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▸Knowledge ▸Connections ▸Credentials

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Where not-for-profits go for help



Community sector treasurers

Session one - Foundations of the treasurer's role and financial administration

Presenter: Chloe Hall, Institute of Community Directors

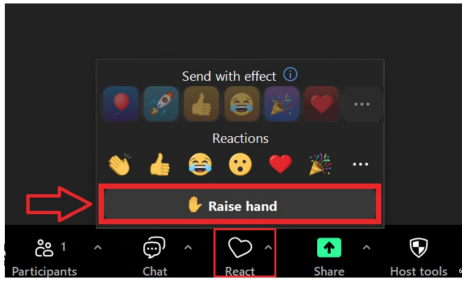


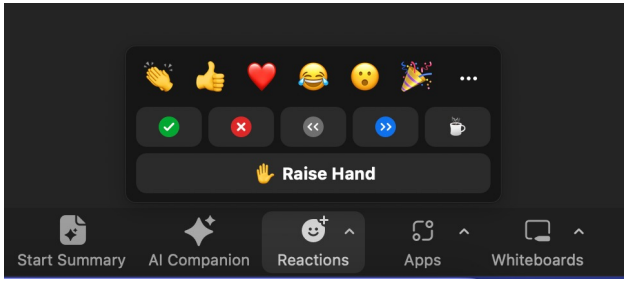
Acknowledgement of Country



Housekeeping

- When you'd like to share with the group, please use the raise hand function.





- Chat function is for everyone to use. Feel free to share your experience and advice, respond to prompts and answer any questions that arise if possible.
- You will receive the slides and the recording via the Community Treasurer's portal webpage.
- Please don't use AI to summarise or record this session.
- Please mute yourself unless you are speaking to the group.

Meet your trainer

Chloe Hall

- 20+ years community & government leadership
- 10+ years facilitating
- Community board experience
- Leadership coach



Overview of the course

Session 1: Foundations of the treasurer's role and financial administration

- Role of the treasurer
- Financial administration
- Compliance and governance

Session 2: Reporting and Financial Strategy

- Financial reporting
- Budgeting and planning
- Risk management

Session 3: Strategic Planning and Collaboration

- Financial planning and strategy development
- Relationship with the CEO, finance manager and other staff
- Policies, procedures, and continuous improvement

Who’s in the room?

Please share in the chat…

1. Your name, your organisation,
2. Why you put your hand up for treasurer (or tell us about a different role you have)
3. Years of experience as a treasurer

Breakout rooms

- What's the size of your organisation?
    - Small (annual revenue under $500,000)
    - Medium (annual revenue between $500,000 and $3 mil)
    - Large (annual revenue over $3 mil)
- What does your organisation do?
- Are you volunteer run or do you have paid staff?
- What are you hoping to get out of this course?

Session 1: Foundations of the treasurer's role and financial administration

- Role of the treasurer
- Financial administration
- Compliance and governance

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Role of the treasurer

- Oversee the financial administration, including budget preparation
- Review procedures and financial reporting, including making sure records are accurate and compliance obligations are met
- Advise on financial strategy, including business and strategic planning
- Advise on fundraising, including strategies and income diversification
- Risk management, including protections against fraud and financial mismanagement.
- Sharing the financial story of the organisation

https://www.communitydirectors.com.au/help-sheets/the-role-of-the-treasurer

https://www.communitydirectors.com.au/help-sheets/office-bearers-job-description-templates

