

Treasurer's Guide

A Handbook for CISV Treasurers

CONTENTS:

A. ABOUT YOU

B. ABOUT THE ROLE

1. Prepare an annual budget
2. Maintain the books of account
3. Record all assets of the Association
4. Record all liabilities of the Association
5. Record all income of the Association and ensure that it is collected promptly
6. Prepare annual accounts

KEY



Information



Search



Questions



Don't



Suggestion

Congratulations! You Are a National Association (NA) Treasurer

You have volunteered for, and been appointed to, one of the most important roles in your organization and should gain great satisfaction from your achievements. This handbook has been designed to help you in your task. If you need more help, you can contact the CISV International Fiscal Officer at the International Office (IO), your Chapter Development Regional Coordinator or Team; or, there are more than 60 other Treasurers out there who would be more than happy to help you. You can find the contact details for other Treasurers in the NA-Chapter Officials Directory on www.cisv.org

A. ABOUT YOU

You do not have to be a qualified accountant to carry out the Treasurer's role (if you *are* a qualified accountant there still might be something of value in here for you). It is essential that you are numerate, i.e. can handle and organize figures logically, and can grasp some basic financial concepts. If you are not numerate or, as is quite common, you have a fear of financial matters you may wish to consider whether this is the right role for you.

B. ABOUT THE ROLE

Your job is as follows:

1. Prepare an annual budget
2. Maintain the books of account
3. Record all assets of the Association
4. Record all liabilities of the Association
5. Record all income of the Association and ensure that it is collected promptly
6. Record all expenses of the Association and ensure that they are all properly authorised, relevant and paid by the due date
7. Prepare annual accounts

You may also be required to deal with any audit or similar statutory requirements and ensure that all financial filing requirements are met by the due date.

1. Prepare an annual budget

This will be for the next financial year ahead.

Estimate the cash and bank balances that you will have at the end of the current financial period; these will be your opening balances next year.

Establish the expenditure you will incur in the coming year. It could include:

- Hosting costs of programmes
- Travel and accommodation costs to events such as the Global Conference
- Office and admin costs (internet, paper, postage, bank charges)
- Training costs

- Programme participation fees invoiced by the International Office

Estimate the income you will generate in the coming year:

- Membership fees
- Interest and dividends receivable
- Donations and legacies
- Fund-raising events
- Hosting Fees from IO
- Grants

The usual financial model is that having worked out your total expenses and the income you will be able to calculate the deficit that has to be made up from programmes participation. In other words the participants that you are *sending* to events will bear the net deficit that you have worked out above. Whether you spread this expense evenly over your participants or charge different amounts: according to distance travelled; age range; length of event; is up to you.

Having calculated all of your income and expenditure for the coming year you should plot these figures into a spreadsheet allocating them by time-frame; usually monthly or quarterly.

There is a sample cash-flow spreadsheet on the next page.



Why not copy this spreadsheet and use it as a template for your own Association? Just double click on it and save it to your own files

Having prepared the cash flow you should now use it as a management tool.

First – are your finances in good shape? Can you pay your debts as they fall due? Will you make a surplus or an acceptable deficit for the year?

Second – once you are happy that the spreadsheet is as accurate a financial plan for the coming year as you can make it then it will form the budget for the year coming and should be presented to and approved by your managing committee.

Sample cash-flow spreadsheet

	Q1	Q2	Q3	Q4	Total
	€	€	€	€	€
Income					
Membership Fees	500	500			1,000
Interest & Dividends	100	100	100	100	400
Donations & Legacies	50	50	1,000	50	1,150
Fund Raising Events			3,000		3,000
Hosting Fees	6,000				6,000
Participation Fees	45,000	5,000			50,000
Institutional Grants				10,000	10,000
Total Income	51,650	5,650	4,100	10,150	71,550
Expenditure					
Hosting Costs	20,000		25,000		45,000
Travel Costs			4,000		4,000
Office Costs	250	250	250	250	1,000
Training Costs		2,000		2,000	4,000
Payments to IO		12,000		2,000	14,000
Total Expenditure	20,250	14,250	29,250	4,250	68,000
Income less Expenditure	31,400	(8,600)	(25,150)	5,900	3,550
Balance brought forward	6,000	37,400	28,800	3,650	6,000
Balance Carried Forward	37,400	28,800	3,650	9,550	9,550

2. Maintain the books of account

Your system will be unique to you. It doesn't matter whether you use paper spread-sheets, books of account, Excel spread-sheets or even a computer accounting package. As long as it is easily managed and provides the vital management information required, then it is adequate.

- Your system must show all receipts and payments with some cross-referencing to original documentation.
- You must be able to easily ascertain the balances held in all bank accounts and cash accounts at all times.
- You must be able to extract totals from the records in a meaningful form so that management accounts (and statutory accounts if necessary) can be prepared.

