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Treasurer's Handbook 2010

**for treasurers &
executives of
clubs and societies**

This handbook shows:

1. How to handover your accounts from year to year
2. How to do bookkeeping for your club
3. How to manage your club finances
4. How to prepare for your annual financial audit



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Part 0: Overview	3
Non-Profit Organisations & Income Taxation	4
Revue Clubs	5
Part 1: Getting Started	6
1.1 Introduction	6
1.2 Handovers	7
1.3 Starting Up	8
Part 2: Basic Bookkeeping	9
2.1 Introduction	9
2.2 Income	10
2.3 Expenditure	13
2.4 Reimbursement Systems	15
2.5 Petty Cash / Floats	15
2.6 Bank Accounts and Records	16
2.7 Financial Statements	17
2.8 Goods & Services Tax (GST)	20
2.9 Donations Collected and Remitted	20
Part 3: Financial Management	21
3.1 Budgets	21
3.2 Joint Events	22
3.3 Sponsorship Arrangements	22
3.4 USU Funding Applications	23
3.5 University of Sydney Funding Support	24
Part 4: Auditing Requirements	25
4.1 When will my Club be Audited	25
4.2 What do I need to do before I submit my financial records	26
4.3 Audit Reports	26
4.4 Club Inactivity & Outstanding Bank Balances	28
Part 5: Appendices	29

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Overview

Welcome to the USU Clubs and Societies Programme!

This Handbook is designed to give you a guide as to how to operate a simple financial system to ensure that your Club manages its finances efficiently and effectively and to make the most of all the USU has to offer.

All Treasurers (regardless of Club level of income and expenditure and years of Club's existence) should ensure that they are familiar with the contents of this Handbook. It is also very worthwhile for all Executive Members to be familiar with it.

Often we think of "finance" as being an end-of-the year activity when we complete our taxation returns. However, this is NOT the case! For any organisation to operate it is imperative that financial records are up-to-date and maintained regularly through the year so that you can plan future events, understand whether your event has been financially viable and to make sure that you can pay future bills.

Please take the time to read this Handbook and ensure that your Club has a good financial system set up that works for you, the Club Members and the USU.

At the end of the Club's financial year, you are required to submit the financial records of the club to the USU for Audit. An Audit is an independent review of the financial operations of the Club in order to report to the Members and the USU as to whether the Club has been operating within its constitution, the C&S Guidelines and general standards of accountability. If the Audit is not passed, the registration of your Club is put at risk and further USU funding may not be obtained.

As a club Treasurer you do not need to be a financial "whiz" with a Commerce degree to be able to do a great job! Your responsibilities are:

- Keep accurate, complete & legible financial records (see Part 2)
- Budget for club events
- Sign and deliver cheques
- Deposit money in the bank
- Prepare and submit financial records for audit at the end of your financial year.

All the information you require is included in this handbook. However, if you are feeling overwhelmed and don't know where to start, please do not hesitate to call Fiona Adams or Jorge Mendoza on 9563 6104 or 9563 6140 to arrange a time to have a chat with us about your needs!

So...good luck and enjoy your year!

NOTE: Additional template resources are now available on the USU Online website, refer to Re-usable Treasurer Templates

Income taxation as it relates to a non-profit organisation has always been mentioned in this Treasurer's Handbook, we will continue to give it more focus by asking the Club and Society Treasurers to sign the log regarding their Club's or Societies' income taxation exempt or non exempt status as prescribed by the Australian Taxation Office (ATO). Any liability for income tax is the responsibility of the Club and is self-assessed on the basis of the type of activity undertaken by the Club or Society and by its non-profit status. The income taxation liability self-assessment process and preparation of the log (see Appendix 5) for signing will be undertaken in conjunction with the audit process.

Some Clubs and Societies will be exempt from income taxation consideration due to their aims and activities as defined in their Club or Society Constitution being of a Cultural (e.g. art, drama, music) or Sport and Game (e.g. chess, bridge) nature. Generally all other Clubs or Societies will be classed as 'Not Exempt' though there will be exceptions. If you are unsure if your club is exempt from income taxation please see Appendix I, which refers to an income tax guide for non-profit organisations that can be found at http://www.ato.gov.au/content/downloads/Nat7967_3_2007.pdf or speak to the Auditors.

Focus on Interest Earned and Non-Club Member related Income

Not exempt non-profit organisations (such as your Club or Society) are primarily subject to income tax on **Non-Club member** income offset by related expenditure and **interest income**. Non-member income means money received from people or organisations who are not members of the Club or Society. The money or income collected from members and spent on member activities is **not** subject to income taxation consideration; this is the concept of 'mutuality' as described by the ATO.

Income tax is currently payable on 'calculated taxable income' amounts over \$416.

Due to this focus on events or fundraising activities where **Non-Club members** may be in attendance, record keeping needs to be more accurate – the numbers of: USU / Club member; USU / Non-Club member; and Non-USU persons attending an event (regardless of whether income is collected or a charge is made), buying merchandise or participating in a fundraiser activity will be required to be recorded. See the various sections throughout this Handbook for further instruction.

As Club and Society events are mainly held for the benefit of members and are often held with no or minimal profit there will only be a few Clubs or Societies subject to income tax payable obligations. Note that the USU Funding received for events held or fundraising activities will also be considered as part of the income calculation.

Club and Society Financial Documents to be retained

All Clubs and Societies should be aware that they are required to retain their Club and Society records for at least 5 years as per the ATO legislation and Taxation Rulings.

More information is available on the ATO website www.ato.gov.au

Revue Clubs exist to put on a performance during the USU Revue season in Semester 2 of each year. This Handbook content is applicable for all Revue Club Treasurers. In a nutshell, all expenditure items need to be supported by applicable invoices and till tapes. All income from ticket sales, fundraising events, sponsorship, USU and University of Sydney financial grants and reimbursements need to be supported by an appropriate audit trail. Also income collection systems need to be in place as events are held.

Points of observation that the Revue Treasurer should be aware of:

1. As mentioned above the content of the Treasurer's Handbook.
2. Be conversant with the Season Revue Manual on the USU C&S website under Entertainment > Revues.
3. A Revue is one project which balances creative skills with financially limited resources. A project plan should be established and be updated as milestones and slippages occur.
4. Establishing a Budget for the Revue is essential. You need to know how much you have to spend and the timing of the income received and expenditures to be paid.
5. Additional Revue Treasurer resources are available at http://usuonline.com/Clubs__Socs/Admin_and_Resources/Revue_Club_Treasurer_Resources/Default.aspx
6. If online ticketing systems are used to sell Revue tickets then an audit trail should exist to support the individual ticket sales made. (Also Refer to Section 2.2).
7. The completion of a Population Summary for Revue Tickets sold and unsold is required. This is in addition to receipting the sale of individual tickets.

A Treasurer has a duty to act honestly and with due care and diligence at all times.

As mentioned in the Overview Section all sections of this Treasurer's Handbook are applicable for Revue Club's except for the C&S Funding process. Revue Club Treasurer's should check with the Revue's Coordinator located in the Access Centre regarding any additional information required. The USU C&S website and C&S Office are also sources of information.