What the role might look like for different sized orgs

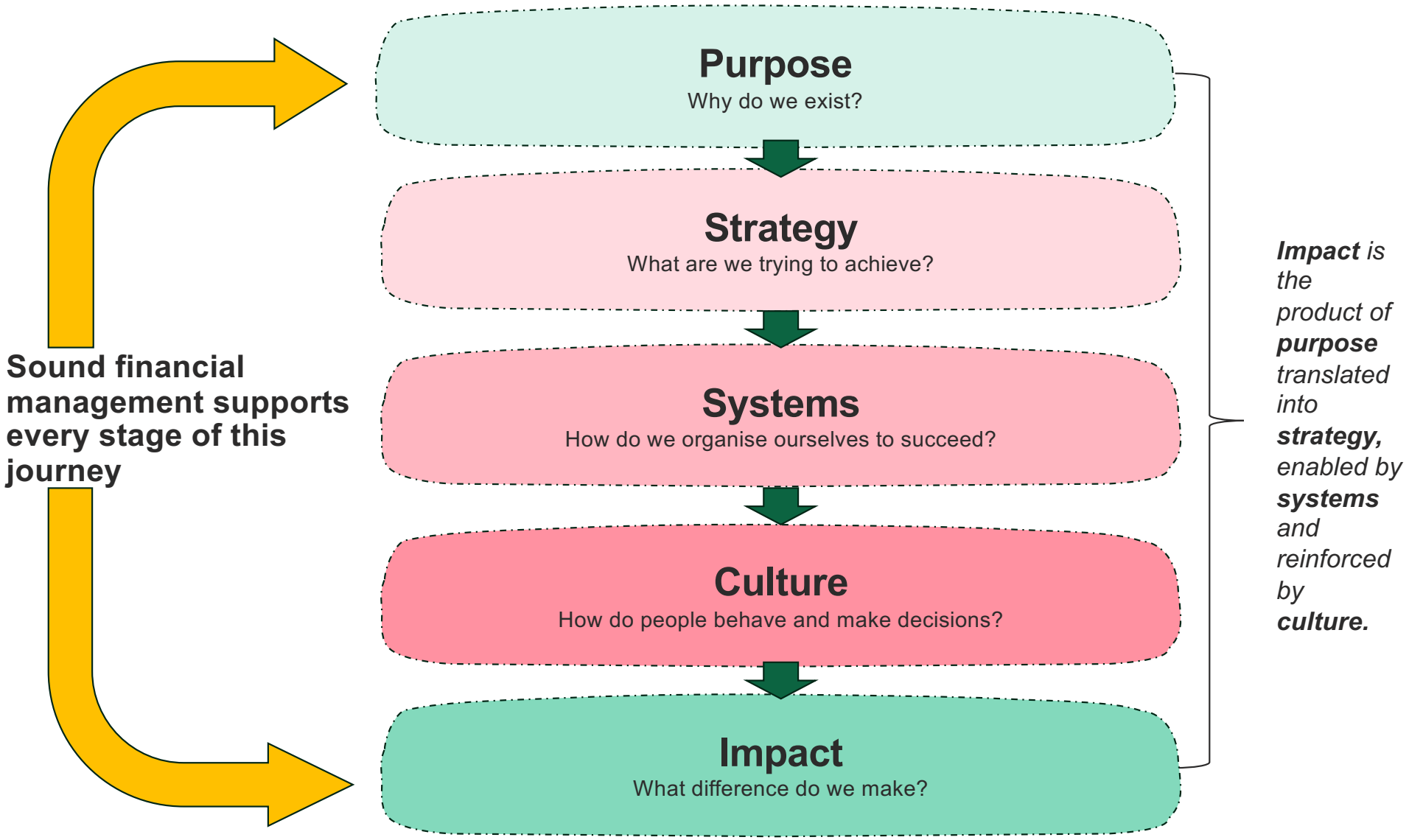
Size of organisation	Treasurer focus	Examples
Small (volunteer-run)	Hands-on: basic bookkeeping, compliance, reporting to members	Banking, reimbursements, grant acquittals
Medium (paid staff, <$3m)	Oversight: works with staff/CEO, monitors budgets, sets controls	Budget monitoring, presenting reports, approving delegations
Large (staff + CFO/finance team)	Governance: sets financial strategy, leads finance committee, ensures compliance	Risk management, reserves policy, audit liaison

If you do nothing else as treasurer…

For small, volunteer-run organisations, focus on the *absolute essentials*:

- **Separate bank account** for the organisation (never mixed with personal accounts).
- **Two signatories** (or dual approval online) for all payments.
- **Regular reconciliations** of bank accounts (monthly at minimum).
- **Basic records** kept for all income and expenses (invoices, receipts, bank statements).
- **Simple budget** approved by the committee each year and monitored regularly.
- **Compliance deadlines** noted in a calendar (ACNC return, AGM, fundraising reports, BAS if registered).

