



Club management program



FINANCIAL MANAGEMENT

FOR FOOTBALL CLUBS



Club management program

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Welcome to the AFL club management program

The Australian Football League recognises that club volunteers and administrators make a significant contribution to Australian Football. It also recognises that the demands on club volunteers and administrators are increasing along with the need for clubs to operate in a professional manner.

As a result, the AFL, in conjunction with the Australian Sports Commission, has developed the AFL club management program aimed at supporting community football through providing an education program for club administrators. Community football clubs and leagues form the cornerstone of the AFL game and the support of community club football is a critical component to the overall success of the competition at all levels.

The AFL club management modules have been developed through extensive consultation with volunteers and administrators and the six modules have been identified as the main priority areas of assistance required by community clubs.

Each module of the AFL club management program has been designed as a stand-alone workshop/ seminar to allow for clubs members to attend the workshops that are particularly relevant to their role within the club or their own interests.

While the six modules are designed to be stand-alone, it is important to recognise that the planning module is the foundation upon which club management is based. Therefore all club members are encouraged to participate in the planning module and, ultimately the club's overall planning process.

I encourage you to attend and be part of all workshops offered through your local league/association and in the process help better your club and grow community club football.

I wish you all the best in these endeavours.



Andrew Demetriou

Chief Executive Officer
Australian Football League

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AFL club management program

The AFL club management program consists of the following modules:

Planning – The purpose of this module is to:

- Identify the need for clubs to plan.
- Provide the basic framework for organising a planning workshop.
- Outline the planning process and the 10 basic stages involved.
- Provide practical templates to assist in writing a plan.
- Identify methods of reviewing the effectiveness of the plan.

Risk management – The purpose of this module is to introduce:

- The application of specific legal principles in the football environment.
- Considerations relevant to liability and duty of care.
- The risk management process.
- Waivers, indemnities and warnings.
- Risk management policies and procedures.
- Legislative requirements.
- Insurance – National Risk Protection Program.
- Match-day checklists.
- The importance of establishing a risk management officer.

Volunteer management – The purpose of this module is to:

- Outline the rights and responsibilities of volunteers.
- Encourage clubs to appoint a volunteer coordinator.
- Outline the importance of job descriptions.
- Identify ways to recruit, retain and recognise volunteers.
- Identify how to develop a volunteer management policy.
- Outline the process of selecting and screening volunteers.
- Identify the need for succession planning.

Community partnerships – The purpose of this module is to:

- Explore the ways in which a community club can build relationships with other sports and groups within the community.
- Identify how clubs can form favourable partnerships with local government authorities.
- Develop ways of attracting sponsorship and fundraising opportunities.
- Show ways of obtaining grants and funding from various agencies – local, state and federal level.
- Establish how to create a healthy environment within the club.
- Identify how to attract and support umpires.
- Provide ways clubs can promote their activities within the community.

Financial management – The purpose of this module is to:

- Explore the roles and responsibilities of the treasurer within a football club.
- Outline the processes involved in and the issues that should be addressed when considering the financial management of a football club.
- Provide information that will assist the club treasurer in fulfilling his/her role with regard to the financial management of a club.

Junior development – The purpose of this module is to:

- Develop an understanding of AFL Game Development structure and philosophy.
- Provide an understanding of the underpinning principles at each level of the participation pathway with a focus on AFL Auskick, youth football, recreational football, female football and children with disabilities.
- Identify the responsibilities of clubs and AFL Auskick centres in relation to the organisation of junior programs and competitions.
- Outline the coaching and umpiring support and resources available for all levels of Australian football.
- Identify the value in developing club links with AFL Auskick centres, schools and the community.
- Indicate ways of recruiting and retaining children and parents in junior development programs.
- Highlight the importance of developing a quality club environment.

Introduction

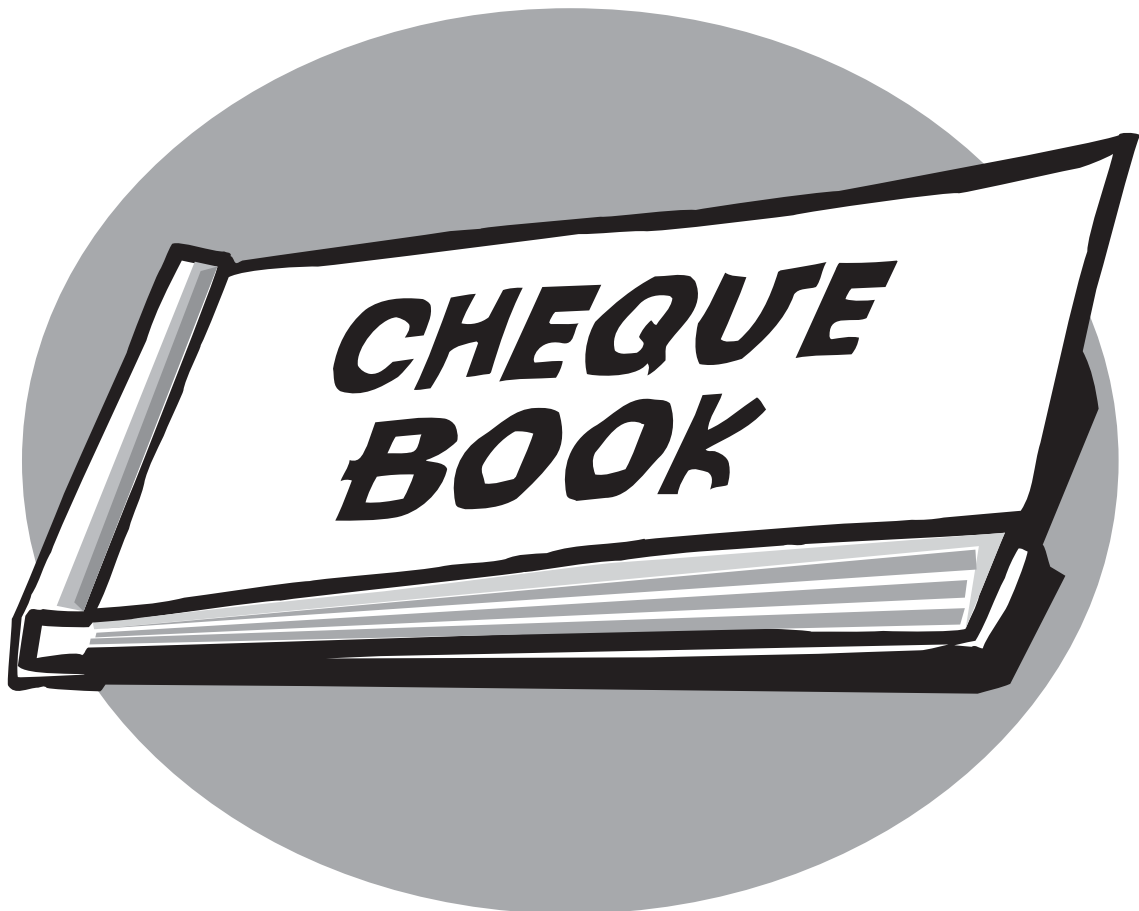
Successful sport and recreation organisations today deliver their programs and services through the efficient and effective application of human, physical and financial resources.

The most common factor that separates the success of any sports club or organisation is the effective and responsible management of financial resources. Given the need for financial control in any type of organisation, this module will focus on financial management together with other relevant issues that should be addressed in the context of a football club.

The financial management of any organisation is usually regulated by the treasurer. The treasurer is responsible for reporting on what has happened to the club's funds and devising the most effective methods of using all available funds.

The purpose of this module is to:

- Explore the roles and responsibilities of the treasurer within a football club.
- Outline the processes involved in and the issues that should be addressed when considering the financial management of a football club.
- Provide information that will assist the club treasurer in fulfilling his/her role with regard to the financial management of a club.



Section one – Club treasurer

The treasurer's role within a football club is an exciting and challenging one that involves a significant contribution to the overall running of the club. The job requires honesty, integrity and a passion for success. The following material is a guide and should act as a framework to assist the treasurer in carrying out his/her duties within the club.

