
Terms of Reference and Role Description: Branch and other RWNZ Group Treasurers

1. Bank Account

- 1.1 When a new bank account, or term deposit account, is opened in the name of the Branch/ Group the Certificate of Exemption from withholding tax should be presented. For unincorporated groups the bank account should be in the name of Rural Women New Zealand _____ Branch/Group.
NB: Where the Branch/ Group already has funds with a bank, the bank should already have their tax exemption status on file.
RWNZ National Office have a copy RWNZ Inc.'s Certificate of Exemption from Resident Withholding Tax (RWT) on interest or dividends.
- 1.2 For current accounts, the treasurer should ask the bank to send out a monthly bank statement for the Branch/Group.
- 1.3 On-line access to your bank account may be able to be arranged by the bank.
- 1.4 There should be three signatories for the bank account with two signatures being required for any cheque or movement of funds. If payments are able to be made on-line, authorizations from two of the three signatories must be required before the payment is released.
- 1.5 At the AGM confirmation that there are no changes or changes to bank signatories should be minuted and approved.

2. Financial Statements

- 2.1 The end of the Rural Women New Zealand (RWNZ) financial year is 30th June.
- 2.2 An Annual Statement of Finance and a Statement of Service Performance is required for the RWNZ Consolidated Annual accounts (refer separate forms).
- 2.3 The Annual Statement of Finance and Statement of Service Performance must be sent to National Office by the end of the third week of August each year. Earlier is preferred. Statements of Finances must be accompanied by bank statements and term deposit notices etc. to evidence the balances show.
- 2.4 If the Branch or Group has any other assets, their value must also be included in the annual Statement of Finance and evidence of the asset value provided.
- 2.5 Each year the Annual Statement of Finance is reviewed by an Independent Person and a report attesting to this is sent to National Office. The reviewer of the financial statements needs to be independent of the preparer of the financial statements and must not be a member of the Branch/Group.

- 2.6 For Branches/ Groups who are registered incorporated societies the **current** requirement for filing Annual Financial Statements¹ is as follows:

“Every year an incorporated society is required to register a copy of its annual financial statement (accounts). This will usually happen after the annual general meeting (AGM). If a society fails to send a copy of its annual financial statements to the Registrar, she may assume it is no longer operating and may then take steps to remove it from the register. Once an incorporated society is removed from the register it will no longer be a separate legal entity”.

Refer also the Incorporated Societies website www.societies.govt.nz/cms

3. GST

- 3.1 Where the branch/group has total income (from sources liable for GST) that is in excess of \$60,000 per annum then the branch/group will need to register for GST. Note the \$60,000 limit applies as at July 2017 and may change. Refer the IRD website² or your accountant for further information or advice.
- 3.2 The IRD website contains Information on what income is liable for income tax (for organisations not entitled to an exemption), and what income is liable for GST (for those organisations that are registered for GST). Refer the IRD website or your accountant for further information or advice.

4. Receipts

- 4.1 All monies received should be acknowledged with a receipt and banked as soon as possible. Every transaction must be entered in the Branch/ Group cash book.
- 4.2 The Branch cash book can be electronic, for example a spreadsheet or on-line accounting system.
- 4.3 If electronic systems are used the Treasurer must keep a back-up copy, two copies are preferred with one at a different location (for example at the Secretaries' House).
- 4.4 All money received is to be written in the receipt side of the cash book, and must be banked prior to the end of the RWNZ financial year.
- 4.5 Monies received are to be itemized in an extended column cash book or electronic equivalent. Examples of column headings can be found in the Annual Statement of Finances. Including these headings in the ones used in the cash book or electronic equivalent, maybe useful to assist with the annual report required for the Consolidated Annual Accounts.
- 4.6 At the end of the year the total received must equal the sum of all the itemized columns.

¹ As at 17 October 2016; www.societies.govt.nz/cms/incorporated-societies/running-a-society/multipagedocument_all_pages#annual-financial-statements

² www.ird.govt.nz

5. Payments

- 5.1 Payments should be made by cheque or online payment. If making payment by cash is unavoidable, and the amount is small (less than \$10) then a receipt must be obtained.
- 5.2 The Branch/ Group cash book can be electronic, for example a spreadsheet or on-line accounting system.
- 5.3 If electronic systems are used the Treasurer must keep a back-up copy, two copies are preferred with one at a different location (for example at the Secretaries' House)
- 5.4 With the exception of petty cash (if used), there should be no payments by cash.
- 5.5 Treasurers must keep invoices or other supporting documents for all payments. If paid by cheque the cheque number and date should be written on the invoice/ document. If paid by on-line payment the date the payment was made and AP should be written on the invoice/ document. Supporting documents may also useful for the Statement of Service Performance.
- 5.6 Invoices/documents must be filed in either payment date order or alphabetic order.
- 5.7 All payments must be entered into the payment side of the cash book. Where cheques are used payment details must be recorded on the cheque butt. As well as being recorded as a total, monies paid out must be itemized in an extended column cash book or electronic equivalent. Examples of column headings can be found in the Annual Statement of Finances. Including these headings in the ones used in the cash book or electronic equivalent, maybe useful to assist with the annual report required for the Consolidated Annual Accounts.
- 5.8 A cheque may be drawn for petty cash to pay for small items of expenditure such as photocopying, and postage, and a record must be keep of such expenditure.
- 5.9 At the end of the year the total payments must equal the sum of all the itemized columns.

