Financial Management

Table of Contents

Introduction 1

Club Financial Roles and Responsibilities 2

Role of the Treasurer / Financial Director 2

Job Description for Club Treasurer 2

Club Team Manager’s Role 3

Budget 4

Budget Preparation 4

Budget Samples and Templates 5

Budget Sample 1 5

Budget Sample 2 6

Sample Revenue/ Expense Team Budget Sheet 3 7

Team Account 8

Petty Cash 9

Financial Policy Templates 10

Club Financial Policy Template 1 10

Club Financial Policy Template 2 13

# Introduction

Good financial management is critical 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 board 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.

# Club Financial Roles and Responsibilities

## Role of the Treasurer / Financial Director

The role of the Treasurer is to manage all the income and expenditures pertaining to the club. It is advisable that the person filling this role has the adequate financial skills to fulfill this position. Without a well-supervised budget, a club could easily find itself in financial difficulty.

A Treasurer is responsible for maintaining all records, and ensures dues are paid by all members and the funds go toward the proper areas of the budget. They will also supply the board with financial Statements of the club actions at every annual general meeting and as required from the Board.

### Job Description for Club Treasurer

***(Insert CLUB Name)* TREASURER**

ROLE DESCRIPTION

To assist with the strategic leadership of the Association and will provide leadership in the financial direction of the Association through the formulation and oversight of proper accounting processes and procedures. The Treasurer will manage (insert club name) club’s finances and maintain accurate financial records.

SKILLS/QUALITIES REQUIRED

* Must be honest and reliable and bondable
* Experience of producing accounts and budgets is desirable
* A thorough knowledge and understanding of financial reports,
* Ability to communicate financial information and concepts
* Provide the board with an account of financial transactions and financial position of the Association at each meeting of the board
* Ability to articulate the board’s financial questions to the staff
* Ability to explore financial options and decisions for long-term goals.

-- A Professional accounting/ financial designation is an asset --

MAIN DUTIES

* Responsible for all club finances
* To produce an annual budget and monitor expenditure
* Be responsible for payment of any monies to and from the club; providing receipts and keeping an up to date record of transactions
* To produce an end of year financial report for the AGM
* Regular report to the committee on the financial position of the club or on the Board of Director’s request.
* Shall have custody of all funds, securities, evidence of indebtedness and other valuable documents and shall deposit funds and securities in the name and to the credit of the club in a bank.
* Shall retain an accurate account of all funds received and disbursed by the Club.

COMMITMENT

Attend AGM and have ongoing responsibility for club accounts.

## Club Team Manager’s Role

Generally each Club team will have a Team Manager that will oversee the administration of the team. The manager will have an important financial role within the club and is responsible for collecting, banking and distribution of all funds. It is important to identify a qualified Team Manager, as the need for proper budgeting and accurate and timely reports is essential. There may be multiple team managers but ensure the manger who is responsible for the financial records is competent and comfortable with their role.

In most cases, it is up to the team to raise their own funds. Fundraising efforts should be determined on need and parents’ commitment. Fundraising is discussed in more detail in the Fundraising, and Sponsorship section.

Team members may also pay team fees; it is the responsibility of the Manager to inform members of these fees, as well as collect them. At the beginning of the season there should be a clear outline of:

* How much the fees are
* What will be covered and will not be covered by the fees
* Payment options
* Deadline for paying the fees and consequences for late payments
* Who the fees must be paid to

# Budget

The budget is important for cash flow planning as well as for financial review. Given the seasonality of Club Volleyball, 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.

## 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.
* When is sponsorship money (if any) received? Some sponsors will pay a set amount each month rather than in a lump sum.
* Is the dollar 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 stocking a canteen with drinks.

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

## Budget Samples and Templates

*The Following are samples that can be created into an Excel Document to manage your Clubs financial records.*

## Budget Sample 1

|  |
| --- |
| **Budget Financial Statement - Fiscal \_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_** |
|  |  |
| **Revenues** | **$** |
|   |   |
| Club Dues |   |
| Team Training funds |   |
| Nationals/provincials/travel |   |
| Camps |   |
| Warm-ups sales |   |
| Tryouts |   |
| Team Training |   |
| Gaming Funds |   |
| Interest & Van city share earnings transfer |   |
|   |   |
| **Total Revenues** |  **$-**  |
|   |   |
| **Expenses** |  |
| Travel & Nationals fees |   |
| Tournaments (including REG & PROV) |   |
| Camps |   |
| Gym Rental |   |
| Equipment  |   |
| Warm-ups |   |
| Uniforms |   |
| VBC Memberships |   |
| NCCP & coaches clinics |   |
| Coaches per diem |   |
| Supplies & Administration  |   |
| Website |   |
| Banking |   |
| Scholarship Awards |   |
| Team Training |   |
| Miscellaneous |   |
| **Total Expenses** |  **$-**  |
|   |   |
| **Net Revenues including Gaming Funds** |  **$-**  |
|   |   |
| Less Gaming Funds |   |
|   |   |
| **Net Expenses** |  **$-**  |
|   | . |
| **Net Revenues without Gaming Funds** |  **$-**  |
|  |

