

BASIC QUESTIONS commonly asked about figures in the Lions Club

**1. How much money do we have in the bank?
(BANK RECONCILIATION)**
e.g.

Admin A/c	\$1,023.43
Activities A/c	\$10,896.45
Convention A/c	\$423.30
Term Deposit	\$10,125.54

Total Funds	\$22,468.72

For more details on this section the Treasurer should print out a Bank Register and Bank Reconciliation Account.

**2. How much money do we owe?
(CREDITORS)**

This question refers to a list of outstanding accounts that have not had a cheque drawn for whatever reason. This list is usually the one submitted by the Treasurer for the members to approve for payment.

**3. How much money is owed to us?
(DEBTORS)**

This question refers to a list of outstanding accounts that have not been paid to the club for whatever reason. This could also include outstanding members dues.

4. What cheques have been drawn since last meeting?

A basic list of what has been paid which includes the date, cheque number, amount of cheque and the details of who was paid.

**5. How many assets do we have and what are the details?
(ASSET REGISTER/ DEPRECIATION SCHEDULE)**

This detail varies from club to club. The asset details including date acquired, original cost, written down value and depreciation rate are all shown on the Depreciation Schedule.

The insurance cover on these assets should be reviewed annually to ensure that any loss or damage to the assets is covered. Note that the insurance members pay with their dues is not covering these types of assets. *A separate cover is required.*

6. What donations have we received?

The club will have money donated from various sources from time to time. A record page listing details of who paid the donation, what the donation is for and how much. Also the Secretary should send a thank you card or letter to the donor(s).

7. What profit did we make on project X?

If the club is raising funds for a particular cause then a separate bank account may be helpful but at least a

separate accounting of the income and expenditure of this project is necessary. If, for example, the club runs an annual auction, a report detailing the income and expenditure just for the auction should be available to the members.

8. What does insurance cover?

The insurance cover is a complex issue and the following is only a general overview of what the basics are. For a more detailed knowledge of a specific area PDG Bob Korotcoff should be contacted on (08) 8298 1599 or Mob 0418 831 426

The following are covers that are paid for in the Semi Annual Dues Account to all clubs.

- 8.1. Public Liability
Covers all Lions activities, subject to policy exclusions.
- 8.2. Personal Accident
Covers all Lions, Partners, Leos and Voluntary Workers whilst attending any officially constituted Lions Activity or Meeting.
- 8.3. General Property
Covers club regalia and administration equipment excluding project equipment and road signs.
- 8.4. Fidelity Guarantee
Covers misappropriation of goods or monies by club members.
- 8.5. Directors & Officers Liability
Covers legal liability of officers of Lions clubs for personal actions brought against them for actual or alleged inappropriate actionable conduct.
- 8.6. Workers Compensation
Statutory requirement in each state to cover casual employees of any Lions club eg waiters at functions gate attendants and the like.
- 8.7. Loss of Cash
Cash in transit including whilst at any meeting or project site. Loss through hold-up. Whilst in any member's home for 48 hours plus any intervening non-banking period.

9. What donations have we made?

The members need to know what contributions the club has made over the past 2 years. This information is then very helpful when motions are put regarding donation requests of the club. The Lions International Foundations should be given due consideration in this process.

10. What is the difference between Administration and Activities Accounts?

Administration funds relate solely to the running of the club for its members.

Transactions that fall into this category include:

- Membership dues.
- Club meeting income and expenditure.
- Any expenditure relating to direct administration of the club.
- Any transactions or activities conferring any benefit to the members of a Lions club.

Activity or Project Funds relate to projects that provide services or benefits to the community or the fundraising to be used in such projects.

Transactions that fall into this category include:

- Any money raised from the general public.
- All costs associated with raising those funds.
- All donations and services provided to the community.
- All expenditure associated with providing those services.
- All expenditure associated with the investigation of potential projects even if the project does not eventuate.
- Interest received on funds collected from the public.

11. Why do we need our books audited?

As Lions clubs are holding public money on trust for the public we must be able to demonstrate to the public that we are complying with legislative requirements.

Having an independent audit helps to demonstrate that we are handling public money correctly. It should always be remembered that the reputation of Lions Clubs International stands or falls by the public perception of how each and every Lions club handles money, which is placed in our care.

Section E(4) of the Lions Club Constitution and By-Laws in the state of Western Australia states:

"It shall have the books, accounts and operations of this club audited annually or, in its discretion, more frequently and may require an accounting or have an audit made of the handling of any club funds by any officer, committee or member of this club."

12. How are the membership fees made up and why?

See the schedule of Membership Fees breakdown. Available on the web site

<http://lionsdistrict201w2.mysouthwest.com.au>

13. Can members' fees be subsidised?

This is a decision of each club by its members. If the members have methods of deriving income legitimately for the Administration Account then these monies can be used to subsidise members' dues.

14. Preparation of a Budget?

At least the Administration income and overheads should be budgeted for at the beginning of the financial year.

The board should look at the history of the financial situation of the club and determine with current knowledge of upcoming events what the income and expenditure of the club is likely to be for the next 12 months.

15. What sections of the constitution relate to Treasurers?

15.1. INTERNATIONAL CONSTITUTION

The membership of this association shall consist of Lions clubs, duly organized and chartered under the provisions hereof. There is no specific reference to club treasurers in this constitution.

15.2. MULTIPLE DIST. CONSTITUTION

There is no specific reference to club treasurers in this constitution.

15.3. DISTRICT CONSTITUTION

ARTICLE 6 Section 14
ARTICLE 8 Section 1

15.4. CLUB CONSTITUTION

ARTICLE V Section B.
ARTICLE VII Section A.
ARTICLE VII Section D (4) (e)
ARTICLE VII Section D (5)
ARTICLE VII Section D (7)
ARTICLE IX Section A
ARTICLE XIX

16. What sort of filing system should I use?

A lever arch folder can be used for most small clubs. This can be sectioned off to divide the following:

- Paid Administration Invoices
- Paid Activities Invoices
- Bank Statements (Administration)
- Bank Statements (Activities)
- Cash Payments Pages
- Cash Receipts Pages

A larger club could have a number of separate lever arch folders to house the above information.

17. How do I arrange for signatories at the Bank?

The bank has a certain form that is specifically for incorporated bodies and should be completed by the Club Treasurer, President and Secretary.

18. What sort of investment options can I consider?

It is common to utilise a Term Deposit for surplus funds that are not required by the club immediately. Other options should be explored through professional advice if the club members sees fit.