

13. SHOW ME THE MONEY – CLUB TREASURER

Presenter: PDG Douglas Mueller

IPDG Douglas Mueller is a member of the Portsmouth DAC Center Children First Lions Club, where he served as Charter President. He is a past Treasurer of the Lions Sight & Hearing Unit of District 24D and a past Secretary of the District 24D Charity Foundation. PDG Doug has been a Faculty Member at the Lions of Virginia Regional Leadership Institute where he taught Public Speaking and Communications. He has served as a panel member at an International Convention presenting the Children First program. PDG Doug is a past Board Member of Project Lifesaver International. He is a Progressive Melvin Jones Fellow and a Lions of Virginia Foundation Humanitarian. PDG Doug is married to Lion Darlene. They have three daughters and four grandchildren.

“We Serve” – It is the foundation of Lionism. It is what we do. We help those in need. We perform vision and hearing projects, diabetes awareness projects and a multitude of other service projects. We raise money to fund these projects through Melvin Jones and other Fellowships and through White Cane Fundraisers, Broom Sales, Mint Sales, Christmas Tree Lots and a wide variety of other methods. We operate our Lions clubs, administratively charging dues at the local, district, multiple district and international level. We charge fines for all manner of real and imagined infractions, hold internal club auctions and 50/50 drawings. Project Funds and Administrative Funds. And never the twain shall meet. Two things which are so different as to have no opportunity to unite. **SHOW ME THE MONEY!**

Fred collected lots of money from trick-or-treating and he went to the candy store to buy some chocolate. "You should give that money to charity," said the sales girl. Fred thought for a moment and said, "No, I'll buy the chocolate. You give the money to charity."

Lions Clubs are not a fraternal organization or social club, we are a service organization. Our business is serving those less fortunate. Note the word business. That is what we are. While having fun and enjoying the company of like minded people is important we must operate our Clubs as if they are a business. In fact we should operate like a publicly held corporation – as if our books are going to be looked at by our shareholders – the public.

This seminar is not designed to give financial advice or to discuss tax laws of either Canada or the United States. The objective is to provide a solid foundation in a Lion's duties as Club Treasurer. We will spend a part of our time together discussing the duties of the Club Treasurer and a part of our time exploring some fairly specific situations that a Club may encounter. It is my intent that this be an interactive session with you asking questions and offering ideas. If you think there

is a better way, offer it. The only rules are that of common courtesy. Treat everyone in the session the way you expect to be treated.

We will not spend a lot of time on the mechanics of keeping Club Treasurer records although there will be CD's available at the end of this session with excel spreadsheets you can use and adapt to your Club or Situation. There are many software applications available that will also work such as Microsoft Money, Quicken and Peachtree. The forms and formulas presented on the CD are one way to perform your duties as Club Treasurer they are not the only way. If you are not into computers, LCI has paper copies of Club Treasurer records. These are available through Club Supplies. Keep in mind that being a Lions Club Treasurer is not a hard job involving high finance and advanced mathematics. Basic math and algebra is all that is required.

DUTIES OF LIONS CLUB TREASURER

The Club Treasurer is an extremely important role in your Lions Club, perhaps the most important. A Lions Club is a public trust. People donate money to our organization expecting us to be good stewards. They expect that we will use their donations wisely and properly. Misuse or misallocation of money is one of the quickest ways a Lions Club can get into trouble and in fact have their Charter pulled from Lions Clubs International. What we cover today will help us avoid that possibility.

Duties of the Lions Club Treasurer. Simply put – 'To take the money in and to pay the money out.' That statement may seem oversimplified, but in reality that is all there is. The execution of that simple statement is where it gets a bit more complicated. According to Lions Clubs International:

He/she shall: (1) Receive all monies from the secretary and deposit the dollars in a bank or banks recommended by the finance committee and approved by the board of directors; (2) Pay the club's obligations authorized by the board of directors. All checks and vouchers shall be signed by the treasurer and countersigned by one other officer, determined by the board of directors; (3) Have custody of and maintain general records of club receipts and disbursements; (4) Prepare and submit monthly and semi-annual financial reports to the international office of the association and the board of directors of this club; (5) Give bond for the faithful discharge of his/her office in the sum and with surety as determined by the board of directors.

