**Contents**

In these workshop notes you will find information and advice to assist you to better understand the requirements and details for the financial management of your club. The content will be helpful in ensuring the finances of your club are properly planned and managed and the people involved in these activities understand their role and responsibilities.

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**1. Introduction**

These notes are part of a series of six resources produced to support the delivery of six (6) workshops developed by the Department of Sport and Recreation for sports and recreation clubs for the following topics:

* Operational planning and goal setting
* How to run your club
* Managing your club people
* Financial management
* Marketing and sponsorship
* Effective teams

The material in the notes covers the following learning outcomes:

* Understand how to manage club funds – the role of the treasurer.
* What is a budget and what role does it play in your club?
* Planning, setting and operating budgets aligned to club activities.
* Investigate the keys to financial stability – how to raise funds for a club.
* Understand how to assess the financial position of the club.

The notes provide some general information on simple financial management at the club level. The notes also provide for some workshop activities that will be used during the delivery of a *Financial Management Workshop* for sports and recreation clubs which has also been developed by the Department.

The notes may be used as stand-alone reference material to assist representatives from sports clubs who are unable to attend the scheduled workshop sessions.

**2. 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

 Activity

Throughout these notes you will find many references that stress the importance of formal systems, processes and procedures for the management of club finances.

The scenario that follows presents a situation that is the opposite of the well managed club model suggested throughout these notes, but unfortunately it is a situation that will be well known to many people involved in sport and recreation clubs.

Read the scenario and in the space that follows describe what needs to be done to improve the situation at this club.

|  |
| --- |
| **Scenario**  The games on Saturday start with the juniors at 8.00am and conclude when the first grade finishes around 5.00pm. Bill Jones, the club president is already in the clubrooms at 7.30am when the people rostered onto canteen duty arrive. There is no cash float, so Bill hands over $70 of his own money and makes a mental note to claim the money back from the club treasurer, Harry Dunn.  Once the canteen is up and running Bill will go home for a late breakfast before coming back in time for the reserve grade game. Just as Bill is leaving he’s approached by Sally White who asks for reimbursement for the cost of four cartons of soft drink she purchased yesterday for the canteen. Sally has left the supermarket receipt at home but thinks it was $58.60. Bill gives Sally $60 of his own money and makes a mental note to claim the money back from Harry Dunn and to tell Harry to collect the receipt from Sally.  By mid-morning the junior games are well underway and two of the reserve grade players, Tony and Craig who have been rostered to run the raffle, arrive at the clubrooms. Harry, the club treasurer, has also arrived at the ground and is approached by Tony and Craig who are looking for the books of raffle tickets that were supposed to be left in the canteen. The books of tickets can’t be found so Harry takes $30 from the canteen takings and asks Tony and Craig to go to the local newsagent to buy some books. Harry doesn’t have the club’s cashbook with him so he makes a note on the back of an envelope and asks the boys to bring back a receipt and the change.  As part of the canteen roster a group of parents from the junior grades are operating the sausage sizzle. By early afternoon stocks are running low so one of the parents goes off to the local supermarket to buy some more sausages, rolls and onions. He can’t remember who the club treasurer is so he pays the $45 himself, puts the receipt in the canteen till and takes the $45 from the float.  The club has recently decided to reward the ‘player of the game’ for reserve and first grades with a $100 and $200 award respectively. Harry Dunn was supposed to draw the cash, place it in envelopes and give them to Bill Jones before the start of the reserve grade game. Harry had forgotten about the cash awards, so between them and with some cash taken from the canteen float, Bill and Harry make up the required amounts for the two envelopes. Harry makes a note about the payments on the back of the envelope in his jacket pocket.  Tony and Craig sold $160 worth of raffle tickets during the junior games and gave the ticket stubs and cash to the canteen team so they could arrange the draw for the prize of a food hamper donated by a local business. The raffle money was added to the canteen float in the till because the canteen people had not been told to keep the cash separate – nobody made a note about how much Tony and Craig had handed over.  The Thursday following the games there is a Committee of Management meeting and Harry reports on the club’s finances. Although the people rostered onto canteen and sausage sizzle duties had reported a very busy day and had bought additional stock during the day this wasn’t reflected in the takings. There are some issues in relation to cash and the club’s accounts that Harry is looking at. Bill asks Harry for a report at the next meeting. |
| **Comments** |

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 (BAS) – if required
* Arrange for the formal audit of the club accounts – if required
* 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.