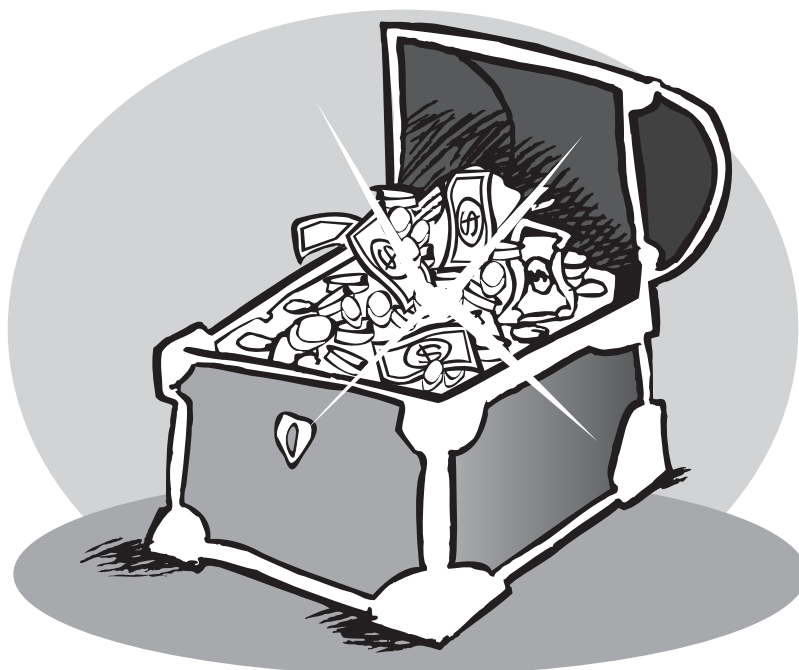
Role of the treasurer

The treasurer is involved in managing the financial side of the club. Each club will have different tasks for the treasurer, depending on its size and annual turnover.

Some of the treasurer's responsibilities include:

- Issuing receipts and promptly depositing all monies received.
- Making all payments and keeping accurate, up-to-date records of income and expenditure.
- Ensuring that there are adequate accounts and records of the club's financial transactions.
- Being the signatory on club cheques, with at least one other.
- Preparing regular bank account reconciliations.
- Ensuring safe custody of money.
- Ensuring the club has effective financial control systems so that money cannot be misappropriated.
- Invoicing members for items/services provided, for example, equipment and uniforms.
- Being fully informed about the club's financial position at all times.
- Preparing budgets for the forthcoming year describing potential sources of income and expenditure.
- Presenting regular breakdowns of income and expenditure to the management committee.
- Preparing and presenting financial statements to committee meetings and for the annual report.
- Investing surplus funds.
- Managing club investment programs.
- Negotiating with banks for loans, overdraft facilities and mortgages.
- Handling tax returns if applicable.
- Preparing annual financial accounts for auditing and providing the auditor with information as required.
- Ensuring annual returns and statement of accounts are filed with the Commission for Corporate Affairs.
- Ensuring GST compliance.
- Ensuring invoices are valid tax invoices and that suppliers issue valid invoices.

Your club treasurer can incorporate these responsibilities into a checklist.





Job descriptions should be written for all club positions. The following job description can be used for the club treasurer. Clubs can adapt this job description to suit their own needs.

CLUB TREASURER

JOB TITLE

Club treasurer

REPORTS TO

Executive committee

SPECIAL SKILLS REQUIRED

- Financial background and awareness of accounting procedures.
- Understanding of GST and related practices.
- Honesty.
- Ability to keep accurate records.
- Attention to detail.
- Ability to work in a logical manner.

DUTIES

- Maintain up-to-date records of all income and expenditure.
- Ensure all money received is recorded and banked promptly.
- Prepare and distribute invoices/accounts for services rendered.
- Maintain the club's cash flow and level of petty cash.
- Manage payments for any paid employees and honorarium payments to volunteers.
- Submit tax returns and income tax payments for employees as required.
- Prepare all necessary financial statements for the annual report.
- Prepare financial accounts suitable for auditing and provide the auditor with all necessary information.

TIME REQUIRED

INDUCTION DETAILS

OTHER

Things to consider after appointing the treasurer

Once appointed, the treasurer must undertake a due diligence appraisal of the club's financial position and confirm that the management team has presented a true and fair view of club finances. By obtaining the financial records of the club, the treasurer should ensure that various items have not been over or understated.

To confirm the true position of a club's liabilities, phone calls should be made to major suppliers to confirm any outstanding payments. If any discrepancies are discovered, the committee and club members should be notified.

Confirmation of bank accounts and balances, inventory/stock levels and recoverable debts are also essential steps in gathering information about the financial status of the club.



Section two – Operating club finances

Accounting stationery

In order to successfully fulfill their role as club treasurer, treasurer's will need the following items of stationery:

- Cheque books.
- A numbered receipt book with carbon copy page.
- A file for accounts payable.
- A file to store receipts from accounts paid.
- Tax invoices (for GST registered clubs).
- Bank deposit books.
- A cashbook or general ledger.
- Account forms for members' subscriptions.
- File of orders placed with suppliers.
- A file to store bank statements.
- A petty cash payment voucher/book.

Bank accounts

Football clubs will mainly use cheque and savings accounts. When opening an account at the bank, you will need to fill in an application form and produce several forms of identification – such as driver's licence, birth certificate and passport.

Cheque account

Cheques provide a secure method of payment, where club members do not need to carry cash. Your club should pay all accounts from a cheque account, as it provides a convenient record of payment through the cheque butt. Cheque butts must be completed at the time of drawing a cheque and the cheque number must be written on the creditor's invoice when payment is made.

The treasurer should authorise at least three members to sign the cheque(s), as they generally require two signatures. Remember to never sign blank cheques in advance or without an accompanying bill or docket from the supplier, and always ensure that the goods have been received before writing the cheque.

Savings account

A savings account usually operates in tandem with a cheque account and enables interest to be accumulated at a higher rate when there are no bills to pay.

Pay all club bills from the cheque account, so that expenditure is recorded on the account statement. Bank statements can be requested weekly, fortnightly, monthly or quarterly depending on the average number of club transactions.

Cashbooks

A cashbook is used to record all receipts and payments made by the club on a daily basis. At the end of each month, figures recorded in the cashbook should be checked against the bank statements. It is also beneficial to summarise what the club owes its creditors and what is owed to the club. The committee can then discuss strategies to collect any outstanding money owed by debtors and allocate people to these tasks.

The committee should also discuss ways to eliminate creditors. A phone call to request additional time for payment is common courtesy and is appreciated by many companies when cash-flow problems occur. To determine the cash balance, total the receipts and deduct payments. Other items that will alter the cash balance are bank interest and charges, un-presented cheques, dishonoured cheques and direct credits or debits from other accounts.

The opening cashbook balance for each month is the closing balance from the previous month. When only one cashbook is used, record receipts in the front of the cashbook and payments at the back.

Receipts

Receipts should be recorded in the cashbook columns according to the income type, which are often the same as those identified in the income side of the budget. Receipts are usually entered in three places depending on the amount of detail required and the type of cashbook used. Receipts are entered in the amounts column, under its income type and in the banked column when the monies are banked. Often the banked figure will be an accumulation of all money received since the banking was last done. List individual amounts by banking date to allow for crosschecking, which increases the accountability and control of the club's accounting system.

Bank all incoming cash and cheques promptly. It is unwise to use money before banking it as that may create difficulties for the treasurer in the preparation of the monthly and annual financial statements.

The treasurer should also tally all receipts at the end of each month. Monthly totals can be accumulated to give a record of receipts for the year to date. In some cases, quarterly reports may be required. In this case, it is more efficient to calculate cumulative figures month by month for each quarter than for the entire year.

Receipt entries in the cashbook may look like this:

DATE	DETAILS	RECEIPT NO.	AMOUNT	CANTEEN	M'SHIP	UNIFORM	BANKED
2/7	K. Smith	0000345	50.00		50.00		
2/7	D. Jones	0000346	75.00			75.00	125.00
5/7	Canteen takings	0000347	250.00	250.00			250.00

When issuing receipts for cash or cheques, make sure that correct dates and amounts are entered.

Payments

Payments are recorded in the cashbook columns according to their type, which are often the same as those identified in the expenditure side of the budget. Every time a cheque is issued, record the details in the amounts column. This will be an indicator of total club expenditure. Also, write the amount in the appropriate expenditure column, for example, rent. In this way, the total amount spent on rent during the year can be tallied.

At the end of each month, the columns should be tallied for presentation to the club committee. At this stage, comparisons can be made against the budget to see whether expenditure is proceeding as planned. All accounts received are required to be paid strictly according to their terms, usually between seven and 30 days of receiving an invoice or claim from a supplier.

