



Treasurer's Report for AHA Executive & AGM 8 & 11 July 2013

1. Current Balance as 5 July 2013

The AHA Operating Fund -	\$30,670.71
The AHA Online Saver -	\$27,130.47
The Jill Roe Prize Fund -	\$4000.00
<u>Total Net position -</u>	<u>\$61,801.18</u>

The main items of income include, as per usual, regular payments from Register Now for subscription renewals. Our two term deposits have paid during the current quarter (June 2013). The main items of expense March-May have been printing and mailing costs associated with History Australia. As noted below (Item 3), salary costs normally incurred for the Executive Officer in this quarter were delayed due to the transfer of the secretariat.

The accounts are reported on a quarterly basis at every AHA Executive meeting. If AHA members have any questions please email me: a.may@unimelb.edu.au

2. Audit

Richard O'Grady from Aitken Business Partners has finalised the AHA audit. The AHA's financial year runs from 1 June 2012 to 31 May 2013. The main results, together with the previous years' comparison, are as follows:

	2012-13 (\$)	2011-12 (\$)	2010-11 (\$)	2009-10 (\$)
Subscription and journal income	68,588	60,578	54,220	50,410
Total Income	113,566	94,144	110,420	70,157
Journal costs	19,450	25,779	29,098	28,588
Secretariat	38,811	42,362	39,651	32,285
Annual result	30,319 surplus	2,943 surplus	11,533 surplus	7,987 deficit

There are a limited number of hard copies of the auditor's report available at the AGM, and the Audit will also be placed on the AHA web site.

3. Audit Result — Discussion

This year's financial result for the AHA is a reasonably strong one. Most income and expenses remained as predicted. The secretariat moved from La Trobe University to the University of Melbourne in February 2013. Due to administrative delays in the transfer, the salary of the Executive Officer for the period February to the end of May (\$12,838) was not invoiced by the end of the financial year, and will therefore need to be taken into account when appraising the 2012-13 profit, which nevertheless is the largest in recent years. Upcoming expenses include this year's crop of CAL bursaries (totalling \$8740).

The long-term trend sees the AHA maintain its surplus position as long as membership levels remain stable, the annual conferences continue to return a healthy surplus, and the CAL income stream continues from *History Australia* articles. Thanks to the hard work of the organising committee, the Adelaide Conference returned an excellent surplus of \$26,131.89. There has been a change in the way the float has been accounted for this year. In last year's accounts the \$5,000 was expensed, and then recognised as income in the year it was returned. The \$8000 float for the next conference has been treated as an asset under Accounts receivable and other debtors in the balance sheet, on the basis that it will be returned in the next financial year. The auditor's advice is that this is a better way to account for the float in the future, and it won't impact on the surplus calculations moving forward.

4. The Jill Roe Prize Fund

Following Executive approval in 2012, the balance of the Jill Roe Fund of \$3,575 was topped up to \$4,000 from general revenue. It was anticipated that this amount be invested in a 12-month fixed term deposit at the end of 2012. Had such an investment reaped around 5% per annum (as was anticipated by Erik a few years ago when the prize was first mooted), the fund would generate \$200 to cover prize money (\$150) and some administration costs. For amounts under \$5000, the return for a 12-month term is however now a mere 1.25%. If the money were transferred into our Business Online Saver (as long as it maintains a minimum balance of \$10,000 — is currently \$27,130), we get 3% interest. This account generated a little over \$800 interest in 2012-13. If we utilised the interest from the Business Online Saver to top the Roe account up to \$5000, we could invest that amount for 12-months at a rate of 2.7%. There are organisational advantages in keeping prizes in discrete and separate accounts.

5. Register of Cultural Organisations

Establishing a public fund for the purposes of being able to obtain tax-deductible donations has proved to be more complicated than originally imagined. Correspondence from the Acting Director, Cultural Property and Gifts, Office for the Arts (dated July 2012) addressed to the AHA President was misfiled and therefore has not previously been reported to Executive. Amongst other queries, OFTA noted that in order for the AHA to be eligible, its Rules of Association would need to be amended to take account of the following public fund requirements (they currently do not meet all the requirements outlined in the ATO's Taxation Ruling TR95/27):

- No moneys/assets in the fund will be distributed to members or office bearers of the Association, except as reimbursement of out-of-pocket expenses incurred on behalf of the fund or proper remuneration for administrative services

- The public fund has to be administered by a group of persons, the majority of whom are persons of responsibility
- The Association must include a winding up clause specifically for the public fund (distinct from the winding up of the Association)

Section 30-300(5) of the *Income Tax Assessment Act 1997* also requires that organisations applying for entry to ROCO must be not-for-profit (i.e. the organisation must not pay any of its profits or financial surplus, or give any of its property, to its members, beneficiaries, controllers or owners). The AHA's Rules of Association appear to be silent on this matter, and would need to be similarly amended.

OFTA had two further queries. It questioned the manner in which the AHA intends to promote the cultural purposes of literature and movable cultural heritage, which we indicated on the application form were our principal cultural activities. (To be eligible, the principal purpose of an organisation must be the promotion of one or more of the cultural activities listed in subsection 30-300(2) of the *Income Tax Assessment Act 1997* — the specified activities are literature, music, a performing art, visual art, a craft, design, film, video, television, radio, community arts, Aboriginal arts or movable cultural heritage). OFTA also advised that conduit arrangements (where monies are used to support the purposes of other bodies) are not permitted under the ROCO. It would be considered a 'conduit arrangement' if the AHA were to use its deductible gift recipient status to assist other organisations. Further discussion is needed to determine if a new application might be contemplated.

6. CAL

Income from CAL has traditionally arrived in two forms – income from the CAL Electronic Lending Right Scheme (ELR), and income from the CAL Cultural Fund. The latter includes CAL funding for the AHA-CAL Postgraduate Prize and funding for the AHA-CAL Mentoring and Travel Bursary Scheme.

I am pleased to report that we were notified in May 2013 of our success in securing ongoing funding for the AHA/CAL Scheme 2014-2016. We have been allocated \$21,000 (\$7,000 per year for three years) to support our project. Second and third year funding will be dependent on satisfactory acquittal reports, which must be submitted within 6 weeks of the conclusion of each year's conference. This round was highly competitive, and though we did not receive the full amount requested, the scheme will still be able to prosper even in an attenuated form. We sought CAL funding of \$11,200 (\$9800 for 14 x \$700 bursaries; and \$1400 for the cost of mounting two workshops), with a commitment to the scheme of \$3,775 from the AHA by way of administration and other sundry costs. Effectively we therefore have a \$4,200 shortfall per annum from the CAL end, and we might discuss ways in which we may need to tailor the scheme by way of reducing the number of bursaries offered, directing further AHA funds towards the bursaries, or seeking additional funding from other sources (or all of the above).



Andrew J. May
5 July 2013