



East Riding Voluntary Action Services (ERVAS) Limited

Community Accountancy Service

Delivering quality accounting services and training to the voluntary sector

Good Practice Guide:

15 – The Role of the Treasurer



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The Role of the Treasurer

Responsibility for Financial Management

Although the treasurer is the person delegated to take responsibility for the finances, ultimately it is the whole management committee who has 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 employees, 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 book-keeper 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 to review all financial information on a regular basis.

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 every one knows who is responsible for that particular task. Then the treasurer knows who to chase when something has not been done! It is important to note that some tasks may be undertaken on a shared basis, for example by a finance sub-committee.

Checklist of Financial Tasks

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

Financial Planning and Budgeting

- ⊗ Involving staff and committee in financial planning
- ⊗ Writing a 3 year business plan for the organisation
- ⊗ Developing and implementing an income generating strategy
- ⊗ Collecting information on funding sources
- ⊗ Completing fund-raising applications
- ⊗ Liaising with funding agencies
- ⊗ Preparing proposals for contracting services
- ⊗ Preparing a pricing policy
- ⊗ Deciding on salary levels and increases
- ⊗ Preparing budgets and cash-flow forecasts
- ⊗ Monitoring how actual income and expenditure compares with the budget
- ⊗ Monitoring and dealing with cash-flow problems

Banking and Book-keeping

- ⊗ Opening bank accounts (as agreed by the committee)
- ⊗ Updating bank mandates (a pool of 4 signatories is best, all of which should be approved by the committee)
- ⊗ Ordering goods
- ⊗ Authorisation of expenditure
- ⊗ Writing cheques
- ⊗ Signing cheques
- ⊗ Receiving and banking of income
- ⊗ Recording all income and expenditure transactions
- ⊗ Recording restricted funds separately
- ⊗ Filing income and expenditure documentation including funder's terms and conditions
- ⊗ Monthly bank reconciliation
- ⊗ Totalling the books at the end of the month
- ⊗ Collection of membership subscriptions
- ⊗ Chasing debtors
- ⊗ Updating and filing all wages records
- ⊗ Payment of wages, tax, National Insurance, Pensions
- ⊗ Maintaining the petty cash tin
- ⊗ Paying petty cash
- ⊗ Recording petty cash

Financial Rules Policies and Controls

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

Financial Reporting

- ⊗ Producing reports for the committee
- ⊗ Presenting financial reports to the committee
- ⊗ Preparing end of year accounts (unless done by outside accountant)
- ⊗ Preparing documents for independent examiner/auditor
- ⊗ Liaising with the independent examiner/auditor
- ⊗ Presenting draft annual accounts to the committee
- ⊗ Presenting audited/examined accounts to the AGM
- ⊗ Completing and sending returns to the Charity Commission/ Companies House (if applicable)
- ⊗ Completing and sending reports to funders

Investments and Reserves

- ⊗ Taking professional advice in relation to any investments
- ⊗ Ensuring that investments are in line with Charity law and the organisation's constitution
- ⊗ Making decisions on investments
- ⊗ Monitoring progress of investments
- ⊗ 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, who will then take the job on.

If there is no-one willing to do the job:-

- ⚙️ try local businesses and banks or even advertise in a local newspaper. (NB you should always take up references for someone new to the organisation)
- ⚙️ you could appoint a finance sub-committee in order to share some of the tasks out between a number of people and to provide a forum for detailed discussion of financial matters (however one or two people sharing should still be the nominated treasurer)

Whoever is appointed as treasurer it is important that they feel supported by the committee. Treasurers often feel very isolated; so if you have got a treasurer, look after them!



For further information please contact:

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