

VIEW Club Cashbook and Annual Audit

Guidelines and recommendations

January 2019

Contents

| | |
|---|----|
| VIEW Club Cashbook _____ | 1 |
| Recording Transactions in VIEW Club Cashbook _____ | 3 |
| Unpresented Cheques and Outstanding Deposits _____ | 6 |
| Reconciling VIEW Club Cashbook at the end of the year _____ | 7 |
| VIEW Annual Audit _____ | 8 |
| Reconciliation Process of Annual Audit _____ | 9 |
| Recommendations _____ | 10 |
| Cashbook Request for Audit _____ | 11 |
| Sending Financial Documents to National Office _____ | 12 |
| NOTES _____ | 13 |



“VIEW Electronic Cashbook is in Excel format and requires basic computer skills to maintain it.”

VIEW Club Cashbook

Your **VIEW Club Cashbook** is provided for you to record all of your Club’s financial transactions, and should accurately reflect your Club’s bank account reconciliation. It records income and expenditure and must be maintained with appropriate supporting documentation such as invoices, receipts, petty cash forms and cheques book butts.

Each Club must maintain a VIEW Club Cashbook. National Office provides Clubs with either an electronic cashbook or a printed cashbook (in pad form) together with the VIEW Club Cashbook Guidelines.



Sample pages are provided at the beginning of the Cashbook.

Keep the VIEW Club Cashbook as your official record of income and expenditure for your club – do not create your own. The Auditor uses the details recorded in the columns from the cashbook.

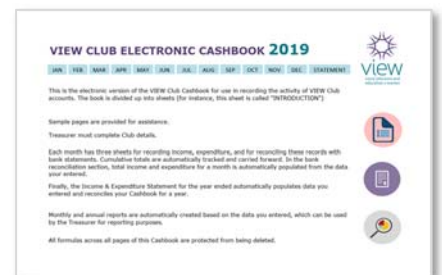
Treasurers are encouraged to use the VIEW Electronic Cashbook.

VIEW Electronic Cashbook

Due to its automatic calculation functionality in Excel, the Electronic Cashbook is the **preferred** format for our annual audit because it simplifies your Club’s Cashbook reconciliation process. To maintain electronic version you will require basic Excel knowledge.

Benefits of using an electronic version:

- Easy data entry
- It improves data accuracy
- There is a built in self-checking mechanism
- All formulas across all pages of the Cashbook are protected and unable to be deleted





- All totals are automatically calculated
- Opening and closing balances are automatically populated month to month
- It minimises the time to reconcile Cashbook for the annual audit as the Income and Expenditure Statement for the year is automatically populated
- Monthly and annual reports are automatically created based on the data you entered, which can be used by the Treasurer for reporting purposes.



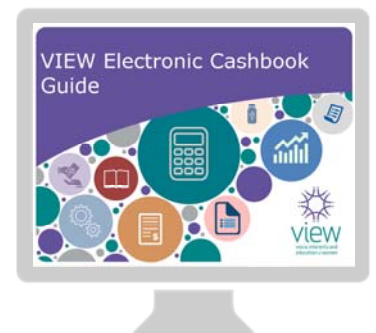
Electronic Cashbook Guide

A step by step guide is available. This guide will help Club Treasurers understand how to use the VIEW Electronic Cashbook and feel confident when using it.

The Guide covers all questions you may have such as:

- How to download/open/save the cashbook on your computer
- Cashbook content
- Data entry and samples
- How to print your cashbook
- How to backup the file

and more...



To download
VIEW
Electronic
Cashbook
Guide please
go to our
website

[www.view.org.au
/resources/forms](http://www.view.org.au/resources/forms)



We recommend maintaining your Club's Cashbook on a monthly basis – do not leave it until the end of the year.

Recording Transactions in VIEW Club Cashbook

All pages of the VIEW Club Cashbook are designed to record transactions related to VIEW Clubs.

Income Page

This page contains the details of all money coming into the Club bank account from meals, functions, raffles, annual subscriptions, joining fees, donations and merchandise.

All income should be receipted. The total of receipts written should always equal the sum deposited on that day, so there is only one line in the cashbook per bank deposit. If you receive a **direct deposit** to your bank account, please ensure that the deposit reference number is recorded.

Receipts can be grouped e.g. receipts number 603551-603556.

One receipt is written to cover all meal monies for the day.

Raffle monies are receipted as a total for that day.

The entries in the **Total Banked** column must balance with the total of the entries in all columns.

When the **Other** column is used, a brief explanation should be included in the Comments column.

Total for the month must be completed and matched with your Club's Bank Statement.

Brought Forward is a **Progressive Total** from the previous month. However, in January (which is the start of the year) you will not have any amount to record.

Progressive Total is a total of the year to date Income. Progressive Total must be completed each month and accurately recorded.