## Budget Sample 2

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Budget Financial Statement - Fiscal MTH/YR to MTH/YR** |  |  |  |  |  |  |   |
|  |   |  |  |  |  |  |   |
| **Revenues** |  **Budget**  | **Projected Act** | **Actual** | **ACT vs BUD** |  |  |
|   |   |  |  |   |  **Comments**  |   |
| Club Dues |  $-  |   |  $-  |  $-  |   |   |
| Travel (including nationals entry fees) |  $-  |   |  $-  |  $-  |   |   |
| Camps |  $-  |   |  $-  |  $-  |   |   |
| Warm-ups sales |  $-  |   |  $-  |  $-  |   |   |
| Team Training Funds |  $-  |   |  $-  |  $-  |   |   |
| Tryouts |  $-  |   |  $-  |  $-  |   |   |
| Gaming Funds |  $-  |   |  $-  |  $-  |   |   |
| Interest & Fundraisers |  $-  |   |  $-  |  $-  |   |   |
|   |   |   |   |   |   |   |
| **Total Revenues** |  **$-**  |  **$-**  |  **$-**  |  **$-**  |  |   |
|   |   |   |   |   |   |   |
| **Expenses** |  |  |  |   |  |   |
| Travel |  $-  |   |  $-  |  $-  |   |   |
| Tournaments, REG, PROV |  $-  |   |  $-  |  $-  |   |   |
| Camps |  $-  |   |  $-  |  $-  |   |   |
| Gym Rental |  $-  |   |  $-  |  $-  |   |   |
| Equipment  |  $-  |   |  $-  |  $-  |   |   |
| Warm-ups |  $-  |   |  $-  |  $-  |   |   |
| Uniforms |  $-  |   |  $-  |  $-  |   |   |
| VBC Memberships |  $-  |   |  $-  |  $-  |   |   |
| NCCP & coaches clinics |  $-  |   |  $-  |  $-  |   |   |
| Coaches per diem |  $-  |   |  $-  |  $-  |   |   |
| Supplies & Administration  |  $-  |   |  $-  |  $-  |   |   |
| Website |  $-  |   |  $-  |  $-  |   |   |
| Banking |  $-  |   |  $-  |  $-  |   |   |
| Scholarship Awards |  $-  |   |  $-  |  $-  |   |   |
| Training |  $-  |   |  $-  |  $-  |   |   |
| Miscellaneous |  $-  |   |  $-  |  $-  |  |   |
| **Total Expenses** |  **$-**  |  **$-**  |  **$-**  |  **$-**  |  |   |
|   |   |   |   |   |  |   |
| **Net Income** |  **$-**  |  **$-**  |  **$-**  |  $-  |   |   |
|  |   |  |  |  |  |  |   |

## Sample Revenue/ Expense Team Budget Sheet 3

|  |  |  |
| --- | --- | --- |
| **Revenue** | **Details** | **Amount** |
| Club membership Fees | 12 Athletes x $500 | $6000 |
| Invitational Tournament | 8 teams @ $150/ team | $1200 |
|  | Food Concession | $100 |
| Raffle | 75 tickets @ $1 each | $75 |
| Car Wash |  | $100 |
| Sponsors/ Donations |  | $400 |
| **Total** |  | **$7875** |

|  |  |  |
| --- | --- | --- |
| **Expenses** | **Detail** | **Amount** |
| VBC and Volleyball Canada Registration Fees | 12 Players @ $55/player | $660 |
|  | 2 Coaches @ 55/coach | $110 |
| Performance Bond | More than 3 teams = $500 | $500 |
| Tournament fees | 3 tournaments @ $275 each | $825 |
| Provincial Championship fees | $500 | $500 |
| Training Facilities | 15 wks for 2hr/wk @ $40/hr  | $1200 |
| Equipment | Volleyballs 12 x $70 | $840 |
|  | Uniforms 12 x $75 | $900 |
|  | Rulebook 1x $15 | 15 |
| Transportation (Gas/ Rentals) | 4 2-day tournaments @ $100/ Day | $800 |
| **Total** |  | **$6,350** |

|  |  |  |
| --- | --- | --- |
| **Total Revenue**  |  | $7,875 |
| **Total Expenses** |  | $6,350 |
| **Carry Over**  |  | **$1,525** |

**Carry Over could be used for the following:**

* Coach Honorarium
* New Equipment
* Refund back to all members
* Etc.

