**MG Car Club Sydney**

**Responsibilities for managing income and expenditure**

This document outlines the responsibilities of members of the MG Car Club Sydney involved in running events or who otherwise receive money or incur expenditure on behalf of the Club.

By adhering to this document the Club will be able to correctly account for its income and expenditure.

**Background – Legislative Requirements**

Then primary financial requirements of the Club is the:

Collection and correct accounting of all receipts
Documentation and correct accounting of all payments
Remittance of GST via the quarterly lodgement of a BAS statement
Preparation of annual accounts.

To meet these requirements the Club is required to maintain a proper set of books of account with supporting documentation which account for all financial transactions of the Club.

For example, the Club can only claim a refund for GST paid if the Club has original tax invoices. Likewise the annual accounts require supporting documentation for each transaction recorded.

**Background – Club Policy Events**

The Club’s prima facie policy is that all events are to be run at a surplus.

Therefor it is important that all event organisers prepare a budget, carefully manage the funds received and prepare an event summary at the conclusion of the event.

Any event that is budgeted not to run at a surplus required the prior approval of the Committee.

All events are to be budgeted with a 10% contingency. This contingency is designed to cover:

GST not able to be recovered
GST free items purchased and included in costs
Contribution towards use of Club equipment (depreciation)
Unexpected expenses

**This Document**

This document outlines the following:

Payment
Receipts
Running Events

And has the following attachments:

Cheque Requisition
Event Budget
Event Summary

**PAYMENTS**

**Expenditure Policy**

The Club’s policy is that all expenditure must be accompanied by a cheque requisition and supported by documentation, being a tax invoice.

Hence it is a requirement that no amounts are to be incurred or payments made without an original tax invoice.

**What is a tax invoice**

A tax invoice is a document issued by the supplier that has on it at least 3 items, being:

The statement that it is a ‘Tax invoice’
The suppliers ABN
The amount of GST

Most suppliers issue tax invoices, eg Inpress Printing, Bodds, Kennards.

A Woolworths, Officeworks or Coles docket is a tax invoice.

A separate credit card receipt is NOT a tax invoice.

In circumstances where we do not have a tax invoice we are unable to claim a credit for the GST paid when purchasing that item.

It is noted that not all purchases incur GST, eg meat, bread and some affiliation fees. However an invoice is still required to document the expense for the Club’s accounts.

Please also be aware that GST is not always 1/11th of any invoice – insurance premiums also include stamp duty and GST is not collected on this component to the cost.

**Some mechanical matters for payments**

For practical purposes the club has issued cheque books to the following positions (persons):

The Treasurer
The Assistant Treasurer
The Vice President
Secretary

To be valid a cheque must be signed by 2 signatories.

A Club member who requires a cheque (either for direct payment to a supplier or for reimbursement of expenses paid on behalf of the Club) must complete a cheque requisition form. A sample is attached.

Each person completing a cheque requisition must ensure they provide a tax invoice from the supplier and attached the tax invoices to the cheque requisition.

Each of these persons with a cheque book is aware of the requirement to receive a cheque requisition and tax invoice prior to issuing a cheque.

When making a payment directly to a supplier the supplier’s tax invoice is to be attached to the cheque requisition.

When reimbursing a Club member after they have incurred expenditure on behalf of the Club, the Club member will need to provide tax invoices supporting the expenditure they have incurred and attach these to the cheque requisition.

If this causes an issue, please refer the person to the Treasurer.

**What will happen going forward**

Every person with a cheque book or access to on line electronic payment will:

1. Make payments only upon receipt of a cheque requisition with attached tax invoices (or for payments that do not attract GST, an invoice)
2. Upon making the payment note on the cheque requisition and the tax invoice the cheque number and date (and complete details of the amount, payee and purpose on the cheque butt) and for an electronic payment print and attach a copy of the payment details
3. Once the payment is made forward the cheque requisition and tax invoice (and electronic payment details) to the Treasurer: either hand to me at a Committee or general meeting or post to my address: 47 Prince Albert Street Mosman 2088.

