

FINANCIAL MANAGEMENT

As in all management activities a club should aim to adopt best practices in financial management. The size and complexity of a club will influence this, however the following are necessary:

- Constitutional requirement for an Annual Financial Report.
- A suitably trained treasurer.
- Appropriate accounting system e.g. Cash Book/Spreadsheet or appropriate accounting software programme.
- Existence of approved Bank Accounts.
- Cheque signing/Internet banking authorities - at least three registered with two signatories required at all times.
- Established reporting practices for the Management Committee and a standing agenda item
- Asset Register and Management of Assets.
- Adopt an Annual Budget.

Clubs are also reminded that there are many suitable accounting software programs now available on the market so that there is no need to rely on templates. Professional advice should be sought before deciding which package to buy.

If you provide goods or services you may need to register for GST. In general if you are conducting a taxable activity and your annual turnover has exceeded \$60,000 you may need to register. For further information check out the IRD site www.ird.govt.nz

FINANCIAL PLANNING

Operating Budget

A budget is a key tool in financial planning and all clubs should adopt an annual budget. It estimates the club's income and expenditure and how it intends to fund its activities for the year. The budget should be consistent with the Strategic Plan adopted by the club at a formal meeting no later than the second meeting for the year. Deficit budgets should rarely be approved and only after considerable discussion and a clear understanding of how the deficit is to be funded.

Budgeting is a tool of management and should be used and reported against on a monthly basis and reviewed periodically. A budget does not put your club in a strait jacket; the committee can amend it by resolution.

Financial reports

Financial Reporting is an essential activity in the management of any club and comprises monthly and annual reporting.

Reports that clubs should consider tabling at each months Management Meeting include:

- **Bank reconciliation** (assures that funds as reported are in accordance with the bank holdings)
- **Monthly financial report** (examines current activities including clubs performance against annual budget)

Petty Cash

A petty cash system is a convenient and cost effective way to reduce paperwork and minimise account fees for smaller regular items of expenditure. Petty cash can be issued in exchange for a receipt to reimburse members who have purchased small items on behalf of the club. These should always be in accordance with the club budget and generally below \$20.00. The treasurer will reimburse the member and retain the receipt as evidence and record the expense in the petty cash journal.