

**In this edition of the Community Accountancy Newsletter:**

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**Planned training sessions coming up in the next 3 months**

DATE	TIME	COST	COURSE
Friday 9 <sup>th</sup> October	10.00-13.00 pm	£20	Writing Budgets for Funders
Tuesday 20 <sup>th</sup> October	10.00-13.00 pm	£20	Book Keeping 1- Purchase Ledger
Tuesday 27 <sup>th</sup> October	10.00-13.00 pm	£20	Book Keeping 2- Sales Ledger & Wages Control book
Friday 6 <sup>th</sup> November	10.00-13.00 pm	£20	Book Keeping 3- Cash book & Petty Cash Systems
Friday 13 <sup>th</sup> November	10.00-16.00 pm	£40	Book keeping 4- Nominal Ledger & Fixed Assets Register

**Venue Address**

**Kingston Access Learning Centre:**

**Kingston Access Learning Centre  
c/o RAKAT  
North Kingston Centre  
Richmond Road  
Kingston upon Thames  
Surrey, KT2 5PE**

For Map & Directions please click [here](#)

**In case of any Complications:**

**Kingston Voluntary Action:**

**Siddeley House  
50 Canbury Park Road  
Kingston  
Surrey  
KT2 6LX**

**To book your place please contact Mafaz on 07879 335 390 or**

**Email:** [communityaccountant@richmondcvcs.org.uk](mailto:communityaccountant@richmondcvcs.org.uk)  
[communityaccountant@kva.org.uk](mailto:communityaccountant@kva.org.uk)

***Who should attend?*** Senior managers, Finance staff, Trustees, Volunteers

If there are any changes in the course dates or topics or venue, you will be informed.

## 2. Hot topic

### The Treasurer's Role

A treasurer should be honest, competent and confident in handling money and keeping simple accounts.

Recording income and expenditure in the bookkeeping system of the group/organisation is very important. It should be done regularly and given sufficient time. The rest of the trustees will need to be confident that proper records are being kept, so that any mistrust or misunderstanding is avoided. The actual day to day work may be delegated to a bookkeeper, especially in larger organisations. However, the treasurer will still have overall responsibility for supervising this work and ensuring that financial procedures are being followed, as well as presenting financial reports to the trustees.

The treasurer will have a number of responsibilities and will need to receive support from the other committee members, so that they don't feel isolated in their work. Other committee members may need to receive training on financial matters and the systems that are used. This will not only help them in providing support to the treasurer, but will also provide some security in case the treasurer becomes ill or leaves suddenly.

Larger groups/organisations will often have a finance sub-committee to share the responsibilities of the treasurer.

### Responsibilities

The treasurer has a number of responsibilities in overseeing the finances of the organisation and needs to ensure that:

- Finances are properly handled in accordance with the organisation's objectives
- There are written financial procedures and that they are actually followed
- There is an adequate financial recording and control system in use
- Up-to-date records of the finances are kept
- Everyone who handles money records all their transactions
- Written reports are made to the management committee/trustees, at least once a quarter
- Information needed for the year end accounts is prepared
- The accounts have an audit or independent examination, as required by the Charities Act 1993
- A financial report is presented at the AGM

- A budget is produced and monitored throughout the year against actual income and expenditure

**The role is a serious one and can be complicated in terms of keeping track of all the money of the organisation, not to mention time-consuming. However, if the job is done well it can be very satisfying. Which charities will be looked at first?**

### **Responsibility for financial management**

Although the treasurer is the person delegated to take responsibility for the finances, ultimately it is the whole committee/board of trustees who have responsibility for the financial matters of the organisation, not just the treasurer; so the treasurer's role is to act as the go-between, between what is happening financially in the organisation and the committee. If a bad financial decision is made by the organisation, and debts are run up, it is the committee that is ultimately liable for those debts.

It follows from this that it is crucial that the treasurer:-

- Has a good grasp of the organisation's finances,
- Makes sure that all financial tasks that should be done are done, and
- Keeps the committee up-to-date with financial information.

### **Size of organisation**

The actual tasks that the treasurer undertakes will vary from organisation to organisation according to the size of the organisation, and whether there are any paid staff with specific financial responsibilities.

In many small organisations the treasurer may undertake all the financial tasks, from working out the salaries each month, to paying income into the bank, to producing reports for the committee.

In medium sized organisations the manager or a paid bookkeeper may be employed to do some of the day to day work of entering transactions into the books, whilst the treasurer takes responsibility for reporting to the committee, dealing with the auditor etc.

In the biggest organisations with perhaps a full-time paid finance manager or even a finance department, the treasurer's tasks will be different again; he or she will do none of the day to day financial tasks and may not even present the financial report to the committee; but he or she should have an excellent overview of the financial planning and management of the organisation and should be in regular contact with the paid officer to discuss major financial decisions, and regularly review all financial information.

