



## Treasurer Role

### Rotherham Moorgate LTC Treasurer Role

The treasurer is the person who takes on the responsibility for keeping accurate financial records and ensuring they relate closely to the development/business plan. In essence the treasurer is the day to day financial manager, working closely with the management committee to provide annual budgets and regular financial reports in order to make informed decisions and monitor performance against the budget.

Alongside this guidance note, there is some advice on business planning in the 'growth and retention' section of the LTA website that may provide you with further information and advice.

### What makes a good Treasurer?

- Adequate time to perform the role
- Enthusiasm
- Good organisational skills
- Good communication skills
- Honesty and integrity
- An ability to keep record
- An ability to handle money and cheques carefully
- An ability to make decisions
- A good eye for detail
- Confidence with numbers

### Roles and responsibilities

- Keeps up to date records of all the financial transactions
- Reports regularly to the management committee on the financial status
- Identifies fund raising opportunities e.g., grants and sponsorship
- Prepares year end statements of accounts to be presented to the auditor
- Presents end of year financial report to the AGM
- Is responsible for financial planning including producing an annual budget and monitoring it throughout the year

### Estimated Time Commitment

10 management committee meetings per annum, 1 AGM, County AGM, other meetings as required

2 – 3 hour per week throughout the year

### Key Relationships

Coach, Management committee, County LTA Office

### BEST PRACTICE TIPS!

## *Income and Expenditure*

The treasurer manages all income (e.g., invoicing and collecting subscriptions) and all money owed, ensuring that cash and cheques are deposited promptly in the bank or building society and issuing receipts for all money received and recording this information. They also manage all expenditure including paying the bills and recording the information.

There are various legal requirements including handling the payroll and income tax for employees and helping to prepare and submit any statutory documents that are required by law (e.g VAT returns, PAYE and NI returns). Even if these duties are delegated to a professional, the treasurer is still ultimately responsible. Therefore, It is up to the treasurer to make sure that any delegated work is carried out correctly.

## *Taxation information*

Direct taxes; employment taxation, PAYE (Pay As You Earn) - taxation on earnings, paid by the employee and National Insurance (NI) contributions on earnings deducted from an employees salary/employers contribution.

Indirect taxes; VAT returns, VAT is tax on income made on the purchase of goods and services (certain items are exempt e.g. children's clothing). Places to play can only charge VAT if they are registered with HM Revenue and Customs and if their annual turnover exceeds £55k per annum. Suppliers who are registered for VAT themselves can only charge VAT on expenditure. Therefore, if the place to play is registered for VAT and collects VAT on its own income there is a legal requirement to make regular returns to the tax office to account for monies received and paid out in relation to VAT.

## *Status of the place to play*

Dependent on the objectives, the legal status of the place to play can be formed in a variety of different ways:

- Limited Liability Companies (Ltd) – shares are issued in exchange for monies and the company is run by a board of directors
- Companies limited by guarantee – similar to above, however, their solvency is guaranteed by an individual
- Management committee run place to plays
- Charitable associations
- Charitable status for Community Amateur Sports Place to plays (CASCs)

Community Amateur Sports Clubs (CASCs) are now eligible to apply for charitable status, potentially saving them money in a tax year. Place to plays who successfully apply will benefit from:-

- A mandatory 80% business rate relief.
- Tax exemption from trading income.
- Payroll giving.
- Gift Aid on donations from individuals and companies.

To benefit, place to plays must:-

- Be open to the whole community.
- Be organised on an amateur basis.
- Have their main purpose as providing facilities for, and promote participation in tennis.

For more information visit either [www.ccpr.org.uk](http://www.ccpr.org.uk)

## HM Revenue and Customs tax relief package for CASCs

Some places to play may feel that becoming a charity is not right for them, but the management committee should consider the benefits of registering as a CASC with HM Revenue and Customs. Amateur sports clubs who do not wish to apply for charitable status can now apply for a package of tax relief available direct from HM Revenue & Customs. In order to qualify, you must be open to the whole community, be organised on an amateur basis and have your main purpose as providing facilities for, and promote participation in tennis.

As of 1 April 2004, the package gives mandatory rate relief of 80% to registered place to plays, as well as tax relief on:-

- Fund-raising income up to £30,000.
- Income from interest.
- Rental income up to £20,000.
- Capital gains tax on disposals.
- Gift aid on donations from individual donors.
- Inheritance tax on gifts of assets or trading stock.

For more details on the benefits, visit the CASC page of the HM Revenue & Customs website, [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

### *Paying the bills*

Bills should be paid promptly (within 30 days) including payment of out of pocket expenses to volunteers. Normally bills will be for items that have been budgeted for (e.g., expenditure that has already been approved). If the treasurer gets something unexpected, the management committee should be informed and their guidance sought.

