

**Club Treasurer’s**

**Management Guide**

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**QUALIFICATIONS AND DUTIES**

**OF THE TREASURER**

As treasurer, you hold an extremely important position as custodian of your club’s funds and chairman of your club’s Budget and Finance Committee. You are second only to your club president in responsibility and scope of duties. So, what qualifications must you have to assume this position and what duties are involved? Read on for the answers.

**Qualifications**

You do not have to be a professional accountant or bookkeeper to serve as treasurer of your club. You should, however:

* Have basic math skills.
* Be able to keep an accurate checkbook.
* Be organized and detail oriented.
* Be willing to learn.
* Enjoy a challenge.
* Be ***bonded****.* It is sound fiscal policy for any organization to require any person who handles money to be bonded. This coverage can be secured through an insurance agent.

**Duties**

As treasurer, you are responsible for receiving and disbursing all club ***funds***and for keeping records and filing reports of all financial ***transactions***that take place during your term. Here is a checklist of your responsibilities in both areas:

***Collecting and disbursing club funds***

* *Pay club bills.* As treasurer, you will review invoices for accuracy and pay promptly as authorized by the club or provided for in the club budget. Many club treasurers pay bills by check for a record of all transactions. You will want to be sure to record the check number and date of payment on each invoice and file it in a “paid bills” file. Also complete check stubs. As treasurer, you should sign all checks. A sound fiscal policy is to require two signatures on any check over a certain amount; club policy should stipulate and designate who will countersign.
* *Collect dues, fees, and other revenues.*  As treasurer, you will collect and record dues and fees from new and current members. Checks should be made payable to the club account. More information on this follows in Chapter 4.
* *Deposit club funds.* You also will deposit all funds in the bank that has been selected and approved by your club’s board of directors.
* *Order club supplies.* You should inventory club supplies and reorder as necessary. Ask your club president or past treasurer how to go about ordering supplies.

***Keeping club records and filing reports***

* *Prepare and monitor the annual budget.* Your position as chairman of the Budget and Finance Committee entails that you work with the committee to develop a budget that will meet your club’s goals for the year.
* *Maintain books of account* ***(cash journal, ledger)***. You will need to keep complete and accurate records of all financial transactions. These records should be open to inspection at all times and in conformity with legal requirements and procedures recommended by the club’s auditors.
* *Reconcile bank statements.* On a monthly basis, you will need to reconcile the club’s bank statements. Retain all bank statements and canceled checks for review by the auditors. (At the conclusion of this guide is a sample Bank Reconciliation statement.)
* *Complete all club financial reports.* Periodically, you will need to summarize and report your club’s financial status, drawing on information you have recorded in the books of account, the budget, and so on.
* *Submit club accounts for audit.* Books should be ready for ***audit*** any time as requested by the board of directors and annually as required by club bylaws.

More details on how to carry out these functions follow. Your club may do this somewhat differently, and if it works, there is no need to change. But if some aspect of the job seems to not work smoothly, use this book as a reference tool. And be sure to jot down what does work for you to share with the next treasurer!

**HOW TO PREPARE FOR**

**YOUR YEAR AS CLUB TREASURER**

**Before Taking Office**

Assuming a club office is much like driving a car. You do not just get behind the wheel and take off. Before driving on your own, you study driving procedures and traffic laws and get lots of practice under supervision. Before assuming the office of treasurer, you need to become familiar with club procedures and finances and gather information from experienced Quota members. Here is what you need to do before taking office.

* *Discuss the office with your predecessor.* Save yourself time and energy by learning from the experience of someone who has already served as treasurer. Ask questions.
* *Meet with the incoming president to discuss her plans for the club treasurer.* This meeting will prevent future confusion and misunderstandings.
* *Discuss your responsibilities with a past treasurer of another Quota club.* Getting an outside point of view will help you recognize your own club’s strengths and weaknesses in its financial management system.
* *Review previous club records.* Look at reports filed by your club, minutes of board meetings, and club rosters to get a grasp of your club’s current financial status.
* *Inventory the supplies you will need to do your job.*
* *Familiarize yourself with your club’s bylaws.*
* *Read this guide from cover to cover.*

**Once in Office**

Now that you are in the driver’s seat, you need to do the following things to prepare for a successful year as club treasurer:

* *Gather the materials you will need to do your job.* Meet with the outgoing treasurer to get the club checkbook, bank statements, and other related materials. Arrange this meeting as soon as you take office.
* *Complete new signature cards for the bank.* You must submit new cards to the bank for authorization for you and designated club officers to make withdrawals and sign checks.
* *Review the club’s most recent bank statements and audited books.* These documents will reveal your club’s financial status.
* *Set up your record keeping system.* Use your predecessor’s system or the sample Cash Journal found at the conclusion of this guide to keep club records. If you decide to use your predecessor’s system, the sample cash journal may still expand your understanding of the process.
* *Review existing club budget.* Your club probably approved a budget for the coming year right before you took office. Become thoroughly familiar with it and develop the budget your successor will administer. (See Chapter 5 for more details on preparing a budget for your club.)