So it follows from this that no one treasurer's job will be the same; the important thing is to have a complete list of all the financial tasks that need doing in your organisation, and to be absolutely clear about who does what, so that no task falls between two stools. The following is a list of all the tasks that may need doing, broken down into areas. It's a good idea to work through this, and to put initials against each task that is applicable to your organisation, so that everyone knows who is responsible for that particular task.

**A checklist of financial tasks**

[Not all these tasks will need to be done by every organisation]

**• Financial Planning and Budgeting**

- o Involving staff and committee in financial planning
- o Writing a 3 year business plan for the organisation
- o Collecting information on funding sources
- o Completing fundraising applications; Liaising with funding agencies
- o Preparing proposals for contracting services
- o Preparing a pricing policy
- o Proposing and advising on salary levels and increases
- o Preparing budgets and cash-flow forecasts
- o Monitoring how actual income and expenditure compares with the budget
- o Monitoring and dealing with cash-flow problems

**• Banking and Bookkeeping**

- o Opening bank accounts (as agreed by the committee)
- o Updating bank mandates (a pool of 4 signatories is best, all of which should be approved by the committee) Two people should sign each cheque.
- o Ordering goods
- o Authorisation of expenditure
- o Writing cheques
- o Signing cheques
- o Receiving and banking of income
- o Recording all income and expenditure transactions
- o Recording restricted funds separately
- o Filing income and expenditure documentation including funder's terms and conditions

- o Monthly bank reconciliation
- o Totalling the books at the end of the month
- o Collection of membership subscriptions
- o Chasing debtors
- o Updating and filing all wages records
- o Payment of wages, tax, National Insurance (NI)
- o Maintaining the petty cash box
- o Paying petty cash
- o Recording petty cash

• **Financial Rules, Policies and Controls**

- o Developing a set of financial rules
- o Implementing financial rules
- o Reviewing the financial rules on a one or two yearly basis
- o Maintaining a fixed asset register
- o Ensuring that fixed assets are secure
- o Maintaining and reviewing insurance
- o Developing and monitoring a stock control system
- o Developing and reviewing expenses policy
- o Regular review of tax and legal requirements for finances (e.g. VAT)

• **Financial Reporting**

- o Producing reports for the committee
- o Presenting financial reports to the committee
- o Preparing end of year accounts (unless done by outside accountant)
- o Preparing documents for independent examiner/auditor

- o Liaising with the independent examiner/auditor
- o Presenting draft annual accounts to the committee
- o Presenting audited/examined accounts to the AGM
- o Completing and sending returns to the Charity Commission/  
Companies House (if applicable)
- o Completing and sending reports to funders

#### • Investments and Reserves

- o Taking professional advice in relation to any investments
- o Ensuring that investments are in line with charity law and the  
organisation's constitution
- o Making decisions on investments
- o Monitoring progress of investments
- o Producing reserves policy; Monitoring reserves

#### **Choosing /Finding a Treasurer**

It is often difficult to find anyone willing to be treasurer; one of the reasons for this may be because the person does not know quite what they are letting themselves in for; however if you have been through the checklist above, and allocated tasks that paid workers will do, and crossed out any tasks that are not applicable to your organisation, you should be able to produce a reasonable 'job description' for the treasurer. If someone is willing to do the job but needs some training, find some resources to provide training. If the current treasurer is planning on standing down, then try to appoint someone to shadow them until they leave.

#### **1. Community Accountancy Adviser's services available to you**

If you are a charity, community or voluntary group operating in the London Boroughs of Kingston, Hounslow or Richmond upon Thames you can get expert help and support with your financial management.

With support from London Councils, we provide help of all kinds for voluntary groups and organisations in the management of finance.

The following kinds of general or specialist help are available to you:

##### One to one support

FOR: all groups with questions about financial record keeping and spending  
We can come to your base and guide you through the details of day to day financial management, or we can provide similar support by telephone or email

### Management accounts

FOR: groups who are managing budgets, and need to report quarterly or monthly to Trustees

We can provide you with accessible and transparent methods for reporting your finances to ensure that your trustees are informed, confident and able to support you in your decisions

### Project accounting

FOR: groups working with restricted income

If you're managing projects with restricted income, we can help you to establish clear procedures for making sure that all your processes are easy to monitor and report

### Financial health

FOR: groups who have limited capacity, and financial processes being overseen by trustees or volunteers

If you have recently started up, or are in receipt of your first grant income, we'll help you make sure you're fully compliant with charity or company law, and help you set up processes that will enable you to get the most from your income

These services are fully funded by London Councils, so you have the opportunity to access high quality, professional support at no cost to your own budget. If you would like further information about the services we provide, please contact:

Mafaz Ansari ▪ Community Accountancy Adviser

Mobile Number: 07879335390

[communityaccountant@richmond cvs.org.uk](mailto:communityaccountant@richmond cvs.org.uk).

I encourage those of you who have already used our advice services, to continue to do so and would like to invite new VSOs to benefit from this free service.

