

# Finance, Membership & Insurance Subcommittee Report



**Meeting held: May 25, 2015**

**Present:** Cass Gye, Hubert van Mierlo, Joint Chairs;  
Iza Foster; Marie Minslow, Boyd Attewell (via Skype)

**Apology:** David Hegarty

## **Insurance Review:**

Renewals 2015-2016 due 30.06.15. Association Liability fidelity cover; Public Liability: private hire of Hall and associated activities on the premises; other uses of the Hall; major community events; Personal Accident: number of volunteers; Community Vehicle drivers. Col Batt raised no further points on aspects of our insurance cover for this year.

Advice from broker last year was noted:

- Fidelity cover is for employees/volunteers only and does not cover Office Bearers.
- Insurance covers all SIRA events, including SI Players rehearsals and performances. Alcohol consumption and Hall capacity must comply with relevant regulatory requirements.
- Insurance also covers Hall Hirers who are not-for-profit provided there is no alcohol and the number of attendees does not exceed 50.
- The policy also covers one major event per year (e.g. recent Winter Solstice Festival).
- All other Hall Hirers will need to provide their own insurance cover.
- Smoking is prohibited both inside the Hall and on all outside balconies.
- The number of volunteers referenced in the policy is the maximum at any one time.
- Work cover is outside the scope of the policy (NSW Work Cover have confirmed that work cover is not required for volunteers).

**Action:** CG to check that all private Hall Hirers have signed the Agreement for Hire.

## **Community Vehicle Funding Changes:**

Transport for NSW (TfNSW) has changed its funding policies. SIRA has agreed to voluntarily relinquish its funding contract and for it to be redirected to Manly Warringah Pittwater Community Transport (MWPCT) who will manage the funding and coordinate the service. SIRA will collaborate with MWPCT and coordinate Island operations. This handover is proposed from July 1, 2015. A draft MOU has been prepared by MWPCT for approval and formal notification from SIRA has been prepared for TfNSW.

## **Memberships 2015-2016:**

### **Structure and Fees**

Legal advice from Michael Chapman is that membership is constitutionally based on persons and not households, as is currently practiced. See attached document 'SIRA Membership Accounting Practice' for more information.

It is proposed that SIRA change the membership and associated fees to per person memberships as from the 2015/2016 membership year and introduce 1 of 3 options: \$10, \$12 or \$15 per person.

Financial impact of the 3 options in a worst case scenario estimated as follows:

<b>Current \$20 per household</b>	<b>\$5,840</b>
<b>Estimated Members (worst case)</b>	<b>354</b>
<b>\$15 per person</b>	<b>\$4,995</b>
<b>\$12 per person</b>	<b>\$4,016</b>
<b>\$10 per person</b>	<b>\$3,330</b>

Arguments in favour of a higher fee:

- There is a lower risk that SIRA will have reduced income.
- If a membership system is introduced, admin costs will increase and therefore higher fees are needed to compensate.
- Cost for a household of 2 (most prevalent size) will still be modest and the increase in cost very small on annual basis (up to the cost of 2 coffees).

Arguments in favour of a lower fee:

- A higher fee may be unpopular with members as it could increase the cost per household.
- SIRA currently has income accrued from memberships and EW management fees that could easily absorb the financial impact.
- As the impact is not known at this point in time, if needed, fee adjustments can be made in subsequent years

**GST Registration:**

CG recommends cancelling GST registration from July 1, 2015. As the CV income/expenses will no longer be SIRA's responsibility there will be minimal GST collected/paid therefore reducing BAS obligations.

**Action:** BA and CG to check figures and consult with Auditor to confirm

**Online Accounts:**

CG has had discussions with DV about an appropriate online account package. BA has suggested that the \$50 per month version would be adequate for SIRA's accounting requirements. The financial cost would be \$600 per annum. This cost, plus the Wild Apricot subscription of approx. \$1,400.00 p.a. = \$2,000.00 p.a. The impact of this cost when membership income could be reduced was discussed. BA said that in his opinion the introduction of the new software will result in savings of bookkeeping cost.

CG and BA have agreed on the way forward to review the accounts which will run in parallel with the current system. Refer attached proposal of the process.

**Action:** BA to review the accounts to formulate some recommendations on how the practices and procedures might be improved.

**Postscript:** MYOB offers a 15% discount to not-for-profit organisations