

ABOUT THE AUTHOR

Michael Birkett is a Chartered Accountant with wide Masonic experience. He is a Past Master of Egerton of Tatton Lodge of Mark Master Masons and Past Commander of Matier Lodge of Royal Ark Mariners No. 400. He was the first Metropolitan Grand Treasurer and is the Treasurer of the Metropolitan Masonic Charity. He is also Treasurer of Britannic Lodge No. 33 and The Grand Metropolitan Chapter Rose Croix No. 1.

The Lodge Treasurer Guidance Notes



First published 2011
© Michael Birkett 2011

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means electronic or mechanical, including photocopying, recording or by any information storage and retrieval system, without permission from the Publisher in writing.

Published by the Provincial Grand Lodge of Mark Master Masons of London

Michael Birkett
PProvGReg

INTRODUCTION

This booklet has been written to give guidance to Lodges on the qualities required in their Treasurer and to Lodge Treasurers on their duties.

Guidance has been sought on many occasions by Brethren elected to the office of Treasurer who are not trained Accountants as to the best method of recording the financial transactions of a Lodge and the form and content of Lodge accounts. This booklet attempts to deal with these questions by the inclusion of examples of a Treasurer's cash book, budget statement and accounts in a simple format.

Examples of the Treasurer's accounts are provided in simple format which comply with the Book of Constitutions and Regulations.

A Treasurer with financial training will probably wish to prepare his financial statements on an accruals basis. However this paper will draw his attention to the requirements of Grand Lodge of Mark Master Masons with regard to Lodge accounts.

The Treasurer's duties in the Book of Constitutions and Regulations are set out in full.

This paper has equal application to the Treasurer of a Lodge of Mark Master Masons or a Lodge of Royal Ark Mariners.

CHART D

THE EXAMPLE LODGE OF MARK MASTER MASONS NO. 9999

STATEMENT OF ACCOUNTS		YEAR ENDED 30TH SEPTEMBER 2007	
GENERAL FUND		BENEVOLENT FUND	
		Grand Charity Lodge Chest	
RECEIPTS	£	RECEIPTS	£
Subscriptions	1,200	Total contributions under RPP	300
Dining fees	2,400	Total tax repayments	75
Advancement fee	100	Interest	2
Bank interest	1		
	<u>3,701</u>		<u>377</u>
PAYMENTS		PAYMENTS	
Grand Lodge Dues	480	Donation RMBI	200
Provincial Lodge Dues	88	Donation MMC	100
Welcome pack	10		
Lodge room rental	330		
Dining costs	2,300		
Printing and stationery	100		
Tyler's fees	135		
Lodge guests	40		
Insurance	75		
Registration fee	24		
	<u>3,582</u>		<u>300</u>
Surplus for year	119	Surplus for year	77
Surplus brought forward	<u>1,000</u>	Surplus brought forward	<u>1,500</u>
Surplus carried forward	<u>1,119</u>	Surplus carried forward	<u>1,577</u>
Balance at Bank	1,119	Balance with Grand Charity	1,577
Debtors - subscription	50		
Creditors - postage	- 25		
Total assets	<u>1,144</u>	Total assets	<u>1,577</u>
Signed 00/00/00		
	Treasurer		
Report of the Audit Committee			
We report that the above balances have been checked			
and that the accounts have been duly audited.			
Signed 00/00/00		
	Auditors		

Note

It is desirable but not necessary to give comparative figures for the previous year

CHART C

THE EXAMPLE LODGE OF MARK MASTER MASONS NO. 9999

		BUDGET	
		£	£
INCOME			
Annual subscriptions	25 members @ £50		1,250
Dining fees 3 meetings	20 members and guests	2,400	
Dining costs		<u>2,300</u>	
Dining surplus			100
Advancement fee			100
Bank interest received			1
Total income			<u>1,451</u>
EXPENDITURE			
Grand Lodge Dues	(25 x £19.20)	480	
London Dues	(25 x £3.50)	88	
Welcome pack		10	
Lodge room rental - 3 meetings	(3 x £110)	330	
Printing and stationery		100	
Tyler's fees		135	
Lodge guests (1)		40	
Insurance		75	
Registration fee		24	
Sundries		<u>25</u>	
			1,307
SURPLUS FOR YEAR		£	<u><u>144</u></u>

