Financial Management

Often in sport and recreation organisations the role of the treasurer, and any financial management processes, are performed by volunteers. Volunteers do not always have skills in financial management, therefore it is essential for organisations to implement these essential financial management requirements:

- Ensure the treasurer is aware of their responsibilities.
- Keep adequate records and documentation for all income/expenses and invoices/receipts.
- Ensure volunteers/employees possess adequate qualifications or have received training.
- Policies and procedures are in place to cover accounts receivable, accounts payable, asset management, dealing with conflicts of interest and meet legislative requirements.
- There is more than one cheque signatory or authorises for Electronic Funds Transfer (EFT) payments.
- The decision making process is understood and roles have been determined (ie who can authorise budgeted and unbudgeted expenditure).
- Regular reconciliations of monthly balances and bank accounts are conducted.

- A budgetary process is in place (including annual preparation, ongoing monitoring and regular review) with the cash flow managed so there is sufficient working capital and funding available for future expenses.
- Financial reports provided to board each meeting.
- The board has the knowledge and understanding to answer queries relating to the financial position of the organisation without the assistance of the treasurer.

Role of the treasurer

The roles of the treasurer normally include:

- Budgeting and cash flow management including:
  - budget preparation;
  - maintain account books, covering receipts, expenditure, assets and liabilities;
  - bank monies received and issue receipts;
  - seek authorisation for disbursements and draw cheques/organise EFT payments accordingly;
  - pay accounts for approved expenditure;
  - send accounts/invoices for monies due to the organisation;
  - control the bank account; and
  - maintain a petty cash float.
- Financial reporting including:
  - periodical reports to board members;
  - produce an annual financial report;

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- o organise audits; and
- o assist the secretary to maintain membership records.

Budgeting and cash flow management

The annual budget is usually drafted in conjunction with the annual planning process to ensure there are adequate funds to meet the aims and objectives of the annual plan.

An estimate of income needs to be made and is usually based on anticipated membership fees, fundraising efforts, gate takings, donations and grants. Referring to previous financial reports or records is a useful tool for identifying trends in the timing of the receipt of income and the payments of fixed recurring expenses.

The types of expenses that need to be budgeted for include travel, coaching, uniforms, overheads such as insurance, payroll and depreciation.

Financial reporting

Once the board has approved the budget, it is necessary to monitor actual financial performance against this budget. Throughout the year it is the role of the board to discuss and approve any variations from the budget and monitor cash flow on an on-going basis.

The board should be provided with the following reports on a monthly basis:

- summary of income and expenditure; and
- actual performance against budget.

The audited end of year accounts, namely the Statement of Receipts and Payments and the Statement of Assets and Liabilities, as well as the treasurers Annual Financial Report are usually presented at the Annual General Meeting.

Where can I get more information?

TAFE Tasmania offer various qualifications in financial services. To find out more, visit www.tastafe.tas.edu.au or phone 1300 655 307.

Sport Australia, also provide information on financial management for clubs. To find out more visit https://www.sportaus.gov.au/club_development/governance#risk_management

Alternatively, the 'our community' website also provides resources for not-for-profit organisations at www.ourcommunity.com.au/community