


NOOSA COUNCIL

Preventing Fraud
In Community
Organisations




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1

Finance Check List ?

- ▶ Do all committee members understand the term “not for profit”
- ▶ Do you have a transparent procedure for recording all income & expenditure
- ▶ Is all money received banked promptly
- ▶ Do you have credit card and/or EFT facilities
- ▶ Do you have a petty cash / reimbursement system
- ▶ Do you have a system for approving expenditure
- ▶ Do you keep a clear paper trail for all financial transactions and records
- ▶ Can all committee members read and understand your financial reports to an adequate level



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Ask Any Time!

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Why is all of this important?

Sentenced to 18 months jail for stealing almost \$100,000

How high stakes fraud

Exclusive: Former Keep Australia Beautiful CEO convicted of swindling

David Burwell

A 49-year-old head of Australia's leading charity for 10 years, David Burwell was sentenced to 18 months in jail for stealing almost \$100,000 from the organisation to buy himself an expensive holiday home in Queensland.

David Burwell, 49, was the chief executive of Keep Australia Beautiful (KAB) when he purchased costly properties for himself and his family in Queensland.

The former CEO was sentenced to 18 months in jail and a \$100,000 fine for the fraud.

The sentencing judge said Burwell was "highly intelligent and well educated".


SPENDING SPREE

THE HOLIDAY

David Burwell's holiday home in Queensland cost him \$100,000.

THE RACES

David Burwell was sentenced to 18 months in jail for stealing almost \$100,000 from the organisation to buy himself an expensive holiday home in Queensland.




4

Former NSW RSL president Don Rowe fraud charges to go to hearing

Madeline Link National

SHARE TWEET



NSW RSL leaders internally charged with cover up-over expenses scandal

By Heath Anton and political correspondent
Updated January 17, 2017 - 1:22pm, first published at 12:52pm

Nine directors of the scandal-plagued NSW RSL have been formally accused of working against the interests of members by engaging in a cover-up over the alleged sorting of expenses by former president Don Rowe.

The NSW leadership group has also been internally charged by the national RSL with bringing the organisation into disrepute after a number of embarrassing stories by Fairfax Media and the ABC exposed the alleged financial mismanagement at the century-old institution.

TODAY'S TOP STORIES

HEARING: Former NSW RSL president Donald Rowe will have his case go to a hearing in December.

FORMER NSW RSL boss Don Rowe will have his fraud case go to a hearing in December.

The 71-year-old Armidale man has pleaded not guilty to two charges of dishonestly obtaining financial advantage by deception.

Rowe faced Sydney Downing Centre Local Court on Monday, he is accused of using an RSL credit card to splash out on personal expenses for his family between September 2012 and November 2014.

An inquiry in 2016 found Rowe had withdrawn \$200,000 in cash and spent \$475,000 on the corporate credit card to pay for family phone bills, mortgage, flights and meals during his 11-year reign as president, which ended in 2014.

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Former Brisbane netball leader Deborah Morton jailed for fraud

December 17, 2013 - 10:30am

f t e A A A

TODAY'S TOP STORIES

QUEENSLAND COUNCILS
Qld government backs down on council compulsory preferential voting
1 hour ago

BRISBANE DEVELOPMENT
Mansfield Tavern to be demolished for restaurant and retail precinct

GOVERNMENT
Queensland Labor MP denies any conflict in law firm concerns
2 hours ago

TELECOMMUNICATIONS
Australians would have faster, cheaper internet had NBN not been built: Telstra chairman

A Brisbane netball association badly hit in the city's flood disaster suffered a double blow when its president stole more than \$100,000 to feed a gambling addiction, a court has heard.

Former Western Districts Netball Association president Deborah Morton, 47, was jailed for one year on Monday after pleading guilty in the Brisbane District Court to fraud.


Morton stole \$103,000 from the association by forging cheques and invoices and using blank cheques that had been signed by the organisation's treasurer, the court heard.

Justice Leanne Clare said most of the money - obtained in 61 transactions over about 12 months - was spent in poker machines.

The Graceville-based association received more than \$600,000 in flood-recovery funding from Brisbane City Council and the state government in 2011 to fix its netball courts and clubhouse, according to council minutes.

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Former netball administrator Christine Melnikas. Picture: Mark Stewart

LAW & ORDER

Banyule netball club bookkeeper Christine Melnikas jailed for stealing more than \$200,000 from association



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Netball mum avoids jail after stealing hundreds of thousands from Indigenous co-op

By Derrick Krusche
June 25, 2018 – 7:15pm

f t e [A](#) [A](#) [A](#)

TODAY'S TOP STORIES

TELECOMMUNICATIONS
Australians would have faster, cheaper internet had NBN not been built, says Telstra chairman

SAME-SEX MARRIAGE
Anglican Archbishop tells same-sex marriage supporters to leave church
2 hours ago

COURTS
Thirsty passenger faces huge legal bill after Emirates lawsuit fails


ROAD TOLL
Terrible accident: Toddler killed when car rolled back at childcare centre

A former star netballer who was raised as an outsider in an Indigenous family before she tried to win their love by stealing hundreds of thousands of dollars from the Wadawurrung people has avoided jail time.

Kelly Howard, 45, who played for the Bungaree Football Netball Club, repeatedly broke down in tears in the County Court in Ballarat on Monday as she pleaded guilty to defrauding the Wathaurung Aboriginal Corporation of more than \$333,000.

She was volunteering as a bookkeeper in 2011 when she started to take advantage of the "vulnerable organisation" she helped found, transferring money into her own account and paying for a deposit on a house for her mother in Horsham and dance classes for her daughter until an audit caught her red-handed in 2016.

Crown prosecutor David O'Doherty read out a victim impact statement from Uncle Bryon Powell, who said the co-op relied on donations and was set up to look after the interests of the Wadawurrung people.



Kelly Howard in 2013. BALLARAT COURIER

8


NATIONAL QUEENSLAND ONLINE

Envious footy mum jailed for fraud

By Aaron Buch
September 30, 2019 - 4:59pm

A Brisbane mother who felt so much pressure to keep up with other football mums that she committed thousands of dollars worth of fraud and forgery offences is facing deportation after being jailed.

New Zealand citizen Hunter Louise Lehaull, 36, admitted to 19 dishonesty offences over a five-month period in 2018, including hiring hotel rooms during a football tournament but failing to pay for them.



Lehaull's offending was described as impulsive and irresponsible.

The mother-of-five also used Gumtree to fraudulently accept \$11,380 worth of rent and bond for a room at a home she wasn't authorised to lease, the Brisbane District Court heard on Monday. Lehaull cried in the dock as she was sentenced to four years and three months in prison.

Free initial appointment*
Slater Gordon

She will be eligible for parole after serving 14 months, which may lead to her deportation under section 501 of the Migration Act in 2014.

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Geelong Football Club takes fundraising firm to court over 'misleading' promotions

By Karen Percy
Updated 23 May 2019, 12:46pm

The Geelong Football Club has taken court action against a former fundraising contractor for alleged misleading and deceptive behaviour involving members-only benefits.

During a hearing in the Federal Court of Australia this week, lawyers for the Cats argued that Toorak-based sports fundraising firm Loyalty Pty Ltd was offering club members corporate hospitality products when it should not have.

The products relate to The Pivots club, a members-only experience run by Geelong which includes gourmet dining, premium seats and access to training sessions.

Loyalty was contracted to The Pivots club as part of fundraising campaigns from mid 2015 until early 2016.

According to its website, Loyalty offers its clients scratch-it lotteries, raffles and other products, offering prizes and access to loyalty schemes.

The case centres on a number of complaints by Cats members who thought they were supporting the club through Loyalty — when, in fact, the company no longer had a formal affiliation with the club.

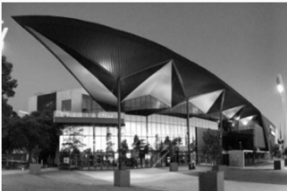



PHOTO: The Cats argue fans were tricked into thinking they could get access to The Pivots club. (ABC News: Cameron Best)

Key points:

- Geelong says Loyalty misled supporters, making them think it was raising money for the club
- A court has heard one customer gave \$1,500 to the company, thinking she would get tickets to a Geelong home game
- Loyalty has said people got what they paid for and what was being offered was "quite clear"

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Disability charity manager stole \$1 million to gamble, take holidays and watch TV, court hears

By Timothy Swanston
Updated 24 Apr 2018, 1:56pm

A long-time charity manager used most of the \$1 million she defrauded from a disability respite centre to pay for her gambling habit, holidays, pay-TV account and her husband's business expenses, the District Court in Brisbane has heard.