# Team Account

A team account should be set up at the beginning of the season with a recognized Canadian financial institution. Many institutions have special team/organization/society accounts with reasonable service charges (sometimes none) that the team should consider when selecting an account.

When working with a team account it is especially important to implement numerous checks and balances to ensure that the funds are managed based on the teams agreed upon budget, and to ensure that funds are in no way misappropriated.

**Checks and balances may include**:

* Ensure that the account requires two signatures. Generally the signature of the Team Manager and a parent (maybe board member). The two individuals (and any others that have signing authority) should not have a personal relationship or connection outside of the team. This separation of duties means that no single person is responsible for a transaction from start to finish.
* The Team Manager and the parents should receive a copy of the account’s monthly statement and they have the right to ask financial questions at any time as it is their money in the account.
* Any unforeseen payments that arise should be discussed with the parents before any transaction takes place.
* Ensure receipts are obtained or a copy provided for all transactions that take place. In general, receipts should be numbered in order for easy tracking and should contain the following information:
	+ Date of transaction;
	+ Service rendered / purpose of payment;
	+ Company owing payment;
	+ Company receiving payment;
	+ Signature of individual accepting payment;
	+ Amount;
	+ Form of payment.
* When writing a cheque, the description line should always be filled out; and, if one is available, write the invoice number on the cheque. When selecting an account type, the team may want to select an account that will return used cheques with the monthly statements so that these notes are available for justification.

# Petty Cash

All clubs will need to have cash on hand to pay for minor expenses. This is generally referred to as “Petty Cash”. Best practice management of petty cash requires some form of record keeping or monitoring to ensure that money in and money out is accounted for.

**Maintaining petty cash**

The simplest way to maintain petty cash is to keep a tin with a standard amount or “float”. The amount will vary depending on whether you need a lot of change on hand (for example if you run a concession) or whether the cash expenses are infrequent and minor.

Petty cash should be reconciled regularly, and replenished if the amount in the tin is too low, or banked if the amount in the tin is too high. The general principle is that at most times you would like for the tin to hold roughly the float amount.

Records can be kept either via a book with columns ruled in it, or via the use of “petty cash slips” which are completed when money goes in or out of the tin. A book of petty cash slips can be purchased from most newsagents.

**Tips for good petty cash practice**

* When money is removed from petty cash a slip should be filled out detailing who took the money and why.
* The receipt should be returned (along with any change) and stapled to the petty cash slip.
* When money is added to the tin (say drink sales for the day) a slip should be filled out detailing the source of the money and the amount (eg. “$21 drink sales”)
* On a regular basis the petty cash should be “reconciled” – ie. take the opening balance, add money in, deduct money out and check that the resulting balance is equal to the cash in the tin.
* There will be times when there is little or no money in the tin. An amount equal to the required float should be withdrawn from the bank, a petty cash slip filled out, and added to the tin.
* At other times there may be too much money in the tin. Take out the excess, fill out a petty cash slip and bank the excess.

When financial statements are prepared, a summary of the petty cash transactions needs to be prepared so the income and expenses can be incorporated into the financial statements.

# Financial Policy Templates

## Club Financial Policy Template 1

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*(Insert Club Name)* Membership Fees**

1. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*(Insert Club Name)* Board of Directors shall set the annual club membership fees. In most cases, a minimum of half of the club fee shall be paid upon registration with a team, the actual amount to be specified by the Board. Any remaining portion must be submitted to the Club no later than \_\_\_\_\_\_\_\_\_\_ of the same year.
2. Special considerations may be made in accordance with the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*(Insert Club Name)* Financial Needs Assistance policy.
3. The Board of Directors shall determine how club membership fees shall be applied to the costs associated with operating the club. Club fees will, at a minimum, cover the costs of the following:
	1. VBC Membership (players and coaches)
	2. Tournament registration (to a maximum set out by the Board)
	3. Practice facility rentals
	4. Coaching expenses
	5. Uniform packages (player and coaches)
	6. Fusion Performance Program (conditioning, nutrition and mental training)
	7. Equipment (balls, ball carts/bags, medical/tool kits, nets, posts, antennae)
	8. Club administration
	9. Insurance
	10. Marketing and communications
4. A discount of $50 per player shall apply to the club membership fee for a second and any additional player from the same immediate family.

**Players joining mid season**

1. For players joining teams after the normal registration date, the Director of Finance/ Treasurer will assign, on a case-by case basis, a percentage of the full player membership fee (up to 100%) to be charged. The amount charged will cover a full uniform, registration costs and a portion of remaining fees based on the expenditures to support the team to date.

