

Financial Management

Module Two-**The role of the treasurer in managing club funds**

The financial management of a club is the responsibility of all the elected or appointed officials. If you sit on the board or committee of management of a club you should understand the club finances, take an interest in the budgeting and financial management processes and share the responsibility of ensuring the club's financial health.

Notwithstanding the collective responsibility for a club's financial situation, in most clubs an individual takes on the day-to-day management of the club's finances. The treasurer or finance director is usually the person who oversees the club finances.

It is important that the treasurer does not operate in isolation from the rest of the board or committee because financial resources are critical to the sound and successful operation of a club.

A treasurer must be accountable to the membership of the club and be responsible for the financial transactions of the club. To protect both the person in the treasurer's role and the club there needs to be clearly defined responsibilities, measures to deal with conflicts of interest and control to minimise risk.

The simplest way to set-up these personal and organisational protections is to:

- Set out clearly what the treasurer is required to do
- Use formal accounting and financial management documentation and systems
- Establish control measures such as dual authorisations or signatories for payments
- Allocate payment authorisations to a number of board or committee members
- Require regular and formal reporting on the club finances
- Document all financial transactions

The volume and nature of the work of a treasurer will depend upon the size and scope of a club. In some clubs the size of the task may require more than one person to be allocated responsibilities. In these clubs an assistant treasurer role may be established. This role should also be filled by a person that is elected or appointed to the board or committee of management.

Although clubs will have some different duties and responsibilities, in general a treasurer will be responsible for the following tasks and activities:

- Coordinate the preparation of a budget for the forthcoming year
- Issue receipts and promptly deposit all monies collected by the club
- Make payments
- Keep accurate and up-to-date records of all income and expenditure
- Act as the signatory for the club bank accounts and cheques

- Manage the club's cash flow
- Be accountable for the club's petty cash
- Prepare regular financial reports
- Prepare and lodge Business Activity Statements
- Arrange for the formal audit of the club accounts
- Stay informed about the club's financial position

Most club treasurers do not have a background in financial management or accounting and usually come to the role as a consequence of their volunteering in other club activities.

There are benefits from an involvement in the club treasurer role that may be applied in other areas.

Being a treasurer provides an opportunity to develop accounting, financial and organisational skills which can be of use in personal and working life. Club treasurers who do the job well tend to have the following skills and attributes that they are able to carry over into other areas:

- honesty and integrity
- enthusiasm for the task
- good organisational skills
- a good eye for detail
- good at making decisions
- ability to work in a logical and orderly manner
- ability to allocate regular time periods to the role
- ability to keep good records
- awareness of procedures for handling cash, cheques and other financial transactions
- willingness to learn new skills

Many clubs provide a formal job description or duty statement for the treasurer's role and in some cases the descriptions are formalised within the club constitution.

The following example is taken directly from the constitution of a small Western Australian sports club.

The role of the Treasurer is to ensure decisions are taken to maintain the financial stability of the club.

Specific Duties:

- Member of Executive Committee
- Management of all Club financial transactions
- Prepares Club accounts using proprietary software such as MYOB
- Prepares budgets in advance for committee approval
- Reconciles income and expenditure from all Club financial transactions
- Prepares quarterly and final statements of account for executive committee
- Prepares monthly statement of income and expenditure from main income streams:

- bar, shop, and canteen
- Pay Club 'staff' such as grounds-person and shop, bar and canteen personnel
- Receipt payments from sponsors
- Responsible for timely payment of governing body and local council accounts
- Handles petty cash
- Handles reimbursement of committee member expenses
- Approves all expenditure over an agreed limit
- Banks cash from player registrations
- Signatory to cheque book

The key consideration in relation to the management of club funds is the requirement for formal processes and procedures that ensure protection against inappropriate activity.

The specification of duties in a job or position statement as above is part of the process, but many clubs take a step further and set out procedures for the management of club funds in the constitution.

The following example reproduced directly from a Western Australian sports club constitution shows how a club has established clear directions for the management of club funds.

All funds of the Club shall be deposited into the Club's accounts at such bank or recognised financial institution as the Management Committee may determine.

1. All accounts due by the Club shall be paid by cheque or by on-line (internet) banking after having being passed for payment by the President or Vice President and Secretary or Treasurer and when immediate payment is necessary, account/s shall be paid and the action endorsed at the next Management Committee Meeting.
2. The Secretary or Treasurer shall not spend more than a set amount as Petty Cash without the consent of the Management Committee, and shall keep a record of such expenditure.
3. A statement showing the financial position of the Club shall be tabled at each Management Committee meeting by the Treasurer.
4. A statement of Income and Expenditure shall be submitted to the Annual General Meeting. The auditor's report (if there is one), shall be attached to such financial report.
5. The financial year of the Club shall commence from the start of the summer competition to the next season.
6. The signatories to the Club's account/s will be the Treasurer and any one (1) of the following;
President
Vice President
Secretary



Activity

Think about the treasurer's role at your club and the processes used to manage club funds.

Is there a job or position description that specifies the treasurer's responsibilities?

Is the management of club funds dealt with in the club constitution?

Are there formal processes and procedures in place to protect the club's finances?

List the things your club is doing well with regard to the management of its funds and list those things where you think there is room for improvement.

Club funds and finances – things we do well	Club funds and finances – things we can improve