Donna Healey was today sentenced to eight years in jail after she pleaded guilty to using her position as an administrative officer at Horizons Respite and Recreation Association to transfer money on 866 occasions into her own bank account.

Ms Healey was sacked in 2013 when the fraud was detected, but had worked at the not-for-profit centre for 15 years, the last four as administration manager.

The court heard the care organisation based in Redcliffe, north of Brisbane, helped families and individuals with severe disabilities and was unable to purchase important communications equipment because of the money the 54-year-old siphoned into her account.

In sentencing, Judge Deborah Richards said Ms Healey's actions were "calculated and callous".

"The people involved were very vulnerable members of our society that you've taken money from," Judge Richards said.

"Victim impact statements tendered indicated that as a result of the fraud, funds were not available for essential equipment, particularly equipment which enabled some of the more severely disabled people to communicate."

"[The fraud] was calculated and it was over a long period of time."


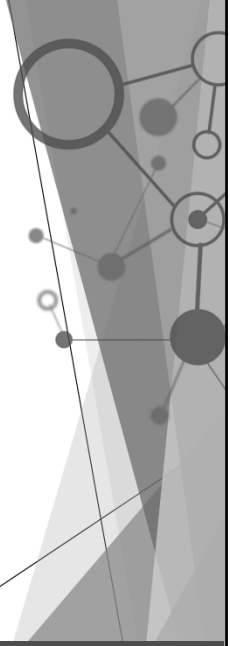



PHOTO: The long-time charity worker spent about \$2,500 a week on poker machines. (ABC News: Julie Hornsey)



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11



"The ACCC has seen horrific examples of charity scammers taking advantage of high profile tragedies like the Black Saturday bushfires and following last year's Bourke Street tragedy," she said.

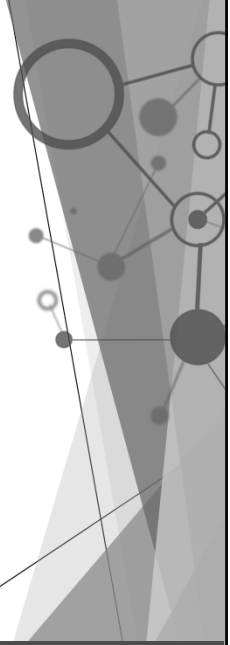
"We've also seen some recent examples of charity scammers using the current drought to rip off people.

"The scammers have no shame. If they're not creating fake charities, they will impersonate real ones like the Red Cross, RSPCA, or Rural Fire Service."

A spokesperson for the RSPCA told Pro Bono News that to avoid succumbing to bogus callers, Australians should always ask for the caller's name, reference number and call back details.

"If they are hesitant to provide details, don't donate," the spokesperson said.

Rickard's warning comes during Charity Fraud Awareness Week (22 October to 26 October), and the ACCC has encouraged donors look up charities on the Australian Charities and Not-for-Profits Commission's [charity register](#) before donating.



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12

Guide Dogs Victoria ex-manager avoids jail after stealing \$200k from charity for home renovations

By Karen Percy
Updated 19 Dec 2018, 1:51pm



PHOTO: Cirianni pleaded guilty to three charges of obtaining advantage by deception. (ABC News: Karen Percy)

A Melbourne man has avoided jail after defrauding a guide dogs charity of more than \$200,000 so he could renovate his home and install a pool.


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LAW AND ORDER

Accused Catholic Church thief Kerry Keen "set-up" by colleague, District Court trial told

Jordanna Schriever, The Advertiser
May 24, 2019 9:14pm

A WOMAN accused of stealing more than \$300,000 from the Catholic Church to fund a lavish lifestyle has told the District Court the real thief was actually a colleague.

Defence lawyers for Kerry Ann Keen, 55, told a District Court trial she was "set up" by a colleague who collected the money parishioners donated during Catholic Church services across Adelaide.

Keen, pictured, has been charged with two counts of theft, one of which is aggravated, while employed by an Adelaide organisation to count money for other businesses, including the Catholic Church, between September 2010

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14

Melbourne's leading women at war inside exclusive club

Lyceum Club manager pleads guilty to stealing furniture and \$354,820

By Samantha Hutchinson
August 14, 2019 - 1:04pm

The former manager of Melbourne's exclusive Lyceum Club has pleaded guilty to stealing furniture and defrauding the club of more than \$350,000 since 2011, in a scheme understood to have involved skimming cash from tax receipts.

Peter Stratton pushed an Age cameraman onto the road and broke his camera after appearing in Melbourne's Magistrates Court on Wednesday, where a magistrate ordered the former manager to hand in his passport ahead of a pre-sentence hearing in December.

Stratton served as general manager of the exclusive women-only Lyceum Club from 2005 until 2018, and has been charged with obtaining property by deception.

The fraud started in January 2011 and continued until June of last year when it was discovered.

Victoria Police initially charged Stratton with 123 counts, but the charge list has been struck down to just four charges under a plea deal.

Behind a discreet facade, the club counts Quentin Bryce as a member

TELECOMMUNICATIONS
Telstra chairman defends CEO, says kids-saving millions on Fortnite


RETAIL
Target, Big W ragged for refusing Faith Dyson and PlayStation returns

Thirsty passenger faces huge legal bill after Emirates lawsuit fails

TELECOMMUNICATIONS
Australians could have had faster internet for fraction of the cost of NBN

A simmering feud between some of Melbourne's most connected women appears headed for the courts, with a rebel group of Lyceum Club members preparing legal action to force a spill of the current board and expose the full extent of a \$500,000 fraud perpetrated against club members.

The battle for control of the 107-year-old women's only club, prompted by revelations that the Lyceum's long-serving general manager funnelled \$355,000 into his wife's bank account and filled his Richmond home with designer furniture bought with club money, has bitterly divided leading women in business, law and the arts.



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Luxury cars bought as part of multi-million NDIS fraud, police claim

Updated 22 May 2019, 11:50pm




PHOTO: One of the men taken into custody over the alleged NDIS fraud. (Supplied: NSW Police)

NSW Police have cracked an organised criminal syndicate they claim defrauded more than 70 people of National Disability Insurance Scheme (NDIS) payments to buy items such as luxury cars.

RELATED STORY: Disability watchdog fields 1,500 serious incident reports against NDIS participants in six months

A specialised taskforce focused on NDIS fraud arrested five people at separate homes in Lurnea and Liverpool, in Sydney's south-west, on Wednesday morning.

Key points:

- The five were arrested at separate homes in Sydney's south-west on Wednesday morning
- They are accused of controlling the

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16

The screenshot shows the ACCC Scamwatch website. The main article is titled "Fake charities" and discusses how scammers impersonate genuine charities. A sidebar on the right provides statistics for "Fake charities statistics" for September 2019, including an amount lost of \$8,063, 86 reports, and 16.3% of reports with financial losses. A gender breakdown shows 50% male and 46.5% female. The footer features the logo for COMMITTEE.com.au with the tagline "successful committees - thriving clubs".


17

The screenshot shows a news article from COMMITTEE.com.au. The headline is "Woman lived high life on \$46k of sporting group money". The article is by Blake Antrobus, dated 19th Feb 2018. The text describes how Kourtney Ellen Grace Turner, 36, was sentenced to two years and six months in jail for fraud. The article includes a quote from Police Prosecutor Kathryn Stagoll: "It appears that poor record keeping and accepting verbal treasurer's reports ensured she was able to continue with the offending." The footer features the logo for COMMITTEE.com.au with the tagline "successful committees - thriving clubs".

18

Senior Citizens Group

- ▶ Cash bingo game with income in excess of \$1M per year
- ▶ Treasurer “paying” volunteers \$30 / hour to help (claimed it was expenses reimburse)
- ▶ Evidence collected that large amount of cash were never banked and lifestyle of treasurer was lavish for a retiree
- ▶ General meeting called to dismiss treasurer who refused to resign after criminal charge
- ▶ Members who were paid & others secured proxies
- ▶ Motion defeated
- ▶ Rest of management committee had to resign instead

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Worst Football Club In The World

- ▶ Financial reports not submitted to meeting for six months
- ▶ Always excuses why information or statements could not be provided
- ▶ Move to insist on information defeated
- ▶ Two months later cheque bounced
- ▶ Theft of \$36,000
- ▶ Long term treasurer (12 years) going through divorce, began taking small amounts of cash, then larger until they couldn't be repaid.