Everything else can be built up over time as the organisation grows.


Purpose
Why do we exist?
Strategy
What are we trying to achieve?
Systems
How do we organise ourselves to succeed?
Culture
How do people behave and make decisions?
Impact
What difference do we make?
Sound financial management supports every stage of this journey
Impact is the product of purpose translated into strategy, enabled by systems and reinforced by culture.

Fiduciary duties

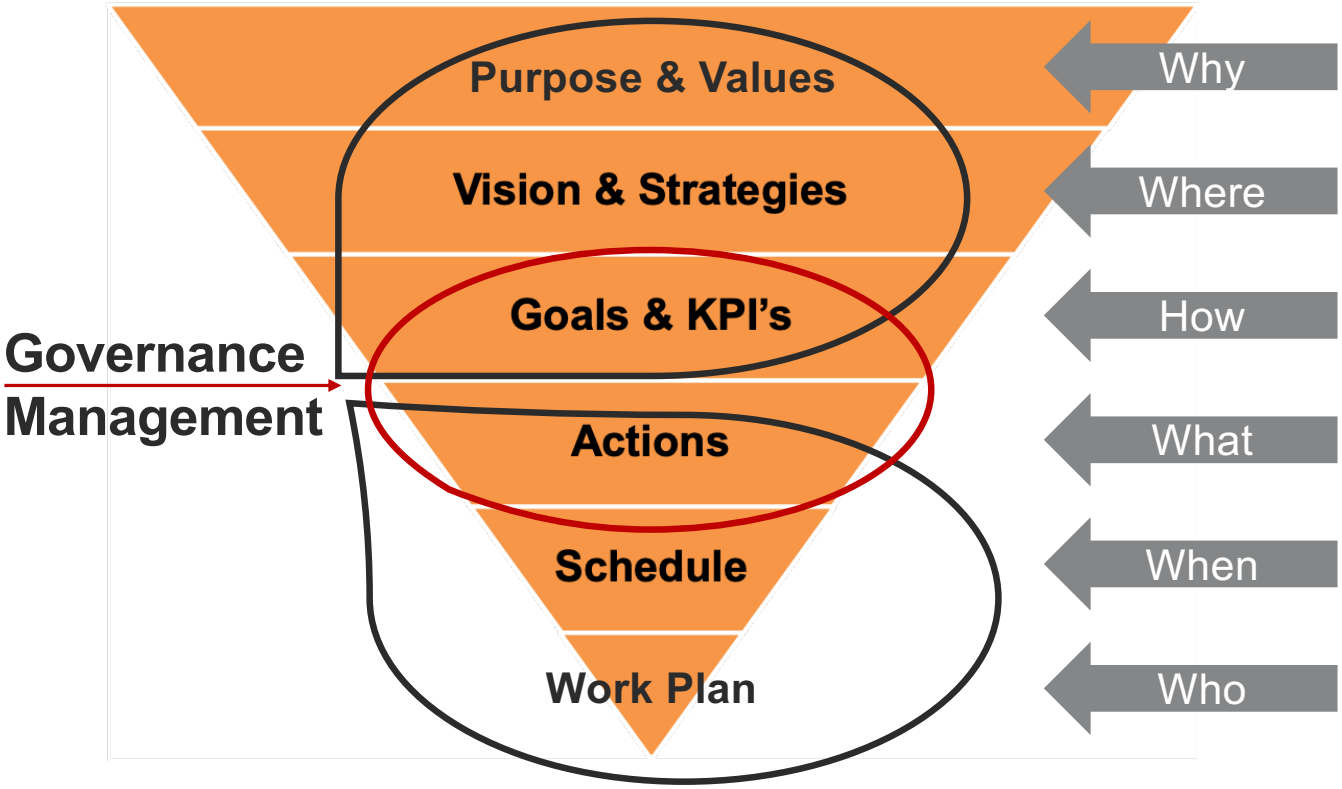
(Corporations Act 2001)