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 formal procedures and/or software * 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   * Receipt payments from sponsors * Pays accounts   - Handles petty cash  - 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.   * 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. * 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. * A statement showing the financial position of the Club shall be tabled at each Management Committee meeting by the Treasurer. * 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. * The financial year of the Club shall commence from the start of the summer competition to the next season. * 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.

What is the treasurer required to do? Is there a job or position description that specifies the treasurer’s responsibilities?

What are the key skills and attributes required for the role of treasurer?

Think about the things the treasurer is required to do at your club. List the activities of the treasurer in the left hand column of the table below and the skills and attributes required for a treasurer in the right hand column.

|  |  |
| --- | --- |
| The treasurer – regular activities of the role | The treasurer – skills and abilities for the role |
|  |  |

3. **Understanding the budget process**

A budget is a financial plan that lists all the planned expenses and revenues of an organisation.

The primary purpose of budgeting is to provide a plan or forecast of the income and expenditure of an organisation and to predict how the organisation may perform financially when a range of activities, events, plans and strategies are applied.

All *s*ports and recreation clubs should have a budget.

A budget requires a club to think ahead in relation to its finances. Budgeting is all about looking forward – a budget predicts the expenses you expect to incur and the income you hope to bring in. The budget process allows club officials to think about the risks and exposures a club may face and it provides a way of minimising these risks. A budget protects a club against nasty financial surprises and provides a financial foundation for a club’s programs and activities.

A budget can be as simple as a one page document with month columns across the top and expected income and expenses filled in on the appropriate month or it can be a more sophisticated approach using an Excel spreadsheet or proprietary financial and accounting software such as MYOB, Xero or Quicken.

Regardless of the process used the bottom-line is that a club needs a budget and also needs officials who understand the budgeting process.

As well as being a predictive tool to help a club work out what it is likely to spend and what income it is likely to collect, the budget is an essential analytical tool that allows a club to track its financial activities.

Once a budget is in place a club should be able to compare the actual financial outcomes (usually on a monthly basis) with the targets in the budget and take corrective action if the targets in the budget are not being met.

Although the Board or Committee of Management of a club should approve the budget, in most clubs the responsibility for developing and managing the budget resides with the treasurer. It is the treasurer’s job to monitor the actual income and expenditure figures and compare these to the budgeted figures. The process of regularly reviewing a club’s progress against the budget provides a useful guide when making financial decisions.

The review process also provides the basis for the treasurer’s reports at board and committee meetings.

The preparation of a budget requires a club to look at past performance, analyse data and information on the size, scope and extent of it activities, think about what is planned for the year ahead in terms of club activity, predict likely expenditure on club activity and likely income from all sources and allocate costs and revenue on a monthly basis.

The budget should also align with the club’s broader planning processes.

If there are strategic or operational goals and objectives the club has set that will impact on expenditure and revenue these need to be considered in the drafting of the budget.

The following diagram shows the key elements in the budget process for sport and recreation clubs.

 Activity

Think about how your club currently predicts and tracks income and expenditure.

Is there a formal budget in place at your club?

How is the budget for your club developed and drafted? Who is involved?

Is the budget process at your club appropriate? What improvements may be made to the process?

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| **Notes** |

The size and sophistication of budget processes, data and documents will depend on the size and scale of the sports or recreation club.

Some clubs may generate revenue from a range of income streams such as membership fees, merchandise sales, canteen and bar takings, sponsorship and events. Other clubs may be dependent on just membership fees to fund activities.

Club expenses will also vary depending on the size, scale and scope of club activities.

Regardless of the size of a club or the complexity of its activities a standard operating budget will follow the same approach. The example that follows shows the annual budget for a small sports club.

