

# Financial management

From The CLEAR GUIDE v1, written by Les Robinson for Mission Australia March 2009

www.enablingchange.com.au

## Appointing a treasurer

If your group is dealing with money you should appoint a treasurer, and at least one additional person who can sign cheques (two people's signatures should be required to authorise a cheque).

Ideally the treasurer should be someone with a reputation for honesty who has experience handling money and keeping accounts.

The Treasurer should:

- set up a dedicated cheque account;
- keep an accurate record of all income and expenses;
- keep a copy of all receipts;
- report at least monthly to the group;
- keep a record of all assets purchased;
- organise a petty cash box for small expenses.

Transparency is a vital principle in financial management – all the members should be kept regularly informed about the finances of the group.

## Setting a budget

Groups should expect two kinds of expenses, operating expenses and project expenses. It's a good idea to realistically estimate these expenses *before* you incur them, so you can plan to do some fundraising if necessary.

### Operating expenses

These include:

- telephone, internet and postage
- photocopying
- office supplies
- insurance
- training, conferences
- wages (if employing staff)

### Project expenses

These include:

- advertising
- printing

- travel costs

Here's an example of a basic budget for a small community organisation.

Source: *A Guide for Effective Community Organisations*, [www.seacc.org](http://www.seacc.org)

<b>BUDGET ITEMS</b>	<b>Financial Year 2009-2010</b>	<b>Financial Year 2010-2011</b>
<b><i>INCOME</i></b>		
Grants		
Membership Fees		
Fundraising, donations		
other		
<b><i>TOTAL INCOME:</i></b>		
<b><i>EXPENDITURE</i></b>		
<b><i>Staff Costs:</i></b>		
Wages		
Superannuation		
Insurance		
Provisions Employee Entitlements		
<b><i>Subtotal:</i></b>		
<b><i>Administrational Costs:</i></b>		
Bank Fees		
Conferences/Seminars/Travel/Catering/Meeting Expos		
Equipment & IT: Purchase, Maintenance, Lease, Rent		
Contents insurance		
Office Rent/Security/Cleaning		
Stationary/Office Supplies/P,Copy/ Postage/Subscriptions		
Sundries		
Telephone - Office Phones/Fax		
<b><i>Subtotal:</i></b>		
Catering, venue hire		
Motor Vehicle Expenses		
Marketing Costs		
<b>TOTAL BUDGET ex GST</b>		
<b>TOTAL GST</b>		
<b><i>TOTAL EXPENDITURE</i></b>		

## *Useful resources*

A **Guide for Community Treasurers** can be found at [www.ourcommunity.com.au/files/community\\_treasurers\\_guide.pdf](http://www.ourcommunity.com.au/files/community_treasurers_guide.pdf)

For a guide to setting budgets in small community organisations, see: **The SNOW project: Tips and Tools**  
[www.cnet.ngo.net.au/dmdocuments/Snow%20Project.pdf](http://www.cnet.ngo.net.au/dmdocuments/Snow%20Project.pdf)