- Duty to act *bona fide in the best interests of the company
- Duty to exercise powers for proper purposes
- Duty to retain discretion
- Duty to avoid conflict of interest
- Duty to not improperly use your position in the company
- Duty to treat confidential information properly
- Duty to treat related-party transactions properly
- Duty to treat payments to directors in the proper fashion
- Duty of care, skill and diligence
- Duty to prevent insolvent trading



** Bona fide – genuinely, without intention to deceive*

What is the difference between governance and management?



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Ethical leadership:

- sets the fundamental **principles** that should guide the actions of organisations, and the boards and committees that govern them, and the employees and volunteers who work for them.
- sets the **standards** that those who deal with these organisations can expect of them, and their employees and volunteers.
- personally demonstrates and builds these aspirations into **day-to-day operations**, including monitoring and reporting standards, recognition and rewards for compliance, and penalties and sanctions for breaches.



Pathways for Progress is a fast-growing NFP. A recent external audit found that $250,000 in grant funds were used for mission-aligned work – that was outside the grant's approved scope. There's no fraud, but it breaches funding conditions.

The funder is demanding a response. The audit report will be shared with regulators and may lead to repayment or funding suspension.

The board must choose a path:

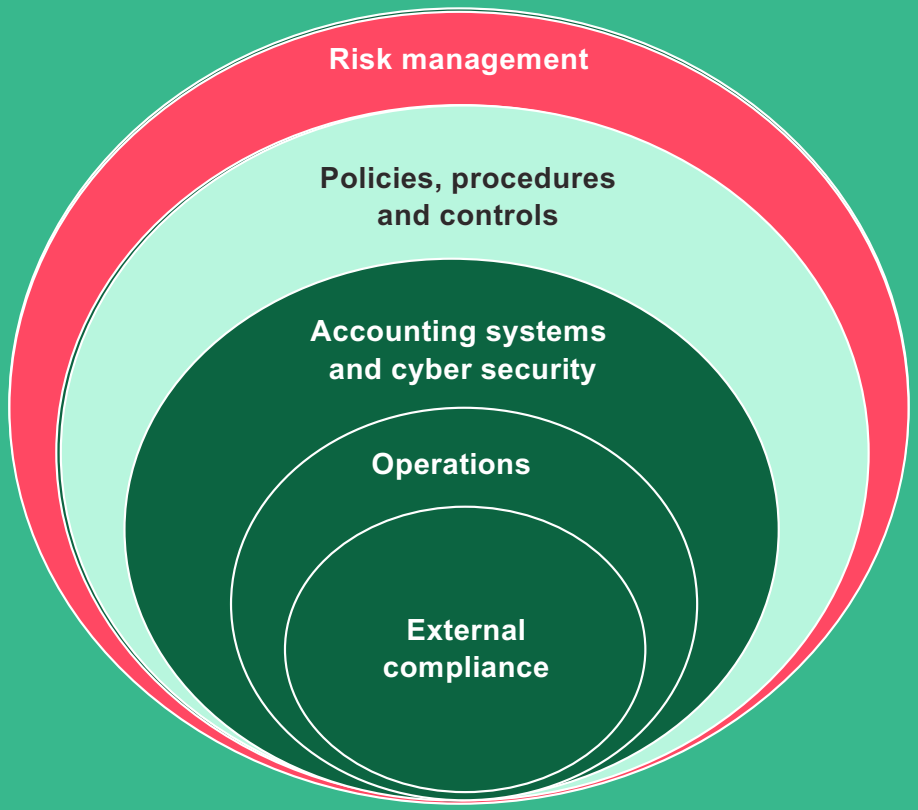
- Admit the breach, risking public fallout and donor confidence.
- Defend the spending, risking funder relationships and credibility.
- Negotiate quietly, risking accusations of secrecy and poor governance.