It is usually the treasurer's responsibility to prepare cheques for approval and signing at club meetings. Although the treasurer has the power to make payments between meetings, it is good practice to have any such payments ratified at the next meeting.

In general, all payments will be for budgeted items and can be paid subject to ratification. The committee minutes should record the authorisation for major expenditure. If the club is unable to meet a payment when it is due, the treasurer should contact the company to explain the situation and seek an alternative payment arrangement. The treasurer may offer a percentage now and the remaining payment next month. Most companies will be supportive if you make the first approach. Prompt payment will generally ensure the goodwill of the supplier, while prompt payment of out-of-pocket expenses of volunteers will also generate goodwill within the club.

Payment entries in the cashbook may look like this:

DATE	DETAILS	CHEQUE	AMOUNT	POWER	RENT
7/7	T. W. Sherrin	0000345	100.00	50.00	50.00

Whenever you make a cash or cheque payment, write the details in the payments section of the cashbook, usually found at the back.

Bank reconciliation

The treasurer should organise monthly account statements to arrive just after the end of the month and schedule club meetings for the second week of the month, so that there is enough time to prepare accounts.

The information presented on the financial statement should be delivered on a timely basis so an accurate assessment of the club's current financial position can be obtained. Monthly reports should be issued to the committee with the agenda, which can easily be done via email. The report should also be included in the meeting minutes as a true and correct record of the club's financial position at that point in time, with any adjustments noted.

Check the statement against the cashbook to ensure they are the same. Remember, there are items that may slightly alter the bank balance, such as interest and charges, unpresented cheques, dishonoured cheques and direct credits or debits from other accounts. The bank statement shows all movements of funds in and out of an account. To obtain a clearer picture of the club's financial position, the cashbook balance is reconciled against the bank statement.

A reconciliation statement looks something like this:

Bank reconciliation statement 18/6/2005			
Opening cashbook balance	1500		
add receipts	60		
less payments	200		
<hr/>			
Closing cashbook balance	1360		
add direct credits not yet written	250		
less direct debits into cash book	40		
<hr/>			
Adjusted cashbook balance	1570		
<hr/>			
Bank statement balance at end of period	1570		
add receipts not yet banked	235		
less cheques not yet presented	400		
<hr/>			
True financial position	1405		
<hr/>			
List of cheques not yet presented:			
Date written	Cheque no.		
12 Jan	000123	T-shirts	240
14 Jan	000124	Logo designs	160
			<hr/> 400



Creditors and debtors

Summarising what your club owes and is owed at the end of each month helps provide a clearer picture of your club's financial position. Knowing the total amount of credits and debts also indicates your club's likely cash flow for the next month.

Creditors are people or organisations that your club owes money to, while debtors are people or organisations who owe money to your club. They are usually associated with an invoice issued by the club with regard to goods or a service, such as membership subscriptions.

A creditors' summary might look like this:

Creditors (accounts payable)				
Details	Current	30 days	60 days	90 days
CUB		235.00		
T.W. Sherrin			650.00	
TOTALS		235.00	650.00	
TOTAL CREDITOR	885.00			

Debtors, or accounts receivable, look similar, except that the table would have a column for the relevant invoice number issued by the club.

Petty cash

Petty cash facilities should exist for those small amounts paid in cash. A cheque is drawn on the club account for a small amount and all expenditure from this is recorded and receipts retained.

Petty cash expenditure should be recorded in a petty cash book rather than the club's cashbook. Combined petty cash vouchers and register-type books can be bought from a local newsagency or stationery supplier. Items bought out of petty cash are for small amounts (less than \$20), such as ice for player injuries or stationery items. It is best to calculate how much cash should be kept on hand and keep it in a safe place. This cash on hand is often referred to as a float and should be included in the club's theft insurance policy (if applicable).

Petty cash can be issued in exchange for a receipt as a means of reimbursing club members who have used their own money to buy small items. The petty cash float should be reconciled regularly by adding all the remaining cash and the paid petty cash vouchers together to arrive at the petty cash float total. Discrepancies should be brought to the attention of senior management as soon as they are evident. Once reconciled, reimburse the float by preparing a cheque to "petty cash" for the vouchers paid.

When writing cheques, remember the basics:

- Write the payee's name in full.
- Be sure to cross out "or bearer" if you want the cheque to be paid only to the payee and cross out "not negotiable".
- Write in the correct date. Post-dating of cheques is illegal.
- Write in the total amount in both written and numerical forms.
- Put the club's postal address on the back, along with the invoice or account number.
- Fill in the butt as a crosscheck for your monthly bank statements.
- Sign the cheque with two authorised signatures.
- Always request a receipt for payments.



Section three – Management tools

Annual budget

The budget as a management tool

One of the most important roles of the treasurer is to establish a club budget at the start of each year. A budget can be viewed as the committee's financial game plan for the coming year. It is a known fact that if football players fail to plan and prepare themselves physically for the season, the team will enjoy little success. Similarly, if a committee does not plan and prepare financial goals for the club, little financial success can be expected.

A budget will give your club a higher level of control over a number of activities and, therefore, greater accountability to its members. It is vital in promoting effective club management and should be drawn up to cover a 12-month period so that your club can more effectively fulfil its objectives within the framework of its plan, and according to its financial means. A budget will also allow your club to measure its performance in various areas. If deemed appropriate, money can be moved from a project that does not require all of the allocated funding to one where additional funds are required. The budget essentially outlines where and when money can be spent and the financial performance of the club can be judged against the budget through the development of monthly accounts.

The budget also helps to avoid issues such as unwise spending, and will shape a more realistic and professional approach to financial management and accountability. Dissecting the budget on a monthly basis is very useful, as it enables a comparison with actual results as the year progresses. It also allows steps to be taken should any problems arise and gives the club the opportunity to ensure that projected cash is sufficient to meet payments.

Who should be involved in preparing the budget?

All members, especially those directly involved in fundraising or spending club funds, should be invited to prepare and discuss the budget. The more people involved in its preparation, the less likely that an important figure will be overlooked. The inclusion of all stakeholders in the development of the budget also helps to create an atmosphere of shared ownership and responsibility. When preparing the budget, analysis of the club's accounts will provide the treasurer with an overall perspective of cash flow and other monetary issues. In addition, the club's strategic plan should be examined to identify any extra sources of income, together with the major areas of expenditure in the upcoming year.

Once a budget has been prepared, it can be used to project cash flows. Money that is not required for several months can be placed into high interest, short-term investments. Having a budget in place will also lower auditing costs, as reliable financial records ease the work that the auditor must do. Naturally, the more exacting the budget is, the more efficient the club's bookkeeping must be.

Cash flow

Cash flow refers to the amount of cash available to the club.

When predicting budget income and expenditure, periods of high/low income and high/low expenditure must be anticipated. The start of a season is often a period of high expenditure, given that playing gear, medical equipment, and canteen items may need to be purchased.

By predicting budget income and expenditure, a club can plan for accumulated cash to be available to meet high expenditure periods. This type of preparation is necessary because of the seasonal nature of many sports. The off-season may generally be a time for maintenance and replacing equipment, with limited possibilities for generating income. Therefore, cash must be accumulated beforehand.

Preparing a budget

The following points can be used as steps in preparing a budget for your club:

- 1) Identify all possible sources of income and expenditure. Obtain estimates from all budgeted areas and make adjustments for inflation and likely cost increases. You should also consider capital expenditure and examine areas where reductions in expenditure can be made, or identify means of raising additional funds. Sources of income and expenditure may come from the following areas:

Income

- Membership fees.
- Gate takings.
- Subscriptions.
- Fundraising.
- Social events.

Expenditure

- Ground rental.
- Electricity.
- Umpires.
- Affiliation.
- Insurance.