###### HOW TO KEEP YOUR CLUB'S

###### BOOKS AND RECORDS

This chapter of the *Club Treasurer's Management Guide* will assist you in keeping accurate club records and preparing for the annual club audit. The first half of the chapter deals with recording ***receipts*** and ***disbursements*** and tracking membership dues. The last half includes a step-by-step guide to preparing for the club audit, followed by a list of required club records and how long each should be kept.

**Tracking Receipts and Disbursements**

Most clubs have a set procedure for recording receipts and disbursements. Some use the checkbook as a general ledger; others keep books in addition to the checkbook. In most cases, the system that is currently being used works well and makes the yearly audit a breeze. If this is the case with your club, there is no need for change.

Ask the outgoing treasurer to explain your club's system to you and proceed from there. You might want to ask this person to look over your records after one month to make sure you understood the directions. Perhaps the outgoing treasurer wrote out instructions. If not, jot down directions as you can to make the next treasurer's job easier.

***Sample cash journal***

If your club is in need of an effective bookkeeping system, there is a sample two-page Cash Journal with instructions at the conclusion of this guide. It can help you set up a simple system that can be adapted to the club's specific needs.

**Keeping Member Dues Records**

Each member of a Quota club is required to pay club dues. The local club establishes the amount of its own member dues and sends its members a dues invoice at least once a year. In Quota's early years, most clubs collected dues quarterly. Some still collect dues quarterly or semi-annually, but many clubs find that collecting dues one or two months in advance for the upcoming year makes updating the official roster much easier. Your club should follow the procedure that makes the best sense for its members. If collecting dues has been a laborious task for past club treasurers, it may be time to reconsider your club’s collection process, especially if it is more frequent than once a year.

Many clubs collect dues at a pre-announced club meeting; others bill each member and ask that payment be sent to the treasurer by a specific date to be considered active members for the upcoming year. The dues collection process should take place a couple months in advance of the start of the club’s new fiscal year.

**Preparing the Club Audit**

Your club's financial records should be audited each year to assure their accuracy. Some clubs have their books audited by an outside auditing firm, while others depend upon an internal auditing committee. If your club audit is done internally, the president should appoint a committee of three members to audit club accounts at the club business meeting one to two months prior to the close of the ***fiscal year****,*and to report its findings to the club. Committee members should not be connected in any way with the handling of the club's financial records and cannot be members of the board.

As treasurer, be prepared to provide the auditing committee or outside auditing firm with the following materials: checkbook and stubs for the year; all bank statements; monthly treasurer's reports to the board and club; cash journal (if used); original bills and receipts; administrative and service budgets; and the secretary's minutes. Check with your former treasurer or the outside firm to see if any additional materials are required.

Also reconcile your records of income and ***expenses*** with the bank balance each month to prepare for the audit. By doing this, you will know whether or not your records are correct and you'll be able to find inconsistencies and resolve them easily. It is the professional way to keep your club's records and to prevent future problems. A ***Bank Reconciliation*** statement is provided at the conclusion of this guide for your monthly reconciliation. Take time to review it and the instructions that accompany it.

***Guide for the auditing committee***

If a club committee audits the books, its members will need to know exactly what to do. The auditing committee is held accountable for any unexplained inaccuracies found in the audited material after the audit is complete. Here are the steps to follow:

**Step 1: Prove the accuracy of the club books. To do this, the committee should**:

* Take the beginning balance established by the last audit, add the receipts for the year, and subtract the disbursements to determine the balance on hand at the end of the period. This balance should agree with the balance in the treasurer's financial report and the bank balance plus any cash on hand.
* Reconcile bank statements if the treasurer has not already done this. The adjusted book balance and bank balance must agree and should agree with the balance on hand at the end of the period.
* Determine if the correct amount of dues and initiation/reinstatement fees have been collected from the membership.
* Verify the amount deposited for dues and initiation reinstatement fees for new/reinstated members. Be sure that members who resigned or transferred have been dropped.
* Check to see if the total receipts agree with total deposits.
* Ascertain that the total amount of checks written equals the total amount of disbursements recorded on the cash journal.

**Step 2: Determine if all disbursements were authorized.** Use the minutes, standing rules, and administrative and service budgets to determine if all disbursements were authorized. Bills or receipts should support disbursements.