3. Record all assets of the Association

It is possible that your Association has no significant fixed assets of its own. However, if it does own computers, printers, laptops, office furniture, vehicles or even property, then these assets should be labelled if possible (identified by serial numbers or details of the model) and logged in an asset register giving details such as the location of the asset and date of purchase). Your assets should be insured for their replacement value and these values regularly reviewed.

One of your most important assets is debtors; that is, money owed to the Association. You must set up a system to record the creation of these debts and subsequent payments.



Excel spreadsheet has very good invoice templates, which you could use to raise sales invoices

It is vital that you have a robust system of debt collection for membership and participation fees. The terms of each invoice should be laid out clearly, for instance, "payable immediately" or "payable by 31 March 2014". Any overdue amounts must be chased vigorously and complete notes kept of contacts made with the debtor.

4. Record all liabilities of the Association

You must be aware at all times of the liabilities of the Association and when they will fall due for payment. Ensuring that sufficient funds are available at the correct time is also essential.

Probably your largest creditor at any given time will be CISV International. Invoices are raised by the International Office on a quarterly basis and are posted onto *SharePoint* along with the quarterly statement.



*Within SharePoint (<http://collaboration.cisv.org>) go to **National Associations** (on the left), click on your **Association**, click on **Statement and Invoices**. The file is a pdf and will be called e.g. **GBR STATEMENT 130930**. A sample statement is shown on the next page.*



Date the statement is made up to

Unique statement number

STATEMENT

Invoice Period end date
Statement Number
Account Name

Your National Association

30 September 2013
2013159
Country Name (A)

Your NA's category

Village Invoices less Credits	£0.00
Seminar Camp Invoices less Credits	(£277.93)
Step Up Invoices less Credits	£0.00
Youth Meeting Invoices less Credits	£0.00
Interchange Invoices less Credits	(£1,337.30)
IPP Invoices less Credits	£0.00
National Association & Chapter Fees	£0.00
Other Invoices less Credits	£0.00
Penalties	£1,175.23
Totals	(£440.00)
Balance due at 30 June 2013	£11,116.86
September 2013 Offsets	(£634.37)
September 2013 Payments	£0.00
Balance due at 30 September 2013	£10,042.49

This should be the closing balance on your last statement. It is worth checking that it's right

Each of these lines is the net sum of relevant invoices and credit notes which are attached

Sub-total

The total of all other credit notes issued in the quarter

Payments made in the quarter

Approved

Fiscal Officer

NA Treasurer

The amount you now owe or, if negative, the amount you are owed

Instructions

Agree or Query this Statement?

- Please contact David Scholfield (address below) upon receipt of this statement if you do not agree with the above charges, or if you have any questions regarding the content of the attached documents. If we do not hear from you within 60 days of the above date this invoice will be considered final and no adjustments will be made.
- If you are in agreement with the statement please sign it and email this page back to david.scholfield@int.cisv.org within 90 days of the above date.

Payment

The above amount (minus any amount that you are disputing) must be paid to CISV International within 90 days of the date of this document. If, for some reason, you are not able to pay within the deadline, you must contact David Scholfield and inform him of when payment will be sent or suggest a payment plan which CISV International will consider.*.

- All payments must be made in pounds sterling and indicate invoice number.
- All bank charges and exchange fees must be paid by the payer.

Electronic Bank Transfers should be made to: CISV International Ltd Account Number: 3116978 Lloyds Bank, Sort code 30-93-71	IBAN No: GB17LOYD30937103116978 BIC No: LOYDGB21020
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Banker's instructions: All charges to be paid by remitter

Do not let your quarterly statement from IO come as a surprise. You should be able to estimate what will be on there and what the total amount owing is.

The main invoices attached to the statement will be for Membership Fees, Contribution to the Global Conference and Programme Fees. These are all billed in the March quarter and adjustments are made in the subsequent quarters when necessary.



These charges can be found in Info File document C-10 (CISV International Fee Structure) within the Resources section of www.cisv.org

Invoices are also attached for any penalties incurred.



These charges can be found in File document C-11 (CISV International programme Cancellation and Penalty Fees) within the Resources section of www.cisv.org

Interchange is invoiced at the standard level (delegation of 10) in the March quarter and any adjustments are invoiced or credit-noted in the December quarter. All other Programme Fees are charged at a standard rate regardless of the eventual size of the delegation.

Credit notes are given for any expenses incurred by your Association on behalf of International – these are usually for travel on International Committee business.

Hosting fees (see C-10) are also dealt with by way of credit notes. These are initially given with the March statement using the best information we have at that time. Adjustments to these host fees are credited in the December quarter when all relevant information is in.

