



Fair Treasurer

It's All About the Money

Fair Treasurer Presenter – Pat Munroe

- Secretary/Treasurer, Bracebridge Agricultural Society
- Associate Director of Agriculture, District #11
- Incoming 2017/2018 Provincial Director District #11
- retired from 35 years in banking industry
- spent childhood summers on a dairy farm, currently residing in Muskoka where the key agriculture products are snow, water, rocks and trees



Fair Treasurer

The cash is deposited and the cheques are written – so now what?

- more than just bean-counting
- supporting the Directors in fulfilling their fiduciary responsibilities
- from legislative regulations to strategic planning to financial planning to budgeting to financial reporting to audits and government reporting
- Treasurers' key activities, roles and responsibilities
- how to embrace challenges of being a Treasurer
- sharing with others

Support Fiduciary Responsibilities of Directors

- Because board members are entrusted with the money and property of the association they are held to a higher standard. They are deemed "fiduciaries" and have a duty to act in the best interests of the membership.
- Provision of Financial Information is important and necessary for Directors to carry out their fiduciary obligations.

*"We don't worry about financial procedures; we trust our treasurer to look after the money!" - **NOT!***

Support Fiduciary Responsibilities of Directors

Understand where financial reporting fits in to the fiduciary responsibilities of the Directors.

Duty to Carry Out the Charitable Purpose		- raising funds, dispersing donations for the purposes of the charity/society
Duty of Care		- exercising diligence of financial oversight, insurance & bonding
Duty of Good Faith		- acting fairly & honestly in good faith and in the best interest of the society
Duty to Act Gratuitously		- exclusively for the society's purpose
Duty of Loyalty		- at arm's length of each other, and without conflict of interest
Duty to Account		- provincial & federal reporting
Delegation		- joint & several liability, any & all

Where Treasurers Fit In

Legislative Regulation (*AHO Act*) ---→

Society Incorporation ---→

Mission (*objectives*) ---→

Strategic Plan ---→

long term (15-25 yrs)

Operational Plans (*policy guidelines*) ---→ *short (3-7 yrs) / medium (7-15 yrs) term*

Financial Plans/Goals (*guidelines*) ---→

Budget ---→

this yr & 1-3 yrs

Financial Reports ---→

Audit / Review ---→

Government Reporting



Key Role

Oversee financial management and report to the board and members financial status of organization.

Financial Management = managing how:

1. Income is generated (contributions or earnings)
2. Money is spent
3. Net assets are protected/ invested
4. Finances are presented and accounted for



Key Activities Related to Financial Management

Key Activities Related to Financial Management:

- Budgeting
- Accounting and financial statements
- Reporting and analysis, trends, comparisons, concerns, recommendations
- Developing and monitoring financial policy
- Managing cash flow
- Transactions and internal controls
- Managing grants and contracts
- Risk management
- Monthly/annual reporting, income tax filing and statutory remittances