**RECEIPTS**

Then Club is an entity registered for GST and as such we collect GST on behalf of the Government. We are required to forward that GST quarterly (subject to a credit for GST paid) to the tax office.

The tax office is very keen to ensure it receives all GST collected on its behalf and undertakes audits to ensure compliance.

Therefore it is important for us to account for the GST included in our receipts.

Most amounts received by the Club will include GST – we are providing a service be it a membership of the Club, an event or regalia.

**Receipts Policy**

All receipts are to be documented and deposited into the Club’s bank account in order to show the amount of GST collected and to allow correct allocation in the accounts.

**Some mechanical matters**

For practical purposes the club has issued deposit books to the following positions (persons):

The Treasurer
The Assistant Treasurer
The Vice President
Membership Secretary

Each of these persons with a deposit book is aware of the requirement to provide supporting documentation for all receipts.

**What will happen going forward**

Every person with a deposit book will:

1. Require full details of the nature of the receipts
2. Make deposits quickly after receipt of funds
3. Upon making the deposit, note the details of the deposit separating out each item on the deposit slip
4. Once the deposit is made forward the details and supporting information to the Treasurer – either hand to me at a Committee or general meeting or post to my address.

**RUNNING EVENTS**

When running events, the Club member responsible will need to:

1. Prepare a budget in advance of each event (see attached)
2. Include in the budget a 10% contingency
3. Not offset receipts against expenditure: all receipts whether cheque or cash must be deposited into the Club’s bank account.
4. Promptly deposit all receipts into the Club’s bank account or hand to the Treasurer or Assistant Treasurer for deposit, including full details
5. Prepare a cheque requisition for all payments required (see attached)
6. Obtain tax invoices for all expenditure and attach to the cheque requisition
7. Obtain reimbursement of expenditure from the Treasurer or Assistant Treasurer
8. Prepare an event summary (see attached)
9. Forward the event summary to the Treasurer.

**MG Car Club Sydney**

**Cheque Requisition**

**Amount:**

**Payable to:**

**Purpose:**

**Attach Tax Invoices**

**Attach event budget / summary**

**Requested by:**

**Date requested:**

**Contact numbers:**

**Mobile:**

**Email:**

**Cheque number:**

**Date issued:**

**Amount:**

This cheque requestion is to be forwarded to the Treasurer along with the tax invoices.

 **MG Car Club Sydney**

 **Event Budget**

 **Name of Event:
 Date of Event:
 Person(s) Responsible:
 Contact Number:
 Mobile:
 Email:**

 **Estimated number of attendees**  1

 **Fixed Costs**

 Hire of premises $

 Rental of equipment $

 Band $

 Other items $

 **TOTAL fixed costs** $

Divide by number of attendees
to arrive at a per person cost 0

**Variable Costs**

 Meals $

 Entrance fees $

 Give aways (badges etc) $

 Other items $

**TOTAL per person** $-

 Contingency of 10% $-

 CHARGE PER PERSON $-

**MG Car Club**

**Activity Summary**

**Name of Event:
Date of Event:
Person(s) Responsible:
Contact Number:
Mobile:
Email:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Receipts** |  | **Payments** |  |
| **Number of attendees**  |  |  |
| Received as follows | Expenses |  |
| Cash | $ | Description | $ |
| Cheques | $ | Description | $ |
| Credit Cards | $ | Description | $ |
| Total | $ | Total | $ |
|  |  |  |  |
| Deposited as follows | Claimed as follows |
| Deposit DATE | $ | Claim date | $ |
| Deposit DATE | $ | Claim date | $ |
| Deposit DATE | $ | Claim date | $ |
|  |  |  |  |
| Total | $ | Total | $ |
| Total of deposits must agree to total received | Total of claims must agree to total expenses |
|  |  |  |  |
| **Event Surplus** |  |  |  |
| Total receipts  | $ |  |  |
| Total expenses | $ |  |  |
|  |  |  |  |
| Surplus / (deficit) | $ |  |  |
|  |  |  |  |