Expenditure Page

This page contains the details of all payments made from the Club bank account for meals, functions, raffles, donations, joining fees, *LfL* sponsorship, merchandise, and other goods and services. When the **Other** column is used, a brief explanation should be included in the Comments column.

Where bank charges are applied, the page number of the bank statement on which they appear must be noted in the "Payee" column.

Cheque numbers should be entered sequentially and the date in the Cashbook is the day the cheque was written. If you paid via EFT, please record the transaction receipt number.

The entries in the **Cheque Total** column must balance with the total of the entries in all columns.

Total for the month must be completed and matched with your Club's Bank Statement.

Brought Forward is a **Progressive Total** from the previous month. However, in January (which is the start of the year) you will not have any amount to record.

Progressive Total is a "year to date" total of Expenditure. Progressive Total must be completed each month and accurately recorded.

Bank Reconciliation Page

This page reconciles all of the Club's Income and Expenditure for the month against the Club's bank statement.

CASHBOOK SECTION

The Cashbook **Opening Balance** for the month is the Cashbook Closing Balance from the previous month.

When you start the Club's Cashbook in January, please ensure that this balance is the same as the **Club's Cashbook Closing Balance** as at December from the previous year. This balance is not the same as last year's **Bank Statement Closing Balance**.



Ensure all **unpresented cheque/s** from last year are carried forward if they are not presented by the end of January.

Income Received is the Total Income for the month.

Sub-total is a sum of Opening Balance and Income Received.

Expenses Incurred is the Total Expenditure for the month.

Cashbook Closing Balance equals Sub-total minus Expenses Incurred.

BANK STATEMENT SECTION

Bank Statement Closing Balance is the closing balance as per your Club's Bank Statement.

Total Bank Balance is the balance from the Bank Statement Closing Balance plus Outstanding Deposits minus Total Unpresented Cheques.



“Ensure all unrepresented cheques from last year are carried forward if they were not presented as at end of January.”

Unpresented Cheques and Outstanding Deposits

Unpresented Cheque/s

Unpresented Cheques are the cheques recorded in your Club’s Cashbook but not yet showing on your Club’s Bank Statement. All unpresented cheques should be recorded in the Cashbook.

Stale Cheque/s

An unpresented cheque becomes a **“stale cheque”** when it is over 12 months old. All Treasurers should make an assessment of which cheque/s are “stale” at the end of December each year.

What if my Club’s cheque becomes “stale”?

You have two options:

1. **Cancel this cheque** and make an adjustment in your Cashbook on the December Income page in the row “Stale cheque”.

Note: a bank cancellation fee will apply.

or

2. **Make an adjustment** in your Cashbook without cancelling the cheque/s and record it on December Income page in the row “Stale cheque”

Example:

| Date | Details | Total Banked | Meals | Functions | Raffles | Members Subs/ Joining Fee | LFL | Others | Comments |
|------|---|--------------|-------|-----------|---------|---------------------------|-----|--------|---------------------------------|
| | Stale cheque (an unpresented cheque over 12 months old) | \$20 | | | | | | \$20 | Cheque #: Supplier: Date: |

Outstanding Deposits

Outstanding Deposits are the deposits recorded in your Club’s Cashbook but not yet showing on the Bank Statement.



“If your Club’s Income and Expenditure Statement is not reconciled the annual audit cannot be finalised.”

Reconciling VIEW Club Cashbook at the end of the year

All Total **Income and Expenditure for the year** must be reconciled with your Club’s Bank Statement at the end of each year.

Income & expenditure statement for the year

Total Income is the sum of all Club income for the year.

Total Expenditure is the sum of all Club expenditure for the year.

You can use the Progressive Totals at the end of December to obtain the figures to be put in the “Total” columns.

BANK RECONCILIATION FOR THE YEAR

The **Cashbook Opening Balance as at January** is the Cashbook Closing Balance from December of the previous year.

Total Income Received is the Total Income for the year.

Total Expenses Incurred is the Total Expenditure for the year.

Cashbook Closing Balance equals Cashbook Opening Balance plus Total Income minus Total Expenses Incurred.

Bank Statement Closing Balance is the closing balance as per your Club’s Bank Statement as at 31 December.

Total Bank Balance is the balance from the Bank Statement Closing Balance plus Outstanding Deposits minus Total Unpresented Cheques.

How do I know if my Club’s Cashbook is reconciled?

The Cashbook is reconciled when the **Cashbook Closing Balance** is the same as the **Total Bank Balance**. Your cashbook is now ready for VIEW Annual Audit.



VIEW Annual Audit

Purpose

To provide an objective independent examination of VIEW Clubs of Australia's financial records for inclusion in the Annual Financial Statements of The Smith Family.