**Step 3. Prepare a report on the audit.** Compile a brief, concise ***audit report*** that tells what was reviewed in the audit what the findings are, an opinion of the balances, and any recommendations that may be helpful in the future. It is the duty of the treasurer to prepare the annual report. However, if the treasurer does not do this, it is the duty of the auditing committee. The committee should correct any inaccuracies. A sample Statement of Club Assets and Liabilities can be found at the conclusion of this guide. When complete, the report should be presented by the committee to the membership for adoption, which should go as follows:

“The Auditing Committee of Quota of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ certifies that it has examined the books of the treasurer from the period of [Start of Fiscal Year Date], through [End of Fiscal Year Date], and has found them to be correct.” (Signatures)

The chair can assume the motion by saying, “The question is on the adoption of the auditors' report. Are you ready for the question?” After debate, if any, the chair says, “Those in favor of the adoption of the auditors’ report say, ‘AYE’ (Pause). Those opposed say, ‘NO.’ The ayes have it and the report of the auditors is adopted." (The adoption of the auditors’ report has the effect of relieving the treasurer of responsibility for the period covered by the report, except in the case of fraud.)

**What Records to Keep and for How Long**

A checklist is provided at the conclusion of this guide so that you will know what club records to keep and how long to keep them. Your club may want to adopt this checklist as it is or adapt it to your own bookkeeping needs.

###### HOW TO COLLECT MEMBER DUES

The efficient collection of membership fees and dues assures each Quota club of the basic wherewithal to pay essential operating expenses. It provides the financial security on which Quota builds its service programs. For this reason, one of your most important jobs as treasurer is to create and/or follow an efficient way of collecting, tracking, and disbursing membership fees and dues. In this chapter, you'll find some of the tried-and-true methods of collecting and tracking fees and dues.

**Initiation Fee for New Members and Dues for New and Reinstated Members**

As you know from your own experience, new Quota members pay an initiation fee to their local club upon acceptance of their membership by the club officers.

As treasurer, here is what you should do to process a new or reinstated member:

* *Collect initiation fee, dues, and a completed and signed Member Form from the new or reinstated member.* Be sure that all information is readable (typed if possible) as this your club needs clear, reliable records.
* *Enter the member’s name in your member roster*. Do this only after the member’s initiation fee and dues are received.
* *Enter the member’s initiation fee and dues on the Cash Journal*. (See sample Cash Journal at the conclusion of this guide.) Again, do this only after dues are received. See Chapter 3 for more details.

**Regular Annual Membership Dues**

Annual dues payment is a matter that is mutually agreed upon by the member and the club. Therefore, do not hesitate to send reminders of unpaid accounts. Do, however, be tactful in the handling of unpaid bills. Careful consideration of causes of delinquency and fairness in handling the problem are essential in a close-knit organization. Here are some guidelines for handling this situation:

* If possible, avoid carrying indebtedness over into the next billing period.
* Notify a member with a delinquent account after one month and ask the person to pay dues at your next monthly meeting.
* Never publicize a member’s indebtedness. Your report to the board of directors should list the total of accounts **receivable** (owed) only.
* A confidential statement of individual accounts owed should be limited to the club president to use, as he or she deems advisable.
* Long-term indebtedness may require that the president ask a member of the board (or a close member or friend) to call upon the member involved to work out a mutually satisfactory plan of payment. The longer a person goes without paying dues, the more difficult it is to pay. Setting up a payment plan could mean the difference between keeping or losing a member with a delinquent account.

###### HOW TO DEVELOP & MANAGE

###### THE CLUB BUDGET

When you begin your year as club treasurer, you probably will be handed a copy of the club’s budget for all activities planned for the year. Or you may be asked to develop a budget as your first order of business. Developing a budget and monitoring the club’s adherence to it are an important part of your responsibilities as treasurer. In the process of monitoring an established budget, you will help the club remain financially sound, and thereby help the club fulfill its program goals. Further, in the process of monitoring this year’s budget you will gain skills and knowledge critical to developing next year’s budget-which you probably will be handing your successor as you leave office. Let us look at these budget responsibilities in moredepth.

**Why Your Club Budget Is Important**

*1. Your budget is an important program-planning tool.*

Any budget has a somewhat deceptive appearance offering the casual reader nothing more than a few words and a column of numbers. But a Quota club budget of course is far more. It is – or should be – the result of a long planning process, whereby the entire club thinks through what it wants to do and how it will raise the money to do it. This process takes time, and, in the past busy Quotarians understandably have compiled their budgets by first determining how much money they could raise and only then deciding what activities on which to spend their money. Increasingly, however, Quota clubs are becoming less “budget-driven” and more “goal-driven”. That is, they are setting program goals first, then figuring out how to pay for what they want to do. Some are even developing two-year strategic plans, which set programs two years in advance and fundraising efforts for each activity in the year before it is scheduled to take place. With two-year strategic plans, clubs are finding they offer better programs because they have the money on hand long before the program starts and can concentrate on the program rather than the fundraising.

