

## **How to make a claim for an expense to be reimbursed.**

As a club we need a receipt as proof that you have paid it, so please scan paper receipts (see below).

If the amount is \$50 or more, we also need a tax invoice so we can claim back the GST. This is a legal document and of a specific format. Often a tax invoice and a receipt are the same but not always. Some merchants only provide tax invoices on request. At the time of sale, they only provide a credit card chit. There are merchants who do not fully understand their legal obligations however I need you to provide the correct document to me before we reimburse you so you might need to request a tax invoice.

Here is a summary of what we need for receipts \$50 or more and less than \$1000:

- The words "Tax invoice" and the date of the transaction
- The name, address and GST registration number of the supplier
- A description of the goods or services provided with an amount charged
- Either the words "GST incl" or the GST amount separately identified

For amounts \$1000 or greater, please check the link: <https://www.ird.govt.nz/gst/tax-invoices-for-gst/how-tax-invoices-for-gst-work>

**Scanning paper receipts** – please scan on a scanner, **portrait** (not landscape). I require **pdf** documents.

**Receipts/Tax Invoices contained in the body of an email** – please use the snip tool and create a pdf of the document. This helps me enormously as I am very time poor and I value you helping me with this task.

**Word docs or excel files** – save as PDF and email to [treasurer@wtmc.org.nz](mailto:treasurer@wtmc.org.nz).

**PDF files** – forward the email to [treasurer@wtmc.org.nz](mailto:treasurer@wtmc.org.nz) with the attachment.

## **Why is this important?**

As a club we need to be completely transparent with respect to our finances. If at any time we are subject to our audit, we need all the financial information to be readily auditable. This means:

- A document to support all our expenditure
- Every transaction needs its own relevant document
- This needs to be readily available to see on screen so no turning the head on the side to view it and no needing to download it and/or to enlarge it.

Please – keep your paper receipt until you have been reimbursed – that way if you need to rescan it you will have it available.

Also – do use a scanner and not a phone photograph if at all possible. The phone photographs can sometimes be clear but often they are not. You can always check this before you send to me. If it's a long receipt with extra information (like store hours) at the bottom, you can leave the non-financial information off the bottom when scanning. Remember – an auditor needs to be able to read this.

## **FAQ: Why can't I provide the receipt later and get the reimbursement now**

From experience as a treasurer and accountant, I have learned the expense claimant is more likely to remember to get the receipt if not yet reimbursed.

The club's Treasurer can easily forget such things but we might discover some months down the track the document is missing and can't then get a copy (The merchant is legally required to provide this to you within 28 days). You can always ask the merchant for a copy if you lose the receipt. Provided you have paid by card you will be able to find out the date and amount of the transaction and can ask for a replacement receipt.

## **Why would an audit happen?**

At least three possible reasons:

1. The IRD audits the club (this could be for a specific reason or just a routine audit)
2. A club member requests an audit (this can arise if a member is displeased with some of the financial decisions the committee has made – we are a big club and it IS possible)
3. A creditor audits us. This could arise if we are struggling to pay some bills and is quite possible, given that we own the lodge at Ruapehu and it is a "big ticket item.

An audit is likely to cost us money. It will cost more if the auditor has to mess around chasing documents or the documents are not easily read. The auditor is most likely to sample our transactions and if all transactions in the sample are fully supported by readable documents, then it is likely that this sample will be sufficient for the auditor's needs. "

However, I cannot say this definitively. It's just that it is the Treasurer's responsibility to ensure we have the proper financial records.

Beverley Holder, WTMC Treasurer

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