



Financial Management

Mark Masonry Seminar
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Book of Constitutions

Excerpts from Rule 105.1

Treasurer's Duties and Lodge Accounts



- “All moneys 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 authorized, 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 authorized by the Lodge.”

THE RULE CLEARLY SHOWS THAT MANAGEMENT OF THE LODGE'S FINANCES IS PRIMARILY THE RESPONSIBILITY OF THE TREASURER

MASTER



- Not expected to get involved in the micro aspects of the Lodge's financial affairs BUT like CEO of a company
- Must ensure all Officers are operating in accordance with established rules and guidelines

Budgets



Ensure presented and examined at:

- Lodge Committee
- Approved in Open Lodge

Budgets



Administration Budget – Main Items

Income

- Dues and Initiation Fees

Expenditure

- Grand Lodge and District Dues, Temple Rental, Security, Dining Fees (if included in dues) and Other Expenses

This budget determines Dues for the year:

- Should be accurate as possible
- Shortfalls, if any, cannot be funded from Charity or other Funds

Pitfalls to Avoid



Various Funds

- Accounted for separately e.g. Charity, Benevolent and Master's Installation Fund
- Not to be used to finance Administration Expenses

Monthly Reports



Should be presented to:

- Lodge Committee
- Open Lodge

Should show:

Assets

- Bank Balances
- Balance of various Funds e.g.: Charity, Benevolent, Master's Installation and General Funds separately
- Dues Receivable
- Other Receivables
- Investments

Monthly Reports



Should show:

Liabilities

- Grand Lodge Dues Payable
- District Grand Lodge Dues Payable
- Other Payables

If General Fund is negative, serious breach exists:

- Needs to be remedied urgently
- In the corporate world a company in such a situation would require intervention or cease trading and be wound up

Dues Receivable



- Every effort must be made to have members pay dues in a timely manner
- Inability of a Lodge to honour its obligation, not only affects the Lodge but will bring Freemasonry into disrepute
- Bear in mind Rule 118 Book of Constitutions: neither the Master, the Lodge, District Grand Lodge nor Grand Lodge has any discretion in the matter of cessation after non-payment for two years, which is **automatic**

or

- For a lesser period if so provided in the Lodge's By-Laws
- Procedure for re-joining is set out clearly in Rule 107-111

Annual Audit



Audit Committee

- Should include senior members of the Lodge, with accountancy background, if possible
- Should examine books of the Lodge
- Should focus not only an accounting (arithmetical) examination of the Lodge's books but, must ensure the following:

Annual Audit



Should ensure:

- Income and Expenditure properly appropriated
- Unqualified certificate signed by the Audit Committee
- Proper accounting records have been kept
- Income and expenditure have been received and disbursed in accordance with (a) Rules & Regulations of the Book of Constitutions and By-Laws of Lodge and (b) Rules and Regulations governing particular Funds of the Lodge



Thank You