Discussion questions:

- What should the board do?
- What are the risks of each option?
- How can future issues like this be prevented?

Effective financial system

How are you leading the management and/or oversight in these areas?



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Financial controls

Delegation limits

Debit/credit cards

Petty cash

Reimbursement

Bank payments

Bank reconciliations

Related party transactions/conflicts of interest

Payroll and staff related payments

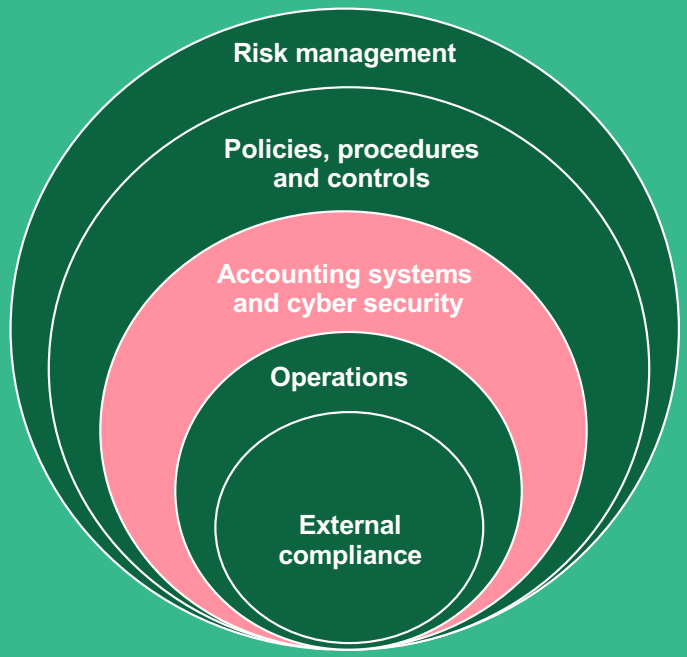


Financial controls

Area	Treasurer	Board	Operations Team
Delegation Limits	Oversees and recommends financial delegation limits.	Approves delegation policies and ensures accountability.	Follows approved limits when authorising transactions.
Debit/Credit Cards	Monitors usage and sets spending controls.	Approves policies for card issuance and usage.	Uses cards responsibly within approved guidelines.
Petty Cash	Sets limits and monitors petty cash systems.	Reviews and approves petty cash management policies.	Manages and records petty cash transactions accurately.
Reimbursement	Oversees reimbursement processes and ensures compliance.	Approves reimbursement policies.	Submits and processes reimbursement claims as per policy.
Bank Payments	Authorises larger payments and monitors transactions.	Sets approval thresholds for significant payments.	Processes routine payments following established procedures.
Bank Reconciliations	Reviews reconciliations and investigates discrepancies.	Monitors through financial reporting and audits.	Conducts regular reconciliations and reports outcomes.
Related Party Transactions/Conflicts of Interest	Declares conflicts and ensures financial transparency.	Oversees conflict of interest policies and manages disclosures.	Discloses potential conflicts and follows board policies.
Payroll and Staff-Related Payments	Oversees payroll processes and ensures legal compliance.	Approves payroll policies and salary structures.	Processes payroll and ensures timely, accurate payments.

Effective financial system

How are you leading the management and/or oversight in these areas?



Accounting systems

Consider:

- Does it integrate with other software the organisation uses, or might use in the future?
- Is there appropriate user authorisation and access for staff – including on different devices and computers?
- Does it track user logins, entries of information, changes?
- What personal and/or sensitive data must be stored – consider privacy laws?
- Is it value for money now and long term?

