

# **Administration Procedures and Financial Commitment for Sailability NSW Branches**

Version 5 - updated July 2007

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## INTRODUCTION

Sailability NSW is the umbrella organisation for all Sailability branches within the state of NSW. When each was branch formed, their committee signed an agreement to abide by administration procedures stipulated by Sailability NSW. This is to ensure all safety requirements are maintained and insurance policies are valid.

Please read the following information carefully as failure to comply may place the following benefits to the branches in jeopardy:

- a) Member and volunteer insurance
- b) Boat insurance
- c) Authority to fundraise
- d) Tax deductibility on donations

All Sailability branches must provide audited accounts that conform with Racing and Gaming requirements (Authority to Fundraise Number CFN 15845). These accounts must be provided to the Treasurer of Sailability NSW in July each year. Please contact the Treasurer to ascertain what Branches are required to submit.

Paul Tayler  
Treasurer  
Sailability NSW  
152 Victoria Road  
Punchbowl NSW 2196  
Ph (h): 02 9534 2538  
Email [paultayler@bigpond.com.au](mailto:paultayler@bigpond.com.au)

Although it may not seem important to the Branches, in relation to getting people on the water, Sailability NSW needs to have all accounts up to date in order to retain our fundraising Status and our Income Tax/Sales Tax Exemption. If Branches do not comply with administration procedures then Sailability NSW could forfeit its Charitable Status and place in jeopardy the insurance status of members.

## SUMMARY

### **Branches must ensure:**

1. All monies due for Boat Insurance are paid upon receipt of notification from Sailability NSW (see page 5 & 11).
2. Member/Volunteer insurance is paid to Sailability NSW (see page 4).
3. Membership Reconciliation Statements and membership dues must be forwarded to the Treasurer by the due dates (see page 4 & 10).
4. Procedures relating to obtaining Tax Deductibility on donations are followed (see page 6).
5. Accurate records of accounts must be maintained and submitted for auditing to Sailability NSW in July each year.

### **Membership**

1. Each new member should complete the Application for Membership Form.
2. Annual Memberships fees are as follows:
  - a) Membership fees to Sailability NSW is \$5 - this includes NSW Membership.
  - b) Branch fees are set at the discretion of each Branch - generally \$10 to \$20 per sailor.
  - c) Family membership is available. The Branch to set such fees. Sailability NSW only requires membership fee (\$5) for the primary member and no additional fee for other family members.No pro rata membership rates are available.
3. The following documents should be forwarded to the Treasurer by the above dates ---- even if a NIL RETURN:
  - a) Reconciliation Statement
  - b) Membership forms (correctly completed)
  - c) Fees due to Sailability NSW
4. At every Sailability event comprehensive lists must be maintained and stored by Branches of participants, including ALL sailors and volunteers.

**The above procedures must be stringently complied with to ensure ALL sailors and volunteers are covered by Sailability's insurance policy.**

## 1. MEMBERSHIP PROCEDURES

The current Membership fee to Sailability New South Wales is \$5.00.

### NOTE

The Committee of Sailability New South Wales has waived the \$5.00 Sailability Australia Membership.

The Membership fees are for renewal of memberships and new memberships. The membership period is from the 1 July to the 30 June.

If a person becomes a member anywhere in that time frame they will still have to renew their memberships on the 1 July. Eg. If a person joins in January they will have to renew their membership in July.

All Membership fees are due to Sailability New South Wales on the appropriate Reconciliation Statement **three (3) times per year**. The Reconciliation Statement must accompany an Application for Membership of Association.

The Reconciliation Statement must be received by the Treasurer Sailability New South Wales for the following periods by -

- 15 March – Covering Membership details for the period November–February
- 15 July – Covering Membership details for the period March-June
- 15 November – Covering Membership for the period July–October

### NOTE

If no new members have been be enrolled a NIL Statement must still be lodged for any particular period.

## 2. INSURANCE PROCEDURES

### 2.1 PUBLIC LIABILITY/SPORTS INJURY (Covering Financial Members & Volunteers) AND PROFESSIONAL INDEMNITY INSURANCE

Each Branch's annual Member and Volunteer Insurance premium is calculated on the number of Financial Members and Volunteers registered to a particular Branch.