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A paper trail is a vital part of the duties of a Lions Club Treasurer. All funds coming in and going out should be logged at the time of transaction. Give receipts for all moneys taken in and request receipts for all cash payments. Retention of records is another critical task you have as the treasurer. All records should be retained and turned over to your successor. These records should include your

Treasurers Reports, Bank Statements and cancelled checks, Invoices and receipts, and any government filings your club makes. As I mentioned at the top of this session, LCI has a variety of forms for use in keeping your records and if you desire please pick up a copy of the free CD with excel spreadsheets for record keeping.

CHECKS AND BALANCES

Accounting checks and balances. Having checks and balances solidly in place are an essential part of a Club Treasurer duties. While presenting your records for scrutiny may seem like a sign that you are under suspicion, it is not a sign of distrust. You should welcome this as a validation of your trustworthiness. In securing your reputation as an honest Club Treasurer you can employ a variety of tools. Among them are having two signatures on checks, insisting upon an annual Audit of Treasurers books by an outside party and not paying funds to an individual, only to a provider. It's a good idea to have three people on the signature list in case one becomes incapacitated. A Club could have an awful time getting access to its money if its treasurer passed away, and *all* of the club's accounts were in his name exclusively. Another consideration is having an assistant treasurer who simply keeps an eye on the funds and is there to take the place of the treasurer if it becomes necessary. It's a good idea to ask your bank if it can issue duplicate statements to the treasurer and another officer such as the president, assistant treasurer, or secretary. One of the simplest ways of getting ready for scrutiny is to stay ready. Keep books ready for an audit at all times. There are clubs that have an audit committee. This generally comprises two or three members who are willing to audit the books on occasion. I realize that the term "audit" may seem technical, but for most clubs with treasuries of a couple thousand dollars or less, it doesn't need to be formal. Clubs with large treasuries and/or with significant assets such as member-owned real property should take steps that are more aggressive. An audit committee should be in place and it may be advisable to purchase bonding on the treasurer. It's worth the effort to seek professional help in performing an occasional audit. If your club has a CPA who is not the treasurer, he/she would be a good candidate for the audit committee.

Don't approach this as any indication that you shouldn't trust the treasurer.

Probably 99.99% of our club treasurers are honest, hardworking club members. I imagine that most club treasurers would welcome the help and oversight. It'll make every- one sleep better to know the club has some checks and balances in place to ensure the safety of the treasury.

BUDGET DEVELOPMENT

Annual Club Budgets, development and following them. It is very easy to take a lazy attitude to developing a club budget or perhaps not developing a budget at all. This is a missed opportunity. A well thought out and developed budget allows Club

members to see the mission of the club for the year and to visualize their part in the accomplishment of that mission. It shows Club Officers and membership challenges that they may face during the coming year. An approved budget authorizes the Club Treasurer to make disbursements within the limits of that approved budget. Your Lions Club should appoint a finance committee, chaired by the incoming Club Treasurer and generally including the Outgoing Treasurer and Incoming President to develop a budget. This budget is then presented to the Club Board of Directors for approval. Per Roberts Rules of Order, presented in this fashion from the Finance Committee by the Treasurer the proposed budget is considered a motion and is automatically seconded by being presented by committee. The Board then approves the budget with or without modifications. The Club Board of Directors must also approve any expenditure outside the limits of the approved budget.

Activities Budget Income

White Cane Fundraiser (Spring) White Cane Fundraiser (Fall) Broom Sales Bank Interest

Expenses Sight Projects

Hearing Projects Diabetes Awareness Youth Outreach Bank Fees

Administrative Budget Income

Club Dues/Fees Member Fines Raffles Bank Interest

Expenses International/Other Dues

Meals Guests/Programs Postage Bank Fees

Expenses must not exceed Income for either account, and Activities funds must never be used to fund Administrative expenses.

Steps in building a Budget Review expenditures from prior years

Examine unfunded requests for assistance or Funds received from other sources such as foundations

Review income for prior years Budgets must balance, income verses expenditures

May need to reduce expenditures or increase revenue

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FINANCIAL REPORT PRESENTATION

Presenting a budget or financial report. You will be the person responsible for presenting a proposed budget to the Board of Directors and also periodic financial reports. The requirements for these reports are called out in our Club Constitution and By-Laws, Policy & Procedures manual or other guiding document of your club. Spending the time to adequately prepare your reports and having them reviewed for clarity by an uninvolved party will go a long way toward making your presentations go more quickly and smoother.

