



BC Confederation of  
Parent Advisory Councils

# Treasurer 101

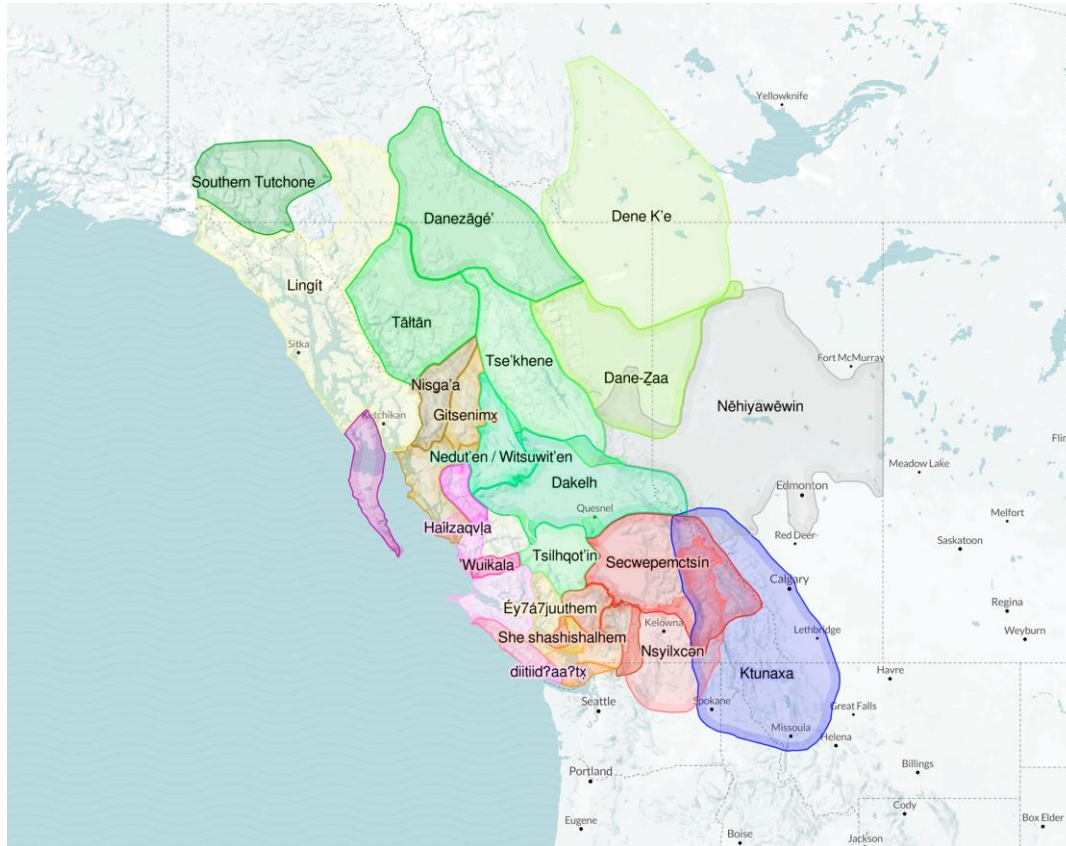
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# Source: First People's Cultural Council





# What You Need to Know

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What needs to be done and when

Preparing a budget

Recordkeeping

Reconciliations

Reporting to members

Applying for and spending Gaming Funds

- Note that we will not be able to cover Gaming Grants other than basic Treasurer practices. Refer to guidelines or contact [Community Gaming Grants Program directly](#).

Filing government forms

- [Refunds for PST](#)
- GST Rebate



## What Needs to be Done and When

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Each year there are several items that must be completed

Having a shared calendar that lists what and when is necessary

- For example:
  - September
    - BCCPAC Membership Application
    - File Gaming Account Summary
  - October
    - Present budget for PAC approval
  - April
    - Apply for Gaming Grant May/June - Bursary/Scholarship

A detailed outline for a budget process is also helpful

# Do I Need a Budget? YES!

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## What is the purpose of spending all that time preparing a budget?

- Opportunity to reach consensus on your purpose and priorities
- Saves time, in the long run, if anticipated expenses are already approved
- Provides the basis for evaluating how you are doing

## What is a budget?

- It is essentially an estimate of the anticipated revenues and expenses for a set period or project
- It is your best estimate of how you anticipate the organization or program to perform given what is known and the strategies you intend to use
- A budget can and should be reviewed and revised if necessary throughout the year
- It's okay if the actual revenues and expenses are different than the budget; this helps inform the development of future budgets
- If it becomes known that the expenses or revenues are going to be significantly different than anticipated for an item, it's good practice to put forward a motion to revisit the budget



## Preparing a Budget

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Determine your spending priorities

Determine your expenses

Estimate and plan your revenue

Include a contingency fund (more on next slide)

Build consensus

Pass budget via motion at a PAC/DPAC meeting

**All money raised should have a purpose.**

**All money kept should have a purpose.**

## Preparing a Budget – Contingency Funds

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### What is a Contingency Fund?