A Branch Schedule must be received by Sailability New South Wales disclosing the number of Financial Members and Volunteers by December 1.

Sailability NSW will then issue an Invoice to each Branch with their portion of the premium based on the number of Members and Volunteers currently registered to their Branch.

At present Sailability New South Wales pays for all Public Liability and Sports Injury Insurance premiums on behalf of all Sailability Branches and will continue to do so until further notice.

## 2.2 CASUAL SAILING INSURANCE

There are no fees payable for Casual Sailors – if an injury occurs through the negligence of a Sailability Branch that person is covered through Sailability New South Wales Public Liability Policy **BUT** if the injury is caused through the negligence of that particular person then Sailability New South Wales would not be held responsible. That person would need to have their own particular medical coverage.

All Sailability Branches are encouraged to explain this situation to all persons wishing to attend a sailing activity in the capacity as a Casual Sailor.

It is suggested that all Branches encourage all Sailors and Volunteers to become members of their Branch and pay the appropriate insurance fee to have full coverage whilst attending Sailability functions.

### NOTE

On any Sailability sailing day or Sailability event it is important that all Members, Carers and Volunteers complete the Daily Participation Register. This is a requirement for Insurance Coverage Claims to validate who actually attended the sailing activity, on what date and that the register had been signed.

## 2.3 MARINE INSURANCE

Each Branch's **annual** Marine Insurance premium is calculated on the number of assets. This includes boats, rescue vessels, trailers etc. held by that Branch.

A Marine Insurance Advice must be received annually by Sailability New South Wales disclosing the Type of Equipment (Sailing Dinghy, Trailer), Sail Number, Model, Identification No, Date of Purchase and Current Insurance Value of all assets required to be insured by **1 July**

Sailability NSW will then issue an Invoice to each Branch with their portion of the premium based on the number of boats (assets) owned by that Branch.

### NOTE

Whenever a Branch acquires an asset – Sailability New South Wales is to be notified within 2 weeks of the purchase of that asset to arrange a cover note for Insurance coverage.

### 3. BRANCH RESPONSIBILITIES

#### 3.1 CONSOLIDATED ANNUAL AUDIT

In order to retain Sailability's fundraising status with Racing and Gaming and Gift Tax Deductibility on donations, Income Exemption and Goods and Services Tax benefits with the Australian Tax Office, Sailability NSW must submit a Consolidated Annual Audited Report (1st July to the year ended 30<sup>th</sup> June) including all Sailability Branch Financial position.

All Sailability branches must provide their Annual Financial Accounts to Sailability New South Wales to conform with Racing and Gaming requirements.

The Financial Records required annually by Auditor of Sailability NSW include:

- a) Cash Book – including Income and Expenditure Accounts July 1–June 30
- b) All 12 Statement of Accounts from your Financial Institution July 1–June 30
- c) Cheque Butts for all cheques drawn (relating to expenses) July 1–June 30
- d) Deposit Book for all monies received and banked July 1–June 30
- e) All Receipts received and Invoices dispatched.

The above Financial records must be received by the Treasurer no later than September 30.

#### 3.2 BRANCH LEGAL OBLIGATIONS

3.2.1 Individual branches are not legally empowered to enter into any legal contract without the PRIOR approval of the SNSW Executive Committee. As an incorporated association, the final responsibility of all legal contracts rests with the SNSW Executive Committee. **This includes monetary loans and the signing of contracts of any description.**

3.2.2 **Prior to applying for Grants, Sailability Branches must obtain the approval of the SNSW Executive Committee.** This is to ensure the integrity of applications and commitments the Branches make in obtaining the funds on behalf of SNSW are in line with Sailability NSW Administrative and Financial Procedures and Rules of Incorporation

### 4. TAX DEDUCIBILITY ON DONATIONS PROCEDURES

Donors requiring receipts to obtain tax deductibility on donations from the Australian Taxation Office should follow the following procedures:

- a) The donation being received by the Sailability Branch must have the cheque made out in the name of Sailability NSW and forward to the Treasurer of Sailability NSW.
- b) A letter from the Donator should accompany the cheque stating that this donation is for Sailability ..... Branch

c) When the funds are processed by Sailability NSW, a cheque for the full amount of the donation will be forwarded to the Sailability Branch and an appropriate receipt will issue to the donor

NOTE

**Branches are not to issue receipts for tax deductions.** All donations requiring a receipt must be processed from the donor via SNSW's bank account. Sailability NSW is unable to issue a receipt for Taxation purposes for donations if the monies have not passed through the accounts of Sailability NSW.