*2. It is a tool for fiscal accountability.*

A budget is your club’s statement of its anticipated income and expenses for each club activity. As each activity occurs, the budget allows members to measure those anticipated sums against actual income and expenses. If anticipated and actual figures vary too much, then more realistic figures can be budgeted the next year. (See sample budget at the conclusion of this guide.)

*3. Its structure helps Quota clubs guard their reputation as prudent and trustworthy custodians of public donations.*

All Quota clubs divide their budgets into two parts, administration and service. This strict division, which is explained in more detail in the pages that follow, helps assure donors that their money is being applied for the purpose they intended.

**The Treasurer's Responsibility for Budget Development and Oversight**

As treasurer, you serve as chairman of your club’s Budget and Finance Committee, which is charged with developing your club’s budget. To prepare yourself and your committee members for the development process, here are some materials you and your committee members need to gather and some training activities you might pursue.

To prepare yourself for the budget development process:

1. Talk with other club treasurers and learn from their experience.

2. Study your club’s administrative and service budgets from the past two years.

3. Collect a budget of anticipated expenses from each committee chairman for all activities planned for the year.

4. Collect a budget of anticipated fundraising receipts from the club president/committee chairmen.

5. Draft a budget development worksheet and have it ready for the Budget and Finance Committee’s first meeting.

Now you are ready to call your first meeting of the Budget and Finance Committee. The committee’s job is to assess all of the information you have gathered about your club’s expenses and revenues and draft the budget. You will want to instruct the committee to keep administrative and service figures separate. Let us look first at what belongs in each of these two accounts, and then how to determine anticipated revenues and expenses for each.

***Establish club accounts***

*Administrative.* This account is for all administrative expenses incurred by your club. The income for this account primarily comes from dues, meal charges, and fundraising done within the club for administrative purposes. Your club’s administrative expenses primarily consist of: costs related to attending meetings; and club operating costs such as stationery, postage, and the printing of club rosters, etc.

*Service.* The income for your club’s service account comes from fundraising activities that involve the public and any other donations made specifically for service projects. The expenses are those associated with the costs of fundraising and the specific contributions made to the service projects your club supports. Other acceptable expenses are: the club’s liability insurance costs, since this coverage is designed to protect the club in case of injuries to members of the public at club sponsored events; the cost of bonding officers to ensure against the misuse of funds.

***Determine income and expenses***

*Income.* The first step in preparing a budget is to estimate your club’s administrative and service income for the year to come. Dues and meal costs are major sources of administrative income for most clubs. To determine your dues income, consult a current club membership list and ask your club president for membership renewal projections and for his or her membership growth projection for the year. Compare these figures with the president's goals for membership growth and retention and multiply the estimated number of members by current dues levels. Also, incorporate an estimate of the number of new members expected during your term and budget initiation fees as income.

Meal costs would be a major source of income for your club if you dine during meetings. This income should only be included in the budget if the money flows through your club treasury. Other types of administrative income might include late fees for missed deadlines and proceeds from other miscellaneous sources.

Estimating income from miscellaneous sources may prove difficult but take your best guess. On the income side you may want to keep your figures low for a conservative estimate. On the expenditure side, overestimate slightly. By over running your income projections and under running your expenditures projections, you can help maintain a small balance for your club. Also, try to schedule the money flow to make sure there is sufficient income to cover expenditures as they occur.

Fundraising ***revenues***also make up a large part of a club’s yearly income. This area of income consists of monies raised through service program fundraisers, minus the expenses of holding the events. Base your service income estimate on your club’s service goals for the year. Think big!

*Expenditures.* Most expenses will be directly related to some source of club income.

When estimating your expenditures for the year, look at budgets from the past two years to get a feel for funding to give each item. Determine if operating expenses were out of line in relation to service project allocations. Look for areas in which costs could be cut. Also interact with other club officers to determine expenses for the year. For example, ask your service committee chairman about expenses related to the club’s service program. Ask your club president about special plans that may cost money and the publicity chairman about expenses involved in public relations activities and newsletter production.

