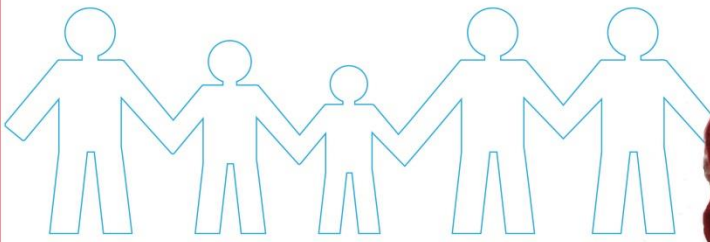
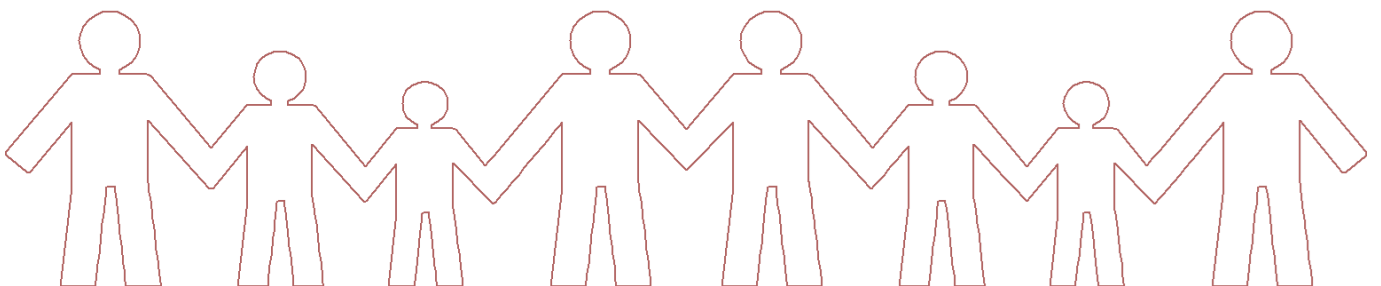


P&F *Finances*



DIOCESE OF WOLLONGONG PARENT FORUM





P&F FINANCES

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4.1 FINANCIAL MANAGEMENT

The following information is provided for the guidance of P&F Executive Committees and in particular the Treasurer, who is ultimately responsible for all the funds received and expended by the P&F.

It is essential that all P&Fs act at all times for the benefit of the school and school community. One of the objectives of a P&F is to raise funds to assist in the provision of resources and opportunities for enriching the learning environment of the school. It also needs to be a self-supporting entity, raising sufficient funds to allow it to effectively implement strategies to help it fulfil its stated aims.

Every P&F should have a bank account with the Catholic Development Fund (CDF), Diocese of Wollongong. The bank account should be titled '<Name of School>, <Name of association>' e.g. 'XXX Catholic Primary School Parents & Friends Association'. The account should be operated by any two of the following signatories/authorisations who sign or approve jointly – President, Secretary and Treasurer. For practical purposes it is advisable that the Treasurer always be one of the signatories/approvers. It is suggested that the Principal also be included as a signatory on cheques for any emergency situations that may occur.

Those P&Fs wishing to set up online banking can contact the Catholic Development Fund, Wollongong on Freecall 1800 047 703.

The Executive Committee of the P&F is to ensure that financial records are properly maintained and that the accounts are audited as at 31 December each year. The audit report and a statement of receipts and payments for the financial year should be supplied to the Principal.

The President of the P&F is to be satisfied that all accounts are kept in a proper manner and are subject to accountability and reporting procedures.

Expenditure from the account is only for normal operating expenses of the P&F funds.

4.2 FINANCIAL ACCOUNTABILITY

Financial records should include the following:

- bank cheque account with at least three (3) signatories/authorities – requirement that two (2) signatures must sign all cheques and that two authorisations are required for electronic transfers;
- receipt book – listing date, details of money received, name of person giving money, amount received and signature of person issuing receipt;
- cash book payments – listing date, cheque number, details of payment and amount paid;
- cash book receipts – listing date, receipt number, details of funds received and amount banked;
- petty cash book and duplicate petty cash receipt book if applicable;
- monthly bank reconciliation to ensure that all money has been recorded;
- Treasurer's Report to P&F meetings – showing approval or ratification of payments/expenditure; and,
- annual audit of accounts by an independent and qualified accountant that is not a member of the Executive nor a relative of an Executive Member.