**Kangaroos Soccer Club - Operating Budget for 2015**

|  |  |
| --- | --- |
| **Income**  Membership fees  Canteen sales  Fundraising events  Sponsorship  Merchandise sales  **TOTAL** | **$**  12600  10200  3100  1500  2800  30200 |
| **Expenses**  Player registration fees  Team registration fees  Local council ground fees  Equipment purchase  Utilities  Canteen supplies  Merchandise  Events costs  Web hosting  PO Box  Insurance  Printing and postage Replacement playing strips  **TOTAL** | 9450  1800  880  2680  930  5610  1540  1705  190  135  645  110  595  26270 |
| **Projected – Surplus** | **3930** |
| **Projected – (Deficit)** | **------** |

In addition to the annual operating budget, the club treasurer should also have in place a month-by-month break-down of likely expenses and revenue aligned to the overall budget figures.

 Activity

Think about the income and expenditure at you club.

Where does your club get most of its income from?

What are the main expenses at your club?

In the table below construct a simple budget using the main income and expenditure items at your club and based on what you know about your club’s finances

|  |  |
| --- | --- |
| **Income**  -  -  -  -  **TOTAL** | **$** |
| **Expenses**  -  -  -  -  -  -  -  -  **TOTAL** |  |
| **Projected – Surplus** |  |
| **Projected – (Deficit)** |  |

**4. Planning, setting and operating budgets**

The work of drawing up a budget must begin well in advance of the time it is due to commence.

Clubs can operate a budget that aligns with the standard financial year from June to July or a budget that follows the calendar year or the sports seasons if that suits the sport or recreation activity better. Either way, there is a requirement to allow sufficient time to plan and develop the budget details.

If your budget follows the standard financial year count back from July - how long will it take to analyse the previous year’s figures, collect the necessary information about planned activities and new equipment purchases, decide on the membership fee for the coming year and all the other things needed in order to have in place a well thought out financial plan?

How long will it take to have the Board or Committee of Management examine the draft budget, seek clarification, make adjustments and finally sign off on the budget documents?

It is important that the process of preparing the club’s budget involves everybody who's going to be affected by it. Make sure that all the Board and Committee of Management members are fully engaged in the process and involve other key club volunteers who may have a view about the process such as the people who run the canteen and other fund-raising activities and the people who decide on the equipment and kit purchases.

The best starting point is to review last year’s operating budget. What can you learn from how your estimates for last year's operations went? Did you achieve the income projections you set? If not, why not? How close to the estimates were your expenses?

In addition to the experiences of the past the budget process should also look at the club’s longer term future. Are there any items that have been identified in the club’s strategic or longer term operating plans that will require expenditure during the period covered by the new budget?

