



NEW ZEALAND PONY CLUBS ASSOCIATION INC.

Policy on Financial Management - Area, Club and Branch

Purpose

To ensure the procedures are in place to enable Areas, Clubs and Branches to appropriately manage their financial affairs.

ACB (Area / Club or Branch) Treasurer

Broad duties include:

1. To keep a cashbook to record all income and expenditure.
2. To monitor monthly expenditure against the annual budget in conjunction with the ACB President.
3. To approve the payment of the monthly creditors in conjunction with the President.
4. To present a written Financial Report at each Committee meeting (see attached format for a Committee Financial Report.)
5. Undertake a quarterly review of the committee's investment accounts and include details in the finance report to the committee.
6. To prepare a set of annual accounts ready for audit/review (refer to the Financial Reporting and Audit Rule - Area Rule 1:25 and Club Branch rule 2:49.)
7. To present the Treasurer's Annual Report and the audited/reviewed set of Financial Statements to the ACB Annual General Meeting.
8. Treasurer to set up an A4 lever arch file with an appropriate indexing system. All creditor payments, bank statements, accumulative list of receipts monthly showing date money received, receipt number, whom received from, what for, whether it was a cheque or cash and the amount received.

Financial Reporting and Audit/Review

The annual audit/review verifies that the system of internal control in place is working to plan. It also checks information supplied and assesses whether it complies with NZ Accounting practices and whether the financial statements give a true and fair view of what has happened within the period being audited/reviewed. For Area Committees, refer to the following Area Rules: 1:2, 1.15 and 1:25. For Club and Branch Committees, refer to the following Club and Branch Rules: 2:3, 2:37 and 2:49.

Internal Control

Internal Control is the system used to ensure all payments are made appropriately and all revenue is received and recorded. The general aims of internal control are to:

- Encourage adherence to prescribed managerial policies.
- Promote operational efficiency.
- Check the accuracy and reliability of its accounting data.
- Safeguard the assets of the organisation.

A suggested internal control procedure is as follows:

- All ACB Committee should be incorporated (see notes on incorporation below).
- Appoint a second person to back up the Treasurer in case of the Treasurer not being available, i.e. Treasurer may go on an overseas trip or may be incapacitated through ill health. This person would need to be fully conversant with the Treasurers procedures.
- Verification of payment of creditors is carried out by the President on a monthly basis. Treasurer to prepare creditor payment on the 'Payment Voucher' form with the creditor invoice attached. Form to be countersigned by President at the same time as the cheque is countersigned.
- Cheques are NOT to be pre - signed.
- Cheque payment authorisation - two signatures are required on all cheques. (Note: if a cheque signatory or a member of the signatory's family is the person being reimbursed, then one of the two cheque signatory's for that cheque must not be a member of that family).

- A written list of all cheques paid since the previous meeting is to be included with the finance report. Details to include date paid, cheque number, name of creditor, details of payment and the amount written on the cheque.
- All revenue is recorded when received and banked weekly/fortnightly.
- Revenue should be banked intact and not used for cash payments.
- Arrange for the ACB's bank to send a duplicate copy of bank statements from each of the ACB's accounts directly to the ACB President. This is a free service provided by banks.
- Two written quotations should be obtained for all major purchases in excess of \$500.
- Keep an asset register and update accordingly with any asset purchases or disposals.

Incorporation

Areas, Clubs and Branches are strongly encouraged to seek Incorporation under the Incorporated Societies Act 1908. Branches wishing to become incorporated must notify the Club of their intentions. When an Area, Club or Branch is incorporated it is required to have a winding-up procedure in its rules. There are several distinct advantages for an Area, Club or Branch being incorporated, especially if they have assets. For further information refer to Org1.14 'How to become an Incorporated Society' in the NZPCA Resource Manual and the Area, Club and Branch Rule Book 2000 (updated June 2008.)

Tax Exemption

Clubs and Branches may apply to Inland Revenue for Tax Exemption as an Amateur Sports Promoter. When applying to Inland Revenue for this exemption the following items need to be submitted.

- (a) A completed IRD number application form (IR596) if an IRD number is not currently held.
- (b) A completed IRD number application form (IR451) – exemption from Resident Withholding Tax on interest and dividends.
- (c) A letter confirming that the rules adopted are those which formed part of the NZPCA rules and were approved by Inland Revenue.
- (d) A copy of the rules/constitution if they differ in any way from the NZPCA Area, Club and Branch rules.
- (e) Within the letter, a Club or Branch should request that they also be granted an exemption in terms of section CB 4(1)(h) Income Tax Act 1994 - IRD reference TNA/L5/PB.
- (f) A copy of the Club or Branch certificate of Incorporation if duly incorporated.

Investment Accounts

Committees may have interest bearing Investment accounts for various reasons. Income from these accounts should be included in the annual budget. All investments should be included in the meeting reports and the audit/review.

Accountability of External Funding

Areas, Clubs and Branches applying for and receiving funding through gambling societies, trusts, foundations etc. must use the funds for the purpose they were applied for and in accordance with the conditions stated on the application form. External funding also includes all Coaching and Training and travel grant monies received annually from the NZPCA. All external funding must be reported, recorded and accounted appropriately in the Area, Club and Branch Audited Annual Financial Statement presented to the respective AGM's.