4.3 ROLE OF TREASURER

Responsibility for P&F finances rests with the Treasurer. He/she is responsible for all financial dealings of the P&F including its committees e.g. fundraising, social events and trading activities such as canteen, uniform shop etc, where operated by the P&F.

The P&F Constitution guides the operation of the P&F and gives specific information on the function of the Treasurer. The Constitution also stipulates the appointment of an auditor and confirms the end of the financial year as 31 December. The audited accounts should be provided to the Principal and presented at the AGM normally held sometime during February or early March the following year.

To safeguard P&F funds a Treasurer has a number of key functions to perform including:

- receipting and banking of all money intact – never use cash received to pay bills;
- payment of all expenses by cheque or Electronic Funds Transfer (EFT);
- establishment and maintenance of a petty cash system (refer 4.6) by drawing cheques;
- ensuring all accounts are paid promptly after authorisation and approval at General Meetings;
- ensuring blank cheques are never signed;
- keeping a record of income and expenditure (sample at Appendix E);
- preparation of a monthly bank reconciliation (sample at Appendix F);
- presentation of an up-to-date financial report at every general meeting – (sample at Appendix G);
- ensuring that minutes of meetings appropriately and accurately reflect decisions relating to any financial matter;
- ensuring all financial records of the P&F are audited as at 31 December each year;
- presenting a record of audited accounts to the AGM (sample at Appendix H); and,
- passing on financial records to the succeeding Treasurer in a good order.

4.4 CONTROL OF INCOME – MONEY RECEIVED

Either a manual cashbook (refer Appendix E), an Excel spread sheet cashbook or a simple accounting package (e.g. MYOB) can be maintained. The income section of the cashbook should have provision for: date, receipt number, details of receipt, amounts received and separate columns for each type of recurring activity such as: discos, fete, raffle, golf day, Mother's Day, other significant activity, sundry income (e.g. bank interest).

All money received should be receipted separately. Where trading activities are operated through the P&F bank account it is recommended that receipts are to be made in a separate cash book. To ensure accuracy and security it is suggested that, where possible, money be counted by two people and a daily cash record be kept and reconciled to the banking figures. This procedure helps to avoid errors and to ensure that there are no concerns about the handling of money.

Security is important and money MUST NEVER be taken home – it is not covered by insurance. All money should be banked over the counter on the date of receipt. If this is not possible the P&F should negotiate suitable arrangements with the Principal for the security of money e.g.:

- through the school's cash security company;
- locked in a P&F cash box placed in the school safe; or,
- locked in a P&F safe on school premises.

For an evening event or a fete a security guard might be worth considering. To ensure the security of cash a night safe deposit could be pre-arranged. Alternatively, if the function is being held on Parish grounds an approach could be made to the Parish Priest for possible use of the Parish safe if the school safe is not available.

4.5 CONTROL OF EXPENDITURE – MONEY PAID

The expenditure section of the cashbook (sample at Appendix E) should contain date, cheque number/EFT receipt number, details of payment, amount paid and separate columns for each type of recurring activity.

Each cheque drawn or EFT needs to be substantiated by a payment requestion form (Sample at Appendix I) with either an invoice or a receipt for expenses incurred attached. Adequate details should be recorded on the cheque butt when a cheque is used. When no invoice or receipt is available, the person requesting the money must provide a written explanation of the amount claimed.

When making donations to the school or particular school groups (e.g. the P&F makes a donation to a school sporting team) and an invoice or receipt is not applicable, then a payment requisition form should be completed by the Treasurer with an explanation of what the expenditure was for.

4.6 PETTY CASH

Petty cash is a useful mechanism that allows for purchases to be made between meetings – it also limits the time people have to wait for reimbursement. A realistic limit should be agreed to at the first General Meeting and an initial petty cash cheque should be drawn for that amount.

The usual practice is for people to claim reimbursement from petty cash only after they have paid and have a receipt to present. However a parent should not be required to find money from their personal funds to make P&F related purchases. If required, a parent can seek a cash advance from the petty cash by signing a petty cash voucher up to an amount agreed. They are then required to present a receipt for their purchase and return any unused funds. This cash advance can only be within a limit agreed to at a General Meeting.