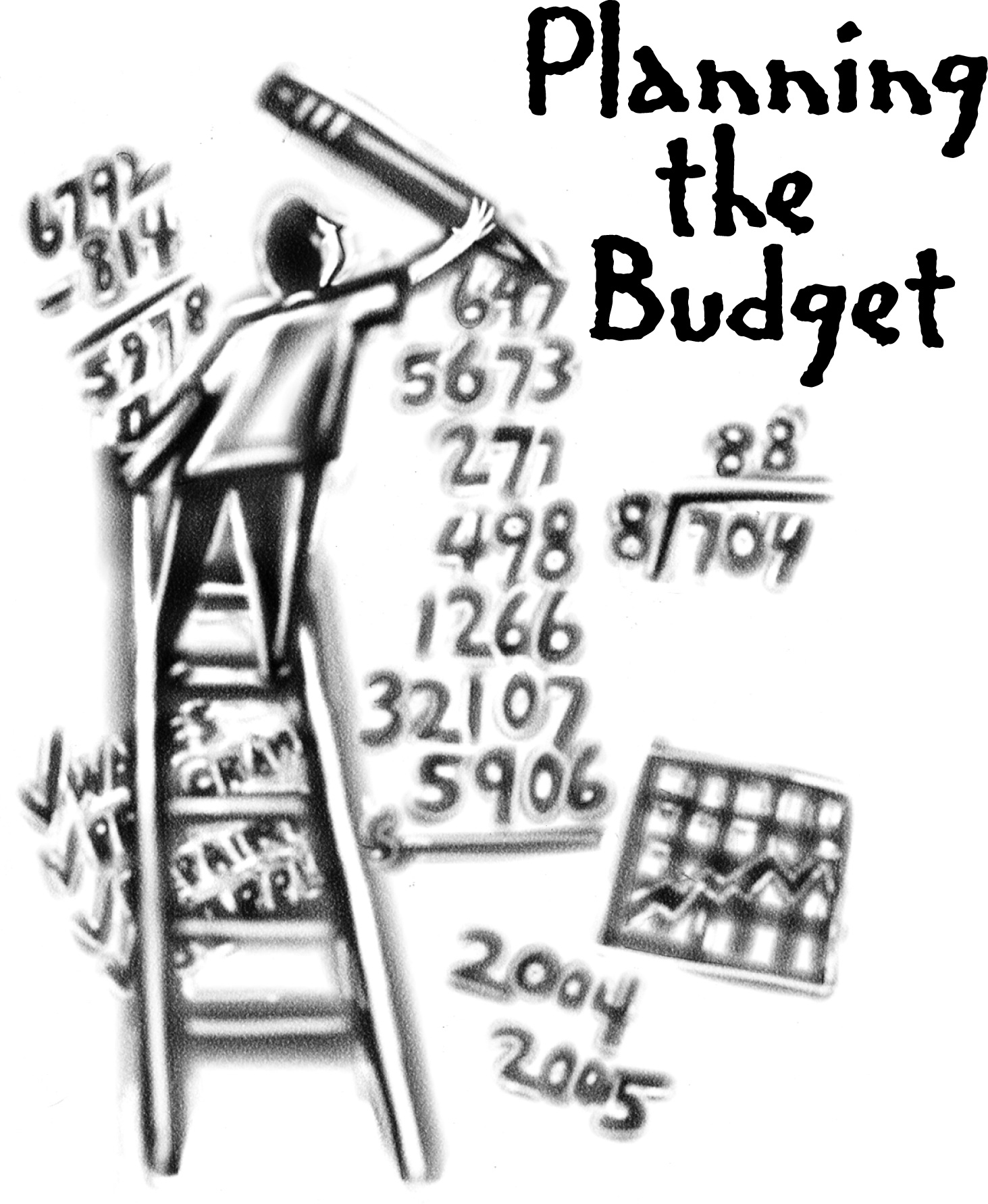
A club may have a three year plan to increase the number of teams it fields by 50%. This objective will probably require expenditure on marketing and promotion, education programs for new coaches, additional play strips, additional team registrations and a raft of other costs that would not be appear in the previous year’s accounts.

Planning for a complete operating budget requires an examination of all parts of a club’s current activities and consideration of future plans.

There is one area that is usually left out of the general operating budget.

If there are significant capital expenditure items identified as part of a club’s long term plan, such as the erection of floodlights or the building or refurbishment of clubrooms, it is usual to establish a separate budget for capital expenditure.

Remember – start the process well in advance of when the budget comes into operation, collect and analyse sufficient information and involve everybody that needs to be involved.



Most sports and recreation clubs operate as not-for-profit organisations. This means they do not operate for the profit or gain of individual members and any profit that is made is directed back into the organisation to carry out its purposes and to undertake activities that are for the benefit of the whole membership.

For most clubs in the not-for-profit area the major priority is to ensure that the revenue generated is sufficient to cover all the expected expenditure.

