



DISTRICT 9705
MAY 2020

Treasurer



Table of Contents

Role & Responsibility.....	1
Treasurer's role	1
Responsibilities.....	2
Authority	2
Budgeting.....	3
Accounts.....	3
Budgets.....	3
Budget Responsibility.....	3
Financial Cycle.....	4
Financial Year	4
Pre Handover	4
Handover.....	4
Monthly.....	5
Club Forum or Assembly	5
Quarterly	5
Half Year (if required).....	5
Audited Statements	5
Annual General Meeting.....	6
Annual Return	6
Charitable Collections	7
Financial Cycle Chart	8
Setting Fees.....	9
When to set fees	9
Collecting fees	9
Components of the fee	9
District Fee	10
Official Magazine.....	10
Club Operating Expenses	11
RI Per Capita Dues	11
Joining Fee.....	12
Setting Fees Chart.....	12
Dealing with Rotary Entities	13
RI South Pacific and Philippines Office (SPPO).....	13
Functions	13
Contact Details	14
Payments to RI.....	14
Official RI Currency	15

RI Currency Conversion Rate	15
Club Number	15
The Rotary Foundation (TRF)	15
Operation	16
Paul Harris Fellow recognition	16
Paul Harris Fellow credits	16
The Australian Rotary Foundation Trust	16
Purpose	16
Operation	16
Limitations	16
Rotary Down Under (RDU)	17
Functions	17
Contacts	17
RDU Merchandise and Promotions	17
Australian Rotary Health (ARH)	18
Purpose	18
Operation	18
District 9710	18
District Dues	18
Interaction with Rotary Bodies Chart	19
Reporting	20
Board of Directors	20
Club Forum or Assembly	20
Annual General Meeting	21
Inspection of Books	21
Annual Return	22
Australian Taxation Office	22
Record Keeping	23
Documents to keep	23
Retention Period	23
Tax Invoice	23
Accounting Method	24
Cash Book	24
Reconciliation	24
Additional Information for GST	24
Business Activity Statement	25
Record Keeping Software	25
Impact of the GST on Clubs	26
Charity status	26
GST Threshold	26
Not Registering for GST	26

Setting Prices.....	26
Tax Invoices	27
Donations	27
Record Keeping Compliance	27
Membership Fees.....	27
Fund Raising.....	28
Rotary Fund Raising.....	28
Types of Fund Raising.....	28
GST-free fund raising activities	28
Gambling Type Activities.....	29
Non Gambling Type Activities	29
Authority to Fund Raise (NSW)	29
Allowable Gaming Activities (NSW)	29
Charitable Collections in the ACT.....	30
A Lottery as a Fund Raiser.....	30
References	31
Document History / Updates	32

Role & Responsibility

Many might see the role of a Club treasurer as “banking the money and writing cheques”; but there is more.

Treasurer’s role

Maintain accurate club financial records
Collect dues and use them to pay fees
Keep historical financial records in accordance with local document retention laws
Manage club and project funds, including paying bills and other expenses and distributing grant and scholarship funds
Work with The Rotary Foundation to make contributions and manage grants
Make sure that the club follows its budget
Develop a budget for next year
Give monthly reports to your club’s board
Provide regular financial updates during club and board meetings
Plan next year’s budget and get it approved by the last quarter of the Rotary year
Hand all records over to the incoming treasurer and help him or her transition into the role
Write and present a detailed annual report at the end of the Rotary year
Have your club’s financial activity reviewed by a qualified accountant who is not affiliated with your club at the end of the year
Complete and lodge any GST and other tax records, if required to do so

The treasurer shall:

- collect and receive all moneys due to the association and make all payments authorised by the association; and
- keep correct accounts and books showing the financial affairs of the association with full details of all receipts and expenditure connected with the activities of the association

Associations Incorporation Regulation 15 (ACT)

It is the duty of the treasurer to ensure:

- (a) that all money due to the association is collected and received and that all payments authorised by the association are made; and

(b) that proper accounting records are kept which correctly record and explain the transactions of the association and its financial position

Associations Incorporation Act 2009 (NSW) Clause 28

Responsibilities

- Receive and bank money
 - Make payments (pay accounts)
 - Issue (tax) invoices
 - Maintain financial records
 - Report to Board and members
 - Cause accounts to be reviewed
 - Access financial expertise
-

Authority

The authority of a treasurer of an association is established under State or Territory laws set up to govern the operation of not-for-profit organisations, namely:

Associations Incorporation Act 1991 (ACT)

Associations Incorporation Act 2009 (NSW)

The Standard Rotary Club Constitution (SRCC), Article 13-Section 4 must be included as a member of their Club's Board.

Budgeting

Accounts

Each Club should maintain two bank accounts to conduct the affairs of the Club:

- **Club** or **General** account — revenue and income for the running of the Club, eg membership fees, meals, bulletin expenses, office expenses, fines, auditing expenses.
- **Charity** or **Project** account — a separate account for fund raising and providing funds to support the Avenues of Services, community projects and the like.

Some Clubs may have another account, a Trust account or similar, which has tax deductibility status.

Budgets

For the *Club* and *Charity* accounts, the following budgets should be prepared:

- A revenue and expenditure budget (**what** will be the income and expenditure)
 - A cashflow budget (**when** will the money be spent).
-

Budget Responsibility

At the beginning of each financial year the Board shall prepare, or have prepared, the budget of estimated revenue and estimated expenditure for each account for the year that, having been agreed by the Board, shall stand as the limit of expenditures for the respective purposes.