By being elected as Treasurer, the members of your Club have entrusted you with the responsibility of handling club funds solely for the benefit of club members. Also, by registering with the C&S programme the USU wishes to ensure that any financial support provided to Clubs properly promotes the social and cultural activity on campus that is envisaged within the USU's charter.

To ensure that you are able to do this, here are 11 "Golden Rules" to remember in everything that you do. When you adhere to these basic rules, your life as Treasurer will be simplified as well as rewarding. Throughout this Handbook, the advice is based on adherence to these rules:

Treasurer's Golden Rules

- 1 Only spend Club money if it is consistent with your Club's Constitution
- 2 Keep a record of all income and expenditure using a cashbook
- 3 Record all Club events in your cashbook, even if the event has no impact on your cash balance
- 4 Reconcile your cashbook to the Club bank statement on a monthly basis
- 5 Only make payments by Club cheque (NEVER in cash)
- 6 Get a "tax invoice" for everything that is bought for the Club
- 7 Write a receipt every time you receive money
- 8 Record the number of USU / Club members: USU / Non-Club members; and Non-USU persons attending each Club event / fundraising activity if the Club is Not exempt from income tax
- 9 Deposit all money received into the Club bank account. DO NOT SPEND IT BEFORE IT IS BANKED
- 10 Ensure your Club does not get over-committed and can pay all bills on time
- 11 Submit your financial records for Audit at the end of your Club's Financial Year

Handovers

Stepping into a new job is never easy and in your first few months as Treasurer you may feel intimidated and out of control. Don't panic. Just read on.....

To really get going you need to **OBTAIN** these from the out-going Treasurer:

- Cheque book(s)
- Deposit book(s)
- The Club receipt book(s)
- Bank statements from start of clubs audit period
- Cashbook (Excel file, download from C&S Website)
- Any other financial records from last year

Then you need to **DO** this:

- Have a Handover meeting with the out-going Treasurer (see below)
- Change Club signatories and address on Bank Accounts (see below)
- Check out the online Treasurer Resources available at http://usuonline.com/Clubs__Socs/Admin_and_Resources/Default.aspx

Handover Meeting with the out-going Treasurer

Make sure that you meet with the previous Treasurer as soon as possible after you have been appointed. In your meeting (suggested Agenda format on the C&S website) you should:

- Read and understand the content of this Treasurer's Handbook.
- Ensure that you obtain all of the extra 'bits and pieces', even if they do not seem important.
- Sit down with the previous treasurer and have them explain to you the financial position and exactly what everything is and how the club works.
- Discuss any problems they encountered during their term.
- View and discuss the cashbook with the previous Treasurer to ensure you understand what each entry refers to and how to classify each type of entry.
- Ensure that you have all the necessary invoices and receipt books to support the cashbook.
- Discuss the previous Audit Results and recommendations made by the Auditors and the steps taken by the outgoing Treasurer to deal with these recommendations.

Do not let the outgoing Treasurer drop all the financials off to you and disappear – you will need their contact details so that you may continue to ask questions over the first few months regarding the previous financial history for the club. If you cannot get in contact with the previous Treasurer, please contact the C&S Office as soon as possible so that we may assist you.

Changing Club Signatories

Gaining control of the Clubs bank account is a multi-step process and can take some time to complete. To do this as quickly and easily as possible, follow the steps below:

- Decide who the new signatories are to be (Must be Treasurer, President and 1-2 others)
- Obtain an authorisation letter from the C&S Office stating who the new signatories are.
- Arrange a time for the new signatories **to all go to the bank together**, with each person bringing '100 points' of ID (this includes photo ID, passports, bank/credit cards, proof of address)
- Collect a "change of signature" form from your bank. Read it and ensure that you understand it.
- Change the address of where the bank statement will be mailed.

1.3 Starting Up

If you are a new Club starting up for the first time, please pick up a copy of the Clubs & Societies Handbook from the C&S Office and follow the steps outlined.

Your first task as Treasurer will be to open a bank account – you are not permitted to undertake any financial activity until this has been done.

To do this you need to present to the bank:

- A letter of registration from the C&S Office to the bank to show that you are a Club, Society or Association affiliated with the USU.

Arrange for 3 of the Executive to be made signatories to the bank account (usually President, Treasurer and Secretary). All of you will need to go to the bank with '100 points' of identification and fill out the necessary paperwork.

You must only open a 'cheque account', and you must ensure that no key cards or credit cards are issued. As per the C&S Regulations, please use one of the two banks on campus, the National Australia Bank (Wentworth Building) or the Commonwealth Bank of Australia (Wentworth Building). There **should be no monthly fees** on the bank account you open, check this when you are in the bank, this may affect which bank you choose to use. Visit the C&S Office for more details of how to ensure your Club's bank account does not incur ongoing monthly bank fees.

Once your bank account is open, you can start recording the financial activities of your club as outlined in the rest of this Handbook, You will also receive your \$250 start up funding cheque from the USU, and really 'get going'!

Internet High Interest Accounts

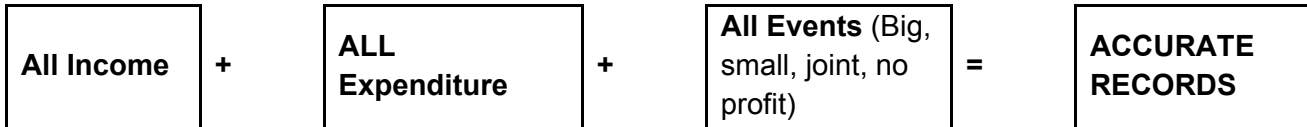
A few Clubs and Societies have enquired and opened linked Internet (or phone) High(er) Interest Earning bank accounts now offered by the major banks. These bank accounts are acceptable only if they are linked to the Club or Society's Main Cheque account for income and payment transactions.

No payment facility to the world at large should exist from this Internet High(er) Interest Earning bank accounts. All payments to the world at large should be made through the Club's Main Cheque bank account.

This situation is also applicable for Term Deposit bank accounts.

Note, an additional separate Cashbook (refer section 2) is required to record the movement of the cash in these bank accounts.

2.1 Introduction



There are 5 important things to consider in setting up a good financial system:

- It must provide good quality financial information at the right time for the Executive to make decisions
- It must ensure that Club funds are only used for the purposes intended and are kept safe
- An Audit trail is left so that you can prove to your Members and the USU that the money has been used properly
- The 'Golden Rules' (see page 6) are followed; and
- You can manage it!

The system you set up does not need to be complex...simple is best! We recommend that you use the [Cashbook](#) (linked Excel spreadsheet, Appendix A) which can be downloaded from the C&S Website to record your financial activities, as it easily provides the information you require, and fulfils the requirements of the auditor.

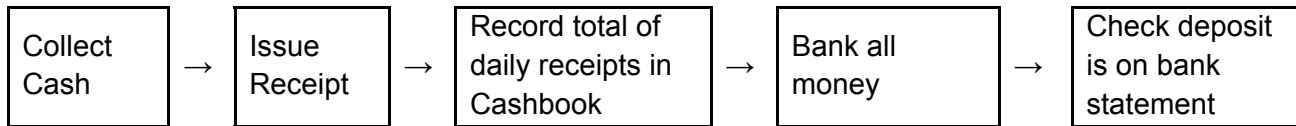
It is important to realise that you must record and report ALL events organised by your club whether USU funding is being sought for the event or not. The Income and Expenditure recorded should be a **Gross** view of the activity of the Club.

