

TREASURER HANDBOOK

NAPE

Newfoundland and Labrador Association of Public and Private Employees

LOCAL OFFICER TRAINING



TREASURER'S HANDBOOK

NAPE LOCALS

Proposed Uniform System of Bookkeeping and Instructions

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1. DUTIES AND RESPONSIBILITIES OF THE LOCAL TREASURER

- (a) The Treasurer shall be the Chief Financial Officer of the Local.
- (b) The Treasurer shall be in charge of books, documents, files, effects and monies of the Local which shall, at all convenient times, be subject to inspection of the Executive.
- (c) The Treasurer shall be responsible for the depositing of all monies of the Local and such monies shall be deposited in a registered financial institution.
- (d) The Treasurer shall report on the administration of his/her office at the Executive meetings and all general meetings and shall be responsible for the preparation of a financial statement of the Local for presentation at the annual general meeting.
- (e) The Treasurer shall arrange for the annual audit of the books of the Local at least thirty (30) days before the annual general meeting of the Local by a qualified Auditor appointed by the Local at a Local meeting. The audited accounts are to be in the hands of the Executive five (5) days before the annual general meeting.
- (f) All money paid out by the Treasurer shall be first passed by the Executive or the Local in meeting.
- (g) All cheques issued on behalf of the Local shall be signed by the Treasurer and President, or in the event of the absence or the disability of the President, the Vice President and the Treasurer.
- (h) The fiscal year of the Local shall end on the last day of December in each year.
- (i) When an Executive member ends his/her term of office, he/she will turn over all Union materials.

2. INTRODUCTION

The enclosed outline of a proposed bookkeeping system along with instructions have been prepared to assist you in your job as Local Treasurer. While it is recognized that no one system is appropriate for all Locals, it is hoped that some uniform system of records and forms can be developed, which will meet the needs of the majority of the Locals. Head office will provide all of the forms and records except those provided by the bank.

The three main functions involved in bookkeeping are: Record, Payment and Balance.

3. REBATES TO LOCALS

Each Local shall receive a portion of the annual dues to the Union, the amount shall be fixed from time to time by the Biennial Convention. These funds are considered the property of the Local and shall be sent to the Local on the first day of April of each year, providing they have submitted an audited financial statement for the previous year.

The rebate formula is:

1 - 25 members	\$700
26 - 50 members	\$800
Over 50 members	\$16 per member

If the December 31st policy now being followed for determining the amount of a rebate a Local will receive proves to be unfair and inadequate, then the Finance Committee will average the membership of that Local over a twelve (12) month period and the rebate shall be based on that average.

Temporary staff are included for rebate purposes.

4. BANKING

All payments by a Local should, where possible, be made by cheque. One important advantage of making payments by cheque is that it provides two (2) permanent records of each transaction; one in the books of the Local and the other in the books of the bank. Also, the Local is able to avail of the services of the bank in helping to safeguard its cash against possible loss or error.

A cheque book containing blank cheques together with bank deposit slips can be obtained from the bank selected by the Local at the time that the bank account is first opened. The Local can use a savings account with a passbook or current account with a monthly statement.

The Executive of the Local should give formal approval to the opening of a bank account by naming the bank selected and the signing officers authorized to sign cheques on behalf of the Local. It is very important that all cheques be signed by two (2) signing officers of the Local. The bank will require certain forms to be filled out and properly signed by the officers of the Local before accepting cheques

issued by the Local. A copy of these forms should be kept on file in the Local's records.

Before issuing cheques against its bank account, the Secretary/Treasurer should make sure that there are sufficient funds on deposit to cover the cheque(s) written. The money on deposit in the Local's bank account comes from money placed there by the Secretary/Treasurer of the Local, and is referred to as bank deposits.

YOUR rebate cheques must be deposited to the Local's account. Cash should never be withdrawn from the Local's account.

5. HOW TO MAKE A BANK DEPOSIT

- (a) Select a bank deposit slip (these forms are supplied by the bank with your account number preprinted on the deposit slip).
- (b) In the top part of the bank deposit slip, write in the space provided, the date on which the deposit is to be made, the Local number and the name of the person (usually the Treasurer) making the deposit.
- (c) In the second part of the deposit slip, record the details of the amount to be deposited, such as the amount of each cheque included in the deposit, the denominations of the cash (bills) and the total of any coins deposited.
- (d) Total the columns headed "Cheques".