Financial Cycle

Financial Year	<p>The Rotary financial year shall begin on 1 July and end on 30 June in the following year.</p>
Pre Handover	<p><i>May and June preceding the financial year.</i></p> <p>Get to know your record keeping system; create a chart of accounts.</p> <p>From the Club plan's goals and discussions with the Board and Directors, develop assumptions. From these a revenue and expenditure budget and a cash flow budget can be created for Club and Charity accounts.</p> <p>The Board to set membership fees.</p> <p>Budget and fees approval by Board and/or members.</p> <p>Prepare any change of account signatures (remember the 100 points for identification).</p> <p>Gain Board approval for delegations by office holders and/or committee chairmen (i.e. Directors).</p> <p>Prepare and issue invoices for membership fees (if necessary).</p>
Handover	<p><i>1 July</i></p> <p>Pay RI Dues and subscriptions to The Rotarian (if applicable), to Rotary International</p> <p>Pay subscriptions to Rotary Down Under (if applicable)</p> <p>Pay District dues to District Treasurer.</p>

Monthly	<p>Receive and bank money received into the appropriate account: fees, fines, meals into Club; fund raising income into Charity.</p> <p>Make payments in accordance with delegations with Board instructions.</p> <p>Provide financial information to Directors, as required.</p> <p>Report to Board on previous reporting period (ie previous month), including:</p> <ul style="list-style-type: none"> • revenue and expenditure • payments for approval/endorsement.
Club Forum or Assembly	<p>Report to members on financial status of the Club; both club and charity operations.</p> <p>Answer questions.</p>
Quarterly	<p>Those Clubs registered for GST will be required to submit a Business Activity Statement (BAS) to the ATO within 21 days from the end of the quarter.</p>
Half Year (new rule from Council on Legislation))	<p>Report to Board and members:</p> <ul style="list-style-type: none"> • Balance sheet • Revenue and expenditure (against budget).
Audited Statements	<p>Financial statements are prepared and audited in the period <i>July to December</i> (prior to the Annual General Meeting).</p> <p>The auditor shall require:</p> <ul style="list-style-type: none"> • source documents (invoices, receipts, bank statements, cheque stubs, deposit books) • minutes of board meetings • trial balance • draft financial statements. <p>The audited accounts should be finalised and circulated to members at least fourteen days prior to the Annual General Meeting.</p>

Annual General Meeting

To be held *no later than*:

- 30 November (ACT incorporated bodies)
- 31 December (NSW incorporated bodies)

Financial information to be presented at the Annual General Meeting:

- Statement of Accounts, ie balance sheet and income and expenditure sheet
- Auditors report
- Statement by two members of the Board that the accounts presented are a fair and true statement of the affairs of the Club.

Annual Return

In **New South Wales**, *within one month of the Annual General Meeting*, the public officer shall submit to NSW Fair Trading:

- prescribed form (Form 12)
- Statement of Accounts.

In the **ACT**, *within six months of the end of the financial year* and following the Annual General Meeting, the public officer shall submit to the Registrar-General:

- prescribed form (Form AR)
- Statement of Accounts
- a statement by 2 members of the Board.

There may be additional returns that require Statements of Accounts e.g. Charitable / Gaming returns as mentioned later in this manual

Charitable Collections

Some Clubs that fundraise are required to be registered and provide annual reports.

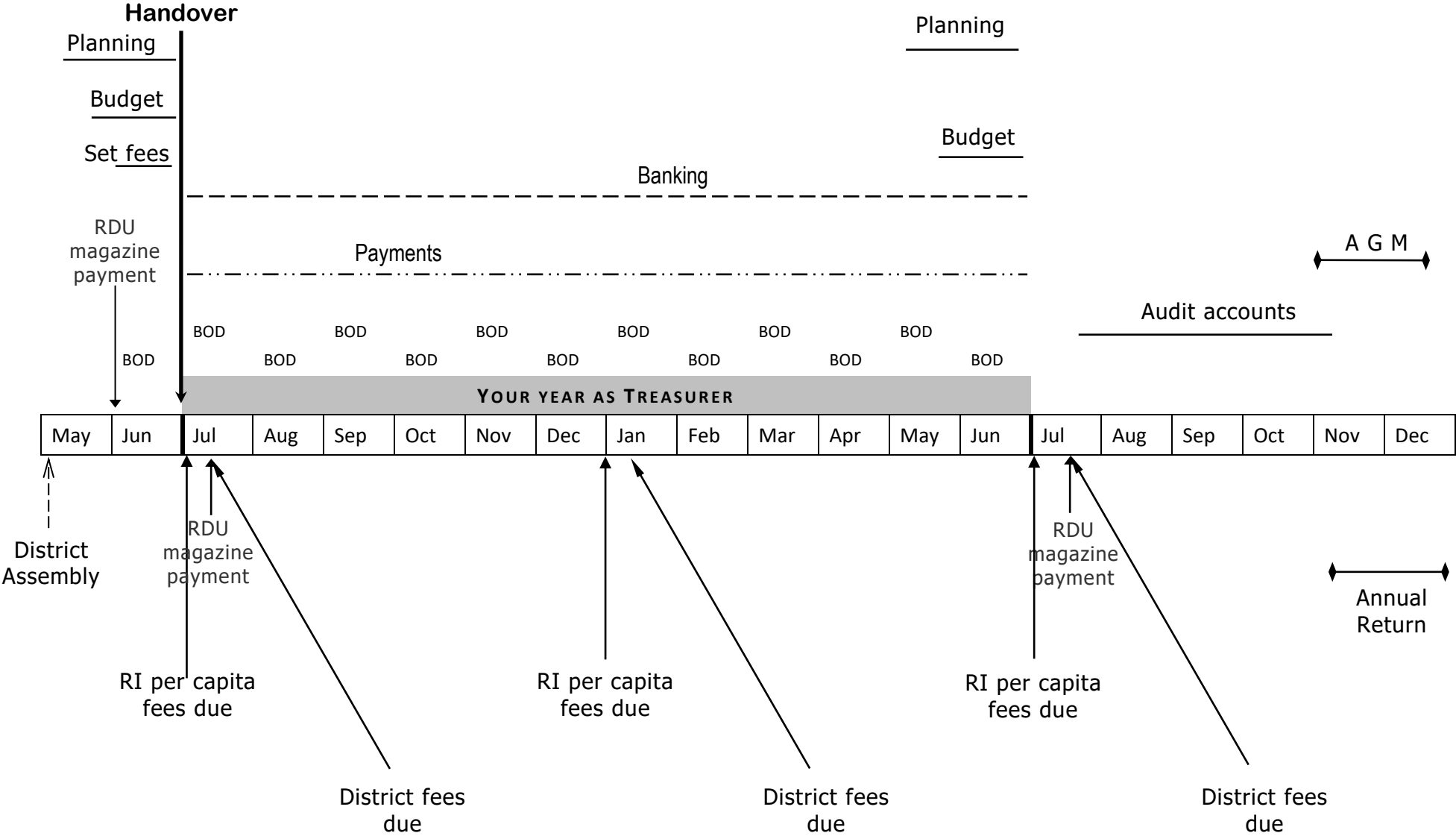
In **New South Wales**, all Clubs are required to hold an Authority to Fundraise, application for the authority is available from NSW Office of Fair Trading

