

# Financial Management

## Module Four-**Financial stability and fund-raising**

For most sports and recreation clubs financial stability and the sustainability of the club goes hand-in-hand.

Some clubs are able to generate revenue from canteen and refreshment sales, but many clubs rely solely on the fees paid by members and income generated through fund-raising events to remain financially stable.

The rigorous application of the budget processes described in these notes and the use of formal financial management procedures are key factors in supporting financial stability.

A club needs to clearly understand the cost of doing business. How much does it cost each year to operate the club? What will the costs be if the club expands its operations?

A club also needs to know where its income will come from. What membership fees will it collect? Are the fees adequate to cover costs? What are the realistic expectations for sponsorship and fund-raising income?

The budget planning and setting processes previously described will ensure that a club fully understands its operating environment and is able to make informed decisions about its finances. Without these formal procedures it is unlikely that a club will be able to manage its finances in an appropriate way.

For most clubs the development and delivery of fund-raising events is an essential part of club activity.

Fund-raising is a cost effective way to make money for your club. The best support for a club comes from its members, their families and friends. Many clubs can also call on the support of the broader community in which they operate.

A fund-raising event or activity allows a club to engage directly with its members and is also an ideal opportunity to generate community support and to promote the club.

Fund-raising events can generate income and increase membership. However, fund-raising events can also have the opposite effect.

Poorly planned and badly run events and activities can cost a club.

The following points should be considered in relation to fund-raising events and activities;

- Allocate responsibilities for fund-raising within the club. Establish a fund-raising committee that meets on a regular basis to develop ideas for the board or committee of management approval. The fund-raising committee should also be responsible for managing and monitoring activities

- Clearly determine how much money the club wants to raise through fund-raising and align this to the formal budget process
- Work out when the club wants or needs the funds and allocate sufficient time for the planning and development of the event or activity – align the timing to the budget process
- Look at what has worked in the past before considering any new ideas.
- Make sure there is a formal plan in place and that there is a clear understanding about how much it will cost to run the event or activity and how much income is expected from it.
- The plan should clearly show how the event will be promoted and marketed – the costs for this should be known.



### Activity

Think about the fund-raising events and activities you have run at your club.

What were these events and activities? Were they successful? Did they generate the amount of funding you expected?

In the table below provide some comments about fund-raising activities at your club and identify what worked well and what needs to be improved.

Fund-raising: What we have done well and why.	Fund-raising: What needs to improve and how.