

# FINANCE

Supporting Eastern Canada and  
the Caribbean District

Finance pillar





# REVIEW OF (HOPEFULLY) EXISTING

- two signatories on each cheque
- numbered cheques
- duplicate receipt book
- all expenditures paid by cheque
- pay only to receipts provided,
- written requests from community service chair must have some type of paper trail, request receipts
- financial statements presented to board and club (re: club's by-laws) regularly
- membership informed of all donations out of Service Account
- annual “arms length” review” of books.

## Have additional controls written into the by-laws to remove discomfort of financial supervision and requests. -discussion

- - Cash received at fundraising events is always counted by **two** individuals before taken for deposit - initialled
- - Bank reconciliations presented to Board at least twice a year – by-laws, job descriptions
- - Set new budget by considering actual expenditures, not just the previous year's budget.
- - Create an environment of stewardship of public funds
- - Read the financial statements, reasonableness, common sense, ask questions
- - Segregation of roles if possible, e.g.. Treasurer receive bank statements, e.g.. Tennis club
- - Ensure Board minutes reflect the approval of Community Service projects because often there is no receipt from these organizations

# By-laws

- New by-laws - Article 8 Funds & Accounting
- -Services activity dollars can only be used for service projects
- Separate accounting records must be maintained for service funds and administrative funds. (There is no requirement to maintain separate bank accounts but it would sure be easier)

- Annual dues to KI are payable by December 31
- Annual dues to the Lieutenant Governor should be paid as soon as possible after his/her budget is approved at the first DCM

# Insurance

- Always ensure that your club has purchased Fidelity Insurance coverage
- Claims have been incurred
  - 8 to 10 years ago 2
  - Last 18 months 3

# Regular Operations

- Board should approve the number of signing officers. For best results there should be 2 signers on all cheques (protection for the club as well as the individual signers)
- Each signer should review the supporting documentation and initial them for cancellation
- Use budgets for each account



- Important to deposit all receipts quickly
- Stay on top of dues receivable – several clubs provide for a maximum delinquency period for collection after which the member becomes subject to having their membership terminated. (Arrangement for payments can be mutually agreed upon)

# Operating Account Budget

- Prior year activity adjusted for known changes
- Expenses tend to be static
- Dues income can be predicted based on approved annual dues
- Provide for inflationary increases

# Service Fund Budget

- Less predictable
- Repeating project – use last year's numbers as a starting point
- Ensure all projects and estimated income are approved by Board
- Possible strategy for Service Project expenditures

# Service Account Strategy

- Spending on service projects for current year will be limited to the amount of service fundraisers in previous year

# Variance from Budget

- NO need to recast the budgets
- Explain variances to Board meeting and get the action approved

# Club reporting

- Periodic financial reporting to club members
- Fiduciary duty to club satisfied
- Members may have valuable input which would generate improvements

# Audit

- By laws provide “financial records will be examined annually by either (a) a qualified accounting firm not affiliated with any club member or (b) a standing financial review committee (2 or more members with financial or accounting experience excluding Board members) as provided in club policy”
- Written report of examination shall be submitted to the Board.

# Questions??

- Simply Accounting computer package
- +/- \$200 Cdn
  
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