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Saint Mary's University

Students' Association

# [SOCIETY TREASURER'S HANDBOOK]

[The Society Treasurers' Handbook is a resource for Society Treasurer's to aid them in understanding their responsibilities when managing the finances of their society]


# TREASURER'S HANDBOOK

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## BANK ACCOUNTS

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All societies **must use the same banking institution as SMUSA** which is currently RBC. The bank account should be made your first priority and should be in place before you start making any transactions. Before you open a new account, check with SMUSA to make sure if there is an existing RBC account or if another account has been opened at another branch. The RBC branch to be used is located on the corner of Spring Garden Road and Summer Street. Each society is permitted only one bank account. Therefore, all monies must be maintained within the one official society bank account. If a society is required to open a second account to help monitor a specific program or event it must get the approval of SMUSA. The account with RBC is called a “Royal Business Community Account” and it has a monthly fee of \$3.75. Societies that require a change in signing authorities must visit the SMUSA main office and get a letter that is prepared by SMUSA for the bank. Societies are not permitted to change signing authorities without this letter.

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## DEBIT CARD POLICY

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Whether you opened a new bank account or are maintaining a current one, you will need to acquire an Agent Card for the society. The first step is to apply for a Debit Card and have all the limits set to \$0.00. Once you acquire the Debit Card you must then apply for an Agent Card. The Agent Card will allow for deposits only. Once you have the Agent Card you must bring the Debit Card to the Society Coordinator’s office where it will be kept on file. Societies are not permitted to use a Debit Card to make cash withdrawals. Societies are only allowed to make transactions by cheque that requires two signatures.

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## SIGNING AUTHORITIES

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When you open or renew a bank account, you will need to establish current signing authorities. This means the members of the society’s executive who can access the bank account and sign cheques. To arrange changes to signing authorities, you will need a letter which is available from the SMUSA main office. This letter must include the previous as well as new signing authorities and the positions they hold in the society. **The society Treasurer must be one of the signing authorities.** Remember that cheques always require two signatures; therefore it is recommended to have at least three signing authorities. Signing authorities have a fiduciary responsibility to

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understand all transactions of the society and to act in good faith when dealing with the societies' financial transactions.

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## BUDGETING

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One of the best tools for managing your society's funds throughout the year is to create a budget in September. The financial information from last year will help guide you in making an outline of the budget. Try to be as accurate as possible when estimating revenues. If you complete this step after carrying over last year's account balance, receiving a start-up grant, and collecting membership fees, you will have an idea about the financial position of your society.

The more input you get from the other executive, the more likely they will make sure they follow the budget. Decide what new events the society will organize, which of last year's events will be repeated and other ways you plan to spend or make money. When calculating your expenses, don't forget to include office, banking, and advertising expenses. The final step is to get the budget approved by the executives' officers or your membership, whichever your constitution requires.

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## MAINTAINING YOUR BUDGET

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The budget is meant to empower the Treasurer, who, as a financial officer of the society, has the responsibility of the societies' finances. The most difficult part about managing the budget is that it is your responsibility to make sure the society sticks to it. You should make sure the society doesn't spend beyond its means on events. If you find you have overspent, try to balance this by charging an admission fee to an event or by reducing costs at the next event. Also keep an eye on invoice that come in. They can trickle in long after the event has taken place. If you dedicate set amounts to be spent on each event, it will be easier to see whether you can afford something else. When maintaining the budget, make sure you use a Year-To-Date column. To do this, you record the actual, not the budgeted amount, you have in each budget line. The year-to-date is like a running balance of everything you have spent or received, broken into the budget lines you created in your budget.

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## FUNDING

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**The most important part of applying for funding is submitting a detailed budget of the event.** More information about funding is presented in the Society Handbook. The following is a quick reference guide about options for funding, important dates, and details that each treasurer should know.