You may be tempted to use accounting software such as 'MYOB' or 'Quicken' to keep your records up to date. Our experience has shown that such software is unnecessary for most clubs, and in many cases causes more confusion than help. The use of such programmes is **not recommended unless your Club is registered for GST**, when some benefits may be achieved. In this case the person using the programme (usually the Treasurer) should have the proficiency to do so, obtained through suitable external training.

Your accounts will be prepared using the 'cash basis' of accounting. This means that any money (cash, cheque etc) you receive must be recorded in the cashbook at the date you receive it (NOT the date that it is banked), and payments are recorded at the date paid (NOT the date cleared by the bank)

Your club is not required to provide a "Statement of Financial Position" (Balance Sheet) listing the assets and liabilities of the Club, as is standard practice in business within Australia. However, if your Club has significant assets (e.g. equipment that will last for a number of years) or significant liabilities (e.g. debts not paid, rental or lease obligations), you **must** contact the C&S Office as soon as possible to discuss the implications of this.

2.2 Income



“Income” represents all money received, from whatever source, including payment for goods or services provided by the Club. This includes membership money, money collected at BBQs, Charity collections, donations, harbour cruises, balls, dinners, T Shirts etc. It may be received as cash, cheque or by direct debit into your bank account.

Every event you charge for will generate income. Even if all of the money collected is being paid in full to a venue, it is still considered Club income, and needs to be recorded in the cashbook as such.

Issuing Income Receipts

If you collect more than \$5 from an individual, you should issue them with a full income receipt and give them a copy (regardless of whether they want one or not!). You must keep a carbon copy in the receipt book. Do not tear the carbon copies out of the receipt book, as they often get lost which has an impact on the audit.

It is worthwhile to reference the front cover of the book (A, B, C etc) and also write the name of the event and charging structure (Eg. Members \$10, Non-members \$15). If possible you should use a separate receipt book for each event.

Each receipt will look like this:

Cash Receipt (Original)	No. 39
<hr/>	
Received From:	
<hr/>	
The sum of (dollars & cents):	
<hr/>	
Being for:	
<hr/>	
\$: _____	Signature:

If you collect less than \$5 from an individual (Eg. for a BBQ or raffle), it is acceptable to use a raffle ticket book or tally sheet to support your income. If this method is used each raffle book or tally sheet should be clearly marked with the date and name of the event, as well as the cost of the ticket. It is also a good idea to use a different colour of raffle ticket for each price of ticket (eg. Members \$1 – red book; Non-member \$5 – blue book.) If a tally sheet is used it should be filed to support the event income collected. This system should not be used for memberships; full receipts should always be issued to individuals for membership.

If you are collecting “gold coin donations” for an event or charity collection, obviously it is not possible to issue a receipt to each person. In this case, 2 people should be appointed to count the money. The Treasurer will then generate a receipt or use a form which should be signed by the 2 people counting the money.

If you are issuing tickets for an event (eg. a concert, ball) you should keep the ticket stubs as evidence of the number of tickets sold. If possible you should also keep the tickets collected at the event, and also collect and keep any unsold tickets. A ‘Summary of Ticket’ physical population and prices (issued/allocated, sold, complimentary, unsold, lost) should be prepared, completed and included with the documents for audit purposes.

If you receive income from any other source, (eg. sponsorship, USU funding) you will be issued with either a letter or remittance advice when you are given this funding. You must keep this income support and record its receipt in the cashbook. You do not need to issue receipts to such sources, unless they request one.

Online Systems

The use of Online Systems is utilised in a very small number of Clubs and is used for only some activities (not all) within those Clubs. The following points have been included for information purposes as a result of recent questions. If your Club is considering the use of an Online System for selling event tickets whether developed by the club or hosted by a third party then you are obliged to consider the following:-

1. Is an Online System the best income collection system for my Club or Society – would a manual system be as effective?
2. If the Club is researching this approach, then the following questions should be considered - ‘How would I know if something was wrong i.e. people could not buy tickets as required through the website, people were being charged the wrong amount?’ ‘How often is the collected money deposited into the Club’s bank account?’ ‘What is the business reputation of the Online System third party?’ ‘What are the commission charges – who pays, the Club or the purchaser?’ Is the third party transparent, accountable and responsible in its dealings?’ ‘What does the Audit Trail look like – is it detailed and does it meet the requirements of good business practice and this Treasurer Handbook?’
3. Call the C&S Office and discuss the implications.

Event Summary Numbers required

If your Club is Not Exempt from income tax, then for each event or fundraising activity held (eg. BBQ, cruise, presentation, dinner, t-shirt sales), you are required to summarise and record the actual USU/Club members; USU/Non-Club members and Non-USU persons attending the social event or fundraising activity.

Particular attention will need to be given to how this information is collected and recorded when completing receipts, tally sheets, major event ticket sales etc. In some cases current systems in place will need to be revised and improved.

This event summary information as summarised on the Submission Form is required to accurately calculate whether the Club has an income tax payable obligation relating to the Non-member participation in the event.

Submission Form

The Submission Form in Appendix G is required to be completed for **ALL** events held or undertaken during the year, **even if income is not collected** for the event

Recording Income in the Cashbook

Book-keeping for income earned is simple. You can use the pages in this Handbook or download the Cashbook (Excel spreadsheet) from the C&S Website. It can be found at:

http://www.usuonline.com/Clubs__Socs/Admin_and_Resources/Funding_and_Registration/Default.aspx

First you need to edit the column headings in the Cashbook to represent the activities of your Club. Some common examples have been entered in the cashbook to help you.

Then you can complete:

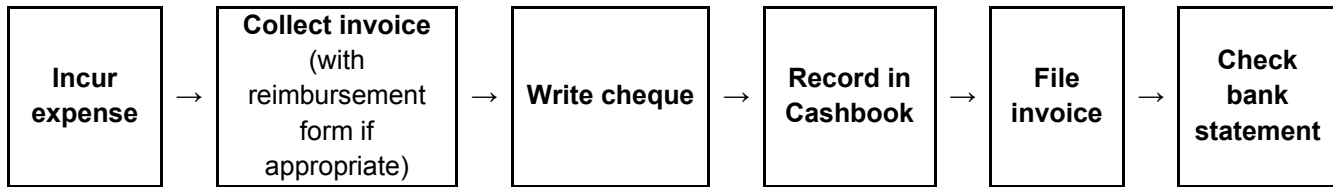
Change headings to reflect your activities



Date	Details	Reference	Total Deposit	Membership	USU Funding	BBQ
5/03/2010	O week collections	A,B	\$230.00	\$160.00	\$300.00	\$70.00
6/03/2010	USU Oweek funding	C email	\$300.00			
(Date the money was collected)	(What event/s the money was collected for?)	(Reference to receipt books, raffle ticket book, remittance advice)	(The amount of the total bank deposit that day)	(Split of what the money deposited was received for)		

You must record all income in this way for every event held by the club, whether USU funding is being sought for the event or not, and even if the event income exactly equals the event expense.

