

Financial Control and the GAA Club

Bainistiú Airgeadais agus Club CLG

GAA Clubs are complex undertakings. Increasingly they're also big businesses in financial terms, handling very large amounts of money. It's absolutely vital that GAA Clubs are open and accountable in financial terms.

Most Clubs get their money from other people ... so it's essential that those people are content that their money is being used properly. It's not difficult to put in place and maintain good financial systems and procedures, whatever the size of the Club.

Some Basic Financial Control Concepts

GAA Clubs aren't commercial businesses. But it's important they're aware of some basic concepts which can be applied in the GAA Club context:

Income and Expenditure Account

In a business this is often termed the Profit and Loss Account. Basically it outlines the Club's financial performance, usually over a year. The account should show what money has come into the Club and what money it has paid out. Typically the individual amounts will be grouped under headings, possibly as follows:

Income

- Membership fees
- Club Lotto
- Gates
- Events
- Draw
- Sponsorship
- "Friends of ..." subscriptions
- Grants
- Miscellaneous

Expenditure

- GAA affiliation fees; insurance; etc
- Playing gear
- Transport
- Teams' expenses
- Heat; light; and power
- Rates
- Maintenance
- Advertising
- Admin expenses
- Miscellaneous

Cash-Flow

This is exactly what it says ... the flow of cash into and out of the Club. It's a hugely important thing to be aware of: Clubs, just like businesses, need cash to pay the bills. It's quite possible to be financially sound and to be well on the way to producing a good end-of-year Income and Expenditure Account but to suffer cash-flow problems.

A well-managed Club won't allow this to happen.

Budget

Working to a budget is one good way of helping manage cash-flow. It's also a tried-and-tested overall financial management tool. Basically a budget is an outline of what a Club intends to spend during the year ahead and when it intends to spend it. It's a way of first planning and then monitoring the Club's income and expenditure.

A Club budget would use the types of headings listed above for the Income and Expenditure Account. The Executive Committee should decide at the start of the year what it intends to spend under the various headings (e.g. identify an amount

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for playing gear). The Treasurer should then allocate that spend appropriately: for example it's likely most playing gear would be bought at the start of a season with smaller "top ups" later on. As the year progresses what actually happens is monitored against what was planned to happen.

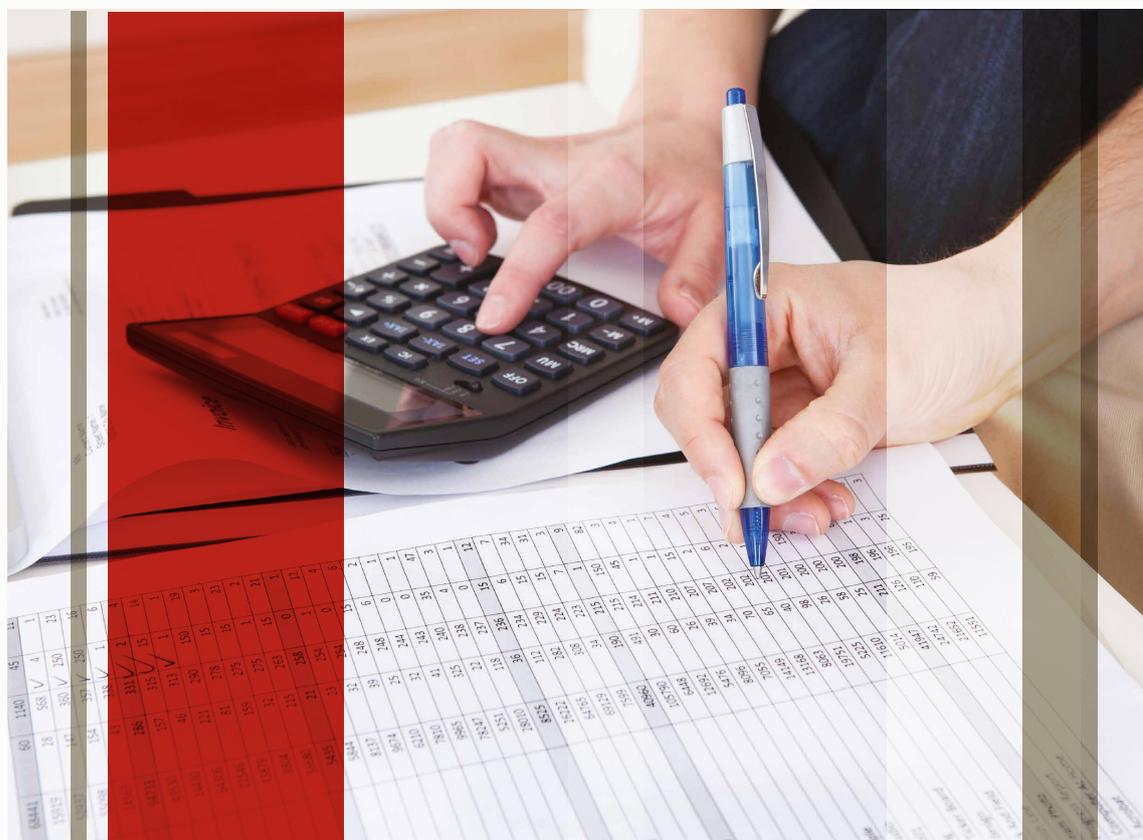
Club Income should be treated in exactly the same way.