- 2) After listing all possible items, define each item so that everyone understands what should be included and where money is to be correctly allocated. A definition list will also help identify any additional items needed.
- 3) Decide whether the club requires a yearly or monthly budget. A yearly budget can be broken down to be monthly if the club needs to keep track of its budget each month. Remember, however, that income and expenditure are greater in some months and, therefore, the estimated monthly figures may not just be the yearly figure divided by 12 months.
- 4) When developing budgets, remember to make your targets realistic. Unachievable goals may discourage members and alienate people from being involved. It is also important to realise that on-field performance can affect the club's off-field financial performance. When a club has limited success, gate receipts, bar and canteen takings, membership sales and social events can all be adversely affected. On the other hand, when a team is successful, many clubs experience financial success.
- 5) It would be unusual if an experimental budget came close to balancing. The first draft may require several adjustments to make it fit reality, or alternatively, your club may have to look at its planned projects and see whether they can be completed within the budget. If expected expenditure exceeds expected income, ways to reduce expenditure or increase income must be developed. Options for saving money are far greater in heavy areas of expenditure, as there are more dollars to work with.

Budgeting should be identified through the overall club planning process. For further information, see the *Planning Manual* of the AFL club management program.

Budgets and monitoring performance

Monitoring the cash flow, profit and budgets is critical to the financial success of any club. Key performance indicators (KPI's) can be developed to identify any financial problems. By using the budget developed at the start of the year, your club will be able to compare actual results against budgeted expectations and identify whether financial goals for the year will be achieved.

When devising a budget, it is important to make notes for future reference. Predicted and actual expenditure might vary markedly in the first year, but fine-tuning over a number of years will bring the two much closer together. Notes will help eliminate any unclear thinking from past budgets.

Budget items list

A practical example of how to define budget items is shown below. This list has been compiled by the Western Region Football League (WRFL) and some items are specific to its clubs. Use this example as a basis and delete or develop new items for your club. A list such as this ensures all members clearly understand what is included under each line item in the club budget.

Item	
Bar.	Includes all stock sold in the bar.
Canteen.	Includes all stock sold in the canteen.
Clothing/merchandising.	Includes caps, polo shirts, stubby holders, jackets etc.
Fundraising.	Includes all raffles and any other fundraising activities.
Liquor licence.	Self-explanatory, but includes any booth or extensions to your licence.
Membership.	All player memberships and social memberships sold.
Social events.	All door receipts and expenditure items, but do not include bar sales.
Sponsorship.	Self-explanatory.
Thursday night meals.	Self-explanatory.
League – insurance (players).	As per WRFL invoice, and monies collected from players.
– affiliation fees.	As per WRFL invoices.
– umpires.	As per WRFL invoices.
– fines.	As per WRFL invoices.
– advertising.	Through <i>WRFL Record</i> , or in any other form.
– players' gear.	Sales to players – shorts, socks, jumpers – as per WRFL invoices.
– properties dividend.	As allocated by the WRFL.
– player registration.	As per WRFL invoices.
– Records.	Sales, if club sells them, costs as per WRFL invoice.
– footballs.	As per WRFL invoices.
– presentation night.	As per WRFL invoices.
– season launch.	As per WRFL invoices.
– miscellaneous.	Items not covered in the above, that is via WRFL.
– other.	As per council invoices.
Administration.	Includes stationery, postage and any other office supplies.
Advertising.	All types outside <i>WRFL Record</i> .
Bank charges.	Self-explanatory.
Bank interest.	Self-explanatory.
Barbecue.	Includes barbecues at home games.
Club umpires.	Club field, goal and boundary costs.
Council – ground rental.	As per council invoices.
– other.	As per council invoice.
Donations.	Money given to club in return for nothing.
Equipment.	Includes tackle bags, helmets, etc.
Grants.	Money awarded by applying to various organisations to help fund improvements to the club.
Group tax.	Tax to be paid on wages. This is not GST.
Loans.	Self-explanatory.
Maintenance and repair .	All costs to repair equipment, buildings, etc.
Medical supplies.	Self-explanatory.
Miscellaneous.	Any items not covered on this list.
Player awards.	Weekly monetary awards given out after each game.
Social rooms hire.	Money raised from hiring out social rooms.
Trophies.	Self-explanatory.
Utilities.	Includes electricity, gas, phone, water bills.
Wages.	Includes players, coaches, trainers and any other paid staff at the club.

Club budget template

An example of a budget template has been included for your use. You may wish to subtract any items not applicable to your club or include additional items.

Item	Income 2005	Budget 2006	Expenditure 2005	Budget 2006
Bar.	\$	\$	\$	\$
Canteen.	\$	\$	\$	\$
Clothing/merchandising.	\$	\$	\$	\$
Fundraising.	\$	\$	\$	\$
Liquor licence.	\$	\$	\$	\$
Membership.	\$	\$	\$	\$
Social events.	\$	\$	\$	\$
Sponsorship.	\$	\$	\$	\$
League – management fee.	\$	\$	\$	\$
– advertising.	\$	\$	\$	\$
– affiliation fee.	\$	\$	\$	\$
– fines.	\$	\$	\$	\$
– footballs.	\$	\$	\$	\$
– insurance (players).	\$	\$	\$	\$
– ladies' night.	\$	\$	\$	\$
– miscellaneous.	\$	\$	\$	\$
– player registration.	\$	\$	\$	\$
– players' gear.	\$	\$	\$	\$
– presentation night.	\$	\$	\$	\$
– properties dividend.	\$	\$	\$	\$
– records.	\$	\$	\$	\$
– season launch.	\$	\$	\$	\$
– umpires.	\$	\$	\$	\$
– vote count.	\$	\$	\$	\$
Player awards.	\$	\$	\$	\$
Wages.	\$	\$	\$	\$
Council – ground rental.	\$	\$	\$	\$
– other.	\$	\$	\$	\$
Administration.	\$	\$	\$	\$
Advertising.	\$	\$	\$	\$
Bank charges.	\$	\$	\$	\$
Bank interest.	\$	\$	\$	\$
Barbecue.	\$	\$	\$	\$
Club umpires.	\$	\$	\$	\$
Courses.	\$	\$	\$	\$
Donations.	\$	\$	\$	\$
Equipment.	\$	\$	\$	\$
Grants.	\$	\$	\$	\$
Group tax.	\$	\$	\$	\$
Loans.	\$	\$	\$	\$
Maintenance and repair.	\$	\$	\$	\$
Medical supplies.	\$	\$	\$	\$
Miscellaneous.	\$	\$	\$	\$
Trophies.	\$	\$	\$	\$
Utilities.	\$	\$	\$	\$

Tips

There are many people that can help your treasurer to manage the finances of the club. Consider developing a buddy system with a member from the Institute of Chartered Accountants, Society of Certified Practising Accountants or the National Institute of Accountants. These people will be able to assist your club with a yearly budget program, monitoring the financial performance on a regular basis and will also be able to provide assistance with other areas, including funding applications.

Your club should also consider meeting with other sporting league treasurers on a regular basis to discuss any issues that affect the sporting community in general.



Section four – Methods of reporting

The treasurer is responsible for financial reporting. This role involves reporting the financial status of the club to the committee on a regular basis, and comparing the financial performance with the budgeted performance. The financial performance of the club should be reported monthly and at the AGM.

Accounting systems – accurate and timely information

The treasurer should inform management of the method of accounting they will be using, such as cash or accrual-based accounting. When losses are incurred they should be acted on immediately, as failure to act quickly often results in greater financial problems.

GST-registered clubs should report revenue figures without the GST charged on any revenue. Expenditure should not include the GST input tax credits to which the club is entitled. GST should be recorded as either an amount receivable (from the Australian Tax Office to the club) or an amount payable (by the club to the ATO). Clubs not registered for GST require no separate recording and the total amounts should be included in the revenue and expenditure.

Cash or accrual accounting

Cash accounting reports only the cash transactions and does not include purchases made using credit. Accrual accounting records both cash transactions and transactions made on credit with suppliers. The accrual method will provide the most accurate assessment of the club's financial position and should be used when preparing financial statements.

Monthly report

The treasurer needs to prepare basic financial reports each month to be presented at each monthly meeting. By using a simple cashbook, the treasurer can reconcile the club's accounts and draw up lists of creditors and debtors at the end of each month. This simple form of reporting contains the most basic information that the club management committee requires to assist it in making decisions.



A standard monthly report will look like this:

Sample basic monthly report for March 2005	
INCOME	
Grants	0.00
Sale of stocks	25.00
Affiliation fees	250.00
TOTAL	275.00
EXPENDITURE	
Power	80.00
Postage	40.00
Stationery	0.00
Telephone	80.00
Insurance	100.00
Equipment repairs	350.00
Sundry	0.00
TOTAL	650.00
SURPLUS/(DEFICIT)	(375.00)
CASH AT BANK	450.00

You will note that although a deficit is reported in the above example, there is enough money in cash at the bank to cover this deficit.