THE QUALITIES OF THE LODGE TREASURER

- He is respected and trusted by and has the complete confidence of the Lodge.
- He is usually, but not necessarily, a Past Master.
- He need not be a trained accountant.
- It is desirable for him to be numerate, literate and articulate.
- He should be able to attend all or most meetings of the Lodge.
- It is desirable but not necessary for him to have IT skills and access to a computer and printer.

The Treasurer is elected by the members of the Lodge and not appointed by the Worshipful Master. He should act in the best interests of the members of the Lodge at all times and in accordance with the Book of Constitutions and Regulations and the Lodge by-laws.

CHART A:

THE EXAMPLE LODGE OF MARK MASTER MASONS NO.9999									
CASH BOOK					YEAR ENDED 30 SEPTEMBER 200?				
Receipts									
Date	Subs	Dining	Fees	Bank interest	Balance	Bank	Balance	Bank	
1/10/?					1,000		1,000		1,000
	1,200								1,200
		2,400							2,400
			100						100
				1					1
	£ 1,200	2,400	100	1			1,000		4,701

THE DUTIES OF A LODGE TREASURER CONT:

- To produce the books of account in open Lodge at such meeting, and on any other occasion when required by resolution of the Lodge.
- The same procedure of annual accounts, audit and presentation shall be followed in relation to any other funds maintained by or in connection with the Lodge, such as Lodge Benevolent Funds, Dining Funds, Charity Box collections, Social Functions or other moneys receivable from individual members of the Lodge or any of its officers.
- It is desirable but not essential that Benevolent Funds be kept in a separate bank account – preferably a Lodge Chest account with the Grand Charity. Funds held for a Registered Charity must be kept in a separate bank account and administered by trustees in accordance with the Trust Deed and the Charities Acts.
- The Treasurer must be familiar with the by-laws of the Lodge and comply with them.

REGULATIONS

THE REQUIREMENTS OF THE BOOK OF CONSTITUTIONS AND TREASURER'S DUTIES AND LODGE ACCOUNTS

These are set out in Rule 105.

(i) All monies due to, or held for, the Lodge shall be paid or remitted, to the Treasurer direct, who shall without undue delay deposit the same in an account in the name of the Lodge at a bank to be approved by resolution of the Lodge.

The Treasurer shall make such payments as are duly authorised, or have been sanctioned by the Lodge.

All cheques must bear the signature of the Treasurer and (unless the Lodge resolves to the contrary) of at least one other member authorised by the Lodge.

The Treasurer shall regularly enter a complete record of all moneys passing through his hands in the proper books of account, which shall be the property of the Lodge, and which, together with all the Lodge funds and property in his possession, shall be transferred to his successor upon investiture.

He shall prepare a statement of accounts annually, at a date to be determined by the members, showing the exact financial position of the Lodge, which statement shall be verified and audited by two auditors elected annually in accordance with Rule 105 (ii).

RESPONSIBILITY OF THE LODGE

It is the responsibility of the Master and Wardens to ensure that The Lodge complies with these Rules.

TAXATION

Lodges are liable to taxation on the income from investments, bank interest and capital gains and the Treasurer must be sure that his unit has been registered with HM Revenue and Customs. In practice the only income arising is from bank interest from which tax has already been deducted at source.

Tax Districts normally do not require tax returns where the income received is below a threshold which they set by discretion. However, from time to time, the Tax District may require a unit to file a copy of its accounts say every five years.

