



NORTHCOTE JUNIOR FOOTBALL CLUB

Financial Management Procedure

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Accountability: Committee

Authorised by: Northcote Junior Football Club
General Committee

Version: 1.0

This document aims to outline the protocol for authorisation of payments to suppliers; the formation of an annual budget; cheque signatories and practices for management of the club's assets amongst other items. The following is taken from aflcommunityclub.com.au and will be used as a best practice guide.

"Managing the finances of a football club can be a complex operation.

All management activities in a football club should aim to adopt best practices in financial management. After all, the club's future is dependent on its financial viability. The size and complexity of a club will influence what is finally put in place.

The following are necessary:

- *Constitutional requirement for an annual financial report*
- *A suitably trained treasurer*
- *Appropriate accounting system e.g. cash book/ ledgers/ journal*
- *Existence of approved bank accounts*
- *Cheque signing authorities - at least three registered with two signatories required at all times*
- *Set reporting practices for the management committee - standing agenda item for finance*
- *Asset register and management of assets*
- *Auditor*
- *Adopt an annual budget"*

Organisational Information

Our Financial Year runs from 1st September to the 31st August each year with an AGM held in September each year. The club operates on a cash basis, meaning that we recognise cash coming in and out of the club not expenses and sales. Due to the nature of Sport affiliated clubs, no GST can be charged or collected for the provision of any goods or services.

Treasurer responsibility

The Treasurer is responsible for:

- Safeguarding the assets of the Football Club
- Preventing fraud
- Avoiding mistakes
- Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Preparing Annual Accounts in accordance with the governing document and relevant legislation

To enable the Committee to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all Committee, Coaches, Players and volunteers.

A copy of this policy and procedures will be given to all Committee members on their election and to all relevant staff and volunteers.

The policy and procedures will be reviewed annually by the Committee and revised as necessary.

The club treasurer will need the following:

- Cheque books
- A numbered receipt book with carbon copy page
- A file for accounts payable
- A file to store receipts from accounts paid
- Bank deposit books
- A cash book or a general ledger
- File of orders placed with suppliers
- A file to store bank statements

Bank Accounts

- All bank accounts must be in the name of the organisation.
- No account may ever be opened in the name of an individual or individuals.
- New accounts may only be opened by a decision of the Committee, which must be minuted.
- Changes to the bank mandate may only be made by a decision of the Committee, which must be minuted.
- Two people should be involved in counting cash receipts.
- All cheques/internet payments must be signed by two signatories.
- Blank cheques must never be signed.
- Under no circumstances are overdraft or credit facilities allowed.
- All bank statements are sent directly to the P.O Box on a regular basis, which are then forwarded to the club's treasurer and filed.
- Electronic statements can be accessed via the online banking website.
- Under no circumstances is bank account information to be sent to individual members addresses.

Signatories

All accounts require two signatories to enable the authorisation of club payments. Each club should attempt to have at least four signatories (executive committee members) to allow for payments to be made when signatories are unavailable. This form must be re-submitted each time there is a change in club executive.

Clubs must submit the Commonwealth Bank 'Authority for Business Accounts' form and minutes of a club meeting detailing the change to the Commonwealth Bank in order to set up the account and/or change account signatories

- The signatories are responsible for examining the online payment for accuracy and completeness prior to sending/transmission.
- The signatories are responsible for examining the payment documentation (purchase invoice etc) prior to authorising an Internet Transfer.
- Under no circumstances can any one signatory have full access to online banking.

Signatories to the accounts:

- i) Title: NJFC President
- ii) Title: NJFC Secretary
- iii) Title: NJFC Vice-President
- iv) Title: NJFC Treasurer

Annual Budget

An annual budget, setting out the organisation's financial plan for the year, will be prepared so that the Committee can approve it before the start of each financial year. The draft budget will be prepared by the Treasurer with the final version to be approved by the committee.

The budget forms part of the clubs Business Plan, detailing the activities and programs to be undertaken by the club in the following financial year, including new initiatives aimed at further developing the club. To ensure finances are on track with budget, the committee will regularly review, analyse and discuss the financial reports.

Financial Reports

A financial report will be prepared for every Committee meeting and sent out prior to the day of the meeting. The financial report will consist of:

- Profit & Loss
- Profit & Loss year to date
- Profit & Loss against budget
- Balance Sheet

Each Financial Report will be circulated to all Committee members and discussed at the following committee meeting. The reports will be prepared by the treasurer and noted as approved or amendment required as per the minutes.

Accounting and other financial records

The organisation maintains an accounting system which records:

- EFT and cash received and banked
- payments, Internet Banking Transfers and other amounts paid from the bank accounts

Every transaction will be entered into the appropriate accounting system and will include:

- The date of the transaction
- The name of the person money was received from or paid to and the full amount
- A brief description of why the money was received or paid

- An analysis of each amount under its relevant budget heading, where applicable

All documents relating to receipts and payments will be filed in the month they are input into the system.

Authorisation and Payment

- All purchases must be recorded in the accounting software.
- The Treasurer must approve the purchase of any item over \$500, if this purchase is outside of the approved budget it must be co-authorised by one other executive Member. Payments within the budgeted amount do not need approval.
- When a committee member needs to obtain reimbursement for goods or services purchased the receipt must be presented as close as possible to the month of purchase.
- Receipts provided more than 6 months after purchase date may not be reimbursed.
- Invoices (or other receipts) should be matched and checked against the goods received or services provided before payment is authorised. All goods received must be signed for, if unchecked they must be checked for completeness before payment.
- For Internet Bank Transfer the two signatories must sign invoice or request for payment.
- Once payment has been made the invoice (or other receipt) should be marked "Paid", together with the cheque number or internet receipt number and date.
- All payments must be entered in the accounting system only after being authorised.
- All payments for club expenditure must be made by electronic banking or cheque or paid by the committee member and reimbursed. The only time when the use of cash is acceptable is when money is required as petty cash and the cash book should be used. All expenditure must be recorded on the club's accounting software.
- Receipts should be kept.