- **Definition.** A **contingency fund** is simply a **reserve fund** set aside to handle unexpected debts that are outside the range of the usual operating **budget**.
- Amount to be carried forward for each new term.
- 10% of operating budget is commonly recommended.
- To learn more, view [Demystifying Reserve Funds](#) presentation from Charity Village & Enkel.



## Recordkeeping - Manage data entry: electronic or manual ledger

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### Electronic Pros:

- easy data entry
- time savings
- simply print electronically generated reports
- previous years' information stored and accessible

### Electronic Cons:

- expensive
- not easily transferable from person to person
- more training may be necessary for new directors





# Recordkeeping - Manage data entry: electronic or manual ledger

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## Manual Pros:

- easier data entry
- transferable from person to person (no special computer programming required)
- training new directors more easily
- previous years' information available and accessible
- inexpensive

## Manual Cons:

- reporting more time consuming
- reconciliations more difficult



# Record Keeping

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For every cheque written, there should be a corresponding invoice, receipt, slip of paper, etc.

Make sure all expenses are approved and anticipated in the budget

Make sure all cheques have two signatures

Make sure there are basic cash handling procedures

- Example - All money received is properly counted by at least two people and deposited promptly

Make sure all documentation is stored in an organized manner.

Keep neat and complete files



# Reconciliations

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Reconciliation is the process of verifying that all information is correct. The most critical reconciliation is the bank statement to the ledger (whether electronic or manual).

- Reconcile all available reports including hot lunch and fundraising

It is a best practice to have someone other than the Treasurer verify that reconciliation is being completed monthly.

Another good practice is to have a third-party review team at year-end or as needed.

An excellent financial review should include identifying best practices and recommendations for the future. It is not meant to evaluate the person doing the record-keeping but rather assess the processes and procedures being used.



## Regular Meeting Updates

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### Reconciled bank balance

- have the reconciliation available for review

### Year to date vs. budget for the year

- Important to have each meeting, can be helpful to include a percentage of funds spent for each line

### Statement of Activities

- A report that shows revenue and expenses in a reporting period.

### If using electronic data management

- balance sheet (Statement of Financial Position)
  - A report that shows the assets, liabilities, and the difference in their totals as of the final moment of an accounting period.
- income statement from the beginning of the year-to-date & the date range beginning after your last report to date



## Reporting to Members

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### Annual General Meeting Treasurer's Report (Year-end)

- Final (or projected) year-end financial statement vs budget for the year
- Ending cash balances
- Highlights
- Budget process for next year



# Financial Accountability and Preventing Fraud – Best Practices, Source: [Community Gaming Grants: Program Guidelines, 2022](#)

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All Executive Committee (EC) members should regularly review financial documentation (e.g. financial statements, budgets, bank statements, cleared cheques, etc.).

Finances should be open and transparent to all EC members. The EC should feel comfortable asking questions about the finances. If any EC member is hesitant to answer questions or provide information, this can signify a problem.

Have bank statements and cancelled cheques mailed to the President, or equivalent, for review (as long as they are not also the Treasurer).

Financial information should be regularly presented to and reviewed by the EC (e.g. EC meetings, monthly, etc.). This may include a review of the budget and year-to-date spending. All questions or significant discrepancies should be resolved promptly.

It is recommended that the Treasurer not be granted signing authority to ensure appropriate segregation of duties.

Ensure that the PAC/DPAC's financial institution is aware of all approved signing authorities.

# Fiduciary Duty

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Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board members, as stewards of public trust, must always act for the good of the organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

- Specific questions board members should ask:
  - Is our financial plan consistent with our strategic plan?
  - Is our cash flow projected to be adequate?
  - Do we have sufficient reserves?
  - Are any specific expense areas rising faster than their sources of income?
  - Are we regularly comparing our financial activity with what we have budgeted?
  - Are our expenses appropriate?
  - Do we have the appropriate checks and balances to prevent errors, fraud, and abuse?
  - Are we meeting guidelines and requirements set by our funders?

Source: [Fiduciary Duty, BoardSource](#)



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# Thank You!

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Presentation and slide deck available online



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