

Finance matters

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Your rugby club, whatever the size, should be viewed as a business. In common with any other business, there is a need for accurate and safe handling of finances and timely reporting. In a business that role is normally performed by an accountant. In most non-premier league rugby clubs, it is the treasurer who takes on this financial responsibility. There is not a lot of difference between the two, except for the fact that the treasurer is likely to be unpaid.

Over the years I have come across many treasurers. Being unpaid, they usually have a full time job. I have met bankers, lawyers, a retired policeman, stockbrokers and, of course, a few accountants, all undertaking this role. It is not surprising that the quality of the accounting records and reporting often varies. So if you are a club treasurer who is not so familiar with all the "accountant" duties, I will try and identify a few aspects that might help you to help your club.

Some of the key functions of a treasurer include:

- Prompt banking of the financial income received by the club.
- Paying bills when due and recording the information.
- Collecting subscriptions and all money due to the organisation.
- Ensuring that employee records are in order and employees are paid in accordance with their terms of employment.
- Keeping up-to-date records of all financial transactions.
- Generally looking after the club.
- Reporting regularly to the committee on the financial position.
- Ensuring that funds are spent properly and issuing receipts for all money received.
- Preparing a year-end accounts to present to the Auditors.
- Presenting audited accounts to the Annual General Meeting.
- Financial planning including producing an annual budget and monitoring it throughout the year.
- Helping to prepare and submit any statutory documents that are required, for example tax returns, PAYE and NI returns, VAT returns and grant aid reports.
- Keeping abreast of changes in legislation that impacts on any of the above.

Some of these may be delegated, as highlighted below.

Banking

Banking the club's money promptly ensures that the interest that the bank pays the club is maximised, or, if your club pays the bank interest/charges, that this is minimised. The treasurer should also make certain that your club is getting a good deal. One club, not a rugby club, had the same bank, at the same branch since it was formed 100 years earlier. It had never paid charges but the reward for its loyalty was a letter declaring that charges would in future be levied, whereas a similar club in the same area changed from paying for banking to receiving free banking. It is likely that the treasurer will be responsible for ensuring that the club has a good bank, which is not just a matter of how much it costs. It is just as important to get good support from your bank. If not, it could benefit your club to think about a change.

The money your club spends on banking can add up over the year. –One club that I recently looked at was able to cut its banking costs in half without even changing banks. These days, with so much information on the internet, it is pretty easy to see what rates and services the various banks are offering, but make certain that you and compare like with like.

Subscriptions and match fees

The subscription and match fee income is often collected by a different officer but the treasurer should make certain that the job is done. Ultimately it is likely that the treasurer will have to stand up at the AGM and answer questions concerning this vital source of income. Many clubs have successfully changed from a lackadaisical policy to a firm one and have dramatically increased subscription income. Subscription rates vary. In junior sections, parents can have their kids looked after for several hours on a Sunday morning for 35 weeks of the year for the same price as a couple of nights of baby sitting. It is an emotive issue but you need to make certain that subscriptions reflect the value you offer.

Utilities

Apart from the obvious cost saving measures like replacing your incandescent light bulbs with energy efficient ones, turning off appliances when they are not in use, making certain that your catering equipment is cost efficient, and washing equipment is also cost effective, you should look at your rates charges.

Legislation permits local authorities to grant up to 100% rate relief to non-profit making bodies in their area.

In England and Wales local authorities are reimbursed a substantial proportion of the cost of rate relief from central funds, so the authorities have little excuse for charging full rates in deserving cases. Each authority has its own policy on rate relief, so make certain that you know what it is. Some of the matters that they take into account include your facilities that reduce the need for the council to provide them themselves; a large percentage of members from the local authority area and reciprocity with another sport in a neighbouring area. They may also consider whether you provide education and training.

In terms of rate relief it is an advantage if you help young, disabled or retired people but this also means that you will need to focus on a wider area than just the actual playing of rugby.

Clubs that are registered with the HMRC as CASC's (Community Amateur Sports Clubs – see issue 2 of Running Rugby) will be entitled to 80% rate relief. Many treat 80% as the limit but the other 20% will still be available in appropriate cases at the discretion of the local authority. There are other reliefs that may be available depending on your local authority. As treasurer, you must explore these in order to minimise your costs.

Taxation

Taxation is clearly the responsibility of the treasurer. It is said that HMRC can collect tax liabilities from the treasurer of an unincorporated association who, in turn, would collect it from the club – but I have never seen this done. I looked at a few websites and was rather surprised to see that two of them were incorrect in narrating the tax position of a club that is a CASC so I would suggest that you take advice from an appropriately qualified tax specialist. A CASC has the benefit of a number of tax measures but the treasurer must submit a return to HMRC if it has a tax liability to report or if HMRC issues a notice requiring a return. In this latter case HMRC says it only infrequently issues a notice but in my experience, a number of clubs have found that this is not the

case. Once a notice has been issued, you need to submit a return., Whether there is a liability or not, HMRC is likely to seek penalties if your return is submitted late.

I have looked at only a few key aspects of the role of the treasurer but hopefully they will help you to drive your club forward financially, if not on the rugby pitch.

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