Cash Management

- All payments for goods or merchandise are encouraged to be paid for via credit or debit card or internet where possible.
- All Cash payments received must be recorded in the triplicate cash receipt book and this must be kept with the cash. One copy is given to the customer, one to be kept with the cash and the third remains in the book.
- All cash received should equal cash book receipts.
- No expenses should be paid in cash.
- All cash is to be kept in a locked room in a secure locked box until it can be banked.
- The Clubs main banking account should not fall below \$15,000.

Cash from the Canteen

- All cash received from the canteen on a Saturday should be kept in a locked box in a locked room within the Clubrooms area, the takings from Saturday will be collected with the takings from Sunday.
- The Canteen Manager for the day will hand over all the cash received from the weekend at the close of business to the Treasurer or another committee member who will bank it.
- A report detailing the sales over the weekend should accompany the cash and EFTPOS receipts. Any variances in the report to the cash/EFTPOS should be explained by the Canteen Manager. A percentage of 5% is acceptable for variances due to till errors.
- The treasurer or nominated committee member will bank the cash no later than 48 hours after the close of business on Sunday.

Income and Expenditure

- Registrations are completed via a third-party provider of digital solutions to different sporting clubs, SportsTG. Payments are received to the bank via a lump sum. A breakdown of the registrations can be extracted from the SportsTG reporting function. This eliminates the handling of cash for registration payments.
- All cash received by the club must be deposited into the club bank account within fourteen (7) days. Cheques are not accepted by the club.
- A clearly legible receipt from a carbon duplicate book must be issued for all cash received by the club, including name/business name, date, purpose of payment and signature.
- All income must be recorded in the accounting system including the number of the receipt issued.
- Cash sales should only be for small amounts only in small amounts; at the discretion of the committee member. Electronic payments should be encouraged.

Bank reconciliation

The bank statement shows all movements of funds in and out of an account. To obtain a clearer picture of the club's financial position the cash book balance is reconciled against the bank statement.

A bank reconciliation should be performed on a monthly basis between what is in the accounting system and what is on the bank statement to ensure that both are matching. This is an opportunity to clarify all transactions and ensure they are allocated correctly.

A copy of the monthly statements should be made available to the club's auditor during the audit if requested.

Auskick Payments and Receipts

Each year the Auskick budget is set by the AFL depending on the fees charged to the Auskick participant. For 2018 the Auskick registration has been set as \$100 per participant.

Registration is paid directly to the AFL, the AFL keep \$81.69 (to pay for the administration, participant packs and equipment grants) then then the AFL pass the remaining \$18.31 onto the Club Auskick account. Each year there are about 230 participants so it is anticipated that approximately \$4000 will come in during the season.

The Auskick funds are spent on:

- Uniforms for coaches;
- Equipment, including footballs, goal posts, cones and whistles;
- Medals; and
- Coaching courses.

The account funds can only be dispersed by cheque which must be signed by two signatories. The Auskick account is not audited or reported on with the Club financials

Financial statements and auditing requirements – incorporated associations

There are three tiers of associations under the Associations Incorporation Reform Act 2012 (the Act), an association falls within one of three tiers according to its total revenue:

- Tier 1 - less than \$250,000
- Tier 2 - \$250,000 to \$1 million
- Tier 3 - \$1 million plus

Total revenue refers to the association's total income from all its activities during its financial year, before deducting any expenses including the cost of goods that it sold.

Record keeping

NJFC must keep financial records that:

- record and explain its transactions, financial position and performance, and
- allow the preparation of 'true and fair' financial statements.

Financial records include:

- invoices
- receipts
- cheques

- documents that record the above (including bank statements)
- working papers and other documents that explain how financial statements are prepared.

NJFC should maintain and update these records throughout the year as it receives and uses funds. NJFC must keep financial records for seven years.

Preparing financial statements (all tiers)

As soon as practical after the end of your incorporated association's financial year, the committee must ensure that financial statements are prepared.

An association must present its completed financial statements to members at the annual general meeting (AGM), which must be held within five months after the end of the financial year. NJFC must lodge these with Consumer Affairs Victoria within one month after the AGM, along with the appropriate signed declarations.

The financial statements of an incorporated association must give a true and fair view of its

If satisfied with the statements, the committee can pass a resolution confirming that they give a 'true and fair' view of the association's financial affairs. The financial statements and Schedule 1, Regulation 15, Form 1 - signed by two committee members - must be presented to the members of the association at the annual general meeting. Note: this form does not need to be lodged with Consumer Affairs Victoria.

Record the resolution in the minutes of the meeting. A Submission of financial statements to annual general meeting - signed by one committee member after the annual general meeting should be kept on record. Note: this form does not need to be lodged with Consumer Affairs Victoria.

Tier 1 associations do not have any additional reporting requirements. They do not need to have their financial statements externally reviewed or audited unless:

- their rules state otherwise (audit or review)
- a majority of members vote to do so at a general meeting (review only), or
- the Registrar of Incorporated Associations directs them to do so.

Approval

The Financial Procedures detailed above were agreed and minuted at a meeting of the Committee on:

Name:.....

Name:.....

Date:.....