

UniSA SPORT FACT SHEET

Club Financial Management

The information in this Fact Sheet is from the Club Help website: www.clubhelp.org.au

This fact sheet focuses on good financial management and basic financial accountability required in community clubs. Responsible financial management and recording are important tasks.

Club officers should keep members well informed of the results of its activities and account for all monies handled by the club Committee and Treasurer. The Treasurer is responsible for the day-to-day management of the Club's financial resources. In this role the Treasurer puts into place procedures necessary to collect and record details of all financial transactions of the club.

Financial transactions are documented and these records are kept by the Treasurer. The output of these procedures are; regular financial reports, which are presented at the Committee meetings.

Records kept

- **Member subscriptions** - a database of all members which includes name, contact details, occupation, etc.
- **Cash receipts record** - a summary list of the money received according to the receipt book. To keep an accurate record, receipts should be written for every amount of money received.
- **Cash payments record** - a summary of the cheque book and all cash payments made.
- **Register of assets** includes both current and fixed assets. Current assets include cash, materials, accounts receivable (i.e. money that is owed to the club) and prepaid expenses. Fixed assets include land, buildings and furniture.
- **Liabilities record** indicates the total monies owed by a club and includes both current and non-current liabilities. Current liabilities include bank overdrafts, short-term loans and accounts payable while non-current liabilities include long-term loans.

Records prepared

- An **annual budget** shows a 12-month projection of income and expenses and is one of the first and most important tasks a club should undertake. Expected expenditures are compared with anticipated incomes. [Click Here](#) for a budgeting template.
- **Receipts and payments summary** simply shows the amount of cash received and paid as well as the cash remaining. This summary does not show the amount owed to the club or by the club.

- **Income and expense summary** records an itemised amount of income received and all expenses on a monthly and annual basis.
- A **balance sheet** aims to provide an overview of the wealth of the Club by comparing its assets (what it owns) with its liabilities (what it owes). This will indicate the net worth of the group.
- **Bank reconciliation** is the process at the end of a month where you check that all receipts and payments agree with bank deposits and withdrawals.

Auditing

The term audited accounts means that the financial records of the Club have been independently checked, by a person with recognised accounting qualifications, as being a true and correct record of the financial operations and position of the Club at that time.

The Treasurer must be familiar with the rules/constitution of their Club particularly if the club is incorporated. If the Club is an incorporated association, it is usually a legal requirement to have the accounts audited prior to the Annual General Meeting (AGM).

The auditor will need to be provided with: the book of accounts, consisting of the cashbooks written up and balanced for the year, and journals and ledgers 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 should be placed in numerical sequence of cheques drawn
- access to 'paid' cheques from the Club's bankers – unless receipts have been obtained for all payments made
- a copy of the minutes book to enable the auditor to review approvals for major items of income and expenditure
- a copy of the last audited statements of accounts
- the financial statements for the year now being subjected to audit, together with all supporting working papers
- any other records or evidence the auditor may request

Annual Returns

If a Club is incorporated it is required to lodge a return (copy of the annual accounts) with the appropriate state authority, usually the state Corporate Affairs Office. The accounts are to be accompanied by a certificate stating that they have been approved by the members at the AGM on a particular date. An officer of the Club must also sign these documents.

Accounting for the GST

The GST (Goods & Services Tax) is a broad based tax of 10% applied to suppliers of most services consumed in Australia. Not-for-profit clubs with an annual turnover above

\$100,000 must be registered for the GST. If an organisation is registered for the GST, they must obtain an Australian Business Number (ABN), which will simplify dealings with the Australian Tax Office (ATO). A club can apply for an ABN by contacting the ATO.

The GST is payable by clubs on most goods and services sold or supplied in the course of their business. These supplies are called taxable supplies. There are other types of supplies where the GST does not have to be included in the price. These are called input-taxed supplies and GST-free supplies.

The GST is also included in the goods and services that an organisation acquires for its business. If an organisation is registered for the GST it can claim a credit from the ATO for any GST included in the price paid for things purchased for the organisation. This is called an input tax credit. Clubs should obtain appropriate advice about how best to deal with the GST or contact the Australian Taxation Office at <http://www.ato.gov.au>

Helpful Resources

[Sample Financial Management Policy](#)

[Role of the Treasurer](#)

[Guide for Community Treasurers](#)

More Information

[OurCommunity](#)

[Australian Tax Office](#)