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20

Why is all of this important?

The most common categories of concern related to fraud and financial mismanagement, including poor financial controls, inadequate due-diligence of employees and partners and a failure by the charity's responsible persons to act in the best interest of the charity...



More than 20 charities stripped of status by national watchdog

By Andrew Brown
7 October 2018 - 12:05pm

Multiple Australian charities have had their registrations revoked following recent compliance investigations by the national watchdog.



The Australian Charities and Not-for-profit Commission stripped the charity status from 22 organisations in the most recent financial year, new data shows.

In numbers

22
Charities stripped of status in 2017-18

108
Organisations that applied in 2017-18

1 869



21



NOT-FOR-PROFIT
FRAUD SURVEY 2014



22

How Much & By Who?

- ▶ A total of \$1,071,851 of fraud was suffered by organisations, surveyed representing an average of \$14,291 per fraud in 2010 (Extrapolates to over \$1B per annum)
- ▶ 36% of organisations in the development & housing category suffered fraud
- ▶ The largest number of frauds occurred in the Social Services grouping
- ▶ The most common type of fraud reported was cash theft (24%)
- ▶ The average duration of the fraud was ten months.

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23

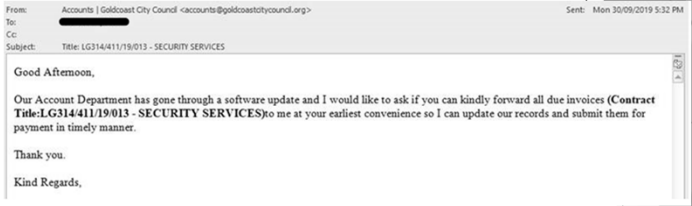
Responding

- ▶ The majority of respondents did not report the fraud to police
- ▶ 36% of organisations did not terminate the employment of the person who committed the fraud
- ▶ 67% of organisations that suffered fraud did not recover any of the funds from the perpetrator

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24

Cyber Fraud - An Emerging Menace



From: Accounts | Goldcoast City Council <accounts@goldcoastcitycouncil.org>
To: [Redacted]
Cc: [Redacted]
Subject: Title: LG314/411/19/013 - SECURITY SERVICES


Sent: Mon 30/09/2019 5:32 PM

Good Afternoon,

Our Account Department has gone through a software update and I would like to ask if you can kindly forward all due invoices (**Contract Title: LG314/411/19/013 - SECURITY SERVICES**) to me at your earliest convenience so I can update our records and submit them for payment in timely manner.

Thank you.

Kind Regards,

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25

When To Contact Police

What evidence will they need to take action?

26




Preventing Fraud

- ▶ Internal controls are absolutely vital
- ▶ Money should be managed in an atmosphere of suspicion
- ▶ No-one should have 100% trust .. Everyone makes mistakes
- ▶ Cash handling & banking are the biggest areas of risk
- ▶ NEVER sign blank cheques
- ▶ NEVER give your club's banking details out

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27

Policy Bank

FRAUD RISK MANAGEMENT POLICY

will promptly arrange to carry out an initial review into the allegation.

2. After an initial review and a determination that the suspected fraud warrants additional investigation, the CEO (or Chair of the Board) shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives will be involved in the process, as deemed appropriate.
3. Once a suspected fraud is reported, immediate action will be taken to prevent the theft, alteration or destruction of relevant records. Such actions include, but are not necessarily limited to, removing relevant records / information and placing them in a secure location, limiting access to the location where the records / information currently exists, and preventing the individual suspected of committing the fraud from having access to the records / information.
4. If an allegation of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal (or termination of an individual's right to work as a contractor or volunteer), shall be taken by the appropriate level of management.
5. The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender.

Where a prima facie case of fraud has been established, the matter shall be referred to the relevant authorities. If an allegation is made in good faith, but it is not substantiated by the investigation, no action will be taken against the complainant.

The organization will make every effort to keep the investigation confidential; however members of the management team may need to be consulted to assist with a review / investigation.

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28

11.

Do I need to worry about fraud?

Yes. There's no point gilding the lily – fraud can and does happen in the not-for-profit sector.

Not-for-Profit Sector Banking

Damn Good Advice for Treasurers

Twenty-five questions a not-for-profit treasurer needs to ask.

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not-for-profit.com.au
COUNCIL OF COMMUNITY DIRECTORS
Communities@Risk

29

Poor Governance Is A Risk

The company's downfall follows a rocky period marred by disappointing ambassadors and a revolving door of chief executives.

Anti domestic violence White Ribbon Australia enters liquidation

Anti domestic violence charity White Ribbon foundation has announced the company has entered liquidation and will "close its doors".

Phoebe Loomes @dollyybird

news OCTOBER 3, 2019 8:20PM

Financial reports released in February showed the charity was in the red by more than \$840,000.

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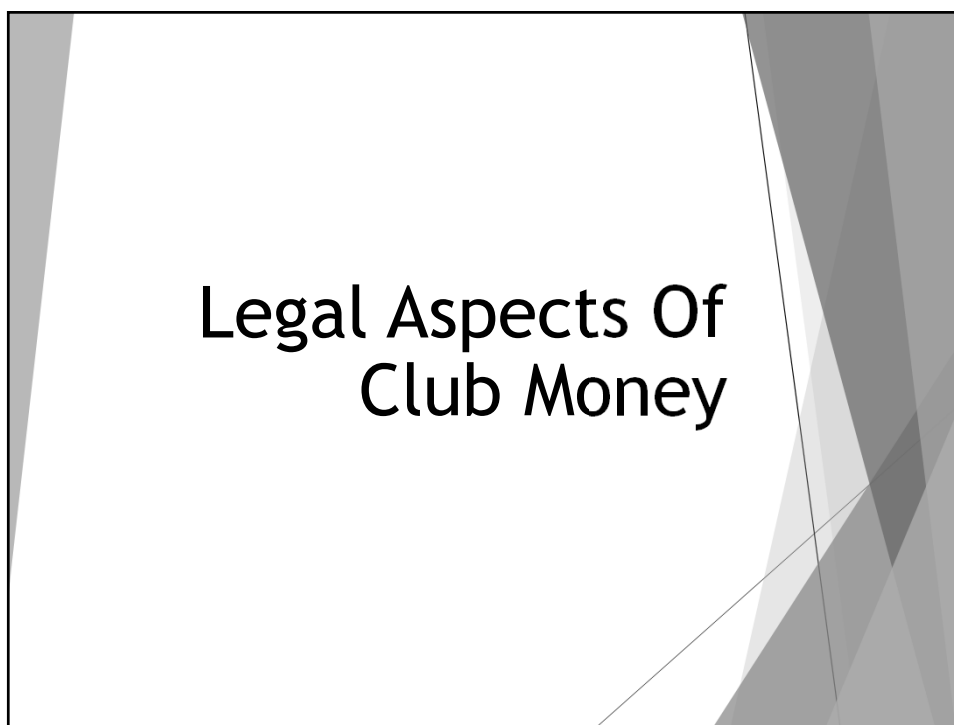
30



The Cardboard Box

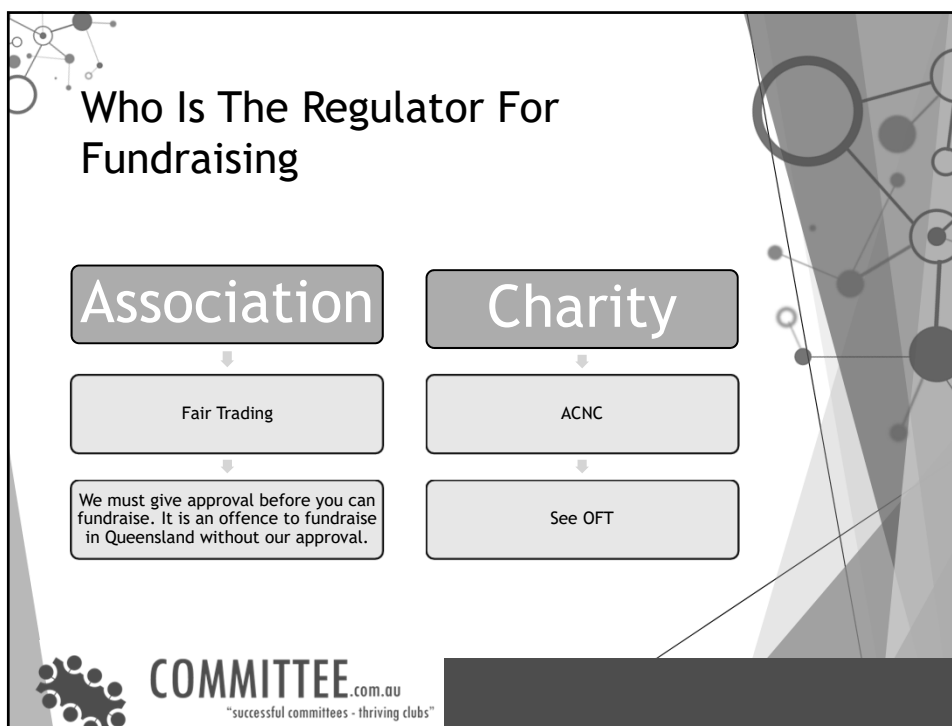
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31