2.3 Expenditure



Any money your Club spends on goods and/or services is called expenditure. Expenditure can happen in a number of ways. For example, it can arise from:

- A venue is hired on behalf of the Club and paid by cheque issued by the Club
- An Executive member pays with their own money on behalf of the Club and later the Club reimburses the person by way of a Club cheque
- The Club orders T-Shirts and pays by cheque issued by the Club.

Writing Cheques

Payments for items must be made by using the Club's cheque book. The cheque butt must be filled in at the same time. You should never "pre-sign" blank cheques for future use – this practise is dangerous, if the cheque book is lost, any person could write in an amount and cash the cheque! All cheques require 2 signatures to be valid.

Collecting Tax Invoices

When you spend money, you must obtain a valid receipt or "tax invoice" to support the payment that you have made. If you are reimbursing a Club Member who has already paid for the item, this can only be done accurately if they give you the valid "tax invoice" first.

In the unlikely circumstance that a supplier does not normally produce an invoice/receipt, you should **ask for one**. This is the only way the Club can verify the amount spent and obtain appropriate details of what was purchased. **Please note that credit card receipts, receipts which cannot be traced to a supplier, receipts without dollar amounts, are not sufficient to support payments made and therefore may result in failing Audit and could increase your tax obligations.**

The receipts are necessary for both funding applications (section 3.3) and for Audit. As noted in the C&S Handbook, photocopies of receipt should be made for the funding application, and the **original tax invoices** should be filed and kept by the club until audit time.

Keeping Track of Tax Invoices/Dockets Received

There are a number of ways to keep these records neatly. Any of the following are acceptable:

- Keep a scrap-book with the receipts attached to the pages; or
- Sort the receipts into separate envelopes for various events; or
- File in cheque number order in a 'lever arch file' or equivalent with the Club cheque number noted on each tax invoice or receipt supporting payment.

Please ensure that the invoices are secured properly and not placed between the pages of the cashbook as they will fall out and get lost easily. It is much easier to file the invoices as soon as they are received, rather than trying to sort them out at the end of the financial year.

2.3 Recording Expenditure in the Cashbook

Book-keeping for expenditure is simple. You can use the pages in this Handbook or download the Cashbook (linked Excel spreadsheet) from the Treasurer's Resources, in the C&S menu of www.usuonline.com.

First you need to edit the column headings in the Cashbook to represent the activities of your Club. Some common examples have been entered in the spreadsheet to help you.

In a similar way to income, enter the date and details (what was purchased?) of each cheque and divide the expenditure into the appropriate column if the cheque total represents expenditure for several events.

DATE	DETAIL	CHEQUE #	REFERENCE	TOTAL	T Shirts	O week	BBQ
1/1/2010	O week - reimburse Bart	1458	A1, A2	260	180	20	60
(date cheque is written)	(What was the purchase for?)		(write a reference on the invoice)	(total cheque value)			
TOTAL EXPENDITURE				\$ -	\$ -	\$ -	\$ -

If a cheque is cancelled, note this in the Cashbook with zero dollars recorded. This aids the completion of the Cashbook and Bank Reconciliation process. All cancelled cheques should be kept and crossed as 'Cancelled'. The crossed process is completed by two diagonal lines across the middle of the cheque with 'Cancelled' written between the two lines.

Capital Expenditure to be Recorded Separately

In order to track capital expenditure items purchased by the Club or Society, a separate worksheet has been introduced to the Cashbook and will be required to be completed regarding the detail of any Capital Expenditure items purchased or donated to the Club or Society. Each entry should agree to the expenditure information recorded in the Cashbook journals.

2.4 Reimbursement Systems

Sometimes your Club may find it frequently difficult to pay by cheque because cheques may not be an accepted form of payment, or because the signatories are not all present at the time of payment. In such circumstances, a Club Member can pay the account out of their own pocket, and then be reimbursed by Club cheque at a later date.

You may find it useful to use the “Reimbursement Form” in Appendix 5E to keep track of reimbursements, particularly if several people are making purchases on behalf of the Club. As soon as a reimbursement is made, the cheque written should be recorded in the cashbook as described in section 2.3 above.

Please note that this method of expenditure is suitable to overcome the practical difficulties making multiple small purchases in different locations. It is not a method of obtaining loans from individual Members and should not be used if you do not think the Club will have sufficient funds to reimburse the Member. Always endeavour to reimburse each Member as soon as possible after the event to ensure that the Club does not build up significant unpaid debts.

Important:

The Club Member being reimbursed must keep their tax invoices or receipts relating to the original purchase. The Member **should only** be reimbursed when they have given you all the relevant tax invoices/dockets, as described in the section 2.3 above.

Credit card receipts are NOT acceptable as evidence of payment. If a credit card is used to pay for Club expenses, Members should always ensure that they receive a genuine tax invoice too. Ensure that you tell the Club Member making the purchases about this BEFORE they go on a spending spree!!
REMEMBER: NO INVOICE = NO PAYMENT

2.5 Petty Cash / Floats

A petty cash system is another way of spending money when cheques are not possible or not feasible. If your Club finds it **frequently** difficult to pay by cheque, a reimbursement system as described above should be set up instead of using a petty cash system

We do not recommend the use of a petty cash system. However, if your club is already operating in this way, please contact the C&S Audit office to let us know that you intend to operate such a system this year.

One reason for this is that standard petty cash ‘floats’ are a balance sheet item replenished on an ‘imprest’ basis. Since USU Clubs are not required to prepare a balance sheet, accounting for petty cash becomes difficult.

Floats

Sometimes a club refers to cash on hand as 'petty cash' when it is actually small amounts of cash required to provide 'change' to members attending club events. Clubs should not be with-holding money from being banked for one event in order to provide 'change' at the next event. This causes a mismatch between the income support documents for events and the actual amount banked for the events.

When a club needs to provide 'change' to members attending a club event then the use of a Float is recommended. The Treasurer draws a cheque for a nominal amount say \$50 or \$75 and cashes the cheque at the bank for the coin and small notes required. **The cheque is noted in the Cashbook Expenditure journal under a column headed Float.** The event is held and the change is provided. The Float amount must be accounted for on the income support documentation as it is not collected income, the money already belongs to the club.

When the event is completed the Float amount is then re-banked and noted in the Cashbook Income journal under a column headed Float. There can be many Float situations during a year according to the number of events held.

Note that the Float amount withdrawn through the expenditure journal should agree to the Float amount re-banked after the event(s) are held.

This is a summary of the Cashbook Income and Expenditure journal entries.

Cashbook Expenditure Journal

		Cheque	Total \$	O-Week	T shirts	Float
26/02/2010	T shirts	52	420.00		420.00	
27/02/2010	Oweek Float	53	50.00			50.00

Cashbook Income Journal

		Ref	Total \$	Membership	T shirts	Float
5/03/2010	O-Week float redeposited		50.00			50.00
10/03/2010	Membership	Rec bk 1	130.00	130.00		
11/03/2010	T shirts	Rec bk 2	55.00		55.00	

2.6 Bank Accounts and Records

Each Club or Society must have a bank account. All Clubs and Societies must use a cheque account and NEVER a key-card account. If you have a key-card account, you are in breach of C&S Regulations and you put at risk your Club or Society funding from the USU. The same goes for internet and phone banking – clubs should never activate internet and/or phone banking on their account, even if there is an option to use two logins. Note, the C&S Management are currently reviewing this situation.