It is not worth the trouble of preparing reports to ignore their implications. If income or expenditure figures are far removed from those estimates in the budget, it is essential to find out why and take appropriate action.

Budget-related report

This type of report provides far more detailed information than the basic monthly report. It enables the club management committee to track income and expenditure and make decisions based on the budgeted targets for the year.

This report is closely related to the cashbook and annual budget. Presenting this type of report will take little time once the cashbook and budget are established. The budgeted figure for each item of income and expenditure will remain unchanged throughout the year. The figures that change will be those tallied at the end of each month and added to the year-to-date column, which come directly from the cashbook.

For a large club, the monthly financial report comes from the reconciliation statement. It gives a more complete picture of the club's financial health. Provisions set aside cover amounts being saved to cover anticipated or known costs.

A budget-related report will look like this:

Sample budget-related report for March 2005			
INCOME	THIS MONTH	YEAR TO DATE	BUDGET
Grant	0.00	1500.00	5000.00
Sale of stocks	25.00	180.00	450.00
Affiliation fees	250.00	350.00	600.00
TOTAL	275.00	2030.00	6050.00
EXPENDITURE			
Power	80.00	800.00	1500.00
Postage	40.00	500.00	800.00
Stationery	0.00	250.00	600.00
Telephone	80.00	280.00	800.00
Insurance	100.00	250.00	500.00
Equipment repairs	350.00	350.00	500.00
Sundry	0.00	50.00	150.00
TOTAL	650.00	2480.00	4850.00
SURPLUS/DEFICIT	(375.00)	(450.00)	1200.00
Financial position			
at start of month	600.00		
Add surplus (deficit)	(375)		
Financial position at end of month	225.00		
Cash at bank	400.00		
Debtors (money owed to us)	80.00		
Creditors (money owed to us)	150.00		
Provision	150.00		

Annual financial report

A statement of income and expenditure and a statement of assets and liabilities are the principal components of the annual financial report to be adopted by members at the Annual General Meeting (AGM).

These statements show the profitability and financial position, as well as the net worth, of the club after the year's activities and should include comparisons to the previous year's figures to assist the members in determining any area of significant change between periods.

The report is based on the receipts and the payments, which have been summarised in the cashbooks. The annual reports should be issued to members with the notice of the AGM, so that members can read the information before the meeting and arrive with any questions.

If your club is incorporated under state legislation, it is required to lodge a return (copy of the annual accounts) at the appropriate state authority, usually the State Corporate Affairs Office. These accounts are to be accompanied by a certificate stating that the members at the AGM have approved the accounts on a particular date. An officer of the club must then sign this.

**Annual income and expenditure statement
(also referred to as a statement of financial performance)**

This statement shows how much money the club has made or lost over the year. The statement is based on figures recorded in the cashbook and is normally prepared by your club's treasurer and verified by the auditor.

**Sample income and expenditure statement
for the year ending 30/6/05**

2004		2005
\$	INCOME	\$
8000.00	Membership subscriptions	10,000.00
4500.00	Canteen takings	5000.00
2300.00	Bar takings	2500.00
-	Fundraising	2000.00
-	Sponsorship	2000.00
1000.00	Donations	850.00
15,800.00	TOTAL	22,350.00
	EXPENDITURE	
1500.00	Insurance	2000.00
450.00	Telephone	400.00
500.00	Electricity	750.00
5000.00	Rental of council grounds	5500.00
3000.00	Equipment	3500.00
250.00	Trophies	300.00
3000.00	Computer	-
500.00	Jumpers	650.00
350.00	Miscellaneous	400.00
14,550.00	TOTAL	13,500
1250	SURPLUS/(DEFICIT)	8850



Annual statement of assets and liabilities (also referred to as a statement of financial position)

A statement of assets and liabilities is a statement of what the club owns and what it owes, the difference between the two being the net worth or accumulated funds of the club.

Sample assets and liabilities statement for the year ending 30/6/05		
2004		2005
\$	ASSETS	\$
50.00	Petty cash float	55.00
800.00	Cash at bank	950.00
-	Deposits – building society	450.00
180.00	Furniture and equipment	400.00
1030.00	TOTAL	1855.00
	LIABILITIES	
95.00	Debts owed by us	55.00
32.00	Outstanding wages	60.00
127.00	TOTAL	115.00
903.00	SURPLUS/DEFICIT	1740.00

Using reports

It is not worth the trouble of preparing reports only to ignore their implications. If income or expenditure figures are far removed from those estimated in the budget, it is essential to find out why and take appropriate action.

It is important to understand where things are going wrong and why they have gone wrong. Detailed and frequent financial reporting will identify problems early and improve a club's overall financial effectiveness.

Cost of Goods Sold (COGS)

Items such as playing gear, bar stock, canteen stock and merchandise should be accounted for under Costs of Goods Sold (COGS). The COGS figure will appear in the annual financial statements (\$3750 below). In the budget report, the figure displayed is the actual cash outlay of \$3500 as listed below, given that the account has been paid.

Cost of Goods Sold		
Jumper – playing gear	Units	\$ Value (\$50 per jumper)
Opening balance	30	1500
Add purchasers	70	3500
Total	100	5000
Less closing stock	25	1250
COGS for year	75	3750

Section five – Financial control

Delegating responsibility and control

With football clubs having several areas of operation, it is important that your treasurer seeks out reliable and trusted personnel to assist with the control of the various areas, (for example, collecting gate receipts, subscriptions, gear payments, social function money, raffles, canteen, bar, paying trainers, umpires).

A simple idea is to set up a sub-general ledger book (exercise book) so each section manager can record receipts and expenditure for each day of operation. All receipts of purchase are kept with the section manager and at the end of the day, a simple reconciliation is carried out between that person and the treasurer or another committee member. As part of the end-of-day reporting, a quick stocktake (counting the physical stock at hand) is also an important step and can be recorded in the section sub-general ledger book.

When opening for trade, a stocktake should also be undertaken by an independent person to confirm stock levels. If there are any discrepancies, review the stock control systems. When delegating responsibility, remember that cash within a football club environment can easily be misappropriated. Watch for consistent over-ordering of stock (canteen and bar), that can be used on a personal basis by club members.

Purchasing control

Clubs that are run on an informal basis can have a number of people buying items on their behalf without consideration for the current cash position. This can result in significant amounts of money being spent overall.

The treasurer must set boundaries as to the number of people entitled to make purchases, and put a ceiling on what they can spend without first requesting permission from the committee. This tends to eliminate irresponsible spending and, therefore, future cash-flow problems. Amounts that are greater than the set maximum should be requested through a requisition form and approved by the committee or sub-committee.



Section six – Depreciation

Depreciation describes the spreading of the cost of an asset over its useful life. Assets within a football club are subject to wear and tear and will possibly become obsolete due to new technology. As a result, these assets should be depreciated.

Many clubs have capital assets (social pavilion, light towers etc), which should be depreciated over their useful life to allocate a percentage of the cost of the assets to the wear and tear incurred to the asset on a day-to-day basis. When a capital asset is depreciated, it provides a more accurate assessment of the expenses incurred in operating the asset. As depreciation is a non-cash cost, it must be recovered out of income. It is, therefore, a good idea to keep a register of the club's fixed assets.

There are several important considerations to note when applying depreciation:

- The depreciated value of an asset is not necessarily the market value of that asset.
- The cost charge in depreciation is a book entry and does not involve any cash movement.
- As assets are depreciated, the amount charged is not set aside for the future replacement of the asset.



Section seven – Payroll

Payroll

Club personnel mostly consist of unpaid volunteers. However, some clubs will have paid employees. It is important that these clubs have an established payroll system.

A payroll summary is an important set of records that should be passed on to the auditor. Keep this with the vouchers for the cheques written.

Here is an example of a payroll where employees are paid by cheque:

Payroll 1				
June current year				
Name	Gross	Tax	Net	Cheque
G. William	400.00	128.00	272.00	12301
K. Hunter	220.00	66.00	154.00	12568

Where employees are paid in cash, write a cheque for the total net amount and cash it at the bank into the correct notes and coins to make up the separate payments.

Name	Gross	Tax	Net
W. Johnston	400.00	128.00	272.00
R. Ashmen	220.00	66.00	154.00
Totals	620.00	194.00	426.00
Cheque No:	12301	436.00	

WorkCover

Any club that employs workers whether it is on a full-time, part-time or casual basis will have to take out a WorkCover insurance policy to provide compensation if a worker is injured.