Audit Process

The financial books of each Club (VIEW Cashbook - electronic or hard copy), together with the monthly bank statements and all supporting documentation such as invoices and receipts, etc. are audited by The Smith Family finance team shortly after the end of each year and subsequently audited by their external auditor.

The same procedure applies to the financial books of all National and Zone Councillors.



Audit Timeframe

It may take **up to 8 months** to finalise VIEW Clubs' annual audit. Submitted financial documents will be returned back to Clubs and Councillors together with an audit outcome letter. If recommendations are made to your Club in the audit outcome letter, please ensure the Treasurer for following year is made aware of these recommendations.



Reconciliation Process of Annual Audit

Reconciliation is an accounting process that uses two sets of records to ensure figures are correct and in agreement. It confirms whether money coming into a bank account matches deposit book butts, and money leaving a bank account matches the expenditure receipts. This process makes sure the two are balanced at the end of the recording period.

VIEW Audit reconciliation process includes five steps:

| Reconciliation | | Steps |
|----------------|--------|--|
| Monthly | Yearly | |
| ✓ | | STEP 1: Confirm Opening Balance Confirm the Opening Balance in January for the year is matched with the Cashbook Closing Balance from December of the previous year. |
| ✓ | | STEP 2: Confirm Income & Expenditure Confirm Income & Expenditure for each month is matched to the Bank Statement. |
| ✓ | | STEP 3: Confirm bank and Cashbook balances Confirm the Closing Balance for the month in the Cashbook is matched to the Closing Balance in the Bank Statement for the month. |
| ✓ | | STEP 4: Confirm unrepresented cheques and outstanding deposits Confirm the list of unrepresented cheques against cheque book butts. Confirm the list of outstanding deposit against deposit book butts. |
| | ✓ | STEP 5: Reconcile Income & Expenditure Statement for the year Confirm the Cashbook Closing Balance for the year is matched to the Total Bank Balance for the year. |



Recommendations

VIEW Club Cashbook

- All pages of the Cashbook must be completed.
- Use the Electronic Cashbook where possible, as it has built-in checking mechanisms.
- If you use a paper VIEW Cashbook, **Total for the month, Brought forward** and **Progressive Total** columns must be accurately recorded and completed.
- The January Cashbook Opening Balance must match with the December Cashbook Closing Balance from the previous year.
- Monthly Income and Expenditure records should match with the Bank Statements.

Bank Statements

- Provide all Bank Statements from 1 January to 31 December.
- **The final December statement must be provided.**
- The Bank Statement Closing Balance must be recorded in the Cashbook.

Receipts, Butts & Petty Cash Form

- Provide all cheque and deposit butts, receipts/tax invoices.
- Provide the Petty Cash Recording Form.



Cashbook Request for Audit

National Office sends every Club a “Cashbook request for audit” letter in January each year to remind clubs to prepare financial documents for the annual audit.

After receiving the final bank statement **as at 31 December**, the Treasurer completes the Income and Expenditure statement for the year.

If you don't have statements as at 31 December, please provide a copy of the January statement from the following year.

Once completed, the VIEW Cashbook, together with the monthly bank statements, invoices, receipts, cheque butts and other supporting documents are to be sent by Express Post addressed to **The Accountant, The Smith Family, GPO Box 10500 SYDNEY NSW 2001.**

Audit Checklist

- VIEW Cashbook. Email an electronic version for Audit to view@thesmithfamily.com.au
- Completed and reconciled Income and Expenditure Statement
- Bank Statements from 01 January to 31 December.
If you don't have statements as at 31 December, please attach a copy of the January statement from the following year.
- All donation receipts from The Smith Family
- All Tax Invoices
- Deposit books (butts only)
- Cheque Books (butts only)
- VIEW Club receipt books
- Petty Cash Recording Form together with receipts/invoices
- Any other supporting documents



Sending Financial Documents to National Office

Before you submit your financial documents for audit please ensure all documents are included in your package according to the VIEW Audit Checklist.

All documents must be sent by either an **EXPRESS** Post or **REGISTERED** Post envelope to the following address:

The Accountant
The Smith Family
GPO Box 10500
SYDNEY NSW 2001



Remember to write the name of your Club and a return street address on the reverse side of the Express Post envelope.

If you are unable to send your financial books by the deadline, the Treasurer/Councillor needs to submit a "Late Notification Form" informing National Office of the reasons for the delay and when your financial documents can be expected to be received, so that the auditors can be notified.

NOTE: Do not include any other Club correspondence or cheques, etc. not related to the audit in this audit package as it goes directly to the Auditor and will not be received by VIEW National Office team.

Thank you for taking responsibility for your Club's financial records. The role of Treasurer is an important and sometimes challenging one which is vital to the efficient functioning of the organisation and which impacts ultimately on the contribution that VIEW can make to disadvantaged children and families in our community.