Once the budget is drafted, the treasurer’s job still is not done. The board and full membership still must approve it, and then you or your successor must regularly monitor the club’s adherence to the budget. Here are those responsibilities in more detail:

* Advise each committee chairman in your club (before the budget is prepared for the board in May) of any changes made by the Budget and Finance Committee in the budget request.
* Prepare the final draft of the proposed budget and present it at the meeting of the incoming board for approval and correction.
* Make any changes to the proposed budget as approved by the board.
* Present the corrected budget for approval by the club membership at the May business meeting. Provide a copy for each club member. Give a concise and positive explanation of the budget items to increase the chances of approval. You might want to use visual aids to make the numerical information more accessible and meaningful.
* Furnish each club member with a copy of the final approved budget. Many clubs include a copy with their roster.
* Throughout the year as you administer the new budget, schedule regular meetings of the Budget and Finance Committee to evaluate your club’s financial status. Recommend any advisable changes to the board and report on your club’s finances at each board meeting and club business meeting. This keeps the membership up to date about what is being accomplished.

**Your Club’s Credibility as Custodian of Public Funds**

Quota clubs have carefully guarded their reputation as prudent and trustworthy custodians of public donations and/or contributions. For that reason, clubs have operated with two distinct accounts and have specific provisions as the income and expenses of each.

When considering legitimate costs for operating your service program, you may want to consider the 15 standards the U.S. Council for Better Business Bureaus’ Philanthropic Advisory Service recommends that its local affiliates use to evaluate local non-profit organizations such as Quota clubs:

**Public Accountability**

* “Soliciting organizations shall provide on request an annual report. (An annual report in this context means a single document, brief or lengthy, that contains information about the organization’s purposes, current activities, governance, finances, and tax-exempt status.)”
* “Soliciting organizations shall provide on request complete annual financial statements.”
* “Soliciting organizations’ financial statements shall present adequate information to serve as a basis for informed decisions.”

### **Use of Funds**

* “A reasonable percentage of total income from all sources (at least 50 percent) shall be applied to the programs and activities directly related to the purposes for which the organization exists.”
* “Fundraising costs shall be reasonable. (Not exceeding 35 percent of related contributions.)”
* “Soliciting organizations shall substantiate on request their application of funds, in accordance with donor expectations, to the programs and activities described in solicitations. (Generally, to meet this standard, a charity provides on request a projected board-approved budget for the current fiscal year that shows it plans to spend funds on the programs mentioned in appeals.)”

### **Solicitations & Informational Materials**

* “Solicitations and informational materials, distributed by any means, shall be accurate, truthful, and not misleading, both in whole and in part.”
* “Solicitations shall include a clear description of the programs and activities for which funds are requested.”
* “Direct-contact solicitations, including personal and telephone appeals, shall identify: a) the solicitor and his/her relationship to the benefiting organization; b) the benefiting organization or cause; and c) the programs and activities for which funds are requested.”
* “Solicitations in conjunction with the sale of goods, services, or admissions shall identify at the point of solicitation: a) the benefiting organization; b) a source from which written information is available; and c) the actual or anticipated portion of the sales or admission price to benefit the charitable organization or cause.”

**Fundraising Practices**

* “Soliciting organizations shall establish and exercise control over fundraising activities conducted for their benefit by staff, volunteers, consultants, contractors, and controlled or affiliated entities, including commitment to writing of all fundraising contracts and agreements.”
* “Fundraising shall be conducted without excessive pressure.”

**Governance**

* “Soliciting organizations shall have an active governing body that meets at least three times a year, with a majority of the members present on average.”
* “Soliciting organizations shall have an independent governing body whose compensated board members constitute no more than one-fifth (20 percent) of the total voting membership.” *Note: This one does not apply to Quota because board members are not compensated.*
* “Soliciting organizations shall have an independent governing body that is not engaged in transactions in which board members have material conflicting interests resulting from any relationship or business affiliation.”

U.S. clubs should check their own state laws; clubs outside the United States should check their national laws to see if the above standards comply before using them. Quota clubs typically have applied much more stringent controls upon themselves than is the standard. They recognize the value of maintaining an excellent reputation.

Clubs should make sure that all solicitations distributed to the public are accurate, truthful, and not misleading.

According to the general principle under U.S. state laws, funds collected from the public must be used for the stated purpose for which they are solicited. Unless donors are informed that their contributions will be used for specific projects, however, the funds are not restricted and may be used for any expenditure within the purpose of the local club. Each club should check its state law to find out if there are other restrictions. According to Quota’s former legal counsel, Alan Dye,

“Unless donors are informed that their contributions will be used for one or more specific projects, as opposed to being used generally for the work of the local club, the funds are not restricted and may be used for any expenditure within the purposes of the local club. These purposes include the club’s administrative expenses and may include the travel expenses attributable to the local chairman’s trip to the annual meeting, so long as such expenses are not extravagant. Because of the nature and magnitude of the travel expenses, we suggest that they be specifically approved by the board of directors of the local club, either as part of an approved budget or in a separate resolution.”