Enter the total of the cheques column in the dollars column under the total cash amount.

Add the total cash and total cheques in the cash column to show the total deposit.

Make sure that the total money to be deposited agrees with the total shown on the deposit slip by recounting the money to be deposited.

BANK DEPOSIT SLIP

See Appendix "A".

6. HOW TO WRITE A CHEQUE

- (a) Before writing the first cheque in each cheque book, make sure of the following:

- (i) the **cheques are numbered**
 - (ii) the Local number and the bank account number is shown clearly on each cheque to enable the bank to know what account to charge in its records;
 - (iii) the Local has sufficient money in the bank to cover the amount of the cheque to be written.
- (b) Select the lowest cheque number unused in the cheque book (cheques should always be used in numerical order).
 - (c) Next, make out the cheque by writing in the date, the name of the person or organization to whom the cheque is payable and the amount of the cheque, both in words and in figures.
 - (d) The next step necessary to complete the cheque is for the two signing officers of the Local to sign their names in the places provided for on the cheque.
 - (e) If, for any reason, a cheque is spoiled, **it should be marked "CANCELLED" and left in the cheque book. Do not destroy spoiled cheques.**
 - (f) Record in cash book the cheque number, to whom the cheque was written, the amount of the cheque and the reason for the expenditure.

CHEQUE

See Appendix "B".

7. BANK STATEMENTS, CHEQUES, DEBIT AND CREDIT MEMOS

At the end of each month, the bank will send to the Local a statement showing the following:

- (a) bank balance at the beginning of the month;
- (b) deposits made by the Local during the month;
- (c) cheques cashed and charged to the Local's account during the month;
- (d) charges which the bank has made for its services;

- (e) credits which the bank has made for any interest earned, etc.

As soon as the monthly statement is received, the Secretary/Treasurer should check the bank statement against the Local's records as follows:

- (a) Check the paid cheques against the amounts shown in the bank statement to make sure that the bank has charged the right amount.
- (b) Check off the paid cheques against the amount shown in the Local's cash book for both name and amount.
- (c) The cheques shown in the cash book which have not been checked off as per (b) above represent outstanding cheques, that is, cheques issued by the Local but not yet cashed.
- (d) Compare and check off the amounts shown in the bank statement for deposits with the duplicate deposit slips on file and with the amounts shown in the bank column in the cash book under "receipts". This is done to make sure that the bank has credited the Local with all the deposits made during the month.
- (e) If there are any debits or credits on the bank statement, they should be recorded in the cash book:

DEBIT MEMOS

- (i) Enter amount charged in the bank column under "payments" and fill in the other columns with the information according to the headings of the columns.
- (ii) Record the amount charged in the cash book and reduce the balance accordingly.

CREDIT MEMOS

- (i) Enter the amount credited in the bank column under "receipts" and fill in the other columns with the information according to the headings of the columns.
- (ii) Record the amount credited in the cash book and increase the bank balance accordingly.

(f) **NOTE:**

The balance shown in the bank statement at the end of the month is not always the amount of money the Local has available to spend. **If the amounts have been recorded correctly in the cash books, the balance shown will be the amount of the money available in the bank.** The difference, if any, between the balance shown in the bank statement and that shown in the cash book will usually be accounted for by uncashed cheques or deposits on their way to the bank.

8. THE CASH BOOK

The form of cash book provided should suit the needs of most Locals. However, if more information is needed, more columns can be added. **All entries in the cash book must be supported by receipts.**

9. RECORDING IN THE CASH BOOK

(a) To record **deposits**, proceed as follows:

Begin with the first duplicate deposit slip and record:

- (i) the date of the deposit;
- (ii) in the column headed "issued to", write in the word "deposit";
- (iii) in the column headed "details/reasons", enter what the deposit was for;
- (iii) in the column headed "monies received", enter the amount of the deposit.

(b) Deposits should be **entered in the cash book** on the date and in the order in which they are made.

