



Leo Club Treasurer Training

You have received this handbook because you are a Leo club officer. Congratulations. Your club members have elected you to a leadership position because they are confident in your ability to lead.

The success of your Leo club – and every Leo club – depends on the dedication of its leaders. Your commitment to fostering the ideals of the Leo Club Program will result in pride and satisfaction for you, your Leo club, your sponsoring Lions club, and your community. As a Leo leader, you will make many decisions. These decisions will affect you, your fellow Leos, and the future of your club.

Leo Club Treasurer

Strong Leo leaders form the foundation of successful Leo clubs. Traits such as energy, intelligence, and persistence are evident among Leo leaders. Obviously, your fellow Leos have recognized these qualities in you. Leo leaders live the Leo motto (Leadership, Experience, Opportunity). Your year(s) as a Leo leader will help increase your self-confidence as well as your organization skills. You will learn to rely on your fellow club members. You will develop strong friendships. More than likely, you are reading this document because you have been elected as a Leo club treasurer. Brief descriptions of your new responsibilities are featured below.

The Leo club treasurer receives and deposits all money into either the fundraising account or the administrative account (see the Fundraising Activities section for a thorough definition of these two accounts). As treasurer, you will disburse club funds when authorized by the board of directors. Once each month, you will submit a financial statement to the board of directors.

Managing Funds

Leo club treasurers are expected to maintain two bank accounts.

1. Administration Account
2. Project Account

The administration account is utilized for the purpose of administrative activities, while the project account is utilized to conduct the service projects and other projects which are the other tasks apart from administrative work.

The funds can be raised in two different methods.

1. Funds raised from fellow club members.
2. Funds raised from the public.

Possible modes of fundraising from members include:

- › Weekly, monthly, or annual levies (dues) imposed on club members
- › Raffles among club members
- › The sale of gently-used books or other merchandise among club members.

Possible modes of fundraising from public include:

- › A car wash
- › A dance for young people
- › The sale of food, beverages, or homemade items at school or community events.

When raising funds for either account, allow adequate time for planning, publicizing, and implementing your activity.

Basics of Accounting

Accounting can be defined as the bookkeeping methods involved in making a financial record of business transactions and in the preparation of statements concerning the assets, liabilities, and operating results of a business. The basic purpose of accounting is derivation of information. Simply, accounting is a tool that enables us to derive the financial information.

In accounting, recognition is when a financial activity is recorded and becomes part of the financial statements. Recognizing revenue and expenses determines their distribution to accounting periods.

For example, how do you account for goods purchased for Rs.3000 in December 2007, which were paid for in September 2025, if the accounting period ends on May 31, 2025? The goods

were received when the 2025/2025 balance sheet was made, but the money did not come in until 2025 September.

The Accounting Equation

Assets (Items of Value) = Liabilities (What is Owed) + Capital (Investment)

Every Business Transaction which is to be considered for accounting i.e. every Accounting Transaction, has its effect on the fundamental accounting equation.

Each transaction alters the expressions forming the equation in such a way that the accounting equation is satisfied even after such an alteration. The values forming the various terms of the expressions within the equation are altered in such a way that the basic equation (i.e. Liabilities = Assets) is always satisfied.

Example: "Depositing Cash into Bank Rs. 5,000."

Since cash is paid into bank, the available cash reduces from Rs. 70,000 to Rs. 10,000. The amount paid into the bank is held by the bank on our behalf. The bank must pay us the same whenever we ask for it. The bank therefore stands in the position of a debtor to us (those who owe us money). The equation is satisfied.

Double Entry System

The process of accounting that we are learning about is called the "Double Entry System of Accounting". This is so called based on the dual entity concept which states that every transaction relating to business has its effect on two elements. The double entry system of debits and credits facilitates the increasing and decreasing of the amounts stored in the Balance Sheet Accounts. The above schematic summarizes part of the system.

