



A CLUB'S GUIDE TO

FINANCIAL MANAGEMENT



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WHAT IS GOOD FINANCIAL MANAGEMENT?

Good financial management involves reviewing financial information and effectively managing funds. This is achieved by implementing sound financial practices and understand the club's financial position and obligations.

It is the planning, directing, monitoring, organising, and controlling of money for the club which helps the club to achieve its goals.

WHO IS RESPONSIBLE?

While the club committee is ultimately responsible for the club's financial health, the treasurer will often lead the process.

The treasurer ensures a financial management system and reporting system is in place and operable. They provide the club committee accurate, true, and correct updates of the financial status of the club at all times.

While the treasurer does not need to be a qualified accountant, they should meet the following requirements:

- Awareness of accounting procedures
- Understanding of GST and other taxation and requirements for financial reporting
- Ability to keep accurate records
- Strong attention to detail



OPERATING CLUB FINANCES

ACCOUNTING STATIONERY

The stationery required will depend on the accounting and computer programs you have available at your club.

A treasurer may need:

- Receipt books with carbon copy
- Bank deposit book
- Cash book or a general ledger
- Petty cash book
- A file to save accounts payable
- A file to save receipts from accounts paid
- A file to save bank statements
- A file to save relevant financial planning and reporting documents

BANK ACCOUNTS

A club will need a bank account to operate effectively and safely. The club should research which bank and account type (e.g. savings account, cheque account) is the best fit. Some banks offer low-cost products for non-for-profit organisation like a sporting club.

BUDGET

A budget details the club's planned revenue and spending and allows the club to allocate funds appropriately.

A budget will show:

- How much income your club expects to receive during the next financial year (income)
- How much your club expects to spend in the next financial year (expense)
- The predicted surplus (profit) or deficit (loss) for the budget period

A budget is an essential tool to manage club finances effectively.

The treasurer should provide a regular financial report using the estimated and actual figures within the budget to update the club committee on the financial operations of the club.

TAX OBLIGATIONS

Depending on a club's size and its operational structure, a club may have obligations for GST, Pay As You Go (PAYG) and Fringe Benefits Tax (FBT). To find out more about what taxes may apply to your club, visit the [ATO website](#).

AUSTRALIAN BUSINESS NUMBER (ABN)

An ABN is the single identifier that the Australian Taxation Office (ATO) uses for non-profit organisations to interact with the ATO to gain access to information relating to the club's obligation.

All clubs should register for an ABN even if they do not register for GST. If a club does not have an ABN or does not show the number to other businesses to whom it supplies goods or services, those businesses will be required to deduct PAYG withholding tax from payments to that business. An ABN is useful for all non-profit entities because even tax-exempt organisations have obligations for other taxes.

GOODS AND SERVICES TAX (GST)

Goods and services tax (GST) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia. If the club has a GST turnover of \$75,000 or more (\$150,000 or more for non-profit organisations), the club will need to register for GST.

For more information, visit the [ATO website](#).

PAY AS YOU GO (PAYG) SYSTEM

The pay as you go system (PAYG tax payment) is designed to cover the taxes which are payable to the Australian Taxation Office. The PAYG system consists of two systems: PAYG withholding and PAYG instalments.

PAYG withholding is a system whereby the club withholds tax from payments. These may include:

- Salary and wage payments made to employees
- Payments to suppliers that do not quote an ABN number on their tax invoice
- Voluntary payments with contractors

For more information on PAYG, visit the [ATO website](#).

TAX OBLIGATIONS

FRINGE BENEFIT TAX

Fringe Benefits Tax is a tax payable by employers which provide fringe benefits to employees. It is a separate tax from income tax and organisations that are exempt from income tax may still be required to pay FBT.

The amount of fringe benefits provided to an employee should be recorded and when the amount for an employee exceeds \$1000 each year, the amount should be included on the employee annual PAYG payment summary.

Volunteers are not paid, either cash or in kind (fringe benefits).

BUSINESS ACTIVITY STATEMENT (BAS)

A BAS is a form that the club needs to complete and return to the ATO to report obligations and entitlements relating to a number of taxes, including GST, FBT and PAYG withholding amounts.

All clubs with GST, FBT and PAYG tax obligations must complete a BAS at the end of each tax or reporting period, which is either monthly or quarterly. Failure to do so may result in the ATO applying late lodgment penalties for outstanding lodgments.



FINANCIAL REPORTING

All clubs, regardless of the size, need sound practices for recording and regulating financial transactions.

MONTHLY BUDGET REPORT

As mentioned, the treasurer is responsible comparing the financial performance with the budgeted performance and reporting the financial status of the club to the committee on a regular basis.

BANK RECONCILIATION

Bank reconciliation statement is a report which compares the bank balance as per the club's accounting records with the balance stated in the bank statement. A reconciliation ensures there are no discrepancies between accounting records and the bank. It will help in regular monitoring of cash flow for the club.

ANNUAL REPORTING REQUIREMENTS

The annual reporting requirements will differ depending on club structure e.g. sole trader, incorporated etc.