Legal Aspects Of Club Money

32



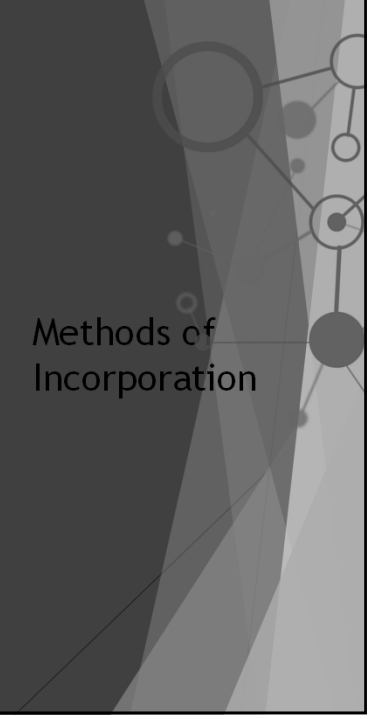

33

Profit For Purpose

- ▶ Increasing changes to the NFP business environment and even more to come (ACNC)
- ▶ Volunteer status doesn't protect you from failing to abide by relevant legislation
- ▶ Non profit doesn't mean you shouldn't make one
- ▶ Good committees understand they need to ensure the future of the business
- ▶ Volunteers need to consider where they are best suited to volunteer
- ▶ Reluctance to ask "hard" questions and insist on answers

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34

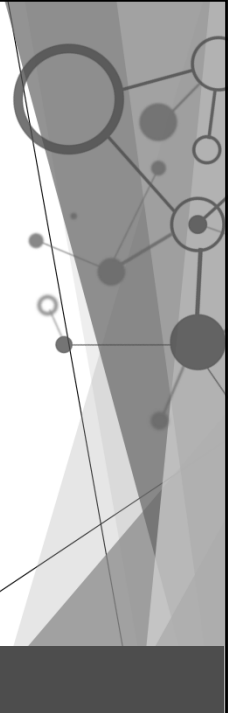



► **Incorporation**

- Incorporated Association
- **Unincorporated Association*****
- Company Limited by Guarantee or With Shares (ASIC)
- **Charitable Trust*****
- Co-operative
- Special Act of Parliament or Letters of Patent
- Union of Employers or Employees
- Church or Religious Group
- Indigenous Group

Methods of Incorporation

35



Who's Money Is It Anyway?

Your Committee responsibilities in managing finances.

Corporations Law

- Duty to act in the interest of the members, so should operate independently and free from influence
- Act in good faith
- Exercise due care & diligence
- Ensure solvency

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Who's Money Is It Anyway?

Your Committee responsibilities in managing finances.

Associations Incorporation Act (Queensland)

- Ensure all documents show Association's name, including internal documents (Sec 32)
- Have a bank account and Keep all property in the club's name (Sec 24)
- Obtain public liability insurance (Sec 70)
- Present financial reports according to level (Reg 9 & Sec 59)
- Control the Business and operations (Sec 60)
- Ensure financials are submitted to members at the AGM (Sec 59)

37

Level Details	Audit Requirements	Insurance Requirements
Level 1 Turnover or Assets Over \$100,000 per annum	Full Audit To The AIA	Must have public liability insurance Must advertise level of insurance
Level 2 Turnover or Assets Between \$20,000 and \$100,000 per annum	Accountant to confirm accounts (not full audit)	May choose not to have public liability Must advertise level of insurance
Level 3 Turnover or Assets Under \$20,000 per annum	Treasurer's Statement only (check with your organisation first)	May choose not to have public liability Must advertise level of insurance

Incorporated Association Levels (After 15 June, 2007)

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38

Insurance, Risk & Disaster

- Public Liability
 - May be required by Incorporation (Level?)
- Association Liability
 - May be included in affiliation
 - **Check!
- Cash Handling
 - May not be covered
- Fraud
 - Is not automatically covered
- Volunteers
 - May not be covered by affiliation or insurance, even if affiliated
- Assets
 - May be under or over insured
- Risk
 - Formal risk assessment is vital for every day operations & disasters
- Disaster Recovery
 - Recent events prove a great club will have a disaster recovery plan and disaster mitigation plan!

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39

Tax Law

The screenshot shows the ATO website with the following sections:

- Getting started**
 - Starting an NFP
 - Know your legal structure
 - What type of NFP is your organisation?
 - What tax concessions are available?
 - Register your NFP
 - Other registrations
 - Getting endorsed
- Gifts and fundraising**
 - Receiving tax-deductible gifts
 - Claiming tax deductions
 - Valuing contributions and minor benefits
 - Fundraising events
 - Workplace and business support
 - Tax and fundraising
 - Helping in a disaster
 - Gifts and fundraising for non-DGRs
- Your organisation**
 - Do you have to pay income tax?
 - GST
 - Dealing with suppliers
 - Investments, credits and refunds
 - Records, reporting and paying tax
 - State and territory taxes
 - Changes to your organisation
- Your workers**
 - Your obligations to workers and independent contractors
- Statements and returns**
 - Activity statements
 - Annual GST returns
- Key links**
 - Not-for-Profit Needs Service
 - Getting help
 - Encouraging the tax system
 - Ask Alexa for help

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40

Australian Consumer Law

Fundraising in an “organised, continuous and repetitive way”:

- the fundraising activities are continuous and repetitive
- the fundraising activities are organised and managed (through the use of business plans or fundraising strategies, measurement of fundraising goals and outputs, processes, policies and procedures, for example)
- the organisation that is fundraising uses resources (assets and employees, for example)
- the fundraising activities are promoted or marketed
- financial or other records of the fundraising activities are maintained.

Obligations under the ACL:

- it must not engage in misleading or deceptive conduct or unconscionable conduct; and
- if its fundraising activities also involve supplying goods or services, it must not make false or misleading representations or engage in unconscionable conduct in relation to the supply of those goods or services.

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41

WHISTLEBLOWING

- Not for profits incorporated organisations that meet the definition of a trading or financial corporation must comply.

May include organisations incorporated under state or territory legislation if trading or financial corporations:

- Incorporated associations
- Other bodies corporate,
- Incorporated organisations registered with ASIC as Australian registered bodies
- Incorporated organisations registered with the ACNS as charities

- All not-for-profit orgs structured as public companies limited by guarantee must already comply with the whistleblower protection provisions

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42

Can We Raise Funds?

43


WHISTLEBLOWING

- It is not always clear if an org falls within the definition
- Depends on activities falling within financial or trading activities
- ASIC released guidance on August 7 2019 asking for public comment as to whether public companies that are small not-for-profits or charities should be exempted from the requirement to have a whistleblower policy;
18 September is the due date to ASIC for submissions and then ASIC will provide their decision in October
- Note: if an exemption applies it only says the company does not have to have a whistleblower policy, they still have to comply with other parts of the law (ie not allowing whistleblowers to be victimised etc).
- ASIC changed the definition of what is a large private company effective July 1 2019. This means some not for profits and charities may not have to have a whistleblower policy depending on their size.