It is a good idea for the management committee to give the treasurer authority to make smaller financial decisions themselves (e.g. up to £50) and seek consultation from the management committee on larger financial decisions.

All payments should relate to a written invoice or document, including claims for expenses from members of the management committee and be properly recorded. Always document the handing out of cheques.

Payments need to be recorded in cash book columns, labelled with the account names (e.g., rent paid, maintenance or coaching). All payment columns should be totalled at the end of each month. The total can then be compared to the budgeted figures to see if the expenditure items are within budget, ahead or behind. When balanced, the monthly closing figures can be carried forward as the opening balances for the next month.

### *Writing the cheques*

- Write the payee's name in full, the date, the total amount in words and figures
- Fill in the cheque stub
- Sign the cheque, making sure there are two authorised signatures
- Put the postal address and the invoice/account number on the back of the cheque
- Request a receipt for all payments

### *Accounting for the money*

#### *The cash book*

The accounts comprise books or ledgers, either in paper format or using a computer programme, which keep a record of all income and expenditure usually covering a 12 month period (the financial year). The cashbook is a cash receipts and cash payments journal, including records of bank notes, credit card slips, cheques, money orders, receipts and cheque stubs. A summary of these books should be prepared showing the entire place to play's receipts and payments during the financial year.

#### *Cash balance*

To determine this, total the receipts and deduct payments. Be aware that any interest, bank charges, VAT, direct credits or debits from other accounts, and un-presented or dishonoured (bounced) cheques will affect this. In smaller place to plays, this cashbook is usually a manual system based on a ruled ledger book available from most stationary shops. Keep the receipts and payments separate to each other. Here are a few basic items that should be recorded for every transaction.

- Date of the entry.
- Reference number for that entry – this number should also be written on the invoice or expenses claim form for easy cross reference.
- Person you are paying (or from whom you have received the money).
- Cheque number (for payment by you) or receipt number (for payments issue by you).

- Details of the transaction (what it was for e.g., coaching fees, membership, raffles, interest).
- VAT element (only necessary if you are VAT registered).

Whenever cheques are paid into the bank or building society, the receipts section of the cashbook should be totalled and a note made of the total amount put in the bank, with the date. These totals can easily be compared with the bank statements to make sure the two agree. It is advisable, at the end of the 12 month period to have the accounts audited (looked at and verified) by an independent person, preferably someone with professional qualifications (the auditor).

If the organisation is a limited company, it must have a registered auditor who produces a report under the requirements of the Companies Act. Most place to plays that are not limited companies elect honorary auditors to inspect and verify the accounts that the treasurer produces.

### *Collecting the money*

Always keep cash received separate from your own money. Keep a cash box solely for the place to plays money and write receipts in duplicate as soon as you receive it. Hand one receipt to the person who pays you; the other one is your copy, which should be kept in the book.

Deposit all cash and cheques in the bank or building society as soon as possible after receiving them. Not only is this efficient administration, it also makes good financial sense – money in the bank account is likely to earn interest and prevent banking charges.

### Invoices

If you send out invoices you will need to keep a record showing that an invoice has been issued and later to confirm it has been settled. The people who owe you money, to whom invoices have been sent are called debtors. If you receive lots of invoices (i.e., bills), try to allow for these when the final accounts are prepared. Include the expenditure in the financial year to which it relates, irrespective of when the bill is actually paid. The people who you owe money to are called creditors.

### Petty Cash

Sometimes you need to use cash for small payments where it is impractical or unreasonable to use a cheque. A petty cash book is needed to record the cash received, the cash paid out and the balance in hand. This balance figure should be updated whenever any cash is received or paid out and checked against the actual cash in the cash box. If there is any discrepancy, it should be resolved immediately. Don't take short cuts or expect to remember exactly who has given you what. Write everything down immediately in a dedicated book or file.

### Payroll

It is good practice to keep a payroll and pay employees such as coaches, grounds staff or bar staff by cheque or direct deposit to their bank account. It is at this stage that PAYE (tax) and National Insurance (NI) is deducted from their salary and administered prior to payment to the tax office. The payroll summary is an important set of records that should be passed onto the auditor when the annual accounts are being audited.

### **To be an efficient treasurer, you will need the following equipment:-**

- A computer with back up facilities
- A calculator
- A cash book to record money received and paid out
- A receipt book (induplicate) to issue receipts for monies received
- Folders, files and storage, files to store bank statements
- Previous year's financial information
- Bank paying in books, cheque books

NB – There are numerous cheap computer packages on the market dedicated to basic accountancy and bookkeeping with useable templates. These may be worth investing in.

