



## Bungendore Park Tennis Club

Policy Document #2/2020

*Financial management*

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**DATE:** 13 MAY 2020

**STATUS:** ENDORSED BY BPTC COMMITTEE – 18 MAY 2020

**REVIEW:** TO BE FORMALLY REVIEWED IN TIME FOR THE LAST COMMITTEE MEETING IN 2021

**APPLICATION DATE:**

THE POLICY REFLECTS ARRANGEMENTS THAT HAVE BEEN GRADUALLY IMPLEMENTED BY THE CLUB COMMITTEE SINCE ITS FIRST GENERAL MEETING IN FEBRUARY 2020. THE PREVIOUS CLUB PROTOCOL FOR AUTHORISING PAYMENTS FROM THE CLUB BANK ACCOUNT CONTINUES TO APPLY WITH SOME MINOR ADJUSTMENTS.

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### SCOPE & REGULATORY BASIS

1. This policy document covers the financial management arrangements for the Bungendore Park Tennis Club (BPTC) Inc. The regulatory basis for the policy lies in the Club's Model Rules for the Incorporation of Associations – according to the Association Incorporation Act 1984 – Regulation 1985, Clause 10, in particular Part III - Power, etc of the Committee, Sections 12, 16, 19 and 23, Part V – Miscellaneous, Sections 35 and 39.

### POLICY OBJECTIVES

2. The objectives of the policy document are to set out the:

- purpose of the club's financial strategy
- club's financial management framework; and
- club's financial reporting arrangements.

### FINANCIAL STRATEGY

3. The purpose of the club's financial strategy is to outline direction the club intends to take in the short, medium and long term in relation to how the club's finances are managed. The committee will set a clear financial direction for the club for year ahead and general financial direction, for the next two years based on a number of working assumptions.

### FINANCIAL MANAGEMENT FRAMEWORK

4. The club's financial management framework consists of:

- the club's budget cash flow forecasting and management arrangements
- financial reporting arrangements including statutory reporting requirements
- the arrangements for loan repayment and grant management; and
- club bank account management arrangements



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#### **Budget cash-flow forecasting and management**

5. The club's uses a *budget cash-flow forecast* spread sheet to forecast the level of operating surplus or deficit at the end of the operating year (calendar year). The spread sheet details:

- a. By month:
  - i. all expected expenditure and estimated revenue by major category - in some cases down to the item level; and
  - ii. the operating surplus/deficit.
- b. For the operating year;
  - i. the balance of funds in the club bank account at the start of the operating year;
  - ii. total forecast expenditure and revenue; and
  - iii. the forecast operating surplus/deficit at the end of the year
  - iv. the forecast balance of funds in the club bank account.

6. The Club's cash-flow spread sheet is regularly updated to ensure the committee is aware of the club's financial health at all times and there is adequate advance warning of upcoming payments – i.e. there are 'no surprises'.

7. All known upcoming payments, whether or not regular (e.g. electricity bill) or unforeseen (e.g. Book A Court call out fee) or new revenue (e.g. approved grant funding), must be advised to the Treasurer as soon as possible for inclusion in the cash-flow spread sheet.

8. The cash flow spread sheet will be regularly updated by the Treasurer and tabled at club general committee meetings under the Financial Update agenda item.

#### **Financial reporting**

9. The club main financial reporting requirement relates to the *annual summary of financial affairs – Tier 2* under the *Associations Incorporation Act 2009 (section 49)*. This requires an up to date financial report to be furnished at the club's Annual General Meeting (AGM) held within six months of the club becoming an incorporated body. The club's AGM is generally held in late February.

Although the financial report is required soon after the end of the operating year for presentation at the AGM, the club's policy is to have a living financial report that is regularly updated, available at a moments notice and presented at committee general meetings under the Financial Update agenda item. The treasurer is responsible for preparing the financial report comprising:

- a. Statement of Income & Expenditure
- b. Bank reconciliation (General Account)
- c. Statement of Assets & Liabilities

#### **A. Statement of income & expenditure**

11. The statement of income and expenditure details the revenue amounts by each category/item and total revenue, expenditure amounts by category/item and total expenditure and the difference between the two total amounts referred to as either an operating surplus or deficit for the year.



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12. The statement of income and expenditure is produced using the club's Financial Report spread sheet. The statement of income and expenditure worksheet is derived from the categories of expenditure and revenue work sheet which in turn is derived from two separate worksheets that list in chronological order each item recorded in the club's bank account, for expenditure and revenue respectively.

#### *B. Bank reconciliation (General account)*

13. The bank reconciliation comprises the bank balance as at the start of the operating year (i.e. 1 January), plus or minus the operating surplus or deficit, respectively to calculate the balance at the end of the reporting period (ultimately, this will be the balance at the end of the operating year).

#### *C. Statement of assets & liabilities*

14. The statement of assets & liabilities comprises:

C1. liquid assets (i.e. Bank balance)

+ any further income e.g. grant money and

- (minus) any further expenditure to occur;

(in respect of work completed in the operating year but not yet accounted for)

= the effective bank balance

C2. Balance of loan for court upgrade outstanding as at the reporting period.