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WHISTLEBLOWING

- ASIC is beginning audits on whistleblower policy compliance beginning 1 January 2020
- Its looking for processes and training embedded in the organisation. Evidence of processes and training can be used as part of a legal defence in criminal prosecutions.
- the International Standard on Whistleblowing will be launched in June 2021. The standard is consistent with the new requirements.
- ASIC released detailed guidance on August 7 in terms of what it expects companies to have documented in their policy and how staff should be trained. Companies need to pay attention to these requirements and ensure their policy and training meets the standards expected by ASIC..
- whistleblower policies should not be overly legalistic

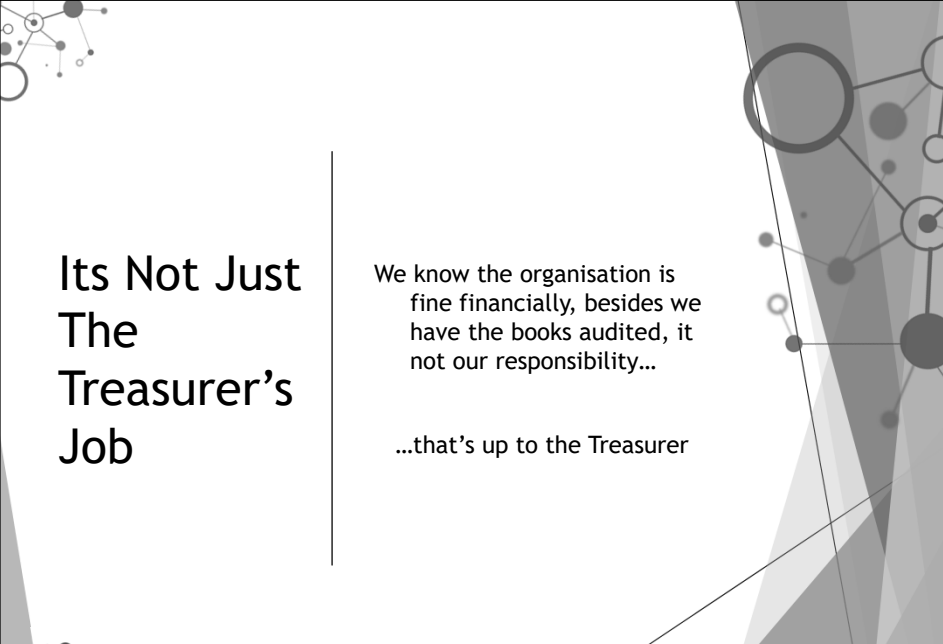
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45



Financial Monitoring & Reporting

46



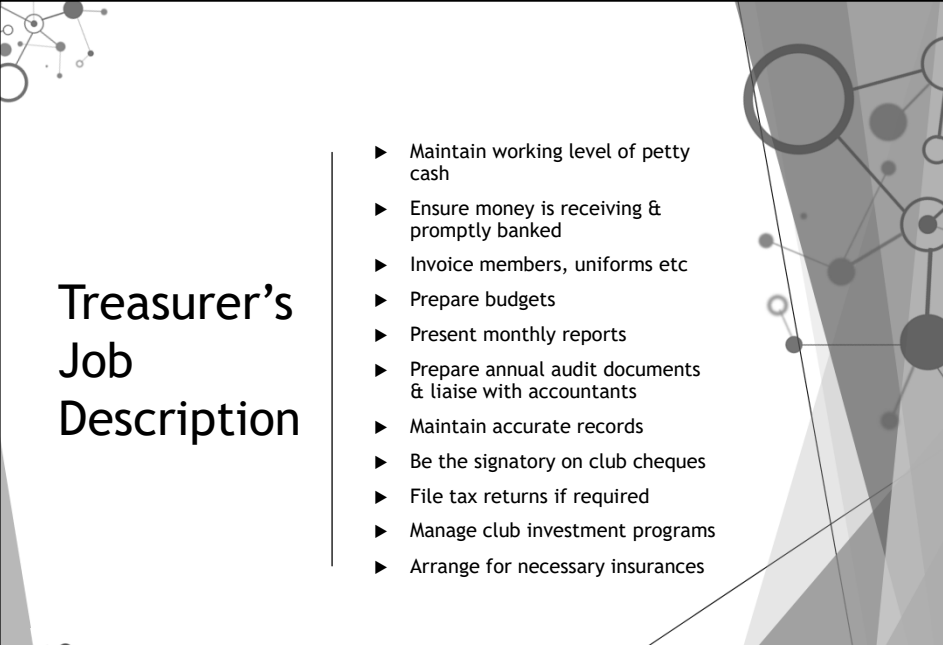
Its Not Just The Treasurer's Job

We know the organisation is fine financially, besides we have the books audited, it not our responsibility...

...that's up to the Treasurer

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47

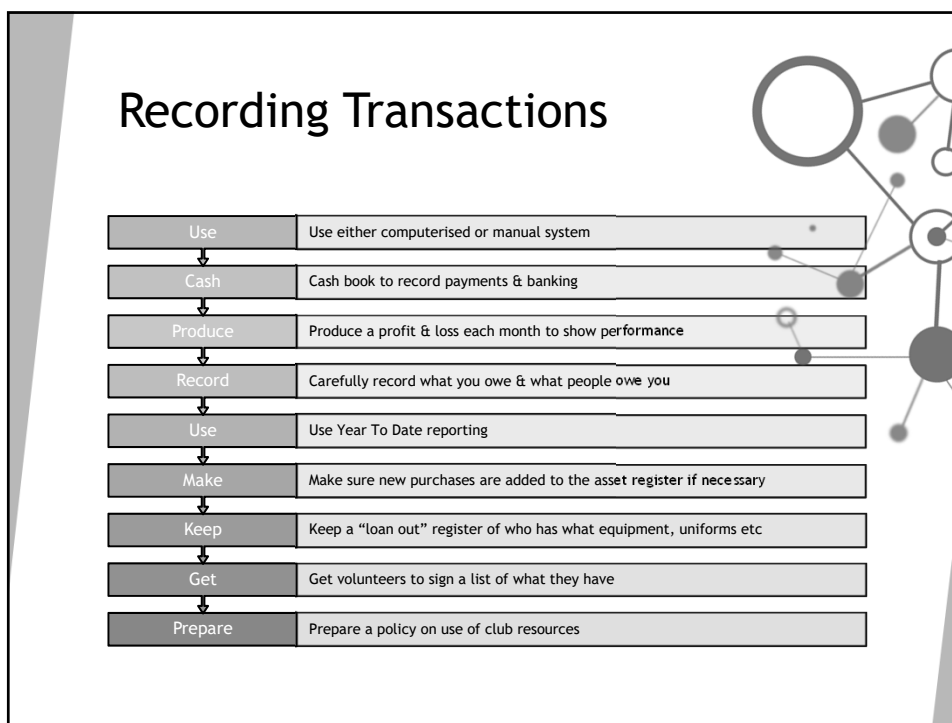


Treasurer's Job Description

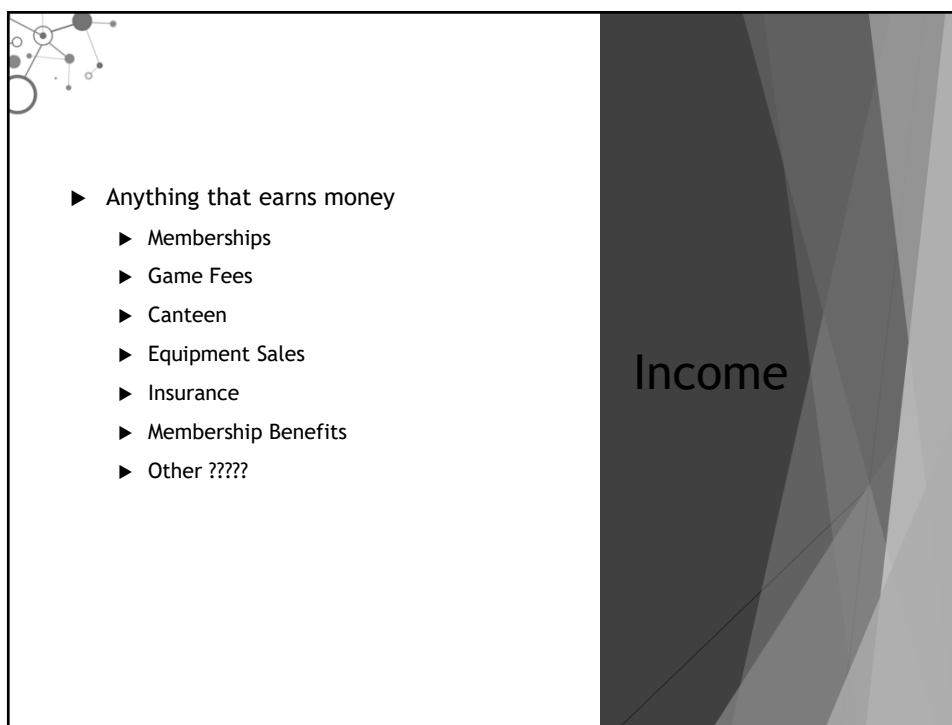
- ▶ Maintain working level of petty cash
- ▶ Ensure money is receiving & promptly banked
- ▶ Invoice members, uniforms etc
- ▶ Prepare budgets
- ▶ Present monthly reports
- ▶ Prepare annual audit documents & liaise with accountants
- ▶ Maintain accurate records
- ▶ Be the signatory on club cheques
- ▶ File tax returns if required
- ▶ Manage club investment programs
- ▶ Arrange for necessary insurances

