



MANDURAH
VOLLEYBALL
ASSOCIATION

MANDURAH VOLLEYBALL ASSOCIATION INC.

Where everyone can play.



Financial Management for Clubs

The Treasurer

The treasurer is a key person in the club's management. They are represented on the club's board or committee and take overall responsibility for its financial management. The size of this job will depend on how big the club is and whether there are other people who can help - either with the financial administration or as a finance sub-committee.

The treasurer will require a job description—this sets out what they're supposed to do and provides standards for their performance. The treasurer's role includes reporting on actual finances and seeking out the best ways to use available funds.

The treasurer needs the following stationery (or electronic systems) to perform their job effectively—

- cheque books
- bank deposit books/slips
- a cash book or general ledger
- payment authorisation (cheque requisition) vouchers (or similar)
- a numbered receipt book with carbon copy page
- account forms for members' subscriptions
- a file for accounts payable, i.e., amounts owing to suppliers for goods and services purchased
- a file to store receipts from accounts paid
- a file of orders placed with suppliers
- a file to store bank statements.

Accounting Systems and Software

Usually, a computerised accounting system is an easiest and simplest way to keep track of the club's accounts. There are several simple programs or software packages available. Have a look around to see what's best for your club's needs. If the club is small enough a manual system may be sufficient.

Cashbooks

A cash book is a journal in which all of the club's receipts and payments are recorded. 'Cash' includes actual money, credit card slips, cheques and money orders. There will be receipts and cheque butts, but the cash-book records the details of all transactions.

Bank Accounts

The club 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. You can choose the frequency of these statements.



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Accounts may have online access to view and manage transactions and provide reports and statements. This will also be 2-to-validate payments to ensure the integrity of financial management.

Budgets

The club will require an annual budget. This is the responsibility of the treasurer and is agreed on by the club's management committee. Once the budget is approved, it is added to our 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; and
- get the budget approved by your management committee or governing body.

Cash Flow Forecasting

Cash flow forecasting allows you to anticipate any dips in your club's income and plan around them. If the club's income is variable, good forecasting will mean you'll still be able to meet expenses.

Audits

The club's financial records will be audited from time to time. During an audit, 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. A suitably qualified volunteer can audit the club's accounts, or it may be necessary to use a professional auditing service. This can be costly, so finding a volunteer who is willing to perform the audit is preferable.

Auditing can be a lengthy process and you should allow six to eight weeks for an audit to be completed.

Mandurah Volleyball Association Ir	
Cash Flow Forecast	
For the year ended:	2019
Actual or Forecast	Actual
Week Ended:	Week 1
Opening Bank Balance	1,000
Receipts	
Membership Fees	350
Grants	10,000
Sponsorship	5,000
Donations	20
Sale of Assets	-
GST Refunds	50
Other	
Other	
Other	
Other	
Other	
Total	15,420
Withdrawals	
Payroll & PAYE	1,000
GST to IRD	400
Creditors - Monthly	500
Creditors - Weekly	250
Fixed Assets	1,000
Rent	50
Lease Costs	
Other	
Other	
Other	
Other	
Total	3,200
Closing Balance	13,220
Closing Bank Balance	13,220
Difference	-



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Insurance

It is important that the club has adequate insurance. The extent of insurance required will vary depending on the club's assets, size and activities. Given the commitment and contribution that volunteers make, it's important they are protected from any potential risks.

Managing Financial Records

For incorporated clubs, the Act will stipulate the requirements for financial management. This includes the obligation to keep records and prepare statements that give a fair and true indication of the club's financial position. This may also need to be reported to the regulator of the Act.

Accrual Accounting vs. Cash Basis Accounting

Accrual accounting means revenue and expenses are recognized and recorded when they occur, while cash basis accounting means these line items aren't documented until cash exchanges hands.

Cash basis accounting is easier, but accrual accounting portrays a more accurate portrait of a company's health by including accounts payable and accounts receivable.

The accrual method is the most commonly used method, especially by publicly-traded companies as it smooths out earnings over time.

Cash Basis Accounting

Revenue is reported on the income statement only when cash is received. Expenses are only recorded when cash is paid out. The cash method is mostly used by small businesses and for personal finances.

Accrual Accounting Method

Revenue is accounted for when it is earned. Typically, revenue is recorded before any money changes hands. Unlike the cash method, the accrual method records revenue when a product or service is delivered to a customer with the expectation that money will be paid in the future. Expenses of goods and services are recorded despite no cash being paid out yet for those expenses.