Reimbursements

ACB Committees should make provision to reimburse members i.e. Secretary, Treasurer, Coaching Coordinator, Head / Chief Coach for the following expenses when carrying out their Pony Club duties

- Travel – 55c per km (effective 1st March 2007.)
- Toll calls.
- Postage which includes courier and freight charges.
- Photocopying.
- Stationery - envelopes, computer consumables etc.

Procedure for Claiming Expenses from the Committee

To claim fair and reasonable expenses the following procedures are to be followed:

- Claims must be lodged on the ACB Committee Expenses Claim Form provided which is to include all claims for use of private car on Committee business.

- Claims must be lodged on a monthly basis, i.e. Process the claim during the first ten days of the month to reach the Secretary/Treasurer by the 15th of the month.
- Payment will be made on the 20th of the month.
- If claim is not received on the form provided, it will be returned for correct completion.
- If claim is not received by the 15th of the month it will be held over for payment on the 20th of the following month.

All claims must be supported with copies of a GST invoice and/or receipt. These are required for audit/review purposes.

Attachments: Format for a Committee Financial Report
 Claim Form for Expenses from the Committee
 Claim Form for use of a Private Car on Committee Business
 Payment Voucher

References: NZPCA Rules and Regulations for Areas, Clubs and Branches
 NZPCA Job Descriptions

Contact: Executive Officer
 NZPCA
 P.O. Box 8626
 HAVELOCK NORTH 4157

 Ph/Fax (06) 873 5464
 Email: nzpony@xtra.co.nz

Original Issue Date: June 2005

Date Last Reviewed: October 2009

Next Review Date: October 201

Reviewed by: Review Committee

Approved by: NZPCA Committee of Management

Document Number: PP4.12

Please refer to <http://www.nzpca.org/resources> for any updates or new developments.

Suggested Format for a Committee Financial Report

(Note: A written financial report should be presented to each Committee meeting which needs to include a reconciliation for each bank account the Pony Club operates.)

Akina Pony Club Committee

Treasurers Report for the period ending 31 August 20XX. The report includes a reconciliation for each bank account; an itemised income and expenditure statement for each bank account; a list of the Club's investments and a copy of the bank statement for each bank account.

(Name of Bank A/c with suffix), i.e. Akina Pony Club 00a/c

1. Reconciliation for Period Ended 31st August 20XX

Cashbook Opening Balance at 1 st August 20XX			4295.00
Add Receipts (see below)			2121.25
Less Payments (see below)			<u>1880.00</u>
Balance as per Cashbook			4536.25
Balance of bank statement as at 31 st August 20XX			4640.20
Less unpresented cheques	Chq #		
	315	25.00	
	320	<u>78.95</u>	
			<u>103.95</u>
Current Balance			4536.25

2. Itemised Income and Expenditure Statement for Period Ended 31st August 20XX (DC = direct credit; Rx = receipt)

Income						
Date	Rx #	From	For	Cash/Cheque/DC	Amount	
2 Aug		John Smith	Subs	Chq	50.00	
10 Aug		Pub Charity	Grant for SJ Poles	DC	1000.00	
15 Aug		Ribbon Day	Entry Fees	Cash (\$350) Chq (\$625)	975.00	
31 Aug		Westpac	¼ Interest Term Dep	DC	81.25	
31 Aug		Westpac	Interest 00 A/c		<u>15.00</u>	
				Total \$	2121.25	
Expenditure						
Date	Chq #	To	For		Amount	
12 Aug	325	Smithfield District Council	Quarterly Lease Payment to 31 July		500.00	
13 Aug	326	NZPCA	Record Cards & Manuals		120.00	
21 Aug	327	Ribbon Day	Judges Exps		260.00	
25 Aug	328	ITM Building Supplies	SJ Poles		<u>1000.00</u>	
				Total \$	1880.00	

3. Investments

Westpac Term Deposit	#0027	Matures	%	Amount
		31/12/06	6.5%	5000.00

4. Two resolutions for minutes

- That the Committee approve the payment of cheques for the period 1 August 20XX to 31 August 20XX #'s 325 - 328 totalling \$1880.00.
- That the financial report for the period ended 31st August 20XX be confirmed.

AREA / CLUB / BRANCH COMMITTEE

EXPENSES FROM THE A/C/B/ COMMITTEE - CLAIM FORM

Name: _____

Address: _____

EXPENDITURE

Date	To	For	Excl. GST	GST	Total – Incl. GST
Total \$					

Please find attached all supporting dockets showing the GST number etc. for the above summary. I certify that the above information is true and correct.

Signed: _____

Date: _____

FOR OFFICE USE ONLY.

Summary for charging against the budget.

Budget / Cash Book Name	Amount \$

Treasurer: _____

Date: _____

AREA / CLUB / BRANCH COMMITTEE

USE OF PRIVATE CAR ON COMMITTEE BUSINESS - CLAIM FORM

Name: _____

Address: _____

Date of Trip: _____

From: _____ to _____ and return

Total Distance Travelled _____ at _____ cents per km = \$ _____ :

Reason for Trip: _____

I confirm that the above details are correct and request reimbursement for my travel expenses.

Signature: _____

Date: _____