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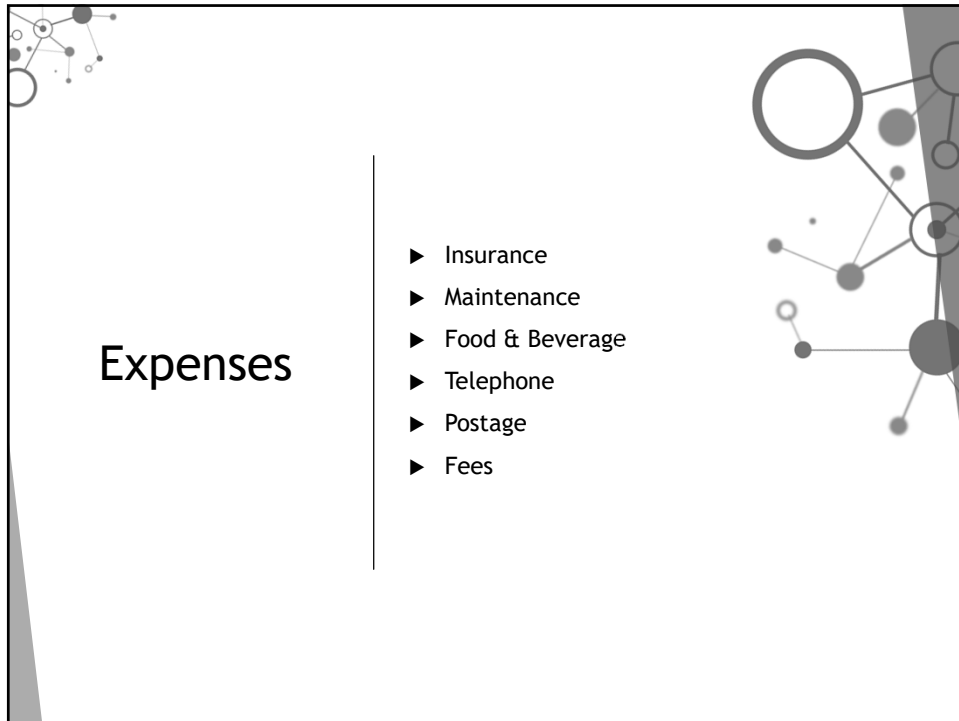
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49



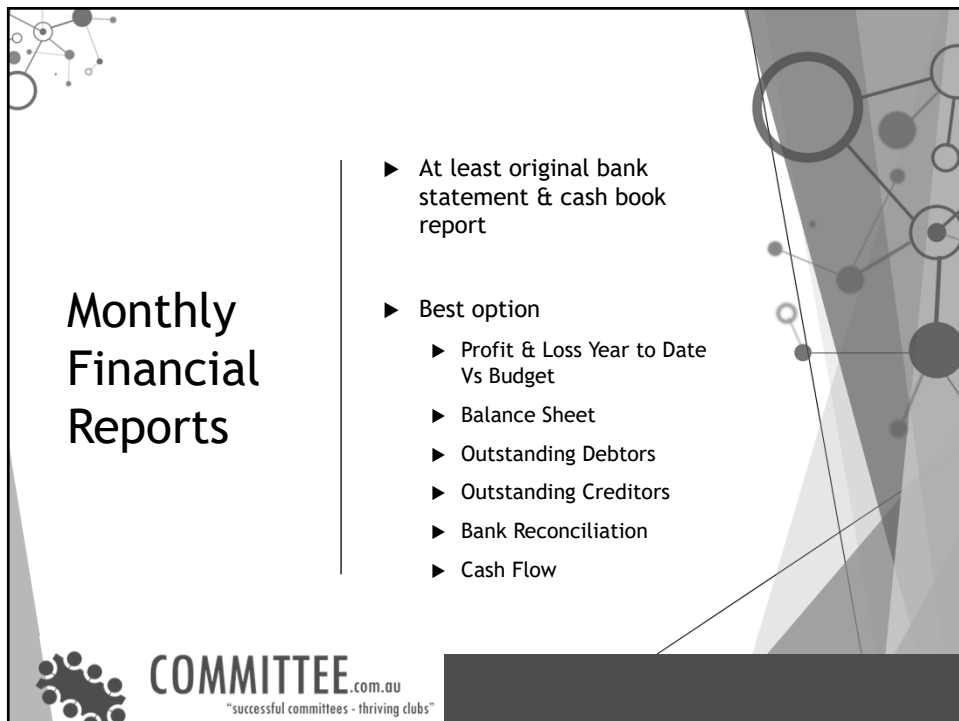
50



Expenses


- ▶ Insurance
- ▶ Maintenance
- ▶ Food & Beverage
- ▶ Telephone
- ▶ Postage
- ▶ Fees

51




Monthly Financial Reports

- ▶ At least original bank statement & cash book report
- ▶ Best option
 - ▶ Profit & Loss Year to Date Vs Budget
 - ▶ Balance Sheet
 - ▶ Outstanding Debtors
 - ▶ Outstanding Creditors
 - ▶ Bank Reconciliation
 - ▶ Cash Flow

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Sample Profit & Loss Report

XYZ Association Budget 2019

Income	January	February	March	April	May	June	July	August	Sept	October	November	December	Total
Membership Fees	10,000	30,000	5,000	1,000	500	500	500	500	500	500	500	500	50,000
Conference													
Registrations	-	500	2,000	4,000	10,000	1,000	-	-	-	-	-	-	20,000
Sponsorship	-	-	5,000	10,000	5,000	-	-	-	-	-	-	-	20,000
Grants	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Fundraising	1,000	2,000	2,000	2,000	2,000	20,000	2,000	2,000	2,000	2,000	2,000	1,000	40,000
Events	-	1,500	-	-	1,500	-	-	1,500	-	-	-	1,500	6,000
Professional Development	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	15,000
Sales	200	300	500	500	500	500	500	500	500	500	300	200	5,000
Sundry	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Total Income	26,325	35,925	16,125	21,125	21,125	23,625	5,125	6,125	4,625	4,625	5,925	1,825	172,500
Expenditure													
Accounting/Audit	-	-	-	1,500	-	-	-	-	-	-	-	-	1,500
Advertising & Promotion	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Conference													
Venue/Food & Bev	2,000	-	-	-	-	-	18,000	-	-	-	-	-	20,000
Equipment & Staging	-	-	-	-	1,000	1,000	8,000	-	-	-	-	-	10,000
Registration materials	-	1,200	-	-	-	-	-	-	-	-	-	-	1,200
Cost of Sales	100	150	250	250	250	250	250	250	250	250	150	100	2,500
Grants	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Fundraising	500	500	500	2,500	2,500	500	500	500	500	500	500	500	10,000
Events	100	600	-	-	600	-	-	600	-	-	600	-	2,500
Professional Development	-	750	750	750	750	750	750	750	750	750	750	-	7,500
IT Expenses	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Rent	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Utilities	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Employment Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
General Expenses	125	125	125	125	125	125	125	125	125	125	125	125	1,500
Printing & Postage	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Telephone	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Total Expenditure	11,560	13,080	10,380	13,880	13,980	11,380	36,380	10,980	10,380	10,380	10,880	9,480	161,760
Surplus/Deficit	14,745	23,845	5,745	7,245	7,145	12,245	- 31,255	- 4,855	- 5,755	- 5,755	- 4,955	- 7,655	10,740

The cash flow budget gives an indication of monthly performance and allows you to plan your expenditure. The final column is your total annual budget.