Incorporated clubs must keep records that correctly record and explain their financial transactions and financial position. An association's reporting obligations under the Associations Incorporations Act 2009 (the Act) is based on its status as either a Tier 1 (large) or Tier 2 (small) association.

For more information, visit the [NSW Fair Trading Website](#).



FINANCIAL RISK MANAGEMENT

A core role of the committee is to assess, monitor and mitigate risk, including financial risk. The committee should implement measures to protect club assets and ensure longevity of assets.

CASH ON HAND

While most transactions are now done electronically, clubs should have policies for cash handling. These policies should cover cash float management, petty cash management and procedures for banking or keeping cash on hand. Clubs should be skeptical of anyone handling cash for the club and should bank any cash as quickly as possible.

RECORD KEEPING

All payments made or collected are recorded in the club accounting system. This includes funds collected for registrations or merchandise made in cash or electronically are recorded to ensure correct tracking. Funds paid could include payment of invoices, reimbursements made to volunteers, refunds, or general club supplies. These records should be checked regularly for discrepancies.

ASSET REGISTER

Every club should understand what they own. Keeping an asset register will help keep track of all club assets such as equipment, club merchandise, furniture, and tools. This will help against theft.

OTHER RISK MANAGEMENT CONSIDERATIONS

- Are financial records and accounting material secure/password protected?
- How are expenses approved?
- How often does the club review financial records?
- Are and how are variances in reporting investigated?
- Does the club have dual signatories on transactions?

GRANTS

WHAT IS A GRANT?

A grant is where a sum of money is given by one organisation to another for a specific purpose.

The goal is to provide a benefit to the community in some form.

WHERE TO FIND GRANT OPPORTUNITIES

Grants are often provided by local, state, and national government levels. Information about available grants is often sent via newsletters, websites and social media so be sure to follow the relevant channels.

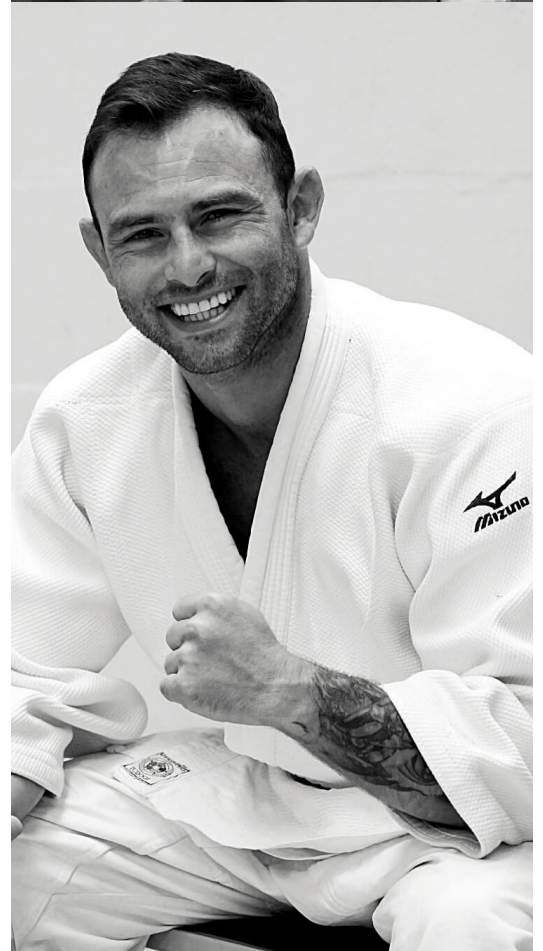
Other grant providers also include philanthropic trusts and foundations, and commercial organisations.

Sport NSW keep an updated list of grants available to sport clubs in NSW.

GRANTS COORDINATOR

A club may wish to have a dedicated person who can look after the process to stop the responsibility falling to busy committee members.

This person will be responsible for finding, applying for, and acquitting grants. Ideally, this person has knowledge of the club and its history, has great written and verbal communication skills, and can work to a deadline.



GRANTS

WRITING A GRANT APPLICATION

STEP ONE - Read the Guidelines

It is important to understand the grant purpose and guidelines. Your project MUST meet all the criteria and fit the purpose of the program. If you need more clarification, contact the grant provider to save you time and confusion while trying to decipher the information yourself. It is also worth noting the word count for the application as well!

STEP TWO - Research

Successful grants are usually backed by research and data. Use data to explain how the grant will positively affect the Judo community (or broader if applicable) and solidify the application goals.

Useful data can include:

- Club member demographics e.g. age, gender, background
- Local population demographics
- Potential economic/social return of program

STEP THREE - Take your time

Winning applications take time to write. Allow yourself time to gather all information and to deliver it in a clear and concise manner. Get others to proof the application to ensure all criteria is addressed and that it makes sense.

STEP FOUR - Submission!

When you are ready to submit the application, ensure you have all relevant documents to support the application. Read over the submission instructions carefully and if in doubt, call the provider for assistance.