[http://www.fairtrading.nsw.gov.au/ftw/Cooperatives and associations/Charitable fundraising.page](http://www.fairtrading.nsw.gov.au/ftw/Cooperatives_and_associations/Charitable_fundraising.page). Clubs are required to provide Annual returns to Office of Fair Trading.

In **the ACT**, Access Canberra is responsible for the issuing charitable collection licences and maintaining the charitable collections public record under the Charitable Collections Act 2003 (the Act) and the Charitable Collections Regulation 2003.

Changes commenced on 1 July 2017 for charities registered with the Australian Charities and Not for profits Commission (ACNC). These changes mean that charities registered with the ACNC no longer need to hold an ACT charitable collections licence. Incorporated associations that are registered with the ACNC now have different reporting obligations also. If a club within the ACT is not registered with the ACNC, please liaise with Access Canberra for details on that is required.

Financial Cycle



Setting Fees

When to set fees	<p>In May or June, leading up the new Rotary year, as part of the planning, the Board (incoming and current) should set a membership fee for the new Rotary year.</p> <p>Clubs set a member fee to cover the necessary costs of being a member of Rotary and conducting the business of the Club.</p>
Collecting fees	<p>Fees are normally collected from members on a semi annual basis, i.e. 1 July and 1 January. All fees should be collected within 28 days of the fee being due.</p>
Components of the fee	<p>The member fee shall cover:</p> <ul style="list-style-type: none">• Rotary International dues• District fee• Subscription to official magazine — Rotary Down Under or The Rotarian• Club operating expenses

District Fee

The District Governor as part of his or her budget sets the district component of the member fee.

The District budget for any Rotary year is presented at the President Elects Training Seminar and approved at a Special General Meeting held during the District Assembly prior to the commencement of the Rotary year and involves a nominated representative of each member of the District.

The District fee provides for:

- DG, DGE, DGN and AG expenses and allowances
- District administration and operating expenses
- District meetings — Conference, Assembly, Institute, PETS
- District committees
- District communications
- Insurance premium

The District's invoice is based on the number of active members a Club has in the RI's database as of 01 July and 01 January. It is the duty of the Club Secretary to ensure that the membership list is correct as at 1 July and 1 January as no adjustments to the invoice can be made.

Half the fee is payable on 1 July and 1 January. The fee is paid to the District Treasurer *and for 2020-21 year the total fee is proposed to be \$AUD135.76 inclusive of GST.*

D9705 is commencing prorated dues for each member who joins the club subsequent to the July or January invoice period for which dues are payable. Invoices issued from 1 January 2021 will reflect this change. The prorated amount will be for the period the new member joins the club to the end of the semi-annual reporting date of either 31 December or 30 June.

Official Magazine

Each member of Rotary is obliged to subscribe to an official magazine, either *The Rotarian* or the regional magazine for the area which in our region is *Rotary Down Under*.

Club Operating Expenses

The Board should budget to cover fixed overheads:

- Annual reporting fees
- Audit fees
- Bank fees & charges
- Board and AGM costs
- Communications with members.

Other costs may include bulletin production, banners, gifts and meals. These costs may be offset or covered by an amount in the member fee, or engaging in revenue raising through fines, raffles, meals payments and bulletin advertising.

RI Per Capita Dues

The RI per capita fee is due and payable, by clubs to Rotary International, on 1 July and 1 January. A club is issued with an invoice, either electronically or in paper copy by Rotary International every July and January covering the next six months' dues. Clubs which opt out of the paper copy will only receive an electronic copy.

RI's invoice is based on the number of active members a Club has in the RI's database as of 01 July and 01 January. It is the duty of the Club Secretary to ensure that the membership list is correct as at 1 July and 1 January as no adjustments to the invoice can be made.