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XYZ Association Inc. Balance Sheet for the Period Ended [DATE]

	This Year	Last Year
ASSETS		
Current Assets		
Cash	25,452	21,688
Investments	120,000	120,000
Receivables	12,550	14,532
Inventories	1,250	1,680
Prepayments	600	0
Total Current Assets	159,852	157,888
Non-Current Assets		
Property, Plant & Equipment	18,500	23,500
Total Non-Current Assets	18,500	23,500
TOTAL ASSETS	178,352	181,388
LIABILITIES		
Current Liabilities		
Payables	2,450	7,580
Unearned Income	28,000	28,000
Provision for Annual Leave	6,600	6,300
Other Current Liabilities	0	2,500
Total Current Liabilities	37,050	44,380
Non-Current Liabilities		
Provision for Long Service Leave	14,000	12,000
Total Non-Current Liabilities	14,000	12,000
TOTAL LIABILITIES	51,050	56,380
NET ASSETS	127,302	125,008
EQUITY		
Reserves	52,950	52,288
Retained Surplus	74,352	72,720
TOTAL EQUITY	127,302	125,008

Current Assets are the things you own that are available to dispose of within the next 12 months.

Non-Current Assets are things you own that are not available for disposal in the next 12 months.

If Total Assets are greater than Total Liabilities, that's a sign your Association is in good shape.

Current Liabilities are things you owe that are payable within the next 12 months.

Non-Current Liabilities are things you owe that are not payable within the next 12 months.

Total Assets and Total Liabilities. A healthy Association will have a result in the black!

Equity comprises Reserves, being accumulated surpluses from previous years, and Retained Surplus being the Surplus for the current Year to Date. This should match up with the figure from your Profit & Loss Report. Total Equity and Total Assets should be the same figure. A healthy Association should have reserves at least equivalent to 3 months operating costs as a buffer against a serious problem.

Current Assets are the things you own that are available to dispose of within the next 12 months.


Non-Current Assets are things you own that are not available for disposal in the next 12 months.

If Total Assets are greater than Total Liabilities, that's a sign your Association is in good shape.

Current Liabilities are things you owe that are payable within the next 12 months.

Non-Current Liabilities are things you owe that are not payable within the next 12 months.

Total Assets and Total Liabilities. A healthy Association will have a result in the black!



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Sample Assets Register

Information to be included in your Assets Register is quite simple and straight-forward and it should not be hard to update and maintain if done regularly.

This is the area where you describe each item, giving as much detail as possible.

Model of the item.

How much you paid for the item. If the item was a gift or you don't know, put in what it would cost to purchase a similar item at current market rates.

Where the item is kept / located.

The date the asset was sold/disposed of.

What you were paid for the asset (if anything).

Item No.	Description	Model No.	Serial No.	Purchase price	Purchase date	Current value	Location	Disposal date	Disposal method	Disposal price
1.	Canon photocopier, B & W, laser cartridge	CA4896-	4763902F	\$3,500	01/02/2010	\$1,200	Print room	30/03/2014	Sale	\$800
2.	HP Pavilion Notebook, 4GB memory, Celeron processor, 15" screen	HP DM4175	Z683496 P97844	\$1,298	30/09/2012	\$433	Kate's office and home			
3.	Canon multi-function printer, scanner, photocopier, colour laser cartridge	CA7839-	2839527452	\$2,500	01/04/2014	\$2,100	Print room			
More...										


Serial number of the item

The date you purchased or acquired the item

How much the item is currently worth - purchase price less depreciation

How you disposed of the item (sale or giveaway)

52




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55

YTD VS BUDGET P&L

Budget Variance

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Income								
ARMA Membership	9,038	9,000	38▲	0.4%▲	9,038	9,000	38▲	0.4%▲
AWTA Secretariat	990	900	90▲	10.0%▲	990	900	90▲	10.0%▲
Insurance Commission	116	125	(9)▼	-7.4%▼	116	125	(9)▼	-7.4%▼
Interest Received	974	500	474▲	94.7%▲	974	500	474▲	94.7%▲
Rototour Africa	220,300	220,000	300▲	0.1%▲	220,300	220,000	300▲	0.1%▲
Sale of Technical Resources	32	-	32▲	0.0%	32	-	32▲	0.0%
Webiste Advertising	14,300	11,000	3,300▲	30.0%▲	14,300	11,000	3,300▲	30.0%▲
Total Income	245,750	241,525	4,225	1.7%	245,750	241,525	4,225	1.7%
Gross Profit	245,750	241,525	4,225	2.0%	245,750	241,525	4,225	2.0%



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56

YTD VS BUDGET P&L

Budget Variance

	Actual	Budget	Var AUD	Var %	YTD Actual	YTD Budget	Var AUD	Var %
Foreign Currency Gains and Losses	336	-	336▲	0.0%	336	-	336▲	0.0%
Germany 2018 (62316)	-	1,000	(1,000)▼	-100.0%	-	1,000	(1,000)▼	-100.0%
Hobart Conference 2020	982	-	982▲	0.0%	982	-	982▲	0.0%
Industry Education & Visits	56	-	56▲	0.0%	56	-	56▲	0.0%
Meeting Expenses	447	1,350	(903)▼	-66.9%	447	1,350	(903)▼	-66.9%
Motor Vehicle Expenses	272	225	47▲	20.9%	272	225	47▲	20.9%
New Zealand Office Expenses	543	900	(357)▼	-39.7%	543	900	(357)▼	-39.7%
New Zealand Salary	1,576	2,250	(674)▼	-29.9%	1,576	2,250	(674)▼	-29.9%
Office Rent	1,250	1,250	-	0.0%	1,250	1,250	-	0.0%
Office Supplies	1,010	1,980	(970)▼	-49.0%	1,010	1,980	(970)▼	-49.0%
Postage & Couriers	373	630	(257)▼	-40.7%	373	630	(257)▼	-40.7%
Software	5,051	4,860	191▲	3.9%	5,051	4,860	191▲	3.9%
Staff Training & Resources	1,173	1,000	173▲	17.3%	1,173	1,000	173▲	17.3%
Superannuation (62520)	8,604	8,500	104▲	1.2%	8,604	8,500	104▲	1.2%
Telephone & Internet	2,835	2,490	345▲	13.9%	2,835	2,490	345▲	13.9%
Wages & Salaries	90,638	91,000	(362)▼	-0.4%	90,638	91,000	(362)▼	-0.4%
Websites	386	1,050	(664)▼	-63.3%	386	1,050	(664)▼	-63.3%
Workers Compensation	816	700	116▲	16.6%	816	700	116▲	16.6%
Total Operating Expenses	294,594	311,395	(16,801)	-5.4%	294,594	311,395	(16,801)	-5.4%
Net Profit	(48,845)	(69,870)	21,025	30.0%	(48,845)	(69,870)	21,025	30.0%



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57

Understanding Your Audit

- ▶ Some clubs must be audited every year (Sec 59)
- ▶ Auditor should be appointed or confirmed every year at AGM
- ▶ Exclusions of Persons Who Can Audit (Sec 59 (2))
 - ▶ Member of committee
 - ▶ Employee of the club
 - ▶ Partner, employer or employee of the secretary or another member of the management committee
- ▶ Audit reports must be lodged within 30 days of adoption unless exempted by FTO.
- ▶ Auditor should provide an engagement letter prior to commencement.



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58

Documents Required For Audit

- ▶ Receipt Book
- ▶ Receipt Book Register
- ▶ Bank Deposit Book
- ▶ Cheque Book
- ▶ Cash Book
- ▶ Wages Book (if required)
- ▶ Petty Cash Book
- ▶ Asset Register
- ▶ Minutes
- ▶ Register of Members
- ▶ Copies of invoices to and from the club
- ▶ Petty Cash vouchers & summary
- ▶ Payroll details
- ▶ Investment details showing interest payments
- ▶ Asset register
- ▶ Accounts receivable & payable
- ▶ Details of any other liabilities, leases, loans etc
- ▶ Stock take list for canteen and any items the club has for sale

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59

What's In Your Audit

Statement of Income & Expenditure shows if your club made a profit or loss during the year


Statement of Assets & Liabilities (Balance Sheet) shows if how much your club owes and how much other people owe the club & value of everything you own

General Ledger shows reports of all transactions during the year

Asset Register shows everything you own

60

Notes To The Accounts



- ▶ Qualified Audit
 - ▶ Except For: auditor disagrees with committee on accounting policies but doesn't warrant adverse opinion.
 - ▶ Adverse: when effects of disagreement are material and there is misleading or incomplete information
 - ▶ Disclaimer: limitation is so material the auditor is unable to express an opinion.

