



Inspiring clubs to achieve success.

FINANCIAL MANAGEMENT

Financial management is a complex yet integral part of managing your club's activities. It is through sound financial management that clubs can demonstrate transparency to their members, and help to secure the future of their organisation.

Your organisation needs to be financially accountable to its members, financial contributors and donors. Further, you are legally required to prepare financial reports, and depending on your club's assets and revenue, you may need to have these reports independently audited.

- Your organisation is legally required to manage funds accountably.
- Your Club's viability depends on it.
- Longer term plans need consistent approaches.
- Hard working volunteers want to see outcomes.
- No growth without investment
- Prudent financial management helps to avoid unfortunate disappearances of cash.
- Make the job of future treasurers and executive committees easier.
- Your club has a number of accountabilities when it comes to financial management, including:
 - The requirement to prepare an annual financial report (constitutional + Association's Incorporation Act 1981);
 - The requirement for independent auditing of financial reports if assets or income exceed \$100,000 or if required under the Collections Act 1966 or Gaming Machine Act 1991.
- Preparing an annual budget;
- Enforcing agreed financial management approaches.
- Managing club bank accounts
- GST accountabilities and requirements to lodge Business Activity Statements with the Australian Tax Office.



Your club should consider adopting a series of 'financial rules' which will help your committee adhere to sound financial management practices.

Develop a set of financial procedures for your organisation and keep these in your club management manual including:

- Procurement, including deciding on suppliers;
- Payment systems;
- Signatory requirements;
- Cross-checking of accounts;
- Reporting requirements.

Education and training for the treasurer and other committee members in financial management of community organisations. Reporting the financial status of your club to members through annual reports and other more regular communication techniques.

Set your annual budget based on the actions outlined in your club's strategic/ operational plan, and the information from the previous years " operations.

Requiring two signatures on club cheques with at least 3 committee members registered as authorised signatories. Consider using expenditure vouchers which are authorised by the treasurer and one other executive and then cheques only signed when voucher is authorised (two signatures should still be required on all cheques).

Maintaining a register of assets and recurring financial liabilities (insurance, lease, association fees etc) which includes scheduled maintenance, repair and replacement requirements.

Regular committee reporting practices (i.e. standard 'finance' agenda item at each committee meeting)

Obtain the advice of an accountant to set up/ review the club's financial practices.

Consider purchasing accounting software to simplify and modernise financial record keeping.

Consider security - don't allow situations where large amounts of cash (e.g. after a big competition or event) are easily accessible. Restrict access to 'treasury' areas and organise for night deposit of funds or use of a secure safe until the bank opens. Never leave just one person responsible for large sums or have them by themselves when packing up etc. The local police will be able to advice you on security.

The role of the Treasurer in managing the club's finances includes the following:

- Know where the money is/ was/ will be.



- Ensure adequate records.
- Coordinate the preparation of budgets.
- Issue receipts and promptly deposit all monies received in the bank.
- Make all approved payments promptly.
- Accurate and up-to-date records of income and expenditure.
- Issue Invoices Promptly (e.g.: fees, rentals etc).
- Pay bills promptly.
- One of the signatories on the organisation's bank accounts (with at least one other management committee member).
- Manage the organisation's cash flow.
- Be accountable for the organisation's petty cash.
- Ensure the organisation remains solvent.
- Prepare regular bank account reconciliation statements for presentation to the management committee or board.

FACT SHEET SOURCES

www.ausport.gov.au/clubs ; www.dsr.gov.au/clubhouse ; Association's Incorporation Act 1981

FURTHER INFORMATION

The Australian Sports Commission's Club Management Program - „Overview of Financial Management for Clubs” a bng w ith other resources here :
www.ausport.gov.au/clubs/supporting/clubs/resource_library/financial_management

'Our Community' - guide for club Treasurers:
www.ourcommunity.com.au/files/community_treasurers_guide.pdf

The Australian Taxation Office (www.ato.gov.au 1300 130 248) provides a number of guides for not-for-profit community groups including:

- Guide for office bearers of non-profit clubs - Income tax exemption & sporting clubs;
- Tax basics for non-profit organisations
- Induction package for non-profit administrators