6. Payments to Volunteers

- 6.1 Volunteers may be either reimbursed for any expenses they have from their voluntary activities or receive an honorarium for their services.
- 6.2 Reimbursement payments are treated as tax exempt income for the individual if they are based on actual expenditure or a reasonable estimate of the likely cost. For example:
 - reimbursement to a member for the tea/coffee they purchased for supper at the monthly branch/group meeting. A receipt needs to be provided to support the claim
 - The branch/group may reimburse a member for taking their car and other members to the Regional Conference.
- 6.3 The current mileage rate approved by RWNZ for reimbursement remains unchanged at 50c per km Note this is different from the IRD approved motor vehicle reimbursing rate, currently 73c per kilometer travelled (April 2017). The AA and IRD rates include the full costs of owning

and running a vehicle some of which would be incurred anyway and do not increase because the vehicle is used for RWNZ related travel.

- 6.4 Honoraria are payments made for services where no fixed payment would normally be made. These payments are treated as schedular payments for tax purposes and as at July 2017 are taxed at a flat rate of 33%. Refer the IRD website³ or your accountant for further information or advice.

7. Monthly Balances

- 7.1 The cash book balance should be reconciled monthly to the month-end balance as per the bank. Check each entry in the cash book to the items on the bank statement. The common reasons for a difference between the cash book balance and the bank balance are deposits not yet showing in the bank and cheques written but not yet presented at the bank. Other adjustments may be needed for bank fees or interest received. Write these into the Branch/ Group cash book.

8. Treasurers Report

- 8.1 At each meeting held by the branch/group a report should be submitted to the meeting of the current financial position along with a list of bills for payment. A motion approving the report and the bills for payment should also be passed.

Refer example below:

Opening Balance \$1,220.96
<i>Inwards</i>
Raffle (March) \$31.00
<i>Outwards</i>
No payments made.
Closing Bank Balance: \$1,251.96
Bills for Payment
Anglican Parish Hall Hire \$40.00
<i>That the financial report as presented is accepted and bills approved for payment. Moved: Mrs J/Seconded: Miss C CARRIED.</i>

9. End of Year Balance

- 9.1 At the end of the financial year, check all entries in the cash book against the bank statement and include interest received and bank charges. If this has been done monthly this should be a simple task as is the same as for a normal month end.

³ www.ird.govt.nz

- 9.2 Add the income to the opening balance at the start of the financial year, and then deduct the total expenditure for the year. This gives the closing balance which should agree with the balance on the bank statement unless there are any reconciling differences such as deposits not yet showing in the bank or cheques written/ payments made but not yet presented at the bank.
- 9.3 Add up the totals of each of the income and expenditure types. The totals of the individual expense types should agree the overall total expenditure. The totals of the individual income types should agree the overall total income.
- 9.4 This information is used to prepare the annual Statement of Finance a copy of which should be sent to National Office as soon as it is complete. It does not have to be reviewed first. The reviewers report can be send later once the review is complete. Refer notes under General and Associated Documents.
- 9.5 The annual statement of Finance must be accompanied by supporting bank statement(s) and other asset value evidence. Bank statements include all accounts and term deposits.
- 9.6 The Annual Statement of Finance and a Statement of Service Performance is required for the RWNZ Consolidated Annual accounts (refer separate forms).

10. Life Membership

- 10.1 Members prior to 1st July 1989 are Life Members and do not pay a subscription. If a Life Member chooses to contribute financially, it is to be treated as a donation only and retained in Branch/ Group funds.

11. Archiving Branch/Group Financial Accounts

- 11.1 Branches/Groups are required to retain all financial information for a period of seven years even if you cease operating. For more information, please refer to the Inland Revenue Department (IRD) website www.ird.govt.nz.

12. Associated Documents

1. Annual Statement of Finance and Notes on Preparation
2. Annual Statement of Service Performance
3. Independent Reviewer's Report
4. Consolidation Fact Sheet

Approved by the Board: 17/11/2017

*Officer ref: 286 Terms of Reference and Role Description:
Branch and other RWNZ Group Treasurers*