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### START-UP GRANTS

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SMUSA provides start-up grants to societies which received funding in the previous year. Make sure one of the first things you do is apply for this, since it is not automatically distributed. The form is available online, and a hard copy is available at the SMUSA main office. The grant is for:

- Payment of outstanding bills from the previous year
- Membership and promotional costs
- Office expenses
- Fund raising expenses

This application must be received by the Society Coordinator by November 1. This funding is not available to new societies.

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### SPECIAL EVENT GRANTS

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For special events, SMUSA does offer some funding; however, there are important details you should take into consideration. The most important part of the application is the budget for the event. The maximum amount granted per society is \$2000 per year. **You must have your application in to the Society Coordinator at least two weeks before the event. Funding will not be provided after the event.** There is a limited amount of society funding available, and it runs out every year. The earlier you get your application in, the more likely you will receive funding. It is in your best interest to follow up on requests for funding to make sure you know if and when you will be receiving

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funding. Payment will be in the form of cheque and will be available for pick up from the SMUSA main office.

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## LOANS

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Loans of a maximum of \$500.00 are available to societies that cannot cover the costs of their event up front. The details of applying for a loan are in the Society Handbook. Once again, the application must be submitted two weeks in advance of the event. The society will have three days to repay the loan after the event. While this is an option, you may want to consider doing early sign-up or asking members for a deposit for their guaranteed attendance at the event to avoid taking out a loan.

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## BOOKKEEPING

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Bookkeeping is important for transparency and accuracy. Transparency means that any member of your society should be able to look at the books and understand where society money is going. Accuracy will make sure that costly mistakes don't happen. Make it your priority to get receipts for everything you pay for. Keep all details, memos, letters, and emails related to society finances.

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## GENERAL LEDGER

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A general ledger is a record book used to keep track of all the transactions of your society. Each society must have a ledger for auditing purposes. Your ledger can be as simple as a binder with blank ledger sheets with columns for the date, debits, credits, cheque #, current balance, and a description of the transaction. This can also be accompanied by a more elaborate excel spreadsheet but make sure you are still updating a hardcopy.

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The ledger is a legal document, and should always be written in pen. If there is an error, make a single line through it and initial. Do not use whiteout or completely ink things out.

The first column of your ledger should be the date. This is the date on which you recorded the transaction. The next column should be labeled “item” and is where you include a brief description of the transaction. The more specific you can be, the easier it is for transparency and for auditing. “Supplies etc.” and “Paid back” are both vague. You must be specific. A space for cheque number is also a simple step to making reconciliation easier. The next two columns are for keeping track of exact payments. Debits are used to represent money gained (i.e. Special Event Funding, membership fees). The credit column is for “money out” and would be all of the society expenses (i.e. poster making expense, phone bill). The final column is the running balance and is key for cash flow management. It is the Treasurer’s responsibility to make sure that everything is accounted for. Often, it is the little items that add up that can send a society into a cash crunch. Also, be sure you make note of bank charges, which can sometimes go unnoticed.

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## CHEQUES

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**Cheques are the BEST WAY to handle society funds.** By enforcing transparency, cheques are easier to keep track of and are safer than using cash. Societies should try to maintain three signing authorities (see section “Bank Accounts”). The most transparent way of writing cheques is to have a dual signature policy, where each cheque needs two signatures to be valid. You should not be signing cheques to yourself, and having multiple signing authorities prevents you from running into this problem.

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## TRANSACTION RECORDS

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Day to day activities will require many transactions to be kept track of for your society. To be sure that your society is using its funds to fulfill its mandate, it is important to record the reasons for the in and out flows of cash. The best way to do this is fill out a “Transaction Record Sheet” (a sample one is included in the Appendix). Once you have the sheet filled out, attach all of the corresponding receipts, returned cheques, or invoices. Each society gets a number of free photocopies so don’t worry, you can fill one out for every receipt. Keep these records in their own file folder in a filing cabinet or in a binder.