Governance and cyber-security

1. Who's accountable for what?
2. Who has access to what?
3. Are our policies fit for purpose and up to date?
4. Is our staff training up to date?
5. Are our computers and systems fit for purpose?
6. What are our biggest threats?
7. Does our culture protect our data?
8. Do we know where our data is held?
9. What would we do if a data breach occurred?
10. Have we engaged an IT specialist to check our security?

https://www.communitydirectors.com.au/tools/cyber-security-self-assessment-tool-for-community-organisations

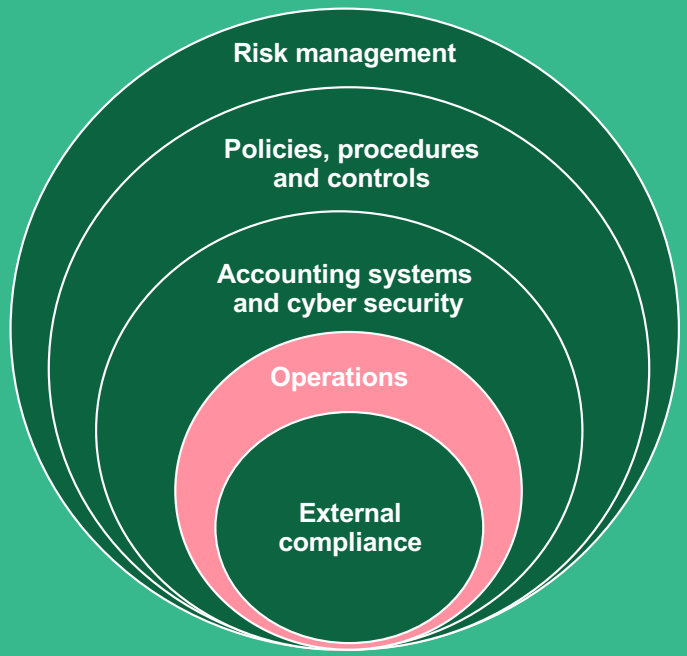
On a shoe-string

- Ensure you have the latest software updates
- Anti-virus systems for ensuring everything is updated regularly
- Password management
- 2-factor authentication
- Document and audit who has access
- Ensure your culture enables people to admit mistakes
- Have a process for data breaches (and make sure it’s followed)

https://www.communitydirectors.com.au/policies/cyber-security-policy

Effective financial system

How are you leading the management and/or oversight in these areas?



Why good record-keeping matters

1. Ensures compliance with regulations
2. Supports decision-making
3. Facilitates audits and financial reviews

Essential documentation

- Bank statements, receipts, invoices
- Financial reports (e.g., balance sheets, P&L statements)
- Grant and funding documentation
- Payroll records & tax submissions

Best practices

- Keep records for at least 7 years
- Use cloud storage for accessibility and security
- Regular reconciliation of accounts

Managing day to day finances

Handling bank accounts

Set up a dedicated NFP account

Implement dual signatories for financial transactions

Reconcile transactions regularly

Managing supplier contracts

Review terms & conditions carefully

Track due dates and payment schedules

Ensure value for money

Payroll obligations

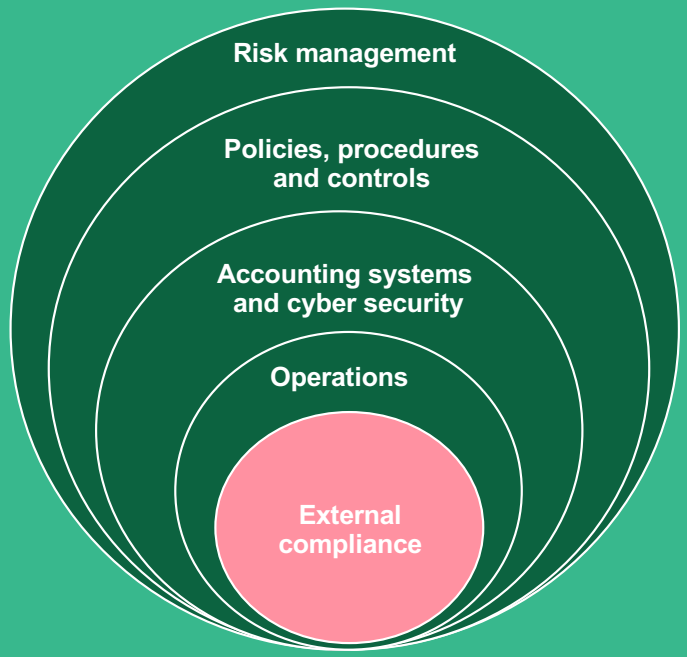
Superannuation payments (compulsory contributions)