A small Club or Society should only have one bank account - but if you have more than one account (for larger Societies), the bank records of all bank accounts must be submitted for Audit. A Cashbook should be prepared for each bank account. There are three main types of bank records:

- Bank statements;
- Cheque Books; and
- Deposit Books or Deposit Slips

Bank Statements

The bank statement is your most important external record. It is the document around which the Auditor will perform his/her work.

File all the bank statements together and don't lose them! Losing them means that you will have to re-order them from the bank, and most banks charge a fee for this service. **Check each bank statement as you receive it, ensuring that all deposits you have made (look at your cashbook) have been recorded and that all cheques that you have written have been presented** (and so appear on the bank statement). When a bank statement is missing a Bank Transaction listing can be requested to cover the missing period of time, a small bank charge is usually incurred.

Cheque Books

It is compulsory that all bank accounts have at least 2 signatories, one of which must be the Treasurer. Therefore, each cheque must be signed by two persons. Most clubs find it useful to have 3 people registered with the bank as authorised to sign cheques. This means that if one of the signatories is not available for a period of time, for instance overseas or interstate, the club can still operate. Make sure YOU complete all the cheque butts properly with the Date, Amount, Reason and the Name of the payee.

Deposit Books

It is recommended that a deposit book is obtained and used when depositing money. If a number of cheques or cash from various events or sources is deposited together, write on the back of the deposit slip the amount of each cheque deposited and the money received from each separate event.

Deposit slips alone are not sufficient supporting documentation for income. This is because deposit slips cannot verify that the total amount of money deposited into the bank was the amount that was the amount actually received by your Club or Society at the event. You need to have issued receipts as described in section 2.2.

2.7 Financial Statements

At the end of the financial year of your club you are required to prepare the following:

- An Income & Expenditure Statement for the financial year
- Bank Reconciliation

These statements are a summary of your cashbook and form the basis of your report to the Members of the Club at the AGM. The Cashbook excel spreadsheet has a 'tab' which automatically creates these statements for you, but you should check that they reconcile to the total of income and the total of expenditure on a monthly basis.

You may also find it useful to enter the previous year's figures to gain an understanding of how the Club has progressed this year.

The Income and Expenditure Statement

This is summary of all the income received and expenditure incurred throughout the year. This should reflect exactly what you have already recorded in detail in the cashbook.

An example of an income and expenditure statement is below.

INCOME AND EXPENDITURE STATEMENT FOR SU TRAINSPOTTERS' CLUB FOR THE PERIOD 01/01/2010 TO 31/12/2010	
INCOME	\$
Membership	150 00
T-Shirt Sale	150 00
BBQ	115 00
USU Funding	500 00
Annual Ball Tickets	2500 00
TOTAL INCOME	3,415 00
<hr/>	
EXPENDITURE	\$
BBQ expenses	86 00
Administration	4 50
Annual Ball	2,815 30
T shirt printing	60 00
TOTAL EXPENDITURE	2,965 80
NET CASH MOVEMENT	449 20

Bank Reconciliation

The Bank Reconciliation ensures that the transactions recorded in the cashbook are accurate. By checking that the amount of money in the books is consistent with the amount of money in the bank, it can be shown that the transactions recorded in the cashbook are correct. This is why the bank reconciliation is so important.

An example of a standard two-part Bank Reconciliation follows:

The first part ensures that the figures are consistent with your cashbook and that your figures add up. The second part then reconciles your cashbook with the bank's record of transactions (bank statement).

	Note	\$	c
Opening Cash Book balance	1	2000	00
Add: Income	2	3415	00
Less: Expenditure	3	2965	80
Cashbook balance at Year end	7	2449	20
Balance per bank Statement at year end	4	35	20
Less: Un-presented cheques	5	86	00
Add: Outstanding deposits	6	2500	00
Cashbook balance at Year end	7	2449	20

NOTES:

1. This is from the Closing Cashbook balance attached to your last audit report
2. Total from your Cashbook/ income statement
3. Total from you Cashbook/ expenditure statement
4. From your bank statement at the end of the year
5. This represents Club cheques written but are not yet on the bank statement -BBQ expenses in this eg
6. These are deposits banked but not yet reflected on the bank statement – Ball income in this eg.
7. These lines must always be in the same

It is very important to ensure that all bank charges, fees, interest, and interest income shown on the bank statement is recorded in the cashbook. These charges are just like payments or receipts and unless they are accounted for, the Bank reconciliation will **never** balance.

If there is a discrepancy, it is likely to be some missing income or expenditure entries (included by the bank but forgotten in the cashbook) or mistakes made by the bank. To find the error, it is necessary to ensure that you have taken up every entry on your bank statement into the cashbook. **If this is done then by definition, discrepancies cannot arise.**

Any unresolved discrepancies indicate a serious problem with the cash management process or book-keeping. The Auditors will examine any discrepancy and depending upon its size and nature may issue a Qualified Audit Report.

2.8 Goods & Services Tax (GST)

Clubs and Societies are non-profit entities and as such do not need to register for GST unless their turnover is in excess of \$150,000 per annum. Non-profit entities may register if their turnover exceeds \$75,000 per annum if they wish. However, the USU recommends that Clubs & Societies only register if their total income exceeds (or you expect it to exceed) \$150,000. We make this recommendation because our experience and advice shows that the increased compliance burden and costs that the GST brings to a Club generally outweigh any GST credits that the Club could potentially reclaim from the ATO.

If you wish to investigate this more fully, we recommend you peruse the ATO website:

<http://www.ato.gov.au/nonprofit/>. If you are unsure whether you should register for GST or not, further advice can be obtained from the C&S Auditors or Union's Director Finance and Business Systems, Mr Andrew Woodward.

If your club is registered for GST, please make an appointment with Fiona Adams 9563 6104 to discuss how to account for this properly.

2.9 Donations Collected and Remitted

There are some Clubs or Societies that are affiliated or associated with Charities that exist in the wider community. These Clubs or Societies are governed by their own constitution but may have an agenda aligned with the external Charity they support or are associated with.

Whilst Clubs or Societies may hold events to collect money with the aim of eventually remitting the money raised to the external Charity, it is a requirement that **ALL** money or income collected be banked into the Club's bank account and systems is in place to demonstrate and support the collection and receipt of the money (Section 2.2). Similarly, in terms of the money remitted or paid to the external Charity that there be support on file such as a letter with the amount and purpose clearly documented official charity deposit remittance slip and a receipt from the external Charity.

The receipt from the external Charity will also help clarify the Income Tax deductibility of the paid amount as often an individual will receive a receipt and therefore they are able to claim the income tax offset on their personal tax return or whether the Club is able to claim the Income Tax offset for a donation to the Charity.

In terms of holding an event with the specific aim of raising money for the external Charity and in turn claiming USU Funding for the event then **all information** regarding money collected through event fundraising and any donations received and the cost of holding the event need to be fully disclosed on the C&S Post Event form. The C&S Office will then process the form according to their Funding Formula based on all the information and the net result of the fundraising event.

Whilst the amount remitted by the Club is at the discretion of the Club Executive and its members, in general business terms amounts remitted are usually net i.e. collected amounts less the cost of holding the event.