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Most importantly, check the reason for each invoice or receipt! Sometimes you will get billed incorrect amounts or will get invoices that were meant for someone else. Look these over carefully and make sure you get what you paid for and don't pay someone else's bills!

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## CASH PAYMENTS

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Cheques are the best way to get or give out money! However, sometimes you will need to have cash on hand for membership fees or a float for an event. The best way to do this is to have a Petty Cash. For most society needs, \$100 should be plenty. To set this up, cash a cheque, payable to the treasurer, for the amount required. Once the treasurer is established as the custodian of the petty cash, they are responsible and must complete reconciliations. The entry for this in the general ledger would be: debit petty cash, credit cash. Cash transactions will be the hardest to keep track of. Make sure transactions are recorded individually and that each one is viewed as separate from the next. Money can be taken out of petty cash by issuing a "Petty Cash Voucher" (a blank one is in the appendix)

Petty Cash should be reconciled monthly. This involves collecting all of the petty cash vouchers and adding up the totals. This total should equal the amount of cash missing from your cash box.

When you need a float for a society event, you should make a ledger entry to record when and how much money was taken out. When you return it, make a corresponding entry to show how much you are re-depositing. It may sound simple, but when you are calculating the profit from an event, do not include the cash float!

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## BANK RECONCILIATION

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Once you have a bank account for your society, you will receive monthly bank statements. These statements are required for society audits, so make sure these are being mailed to the correct address and that you are getting them. All societies have a mailbox at the Info Desk on the main floor of the Student Centre. This is a reliable way of checking bank account activities but needs to be reconciled. Because the statement is prepared on a given date, you will have activities on your books which have not been recorded on your bank account statement. A bank reconciliation is carried out to adjust

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your balance to match the bank statement. It is recommended that you complete a bank reconciliation each month. If not, at least be aware of outstanding cheques so you can make sure the bank balance can cover them.

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## AUDITS

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Audits are conducted by the Society Coordinator each year and it is the Societies' Treasurer that is responsibility to have all documents in order when requested. Audits are used to verify the transparency and completeness of society records to make sure funds are being used to further the mission of SMUSA and the Society. **SMUSA has a legal responsibility to audit the books of our societies to ensure proper financial management. Societies have a legal responsibility to keep accurate books.**

**All societies must submit to the Society Coordinator the following documents the last day of classes in December and April.**

- General Ledger
- Cheque Book
- Deposit Book
- Transaction Records
- Bank reconciliations and bank statements
- Society Budget

These documents will then be reviewed by the Society Coordinator and will either be deemed satisfactory or insufficient. A summary of recommendations may also be presented with the documents upon return. Failure to keep accurate records could result in disciplinary action as noted in the Society Handbook.

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## Petty Cash Voucher

No. \_\_\_\_\_

Date:

\_\_\_\_\_

Amount: \_\_\_\_\_

Tax:

\_\_\_\_\_

For:

\_\_\_\_\_

\_\_\_\_\_

Cash Given

By: \_\_\_\_\_

To:

\_\_\_\_\_

Signature



## Sample Transaction Record

Society Name:

Date: (Date of Transaction)

Debit or Credit: (Type of transaction, debit (+), credit (-))

Amount: (amount of transaction)

Cheque #: (If applicable)

To/From: (name on invoice or cheque)

Approved by: (exec or society vote)

Details: (make a small note of relevant details)

Attach the required paper backup for this transaction, receipt, paperwork, bill or invoice.

Keep all transaction records together in a binder or folder.

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## Transaction Record Sheet

Society Name: \_\_\_\_\_

Date: \_\_\_\_\_

Debit or Credit: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

Cheque #: # \_\_\_\_\_

To/From: \_\_\_\_\_

Approved by: \_\_\_\_\_

Details: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attach the required paper backup for this transaction, receipt, paperwork, bill, or invoice.

Keep all transaction records together in a binder or folder.