A separate petty cash voucher system must be maintained with a petty cash voucher being completed and signed by any person receiving cash. When the petty cash is almost depleted the petty cash vouchers are totalled and a cheque for that amount is drawn to bring the petty cash back to the agreed limit. This can be done as often as is necessary. Note that petty cash is normally referred to as cash-in-hand on financial statements.

A sample petty cash voucher is at Appendix J.

4.7 CASH FLOATS

A cash float is usually made available for major one-off events such as fetes or trivia nights. For a fete multiple cash floats may be necessary. Approval of a float or floats should be formally moved and minuted at a meeting prior to the money being needed.

4.8 TRADING ACTIVITIES

The traditional P&F trading activities of canteen and uniform shop can be handled through the school working account. However, where a P&F is responsible for trading activities a separate cash book should be maintained for each trading activity.

Details required in the cash book include:

- gross daily takings;
- change float held;
- drawings for cash purchases;
- amount handed; and,
- receipt numbers.

A yearly stocktake must be conducted to establish the value of year-end stocks and to assess the profitability of the activity. A copy of the stocktake should be included in the Treasurer's Report presented at the AGM. An annual audit of any trading activities must be completed with the audit of the general P&F account.

Trading activities are often viewed as a service for the school community; however, they are not to be run at a loss.

4.9 ANNUAL AUDIT

The P&F account(s) must be audited as at the end of the financial year of the P&F (31 December).

The Auditor must be independent i.e. neither a member of the Executive nor a relative of any Executive member. The Auditor must be a qualified accountant and a member of one of the professional bodies listed below:

- The Institute of Chartered Accountants;
- The Australian Society of CPA; or,
- The National Institute of Accountants.

The Treasurer is responsible for contacting the Auditor at least one month prior to the AGM of the P&F. Prior to the books being given to the Auditor the Treasurer needs to ensure that:

- all outstanding invoices are paid;
- the paid invoice file is complete and in sequence;
- all supporting details for income received are provided;
- the cashbook is completed, additions checked and sundry column details completed;
- the bank statements file is complete and reconciliation is performed as at 31 December;
- current term deposit confirmation has been received – if applicable;
- copy of stocktake for all trading activities is available for stock held – if applicable;
- an Income and Expenditure Statement has been prepared – or request Auditor to do so;
- a Balance Sheet has been prepared or request the Auditor to do so.

In addition to the above documents the Auditor will require the following:

- bank deposit books;
- receipt books;
- petty cash book and receipts;
- cheque books;
- all P&F minutes relevant to the accounting period;

- all outstanding invoices; and
- a copy of the P&F Constitution.

The Auditor(s) report, statement of income and expenditure, balance sheet and any trading activities stocktake are to be formally accepted at the next AGM. A copy of the above documents is also given to the school Principal. The suggested format of the Auditor's report, statement of income and expenditure and balance sheet is included at Appendix H.

4.10 P&F PURCHASES AND THE GST

As a P&F is an unincorporated sub-entity of the school for GST purposes they cannot charge GST on income received and cannot claim back GST included in payments.

Should a P&F purchase goods or assets to be given to the school the practical impact is that they will cost more because the GST paid cannot be claimed back. However if the school purchases the goods and assets, generally a GST credit can be claimed back on a monthly basis which is deposited into their bank account in the middle of the following month.

Therefore where possible significant P&F purchases should be made or ordered through the school and then reimbursed by the P&F as a donation to the school.

4.11 A P&F LEVY

Some schools have introduced a parent levy as an alternative way to raise money. This can work well when it is done in full consultation with the whole school community.

If a P&F and school Principal agree to a P&F levy it can only be collected by the school. If a decision is taken to introduce or continue with a levy the Principal and P&F, in consultation, should agree on whether the funds are transferred to a P&F account at appropriate intervals or remain in the school account.

If the funds remain in the school working account arrangements need to be made to ensure appropriate accountability and reporting to the P&F regarding details of income and expenditure.

A parent levy should only be used when arrangements have been made for the P&F to have input into the allocation of funds regardless of whether the funds remain in the school account or are transferred to the P&F account.

If the P&F has no control over a parent levy, the levy has been incorrectly named and is, in fact, a special purpose levy of the school and should be named accordingly.