Leave entitlements (annual, sick, long service leave)

Tax and compliance with employment laws

Effective financial system

How are you leading the management and/or oversight in these areas?



Legal requirements regarding financial reporting

- All charities registered with ACNC must submit an Annual information statement (AIS). Medium and large organisation must submit audited financial reports.
- The Office of the Registrar of Indigenous Corporations (ORIC) reports to ACNC of behalf of charities.
  - Organisations (>$100,000) need to submit a general report only.
  - Organisations ($10,000 -$5 million) need to submit a general report, financial report and an audit report or a financial report based on reports to government funders if eligible.
  - Organisations (<$5 million) need to submit a general report, financial report, audit report, and a director's report.
- Non-charitable not-for-profits must prepare board/committee certified financial reports, and often audited reports, to share with members and submit an Annual Information Statement to the appropriate regulator. Small orgs do not have to have their reports audited unless requested or its in their constitution.
- Small co-operatives need to provide financial reports to members at the AGM but only need to provide audited reports if requested by the registrar or members. Large co-operatives must have their financial reports audited before sharing with members and lodging with the regulator.

Tax obligations of NFPs

Income Tax

Charities: Must register with the Australian Charities and Not-for-profits Commission (ACNC) and obtain endorsement from the Australian Taxation Office (ATO) to access income tax exemptions.

Non-Charitable NFPs: Can self-assess their eligibility for income tax exemptions. From 1 July 2023, these organisations with an active Australian Business Number (ABN) are required to lodge an annual self-review return with the ATO to confirm their tax-exempt status.

Goods and Services Tax (GST)

NFPs must register for GST if their GST turnover is $150,000 or more. Registered organisations can access GST concessions, such as tax-free sales and input tax credits.

Fringe Benefits Tax (FBT)

NFPs providing fringe benefits to employees may have FBT obligations. However, certain organisations are eligible for FBT exemptions or rebates, reducing or eliminating their FBT liability.

Superannuation Guarantee

NFPs with employees must comply with superannuation guarantee obligations, ensuring timely contributions to employees' super funds.

Payroll Tax, Land Tax, and Stamp Duty

These taxes are administered at the state and territory level. Eligibility for exemptions or concessions varies by jurisdiction, so NFPs should consult local revenue offices to understand their obligations and potential benefits.

Test your knowledge

1. How can a treasurer ensure financial reporting is accurate and compliant with regulations?
2. What are some best practices for risk management in an NFP's financial operations?
3. What financial controls should be in place to prevent fraud and mismanagement in an NFP?
4. How can an NFP treasurer work effectively with the CEO and finance staff to improve financial strategy?
5. What steps can a treasurer take to improve an NFP's accounting systems and cyber security?
6. How can an NFP treasurer balance financial sustainability with maintaining the organisation's mission and values?

Reflection

What was most useful today?

What did you learn from another participant?

What has really stuck with you from today?



Next week…

Reporting and Financial Strategy

- Financial reporting
- Budgeting and planning
- Risk management

Additional reading:

www.communitydirectors.com.au/articles/how-to-animate-your-annual-report

www.communitydirectors.com.au/help-sheets/trend-analysis

www.communitydirectors.com.au/help-sheets/nailing-the-treasurers-report

www.communitydirectors.com.au/help-sheets/the-role-of-the-board-in-risk-management-1

https://www.communitydirectors.com.au/help-sheets/financial-obligations-for-not-for-profit-organisations-across-australia

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