It is the responsibility of all clubs to:

- Help avoid workplace injuries occurring.
- Enforce their state's occupational health and safety laws.
- Help injured workers back into the workforce.

For further information on your state's WorkCover policies refer to your state's WorkCover website. This address can be found in the further information section of this module.



Section eight – Insurance

Insurance is a critical component of any football club's operation. There are occasions where accidents do happen, regardless of the safety procedures that are in place. Insurance transfers the financial risk of the club to the insurance company.

Although a necessary component, insurance should be regarded as a last resort safety net as clubs should take every step to ensure that the playing environment is as safe as possible, through minimising any potential risks through their risk management plan.

In 2002 the Australian Football League identified that there was a need to address the growing crisis facing the sport at the community club/league level. In particular, there was a clear need for community football to have access to long-term sustainable insurance cover, providing a comprehensive level of cover at an affordable premium.

For season 2004 the Australian Football League, in conjunction with the insurance broker JLT Sport, have developed a national insurance program, called the Australian Football National Risk Protection Program. The program includes personal accident, public and products liability, professional indemnity and association liability to protect every player, team, club, league and association in Australia, including the games officials, trainers, umpires and volunteers. (The program specifically excludes the elite 16-team AFL competition).

The comprehensive level of cover and the competitive premiums have been achieved by negotiating with the underwriters on the premise that all clubs in Australia will join the program. Therefore, it is extremely important that every club supports this initiative.

Clubs should note that the insurance does not cover clubs for their general insurance, which includes risks such as fire, business interruption and burglary. Due to the vast differences in the level of each individual club's assets, clubs should seek cover for these items from their local broker.

For further information please refer to the Australian Football National Risk Protection Program, or contact your local state league/association or the AFL for a copy to be sent to you.



Section nine – Tax

The club treasurer's role has become more complex since the introduction of the GST and the need for compliance. As a result, all club treasurer's should be aware of the impact of the GST and the need for more detailed reporting requirements.

Australian Business Number (ABN)

The Australian Business Number (ABN) is the single identifier that the Australian Taxation Office (ATO) uses for non-profit organisations to interact with the ATO to gain access to information relating to the club's obligation for the following taxes:

- GST.
- PAYG.
- FBT.
- Superannuation.

As a general rule, all clubs should register for an ABN even if they do not register for GST. If a club doesn't have an ABN or does not show the number to other businesses to whom it supplies goods or services, those businesses will be required to deduct PAYG withholding tax from payments to that business, which is currently 48.5 per cent (for 2003). An ABN is useful for all non profit entities because even tax exempt organisations have obligations for other taxes.

Goods and Services Tax (GST)

The goods and services tax is a broad-based tax of 10 per cent on the supply of goods and services consumed in Australia.

Displayed prices (eg. membership fees) must include GST where applicable. For example, an annual membership fee for a football club of \$55 includes a GST of \$5. Donations, grants, sponsorships, fundraising and the preparation and supply of food are treated in different ways with respect to the GST, so you should contact a qualified accountant or financial advisor about the best way of dealing with the GST.

Further information is also available on www.ato.gov.au.

Non-profit entities, their branches and sub-entities that are registered or required to be registered, should include 10 per cent GST on all their taxable supplies. Many non-profit organisations are entitled to claim credits for GST they have paid or for acquisitions used in making taxable and GST free supplies. This is called an input tax credit.

No organisation is exempt from GST as it is a transaction-based tax. GST-registered organisations can claim input tax credits for the GST included in the price of goods and services. Entities that are not registered for GST cannot charge GST.

Non-profit bodies must register for GST if their annual turnover is greater than \$100,000. They can choose to register if their turnover is lower. Other organisations are required to register when turnover exceeds \$50,000.

GST is not payable on the GST-free or input tax supplies they make.

Non-profit sub-entities

Most non-profit entities that are income tax exempt are associated with small independent activities. An option exists for these sub-entities to trade as a separate unit for GST purposes and not as part of the main organisation.

Sub-entities will be considered separate if they:

- Maintain independent systems of accounts.
- Maintain independent places of carrying out their activities.
- Are referred to in the parent entity as a separate sub-entity.

Sub-entities include a branch, such as a netball club, junior football club or fundraising event. This means that where the sub-entity's turnover is less than \$100,000 it can choose whether it is registered for GST or not. Donations are not included in the turnover threshold.

Fundraising activities treated as input taxed

Fundraising events such as fetes, balls, gala show dinners and similar events run by charities can be input taxed. The result of this is that while no GST is chargeable on the fundraising revenue, charities are not able to claim any input tax credit on the expenses used in the running of these events. Raffles and bingo run by charities are GST-free.

Pay As You Go (PAYG) system

The pay as you go system (PAYG tax payment) is designed to cover the taxes which are payable to the Australian Taxation Office. The PAYG system consists of two systems: PAYG withholding and PAYG instalments.

PAYG withholding is a system whereby the club withholds tax from payments. These may include:

- Salary and wage payments made to employees.
- Payments to suppliers that do not quote an ABN number on their tax invoice.
- Voluntary payments with contractors.

Football clubs that run as non-profit enterprises are not exempt from PAYG withholding arrangements.

Withholding from employees

The PAYG system requires clubs to withhold an amount from payments to employees and remit these amounts to the ATO with the monthly or quarterly Business Activity Statement (BAS). The withholding amounts can be determined using the PAYG instalments tables. The club will have a PAYG withholding obligation if it makes the following types of payments:

- Salary, wage commission, bonus or allowance payments to an employee and office holder.
- Eligible termination payments, pension and annuities.
- Payments for work or services where the club and the individual have a voluntary agreement to withhold payments for supply of another business, which does not quote an ABN.

If a club acts as an employer, the treasurer will be required to withhold the correct amounts from employee salaries and send it to the ATO. A PAYG employment summary showing the amounts paid and withheld from each employee's salary payments during the year will need to be prepared at the end of each financial year (June 30). The employee PAYG payment summary should be prepared and forwarded to the employee within 14 days of the end of the financial year. The PAYG payment summary (group certificate) is then included with the employee's tax return. The club will also prepare PAYG payments for all employees and a copy of the payment summary and copies of the individual PAYG summaries will be forwarded to the ATO.

Exemptions from withholding

The following situations are exempt from withholding:

- The whole amount of the payment is exempt income.
- The payment does not exceed \$50.
- The payer is an individual paying for a supply of a private or domestic nature.

Reporting tax withheld

At the end of the financial year, the club is required to prepare and submit an annual report to the ATO, which reconciles all withholding payments made to the ATO during the financial year.

Fringe Benefits Tax (FBT)

Fringe Benefits Tax is a tax payable by employers which provide fringe benefits to employees. It is a separate tax from income tax and organisations that are exempt from income tax may still be required to pay FBT. The tax is calculated on the taxable value of the fringe benefit provided. Examples of a fringe benefit include allowing an employee to use a work vehicle for private use, providing employees with cheap housing, loans or paying their private health insurance.

Volunteers are people who are not paid, either cash or in kind (fringe benefits). A volunteer may be reimbursed for out-of-pocket expenses incurred. The amount of fringe benefits provided to an employee should be recorded and when the amount for an employee exceeds \$1000 in a given year, the amount should be included on the employee annual PAYG payment summary.

Business Activity Statements (BAS)

Clubs that are registered for GST or employ people are required to prepare either monthly or quarterly Business Activity Statements and lodge forms with the Australian Taxation Office within 28 days of the period ending. Failure to comply with the lodgement may result in the ATO applying late lodgement penalties for outstanding lodgements. Where a club has GST and PAYG or any other payment obligations, the ATO will implement separate penalties for each of the payment obligations. Payroll tax in excess of the state or territory threshold is required to be paid.

A BAS is the single form that you need to complete and return to the ATO to report your obligations and entitlements relating to a number of taxes, including GST, FBT and PAYG withholding amounts. All clubs with GST, FBT and PAYG tax obligations must complete a BAS at the end of each tax or reporting period, which is either monthly or quarterly.

The ATO will send your club a BAS, which has the details of your club and some other parts already completed. Your BAS, together with payment, needs to be returned to the ATO on or before the 21st of the month if your monthly or quarterly tax period ends during the first seven days of the month. Be sure to allow enough time if you are lodging your statement and payment by mail.