**GENERAL COMPREHENSIVE LIABILITY INSURANCE**

It is strongly recommended that Quota clubs obtain general comprehensive liability insurance to protect from lawsuits, particularly those that might result from accidents at public events. Quota recommends that clubs contact a local insurance provider to establish and maintain a liability insurance policy.

For more information reach out to clubs currently in operation. You can find contact information on [www.quota.org](http://www.quota.org) , on the “Connect” page. You can also contact other clubs via the [Quota International Facebook page](https://www.facebook.com/QuotaInternational/).

**Bonding**

While Quota does not require that clubs bond their officers, this is highly recommended.

**HELPFUL FINANCIAL RESOURCES**

**Financial Terms Glossary**

***Account*** - A detailed summary of the changes in a particular asset, equity, or individual related items.

***Audit*** - An official examination made in accordance with generally accepted auditing standards to give credibility to financial statements.

***Audit report*** - Awritten description of the auditor's findings and professional opinion regarding the credibility of the financial statements.

***Bank reconciliation*** - An analysis that explains any differences between the cash balance shown by the depositor and that shown by the bank.

***Bonded*** - Secured by bonds.

***Cash journal*** - A book of original entry that provides a chronological analysis of transactions.

***Disbursement*** - Money paid out or spent.

***Expense*** - Costsof goods or services.

***Fiscal year*** - Year covered by the income statement. May or may not coincide with the calendar year

***Fund*** - A specific amount or cash or securities earmarked for a special purpose.

***Gross Income*** - Total revenues received.

***Gross Receipts*** - Total amount or quantity received.

***Ledger*** - A group of accounts.

***Payables*** - Monies to be paid out.

***Receipts*** - The amount or quantity received.

***Receivables*** - Assets in the form of obligations due from others.

***Revenue*** - A particular item or source of income.

***Transaction*** - Any event that affects the financial position of an entity and requires recording.

**Sample Bank Reconciliation Instructions**

The reconciliation can be done separately for the administrative and service accounts, or it can be done together. The purpose of this procedure is to show that the balance shown on the bank’s monthly statement equals the balance that your records show at the end of the month. By doing this monthly, it will greatly facilitate the audit committee’s work and will provide assurance that all monies are accounted for on a monthly basis.

Transfer the ending balancing reported on the previous month's report to the beginning balance slot on the current form. If there are deposited checks that don't show on the bank records, total these and enter the amount on your monthly reconciliation form besides the heading “less outstanding checks.” If you have written checks that do not appear on the bank statement total these and enter the amount besides the heading “plus checks received by secretary/treasurer, but not yet recorded by bank.” Add the total balances of all club accounts and record the amount as the ending balance on hand on your current monthly reconciliation. This figure should equal your monthly record of income less expense statement.

**Sample Bank Reconciliation**

Bank Reconciliation for the month of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Balance in bank $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Less outstanding checks [List]:

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Plus checks received by secretary/treasurer, but

Not yet recorded by bank [List]:

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BALANCE AS PER LEDGER: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***(The amount in the ledger and in the bank minus and plus checks in transit should be the same.)***

**Sample Cash Journal Instructions**

**The sample cash journal is divided into four sections – description, receipts, disbursements, and balance. Each time a check is written or money is received, the new transaction should be entered in the journal. For example, if the last entry is on line 4 and you have a new donation to record, that information would go on line 5. Line 6 would then contain the next activity, whether a receipt or disbursement.**

**Description.** The first section of the cash journal contains specific information about the transaction. Column 1 is where you should enter the current month. For example, write “Jan” for January and the day of the month. You do not need to repeat the month on each line. Simply enter the day of the month in the right hand section of the column until the month changes. You may want to use one page per month.

Column 2 contains a description of the transaction. (The first line in this column should contain the balance from the previous page. This is explained in more detail on the next page.) This description should include the name of the person or company to which you wrote a check or from whom payment was received and the purpose of the payment. For example, if you received money during a meeting that was collected from a style show, you should make an entry that includes the date of the transaction, the description, “collected at a style show”, and the total receipts. If a check is issued to the supermarket for food, you would enter the description, “Sue’s Market – hot dogs for booth.” Although abbreviations are acceptable, descriptions should be complete enough for easy identification.

Column 3 contains the number of the check involved in the transaction or the word “cash.” Pay by check whenever possible for a written record of the payment. Be sure to ask for a receipt if cash is used. Have receipts on hand because the auditor will want to see them.