Line Description Dues Charged Fines Paid 50/50 Raffles

Bank Interest

SIMPLIFIED FINANCIAL Current
REPORT Y-T-D

Budget \$ 4500.00

\$ 200.00 \$ 250.00 \$ 54.00 \$ 5004.00

\$ 2000.00 \$ 2250.00 \$ 250.00 \$ 200.00 \$ 94.00 \$ 60.00 \$ 4954.00

\$ \$ \$ \$ 5.25

\$ \$ \$ \$ 22.25

150.00 56.00 45.00

600.00 225.00 177.00

Total Income

\$

256.25

\$

1024.25

Dues (International) Meals Guests/Programs Admin Supplies Postage

Bank Fees

Total Expense

“Under no circumstances may the net whatsoever for administrative expenditures.”

While two separate accounts are not a requirement, having two accounts, one for Administration and one for Activities will make demonstrating your diligence in the performance of your job a much easier task.

\$ \$ \$ \$ \$ 5.00

\$ \$ \$ \$ \$ 35.00

0.00 120.00 23.00 20.00 42.00

324.00 260.00 78.00 63.00 42.00

\$

210.00

\$

802.00

SEPARATION OF FUNDS

income of club projects or activities raised from the public be used in any manner

Separation of accounts Activities (aka Charity et al)

Used to provide services to the public Administrative

Used to fund the operations of the club Can not mingle funds

100% of donations must be returned to the public LCI Constitution

Administrative funds can be used for Activities Activities funds can NOT be used for Administration

POSSIBLE DISCUSSION SCENARIOS

Can Activities funds be used to help with the expenses of Lions who are participating in Service or Fundraising pro-

jects?

Can Activities funds be used to provide glasses or other services to a member of your own Lions Club who is in need? How about paying dues?

What action do you take if you discover that activities money has been used to cover administrative expenses of the

Club? replace the funds at a later date? Call LCI about some examples of how clubs can face challenges in funding separations

As Lions Club Treasurer can you borrow from Administrative Funds to cover an emergency family financial need and

SIMPLE RULES FOR A LIONS CLUB TREASURER

“Don’t Worry – Be Happy!” Do not get overly concerned if you are not a trained book keeping or accountant and you are tapped to become your club Treasurer. The best treasurers are sometimes people without financial background! What is needed is a meticulous care for detail and a bit of logical thinking.

“Do it now.” Treasurers who get in a muddle are usually those who accumulate transactions for several weeks and then try to bulk entries rather than doing the entries as the transactions occur. Enter your receipts and expenses as they occur, make deposits and pay bills promptly. Work with the Club President and Secretary to collect dues on time, bill in advance.

“Reconcile Monthly.” Reconcile with bank statements at the end of every month and don't stop until any discrepancy has been sorted out.

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“Open Komono.” Based on transaction records, accounts can be presented in a number of different ways; choose to do it in a way which gives maximum disclosure and complete transparency to club members and others. We have nothing to hide!

“KISS.” Keep it Simple Stupid. Use the most simple accounting/book keeping method that you can. The more complicated your records are, the harder it will be to keep them accurate, prepare your reports to the Board of Directors and Club and to explain the transactions.

“Technology is not a dirty word.” If you can, use a computer to keep your club financial records. Once your formulas are entered correctly one time you simply replicate them as time moves along. The risk is then reduced to ensuring that your data entries are correct and the computer does the math.

“Be not afraid.” Do not hesitate to ask for help as you get started with the job of Treasurer or at any point where you become uncomfortable with your process or results. Most of us know someone who deals with finance or someone who knows someone who deals with finance That person can often be tapped to provide some free advise on how to proceed with a problem. Remember, a large bank balance does not necessarily indicate a healthy Lions Club.

If you had a million dollars and gave away one quarter, and another quarter, and then another quarter, how much would you have left? A million dollars minus 75 cents.

Thank you for your time and attention. Enjoy the rest of the forum.