**Practice Player**

1. A practice player is one who attends all team practices but is not eligible to travel with the team to play in tournaments.
2. Practice players will pay 50% of the regular membership fee. Fees will include a practice t-shirt. The cost of a full uniform (if player wishes one) will be additional.

**Refunds**

1. Club fees are non-refundable. An exception will be considered in situations where an athlete experiences significant injury or health issue documented by a physician that precludes their participation for the remainder of the season. In this situation, the club will consider all committed expenses to determine any possible pro-rated refund.
2. Such refund will be no greater than 50% of the club registration fee. Team fees already paid will be considered nonrefundable.
3. Outstanding team fees may be deducted from any possible refund amount.
4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*(Insert Club Name)* will only consider membership fee refunds based on a written request submitted to the club’s Director of Finance.

**Non-payment of Club Membership Fees**

1. If a player is in arrears (club has not received payment by published due dates), the following steps will be taken:
	1. Director of Finance will contact parent/guardian to request payment. Any \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*(Insert Club Name)* fees are the responsibility of the parent/guardian.
	2. If payment is not forthcoming within two weeks of the request, the Vice President and team head coach will be informed. The parent/guardian will be given another two weeks to provide payment to the club, after which the club will declare the player to be not in good standing, suspending the player from participation in any team or club activities. This will be communicated via all email addresses provided by parent(s)/legal guardian and player.
	3. In order for the player to return to the team, any outstanding fees must be paid in full by credit card, cash or other certified forms of payment. In instances where a family has outstanding club and team fees, payment of club fees must take priority.

**Team Fees and Financial Management**

1. The balance of the costs associated with participation in the OFVC shall be established as the team fee or be the responsibility of the individual.
2. Each team must establish and manage a team budget. Team expenses shall be divided equally amongst team players representing their ‘Team Fees’. Team Fees will be covered through a combination of sponsorship, fundraising and direct payment by parents/guardians.
3. Each team must establish a team bank account with an accredited financial institution. The account must require two signatures from team parents from different families, one of whom must be the team manager. All funds collected by the team (fundraising proceeds, sponsorship, team fees) must be deposited to the team account and all team expenses must be paid from the account based on receipts provided to the parent managing team finances.
4. Team expenses outlined in the budget should include:
	1. Entry fees for tournaments not covered by club membership fees
	2. Tournament travel and accommodations costs
	3. Coach travel expenses
	4. Costs for hosting exhibition games (facilities, officials)
	5. Loss or damage to balls/equipment
	6. Optional team-wide Gear
	7. Team events (team bonding activities, year-end parties)
	8. Team sponsor and coach thank-you gifts
	9. Team fundraising costs
5. Additionally, any fines or sanctions charged to the team must be reimbursed to the club from team fees. This includes any penalties charged to the team for withdrawal from tournaments.
6. A minimum of a mid-season and year-end financial report is to be distributed to all team parents. A copy of these statements must be provided to the club Finance Director. At the end of the season, any remaining funds are to be distributed as per the majority agreement of the team’s parents.

## Club Financial Policy Template 2

**General Provision**

The Board of Directors/ Treasurer shall decide all matters pertaining to the finances of the Association, bearing the responsibility to conduct the financial affairs of the Association in a sound business-like manner. The Board shall adhere to the following policies:

1. May institute policy relative to the preparation and acceptance of an annual budget, periodic and annual presentation of the financial reports, and an annual review of the accounting records of the club.
2. Shall determine Club membership dues in accordance with the costs associated with maintaining the Association.
3. May plan or recommend the raising or accumulation of revenue from sources other than those stated in this article.
4. To equalize the benefits of the Club for all participants, solicitation of funds shall be for the Club and contributions to individuals or teams shall be subject to approval by the Board of Directors/ Treasurer.
5. All Funds, to which the public, members, or participants have contributed for the specific purpose of financing stated objectives of the
6. Club, shall be used solely for those purposes and separate records of such funds shall be maintained.
7. The fiscal year of the Club (the Governing Board and each sports committee) shall be from \_\_\_\_\_\_\_\_\_ of each year until \_\_\_\_\_\_\_\_\_\_\_.
8. The Governing Board is the only entity that can leverage DSYSA property. Each sports committee must request approval by the Governing Board to incur any secured debt. DSYSA will not be responsible for work done without prior Governing Board approval. The Governing Board will consider long-term financing for the growth of DSYSA.
9. Each team must prepare and present to the Board of Directors/ Treasurer a pre-season budget at least 30 days prior to the start of the season. Budgets must include, but are not limited to, all potential revenue (registration fees, fund raisers, camps, etc.), and all potential expenses for each season. Each team will obtain Board of Directors/ Treasurer approval of all registration fees and budget prior to publishing any information regarding fees or accepting any registrations. Each team must also provide a post-season financial report for review within 30 days of the season closing.