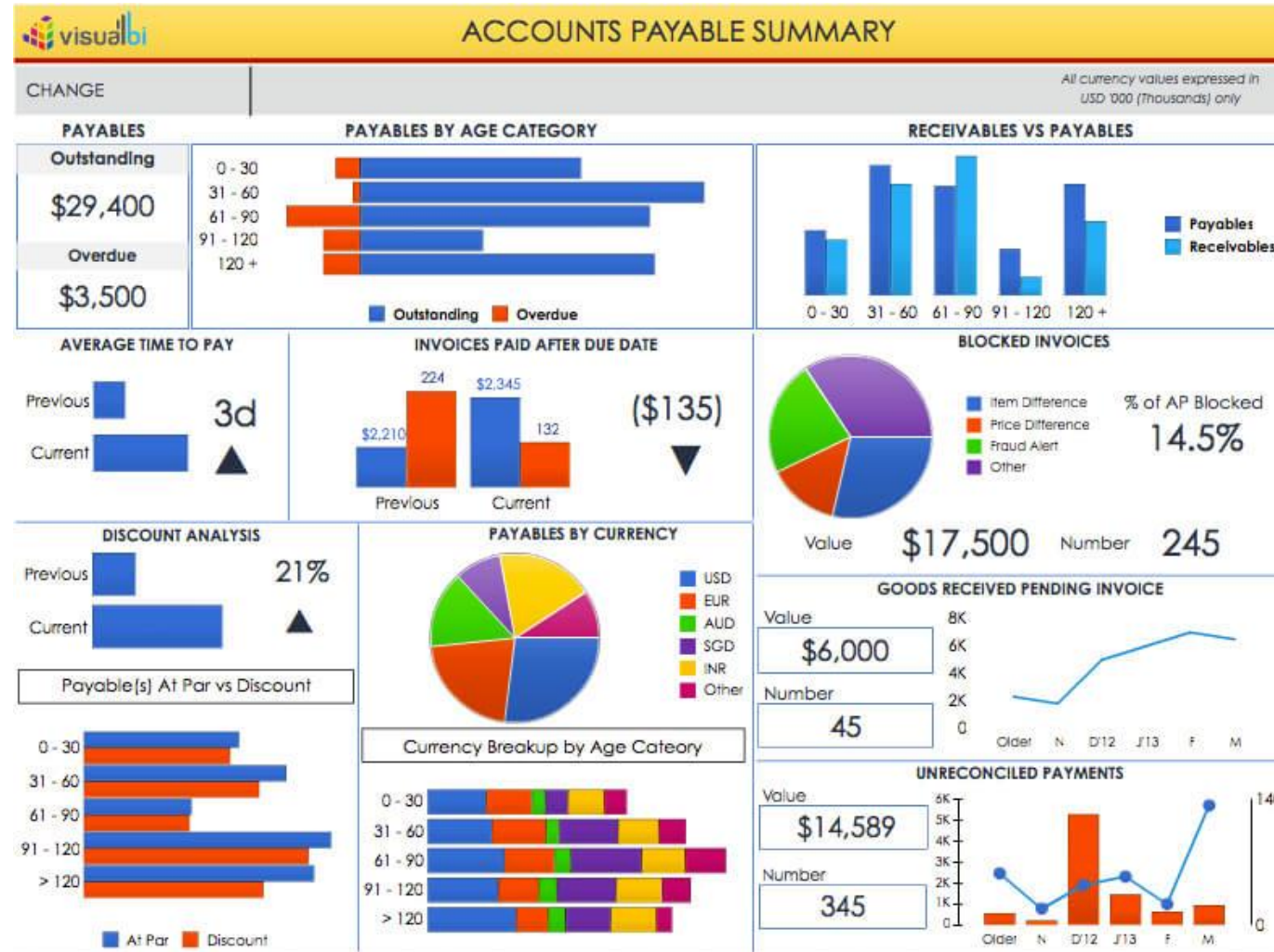
Preparing a Budget for a Non-Profit

- Budgets for non-profit organizations are set using three key budget categories: administration, program and fundraising
- Budget must have Board approval, documented in the Minutes
- Most grant funders require copy of budget for the current year, the preceding year and the projected budget for the next year to any grant request.
- There are 3 types of budgets:
 1. Surplus – revenues outpace expenses
create reserves, increase net assets
 2. Break-Even – usual choice, misunderstanding of non-profit definition
initial cut of budget shows expenses higher than revenues so work towards paring back expenses
skin of our teeth
 3. Deficit – more than sufficient cash & reserves
one time expenditures

Reporting to the Board of Directors

- Financial reporting is like telling a story – *so tell it! And it doesn't have to be all dry and boring.*
- What do the Directors *want* to hear about? What do they *need* to hear about?
- What is the level of financial reporting understanding/knowledge of the Directors?
- Do the Directors understand the contents of the financial reports? Target to your Director's knowledge level. However, ignorance is not acceptable, so it may be your job to educate them. Tell them what you are reporting and why they need to know it.
- What financial information do the Directors require in order to make informed decisions? Ensure proper Motions are made for expenditures.
- Encourage questions. Embrace challenges. Provide full disclosure. The financial books belong to the Society, and therefore are open to all members. *It shouldn't be your own little secret.*
- Listen carefully to other parts of the Director's meeting for anything that could have a financial impact/component. Have your ear to the ground, thumb on the pulse and make financial recommendations.