4.12 FUNDRAISING

DECISIONS ABOUT FUNDRAISING

The Executive Committee of the P&F should, in consultation with the Principal, agree on a list of priorities and needs for fundraising. These priorities should be in alignment with the school's strategic planning and always be considerate of the community's ability to raise funds. Priorities should be ratified at a General Meeting.

The allocation and disbursement of any funds (except recurrent expenditure) must also be approved and ratified at a General Meeting as per the P&F Constitution.

FUNDRAISING ACTIVITIES - COMPLIANCE

Information regarding compliance issues pertaining to fundraising activities such as raffles, chocolate wheels, lucky envelopes etc can be gained through the NSW Office of Liquour, Gaming and Racing website at: Promotions and Competitions/Lotteries and Games of Chance" (http://www.olgr.nsw.gov.au/promos_home.asp).

This website provides information and application forms relating to the conduct of fundraising lotteries and games of chance for charitable purposes. These activities must comply with the Lotteries and Art Unions Act of 1901.

WHERE CAN I GET HELP:

The Diocese of Wollongong Parent Forum can assist P&Fs with any enquiries. Contact details are as follows:

Diocese of Wollongong Parent Forum

Phone: (02) 4253 0800

Email: parentforum@dow.catholic.edu.au

Website: dow.catholic.edu.au

APPENDIX E

Sample Cashbook Expenditure Year 2013

Date	Cheque Number	Description	Cheque Amount	Payment to school	Working Bees	Disco	Mothers'/ Fathers' Day	Social Event	Fete	Dinner Dance	Sundry	Comments
31/01/13	1241	J Worker W Bee Exp	249.75		249.75							
25/02/13	1242	Craft Stall M Sew	675.00						675.00			Craft Stall
28/02/13	1243	XXX Primary School	1750.00	1750.00								Shade Cloth
01/03/13	1244	Rides ABC Amusements	2500.00						2500.00			Rides
05/03/13	1245	Matt Organiser	363.00					363.00				
10/03/13	1246	Food Staff J Cooke	545.00						545.00			Food Stall
15/03/13	1247	Lucky Dips M Howard	245.00						245.00			Lucky Dip Stall
17/03/13	1248	Allsweets Company	1300.00						1300.00			
19/03/13	1249	Prepared Roll Company	401.00						401.00			Hot Dog Stall
01/04/13	1250	Dumpster Bins	235.00						235.00			
30/04/13	1251	J Worker W Bee Exp	251.25		251.25							
01/05/13	1502	Big W	714.00				714.00					
25/06/13	1503	XXX Primary School	5600.00	5600.00								Computer Classroom
03/06/13	1504	P&F Forum	50.00								50.00	Forum Subscription
30/06/13	1505	PJ Printing Co	285.00								285.00	Raffle Ticket Printing
31/07/13	1506	J Worker W Bee exp	292.50		292.50							
01/09/13	1507	Big W	836.00				836.00					
25/09/13	1508	XXX Primary School	4600.00	4600.00								Library Resources
25/09/13	1509	Bunning's Hardware	238.00								238.00	Replace P&F Tools
30/09/13	1510	ABC RSL	3800.00							3800.00		
30/09/13	1511	DJ Systems	300.00			300.00						
31/10/04	1512	J Worker W Bee exp	181.45		181.45							
02/11/13	1513	XXX Primary School	2500.00	2500.00								Science Resources K-6
15/11/13	1514	J Worker W Bee exp	417.05		417.05							Repair to school seat
18/11/13	1515	Shane G – Farewell Gift	37.00								37.00	Farewell Gift
02/12/13	1516	Ruth R – Farewell Gift	55.00								55.00	Farewell Gift
		Total \$	\$28421.00	\$14450.00	1392.00	\$300.00	\$1550.00	\$363.00	\$5901.00	\$3800.00	\$665.00	