Prorata Fees

RI dues in prorated amounts are payable for each member who joins the club subsequent to the July or January invoice period for which dues are payable.

Prorated fees are included in the club invoice issued by RI subsequent to the member's admission date.

Club termination and reinstatement

If your club doesn't pay its invoice promptly, Rotary International will terminate its membership, and the club will no longer receive services from Rotary or the district. A club can also be suspended or terminated if any member misuses funds from The Rotary Foundation. According to termination and reinstatement policy:

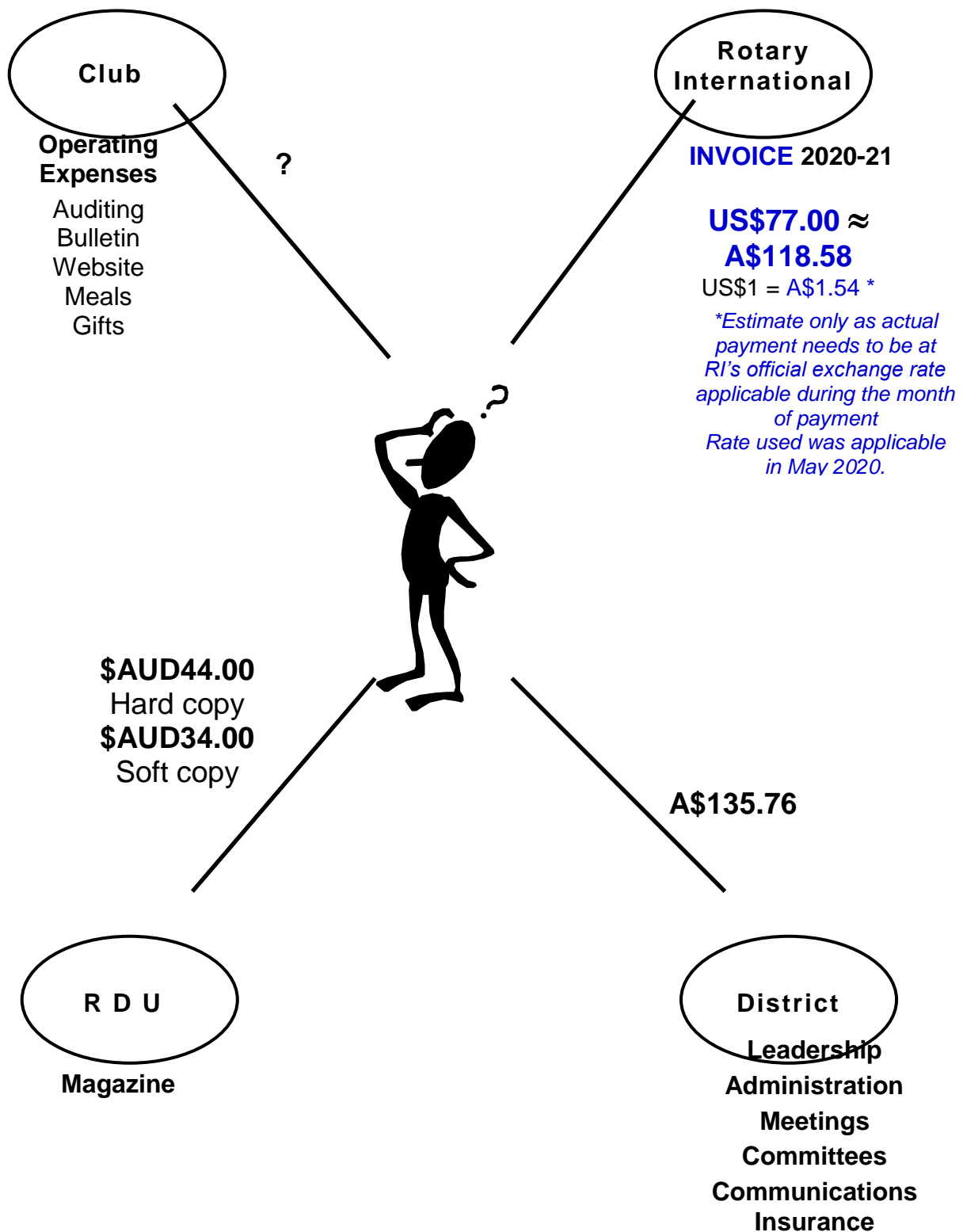
- 120 days after invoices are generated on 1 January and 1 July, clubs that owe \$250 or more will be terminated.
- To be reinstated, a club has 30 days to apply for reinstatement and pay all past-due balances, all dues that have accrued since it was terminated, and a reinstatement fee of \$30 per member.
- Clubs that haven't fulfilled their entire financial responsibility within 150 days of termination will lose their original charters and won't be eligible for reinstatement.

Joining Fee

Each club can choose to charge a joining fee (aka admission due),

Setting Fees

CLUB FEE \$298.30 per year with hard copy magazine of \$288.30 per year with soft copy magazine plus ++++++ to include operating expenses



Dealing with Rotary Entities

There are different parts of the Rotary organisation that you, as a treasurer, will have dealings with, or correspond with.

