

# GUIDE TO MANAGING HISTORICAL SOCIETIES

## Managing the Organisation

### Notes for Treasurers and Income Generation

To formally establish a historical society:

1. Contact Consumer Affairs to register as an incorporated entity.
2. When you have received the incorporation number contact The Australian Taxation Office to register as a Non- Profit Organisation and for the appropriate GST status.
3. Open a bank account under the name of the society.

If the organisation wishes to apply for grants or to work with the local council it will be necessary to be incorporated and also be registered with the Australian Taxation Office.

Both the Consumer Affairs Victoria and the Australian Taxation Office have helpful websites.

### Financial Record Keeping

An organisation can record the payments and receipts either manually or on a computer.

#### Manual record keeping

A simple cash book with up to 8 columns can be obtained from most newsagencies and is often adequate for a small society.

An example:

Set out one page for Income (receipts) & one page for Expenses (payments)

#### Income

Date 2008	Name	Membership dues	Donations	Fund Raising	Total	Grand Total
15 August	E. Andrews	\$20.00			\$20.00	
16 August	B. Hamilton		\$10.00		\$10.00	
20 August	Cash			\$100.00	\$100.00	
						\$130.00

#### Expenses

Date 2008	Name	Stationery	Insurance	Subscriptions	Total	Grand Total
15 August	Newsagent	\$50.00			\$50.00	
18 August	Telstra				\$60.00	
20 August	RHSV		\$100.00	\$66.00	\$166.00	
						\$276.00

There are usually more columns for expenses than receipts.

Another cash book with very detailed notes on how to manage the various columns can be purchased from *Kindergarten Parents Victoria* Level 3, 145 Smith St. Fitzroy 9489 3500 <http://www.kpv.org.au>. Price \$60.00. Organisations will have to adapt some of the columns but the “how to” section is clear and generic. Please note that this cash book has columns for GST which, for a small society, could be unnecessary so the treasurer should be aware of the society’s GST status.

### **Using a computer to keep records**

An Excel Spreadsheet can be set up as a cash book and for most societies will be simple and adequate.

Some organisations use simple accounting software packages such as *QuickBooks* or *MYOB*

### **Duties of a Treasurer**

1. Keep a record of the payments and receipts in a cash book either manually or on the computer.  
Petty Cash: receipts are to be kept for all money that is spent from or goes into the petty cash float. Petty cash receipts are part of being accountable for the finances of the society.
2. Bank statements should be received regularly and a bank reconciliation should be done.
3. Work out the profit or loss for the period.
4. At the committee meetings the treasurer should present cheques to be ratified and also the Profit and Loss Report.
5. The bank statements and financial reports should be kept for seven (7) years.

### **Financial Duties of the Committee**

1. The decisions to spend money should be decided at committee meetings.
2. Cheques/credit cards: Societies should nominate and minute who are the authorized people to sign cheques and use credit cards. The cheque account should be organized so that 2 signatures are required for a cheque. Several signatories can be nominated so that it is not an inconvenience if a signatory is unavailable.
3. Online Banking: Records kept of who has passwords and client number authorities.

Information on the role of the treasurer, tax, keeping records etc can be found at:  
<http://ourcommunity.com.au/resources>

Excellent resources exist to help societies manage their accounts.

In particular:

Voluntary Treasurer’s Handbook for small non-profit organizations at  
<http://www.gst.startup.gov.au/educational/pdfs/treasurershandbook.pdf>  
and

Westpac Bank has a free publication - *Guide for Community Treasurers*  
[http://ourcommunity.com.au/financial/financial\\_article.jsp?articleId=1043](http://ourcommunity.com.au/financial/financial_article.jsp?articleId=1043)

## Audits

Audits are necessary if the organisation turnover is over a certain amount and/or the organisation is receiving a government grant.

The auditor must be a member of the Institute of Chartered Accountants or a Certified Practising Accountant or other organisation qualified to deliver this service.

For further information: <http://www.charteredaccountants.com.au>

And

Article on Auditors and Assets on Our Community website -

[http://www.ourcommunity.com.au/financial/financial\\_article.jsp?articleId=2904](http://www.ourcommunity.com.au/financial/financial_article.jsp?articleId=2904)

## GST

The Australian Taxation Office website contains the following information about GST and Not-for-Profit groups –

The GST registration threshold for a non-profit organisation is \$150,000. This means your non-profit organisation is not required to be registered for GST unless the GST turnover of your organisation is \$150,000 or more.

You may still choose to register your organisation for GST if its GST turnover is less than \$150,000. The decision to voluntarily register for GST is one that ought to be based on the administrative needs of your organisation. Some organisations may choose not to register for GST because they consider the GST reporting requirements to be a greater burden than the benefit they would receive, for example, access to GST credits.