It is essential that International Office invoices are paid as promptly as possible. If financial difficulties are being experienced *please* contact the International Office. It is essential that we maintain a constant dialogue between us so that we can plan and organize our cash flow.

Please note that that non-payment or late payment will lead to certain consequences for your NA. You will see a note like this at the bottom of your Statement:

Please be aware**We know that you will make every effort to pay on time and that you understand the importance of timely payment to cash flow and the financial health of both your NA and CISV International. It is, however, important that you be aware that in cases where payment is not made for a prolonged period or where the NA has not entered into a payment plan with CISV International, programme invitations may be withdrawn. Ultimately, if an agreed invoice is not paid within 360 days of the date of the invoice, a motion may be made to move the NA down a category or suspend their membership.*



For more information on the implications of late/non-payment please see Info File C-09 Financial Routines *within the Resources section of www.cisv.org*

5. Record all income of the Association and ensure that it is collected promptly

You must be aware of, or have easy access to, all amounts owed to your Association at all times.

If you create invoices to participants these could be recorded in a simple sales ledger and the date and method of payment can be entered against each relevant invoice or you could simply retain unpaid invoices in one file, mark the payment details on the invoice when it happens and then file it in a paid invoice file. Whatever system you choose ensure that it is logical and robust.

If you are in the enviable position of having funds available for investment there are a few issues to consider:

- Risk and return have to be balanced. You want the highest return with the lowest risk but, unfortunately, the higher the promised return = the higher the probable risk.
- Higher returns are usually only available when funds are locked in for long periods. This may not be possible because of other cash flow issues.
- If you are not the official who makes investment decisions you will have to liaise closely with that person to ensure that adequate funds are available to you at all times



Choose a medium-sized bank to invest in – they are usually more flexible and offer better rates, whilst being an acceptable risk. If possible split your investment into smaller bundles. Have some maturing in 12 months (better rates), some in 3 months (good rates, positive cash flow) and, some in 1 month (hardly affects cash flow at all)

Specific controls should be arranged for fund-raising events. If significant amounts of cash are expected to be received this should be planned for taking into account the need to ensure: completeness and recording of collection; the safety of the cash and the volunteers and; the safe transfer of the cash to the bank.



If your fund-raising event is being held near an amusement arcade or similar you could make arrangements for cash to be taken there piecemeal, counted for free and, exchanged for high denomination notes or even a cheque.

6. Record all expenses of the Association and ensure that they are all properly authorised and relevant

Only pay out the Association's funds when you have proper written evidence from an authorised official of your Association. This may be as simple as them writing "OK to pay" on an invoice and signing it. More often their authorisation will come via email. Ensure that they explain the reason for the payment so that you can accumulate costs under the correct headings and compare these totals to budget. A simple analysis cash book (or excel spreadsheet) should do.



A sample payments cashbook in Excel is shown below. This could be copied and used as a basis for your payment records



If you need to make a payment to yourself for whatever reason it is advisable that a relevant official, other than you, authorises the payment and that you are not involved in the signing of the cheque or the authorising of the bank transfer.

Sample Payments Cash Book

Date	Payee	Reference	Bank	Host Costs	Travel Costs	Office Costs	Training Costs	Payments to IO
17/01/2014	Rent Deposit	CHQ 10091	2,000.00	2,000.00				
17/01/2014	J Johnson	CHQ 10092	1,000.00		1,000.00	<i>At IJBM</i>		
28/01/2014	Staples	CHQ 10093	50.00			50.00	<i>Paper</i>	
29/01/2014	M Morris	CHQ 10094	480.00				480.00	<i>RTF EST</i>
31/01/2014	CISV Int	Transfer	22,000.00					22,000.00
31/01/2014	Service Charge	BC	14.63			14.63	<i>Bank Charges</i>	
			0.00					
			0.00					
			0.00					
			0.00					
			0.00					
			0.00					
			0.00					
Totals for January 2014			25,544.63	2,000.00	1,000.00	64.63	480.00	22,000.00

7. Prepare annual accounts

You should prepare detailed management accounts for your Board or Committee to consider. Once approved, they can then be converted into statutory accounts (if required). Extra care must be taken with these accounts as they will be filed with a governmental or quasi-governmental department. You will probably have professional advisers who will help with or even prepare these year-end accounts.

Your Association's rules might require that the accounts are subject to independent examination or audit. You will be the main point of contact for these professionals. You can head off most awkward questions by ensuring that all of your records are complete, fully explained and supported by schedules where necessary.



Hopefully this document will have been of some use to you but feedback or constructive criticism would be most welcome so that it can be expanded and improved. Please contact the Fiscal Officer at the International Office if you have any suggestions or requests for further explanations.