Account	Debit	Credit
Bank	Rs. 5000	
Cash		Rs. 5000

Account Types or Kinds of Accounts

All the accounting heads used in an organizational accounting system are divided into three kinds/types.

- › **Personal Accounts:** The elements or accounts which represent persons and organizations.
- › **Real Accounts:** The elements or accounts which represent assets
- › **Nominal Accounts:** The elements or accounts which represent expenses, losses, incomes, gains.

Any element or account used in an organizational accounting system should be one of these.

Debit and Credit

In double entry bookkeeping, debits and credits (abbreviated Dr and Cr, respectively) are entries made in account ledgers to record changes in value due to business transactions. The source account for the transaction is credited (an entry is made on the right side of the account's ledger) and the destination account is debited (an entry is made on the left). Each transaction's debit entries must equal its credit entries.

Debit and Credit are two actions of opposing nature that are relevant to the process of accounting. They are as fundamental to accounting as addition (+) and subtraction (−) are to mathematics. It would not be appropriate to apply this mathematical analogy in all cases as it would give a distorted meaning. Thus, it would not be appropriate to consider debit to be an equivalent of addition and credit to be an equivalent of subtraction. In a T-account, DEBIT side is the left side and CREDIT is right side of the account.

Account _____

Debit	Credit

The difference between the total debits and total credits in a single account is the account's balance. If debits exceed credits, the account has a debit balance; if credits exceed debits, the account has a credit balance.

Recording Transactions

The total process of accounting is driven by the dual entity concept, the nature of the accounts and the rules/principles of debit and credit. All the account heads used in the accounting system of an organization are classified under three heads Real, Personal and Nominal. Each account type has a pair of principles or rules of debit and credit relevant to it: One for debit and another for Credit.

- › **Real Accounts:** Debit what comes in OR Credit what goes out
- › **Personal Accounts:** Debit the benefit receiver OR Credit the benefit giver
- › **Nominal Accounts:** Debit all expenses and losses OR Credit all incomes and gains

In simple manner, these set of rules can be memorized as follows.

Increase of Asset – Debit

Increase of Liability – Credit

Increase of Income – Credit

Increase of Expenditure - Debit

Increase of Capital - Credit

Journalizing Transactions

In actual practice, accounting starts with writing the journal. This act of writing the Journal is called RECORDING or JOURNALISING. Journalizing (or Recording) is writing down the information relating to an accounting transaction that is relevant in accounting into the accounting records (generally in a specific format) based on the principles of debit and credit.

JOURNAL

A Journal is a book in which an accounting transaction is written in accounting terms. This is the first (accounting) record for a transaction.

Ledger Accounts

The ledger account provides all the accounting information relating to an element at a single place. Apart from this there is some other information that can be derived from the ledger account.

LEDGER BALANCING

The act of finding the balance in a ledger account is called Ledger Balancing. Simply,
 $\text{Ledger Account Balance} = \text{Debit side total} - \text{Credit side total}$ (if debit side total is larger)
 $\text{Ledger Account Balance} = \text{Credit side total} - \text{Debit side total}$ (if credit side total is larger)

Preparing Financial Statements

In a treasure report, it is required to present two financial statements. Those are;

- › Income & Expenditure Statement (Profit and Loss Statement)
- › Receipts & Payments Statement (Cash Flow Statement)
- › Balance sheet

These statements reflect the club's performance. The profitability of the activities held by the club can be observed through the income and expenditure statement. Balance sheet provides the overall situation of the club. Note that basic accounting equation is again reflected in a balance sheet.

Before preparing these statements, it will be better to prepare a trial balance first and see whether it is balanced. If trial balance get balanced, that means there is no error in double entries you've made. Then summarize the balances of all income and expenditure accounts to the Income & Expenditure statement.

Along with the balance figure of Income & Expenditure statement, balances of all the assets and liability accounts should get accumulated in the balance sheet.