15. For the purpose of financial reporting throughout the year at general committee meetings (i.e. before the end of the operating year), only A. Statement of income & expenditure, B. Bank reconciliation and C2. Balance of loan will be prepared.

16. The treasurer is responsible for lodging *Form A12-T2 Annual summary of financial affairs – Tier 2* to the NSW Office of Fair Trading within one month of AGM in accordance with the *NSW Association Incorporations Act 2009*.

#### **Loan repayment**

17. The *BPTC Repayment of Martin Family Loan* spread sheet is used to track actual quarterly payments made including interest together with forecast payments and interest payable.

18. The club also uses a combined *BPTC Loan Repayment Scenarios\_budget cash flow forecast* spread sheet to determine what if any potential exists to pay more than the standard agreed loan repayment amount and what effect higher payments would have on the timeframe for discharging the loan. The committee considers such matters at the appropriate general meeting before the next quarterly payment is due.

#### **Grant management**

19. Grants that the club applies for will be actively managed in terms of invoicing the grant organisation to enable funds to flow into the club's bank account, scheduling of work and payment of accounts upon completion of work and finally, completing the acquittal process. All revenue and expenditure will be reflected in the club budget cash-flow spread sheet and in time in the club's financial report.



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#### **Bank account management**

20. The club operates a no fees/no interest bank account with Bungendore branch of the Bendigo Bank. The account has three signatories on the account, but only two of these are needed to authorise a payment. The treasurer, president and one other committee member (assistant secretary) may authorise payments from the club bank account.

21. Most of the banking is done electronically at the present time. Payments are made online using EFT or BPay facilities and revenue, including club membership fee payment, payment of Autumn/Spring comp fees, open court session bookings and court bookings, is paid to the club online. The club aims to move to 100% electronic transactions as more and more people use internet banking, book a court online and further tennis programs and the membership application process is moved on to the Tennis Australia clubspark/stripe online payment platform.

22. Where a person wishes to make a payment to the club by cash or cheque the club policy is to guide the person to make their payment in person at the Bungendore branch of the Bendigo Bank by citing the club bank account name, BSB and account number.

#### *Protocol for payments from club bank account*

23. The club's protocol for payments made from the club bank account is as follows:

1. The Club will endeavour to make all required payments and raise all necessary invoices by the due date.
2. The Treasurer is responsible for creating new or removing any redundant *Pay Anyone* or *BPay* accounts.
3. The Treasurer must be advised by the president of the requirement to process a payment. This should take the form of an email sent to the treasurer, copied to all committee members and with supporting receipts and/or invoices. The email will be followed by a txt drawing the treasurer's attention to the payment request.
4. An authorised person (in most cases the treasurer) will set up the payment using online banking service. The treasurer will then send a text prompting one of the other authorised persons to approve the payment.
5. The authorised person setting up or approving a payment must not also be the recipient of the monies (for example: if the president is requesting reimbursement of moneys incurred by them, for the club, they must not set-up or approve the transfer of funds into their own bank account).
6. Before any payment is made from the club account, the treasurer must check the club budget cash-flow forecast spread sheet - generally there shouldn't be any surprises, but there will always be exceptions. Where the expenditure is not in the cashflow forecast, the treasurer should check with at least two members of the Committee (either the President, Vice-President, Secretary or Assistant Secretary) to verify that expenditure is proper.
7. The treasurer is responsible for ensuring that once the expenditure appears in the club bank account, the transaction is reflected in the club budget cash flow forecast and the statement of income and expenditure in time for the next Financial Update to be



*Revenue - Monday night social tennis*

24. Monday night social tennis fees are currently made in cash and collected, banked and verified as follows:

1. An attendance sheet is completed by all participants and fees are deposited into a small plastic bag. The attendance sheet shows whether or not the participant is a member or not and the requisite fee paid.
2. As soon as practicable after the tennis activity, the convenor for Monday night tennis tallies the fees paid and makes an EFT transfer of the total amount collected into the club bank account with the following reference MONSOC ddmmyy
3. The convenor then sends an email to the treasurer with a photograph of the attendance sheet and details of the total amount of funds transferred in the club bank account together with the reference.
4. Where the tennis activity is not held due to rain or for some other reason the convenor notifies the treasurer.

*Revenue - Club membership*

25. Membership applications are sent to the club email account and the following process is followed:

1. the treasurer verifies that the online payment is received into the club bank account and is correct and advises the secretary.
2. The secretary sets up the new members/members renewing Book A Court account. Where the person is a new member, the secretary sends a welcome email and link inviting the person to register to use the book a court system.

*Revenue - Coaching court hire fee*

26. The treasurer is responsible for raising the invoice for the quarterly court hire fee in line with the BPTC\_RSTA Club Coaching Agreement 15 August 2019.

27. The treasurer is responsible for updating the budget cash-flow forecast and financial reports having regard to all club revenue activity included those specific revenue items detailed above.

**DOCUMENT REVIEW HISTORY**

DATE	DESCRIPTION	AUTHOR
13/05/2020	Policy Version 1.0	Kerrie Crane
18/05/2020	Policy endorsed by BPTC??	Kerrie Crane