**Receipts.**  The receipts section of this cash journal contains three columns of information: member dues; other receipts, including monies raised for general operations, interest income, etc.; and monies received from service fundraising projects and contributions from donors outside of Quota. All money received by the club should be reported in one of these columns. All club dues should appear in the first column under receipts. The second column should include monies from general fundraising projects, the sale of club materials, and anything that does not apply to the other two columns. All money collected from service fundraising projects and donations should be listed in the third column. The total of all three columns is your club’s ***gross income***.

**Disbursements.** There are four columns in which to record disbursements. The first column should include all checks written for any purpose not specified in the other four columns. The third column should include the cost of food or items sold as part of a service fundraising project. Use the fourth column to record expenses of service fundraising projects, other than the actual cost of materials sold. If the fundraising project was a show that incurred advertising and building rental costs, you should record it here. The last column should include disbursements for service projects, such as donations to local projects.

**Balance.**  The balance section of the cash journal contains the date and the balance columns. The first line of a new page should include the month and day under the year and should be marked “Balance Forward.” Under the balance column, enter the amount that appears on the last balance line of the previous page. Thereafter on the page, any amount received should be added to the balance and any amount disbursed should be subtracted and posted on the same line as the transaction. The balance at the close of the month and balance to date should be reported to club leaders.

While the above system is sufficient for keeping the proper records of your club’s transactions, you might want to use additional columns for specific budgeted items if your club requires a monthly report showing expenses as they correspond to budgeted items. In that way, at the end of the month when you prepare your report, you’ll only need to add each column of receipts and disbursements to get your report totals. You could use the system described above to do your monthly report, but you would need to use the description column to determine which amounts referred to which budget items. Since this involves time and research, most clubs have expanded receipt and disbursement listings to correspond with their budget headings.

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| **Sample Cash Journal** (Page 1) | | | | | | | | | | | |
|  | | | **DESCRIPTION** | **RECEIPTS** | | | | | | | |
|  | DATE  MONTH:  YEAR: | | DESCRIPTION OF TRANSACTION RECEIPTS OR DISBURSEMENTS | CHECK  NO.  or  CASH | **OPERATING** | | | | **SERVICE** | |  |
| DUES  Or  INIT. FEE | | GENERAL  FUNDRAISING  INTEREST  OTHER | | FUNDRAISING  And  DONATIONS | |  |
| 1 |  |  | BALANCE FORWARD |  |  |  |  |  |  |  | 1 |
| 2 |  |  |  |  |  |  |  |  |  |  | 2 |
| 3 |  |  |  |  |  |  |  |  |  |  | 3 |
| 4 |  |  |  |  |  |  |  |  |  |  | 4 |
| 5 |  |  |  |  |  |  |  |  |  |  | 5 |
| 6 |  |  |  |  |  |  |  |  |  |  | 6 |
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| 29 |  |  |  |  |  |  |  |  |  |  | 29 |
| 30 |  |  |  |  |  |  |  |  |  |  | 30 |
|  |  |  | TOTAL THIS MONTH |  |  |  |  |  |  |  |  |
|  |  |  | TOTAL THIS YEAR |  |  |  |  |  |  |  |  |

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| **Sample Cash Journal** (Page 2) | | | | | | | | | | | | | |
|  | **DISBURSEMENTS** | | | | | | | | **BALANCE** | | | |  |
|  | OPERATING | | SERVICE | | | | | |  | | | |  |
|  | GENERAL  OPERATING  And OTHER  DISBURSEMENTS | | COST OF  GOODS  SOLD | | FUNDRAISING  EXPENSES | | CLUB  DONATIONS  FOR SERVICE | | DATE  YEAR\_\_\_\_\_\_ | | AMOUNT | |  |
| 1 |  |  |  |  |  |  |  |  |  |  |  |  | 1 |
| 2 |  |  |  |  |  |  |  |  |  |  |  |  | 2 |
| 3 |  |  |  |  |  |  |  |  |  |  |  |  | 3 |
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| **Sample Club Budget** (Page 1) | | |
| Quota of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| Administrative Budget for year beginning May 1, \_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| FIXED INCOME AND RECEIPTS | | |
| Dues- 50 members x $95 | | $4750.00 |
| In-club fundraisers | | 1500.00 |
| Meals- 50 members x $120.00/year | | 6000.00 |
| Miscellaneous income | | 500.00 |
| TOTAL INCOME | | $12,750.00 |
|  |  |  |
| FIXED EXPENSES | |  |
| *International, Area and District* | | |
|  | International Per Capita Dues -50 members x $45 | $2,250.00 |
|  | Advance Convention Fee | 200.00 |
|  | Per Capita District Dues -50 members x $5.00 | 250.00 |
|  | Per Capita Area Dues -50 members x $10.00 | 500.00 |
|  | *Subtotal International and District* | $3,200.00 |
| *Local Expenses* | |  |
|  | District Conference -Expenses of President and First Vice | $250.00 |
|  | President |  |
|  | Governor's Visit Expenses -Hotel, Gifts, and Meals | 150.00 |
|  | International Convention -Registration and Expenses of Delegate | 950.00 |
|  | Membership Committee | 200.00 |
|  | Guests' Meals | 260.00 |
|  | Postage | 200.00 |
|  | Quota Training Seminar | 165.00 |
|  | President and Past President Pins, Awards, etc. | 100.00 |
|  | Club Supplies, Manuals, Posters, and Address Labels | 325.00 |
|  | Meals -50 members x $120.00 | 6000.00 |
|  | Off-shore Convention Fund | 300.00 |
|  | Contingency | 650.00 |
|  | *Subtotal Local* | $9,550.00 |
| TOTAL DISBURSEMENTS | | $12,750.00 |
| ENDING BALANCE | | NONE |

