

My Progression.....

FINANCIAL MANAGEMENT

Good financial management is essential for your club's survival and is an important part of good governance. It involves being able to review financial information, effectively manage funds, implement sound financial practices and understand your club's financial position and obligations.

Often clubs appoint a treasurer with some accounting experience to take on this responsibility. However, every executive member should have an understanding of a club's accounts and financial reports. This knowledge will help with strategic planning, accountability, corporate governance and effective risk management.

Financial Reporting

All clubs should produce a profit and loss account (sometimes called an income and expense account) showing the funds received and spent in a set period.

Ideally clubs should produce a balance sheet, showing assets such as cash in the bank, and liabilities such as loans.

Keeping good data

Any report prepared is only as good as the data entered. For example a club has signed a contract with a tradesman to build a portable storage shed. Although no payment has been made, financial statements prepared **SHOULD** show the amount payable as a liability. If the amount payable is not included in the financial statements, the cash position looks considerably more favourable and the money could be spent, leaving the club with a shortfall.

Preparing and reviewing financial statements

Time constraints within smaller organisations, or perhaps the difficulty in finding experienced bookkeeping assistance, often results in minor errors in the financial statements. When preparing or reviewing financial statements, think about the following:

| Review point | Action |
|---|---|
| Are there any expenses not yet paid but due soon that should be included in the financial statements? | Amend the financial statements to include the amount owing. |

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| Has any unbanked cash on hand been included in the financial statements? | Amend the financial statements to include the amount not banked. |
| Are there items in the balance sheet of the financial statements that were there last year, are still there this year and you think the amounts are wrong? | There may be some accounting processes that need to be performed, such as clearing last year's creditors, or depreciating assets. Go through each balance sheet item and make adjustments, or seek assistance from someone with relevant experience. |

How often should reports be prepared?

Ideally, a club should produce monthly financial reports. If that's impractical, quarterly or biannually should be acceptable.

However, preparing reports less regularly means a club loses the benefits of up-to-date decision making information. Infrequent reporting can also result in cash shortfalls, loss of source records and even fraud.

Budgets

All clubs should have a budget. The budget is important for cash flow planning as well as for financial review. Given the seasonality of ladies gaelic clubs, it is essential that some review is undertaken to ensure the club can pay its debts on time.

The 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. If you have access to a computer, an excel spreadsheet is the most efficient tool for preparing a budget. A sample budget template is available in our strategic business plan.

Budget preparation

Consider these points when preparing your budget:

- Is the timing of membership income correct?
Despite membership fees being due in a certain month, it may take another few months for all the fees to be paid. You need to be aware of when registrations have to be paid and get your club membership in prior to this date.
- When is sponsorship money (if any) received?
Some sponsors will pay a set amount each month rather than in a lump sum.
- Is the value estimated for expenses realistic?
The results from prior years may provide a guide, however some expenses may increase each year.
- Are any expenses dependent on the number of members?
If so, the budget should be adjusted for any differences once the number of members for the year is known.
- Your budget should include initial large expenses such as equipment for teams.

- You should ensure that there is always a minimum balance in the bank for any emergencies that arise.

FINANCIAL RULES YOUR CLUB SHOULD CONSIDER

Your club should consider adopting a series of “financial rules” which will help your committee adhere to sound financial management practices.

- Develop a set of financial procedures for your club and keep these in your club management manual including:
 - Procurement, including deciding on suppliers;
 - Payment procedures;
 - Signatory requirements;
 - Cross-checking of accounts;
 - Reporting requirements.
- Education and training for the treasurer and other committee members in financial management of the club
- Reporting the financial status of your club to members through annual reports and other more regular communication techniques
- Set your annual budget based on the actions outlined in your club’s strategic/ operational plan, and the information from the previous years’ operations
- Ensuring you have the two required signatures on club cheques
- Maintaining a register of assets and recurring financial, liabilities (insurance, lease, registration fees etc.) which includes scheduled maintenance, repair and replacement requirements
- Regular committee reporting practices (i.e. standard “finance” agenda item at each committee meeting)
- Obtain the advice of an accountant to set up/ review the club’s financial practices to ensure in line with rules
- Consider purchasing accounting software to simplify and modernise financial record keeping. This is not necessary but only if the club wish.
- Consider security – don’t allow situations where large amounts of cash (e.g. after a big competition or event) are easily accessible. Restrict access to “treasury” areas and organise for night deposit of funds or use of a secure safe until the bank opens. Never leave just one person responsible for large sums or have them by themselves when packing up etc. The local guards will be able to advise you on security.