the club respond?
- How will any losses be paid for?

If there is a significant possibility that something will go wrong, you can reduce risk by

- Not conducting the activity or event
- Modifying the activity or event to lessen the risk
- Preparing a plan to address any potential problems
- Finding another organization that will agree to participate and share the risk

Though conducting business through handshakes or oral agreements may be common, it is strongly recommended that your club use written contracts. A contract attempts to clearly define the roles and responsibilities of each party and can include provisions to limit risk. When negotiating a contract, read it thoroughly to understand what you are agreeing to, and seek legal advice if necessary. Retain copies of all documents for future reference.

The BCSSA obtains annual directors' and officers' insurance to provide limited errors and omissions coverage for the directors and officers of member clubs. Details of that coverage may be obtained from the BCSSA office.

FINANCIAL CONTROLS

Financial controls help clubs function smoothly, ensure that funds are managed properly, and help protect you and your club from allegations of fund misuse. Establishing standard procedures for ongoing duties will also simplify your job as club treasurer. Consider establishing the following financial controls if your club has not already done so. Without adequate financial controls, there is a higher risk of fund misuse, fraud or other serious situations.

- Email board reports to board members for review to ensure accuracy before presenting them.
- Include time for questions after presenting the monthly financial report to the board.
- Ask the club president to receive the bank statements, and open/review them before giving them to you.
- Review monthly bank statements, and reconcile transactions with club records and have a second board member review the reconciliation.
- Require more than one signature on all cheques and withdrawals.
- DO NOT PRE-SIGN CHEQUES.
- Update signature requirements with the club's financial institution as officer positions and other roles change.
- Divide financial responsibilities. For example, appoint a different club officer to review and reconcile bank statements, maintain the general ledger and review the financial statements.
- Ask your fundraising coordinator to sign off/approve expenses associated with any fundraising event held by your club.
- Require board approval for operating expenditures over a certain amount.
- Establish term limits for your club's treasurer position. (i.e.: two year term, two term maximum)
- Create a process to ensure that incoming treasurers transition smoothly.
- Develop a method for staying current on local and federal tax requirements and changing laws.
- Appoint a finance committee to provide oversight and help with succession planning.

BEST PRACTICES CHECKLIST FOR TREASURERS

Completing the items on this checklist can help you ensure transparent and professional financial practices.

MONTHLY

- Collect and record membership fees from club members.
- Complete a bank reconciliation for all bank accounts monthly (including online, like PayPal).
- Perform basic account maintenance, including making deposits, and paying bills in a timely manner to stay current.
- Work with club committees to ensure that expenses are within budget.
- Present a financial report and general update at all club board meetings.

ANNUALLY

- Review and compare actual revenue and expenses to the budget developed by the previous treasurer and club board.
- Prepare a budget for the following year. Have it approved by the board and ensure that the board's approval is recorded in the minutes of the board meeting.
- Review the set-up of the bank accounts. There must be at least two accounts, one for operating expenses and another for 'gaming' expenses. Have the board appoint two signatories for each account.
- Be aware of any new laws regarding donated funds, and make sure those laws are followed. Note: clubs are not permitted to issue tax receipts for donated funds. Contact the BCSSA as funds must flow through the National Sport Trust Fund to have tax receipts issued.
- Complete the annual club society filing as required by the Registrar of Companies and in accordance with the Society Act.
- Submit club tax documentation, specific to deductions from coaches' payroll or other remittances.
- Have the yearly financial statements reviewed by an independent and objective qualified individual or accountant, who is not involved in the club board. *See above: Annual Financial Review.*
- Make sure that the club has an effective process for learning about financial best practices and that these practices are passed onto the incoming club board members.
- Ensure that any gaming funds are managed in accordance with the requirements and provisions of the BC Gaming Enforcement Branch and those funds are only spent on eligible expenses.
- Review all paper and electronic files at the end of your term. Retain all necessary records for your club's next treasurer, and destroy other paperwork when appropriate. Retiring treasurers should delete all files and records from their computer and deliver any paper files, records, and other documentation to the incoming treasurer or club president.