

ROTARY CLUB OF PORT HOPE

September 14, 2008 (re-issue date)

MEMO TO: All members
FROM: Treasurer
SUBJECT: Revenue and Expense Reporting

Each Director (Club Service, Community Service, International Service, and Fundraising) has his/her own set of revenue and expense accounts within the overall Club budget. Thus, Directors are able to manage their own Contribution within the budget. This is only possible, however, if members follow some common procedures when handling club revenues and incurring expenses. Members must keep their directors informed and get their prior approval for expenditures.

Two things must be observed:

(1) Funds are disbursed only by cheque and on the basis of a Cheque Request approved by the director whose budget is affected. Only then will the Treasurer write a cheque. (The only exceptions to this are pre-approved or standing arrangements such as weekly hall rental and catering expense).

(1) Anyone who is the convenor of a project or an event is also the person who accounts for the receipts and disbursements associated with it and reports on its outcome – NOT the Treasurer. The Treasurer accounts for club funds, not project funds. The convenor can arrange, of course, to transfer funds to the Treasurer in an orderly manner during the project.

Two forms are in use for these purposes - the Cheque Request and the Event Cash Report which can be found on this website. Please use them in all cases and call the Treasurer if you are in need of guidance.

More comprehensive guidelines follow.

Ron Coleman, Treasurer.

Rotary Club of Port Hope

Guidelines – Revenue and Expense Handling

1.0 Principles

- 1.1 The annual approved Operating Budget is the only pre-authorised framework for spending.
 - 1.2 Only the Board may authorise spending beyond budget levels and is accountable to the members accordingly.
 - 1.3 Directors have the authority to commit and spend funds within their budgets.
 - 1.4 All revenues are to be recorded separately from expense; i.e. no “netting” of expense against revenue.
 - 1.5 All funds are to be deposited in the Club’s bank accounts by the Treasurer or designate.
 - 1.6 All disbursements are to be made by cheque via **Cheque Request** (attached) or similar.
- Note: An exception is made in the case of projects or events where goods or services may have to be paid for in cash while staging the event (see Event Cash Report attached).*
- 1.7 No disbursement will be made without adequate support (**Cheque Request**, invoice, letter, etc.) or approval.
 - 1.8 Commingling of cash between projects or events is not permitted.
 - 1.9 Advances and petty cash funds will be signed for and become the personal responsibility of the recipient.

2.0 Accounts Payable

The most frequent transaction members encounter is the need to have a cheque issued for work they are doing in their committees. Examples are: settling invoices, granting money to worthy causes, claiming reimbursement for out-of-pocket personal expense, etc. The procedure is simple :

- 2.1 Complete a **Cheque Request** (attached).
- 2.2 Attach audit trail support (invoices, letters, personally paid receipts, etc.).
- 2.3 Have it approved by the Director responsible (if it is part of an ongoing activity or one clearly pre-approved by the Board, this may not be essential).
- 2.4 Give a copy of the Cheque Request to the Director responsible for awareness and budgetary control.

3.0 Cheques in Advance.

Occasionally, it is necessary to issue a cheque in advance, payable to a specific payee (deposits, rentals, etc.). In these cases the **Cheque Request** must be used and a receipt obtained from the payee on delivery of the cheque. The Treasurer will require both the Cheque Request and the receipt as support for the payment.

4.0 Cash Advances.

A fundraising or other event often requires the convenor to pay in advance for necessary goods or services or simply have a cash “float” to make change. In such cases, the convenor can use his/her personal funds and claim

reimbursement later, or request a cash advance which must then be cleared immediately after the event. The attached **Cheque Request** serves both purposes.

5.0 Petty Cash Funds.

The use of petty cash funds is not encouraged but could be arranged in the case of a project or activity that is ongoing for months and involves repetitive small disbursements (e.g. postage, photocopies). The custodian must sign for the fund and remain personally accountable for it, using the **Cheque Request** for periodic replenishment.

6.0 Event Reporting.

The convenor of a project or event, especially a fundraising event, is expected to report on its success, financially and otherwise, to the Club. To facilitate this, and to turn over to the Treasurer in an organised manner what revenues and expenses have occurred, what cash advances are being cleared, etc., the attached **Event Cash Report** is provided. It is essential that members of the project team be instructed to turn in promptly all monies, invoices, receipts and other items to the convenor who will prepare the Event Cash Report for processing by the treasurer. In this way the convenor can quickly speak specifically to the results of the event without having to wait for the Treasurer's less specific monthly financial statements.

7.0 Attachments

- Cheque Request
- Event Cash Report

END