

Financial Management

As in all management activities a club should aim to adopt best practices in financial management. The size and complexity of a club will influence this, however the following are necessary:

- Constitutional requirement for an Annual Financial Report.
- A suitably trained treasurer.
- Appropriate accounting system e.g. Cash Book / Ledgers / Journal.
- Existence of approved Bank Accounts.
- Cheque signing authorities - at least three registered with two signatories required at all times.
- Established reporting practices for the Management Committee and a standing agenda item
- Asset Register and Management of Assets.
- Adopt an Annual Budget.

Clubs are also reminded that there are many suitable accounting software programs now available on the market so that there is no need to rely on templates. Professional advice should be sought before deciding which package to buy.

If you provide goods or services you may need to register for GST. In general if you are conducting a taxable activity and your annual turnover has exceeded \$40,000 you must register. For further information check out the IRD site www.ird.govt.nz

FINANCIAL PLANNING

Operating Budget

A budget is a key tool in financial planning and all clubs should adopt an annual budget. It estimates the club's income and expenditure and how it intends to fund its activities for the year. The budget should be consistent with the Strategic Plan adopted by the club at a formal meeting no later than the second meeting for the year. Deficit budgets should rarely be approved and only after considerable discussion and a clear understanding of how the deficit is to be funded.

Budgeting is a tool of management and should be used and reported against on a monthly basis and reviewed periodically. A budget does not put your club in a strait jacket; the committee can amend it by resolution.

Financial reports

Financial Reporting is an essential activity in the management of any club and comprises monthly and annual reporting.

Reports that clubs should consider tabling at each months Management Meeting include:

- **Bank reconciliation** (assures that funds as reported are in accordance with the bank holdings)
- **Monthly financial report** (examines current activities)
- **Progressive yearly profit and loss against budget** (measures clubs performance against annual budget)
- **Balance sheet** (assesses current solvency *ability to pay creditors*);

Petty Cash

A petty cash system is a convenient and cost effective way to reduce paperwork and minimise account fees for smaller regular items of expenditure. Petty cash can be issued in exchange for a receipt to reimburse members who have purchased small items on behalf of the club. These should always be in accordance with the club budget and generally below \$20.00. The treasurer will reimburse the member and retain the receipt as evidence and record the expense in the petty cash journal.

Sample Operating/Annual Budget

OPERATING BUDGET FOR THE YEAR	
	1/1/2010
Income	\$
Membership/affiliation	100000
Government grant - salary subsidy	42000
Gate takings	6000
Hire of gym	5000
Awards, badges	2000
Bar takings	50000
Sponsorship	12500
Fundraising	10000
Donations	1500
Bank interest	500
TOTAL	229500
Expenses	
Management and Admin	
Salaries and costs	
Administrator	39000
Clerical secretary	22000
Coaching Co-ordinator (part-time)	8000
Hourly paid assistant	1000
Other Admin costs	
Postage and telephone	12000
Stationery	14000
Photocopier	10000
Word processor	6000
Teams and activities	
Development officer	29000
Tracksuits	2500
Coaching sessions	4000
Umpires seminar	2000
Secondary schools tournament	5000
Trophies	1000
Travel	3500
Publicity and promotions	10000
Repairs and maintenance	16000
National affiliations	1000
Insurance	6000
Rental	2500
Bar	
Bar stock	7000
Casual bar staff	17000
Contingency	1500
TOTAL	220000
PROJECTED SURPLUS (DEFICIT)	9500

Sample Asset Register

ASSET NUMBER:				1	
DESCRIPTION:				30 Postura Chairs	
DATE PURCHASED:				18/1/1996	
COST:				600	
ACCUMULATED DEP'N:				327	
SUPPLIER - Name:				Sebel	
- Address:				A Building PERTH WA 6001	
- Phone:				9999 9999	
SERIAL NUMBER:				N/A	
WARRANTY EXPIRY:				18/1/1997	
LOCATION:				Clubhouse	
DEP'N RATE:				10%	
ANTICIPATED REPLACEMENT DATE:				1-Jan-2006	

Sample Bank Reconciliation

As at ___ / ___ /20___			
Opening Cash Book Balance	1500		
<i>add receipts</i>	60		
<i>less payments</i>	200		
Closing Cash Book Balance	1360		
<i>add direct credits not yet written</i>	250		
<i>less direct debits into cash book</i>	40		
Add adjusted cash book balance	1570		
Bank Statement Balance at End of Period	1570		
<i>add receipts not yet banked</i>	235		
<i>less cheques not yet presented</i>	400		
True Cash book balance	1405		
List of cheques not yet presented:			
Date Written Cheque No:			
12 Jun 000123 Brand T-Shirts	240		
14 Jun 000124 Logo Designs Ltd	160		
Total unrepresented cheques	400		

Sample Statement of Financial Performance

For the year ended 31 December 2010

	Notes	2010 Actual \$	2010 Budget \$	2009 Actual \$
Income				
Government grants	2	40,000	40,000	38,000
Affiliation Fees		45,780	43,500	42,179
Interest	3	100	100	100
Event Income		56,321	55,000	54,213
Other Income		500	500	450
		142,701	139,100	134,942
Expenditure				
Club Clothing	4	15,620	16,000	14,520
Administration	5	63,200	63,200	62,000
Property maintenance	6	12,000	12,000	12,000
Interest Paid		0	0	0
Event Expenditure		40,000	40,000	40,000
Depreciation	7	4,200	4,200	4,500
Donations		0	0	0
		135,020	135,400	133,020
Net surplus for the year		7,681	3,700	1,922