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| --- | --- | --- |
| **Sample Club Budget** (Page 2) | | |
| Quota of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| Administrative Budget for year beginning May 1, \_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| INCOME | |  |
| Fundraisers | | $15,000.00 |
| Interest | | 500.00 |
| Miscellaneous | | 300.00 |
| TOTAL RECEIPTS | | $15,800.00 |
|  | | |
| EXPENSES FOR SERVICE | |  |
| Community Projects | |  |
|  | Hearing and Speech | $4,300.00 |
|  | Disadvantaged Youth | 2,500.00 |
|  | Disadvantaged Elderly | 3000.00 |
|  | Other | 4300.00 |
|  | *Total Community Projects* | $14,100.00 |
| International Projects | |  |
|  | Club-to-Club | $600.00 |
|  | We Share Foundation | 600.00 |
|  | Wanda Frey Joiner Development Fund- 50 members x $6.00 | 300.00 |
|  | *Total World Service* | $1,500.00 |
| Club Liability Insurance -50 members x $5.00 | | 250.00 |
| Bond on Club Officers | | 50.00 |
| TOTAL EXPENSES | | $15,900.00 |
| ENDING BALANCE | | NONE |

**Record Retention Checklist**

|  |  |
| --- | --- |
| **Record** | **Retention Period**  **(Years)** |
| Annual Financial Statements | Permanent |
| Bank Statements and Deposit Slips | 5 |
| Budgets | 5 |
| Bylaws | Permanent |
| Canceled Checks | 7 |
| Charter | Permanent |
| Club Rosters and Membership Lists | Permanent |
| Correspondence:  Unessential – those addressed to third party and only copied to club  General– original correspondence pertinent to club matters | 1  2-3 |
| General Ledgers and Journals | Permanent |
| Invoices for Payment to Vendors | 7 |
| Minutes | Permanent |
| Tax Returns (Form 990EZ) - United States  Including worksheets, Revenue Agents Reports and other documents relating to income tax liabilities | 10 |
| Internal Revenue Service Determination Letter | Permanent |
| Tax Returns - Countries Other Than the United States.  This must be checked with governmental agencies to determine what must be kept on file. |  |

**Be sure to keep permanent records pertaining to the history of your club.**

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| **Sample Assets & Liabilities Statement** | | | | | |
| STATEMENT OF CLUB ASSETS | | | | | |
|  | DATE |  | DATE |  | |
|  | May 1,-\_\_\_\_\_ |  | April 30,-\_\_\_\_\_ |  | |
| ITEM | BEGINNING OF YEAR | | END OF YEAR |  | |
| Balance in Bank |  |  |  |  | |
| Dues Receivable |  |  |  |  | |
| Bonds, Notes, Etc. |  |  |  |  | |
| Inventory |  |  |  |  | |
| Special Funds |  |  |  |  | |
|  |  |  |  |  | |
|  |  |  |  |  | |
|  |  |  |  |  | |
| TOTAL ASSETS |  |  |  |  | |
| STATEMENT OF CLUB LIABILITIES | | | | | |
| Balance on Obligations |  |  |  |  | |
| Balance Due for Meals |  |  |  |  | |
|  |  |  |  |  | |
|  |  |  |  |  | |
|  |  |  |  |  | |
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|  |  |  |  |  | |
| TOTAL LIABILITIES |  |  |  |  | |
| NET WORTH OF CLUB |  |  |  |  | |
| We, the members of the Auditing Committee, certify that we have this \_\_\_\_ day of \_\_\_\_, audited the accounts of Quotal of \_\_\_\_\_\_\_ and find them complete, well kept, and accurate. |  | | | | |
| CHAIR | | | |  |
|  | | | | |
|  |  | | | | |
|  | AUDITING COMMITTEE | | | |  |