RI South Pacific and Philippines Office (RISPPPO)

Functions

The South Pacific and Philippines Office is your local Rotary International and The Rotary Foundation office, assisting with:

- Admission of new clubs (Rotary, Rotaract, Interact, Rotary Community Corps, Satellite clubs)
- Applications for change of name, change of club locality, merger of clubs
- Applications for club incorporation
- Use of Rotary mark and Brand Centre guidance
- Special club and member anniversary recognition (25th 50th, 75th, 100th), other special years by request
- www.rotary.org enquiries including My Rotary guidance, Rotary Club Central, Reports, Showcase & Ideas
- Guidance on RI policy and procedures
- Connect with more specialised areas in RI such as Youth Exchange, Grants, Licensing
- Training of club and district leaders
- Collect per capita dues and other payments to Rotary International
- Assist clubs & districts with inquiries on: club remittances and balances, reinstatements after payment following termination
- Process The Rotary Foundation contributions and assist with enquires
- Make payments to Rotarians travelling at RI or Rotary Foundation expense
- Make payments to Rotary Foundation Scholars
- Make Global payments on behalf of TRF and Rotary International
- Paul Harris Fellow Recognition – process applications and issue regalia & certificates
- Maintain record of club recognition points
- Issue benefactor recognitions, bequest and major donor recognition
- Provide assistance and clarification on all Rotary Foundation matters

Contact Details

RI South Pacific and Philippines Office known as “Parramatta”

Address Level 2, 60 Phillip St, Parramatta NSW 2150
Phone 02 8894 9800
Mail PO Box 1415
 PARRAMATTA NSW 2124
Email: risppo@rotary.org

Payments to RI

All payments and donations to RI and TRF can be made:

- Online at My Rotary: www.rotary.org;
- By cheque posted to:
Rotary International
P.O. Box 1415
Parramatta NSW 2124
- By electronic fund transfer. Contact RISPPPO for bank details

Do not send any payments to Evanston (RI Headquarters).

Payments to RI, through RISPPPO, should be in Australian Dollars (A\$). The exchange rate to use should be RI’s official rate applicable during the month of payment. Refer to My Rotary: <https://my.rotary.org/en/exchange-rates> .

The Board of RI has determined that payment is deemed to have been made the day the local currency is received and receipted by the local service centre, ie Parramatta.

The Rotary Foundation contribution receipts will be issued by RISPPPO.

Official RI Currency The official currency used in dealing with RI and TRF is the United States Dollar (USD or US\$).

RI invoices are stated in US dollars, and it is the US dollar amount that is due. Payment is made in Australian dollars, using the official currency conversion rate which can be found online; i.e. in My Rotary, or by reaching SPPO.

RI Currency Conversion Rate The official RI currency conversion rate is used in all US dollar to Australian dollar conversions to pay RI invoices or statements. Do not use published or bank exchange rates.

The conversion rate is set by RI on a monthly basis. The list of the monthly exchange rates is available online/in MyRotary and search for exchange rates. *(check for monthly updates)*

Club Number Each Rotary club is assigned a unique identifying number of the form:

	aa	bbbb	ccccc
	zone	district	club
eg	08	9705	18130

Your club number can be found on your Club's Semi Annual Invoice receipts and letters from RISPPPO.

Use your Club number on all correspondence to RISPPPO — payments, queries, and donations to TRF.

The Rotary Foundation (TRF)

Operation RISPPPO receives donations from clubs and individuals on behalf of The Rotary Foundation (TRF).

Paul Harris Fellow recognition RISPPPO issues Paul Harris Fellow certificates and regalia and maintains records of Club credits.

Allow at least two weeks for PHF processing.

Paul Harris Fellow credits

Clubs may make contributions to TRF over a period of time and may recall this money as a PHF recognition once the amount is US\$1,000. Donations to TRF are converted to US dollars at the official currency conversion rate on the day the money was received at RISPPPO.

Clubs should not allocate donations to fictitious, dummy or holding names. TRF keeps track of your Club's contributions, including converting a Paul Harris Sustaining Member to a PHF when the total reaches US\$1,000.

A club's contribution to The Rotary Foundation and PHF credits may be accessed through the member access area of Rotary website (www.rotary.org)

The Australian Rotary Foundation Trust

Purpose

This Trust has been set up to meet Australian Taxation regulations to allow individuals, businesses and corporations to make tax-deductible donations to the humanitarian programs of TRF.

Operation

The RISPPPO manages this account. This account is separate from the normal TRF account.

A donation of US\$1,000 to the Trust will entitle the donor to a Paul Harris Fellow.

Limitations

Money donated to the Trust cannot be used for Rotary Foundation scholarships, Group Study Exchange or programs outside OECD designated countries.

Clubs cannot gain tax deductibility, so club donations will be applied to the normal TRF fund.

Rotary Down Under (RDU)

Functions

Rotary Down Under (known as RDU):

- publishes the RDU magazine (official Rotary regional magazine)
 - sponsors the Rotarnet web site
 - manages the Australian Corporate Alliance Program (ACAP)
 - supplies Rotary emblem merchandise (through RDU Pty Ltd)
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Contacts

phone	02 9633 4888
fax	02 9891 5984
email	enquiries@rotarydownunder.com.au editorial@rotarydownunder.com.au
mail	PO Box 779 PARRAMATTA NSW 2124

RDU Merchandise and Promotions

This will be handled from
Rotary Down Under House
Level 3, 43 Hunter St., Parramatta
PO Box 779 Parramatta, NSW 2124, Australia

Supplies Rotary merchandise:

- pins and badges
- clothing
- presentation items
- certificates

phone	02 9633 4888
email	enquiries@rotarydownunder.com

Australian Rotary Health (ARH)

Purpose A fund established to allow individuals, businesses and corporations to make tax deductible donations to support research projects in Australia which enhance the health of the community.