(c) To record **payments by cheque**, proceed as follows:

- (i) date of cheque;
- (ii) cheque number;
- (iii) who the cheque was issued to;

- (iv) for what purpose the cheque was issued;
 - (v) in the "monies paid out" column, write in the amount paid.
- (d) Repeat this operation when recording other cheques, making sure that cheques are recorded in numerical order.

CASH BOOK SHEET

See Appendix "C".

10. END OF FINANCIAL YEAR

At the end of the Financial Year of your Local, all Locals must complete a financial report and forward to NAPE Head Office in St. John's .

This is done in the form of a Statement of Income and Expenses Sheet. All monies received through rebates and any other form of monies raised through the Local is listed individually on the left-hand side of the Statement Sheet and totalled at the bottom.

Any monies paid out from the Local's funds during the year are listed individually on the right-hand side of the Statement Sheet and totalled at the bottom .

The difference in the total of the Income and the total of the Expenses should then be tabulated and listed underneath as Cash on Hand.

The Statement of Income and Expenses, is then signed by the Local President and Treasurer and the Auditor, then forwarded to NAPE Head Office.

NOTE:

A Local's financial year runs on the calendar year (January to December inclusive).

APPENDIX "A"

Deposit Slip

Bank of Montreal

Account No. 55555-001 1000-999

NAME: _____

Date: _____

Credit

Deposited by: _____

Cheques Info.	Amount	Cash	Amount
		_____ X 1 =	_____
		_____ X 2 =	_____
		_____ X 5 =	_____
		_____ X 10 =	_____
		_____ X 20 =	_____
		_____ X 50 =	_____
		_____ X 100 =	_____
		Coin _____	_____
		Total Cash	_____
		Total Cheques	_____
		Sub Total	_____
		Total Deposit	_____

Teller's Initials

**Banks provide deposit slip.*

APPENDIX "B"

Cheque

	_____ 19 _____
	PAY TO THE ORDER OF _____ \$ _____
	SUM OF _____ DOLLARS 100
	Bank of Montreal 220 Le Marchant Road St. John's NF A1C 5R4
	55555-001 1000-999

APPENDIX "D"

Monthly Bank Reconciliation

a) Balance on bank statement	\$ _____ (A)
(b) Add deposits made during month which do not appear on the statements	\$ _____ (B)
SUB-TOTAL (A + B)	\$ _____ (C)
(c) Deduct cheques written during month but do not appear on bank statement.	
(1) _____	
(2) _____	
(3) _____	
(4) _____	
Total outstanding cheques:	\$ _____ (D)
YOUR CASH BALANCE (C - D)	\$ _____ (E)
CASH/CHEQUE BOOK BALANCE	\$ _____ (F)
DIFFERENCE (if any) (E - F)	\$ _____ (G)

If the two balances do not agree:

- 1) check for adding and subtracting errors;
- 2) ensure that interest earned or bank charges are recorded in cheque book and cash book;
- 3) check to see all transactions are recorded and accounted for.

APPENDIX "E"**Financial Statement**

NAPE LOCAL _____

PERIOD COVERED: January 1, 20__ to December 31, 20__
 (Financial Statement for **all Locals** should run from January to December)

Opening Balance
 (Should be the December 31st balance
 of the previous year) \$ _____

REVENUE

Rebates from NAPE (Jan. 1 - Dec. 31)	\$ _____	
Interest Earned (on bank account)	_____	
Collections	_____	
Other (Specify)	_____	\$ _____
TOTAL REVENUE		\$ _____ (A)

EXPENSES

Flowers/Wreaths	\$ _____	
Meeting Expenses	_____	
Travel Expenses	_____	
Telephone Expenses	_____	
Bank Charges	_____	
Supplies	_____	
Other (Specify)	_____	
TOTAL EXPENSES		\$ _____ (B)
BALANCE (Total Revenue less Total Expenses) (A - B)		\$ _____

PRESIDENT - SIGNATURE_____
TREASURER - SIGNATURE_____
PRINTED NAME_____
PRINTED NAME

I hereby verify that I have checked the books and records of Local _____ and find
 all to be in order.

AUDITOR - SIGNATURE_____
PRINTED NAME_____
DATE

* Auditor can be anyone (except a member of Local's Executive) who is willing to review
 Local records and sign that all appears in order.