Visual Aids Can Help



Questions to Answer While Reporting to the Board of Directors

In addition to presenting the Financial Statements, ask these questions, not only of yourself, but of the Directors too! And then tell them the answers:

- Do you have any outstanding payments due? Outstanding unpaid collections on issued invoices?
- Are any key expenditures offset by specified revenues?
- Are the revenues and expenses aligning with the current budget? With the overall financial plans? With the Strategic Plan? Or do they seem to be diverting direction?
- Are there any trends emerging? Are they expected, acceptable, or unusual?
- How do we compare to last year? In specific revenue or expenses ledgers? Overall?
- What is the status of fund-raising efforts? Obtaining sponsorships? Receiving donations?
- Are there any sub-financial components from Committees to be reported?
- Are there any grants available or pending? Was the full value of any grant submission received? If not, why not?

Questions to Answer While Reporting to the Board of Directors

- Are there any contracts under negotiation?
- Are there quotes for services to be presented for comparison to existing provider or approval?
- Are there any issues/problems for which Director intervention is requested? What is the status of any pending investigations previously reported?
- Are there any areas of financial risk identified?
- Have the required government reports been submitted and on time? OMAF grant, Charity Return, HST Return?
- Are all government remittances paid, if applicable? Payroll, WSIB
- Have the application fees for applicable licences and permits been paid?
- Seek approvals. What approvals are required? For expense payments? For investments?
- Have all Motions from previous meetings been fulfilled? If not, why not?

Questions to Answer While Reporting to the Board of Directors

- Do you need approval to write-off stale-dated cheques?
- Are all bank account statements fully reconciled and balanced? If not, why not?
- Have all required invoices been distributed?
- Have all required receipts – tax and general – been issued?
- Are there any outgoing donations to be made? Bursary recipients?
- Are all Banking arrangements in place re: signing officers? Any Director signatures required that are outstanding?
- What is on the horizon in the coming reporting period?
- What recommendations can I make?
- Are there any Treasurer-specific needs to be met or approved? *Yep, don't forget yourself.*

Government Reporting

Directors may be personally liable if the Society fails to comply with numerous reporting requirements:

- OMAFRA Annual Return & Grant Application (may result in loss of charter)
- Charitable Tax Receipts
- Annual Charity Organization Return (may result in revoking of charitable status)
- HST Return

Directors may also face fines and imprisonment where they are involved in making false or deceptive statements in any return.

A vertical decorative bar on the left side of the slide, featuring a gold color and a pattern of various currency symbols (dollar, pound, yen, euro, etc.) in a 3D, embossed style.

Fair Treasurer – Sharing With Each Other

Questions & Answers Discussion

Fair Treasurer – References

- *Financial Policies and Procedures: Protecting Your Organization's Financial Assets*, OMAFRA Fact Sheet, S. Budd, 2008
- *Assurance Handbook*, Canadian Institute of Chartered Accountants
- *Financial Resource Management For Nonprofit Organizations*, L. Haller, 1982, Prentice-Hall Inc.
- *Meeting Today's Challenges*, OMAFRA Workshop Manual, B. Carson, 1990
- *Strengthening Leadership Workbook Series*, N. Draper, Family Space Quinte, 1997
- *The Not-for-profit Administrator newsletter*, Cowperthwaite Mehta Chartered Accountants, <http://187.gerrard.com>

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Fair Treasurer – I'm All About the Money



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