

Duties of the Treasurer of a Nonprofit Corporation

A Treasurer is typically the officer assigned the primary responsibility of overseeing the management and reporting of an organization's finances. The Treasurer may have many important duties specific to its role, including:

- **Bank account maintenance** – Selecting a bank, signing checks, and investing excess funds wisely
- **Financial transaction oversight** – Being knowledgeable about who has access to the organization's funds, and any outstanding bills or debts owed, as well as developing systems for keeping cash flow manageable
- **Budgets** – Developing the annual budget as well as comparing the actual revenues and expenses incurred against the budget
- **Financial Policies** – Overseeing the development and observation of the organization's financial policies
- **Reports** – Keeping the board regularly informed of key financial events, trends, concerns, and assessment of fiscal health in addition to completing required financial reporting forms in a timely fashion and making these forms available to the board
- **Finance Committee** (if applicable) – Serving as Chair of the Finance Committee

The Treasurer is largely influential in proper financial management and thus, also greatly affects the public's perception, trust, and assurance in the organization management. Therefore, organizations should seek desirable qualifications in a Treasurer such as financial literacy, attention to detail, timeliness in completing tasks, neat and accurate record keeping, and a willingness to ask questions.

The Role of the Board Treasurer

Summary

The Treasurer's role is the most important function on the Board, after that of the Chair. Financial accountability is of the utmost importance to non-profit associations. If your funders lose faith in your ability to control and account for finances, they lose faith in the whole organization.

In the attached pages, the role of the Treasurer is outlined as follows:

- the Treasurer's job description
- the roles of the Treasurer, Bookkeeper and Auditor
- the balance sheet
- the development of the budget
- monthly financial statements
- glossary of financial terms

The Role Of The Treasurer

In the case of smaller associations, the duties of Treasurer may be combined with those of the Secretary. If this is the case, the individual holds the title of Secretary/Treasurer. However, in the following pages, only the Treasurer's specific responsibilities will be discussed.

In addition to being a critical role for the association and the Board, the Treasurer's role can be difficult because of its technical nature. Often, non-financially trained Board members leave all responsibility for finances to the Treasurer, preferring not to try to figure out what all the numbers mean. This means that the Treasurer not only has to take primary responsibility for finances, but also has to educate sometimes unwilling Board members about what the finances mean. Leading the Board is an important task the Treasurer must perform.

Since the Treasurer is ultimately responsible for the finances of the corporation, the Treasurer should keep neat and accurate records and pay attention to detail. She should be available so as to handle transactions on a timely basis and should not be afraid to ask questions.

Further information on the Treasurer's responsibilities is contained in the following job description.

Board Treasurer's Job Description

Title:

Board Treasurer

Purpose:

To manage and report on the association's finances.

Responsibilities:

1. Carries out the responsibilities of a member of the Board of Directors.
2. Assists in the preparation of the budget.
3. Monitors the budget.
4. Ensures the Board's financial policies are being followed.
5. Reports to the Board of Directors and general membership on finances.
6. Prepares any required financial reporting forms.
7. Maintains all bank accounts.
8. Oversees all financial transactions.
9. Treasurer's signature should appear on all cheques of the organization with the second signature from any of the board's other directors or staff with signing authority.
9. Chairs the finance committee.

As is stated in the job description, the Treasurer is first and foremost a member of the Board. This means that the Treasurer is responsible to the members (as with every Board member) and to the funders for the funds received and spent by the association.

The assumption in this job description is that the Treasurer takes a "hands-on" role with respect to the association. A hands-on Treasurer should go through a monthly routine which would vary depending on the level of involvement. At the very least, a Treasurer should meet with the staff person on a regular basis to go over invoices and cheques, to review the bank statements, and to monitor the preparation of monthly statements for the Board.

If the association has a Treasurer, a bookkeeper and an auditor, the functions of each can become quite confusing. The following chart outlines the roles of each of these individuals.

Roles of Bookkeeper, Treasurer, Auditor

Bookkeeper	Treasurer	Auditor
<ul style="list-style-type: none"> • Paid staff (occasionally a volunteer) • Hired by the Board • May sit on the Board if unpaid 	<ul style="list-style-type: none"> • An officer of the corporation • Sits on the Board • Cannot be paid for carrying out duties of Treasurer • Can vote 	<ul style="list-style-type: none"> • Services paid for by the corporation • Board recommends to membership that a particular Auditor be hired • Auditor is appointed at the Annual General Meeting • Auditor does not sit on the Board
<ul style="list-style-type: none"> • Keeps full and accurate accounts of all receipts and disbursements 	<ul style="list-style-type: none"> • Works along with the staff person to monitor activities of Bookkeeper • Ensures accurate accounts of income and expenditure • Ensures all receipts are deposited in such bank accounts as determined by the Board • Ensures the Board receives monthly financial statements • Submits books to auditor for preparation of financial statement and/or performance of an audit 	<ul style="list-style-type: none"> • Prepares yearly financial statements and/or conducts a yearly audit
	<ul style="list-style-type: none"> • Once the auditor's financial report has been accepted by the Board, the Treasurer prepares a report and presents it to the membership at the Annual General Meeting 	<ul style="list-style-type: none"> • Prepares annual financial report and presents it to the Board

Developing And Monitoring The Budget

One of the most important responsibilities of the Treasurer is to monitor the budget. Keeping track of income and expenditures is one thing; keeping track of the budget is another. The Treasurer needs to inform the Board on a regular basis as to whether income and expense projections are turning out as predicted. If not, the Board needs to make the appropriate adjustments.

The Treasurer also takes a lead role in the preparation of the budget for the upcoming year. By developing a balance sheet to assess the financial health of the association, and by analyzing the current budget and comparing it to the last budget, the Treasurer, along with the staff person, should be able to develop a budget that can satisfy the needs of the association while being fiscally responsible.