Using budgets means everyone knows what's what in financial terms within the Club. For example managers and coaches know what resources they have available and Events/Lotto Committees know how much they have to raise. Budgets of course should be set at realistic levels.

Depreciation

This involves spreading the cost of fixed assets (e.g. buildings and equipment) over their working life. For example if we bought a mower at £10,000/ €10,00 and expect it to last five years, then we depreciate it at £2,000/€2,000 a year. It's not as important in a GAA Club's accounts as it would be in a private business accounts: usually if our Club buys a mower we just post the total cost in the Income and expenditure Account for that year.

Where it is important for us is to realise that all fixed assets have a lifespan ... and that we (a) need to have a sense of what that lifespan is; and (b) start thinking before the event about how we're going to fund its replacement.



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Balance Sheet

The balance sheet gives you a snapshot of the financial standing of your Club at a particular point in time. Put simply it summarises your assets (i.e. what the Club owns or is owed) and your liabilities (what your Club in turn owes to others). If your liabilities are greater than your assets then you're in major trouble!

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Good Financial Practice in the GAA Club

The guidelines below reflect best financial management practice and should be taken on board by all GAA Clubs:

- The Club should have one or more bank accounts, eg a current account and possibly deposit and or loan accounts.
- Cash holdings should be kept to a minimum and all cash sums deposited into the Club accounts as quickly as possible.
- Cash transactions on behalf of the Club should be by exception and for small amounts only.
- All Club financial business should be carried out through these authorised bank accounts.
- A number of authorised cheque signatories should be approved by the Executive Committee.
- All cheques should be signed by at least two of the authorised signatories.
- The authorised signatories should include the Club Chairperson; Treasurer; and Secretary.
- All expenditure over £100/ €100 (or another agreed figure) should require a Purchase Order Number from the Club Treasurer
- All Club expenditure of over £500/€500 (or another agreed figure) should be formally approved in advance at a full Executive Committee meeting.
- The Treasurer should, at each Executive Committee meeting, give an account of all Income and Expenditure incurred since the previous meeting and give the current position in terms of each of the Club's bank accounts.
- All expenditure should be on foot of properly-vouched invoices or other appropriate documentation.
- At least three tender prices should be sought for all works/tasks estimated to cost over £5,000/ €5,000 (or another agreed figure).
- A proper, written financial statement should be presented at the Club's AGM: the Treasurer should explain the statement to the meeting and answer any questions on it.
- That financial statement should outline:
 - The Club's financial position at the start of the year.
 - Income during the year.
 - Expenditure during the year.
 - The Club's financial position at the end of the year.
- The Club should comply as appropriate with any other financial requirements imposed by funders and others the Club may work in partnership with.
- The Club should keep an up-to-date asset register of its main items of equipment, e.g. playing gear; footballs/sliotars/hurleys/helmets; mowers; gym equipment; computers; videos; televisions; etc.