GRANTS

POST SUBMISSION

The grant provider may call or email you with the outcome of your application and/or list the successful applications on their website. If your application was not successful, give the provider a call to ask for feedback on your application. This will help with future applications.

If the application is successful, ensure you understand the acquittal process and keep all relevant documentation ready for the acquittal process.

DO'S OF GRANT WRITING

- Address all criteria in your application
- Be clear and precise with your answers
- Use data to back up your claims
- Proof read the application for typos and mistakes
- Call the provider for explanation or feedback if required
- Do keep a "wish list" of different projects your cub would like to complete. This will help select the right project for the write grant rather than trying to make your project fit the grant.

DONT'S OF GRANT WRITING

- Do not ramble. Some programs will have 100s of submissions to read so do not make it unnecessarily long.
- Do not ignore the criteria or purpose of the grant. The application will automatically be denied if its missing information or not addressing all requirements. The grant provider will not contact you to get missing information.
- Do not waste your time. Do not apply for a grant if it does not suit your needs.

SPONSORSHIP

Sponsorship is a mutually beneficial partnership between a business and a club. It usually comes in form of a cash and/or in-kind fee paid to a club in return for access to the commercial potential associated with the club.

FINDING SPONSORS

A club needs to be strategic when approaching potential sponsors. A club should approach sponsors who align with club values e.g. the local pub may not be the best sponsor if your members are mostly junior participants.

Start by asking your club members if they have relationships with existing businesses that may be open to sponsorship partnerships, and if they can introduce you to the right person. An internet search of local businesses may also help you find potential sponsors.

DRIVERS - WHY SOMEONE MIGHT SPONSOR THE CLUB

It is important to remember sponsorship is not a donation. The sponsor needs to get value in return.

A business may sponsor the club or event for reasons like:

- Increase brand awareness
- Generate sales
- Build and audience
- Increase their reputation/brand positioning

Understanding the sponsor's goal will help tailor an effective sponsorship proposal.

CLUB ASSETS

Club assets refer to what the club can 'sell' to the sponsors. Some assets the club may offer include:

- Logo placement on equipment, club apparel, digital media, and club documents
- Naming rights of events or awards
- Invitation to attend significant club events
- Activations or signage at training facility or events
- Use of sponsors product e.g. beverages, equipment, apparel

Create a sponsorship asset spreadsheet and list all assets and what assets are available and what assets have been 'sold'.

SPONSORSHIP

SPONSORSHIP VALUE

Unfortunately, there is no magic formula to determine sponsorship value as it varies with several factors. Answering the following questions will help establish a value.

- How far is the club's reach i.e. members, social media following, website visits, events hosted, community influence etc.?
- How exclusive is the asset/opportunity that the club is providing to the sponsor?
- Do other club sponsors have access to the asset or is it exclusive to this sponsor?
- How much will it cost the club to provide the asset to the sponsor e.g. cost of a ticket to awards night?
- How will the success of the sponsorship be measured?
- What is the potential return on investment?

It is recommended that the club keeps detailed records of past sponsorship agreements to help evaluate the worth of new agreements. A club will get a better idea of sponsorship worth as time goes on.

SPONSORSHIP PROPOSAL

The sponsorship proposal includes the background of the club, club values and expectations and provide a snapshot of the club including the demographics, audience, and club successes. The club's strategic plan should provide most of this information.

The proposal will also list the benefits of the partnership for the sponsor. This should include what assets the sponsor will receive and how success will be measured. The proposal should also include the length of the term, the value of the sponsorship and the best contact for more details.

The details captured in the proposal can then form the base for the sponsorship contract.

SPONSORSHIP

SERVICING THE SPONSOR

Remember – a sponsorship partnership is mutually beneficial. The sponsor needs to gain value from the deal and the club will need to deliver on the deliverables stated in the agreement. This information should be kept in a spreadsheet to make it easier to track.

Going the extra mile for your sponsor may be the reason they renew their partnership at the end of the deal.

The extra mile could include:

- Providing the sponsor with a free club shirt or other apparel to make them feel part of the club
- Inviting them or their team to club training or key events
- Sending personalised thank you letters from key club people or members
- Providing signed club uniform for them to display at their business

It will also be helpful to keep a spreadsheet tracking what the club has done to service the sponsorship deal. This will be a useful document when discussing renewing a partnership.



FUNDRAISING

Fundraising is the act of generating funds via voluntary contributions from individuals or organisations. It is a great way for clubs to increase their income.

A successful fundraising campaign needs to be well planned and organised.

Tips for running a successful campaign include:

- Tell the story – tell people what the money will be going towards. People are more likely to donate money or time if they know why.
- Delegate – the more hands the better.
- Consider your audience – hosting an event at the local pub may not be the best idea if the event involves the junior membership base.
- Attain the appropriate permits and registrations for any raffles or events

Some fundraising ideas include:

- [Australian Sports Foundation campaign](#)
- Bunnings sausage sizzle
- Raffles and auctions
- Chocolate or lolly drives
- Club events like bingo nights or golf days