The booklet, Tax basics for non-profit organisations can be downloaded from the ATO website - <http://www.ato.gov.au/nonprofit/content.asp?doc=/content/33609.htm>. There is also an addendum containing recent changes.

## Deductible Gift Recipients (DGR)

Having DGR status is useful for grants and fundraising appeals.

There are two types of DGR endorsement:

1. When the organization can receive DGR
2. When the organization can run a fund that receives DGR status, such as a building fund.

Only certain types of organizations can receive tax deductible gifts.

Deductions for gifts are claimed by the person or organization that makes the gift (the donor).

For more information go to the Non-profit organizations link at the Australian Tax Office

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/18699.htm>

and

[http://www.ourcommunity.com.au/funding/funding\\_article.jsp?articleId=1725](http://www.ourcommunity.com.au/funding/funding_article.jsp?articleId=1725)

## Income Generation

### Setting the right price

The key imperatives for an organisation to generate income are to provide for its basic **operational expenditures** (the bottom line) and to fund **innovative projects** relevant to historical study. The mix of both these elements ensures a healthy, vibrant, forward-looking organisation.

Conceptualising the organisation as a business forces you to consider its operation as a service provider to members and the general public.

That service is based upon the organisation's assets: human and material; intrinsic and substantive. Its users will judge your service on the delivery of that service, in particular: ease of access, integrity, richness and comparative value for money.

Besides ensuring 'balanced books', determining the 'real' value of your services and products enables better-costed submissions to local, State and Commonwealth government bodies for funding support.

Your service relies on the manner in which the assets behind it are managed and cared for: the on-going development, maintenance and conservation of your organisation's resources.

Whatever advice, publication or activity an organisation provides and/or develops – a fee for service is a fact of life. Even if members are not charged directly, a fair fee structure will need to be developed to enable the setting of other costs and charges and the institution of simple program budgeting.

No organisation should under-value or under-sell itself. The quality of its advice, services and products should demand respect, encourage return visits and solicit positive comparisons with agencies pursuing similar objectives.

Additionally there are time-honoured tenets of sales that should be kept in mind. Two examples:

*'service with a smile'* – sometimes it is hard to smile when a new inquirer arrives and you are meeting the needs of others. Appointment times should be offered and maintained.

*'service without bounds'* – often it is better to give a little something extra (with a minimal actual cost) to encourage the consumer to think better of your service and to come back for more.

Without taking this approach any further: it is certainly wise for all on-the-spot volunteers to be encouraged to compare their service with that of their favourite organisations, and in that light review the Society's offerings. Similarly it is wise to talk through issues with researchers to be satisfied that you are meeting their needs.

### Opportunities for income generation

<i>Membership Fee</i>	<i>Research fees:</i>	<i>Entry Fees:</i>	<i>Publications:</i>	<i>Talks, Walks, Excursions:</i>	<i>Services</i>	<i>Fund raisers or Special Drives</i>
	- 'look-up'	- Society rooms	- Sales of Society publications	- membership entitlement	- transcriptions	- special events - book sales - annual or themed dinners - competition
	- by the hour	- Special Exhibitions	- Sales of others' publications	- local obligation	- use of equipment and facilities	- competition
				- part of sales to the general public	- reproduction fees	nights, etc.
				- partnerships with local businesses		

## **Membership Fee**

### **Setting the fee**

Membership in your society will entitle subscribers to certain privileges, publications, activities, services and special events (probably some ‘free’ [included in membership] and some at a discounted price). A membership fee is not a donation, so be up-front in indicating what members receive per annum for their subscription. The seemingly simple task of striking a membership charge (fee), must consider all the possible outgoings for a year (newsletter printing, postage, Internet Service Provider, hire of rooms, utilities, cleaning and so forth). If there is one significant cost (say insurance or hire of rooms) indicate this as a ‘levy’ on the Membership Application Form as a separate, but included item. Evaluate members’ responses to the ‘value for money’ that they believe they are receiving for their subscription. This not only gives you important feedback, it also is another way of connecting with and membership and showing that you are concerned with involving them.

### **Membership structures (or levels)**

Often an organisation determines levels of membership: *ordinary, household, student, school* and *academic institution, corporate, lifetime*. Household memberships allow for the sharing of servicing costs across memberships and encourage multiple memberships. Student membership may sit well with the ideals of an educationally directed agency, such as a Historical Society. Considering that there are important legal requirements for working with persons younger than 18 years – you may wish to link to local schools through their structural arrangements and confine your student membership to those in tertiary institutions. Corporate memberships place your organisation amongst important local institutions who wish to be seen as supportive of your mission, and are an alternative to sponsorship. Lifetime membership is introduced at times to assist cash flow. But it can become burdensome: it takes time to administer and one would never want the situation to occur when the number of lifetime members exceeds ‘regular’ members.

