



## **Finance - Best Practice recommendations for Clubs**

The following are a set of guidelines which clubs are recommended to follow to ensure their financial records are kept in a suitable manner.

1. The Club Treasurer or person in charge of club's finances, should have proven financial skills or have access (possibly within the club membership) to appropriate professional support. In particular they should have appropriate skills relating to wages/salaries (PAYE) and VAT and should receive appropriate training if necessary. Particular care is required in relation to VAT and property matters and also the VAT partial exemption calculation where applicable. The Club Treasurer should seek suitable external expertise when he/ she is unfamiliar with VAT legislation.
2. An annual budget should be prepared by the Treasurer in conjunction with the relevant members of committee or club staff. This should include allowances for capital expenditure and should be consistent with the aims and objectives of the Club. The budget should be made available to all club members.
3. The annual accounts for the club should be inspected by an Auditor or an Independent Reporting Accountant and a suitable report attached to the accounts. The reporting officer should be independent of the club's committee. The officer should report any shortcomings in records or procedures annually. The Auditor / Independent Reporting Accountant should be appointed by the membership at the Annual General Meeting. The Annual accounts of the club should be circulated to all members prior to the AGM.
4. All cash takings should be banked in entirety as soon as possible to avoid the storage of large sums of cash. Payment of expenses or invoices by cash should be avoided. Details of cash takings, particularly bar or food takings should be supported by appropriate reconciliations or analysis and signed / authorised by person in charge of income (bar steward). Any cash retained on the premises should be kept in a suitable safe which meets the clubs insurance requirements.
5. Procedures should exist for approval of expenditure by person other than treasurer – e.g. person instigating purchase (e.g. greenkeeper). This should be done with regard to the overall budget. A senior club official should have overall control over expenditure with major items being referred to the club committee or equivalent body. All expenditure, including expense claims, requires suitable receipts / invoices for support
6. A financial report should be presented to each Committee meeting with bank balances being supported by sight and approval of bank statements / passbooks.
7. Computerised accounting records should be backed up regularly onto appropriate remote media with copies of the data kept away from the club office.
8. All paper / computer records should be retained for a minimum of six years.
9. All club trophies and assets should be fully insured at replacement value. For trophies the club should maintain a comprehensive list of trophy winners in location away from the club office to allow any replacement trophies to be reinstated easily.

The above guidelines are seen as a minimum level to ensure the integrity of Club's finances. Clubs are encouraged to devise their own internal controls, record keeping and reporting practices which are appropriate to their own particular income and expenditure profiles. When in doubt it is recommended advice is sought from a suitably qualified accounting / auditing practitioner.