3.1 Budgets

Your Club or Society, by definition, is a not-for-profit entity and therefore you may think it is not necessary to think about the overall financial management of your Club. However, you are managing a scarce resource (money!!), and you need to make sure that the events, or series of events, which you hold do not make your Club bankrupt! There are several steps you should undertake to make sure that this does not happen:

- Plan with your Committee the likely events your Club or Society will hold over the whole year. This will give you ideas as to what events Club funds and USU funding can subsidise, and what events can raise funds for future years. This will also give you the opportunity to apply for C&S funding (see section 3.3) well in advance so that you know whether you will receive funding for particular events or not, helping you with your budget process.
- For **each event** that you hold, prepare a budget which estimates:
 - **Realistic** estimates of all income & expenditure, including ticket sales, sponsorship, food sales, USU funding
 - **Realistic** estimates of all expenses
 - Make an allowance for things to go wrong – a contingency for over spending or reduced income results
 - Consider the risk factors involved in the event, and think of the financial impact on the Club if the event does not happen as planned. For example, what happens if 50 fewer people turn up? What happens if your sponsorship falls through at the last moment? What happens if your partner in hosting the event pulls out?
 - Consider timing factors. Will you have sufficient funds available at the right time to pay the invoices as they arrive? For example, many Ball venues require 50% payment on booking, which will be before any ticket money has been received.
 - Remember that you can make a 'profit' on your event. Providing it is within the profit limits (See the C&S Regulations for details), your USU Funding will not be affected. Consider this as a way of generating funds to subsidise other events later in the year

Overall, you should aim to finish your term of office as Treasurer with approximately the same cash balance as you started with. It is not recommended that you 'run down' the cash balance to zero as the Incoming Executive will struggle to have cash available to organise events next year. Equally it is not recommended that you run the events at a large profit, as the current Members of the Club would not be gaining the benefit of USU Funding for their Club whilst they were Members. **Under no circumstances should you allow your bank account to become overdrawn.**

If you are concerned about the financial performance of your Club at any stage through the year, please contact the C&S Office as soon as possible, as we may be able to help you deal with it.

3.2 Joint Events

Having joint functions with other C&S Clubs and similar Clubs in other Universities is a good way of raising money and having a larger event. However, there are implications on how these events are run to ensure that there is no confusion or misunderstandings when the finances are reported after the event.

In your cashbook you will be recording your share of the income, and your share of the expenditure. As with all other events, these items will need to be supported by cash receipts and tax invoices. This is often difficult because another party is involved.

Before you decide to proceed with such a function, come in and see C&S about it. This is important because each joint venture is unique. Here are a number of points to consider:

- Make sure that you have a written document covering all the groups in the Joint Venture and ensure that all parties sign it. This should detail what each groups participation and level of financial commitment will be. The document detailing the Joint Venture arrangement should be on file and be submitted for audit purposes;
- Ensure that there is adequate planning and structures in place to ensure that the event runs smoothly and that there is enough time to make the event work;
- If there is to be a financial commitment by your Club to the event, discuss this with C&S before the event as it is likely to be larger than you would normally make and you will be relying on others to make it a success;
- Ensure that the income and expenditure from the event is recorded in your cashbook and fairly reflects your share or commitment to the venture;
- Obtain a copy of the final spreadsheet (if available) recording the income and expenditure movements and final outcome (profit or loss) of the joint event; and
- Ensure that you have copies of supporting documentation for your share of income and expenditure.

3.3 Sponsorship Arrangements

A sponsorship arrangement or agreement with an external party or corporate organisation may be a formal or informal contractual arrangement with expectations to be fulfilled by both parties. It is essential that all clubs at the outset present their Club's details including membership numbers if required accurately. If successful in receiving financial assistance or in-kind support then the club must meet their arrangement obligations.

All sponsorship agreements or arrangement documents should be submitted as part of the audit process as they provide background to the financial support received from the external parties.

If you need assistance or advice in regard to drafting sponsorship agreements or arrangements then contact the C&S Office.

3.4 USU Funding Applications

The Regulations that govern Clubs and Societies funding are quite complex. For further details regarding the funding the USU provides to registered Clubs and Societies, please consult the Clubs and Societies Handbook. The details provided here are intended to be a simple guide for Treasurers, but applying for USU funding requires input from the Club Executive Committee (i.e. your President or Secretary) in order to ensure you comply with all the USU Funding Guidelines.

Funding Applications are granted based on Event expenditure incurred and income earned by the Club. Ultimately the Event expenditure and income **should be evident** in the Cashbook and Income and Expenditure Statement, this enables Event income and related expenditure to be matched – a very basic requirement of Financial Statement reporting.

Before your event

To obtain funding for an event, your Club must fill in a *Pre-Event Funding Application Form* online. A section of the form requires a budget for the event as described in section 3.1.

Submit your form online **before** you have your activity/function (at the latest the day before the event). Remember that this can be done on-line.

Remember, you **must** obtain an official tax invoice/docket for everything you spend your Club or Society's money on. These are the same as the ones you have recorded in your cashbook, described in section 2.3.

After your event

To claim your funding, fill out the *Post-Event Funding Application Form* which can be obtained from the C&S Office or from the website. Then, bring **all expenditure** receipts for the activity to the C&S Office. We need a **copy of your receipts** in order to verify that the event took place and when, but also to examine Club expenses. **NOTE: The original expenditure receipts, Tax Invoices/ dockets are your financial records and will be required for Audit at the end of your Financial Year, so ensure that you file them properly after this process).**

You must claim the funding by submitting this documentation within two weeks of the date of the event. If you cannot submit all receipts on time, please contact the C&S Office to discuss the situation. Once you have submitted all the necessary documentation, the funding application will be processed to the Club's bank account. This takes approximately 1 week. An email notice will be sent to the Club with the payment details.

Funding applications over \$1,000 and Capital Expenditure will be viewed at the next Clubs and Societies Committee meeting to ensure that your application is in compliance with the C&S Handbook and the Committee then provides a recommendation to the USU Board. Once the Board has approved your funding applications, funding will be made available to you. This process normally takes 4-6 weeks.

3.5 University of Sydney Funding support

On occasion the University of Sydney, mainly through a Faculty may grant funds or reimburse a Club or Society based on an event held. Clubs and Societies must follow the requirements of the Faculty Administration granting the funding and provide adequate documentation support.

If Expenditure documentation is required to be provided to the University to support their payment of a grant or reimbursement then ensure photocopies or the originals are still retained for audit purpose on the Club or Society file. This is very important as the initial expenditure is recorded in the Club's accounts. Clubs are also required to obtain and retain the University notification of successful funding as this contains information regarding the nature of the University funding income received.

Ultimately the funding income and related expenditure will be matched – a very basic requirement of Financial Statement reporting.

As a condition of continuing registration, the USU and the University require all Clubs and Societies to have their accounts Audited annually. This is required to ensure that the grants that have been provided to the Club have been used to properly promote social and cultural activity on campus and to give assurance to Members of the Club that their Executive have been operating in a financially sound basis.

The USU has a Team of qualified Auditors to perform this service free of charge to Clubs.