Operation

Contact is:

Chief Executive Officer (Joy Gillett)
Australian Rotary Health
2nd Floor, 43 Hunter Street
PARRAMATTA NSW 2124

phone 02 8837 1900
fax 02 9635 5042
email admin@australianrotaryhealth.org.au

District 9705

District Dues

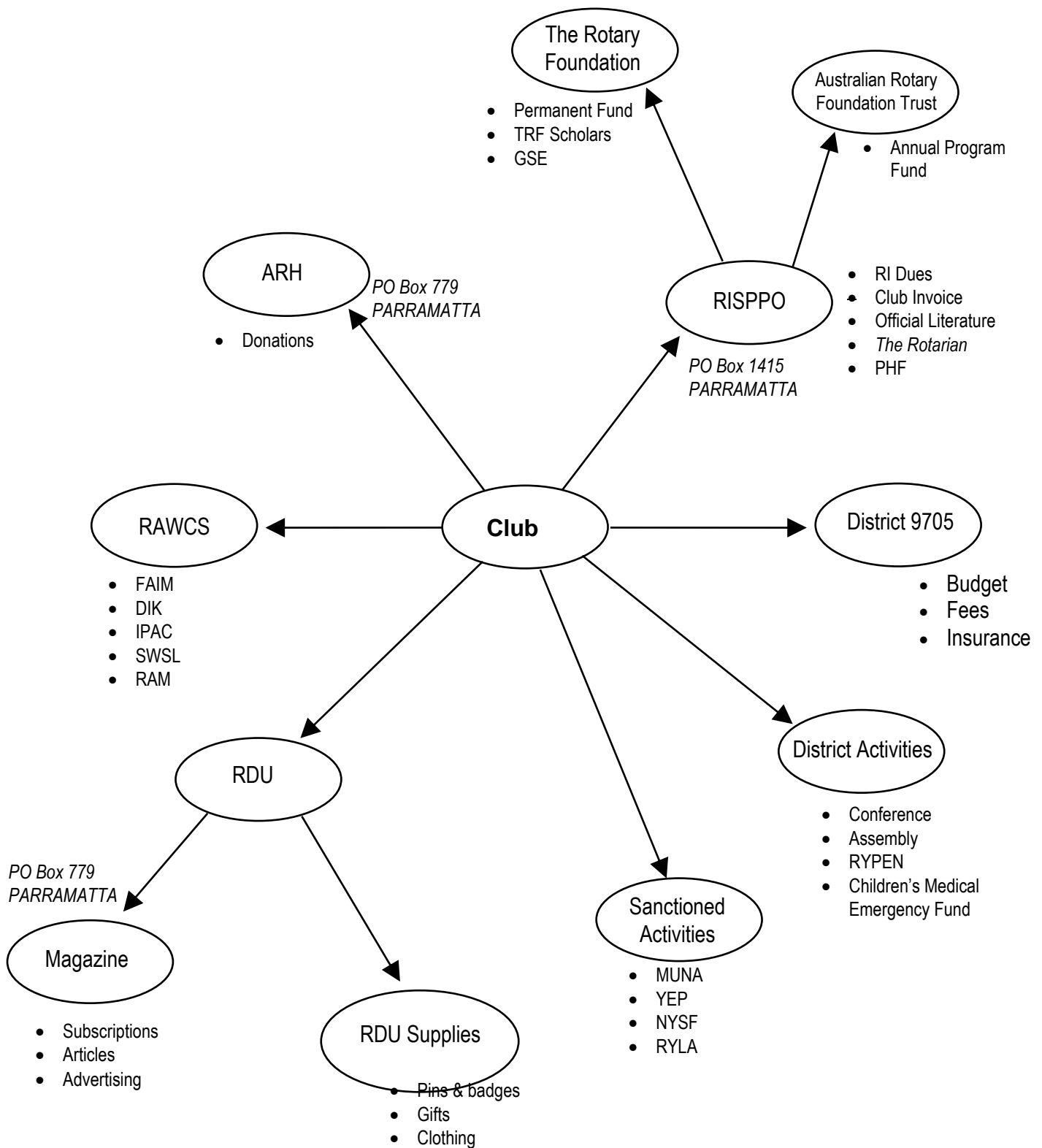
Every half year, each Club is issued with an invoice detailing the number of members and the amount payable.

The District Fee is set each year as part of a District Budget as a per capita fee. The Budget is presented to President Elects at PETS and approved at a Special General Meeting during the District Assembly. As the Assembly has been cancelled this year due to Government regulations, it will be approved by an online meeting.

District Fees are due and payable on 1 July and 1 January in each Rotary year. They can be paid by cheque or on direct debit or deposit into the District Bank Account. It is *essential* to advise the District Treasurer of payments and the invoice reference.

The Club Board shall confirm the actual number of members on the RI database prior to 31 December and 30 June each year as the District Treasurer will issue the invoice based on the number of members recorded on the database. There are no adjustments. Also prorating of fees for new members will commence in D9705 and will be reflected in invoices issued from 1 January 2021.

Interactions with Rotary Bodies



Reporting

As the club treasurer, one of your duties is to report regularly, as follows.

Board of Directors

At the monthly board meeting, you present a report on the financial 'health' of the club for the previous month:

- monthly revenue and expenditure
- payments for approval or endorsement
- any significant items or matters the board should be aware of, and any likely courses of action.

Club Forum or Assembly

At a Club forum or assembly you should present such information as directed by the Board, such as:

- budget
- revenue and expenditure for the period against the budget, along with a balance sheet.

