



## Financial Management

Financial management is managing money received and spent. Doing it well is essential to any boccia club. Good financial management should not rest solely on the Treasurer. The rest of Management Committee should also have input into the financial management of the club. To make the Treasurer's job easier and ensure the smooth running of the club all members must do their part and keep up to date with membership payments.

Click [here](#) for more information about financial management.

Financial management has three basic parts to it:

- Planning (on how to raise and spend money)
- Record keeping
- Reporting

Click [here](#) for Boccia New Zealand's basic financial record keeping spreadsheet.

### **Treasurer**

The Treasurer is a key person in the club's management. They are represented on the Management Committee and take overall responsibility for its financial management. It is important that the treasurer doesn't work in isolation, all members of the committee should have input. At the very least the management committee should be involved in the developing and approving budgets, keeping to date with the financial position of the club and asking questions about the finances.

A Treasurer with financial experience is ideal but not essential. The treasurer will require a job description - this sets out what they're supposed to do and provides standards for their performance. The role of the Treasurer is broad. It includes day-to-day clerical tasks, the preparation of budgets, regular reports to the Management Committee and annual financial statements, and the making of recommendations to the Management Committee on the most effective use of the Boccia club's funds.

### **Policies and procedures**

In managing your clubs finances, you should set policies and procedures that must be followed. This will make it easier to keep track of the money that comes into the club and how it is spent. Some areas to cover in your policies and procedures include:

Cash receipting:

- Writing receipts for cash received such as donations, membership fees, etc.
- Banking all money received – cash as soon as possible

Making payments:

- Pay for all purchases and expenses (except for small, petty cash items) by cheque, direct credit, or Internet banking so there is a record of the transaction
- Have a system for approving payments
- Only pay a bill when an invoice has been received
- Have designated cheque signatories and two signatures on every cheque (or two authorising codes for internet banking)
- Have a system for filing invoices
- Have a petty cash system or expense claim form for small payments with procedures to balance and reimburse it

This is basic information you need to manage your club's finances, remember that the size of your club determines the financial management processes that need to be put in place.

### **Accounting systems and software**

Usually a computerised accounting system is the easiest and simplest way to keep track of the club's accounts. There are several simple programmes or software packages available such as [Xero](#) or [MYOB](#). If the club is small enough a manual system will be sufficient. Here's what your accounting programme should be able to do:

- Follow spending
- Produce comprehensive financial accounts (profit and loss; balance)
- Provide you with the information required in an easy-to-understand report form
- Calculate GST (if required) and allow you to allocate it by individual transactions

### **Bank Accounts**

The club should be running all their finances under the club's name and therefore will need a cheque account. Cheque books provide a simple and effective way to track the club's spending. Usually clubs have two management committee members (including the Treasurer) who are authorised to jointly sign the club's cheques. Three members may be authorised, with only two required to validate the cheque. The club's bank statement also provides an accurate record of spending.

### **Budgets**

The club will require an annual budget. This is usually the responsibility of the Treasurer and is agreed on by the club's Management Committee. Once the budget is approved, it is added into your accounting system so that it can be compared to the club's actual income and expenses. You can use either an Excel spreadsheet or a manual cashbook for the club's budget. To prepare a budget:

- Start with actual income and expenditure from the previous year - if the club is new you will have to base this on realistic estimates
- Add what you know about the coming year
- Adjust and modify until you have a realistic and reasonable budget
- Get the budget approved by your Management Committee or governing body

Click [here](#) for Boccia New Zealand's basic budget spreadsheet template.

Click [here](#) for a sample budget.

## **Audits / Reviews**

The club's financial records should be audited / reviewed each year as per your constitution. During an audit / review, a person independent of the club (such as an accountant) checks that the financial statements are a correct record of the financial position of the club at the time of the audit / review. Auditing / reviewing can be a lengthy process and it is a good idea to allow six to eight weeks for this to be completed. You will need to provide:

- The club's cashbooks, written up and balanced for the year, and journals or ledgers that the club uses for records
- Bank statements for the whole year
- Copies of deposit slips and cheque butts
- Receipt books with duplicate and original copies, plus any unused receipt books
- Receipts or copies of cheques paid to your club
- Copies of minutes from your management meetings that show how financial decisions were made and agreed
- Copies of any previous audit / review statements
- All financial statements for the year being audited / reviewed
- Any other relevant financial documents

Organisations such as the [New Zealand Trustees Association](#), [NZ Small Audit](#), [BDO](#) and [Deloitte](#) offer discounted or pro-bono services for small clubs if you ask. Otherwise your local accountant should be able to assist.

## **Tax and GST**

Sport clubs are often registered with the Charities Service which entitles them to be exempt from income tax. According to New Zealand law, a charitable entity must exist principally for a charitable purpose. For an organisation's purposes to be deemed charitable its activities or aims must benefit and be available to a large part of the community. Therefore it must not be for the benefit or profit of any individual.