The ATO has also developed a facility to enable you to lodge your activity statement directly with the ATO via the internet. This facility is available 24 hours a day, seven days a week and provides a secure and efficient service that saves time and reduces administration costs.

Further information on this system can be obtained on www.ato.gov.au.

When you complete your BAS you work out a net amount, which you either owe to the ATO or are owed by the ATO. An amount owing to you will be refunded after it has been offset against any other outstanding tax debts. Be sure to complete all sections on the statement, as the ATO will not pay your club any refund if the statement is incomplete. If your club owes money to the ATO, you can pay electronically through direct credit card, direct debit or BPAY, pay by cash or cheque at any Australia Post, or mail your payment to the ATO. When payment is not received by the due date, you will be charged interest.

Employment records

Together with the basic information needed for salaries to be calculated, employment records must be kept to satisfy legal requirements. Employment records are highly confidential and should be kept in a secure location. Information to be retained by the club includes:

- Full names, address, telephone numbers.
- Tax file numbers.
- Date employment began.
- Holiday leave.
- Days taken off, including dates for sickness and other reasons.
- Name of the superannuation fund and member number.

Superannuation Guarantee Levy (SGL)

All clubs that employ personnel are obligated to the government's Superannuation Guarantee Levy (SGL), even if they are exempt from income tax. The treasurer should determine whether the club is obligated to provide a minimum level of superannuation support for its employees.

Full-time, part-time or casual employees are covered by the SGL legislation and employers who do not provide enough superannuation support are liable to pay a Superannuation Guarantee Charge, which is not a tax-deductible expense. The prescribed rate of superannuation for 2002/03 and beyond is nine per cent.

Exemptions for SGL:

- Employees who are paid less than \$450 per calendar month.
- Employees aged over 70.
- Employees under 18 and employed part-time (less than 30 hours per week).



Section ten – The audit

Appointing the auditor

The term 'audited accounts' means that the financial records of the club have been checked by someone with recognised accounting skills (usually a chartered accountant) as being a true and correct record of the financial operations of a club at that time.

The records of all organisations do not necessarily have to be audited. It is advisable to be familiar with the rules/constitution of your club and its obligations if incorporated. Members of any club can usually pass a resolution requesting an audit, so it is wise to maintain the club's financial records. Following the procedures outlined here may be of some assistance, but seek advice when you are unsure, particularly from the auditor.

Seeking an accountant who is willing to audit the club's books on a voluntary basis is not unusual. A person that is not a club member can also act as an independent auditor. Be sure to give that person plenty of time to audit the accounts, as they may have other commitments.

Some club rules require an honorary auditor, who is appointed at the AGM. An incorporated club is legally required to have the club's accounts audited prior to the AGM, for presentation and acceptance by club members.

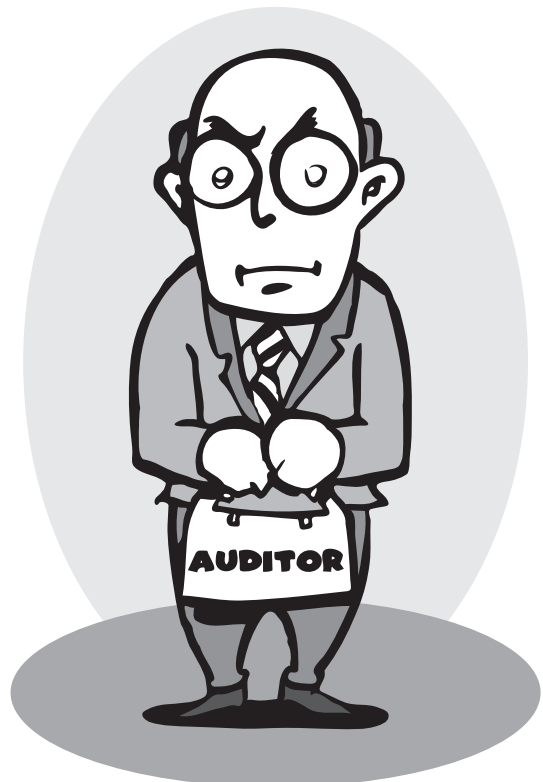
For incorporated clubs and depending on the complexity of the books, it may be possible to appoint an auditor such as a bank manager, council clerk or a chartered secretary, who is not from a registered company. Unincorporated groups requiring an auditor may approach their local bank manager or council clerk, who may do the work for nothing in support of the club.

When auditing your club's accounts, the auditor will need:

- The book of accounts, consisting of the cashbooks written up and balanced for the year, journals and club ledger if these records are maintained.
- Bank statements for the whole year.
- Copies of deposit slips and cheque butts.
- Receipt books containing the duplicates of receipts issued as well as cancelled original receipts. The auditor also needs to sight books of unused receipts.
- Vouchers for payments made, which must be placed in numerical sequence of cheques withdrawn.
- Access to paid cheques from the bankers unless receipts have been obtained for all payments made.
- A copy of the last audited statement of accounts.
- The financial statements for the year now being subjected to audit, together with all supporting documentation.

Statutory requirements and other reporting compliance

Incorporated associations are required to prepare annual accounts and have these accounts presented to and passed by the members of the association before forwarding them to the Office of Fair Trading.



Further statutory requirements are discussed in the GST, PAYG and FBT sections of this manual.

Section eleven – Pitfalls in money management

Many club administrators spend enormous quantities of time in trying to raise money through gate-takings, sponsorship, fundraising, food and beverage sales, social functions and raffles. However, all too often not enough time or emphasis is placed on monitoring where club funds go to from these activities.

With correct controls in place, club profits will increase if stock and cash losses are minimised and less time is required from overworked club personnel.

Where does the money go?

Unfortunately in many cases, the fundraising areas are where the major losses occur. It is in these areas that prudent control and planning should be directed.

Common faults in financial management at the club level are:

- Payment of accounts/players in cash.
- Coach and player payment agreements made without consultation with the full executive/committee.
- Volunteer bar and canteen personnel are often unsure of prices, their responsibilities and feel that “one for all my work is not asking too much”.
- Unfair pressure placed on fill-in bar and canteen attendants such as players manning the bar, to provide free goods to acquaintances.
- Gatekeepers allowing free admittance.
- Gatekeepers being paid a set amount regardless of gate-takings.
- Stock for the bar and canteen ordered, sold and paid for by the one person.
- Raffle tickets bought and sold by the one person who then passes on the proceeds to the treasurer.
- The terms and conditions of sponsorship agreements are not recorded in writing and tabled for the committee.
- Contra sponsorships are often not correctly reported or recorded.
- Lack of adequate planning in the social calendar.
- Unclear responsibilities and the lack of adequate cash management in the running of social events.
- Control and recording of the allocation of playing gear.

Registration fees are often difficult to get from players, particularly in rural areas as there are generally more positions than the number of players wanting to play. As a result, there is a “I’ll pay next week” mindset, as players feel that they are needed to make up the numbers without a great urgency to pay, which can put financial pressure on any club.

A solution to this problem is to introduce a credit payment scheme for each player, where three equal payments are made throughout the season that come out of the player’s credit card. Alternatively, your club may wish to introduce an incentive scheme which will encourage players to pay their registration fees – you may like to offer discounts to players who pay their fees on time.

How can these faults be avoided?

Through the implementation of correct financial procedures and stricter role allocations of club personnel, many of the common faults can be avoided and a positive effect on club finances will result.

Allocating receipts and payments to specific functional areas is of utmost importance. At the start of the year, the full committee should meet to identify the functional departments within the club, such as the bar, canteen, sponsorship, football operations and social events, for example. All income and payments that are made should be allocated to a specific department.

While the treasurer accepts overall responsibility for the management of the finances of the club, with correct recording and checking procedures in place, the responsibility for the day-to-day operations of the various functional departments can be delegated to individuals or sub-committees. No cash payments should be made and no cheque should be written without a valid invoice or receipt.

League/association financial requirements

While the requirements for each individual league/association will vary, all leagues/associations will have certain expectations of their clubs with regard to financial recording and reporting, and it is vital that the treasurer is fully aware of these expectations.

A match-day scenario has been provided below. Identify the problem areas in this scenario and indicate the steps that should be taken to rectify these problems using the space provided.

Case study

At 8.30am on match day the president hands over the "float" for the day to the bar manager (he took the cash out of the till last night and took it home because he was the last to leave).