Membership records should be kept across the years of the organisation’s existence. The history of an organisation’s membership is important, since the organisation is part of the locality. Similarly the regular review of the waxing and waning of the organisation’s growth is an important tool to be used in the consideration of the services being offered to members and the organisation’s relevance to its community. Any review of membership lists must respect concerns for privacy. Membership lists must not be ‘on-sold’, unless there is an opting-in clause on your membership form. This, again, may become burdensome to administer.

## **Research Fees**

### **What sort of research?**

Some solutions to a question of historical research – personal, familial, property, objects, institutional, company, environmental, social – can be reached in minutes (the simple ‘look-up’). Alternatively research can take hours, days, weeks and years.

Integrity is fundamental in providing any information (with or without a charging fee). Any result of a research request must be traceable back to the preparer, substantiated with references, and if possible, should be checked by another.

Where work is conducted on behalf of any other person: copies should be kept for further and future reference. If these are prepared on a computer, then they can be computer searchable

by a free software program such as Copernic Desktop Search:  
<http://www.copernic.com/index.html>.

### **Members**

An important privilege of membership is the ability to use their organisation's research facilities: essentially access to the collection (the material deposited with you for your care), within parameters set by the organisation and with (or without) the assistance of trained, skilled, knowledgeable research volunteers. Additional costs would be incurred for photocopying, transcription, and reproduction.

However the member may not be able to visit the organisation's rooms, or may consider themselves less skilled than others and therefore would wish the search for information to be conducted on their behalf. One way of meeting this situation is for the organisation to offer a member a certain number of 'free hours' of research per annum, plus the offer of discounted rates past these 'free hours'. (Probably you would offer the member unlimited 'look-ups': defined as the meeting of an enquiry in no more than 10 minutes, so involving reference to an index, a web-site or a key secondary source.)

Members who visit the organisation to conduct their own research must be prepared to contribute to the cost of photocopying (where permitted) and refreshments.

### **Non-members**

Non-members (day-visitors, 'phone-, mail-, or email-inquirers – local and overseas) have the same research needs as members. While not being prepared to commit to membership at this time, they are still anxious to answer a question they have about their area of interest.

A 'look-up' service (as described above) is a good way to handle non-member inquiries initially. It establishes the credentials of the organisation and provides a link between the non-member and the society. (This link may well indicate an estimate of the costs of any future research that could be undertaken by the organisation on behalf of the inquirer.) After this any service provided by the organisation should be charged in full by the hour, plus incidentals.

### **Entry Fees**

#### **Society Rooms**

Many historical societies combine their history and genealogical research service and resources with a museum or exhibition element. More often than not these societies request a donation or charge an entry fee. This sum rarely reflects the costs incurred in mounting and maintaining the presentation. But they can act as a crowd control (people are forced to consider entry). And they can add a little money to some special project; for example: at the front desk a notice which says: "All Entry Fees go towards acquiring new resources for our library". Providing a 'free' guide to the exhibition space on the payment of the entry fee extends your objective of extending knowledge about your locality's history. It also gives the recipient an aide-memoir of your organisation's contact addresses. These may become useful at some later time.

### **Exhibitions**

Where exhibitions are mounted and presented as a feature of the organisation's calendar, there may be a chance to charge a little more than regular admittance to the rooms. In this

case the exhibition space would be separate from the research and library area. Consider here a specially produced catalogue which backgrounds the exhibition and details the items displayed. The cost of this, which could be desktop published, could be included in the entry fee or additionally charged. However, it must be said that the market for catalogues is not great.

## **Publications**

### **Publication**

It is practically a given that your organisation will wish to publish its own material. Publication is the culmination of research undertaken into aspects of your locality's history. There are pros and cons to book publication for a small organization; and there are options for publication which do not require the investment in funds that traditional book publication requires. These are discussed elsewhere.

There will be publications about your locality that other authors have written or compiled. You may be asked to sell these. Or you may feel beholden to have such books for sale, part of your Mission Statement being to foster and enhance knowledge and understanding about your area.

### **Sales**

Sales of books tend not to be big income generators. Practically, you can only strike a small mark up (profit) on them, and they can tie up a lot of your funds in the stock. Investigate other outlets for your own publications (local and regional bookshops, the RHSV, Information Victoria). Sending a complimentary copy to the RHSV library will generally result in review and promotion in the RHSV *Newsletter* and the possibility of a review in the prestigious *Victorian Historical Journal*. Attending History Fairs is another opportunity for sales and promotion of your publications. Increasingly promoting your books on your website can result in sales.

