



Mountain Bike Australia Club Resource: Running and Incorporated Association: Financial Management

The operations of incorporated not for profit associations are generally funded by grants, donations, fundraising or membership fees as the principal income source. Although these organisations operate on a not-for-profit basis, appropriate good practice financial management will ensure that there are adequate resources to meet objectives, remain solvent and continue to support the community. Although profitability is not the core purpose of an incorporated not-for-profit association, it is necessary to ensure that the organisation is sustainable, properly capitalised and funded. Adequate cash flow is needed to ensure they have adequate cash flow to support operations and contribute to achieving goals.

The term not for profit can be misleading, as profitability does have a role in ensuring that not for profit organisations achieve their objectives through adequate financial support.

CPA Australia, 2009

1. Financial Administration Tasks

The treasurer has an important role in ensuring the management committee and members have a clear idea of the association's financial health. The main duties of the treasurer are to oversee the financial administration of the association, review procedures and financial reporting, advise the committee on financial strategy and advise on fundraising. That said it is the role of the entire committee to be aware and understand the financial health of the association.

Financial administration tasks include:

- Keeping up to date records as well as an audit trail of all transactions. The legislative financial record keeping requirements for your association may differ depending on state or territory of incorporation. In Queensland for example, the financial record requirements include keeping: a cashbook, a receipt book, all association bank statements, a register of assets and a petty cash book.
- Protect the organisation against fraud or theft, ensuring safe custody of money and prompt banking.
- Make sure the management committee understands its financial obligations.
- Make sure the organisation complies with tax regulations, such as GST, payroll tax, and fringe benefits tax.
- Review all internal processes and reporting methods at least annually.

An incorporated association has a legal obligation to prepare and present financial statements to the Annual General Meeting for adoption and submit these with along with the annual return of the association.

2. Resources and Templates

A range for help sheets and templates for boards, not for profit organisations and treasurers are available of the following websites.

[Institute of Community Directors Australia](#)

[Community Club Toolkit](#)

[Australian Sports Commissions Club Development portal](#)

Ourcommunity.com.au

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