An Audit is an independent examination of the financial records of your Club, with a view to forming an opinion on whether they present a 'true and fair' reflection on the operations of the Club in the financial period. It is therefore imperative that your financial records contain information from ALL events held in the year and that the financial records are supported IN FULL by evidence such as tax invoices and income receipts. Providing you have followed the 'golden rules' listed in section 1, you should have all the evidence necessary for Audit.

4.1 When will my Club be Audited?

Your Club has the same financial year end each year. This is generally determined as two months before the month of your Clubs AGM. For example, if your AGM is normally held in October, your financial year end will be 31 August. The rationale behind this date is:

- Your financial records will be submitted, Audited and returned to you if time permits
- You can submit an Audited Financial Report (i.e. verified as correct) at the AGM to your Members
- If the accounts are not audited at the time of the AGM then you are required to present the 'Unaudited' Income and Expenditure Statement and Bank Reconciliation to the members present at the AGM. Once the audited accounts are returned they are formally adopted at a future committee meeting
- You will be audited for your work as Treasurer whilst you are still in office, so you can take credit for the great work that you have done!
- The Treasurer taking over from you will have had a recent Audit done, and so will not start off in a 'mess'
- Exceptions to this will be if your Club has requested a change of AGM or financial year end (FYE) date which has been approved and ratified by the C&S Auditor, C&S Committee and USU Board.

4.2 What do I need to do before I submit my financial records?

You will receive an email from the C&S Office in the month before your financial year end to remind you that it is coming up. If there is a particular reason why you cannot reach the submission deadline, please contact the C&S Auditors' Office by email (contact details are on the last page) as soon as possible to arrange an extension.

At your financial year end date you need to:

- 'Close off' your cashbook by adding up the total income and expenditure and **prepare your Income & Expenditure Account Summary (section 2.7)**
- Ensure that every event held by the club in the year is reflected in the cashbook
- Ensure that you have all bank statements for the entire Audit period. **Order any that are missing from the bank**
- **Prepare your Bank Reconciliation**, as described in section 2.7
- Ensure that all your invoices and receipt books are referenced and filed in a way that the Auditor can follow easily.
- Make sure you have everything listed in the checklist in Appendix 5F.
- **Complete the Submission Form** in Appendix G.

If you do not submit the required documentation, or it is deemed impossible to understand, the C&S Auditors will contact you to arrange a meeting to go through your submission. This may result in your Audit being 'Qualified' (see section 4.3), which means that your registration with the C&S Program could be revoked, as the Union has been unable to verify on behalf of the Club Members that the funds under the control of the Executive have been used properly.

4.3 Audit Reports

On completion of your Audit, the C&S Audit Team will prepare an "Audit Report" which explains to the Members what work the Auditors have performed to form an opinion on the financial records of the Club. The types of report that the C&S Auditor will produce are as follows:

- **"Unqualified or Clean"**, the best report possible. Your Club or Society will be re-registered for another year.
- **"Qualified – except for or Clean – except for"**. The Auditor is satisfied with your financial records 'except for' certain items. These particular items will be listed in the Audit Report. This may have arisen from:
 - Missing documentation, e.g. Bank statements or tax invoices
 - There is no demonstration of adequate systems in place for collection of income or payment of expenditure for some cashbook entries
 - Disagreement with the accounting treatment of certain items
 - Executive have not given adequate explanation of particular items

Depending on the exact nature of the qualification issued, conditional registration may be granted for 6 months, when another Audit will be performed. If this Audit is also Qualified, then the Club may be deregistered and further funding will be denied.

These Reports are not issued lightly by the C&S Auditors and if they are having problems and envisage such a Report, they will contact you requesting further information and explanations. Often, if you work with them answering their requests, such Reports can be avoided.

When the C&S Auditors issue a 'Qualified (Clean)– except for opinion, they normally also issue an accompanying letter or recommendation points giving ideas to the Executive as to how to improve the financial system to prevent the same problems arising in the future. Please read this letter or recommendation points carefully and if you have any queries, make an appointment with the C&S Auditors to discuss it in full.

- **“Inability to form an Opinion”**. In this case, little, incomplete or no financial records have been submitted by the Treasurer or no explanation of the financial records has been offered. Because of this, the Auditor is unable to form an opinion on the financial records of the Club. This is a terrible Report to receive and may well result in suspension of funding or immediate deregistration from the C&S Programme.

Where there is evidence that Union funding has been used for a purpose other than for which the funding was approved, that will also influence the Auditors in any decision on qualification and hence continuing registration. In this regard, funding for one Club may not be 'granted' or 'lent' to another Club. The Union Membership has every right to believe that funding to a Club is used by that Club for the purposes for which it was originally intended.

Hence, the Treasurer has the crucial responsibility of ensuring that the Club or Society remains registered. This means that consistent book-keeping must be made throughout the year. You must also co-operate with the Union's C&S Auditors in making all records available and providing all necessary information for a successful Audit.

You may need to educate your Committee Members and let them know what is necessary to maintain the Club's registration e.g. Letting them know that you need receipts or **'tax invoices'** for everything (income and expenditure), especially if you will not be around to supervise all activities. The Treasurer also needs to liaise with the Secretary, as he or she is responsible for supplying registration documents including Annual General Meeting (AGM) minutes, President's Report, list of Members, registration form and any constitutional changes.

If at any stage during the year you are concerned that your Club funds have been used inappropriately or stolen, please report it immediately to the C&S Office, Police and, if cash, also to University Security. The continuing registration of the Club can be hindered and insurance arrangements put at risk if it is not.

C

&

S

4.4 Club Inactivity

As per the 2010 C&S Club Regulations, a Club or Society shall be deemed inactive after any **continuous six-month period** in which that Club or Society does not hold any events or engage in financial activity.

If upon inactivity there remain any monies or properties, the control shall be assumed by the University of Sydney Union and held in trust.

The C&S Auditor, C&S Manager and USU Honorary Treasurer shall be signatories of that Club or Society's account and the Clubs and Societies Office shall control such properties held in trust.

After a further six-month period (i.e. total 12-months of inactivity), all money will be deposited into a USU-administered trust account, and will be returned to the club should it re-form.

After a total of eighteen months inactivity, all club funds will be transferred to the USU general account.

Should you have any questions regarding this, please contact the C&S Office, or the C&S Auditors.

A. Hard Copy Cashbook (Income)

CLUB

PERIOD to

INCOME JOURNAL

The top row is an example. Please delete when you complete this table. Add more columns if you need to.