NOTE

All donations received by Sailability branches will need to be disclosed to Sailability NSW for a deductible gift recipient receipt to be issued to the person or corporation who donated the monetary gift.

## 5. GOODS AND SERVICES TAX (GST) PROCEDURES

When your branch receives an invoice from a supplier the "total cost" payable for those goods or services will have a GST component included in that invoice. Under the current legislative provisions and requirements Sailability NSW can claim back that GST component from the ATO.

If your Branch incurs costs from a supplier which has a GST component included, the following procedures are to be followed by branches for Sailability NSW to claim back the GST from the ATO on behalf of a specific branch:

EXAMPLE

Let's use the scenario of Sailability Branch X purchases a sailing boat from XYZ Boat Suppliers Pty Ltd for \$5500.00. The Invoice is sent to Branch X for \$5000.00 plus GST \$500.00.

1. Sailability Branch X is to send a Cheque to Paul Tayler (Treasurer Sailability NSW) made payable to Sailability NSW for the total amount of payment (including GST) in this case \$5500.00 shown on the Invoice.

Also required to be sent is the Invoice received from XYZ Boat Supplies Pty Ltd.

2. Sailability NSW will draw a cheque for \$5500.00(including GST) for the boat in favour to XYZ Boat Supplies Pty Ltd.

3. Sailability NSW will submit a Business Activity Statement to the Australian Taxation Office for a refund of the \$500.00 GST component.

This Statement needs to be lodged at the ATO on a quarterly basis.

4. When the refund amount is received from the ATO for the outstanding GST (\$500.00) component, Sailability NSW will draw a cheque in favour of Sailability Branch X and forward the appropriate amount.

## NOTE

If an Invoice is received and paid for by a Sailability Branch that includes GST then Sailability NSW cannot claim back that portion of the GST. That GST component will then be forfeited by that branch.

ie For a Sailability branch to claim back GST, all invoices that include GST, must be paid by Sailability NSW on behalf of the Sailability branch.

## 6. APPROVAL FOR STATE AND FEDERAL TAX EXEMPTIONS ALLOWED

Stamp Duty imposed on the Registration of a Motor Vehicle, Trailer etc. - Exempt  
Stamp Duty imposed on the Insurance Policies (excluding Life Insurance) – Exempt  
Bank Fees and Charges on all Financial Accounts - Exempt  
Income Tax imposed on Income Received – Exempt  
Goods and Services Tax imposed on all Purchases – all GST paid is refundable from ATO

## 7. OPENING A BANK ACCOUNT PROCEDURES

Opening an account as indicated below will alleviate your Branch from having to pay Withholding Tax and Bank Charges

Bank:

St. George Building Society

Account Name:

Sailability New South Wales Inc. – x Branch

Sailability NSW Tax File No.:

92780027

Sailability NSW GST Registration No.:

92071811517

Income Tax Exemption No. as a Public Benevolent Institution:

DGR900451383

When Opening a Bank Account present copies of:

- a) Notification for Endorsement as an Income Tax Exempt Charity
- b) Authority to Fundraise for Charitable Purposes.
- c) Certificate of Incorporation of Sailability New South Wales.





Marine Insurance Advice

**RETURN TO:**

The Treasurer  
Sailability NSW  
152 Victoria Road  
Punchbowl NSW 2196

Branch: \_\_\_\_\_

Date: \_\_\_\_\_

<b>Type of equipment Eg. Sailing dinghy, trailer</b>	<b>Model</b>	<b>Identificatio n No.</b>	<b>Additional information eg Electric boat etc</b>	<b>Date of Purchase</b>	<b>Value</b>