When setting a budget clubs should consider the following points:

* Is the club looking to break-even, generate a surplus or operate to a deficit? Depending on the circumstances of the club it may be appropriate to plan for either one of the three outcomes. If the club’s activities will be much the same as in previous years it is probable that the budget will aim to break-even with the income generated by the club aligned to cover the costs of running the club. Or the club may have some longer term goals that require additional revenue and an operating surplus built up over a number of years will provide the club with the resources it needs – in these circumstances the club will look to make a surplus with the cost of running the club less than the income it generates. In other circumstances the club may decide that it is prepared to accept that it will run at a loss during a budget period and that the cost of running the club will be more than the revenue generated.
* For most clubs an approach to setting the budget that takes a prudent and conservative approach is the best model. The club should establish a reasonable position on the amount of income it is likely to receive – based on the detailed budget planning process – and the costs of running the club should not exceed this income.
* Clubs that take a prudent approach to the setting of the budget will probably under-estimate income items and over-estimate expenditure items. Clubs will also make allowances for increased costs as a result of inflation and will consider an increase in fees for the same reason.
* When setting the budget it is important that a club keeps detailed notes on the various income and expenditure items so that there is a record to justify decisions and to provide some context for how the budget was set when measuring performance during the year and to use when setting next year’s budget.
* For most clubs the issue of cash-flow is critical. Cash-flow is the money that moves in and out of the club during each month. When setting the budget it is important to understand the timing of income and expenditure items. When will the club collect revenue? When are the major payments due? It is important that the club has an understanding – based on the detailed budget planning and projections – about the month-by-month financial situation of the club.

 Activity

Think about the operation of your club.

What are the main sources of income for the club and when does it collect these?

What are the main expenses for the club and when does it pay these?

Does the club have formal processes in place to track income and expenditure each month? What are these processes?

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| **Notes** |

Once a budget is established and the budget period commences a club needs to ensure it tracks, monitors and measures budget performance – this operational responsibility usually sits with the club treasurer.

The Board or Committee of Management of a club needs to be kept fully informed about budget performance and this is usually done by the presentation of a ‘treasurer’s report’ at scheduled monthly meetings.

The best way to report on the operation of the budget is by showing the club’s actual financial situation when compared to the projected budget figures. These reports are usually referred to as monthly income and expenditure statements or ‘variance’ reports. The variance is usually shown as a percentage under or over the projected amount. These reports may be generated from an Excel spreadsheet or proprietary software such as MYOB or Xero.

The table below shows an example of a monthly report.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | This month | Year to date | Budget | Variance |
| **Income**  Membership fees  Canteen sales  Fundraising events  Sponsorship  Merchandise sales  **TOTALS** | 3600  1800  0  0  780  6180 | 9100  5400  1000  1500  1220  18220 | 12600  10200  3100  1500  2800  30200 | 72%  53%  32%  100%  43%  60% |
| **Expenses**  Player registration fees  Team registration fees  Local council ground fees  Equipment purchase  Utilities  Canteen supplies  Merchandise  Events costs  Web hosting  PO Box  Insurance  Printing and postage Replacement playing strips  **TOTALS** | 1270  0  0  1700  220  1300  600  600  190  0  0  40  300  6220 | 7660  1800  0  1700  440  2230  900  600  190  135  645  76  300  16676 | 9450  1800  880  2680  930  5610  1540  1705  190  135  645  110  595  26270 | 81%  100%  0%  63%  47%  40%  58%  35%  100%  100%  100%  69%  50%  63% |

The ‘variance’ in a report needs to be considered against what the ‘year to date’ figures actually represent. Is the report for the second, fourth, sixth or eighth month of the budget year? The answer to the question will determine the action required.

The monthly reports also show whether income and expenditure is tracking as expected. In the example shown income and expenditure are closely aligned.

In general if the variance is equal or close to what was expected then no action needs to be taken. If the variance is higher or lower than what was expected the club will need to take some action because income is lower than budgeted or expenses are higher than budgeted.

**5. 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, find-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 way your club generates its income – membership fees, fund-raising events and activities, sponsorships. Are the fees appropriate? Do you have sponsors?

What events and activities do you run? Are they successful? Do they generate the amount of income you expect?

In the table below provide some comments about the income generation at your club and identify what works well and what needs to be improved.

|  |  |
| --- | --- |
| Income generation: What we have done well and why. | Income generation: What needs to improve and how. |
|  |  |

1. **Assessing a club’s financial position**

A club’s capacity to assess its financial position is dependent on the quality of information and data it has available. Clubs that operate ‘shoe-box’ accounts with no formal processes in place are unlikely to have the information needed to make an accurate assessment of current and future financial positions.