You should be prepared to answer questions from members.

The Council on Legislation now requires club treasurers to report to the club on a half yearly review of club finances prior to the end of December.

Annual General Meeting

An AGM must be conducted once in every calendar year:

- *within the period of five months* (ACT Act s.69)
- *within the period of six months* (NSW Act s.37(2)) after the expiration of each financial year.

In the ACT, the Board must present:

- the audited statement of accounts for the most recently ended financial year
- a copy of the auditor's report
- a report, signed by two board members, stating the name of each member of the board, the principal activities of the club and the net profit or loss of the club (s.69).

In NSW, the Board must present a statement of:

- the income and expenditure of the club
- the assets and liabilities for the most recently ended financial year
- mortgages and other securities affecting the club
- details of any trust accounts. (s.37(1))
- report signed by two Board members

Inspection of Books

The records, books and other documents of the Club may be inspected by a member of the Club, free of charge, at any reasonable hour.

Associations Incorporation Regulations 1991 (ACT) Schedule 1 Rule 36
Associations Incorporation Act 2009 (NSW) Schedule 1 Rule 40

Annual Return

Clubs are to submit an annual return as set out in the appropriate legislation.

In the ACT a return must be lodged with the Registrar-General *within six months* from the end of the most recently ended financial year (s.79). In NSW the public officer shall lodge a return with the Department of Fair Trading, *within one month of the AGM*. (s.27(1))

In the ACT, the return should include:

- Form AR
- copy of audited statement of accounts
- copy of the auditors report
- any prescribed documents
- statement, signed by two members of the board, certifying that the provisions of the Act have been complied with regarding the preparation and auditing of the accounts, and the presentation of the audited accounts at the AGM.

In NSW, the return should include:

- Form 12
- statement of income and expenditure, assets and liabilities
- statement, signed by two members of the board, that the statement of accounts has been submitted to the members at the AGM.
- copy of any resolution passed at the AGM concerning the statement of accounts

Australian Taxation Office

All Clubs are required to have an Australian Business Number (ABN) and must quote this on all external documentation.

Clubs registered for GST are required to submit a Business Activity Statement (BAS) to the ATO within twenty-eight days following the end of each quarterly reporting period or such other time agreed to by the Tax Office.

Record Keeping

Good business records are important. They help you manage the business and make sound business decisions. All businesses must keep records for tax purposes and many not-for-profit organisations will also be required to do so from 1 July 2000. Previously, not-for-profit organisations had to keep records to meet the requirement of the relevant associations incorporations legislation.

Documents to keep	<p>The source or primary documents that a Club has to keep are:</p> <ul style="list-style-type: none">• receipts for supplies• deposit books• bank statements• invoices and statements of acquisition• small cash transactions (ie petty cash)• cheque butts• vehicle log book for car expenses• wage records (wage payments, employment declarations, PAYE records, superannuation records).
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Secondary documents to retain included audit statements and the auditor's report.

Retention Period	<p>Under tax law records must be kept for five (5) years after they are prepared or the transaction completed.</p>
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Tax Invoice	<p>Under the New Tax System you must have a tax invoice to claim an input credit for a creditable acquisition.</p> <p>In most cases, tax invoices are issued by suppliers. In some special cases they may be issued by the recipients of supplies (a recipient initiated tax invoice – RITI).</p>
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Tax Invoice (continued)	<p>If you make taxable supplies, your customers will need tax invoices to claim input tax credits for acquisitions with a GST-exclusive value of more than \$50.</p> <p>If you are asked to provide a tax invoice, you have to do so within 28 days of the request and state your ABN.</p>
Accounting Method	<p>Enterprises use either a cash or accrual based accounting system. Under the New Tax System, a not-for-profit organisation may elect to use cash-based accounting, regardless of its annual turnover.</p>
Cash Book	<p>For each account, you will need to record your payments in a cash book, which is a record of all your business transactions.</p> <p>Cash books are sometimes referred to as journals.</p> <p>A cash book generally is in two parts:</p> <ul style="list-style-type: none"> • cash payments (the money going out) • cash receipts (the money coming in)
Reconciliation	<p>A monthly reconciliation between your cash book and your bank accounts will help you manage your cash flow and make it easier to report to the board</p>
Additional Information for GST	<p>Under the A New Tax System, you will need to record:</p> <ul style="list-style-type: none"> • the amount of GST paid, covering acquisitions with GST in the price, GST-free acquisitions. • the amount of GST charged on taxable supplies, as well as GST-free supplies and any input taxed supplies. <p>If your Club is not registered for GST you should consider recording the amount of GST paid or collected anyway. This will make it easier to track your annual turnover and answer questions from the ATO should they ask.</p>

Business Activity Statement

If your Club is registered for GST, you will report your GST and other tax entitlements and obligations on your Business Activity Statement (BAS).

You will use your BAS to offset GST payable on your taxable supplies against input credits for the things that you use have bought for your business.

As a not-for-profit organisation your Club will have to submit a BAS on a quarterly basis, within 21 days from the end of the reporting period.

Record Keeping Software

Clubs have many options when it comes to recording and keeping records of financial transactions. There is nothing wrong with manual records including cash books but it can be more efficient for reporting and audits to have an electronic system

A Club could use a spread sheet software to manage finances, though it would be prudent to check with the Club Auditor as what information should be kept. Alternatively, a Club could use a commercially available small business software package.