PROPER BOOKS OF ACCOUNT

These may be in the form of a bound cash book or computer record. (Excel, Sage etc.)

The entries must be in sufficient detail to record and explain the transactions of the Lodge.

A computer record should be backed up by a device such as a memory stick or disk.

STATEMENTS OF ACCOUNT

These may be in the format of Income and Expenditure Account and Balance Sheet or Receipts and Payments Account with bank balances, investments, debtors and creditors listed.

REPORT OF THE AUDIT COMMITTEE

This must state that the balances have been checked and that the accounts have been duly audited.

PROPERTY, FURNITURE, JEWELS, BOOKS, PAPERS, &c,

These should be recorded in a special register kept for this purpose and checked from time to time by the Worshipful Master, Wardens, or the Audit Committee.

INSURANCE

A suitable insurance policy should be in force.

REGULATIONS CONT:

Copies of the accounts and of the certificate signed by the auditors that all balances have been checked and that the accounts have been duly audited shall be sent to all members of the Lodge together with the summons convening the meeting at which they are to be considered and following the approval and adoption of the audited statement of accounts by the Lodge three copies thereof shall be transmitted to the Provincial or District Grand Secretary or, in the case of London or Lodges Abroad not under Districts, to the Grand Secretary.

The books of account shall be produced for inspection in open Lodge at such meetings, and on any other occasion if required by a resolution of the Lodge. The same procedure of annual accounts, audit and presentation to members or the Lodge shall mutatis mutandis, be followed in relation to any other funds maintained by or in connection with the Lodge (whether by the Treasurer or by a Charity Steward or other Officer) and whether relating to General or Charitable purposes or otherwise.

(ii) The Lodge shall each year at the Installation Meeting elect two subscribing members of the Lodge (other than the Treasurer and the Secretary) to act as auditors.

(iii) The audit of the statement of accounts shall be carried out by the auditors in accordance with Instructions given from time to time by the General Board.

PROPERTY OF A PRIVATE LODGE

Rule 148(i / iv / v) provides:-

The property of..... any private Lodge, not vested in special trustees, shall be held by the Master and Wardens unless the by-laws otherwise provide.

Documents or other property in the possession or under the control of a Brother by virtue of his office in a Lodge shall be delivered to his successor in such office, or as the Master may direct. In case of dissolution of the Lodge such documents or other property shall be delivered to such person as the Lodge by resolution or, failing such resolution, as the Grand Master shall direct.

REMITTANCE OF FEES

Rule 100 (i) provides:-

Every Lodge shall keep a register of its members and their Marks, and once in each year, before the 30th September, transmit to the Grand Secretary on the proscribed form details of the subscribing membership of the Lodge and of changes in membership during the preceding twelve months period ending on 31st August. With such return shall be transmitted the Annual Dues paid by the Lodge in respect of every brother who has been a subscribing member of the Lodge during any part of the preceding twelve months period, whether or not such member shall be in arrears.

REMITTANCE OF FEES CONT:

Rule 101 (i) provides:-

Lodges in Provinces or Districts shall, in addition to the returns to be made to the Grand Secretary, make similar returns to the Provincial or District Grand Secretary and transmit therewith all monies payable to the Provincial or District Grand Lodge.

SUBSCRIPTIONS

Rule 90 provides:-

..... the date on which the annual subscription becomes due shall be specified in the by-laws. The by-laws may also provide that the Secretary shall be excused payment of subscription in recognition of his services.....

Rule 90 A provides:-

A Lodge shall determine the amount of the annual subscription and of the fees to be paid to the lodge by candidates for advancement, joining or rejoining, by resolution in open lodge from time to time after notice on the summons for any meeting.

PRODUCTION OF RECORDS

Rule 150 provides:-

Any body within the Order may by resolution require its minute books, books of account, or any other documents relating to its property or affairs which are in the custody or control of any of its Officers or members as such, to be produced for its inspection.