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61

Drafting & Implementing A Budget


- ▶ Start with last year's audit
- ▶ Add about 3% to both income & expenditure
- ▶ Make some assumptions about what is likely to happen in the coming year eg membership up or down, expenses up.
- ▶ Report on Actuals to Budget every month
- ▶ Hold a half year review & adjust if necessary
- ▶ Consider approving all budgeted expenditure at the beginning of the year
- ▶ Leave it out of the drawer and use it every meeting!

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62

Bank Accounts

- ▶ Lots of new options for non profits
- ▶ Can cater for multiple signatures online
- ▶ Cheque account plus term deposit is somewhat old fashioned solution
- ▶ Good management of bank accounts can reduce costs & save on fundraising



63



The image displays several software interfaces. At the top left is a video player showing a presentation slide with the text "Smarter business tools for the world's hardest workers". To the right is the Xero logo. Below the video is a myob account page with a "20% OFF NEW SUBSCRIPTIONS" banner. At the bottom left is a spreadsheet titled "ADO Downloads by Country - OpenOffice Calc" showing a table of data and a bar chart titled "Downloads Per Country". At the bottom right is a myob MYOB Essentials software interface.

Country	Downloads	Population	ADO per 1000	ADO per 1000 per year	ADO per 1000 per year	ADO per 1000 per year	ADO per 1000 per year
USA	100	300,000,000	0.33	0.33	0.33	0.33	0.33
UK	100	60,000,000	1.67	1.67	1.67	1.67	1.67
France	100	65,000,000	1.54	1.54	1.54	1.54	1.54
Germany	100	82,000,000	1.22	1.22	1.22	1.22	1.22
Italy	100	60,000,000	1.67	1.67	1.67	1.67	1.67
Spain	100	45,000,000	2.22	2.22	2.22	2.22	2.22
China	100	1,300,000,000	0.08	0.08	0.08	0.08	0.08
India	100	1,200,000,000	0.08	0.08	0.08	0.08	0.08
Japan	100	125,000,000	0.8	0.8	0.8	0.8	0.8
South Korea	100	45,000,000	2.22	2.22	2.22	2.22	2.22
Canada	100	35,000,000	2.86	2.86	2.86	2.86	2.86
Australia	100	22,000,000	4.55	4.55	4.55	4.55	4.55
Brazil	100	200,000,000	0.5	0.5	0.5	0.5	0.5
Mexico	100	110,000,000	0.91	0.91	0.91	0.91	0.91
Argentina	100	40,000,000	2.5	2.5	2.5	2.5	2.5
Colombia	100	45,000,000	2.22	2.22	2.22	2.22	2.22
Peru	100	30,000,000	3.33	3.33	3.33	3.33	3.33
Chile	100	18,000,000	5.56	5.56	5.56	5.56	5.56
South Africa	100	55,000,000	1.82	1.82	1.82	1.82	1.82
India	100	1,200,000,000	0.08	0.08	0.08	0.08	0.08
China	100	1,300,000,000	0.08	0.08	0.08	0.08	0.08
USA	100	300,000,000	0.33	0.33	0.33	0.33	0.33
UK	100	60,000,000	1.67	1.67	1.67	1.67	1.67
France	100	65,000,000	1.54	1.54	1.54	1.54	1.54
Germany	100	82,000,000	1.22	1.22	1.22	1.22	1.22
Italy	100	60,000,000	1.67	1.67	1.67	1.67	1.67
Spain	100	45,000,000	2.22	2.22	2.22	2.22	2.22
China	100	1,300,000,000	0.08	0.08	0.08	0.08	0.08
India	100	1,200,000,000	0.08	0.08	0.08	0.08	0.08
Japan	100	125,000,000	0.8	0.8	0.8	0.8	0.8
South Korea	100	45,000,000	2.22	2.22	2.22	2.22	2.22
Canada	100	35,000,000	2.86	2.86	2.86	2.86	2.86
Australia	100	22,000,000	4.55	4.55	4.55	4.55	4.55
Brazil	100	200,000,000	0.5	0.5	0.5	0.5	0.5
Mexico	100	110,000,000	0.91	0.91	0.91	0.91	0.91
Argentina	100	40,000,000	2.5	2.5	2.5	2.5	2.5
Colombia	100	45,000,000	2.22	2.22	2.22	2.22	2.22
Peru	100	30,000,000	3.33	3.33	3.33	3.33	3.33
Chile	100	18,000,000	5.56	5.56	5.56	5.56	5.56
South Africa	100	55,000,000	1.82	1.82	1.82	1.82	1.82



64



Get On The Cloud!

Keep records on “back end” of site or use group sites for storage! Google Drive and Dropbox can be accessed for free. iCloud has limited storage for free (Mac software only) (20GB) and OneDrive from Microsoft is part of your Office 365 subscription (100GB).

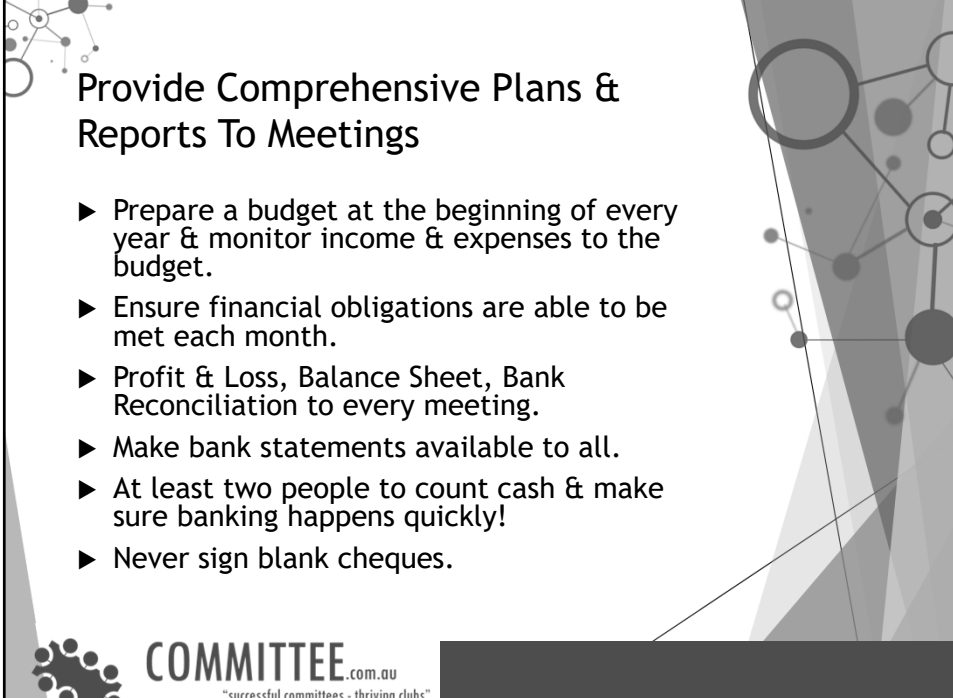
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65

Do They Have Skills & Knowledge Or Just A Pulse?

- Most clubs take anyone on the committee who steps forward (by attending the AGM)
- Questionable results sometimes follow
- A pulse shouldn't be our only requirement
- Like it or not ... life changes and some things are getting harder (especially committees)

66



Provide Comprehensive Plans & Reports To Meetings

- ▶ Prepare a budget at the beginning of every year & monitor income & expenses to the budget.
- ▶ Ensure financial obligations are able to be met each month.
- ▶ Profit & Loss, Balance Sheet, Bank Reconciliation to every meeting.
- ▶ Make bank statements available to all.
- ▶ At least two people to count cash & make sure banking happens quickly!
- ▶ Never sign blank cheques.

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67



Managing Financial Risk

- ▶ Understand where financial risk lies in your club & address them in a systematic way.
- ▶ Money should be spent on appropriate things for the benefits of members.
- ▶ Consider using pre-paid Visa cards for managing cash or covering volunteer expenses.
- ▶ Electronic banking, use of mobile EFTPOS machines or phone apps can all reduce cash handling and while there may be some associated costs, it could dramatically reduce risk of theft or fraud.
- ▶ Track your finances year on year and look for strange trends or transactions.
- ▶ Be open & friendly about sharing financial reports & documents
- ▶ Be prepared to ask some tough questions about money in meetings
- ▶ Never respond to emails asking for bank details or approvals .. Only ever log on to your bank to approve payments

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68



69