Sally Stevens arrives and takes \$50.00 in change out of the bar to open the canteen and leaves a note in the till saying "Canteen float taken".

Throughout the course of the day, two slabs were taken from the bar to "give the players a drink after a good win in the reserves". Billy Bloggs took \$20.00 from the canteen to get two raffle books from the newsagents and subsequently ran the match-day raffle for the meat tray.

Efforts to raise funds have intensified and Steve Smith ran a "first-goal competition" for the seniors at both the start of the game and after half-time.

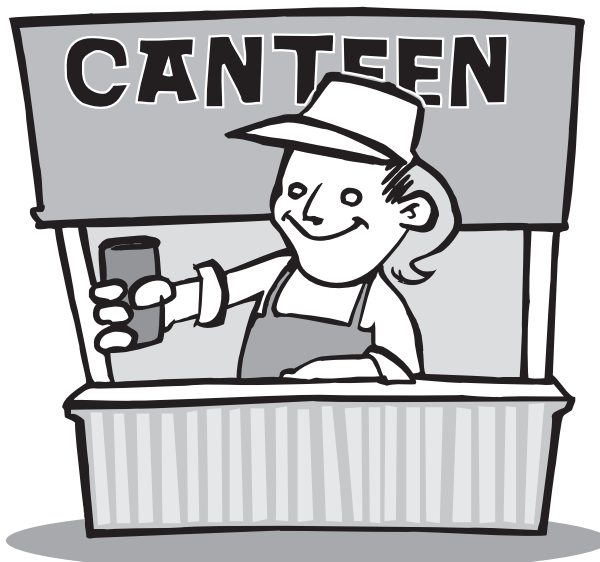
During the morning, Kevin and Gary arrived to set up the beer booth. They took four slabs to start with and \$50.00 to give them a float and to buy some ice. During the day Steve, Bill, Russell, John and Craig all spent time in the beer booth and between them made three or four trips to the bar to replenish the stock in the beer booth and to get more change.

After the senior game Billy Bloggs hands over a bag of notes and coins to the treasurer with the comment "This is the money from the meat-tray raffle. By the way I paid the butcher for the meat tray out of it".

Sally had to pick up the kids and handed the proceeds from the canteen to Steve Smith who added the money he made from the first-goal competitions and gave the money bag to the treasurer.

Russell had to go out that night and forgot that he had the day's takings from the beer booth. He called the club to let them know that he had the money and said that he would drop it in on Thursday when he usually comes down for a drink.

The president told the bar manager that he took \$300 out of the till at the bar – \$100 for the player awards and \$200 to pay the centre half-forward.



Section 12 – Checklist for managing your club’s finances

Managing the finances of any club can often seem like a daunting task. Using the following checklist will ensure that your club’s finances are managed in an efficient and effective manner and that all sections contained within this manual are covered.

- (✓)
1. Does your club’s treasurer have the skills to carry out his/her role?
 2. Does your club’s treasurer fully understand his/her role?
 3. Has the treasurer conducted a due diligence appraisal of your club’s financial position?
 4. Is your club’s treasurer equipped with the necessary accounting stationery?
 5. Does your club operate from a cheque and savings account?
 6. Does your club have a cashbook to record all receipts and payments?
 7. Has the treasurer organised for monthly account statements to be sent at the end of each month?
 8. Does the treasurer summarise what the club owes and is owed at the end of each month?
 9. Does your club have petty cash facilities?
 10. Has your club developed a budget for the current year?
 11. Were members other than the treasurer involved in developing the budget?
 12. Were periods of high and low income/expenditure anticipated in the budget?
 13. Does your club have the following reporting methods in place:
 - Monthly reporting?
 - Budget related reporting?
 - Annual financial reporting?
 14. Has the treasurer delegated control of various areas within the club to reliable and trustworthy personnel?
 15. Have capital assets been depreciated?
 16. Does the treasurer keep a payroll summary that can be passed on to the auditor?
 17. Has your club insured its assets for fire, burglary and public liability?
 18. Does your club have an ABN?
 19. Has your club registered for GST?
 20. Has your club appointed an auditor who will check the club’s financial records?
 21. Have you ensured that the auditor has all the necessary information to perform the audit?
 22. Are procedures in place that will ensure faults in money management can be avoided?

Conclusion

The application of financial resources has a large bearing on the success of a football club. It is essential that all clubs account for their financial resources and use them effectively and efficiently. This module has explored the roles and responsibilities of the treasurer with regard to the financial management of a football club, together with ways that will assist the treasurer in carrying out his/her responsibilities.

Glossary

ABN – Australian Business Number.

Account – a record in a ledger used to record financial transactions.

Accrual accounting – a system that records all financial commitments, as well as cash transactions.

AGM – Annual General Meeting.

Assets – physical resources owned and used by a club or organisation.

ATO – Australian Taxation Office.

Audit – the process of getting the club's financial records checked by someone with recognised accounting skills.

Auditor – a person who carries out the audit, usually an accountant.

Bank reconciliation – the process of checking the details of bank records against the cash records of the club.

Bank statement – a statement of the club's account at a bank.

Budget – an expression in financial terms of the means by which an organisation plans to achieve its objectives.

Budget-related report – provides detailed information of the club's income and expenditure.

Cash accounting – an accounting system that records only cash receipts and cash payments.

Cashflow – the amount of hard cash that is available to the club to spend at any one time.

Creditor – a third party that is owed money by the club or organisation.

Debtor – a third party that owes money to the club or organisation.

Employment records – basic information which allows salaries to be calculated.

FBT – Fringe Benefits Tax. A tax that is payable by employers who provide fringe benefits to their employees.

GST – Goods and Services Tax. A tax of 10 per cent on the supply of goods and services consumed in Australia.

Liabilities – obligations or debts that are payable to a third party.

PAYG - Pay As You Go. A tax system that covers the taxes which are payable to the ATO. Consists of two systems, PAYG withholding and PAYG instalments.

Payroll – provides a summary of gross income, net income and the tax on payments made to employees.

Petty cash – small amounts of cash held to pay for minor items of expenditure.

Reconciliation statement – a statement showing the differences between a club's ledger balance for cash and the balance in the bank's record (statement). The difference can be explained by un-presented cheques and/or unrecorded deposits.

Statement of assets and liabilities – a statement of what the club owns and what it owes.

Statement of income and expenditure – a statement of revenues (income) and expenses for a given period of time (also known as a profit and loss statement).

Superannuation guarantee levy – a compulsory payment made to employees, regardless of whether they are exempt from income tax.

Transaction – an event that affects the financial position of the club or organisation.

Voucher – a document that is used to record details of payments being made by a club or organisation.

Further information

Australian Taxation Office

www.ato.gov.au.

Fringe Benefits Tax (FBT)	13 33 28
Superannuation	13 10 20
Tax Reform	13 24 78

Office of Business and Consumer Affairs

www.consumer.gov.au.

Office of Small Business

www.business.gov.au.

State and Territory Consumer Affairs/ Fair Trading Agencies

- ACT:** ACT Office of Fair Trading
www.fairtrading.act.gov.au
(02) 6207 0400.
- NSW:** NSW Consumer Protection Agency
www.fairtrading.nsw.gov.au
(02) 9895 0222.
- Qld:** QLD Office of Fair Trading
www.consumer.qld.gov.au
(07) 3246 1500.
- SA:** SA Office of Consumer and Business Affairs
www.ocba.sa.gov.au
(08) 8204 9777.
- Tas.:** Tasmania Consumer Affairs and Fair Trading
www.justice.tas.gov.au/ca/
1300 654 499.
- Vic.:** Consumer and Business Affairs Victoria
www.consumer.vic.gov.au
1300 558 181.
- WA:** Department of Consumer and
Employment Protection
www.docep.wa.gov.au/
1300 304 054.

The Institute of Chartered Accountants in Australia

www.icaa.org.au
(02) 9290 1344.

WorkCover

- ACT:** www.workcover.act.gov.au.
- NSW:** www.workcover.nsw.gov.au.
- NT:** www.nt.gov.au/deet/worksafe/.
- Qld:** www.workcoverqld.com.au.
- SA:** www.workcover.sa.gov.au.
- Tas.:** www.wst.tas.gov.au.
- Vic.:** www.workcover.vic.gov.au.
- WA:** www.workcover.wa.gov.au.

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