APPENDIX E

Sample Cashbook Receipts for Year 2013

Date	Description	Total Banked	Bank Interest	Chocolate Drive	Disco	Fete	Raffle	Mothers'/Fathers' Day	Ball	Sundry	Comments
31/01/13	Interest	8.00	8.00								
28/02/13	Interest	4.00	4.00								
34/03/13	HC Buns	720.00								720.00	Hot Cross Buns
31/03/13	Interest	3.00	3.00								
01/04/13	Choc Drive	457.00		457.00							
30/04/13	Interest	5.00	5.00								
06/05/13	Major Raffle	515.00					515.00				
11/05/13	Major Raffle	500.00					500.00				
12/05/13	Mothers' Day	1450.00						1450.00			
12/05/13	Major Raffle	450.00					450.00				
19/05/13	Major Raffle	485.00					485.00				
25/05/13	Major Raffle	565.00					565.00				
31/05/13	Interest	4.00	4.00								
03/06/13	P&F Dinner Dance	4200.00							4200.00		
20/06/13	Fete Cash	16500.00				16500.00					
30/06/13	Interest	6.00	6.00								
01/07/13	Disco	337.00			337.00						
01/07/13	Choc Drive	417.00		417.00							
31/07/13	Interest	5.00	5.00								
31/08/13	Interest	4.00	4.00								
11/09/13	Fathers' Day	1611.00						1611.00			
30/09/13	Interest	6.00	6.00								
01/10/13	Disco	400.00			400.00						
31/10/13	Interest	7.00	7.00								
30/11/13	Interest	3.00	3.00								
31/12/13	Interest	4.00	4.00								
	Total \$	\$28666.00	\$59.00	\$874.00	\$737.00	\$16500.00	\$2515.00	\$3061.00	\$4200.00	\$720.00	

Cash book Reconciliation:		Bank Reconciliation	
Opening Balance	(Previous year closing balance) 5456.95	Balance 31/12/13	6130.00
Total Receipts	28666.00	Less Outstanding Cheque	
Sub Total	\$34133.95	15/11/13 No. 1514	417.05
Less			
Total Payments	28421.00		
Closing Balance	(Current year closing balance) \$5712.95	Balance	5712.95

APPENDIX F

SAMPLE MONTHLY BANK RECONCILIATION:

The bank reconciliation is an internal procedure to ensure that all income and expenditure has been recorded. This is particularly important where people other than the Treasurer may have made deposits.

A sample format for monthly bank reconciliation follows:

MONTHLY BANK RECONCILIATION

Bank Balance as at 29 February 2014		\$12523.25
Add Outstanding Deposits		
1 March 2014	\$250.00	
2 March 2014	\$875.25	
Total Outstanding Deposits		\$1125.25
Sub-total		\$13648.50
Less Unpresented Cheques		
Cheq. No 011236	\$1000.00	
Cheq No 011238	\$1545.50	
Cheq. No 011233	\$ 500.00	
Total Unpresented Cheques		\$3045.50
Available Bank Balance as at <insert date>		\$10603.00



APPENDIX G

SAMPLE TREASURER'S FINANCIAL REPORT FOR GENERAL MEETINGS:

A Treasurer's Report should be prepared for all General Meetings to show all payments and receipts since the last Parents & Friends Association meeting and all payments required for invoices received.

A sample format of the Treasurer's Financial Report follows:

TREASURER'S FINANCIAL REPORT:

Bank Balance as at 29 February 2014		\$12523.25
Receipts		
Mother's Day Stall	\$1125.25	
Total Available		\$13648.50
Less Payments Made		
Cheq. No 011236 (raffle tickets)	\$1000.00	
Cheq. No 011238 (tasty lamingtons)	\$1545.50	
Cheq. No 011233 (Gold day deposit)	\$ 500.00	
Total Payments		\$3045.50
Balance Available		\$10603.00
Less invoices received requiring approval		
List name of supplier and purpose of expenditure e.g.		
Fred's Family Fotos		\$1500.00
Final Balance Available at <insert date>		\$9103.00



APPENDIX H

Sample FORMAT of Auditor's Report to be used by Auditor

Cover Sheet

(Name of School) Parents & Friends Association

AUDITOR'S REPORT

STATEMENT OF INCOME AND EXPENDITURE

BALANCE SHEET AS AT 31 DECEMBER 2013

FOR THE PERIOD 1 JANUARY 2013 TO 31 DECEMBER 2013



SAMPLE FORMAT OF AUDITOR'S REPORT TO BE USED BY AUDITOR

(Name of School) Parents & Friends Association

AUDITOR'S REPORT

I HAVE AUDITED THE ACCOMPANYING statement of income and expenditure and statement of assets of the <name of school> Parents & Friends Association for the 12 months ending 31 December 20xx.

