

# Getting your club finances right

*Presented by :*

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# Session Outline

- Understanding Club Finances
- Legal Responsibilities / Associations Incorporation Act
- Good Financial Management
- Elements of a financial report
- Understanding financial reports
- Financial Requirements for the Active Club Program
- Grant Acquittals and Standard Chart of Accounts
- Useful Resources



# Understanding club finances

- Not just the treasurer's role
- Common law responsibility
- Your club's constitution
- Sports Governance Principles
- Associations Incorporation Act



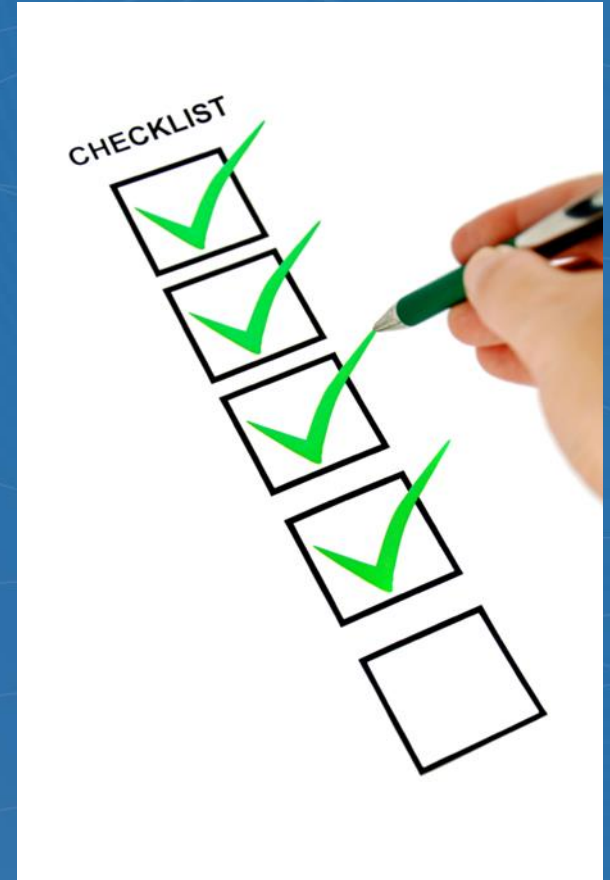
# Associations Incorporation Act

- Officer of the association
- s.39C Keeping of records
- s.35 Accounts to be kept
- s.39A Duties of officers
- s.49AD Trading whilst insolvent



# Good financial management

- Regular financial reports
- Plans & budgets
- Cash controls
- Facilities & equipment
- Audit
- Key personnel



# Elements of Financial Reports

- Statement of Financial Position
  - *Also known as Balance Sheet*
- Statement of Financial Performance
  - *Also known as Income and Expenditure Statement*
- Statement of Cash Flows



# Balance Sheet

- Reports the organisation's assets/liabilities at a point in time
- Current vs. non-current
- Cash vs. non-cash





# Balance Sheet - an example

|                                | 2014         | 2013         |
|--------------------------------|--------------|--------------|
| <b>Assets</b>                  |              |              |
| Cash                           | 2,800        | 2,500        |
| Receivables                    | 450          | 550          |
| Inventories                    | 620          | 660          |
| <b>Non-current assets</b>      |              |              |
| Plant and equipment            | 970          | 970          |
| <b>Total Assets</b>            | <b>4,840</b> | <b>4,680</b> |
| <b>Current Liabilities</b>     |              |              |
| Creditors                      | 320          | 280          |
| Bank Loans                     | 500          | 500          |
| <b>Non-current liabilities</b> |              |              |
| Bank Loans                     | 1,000        | 1,500        |
| <b>Total Liabilities</b>       | <b>1,820</b> | <b>2,280</b> |
| <b>Net Assets</b>              | <b>3,020</b> | <b>2,400</b> |
| <b>Accumulated Surplus</b>     | <b>3,020</b> | <b>2,400</b> |

# Income & Expenditure Statement

- Reports the organisation's operating performance for a period of time
- Organised by type of income / expense
- Cash vs. non-cash expenses



# Income & Expenditure Statement

|                         | 2014         | 2013         |
|-------------------------|--------------|--------------|
| <b>Income</b>           |              |              |
| Membership fees         | 3,500        | 3,800        |
| Fundraising             | 2,100        | 1,600        |
| Interest                | 350          | 330          |
|                         | <b>5,950</b> | <b>5,730</b> |
| <b>Expenses</b>         |              |              |
| Coaching                | 3,300        | 3,450        |
| Insurance               | 800          | 780          |
| Depreciation            | 100          | 110          |
| Repairs and maintenance | 650          | 450          |
| Interest                | 100          | 120          |
| Postage and stationery  | 380          | 350          |
|                         | <b>5,330</b> | <b>5,260</b> |
|                         |              |              |
| <b>Net Surplus</b>      | <b>620</b>   | <b>470</b>   |



# Statement of Cash Flows

- Reports the organisation's cash flows for a period of time
- Cash flows from:
  - Operations
  - Investments
  - Financing



# Understanding Financial Reports

- Items to consider when reviewing financial reports;
  - Ongoing vs. once off funding
  - Sources of income
  - Fixed vs. variable costs
  - Variances against budget
  - Net surplus / deficit
  - One-off/unusual income or expenditure
  - Do the results line up with the strategic direction?



# Financial Requirements for the ORS Active Club Program

- be a not-for-profit active recreation or sport club or community organisation
- be properly constituted in South Australia
- be incorporated under the *Associations Incorporations Act 1985*



# Financial Requirements for the ORS Active Club Program

- have a minimum total membership base of 20 members.
- provide their most recent certified (signed by Treasurer) or audited Balance Sheet and 12 months Income and Expenditure Statement).
- Bank Statements or Bank Reconciliation Reports **WILL NOT** be accepted



# Grant acquittals and SCOA

- What is the SCOA?
- What does it mean for me?
- [www.nfpas.com.au/resources/standard-chart-of-accounts.html](http://www.nfpas.com.au/resources/standard-chart-of-accounts.html)





# Useful Resources

- Not For Profit Accounting Specialists
  - [www.nfpas.com.au](http://www.nfpas.com.au)
  - (08) 8215 0022
  - [sue@nfpas.com.au](mailto:sue@nfpas.com.au)
- [www.recsport.sa.gov.au/training-support/associations.html#templates](http://www.recsport.sa.gov.au/training-support/associations.html#templates)
- [www.dsr.nsw.gov.au/sportsclubs/ryc\\_finance.asp](http://www.dsr.nsw.gov.au/sportsclubs/ryc_finance.asp)
- [www.ato.gov.au](http://www.ato.gov.au)
- [www.westpac.com.au/docs/pdf/bb/guide\\_communitytreasurers.pdf](http://www.westpac.com.au/docs/pdf/bb/guide_communitytreasurers.pdf)
- [www.acnc.gov.au](http://www.acnc.gov.au)



# Useful Resources

[www.ausport.gov.au/\\_\\_data/assets/pdf\\_file/0007/354787/financial\\_management\\_of\\_not-for-profits.pdf](http://www.ausport.gov.au/__data/assets/pdf_file/0007/354787/financial_management_of_not-for-profits.pdf)





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