Where you have undertaken to sell the works of others, aim to sell books on consignment. Make sure you pay the authors regularly and keep up periodic contact. Don't allow yourself to keep the publications of others on your sales list for too long.

Generating income from sales requires publicity and footslog. Seek a determined volunteer-member and use your own facilities to 'plug' your publications list. Ensure that all your 'on-the-ground' volunteers know the contents of your list and the value they have for visiting members and the general public.

## **Talks, Walks, Excursions**

Membership of a historical society traditionally includes invitations to talks, walks and excursions. A society would welcome non-members to any of these events. Nevertheless non-members should be expected to pay a premium – except perhaps an annual talk which should be set aside with free public entry and be used to foster positive public relations.

A calendar of events across a year would be populated with speakers drawn from within and outside the membership – their **talks** balanced across subjects and eras.

Similarly **walks** among precincts in the vicinity (commercial, residential, industrial) and in special environments (parks, waterways, cemeteries) are predictable activities. Of perhaps a duration of two (2) hours, once trialled with members, these are very valuable items for wider marketing.

Further afield, **excursions**, say to historical sites with a strong particular relationship to your locality, are more likely candidates for direct costs to members. They offer the possibility for a small profit to be made.

Well-designed **walks** are appreciated by anyone (day-visitor or researchers) wishing to gain a 'feel' for a locality or environment and class teachers seeking excursion activities. Thus your organisation can produce a short self-guided walking guide and sell it for a reasonable sum.

Or you may offer to **lead the walk** for a fee. Guides should be knowledgeable in the area and, if at all, refer to notes very sparingly. The concept of the walk can be extended to a partnership with a local beverage and food provider. For example: your organisation may team up with a local gallery and coffee shop or tour operator to provide a broader 'cultural tourist' experience. Determining an appropriate fee in any of these circumstances is likely to involve discounting for a group (larger than say 10). But given that the demographic of the potential guests, there is likely to be no discount based on age (i.e. the price is already discounted).

Taking your society to its community through walks, talks and excursions, as described above, may occur as the spirit moves, or it may require a volunteer to act as an Outreach Officer. Where the Publicity Officer would promote the organisation's calendar of events in the local papers, the Outreach Officer would seek ways of connection and outcomes profitable to both parties. The Outreach and Education Officer roles can easily merge here.

## **Services**

### **Transcriptions**

Manuscripts should not be photocopied. Many are extremely difficult to read. Your organisation can offer transcription services for these. This may involve two hourly rates: one for the actual transcription by hand, the other for typing. Transcription can be applied to other items of used in historical research: certificates of all kinds, wills and cemetery registers. Headstones and memorials, while not manuscripts, are similarly items that often need transcription. Every transcription should be fully referenced to the original and bear the name and signature of the transcribers and checker (so authorising the transcription as a good and fair copy).

### **Use of equipment**

Organisations amass quite a bit of equipment for their own activities. Equipment 'down-time' can be offered to members and non-members for their personal (non-commercial) use, under supervision.

### **Use of facilities**

Your rooms may lend themselves to hire by other community organisations. Issues related to insurance and security are of vital importance to this suggestion. But if the return offered is sufficient, it is a concept worth pursuing.

### **Reproduction Fees**

Items with museum collections, particularly photographs, can be an important income stream for organisations. These items however must be treated as valuable assets and never under-valued or under-sold. No organisation should give away an asset, just because someone wants a copy of it for his or her research or for an illustration. Systems, procedures and agreements should be put into place to protect the unfair, unscrupulous or unethical use of items from your collection.



There are two ways to generate income from photographs. Firstly the right to have a **copy** of the photograph and secondly the right to **reproduce** to photograph

This is not to be confused with copyright.

It is important to develop clearly worded forms plainly stating the use for which the photograph is provided.

Examples of scales of fees for historical societies for photographic sales and then costs to reproduce the photograph are available from the RHSV.

### **Fund Raisers or Special Drives**

Often one or two major events held annually can bring considerable revenue directly into an organisation. Often the focus of ingenuity, they require much organisation and effort, particularly in the days close to the event. But they deliver the funds immediately and can be targeted to special innovative projects.

Such special events include *Book Sales, Annual or Themed Dinners, Competition Nights* (history should not be trivialised), *and Dutch Auctions*. The list is endless and not exclusive to Historical Societies. Therefore care must be taken in choice of event and placement on the locality's calendar.