My audit has been conducted in accordance with Australian auditing standards. My procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the cash basis of accounting, whereby revenue is recorded when it is received, expenses are recorded when they are paid and no assets or liabilities, other than cash and bank balances are recorded.

The audit opinion expressed in this report has been formed on the above basis.

In my opinion the accompanying statement of income and expenditure and statement of assets present fairly, in accordance with the cash basis of accounting as described above, the financial position of the <name of school> Parents & Friends Association for the year ending 31 December 20xx.

Signature of Auditor

<Printed name of Auditor> <Qualifications of Auditor>

Member of <name of Accounting Body – See page 38>

Honorary Auditor:

Date:

Address:

Phone: (Work)

Phone: (Home)



SAMPLE FORMAT OF AUDITOR'S REPORT TO BE USED BY AUDITOR

(Name of School) Parents & Friends Association

STATEMENT OF INCOME AND EXPENDITURE

FOR THE PERIOD 1 JANUARY 2013 TO 31 DECEMBER 2013

Income	2013	2012
Chocolate Drive	874.00	0.00
Parents' Dinner dance	4200.00	4000.00
School disco	737.00	650.00
Father's Day	1611.00	1752.00
Fete proceeds	16500.00	15000.00
Interest received	59.00	170.00
Mother's Day	1450.00	1485.00
Raffle	2515.00	2315.00
Sundry	720.00	610.00
TOTAL INCOME	\$28666.00	\$25982.00

Expenditure	2013	2012
Dinner dance	3800.00	3650.00
Disco	300.00	250.00
Donations to school (refer note 2)	14450.00	10500.00
Father's Day	836.00	653.00
Fete	5901.00	5414.00
Maintenance and working bees	1392.00	1775.00
Mother's Day	714.00	1000.00
Raffle	285.00	250.00
Social events	363.00	359.00
Subscriptions	50.00	50.00
Sundry	330.00	658.00
Trolley, ladder and barrow	0.00	710.00
TOTAL INCOME	\$28421.00	\$25920.00
SURPLUS OF INCOME OVER EXPENDITURE	\$245.00	\$692.00

SAMPLE FORMAT OF AUDITOR'S REPORT TO BE USED BY AUDITOR

(Name of School) Parents & Friends Association

BALANCE SHEET AS AT 31 DECEMBER 2013

	2013	2012
Cash at bank – (name of bank and branch) (refer note 1)	5713.00	5486.00
Fixed term deposit (name of bank and branch)	5000.00	5000.00
TOTAL ASSETS	\$10713.00	\$10468.00

NOTES	2013	2012
Note 1:		
Bank Statement Balance at 31 December 2013	6130.00	5372.00
Add outstanding deposits	0.00	300.00
Less unpresented cheques	417.00	204.00
Cash book balance at 31 December 2013	5713.00	5468.00
Note 2: Donations to school		
Funds were provided to the school to purchase the following resources as agreed at 4 March Parents & Friends Association meeting.		
Classroom computers	5600.00	0.00
Library	4600.00	4000.00
Resources K-6	2500.00	2000.00
Shade cloth	1750.00	2000.00
Demountable air conditioning	0.00	2500.00
TOTAL INCOME	\$14450.00	\$10500.00
SURPLUS OF INCOME OVER EXPENDITURE	\$245.00	\$692.00



APPENDIX I

SAMPLE PAYMENT REQUISITION FORM

(Name of School)

Parents & Friends Association

PAYMENT REQUISITION FORM

Date: _____

Payee: _____

Amount: \$ _____

Being for: _____

Signed: _____

Treasurer Use Only

Date: _____

Cheque No: _____ **EFT Transaction No:** _____

EFT Details: BSB _____ **A/C No** _____

Account Name: _____

Expense Dissection: _____

Payment Approved by: _____

Date approved and minuted: _____

Invoice attached: YES NO



APPENDIX J

Sample Petty Cash Voucher

(Name of School)
Parents & Friends Association

PETTY CASH VOUCHER

Date:	Expense:	Voucher No.	
Name:			
Particulars		Amount	
		\$	
Date:		Cheque No.	
Approved by:		Received by:	

