

# Club Treasurer— To Be or Not To Be?



By Geoffrey Goudy, C.P.A.

I've been in your shoes—your livelihood involves number crunching and the club's new board wants to elect you treasurer. Or the tougher one, do you confess to your fellow board members that your background makes you a logical choice for treasurer? As many of you know, maintaining finances for a small canine club can be both enjoyable and vexing.

Okay, maybe not so much the former. Above all, you need concrete parameters to make your tour of duty as treasurer and subsequent transition to the next treasurer much easier:

## Document, Document, Document

There is great risk upon election to a board of directors, no matter the club's size or the scope of officer position filled. And the treasurer's position shoulders much of the organizational burden due to financial authority, reporting, and recordkeeping requirements. But remember, it is other people's money. While you can take "ownership" of the position, it is wise to perform your responsibilities as if you were an "outsider." Or think of it this way, you're the hired accountant preparing someone else's financial statement and tax return.

Documentation is a critical activity as treasurer. If you didn't document it, you probably didn't do it. Therefore, leave tracks and thus attach check vouchers to vendor bills, create detailed deposit ticket lists, and reconcile bank accounts. Always ask for receipts from members seeking expense reimbursement because members are held to a higher degree of scrutiny than non-members. At a minimum, obtain a list of expenses from judges or seminar presenters since this will greatly assist with subsequent expense allocation and analysis.

In this day and age, every club should maintain its accounting records on a computerized accounting system such as QuickBooks or Peachtree. Both are relatively easy to navigate, especially given the primary purpose—to allocate the checking account activity. However, acquiring laser checks is not necessary because a good portion of the checks are probably issued on the fly at hosted trial events.

I have three critical "checkbook" suggestions to offer:

- Request monthly bank statements that are accompanied with scanned copies of cleared checks and deposit slips.
- Maintain three authorized signers on the account, chiefly for trial/event considerations.
- Draft USDAA Steeplechase checks out to "cash" so that these checks can be cut before the event.

## Information Is Key

Keep the board, separate committees, and the entire membership apprised of club finances on a regular basis. It's kind of a corny saying, but a happy membership is an informed membership. And as treasurer, you have a stringent duty to update the membership and its board and various committees about club finances: such as how the club has performed in the past, where the club stands today, and projections on where the club might be in the near-term should certain events occur.

A difficult task: Keep it simple and use broad strokes; inform, don't overwhelm. But have the detail available for discussion should questions arise or should further explanation warrant. Hand out stripped-down spreadsheets or schedules so people can correlate your verbal report with a visual. Sure, a fair amount of work for a thankless job, but don't forget: a happy membership is an informed membership.

## Tax Time

The most onerous and clearly number-one responsibility as treasurer is completing in a timely manner all tax returns. These include, but are not limited to:

- Federal and State income tax returns
- Forms W-2 and 1099-MISC
- State, county, and local sales and use tax returns

The first bulleted item is self-explanatory. The second is relatively easy to prepare as long as you have the recipient's current address and correct social security number. Qualifying 1099-MISC recipients generally are those judges and seminar presenters who were paid more than \$600 during the year. Do not include expense reimbursements unless specified per diem rates for meals and/or lodging were used. Use tax is a self-assessed tax and commonly occurs when a club acquires long-lived equipment and did not pay the respective vendor applicable sales tax. Other localized returns could exist for real and personal property ownership. Note, what may have been filed in the past may not be what should be filed in the future. Know what needs to be filed and what should be filed with outside authorities.

Being a good treasurer involves some hard work and a clear understanding of the duties and responsibilities of the position. I generally advise stints no longer than two years as treasurer. A new set of eyes on the club's finances is a smart idea. And actively engage the club's financial advisor as questions arise. Remember, your dog jumps through hoops, shouldn't your accountant? 🐕

*A question from my July 2005 article, "Operational Suggestions for Your Business":*

***A friend of mine told me that I should get a Federal ID number for my business. Should I?***

*Yes, it is a very good idea for sole proprietors and single-member limited liability companies to obtain a Federal Employer Identification Number (FEIN). It allows you to use an identification number separate from your personal social security number. And it's free and can be obtained online at [www.irs.gov](http://www.irs.gov). Furnish it to banks and insurance companies, and use it when completing Form W-9 for customers. Remember, you have both a personal and business identification. Keep affairs separate.*

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*Geoffrey Goudy is a certified public accountant, has been in practice for 15 years, and has participated in canine sporting events since the mid-90s. Go to [CSpotCount.com/CanineSport.asp](http://CSpotCount.com/CanineSport.asp) to learn more about or direct questions to Geoffrey and his practice.*

## Treasurer— What You Need To Know

### Definitions

#### Webster's definition of treasurer:

- An official in charge of the finances of a government, society, etc.
- A governmental officer in charge of the receipt, care, and paying out of public money.

#### Commonly-held definition of club treasurer:

- Non-paying
- Time consuming
- Frequent questions, with few short answers

### Responsibilities and Authority

#### 1. Strict financial authorization

- Signatory and sole decision-maker in certain circumstances

#### 2. Periodic financial reporting

- Both annually and per event (trial, seminar, other)

#### 3. Routine financial recordkeeping

- Bank activity—deposits and disbursements

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