TREMINOLOGY

Profit Making Organization	Non-Profit Organization
Income Statement	Income and Expenditure Account
Cash Book	Receipts and Payments Accounts
Profit or Loss	Surplus or Deficit
Capital	Accumulated Fund
Revenue	Income

Income & Expenditure Statement

This account is credited with all earnings (both realized and unrealized) and debited with all expenses (both paid and unpaid) the difference represents a surplus of deficiency for a given period which is carried to the capital account. It should be noted that items of receipts or payments of capital nature such as legacies, purchases or sales of any fixed assets must not be included in this account.

We have provided a format of an Income and Expenditure Account.

Leo Club of _____
For the month ended <Month end date>

Description	Notes	Amount
Income		
District Dues		XXX
Donation received for sample project		XXX
General meeting registration		XXX
Contribution by Leos		XXX
Contribution by Lions		XXX
Any other Receipts		XXX
Bank Interest Received		XXX
Total Income		XXX
Expenses		
Multiple Dues paid		XXX
Administration Expenses		XXX
Printing of Directory		XXX
Sample project expenses	Note 1	XXX
Stationery Expenses		XXX
Postage Expenses		XXX
Other expenses	Note 2	XXX
Total Expenses		XXX
Surplus/Deficit for the period		XXX

Accounting Notes could be provided where necessary.

Note 1 – Expenses for Sample project

Description	Amount
Expense 1	xxx
Expense 2	xxx
Total	xxx

Receipts and Payments Accounts

Receipt and payment account is a mere summary of cash book for a year. It begins with the cash in hand at the commencement and ends with that at the close of the year. In receipts and payments account, receipts are shown on the debit side while payments are shown on the credit side, without any distinction between capital and revenue. Moreover, it does not include an unpaid expenditure nor any unrealized income relating to the period under review and so fails to reveal the financial position on the concern.

Leo Club of _____
For the month ended <Month end date>

	Cash	Bank
Balance B/F	xxx	xxx
Receipts		
Club fees	xxx	
Fund raiser	xxx	
Registration for General Meeting	xxx	
Income for sample project	xxx	
Cash deposited in Bank		<u>xxx</u>
Payments		
Expense of Sample project	(xxx)	
Multiple Dues	(xxx)	
Other payments	(xxx)	
Cash deposited in Bank	(xxx)	
Balance at End of the period	xxxx	xxxx

Balance Sheet

The Balance Sheet is a financial statement that shows what the organization is worth at one point in time. A standard balance sheet has three parts; assets, liabilities and equity. The purpose of the balance sheet is to give users an idea of the organizational financial position along with displaying what the organization owns and owes.

	Notes		
Non-Current Asset			
National flag		xxx	
Equipment		xxx	
Gong and gavel		xxx	
Fixed Deposits		xxx	
Total non-current assets			xxx
Current Assets			
Account Receivables	1	xxx	
Cash and Cash Equivalents		xxx	
Total Current Assets			xxx
Total Assets			xxx
Accumulated Fund			
Accumulated fund as at <start of month>		xxx	
Surplus/ (Deficit) for the period		xxx	
Accumulated fund as at <end of month>			xxx
Non-Current Liabilities			
Loans		xxx	xxx
Current Liabilities			
Bank Over Drafts		xxx	
Creditors/Payables	2	xxx	
Total current liabilities			xxx
Total Liabilities			xxx

Club Accounts Handover

It is the normal practice that another club member is getting the opportunity to serve as the club treasurer for each fiscal year. At the end of the year all information and documentation should be in-order to handover to the succeeding treasurer.

In preparing for the end of the term:

- › Complete all banking (deposits and payments) before the end of your year
- › Give bond for the faithful discharge of your position
- › Prepare year-end statements promptly and turn over by mid-July

Audit Reports/Records:

- › For safeguarding records both administratively and publicly it is sound accounting procedure to audit the records at the end of each fiscal year

Transfer to new treasurer:

- › Bank deposit Books, check books and reconciled year-end balance of all accounts
- › Copy of Statement of Financial Position and income Statements