Conversely, clubs that have established formal processes, plan and set budgets and invest in appropriate accounting procedures and systems will have access to up-to-date information and figures that will allow them to monitor and assess the financial position.

There is no secret to the process. Clubs need to know what it costs to run activities and what level of income will be generated. Clubs in a sound financial position will generate more revenue than the expenses they incur.

The routine application of the budgeting and financial reporting processes described in these notes will provide the tools and produce the information required to allow for a formal assessment of a club’s financial position.

The checklist below identifies the key factors that underpin the financial management of a club. The more ticks a club has in the right hand column the better its situation in relation to assessing its financial position.

|  |  |
| --- | --- |
| Key factors for managing and assessing club finances | C:\Users\Gary\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\PA9RVIBF\MC900434713[1].wmf |
| Does the club treasurer have the required skills and support required to carry out the role? |  |
| Is the board or committee of management committed to formal financial management practices? |  |
| Is the club treasurer equipped with the appropriate accounting stationery and software? |  |
| Does the club apply a formal process to budget planning, setting and operation? |  |
| Are members of the board or committee of management and other key club members fully involved in the budget process? |  |
| Do the key officials fully understand the income and expenses associated with the operation of the club. |  |
| Are there formal and regular reporting processes in place as part of the management and monitoring of the club’s finances? |  |
| Does the club have in place appropriate petty cash procedures and facilities including a cashbook to record payments and receipts? |  |
| Does the club treasurer have all the necessary tools, systems and support to allow for the regular and accurate assessment of the club’s financial position? |  |
| Does the club have in place formal processes for the auditing of its annual accounts? |  |

1. **Other matters**

The focus of these notes has been on the establishment and operation of formal systems, processes and procedures to ensure the efficient and effective financial management of clubs.

The role and skills of the treasurer, the commitment of the board or committee of management, the establishment of proper budgeting and the provision of appropriate financial reporting are key factors to ensure a club is well positioned to manage its finances. There are also some important operational matters that a club needs to make sure are properly addressed and three of these are described below:

* Petty cash
* GST
* Auditing

The petty cash system is a convenient and cost effective way to reduce paperwork and minimise account fees and taxes that would have to be paid if a cheque was drawn for every item of expenditure. It is almost an essential part of all club activity and needs to be properly established.

Petty cash should be provided in exchange for a receipt to reimburse club members or volunteers who have used their own money to purchase small items.

A club needs to set a limit on the amount of cash that can be spent - $50 to $75 is usual and there needs to be an approval process so that members do not decide for themselves when to spend money and on what.

In most clubs a petty cash system is established by drawing a ‘cash’ cheque is from the club’s account and documenting this in a cash book. When presented with a valid claim supported by a receipt the Treasurer completes a petty cash voucher, has the claimant sign the voucher, reimburses the claimant, records and retains the receipt.

As the petty cash is used up it may be topped up by drawing another ‘cash’ cheque.

At any given time the amount of cash and receipts should tally with the total amount

of petty cash held.

The majority of community sport and recreation clubs in Western Australia would operate below the goods and services tax (GST) threshold, but it is important to understand the process in case a club’s revenue grows and exceeds the threshold.

Sport and recreation clubs operating as companies in the-for-profit sector must be registered for GST if the annual turnover of the club exceeds $75,000. For incorporated clubs in the not-for-profit sector registration for GST is required when annual turnover exceeds $150,000.

If a club believes that it will exceed the GST threshold it is important that it seeks advice from a qualified accountant, financial manager or legal adviser on how best to deal with GST matters.

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

If a club is an incorporated organisation it may be a requirement for the accounts to be audited and the club treasurer must be familiar with the rules of the club as set out in the constitution

Clubs that are unincorporated may also require an audit of accounts if this is specified in formal documentation such as a club charter or procedures manual.

If you are unsure of the requirements at your club in relation to the auditing of accounts you should seek advice from a qualified accountant, financial manager or legal adviser.