Impact of the GST on Clubs

Charity status

Under the GST legislation institutions and funds whose purposes are **not charitable** include community service organisations that have a significant membership purpose such as traditional service clubs like Rotary. Hence, Rotary Clubs are not classified as charities, even though many of Rotary activities are philanthropic or charitable.

Accordingly, this precludes Rotary Clubs from many of the income tax benefits and exemptions.

Rotary is classed as a non-for-profit organisation and on application to the ATO should be exempt from paying income tax.

GST Threshold

Non profit organisations with an annual turnover of \$150 000 or more must register for GST. Those with a lower turnover may choose to register.

Donations are not included in the calculation of an organisation's annual turnover for registration purposes and other GST thresholds.

Not Registering for GST

If your Club is not registering for GST you will not include GST in the price of the goods and services you supply. Your Club will not be entitled to claim input credits for GST included in the price of you Club's purchases.

Setting Prices

In setting prices for the goods and services you supply, you will need to ensure that you comply with guidelines issued by the Australian Competition and Consumer Commission (ACCC) that prevent price exploitation resulting from tax reform. This means effectively that you must pass on any savings as a result of tax reform and your margins must not increase.

Effectively, this means that if you are not registered for GST you cannot increase the price of your supplies or services to cover the increased cost of acquisitions.

Tax Invoices	<p>All supplies with a total GST-exclusive value greater than \$50 must be accompanied by a tax invoice.</p> <p>If you are an unregistered supplier, or do not include your ABN on your invoice, the customer will retain 48.5% of the total value of the invoice and remit it to the ATO. As an unregistered supplier, you will have to apply to the ATO for this money.</p>
Donations	<p>A donation in the form of a payment in cash or in kind, that is made unconditionally is not subject to GST because no benefits or rights flow as a result of the payment and the recipient does not have to use the donation for a particular purpose, eg fines from a Sgt session. Being outside of the GST system, no input credits can be claimed.</p>
Record Keeping Compliance	<p>Even though your Club may not be registered for GST, you should consider making provision for GST transactions in your cash book.</p>
Membership Fees	<p>Generally membership, joining and renewal fees are payments in return for services or rights and will be subject to GST. Membership bestows rights to members even where nothing tangible is supplied.</p> <p>Accordingly, if a club is registered for GST it must charge GST on its membership fees, and can claim an input credit. Conversely, if a Club is not registered for GST it cannot increase its membership fees to accommodate the increased fees. The Club has to absorb the GST meaning that the Club's surplus (i.e. profit) will be diminished.</p>

Fund Raising

Rotary Fund Raising

There are many and varied ways to raise funds for Rotary projects. Some activities come to be ongoing, occurring on a regular basis, while others come up as the opportunity arises or the Club commits to a particular fund raising activity. Witness the various Rotary fund raising activities such as:

- the sale of Christmas cards and cakes
- raising and selling Christmas trees
- the sale of pens, sweets, etc
- the conduct of trash and treasure markets
- the conduct of art auctions
- providing catering services at sporting and special events
- organising bike rides and car rallies
- a lottery to toss the coin at football grand finals
- tours of embassies
- organising special events, eg Australia Day breakfasts
- running parking services at sporting and special events.

Income from fundraising activities should be deposited in the Charity or Project account.

Types of Fund Raising

Broadly, there are two main types of fund raising activity that an organisation may engage in:

- activities that have a gambling character, such as a raffle or bingo
- activities that do not have a gambling character, such as a fete, art auction, cake stalls and fundraising dinners..

GST-free fund raising activities

Raffles and bingo conducted by non-profit organisations will be GST-free

Gambling Type Activities	<p>A gambling fund raising event is one where people pay money for a chance to win something, like a lottery, raffle or housie. In this case the difference between the total amount of cash raised and the total cash prizes paid out (ie the margin) will be taxable.</p> <p>For example, a Club runs a lottery with a cash prize of \$500. A total of \$1,160 was collected from consumers for the raffle resulting in a margin of \$660). The amount of GST payable is \$60 (1/11th of \$660). As there are no input tax credits on the cash prize the Club must pay \$60 GST to the ATO and the Club has a \$600 net profit.</p>
Non Gambling Type Activities	<p>A non-gambling fund raising event is typically where people purchase something, such as entry to an exhibition or a sausage sandwich from a BBQ. In most cases, the supply of these goods or services will be taxable. You will need to include GST in the price, unless you are not registered for GST.</p>
Authority to Fund Raise (NSW)	<p>In NSW, under the <i>Charitable Fundraising Act 1991</i>, any organisation wishing to raise money for charitable purposes must hold an authority to fundraise.</p> <p>The authority to fundraise is controlled by the Office of Fair Trading.</p>
Allowable Gaming Activities (NSW)	<p>In NSW the following are allowable fundraising activities for non-profit organisations:</p> <ul style="list-style-type: none"> • art unions (permit required) • raffles & guessing competitions • scratch & break open lotteries • charity housie & cash bingo (permit required) • social bingo • sweeps & calcuttas (permit required if value of ticket sales exceed \$20,000) • mini-number lotteries • Anzac Day two-up • gaming (casino) nights

ACT Permit Required

Under the *Lotteries Act 1964 (ACT)*, organisations wishing to conduct a lottery, Calcutta, silver circle, or similar fundraising activity must have a permit from the Office of Lotteries, ACT Gambling and Racing Commission

If the proceeds are used wholly and exclusively for charitable purposes and the total prize value does not exceed \$500, the organisation is not required to lodge an application.

If the prize value is over \$500 an application to conduct a lottery must be submitted.

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