Date	Details	Reference	Total Deposit	Membership	USU Funding	BBQ	Ball	Harbour Cruise	Bank Interest	Sponsorship
5/03/2010	O week collections	A,B	\$580.00	\$160.00	\$350.00	\$70.00				
TOTAL INCOME			\$ -	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

C. Summary of Income & Expenditure

CLUB

PERIOD

Income & Expenditure Account

Income

\$

Total Income

=====

Expenditure

Total Expenditure

=====

Increase/Decrease in Cash

-

D. Bank Reconciliation

CLUB:

PERIOD:

	Notes	\$
Opening cash book balance (from your last Audit Report)		<input type="text"/>
Add: Total Income (from cashbook App A)		<input type="text"/>
Less: Total Expenditure (from cashbook App B)		<input type="text"/>
Closing Cash book balance	1	<u><u><input type="text"/></u></u>
Closing Bank Balance		<input type="text"/>
Less: Unpresented cheques	list below	<input type="text"/>
Add: Uncleared deposits	list below	<input type="text"/>
Closing Cash book balance	2	<u><u><input type="text"/></u></u>
<i>Difference between 1 & 2 should be zero</i>		

List of Unpresented Cheques:

Date	Cheque Number	Detail	\$
TOTAL			

List of Uncleared Deposits:

Date of deposit	Cashbook ref	Detail	\$

E. Reimbursement Form

Person Seeking Reimbursement: _____

Reimbursement for:

<u>Items</u>	<u>Amount</u>	Receipts Attached	Checked/ Authorised
_____		<input type="radio"/>	<input type="radio"/>
_____		<input type="radio"/>	<input type="radio"/>
_____		<input type="radio"/>	<input type="radio"/>
_____		<input type="radio"/>	<input type="radio"/>

GST (if any)

Total Amount

Cheque Authorised by: _____ & _____

Cheque Number: _____ Dated: _____

F. Audit Checklist

Have you supplied all of the following information?

	Ref	Documents	No. of items	Please tick
Income and Expenditure Statement	2.7			
Bank Reconciliation & records	2.7	<ul style="list-style-type: none"> • All Bank Statements (If some are missing please reorder immediately from the bank) • Cheque Books • Deposit Books or Deposit Slips • Your bank reconciliation 		
Account Books	2.1	Cashbook (print hardcopy and email soft copy to C&SAuditor@usu.usyd.edu.au)		
Income Support	2.2	<ul style="list-style-type: none"> • Receipt books • Ticket Butts • All Other Receipts • Summary of event/fundraising tickets sold, unsold, complimentary. The entire ticket population should be accounted for.. 		
Expenditure Support	2.3	<ul style="list-style-type: none"> • Cash register Dockets • Tax invoices • Reimbursement forms 		
Submission Form	2.2	Number Summary of Club and Non-Club member event attendance or fundraising purchases for Not exempt from income tax Clubs. ALL club events held in the year should be documented.		
All other supporting documentation	3.3 3.2	<ul style="list-style-type: none"> • Sponsorship agreements /arrangements with sponsors. • Complete listing and copies of all invoices raised during the year. • Joint event agreement documentation and supporting profit/loss, cheque and income distribution spreadsheet. 		

If you are missing any items, attach an explanatory note, or contact Fiona Adams (9563 6104) to discuss your particular issue.

Make sure everything is stapled or bound, so that no loose receipts or documents can get lost.

G. Audit Submission Cover Sheet

Club Name:

List all your Bank Accounts:

Bank	Account Number	Account Type

LIST ALL EVENTS THAT YOUR CLUB HELD THIS YEAR

(Include **every** event, whether USU funding claimed or not, zero profit or free events)

Name of event	Date	Location	** Attendance Number Summary			
			USU / Club #s	USU / Non_club #s	Non_USU Person #s	Total #s

** Note: Faculty and Colleges show Faculty and Non-Faculty member; or College and Non-College member

WHO SHOULD THE AUDITORS CONTACT?

(i.e. who was responsible for the preparation of the accounts?)

Name	Position	Telephone & Email

Date of submission: _____

H. Executive Declaration - example

We, the Executive of The University of Sydney *[Name]* Society accept responsibility for the Financial Report for the period ended *dd/mm/201y*.

We declare that, at the date of this Report

- No Executive has bound any future Executive to any long term financial outlays, except to the extent noted in the Financial Report;
- To the best of our knowledge the activities of The University of Sydney *[Name]* Society have not given rise to any liabilities;
- All income and expenditure has been declared in full to the Auditor; and
- All activities undertaken by The University of Sydney *[Name]* Society in the period have been included in the Financial Report.

Signed

Treasurer / President
On behalf of the Executive

Date:

WORKSHEET 1

[ATO website Guide NAT 7967-03.2007 page 85]

WORKING OUT YOUR ORGANISATION'S INCOME TAX STATUS

This worksheet has been prepared to help you work out your organisation's income tax status.

You should use this worksheet whenever you want to check your organisation's income tax status. The Tax Office recommends that you review the status of your organisation each year. You should also review when there has been a major change in structure or activities. It is the organisation's responsibility to ensure any changes that may alter its status are considered at the time the changes become evident.

WHO SHOULD USE THIS WORKSHEET

Clubs, societies and associations should use this worksheet.

[*Note the following is Not Applicable for the C&S Clubs and Societies.*] It is not to be used by charities, friendly societies, employee associations, employer associations, trade unions, or health, hospital or medical benefits organisations. Charities should use 'Worksheet 2 – reviewing your organisation's endorsement as an income tax exempt charity'. Income tax exempt funds should use Worksheet 3 – reviewing your organisation's ITEF endorsement.

What you will need

- a copy of the Income tax guide for non-profit organisations (NAT 7967)
- your organisation's constituent or governing documents (for example, constitution, rules, memorandum and articles of association), and
- information about your organisation's activities, finances, plans, advertisements and history.

Once you have worked out your organisation's income tax status, **you do not need to apply** to the Tax Office to have it confirmed. When you have completed this worksheet do not send it to the Tax Office. Keep it with the records of your organisation. It will show why and how you arrived at the decision of your organisation's income tax status and help future office bearers.

WORKSHEET 1

1 Full name of the organisation

2 Australian business number (ABN) (if held)

3 Period of review

	/		/		to		/		/	
--	---	--	---	--	----	--	---	--	---	--

4 Reason for review (please tick)

Change in activity

Annual review

Other: please specify

EXEMPT ORGANISATION

6 **Does your organisation fall within one of the types of exempt entities listed in the ‘Type of exempt entity’ table on pages 12 to 13?**

Yes Go to question 7

No The entity is not income tax exempt. Go to chapter 6 – ‘Taxable organisations’.

7 **Does your organisation meet all the requirements of one type of exempt entity, as specified in the relevant section of the chapter ‘Is your organisation exempt from income tax?’**

Yes Your organisation is income tax exempt. Your organisation does not need to pay income tax or lodge income tax returns and it will not need to get confirmation of its exemption from the Tax Office.

Go to the end of the worksheet.

No Your organisation is not income tax exempt. Go to chapter 6 – ‘Taxable organisations’.

Chapter 2 – ‘Is your organisation exempt from income tax?’ provides a checklist for each type of exempt entity. To ensure your organisation meets all the requirements of one of the types of exempt entities, you should work through the relevant checklist.

You will need your organisation’s constituent or governing documents and information about its activities, finances, plans, advertisements and history.

Notes:

ONCE YOU HAVE COMPLETED THE WORKSHEET YOU SHOULD:

sign it and keep it with your organisation’s other records, and

make an entry in the ‘**Log of status reviews**’

Name of person conducting review

Position held

Signature

Date

Approval by Board / Committee

C**&****S**

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Online Resources

USU Online > Clubs & Socs > Admin & Resources

http://usuonline.com/Clubs_Socs/Admin_and_Resources/Default.aspx

Or USU Online > Clubs & Socs > Starting a New Club

http://usuonline.com/Clubs__Socs/Starting_a_New_Club/Default.aspx