



ALTONA HOCKEY CLUB

**FINANCIAL MANAGEMENT POLICY
OF THE
ALTONA HOCKEY CLUB INC.**

Rationale

The Constitution of the Altona Hockey Club Inc. sets out the requirements for managing the financial affairs of the Club, including the role of the Treasurer. This policy provides further guidance on Club financial principles and practices, in recognition that strong financial management underpins the continued success of our organisation.

Who is Affected by this Policy

This policy applies to AHC Board members and board authorised delegates.

Timing

This policy is effective from **1 July 2017**

Definitions

In this policy, unless otherwise defined:

“AHC” or “Club”	Means the Altona Hockey Club Incorporated.
“Board”	Means the Committee of Management of the Club.
“Constitution”	Means the current Constitution of the Altona Hockey Club Incorporated.
“Member”	Means any person who has paid the relevant membership fee to the Club as outlined in Clause 8 of the Constitution.
“President”	Means the appointed President of the Club.
“Secretary”	Means the appointed Secretary of the Club.
“Treasurer”	Means the appointed Treasurer of the Club.
“The Act”	Means the <i>Associations Incorporation Reform Act 2012</i> and includes any regulations made under that Act.

Related Policies

- AHC Constitution.
Where a contradiction between this policy and the Constitution is found, the Constitution shall take precedence.
- AHC Membership Fee Payment Policy.

The Policy

GOVERNANCE

Planning and Budgeting

The AHC undertakes an annual budgeting process, led by the Treasurer and endorsed by the AHC Board.

The objective of each budget is to achieve a profit equal to the annual sinking fund target for future capital investment. The target is set using a ten year forward projection of revenue and expenditure which includes capital investment plans (see Appendix A for more detail).

Reporting

The Treasurer shall compile financial statements to meet the following reporting requirements:

- **Business Activity Statements** completed quarterly on a cash basis. The Club is registered for GST and, as of 1 April 2007, treats its canteen as a GST sub-entity for reporting purposes¹.
- **Financial summaries** presented at each Board meeting. The summary outlines profit and loss performance against budget and any sales or other transactions of note.
- **Annual financial statements** presented at the AHC annual general meeting and lodged in accordance with the Act. Clause 70 of the Constitution sets out the specific requirements.

Record Keeping

Clause 69 of the Constitution sets out the rules for keeping the financial records of the club.

The Treasurer maintains the master financial record in an online financial management system (Quickbooks online). At least one other board member is granted access to the financial system.

The following additional mechanisms are used for tracking financial transactions and to assist reconciliation with the master record:

- Electronic bank account and merchant statements.

¹

<https://www.ato.gov.au/Non-profit/Your-organisation/GST/GST-branches,-groups-and-non-profit-sub-entities/>

- Online shopping cart for certain membership and merchandise purchases.
- Cash and banking spreadsheet for all undeposited EFT, cash and cheque transactions made on club premises. This spreadsheet is reconciled regularly with the online finance system.

Delegations and Approvals

Clause 68 of the Constitution sets out the authority of the Treasurer and other Board members for the expenditure of Club funds. This includes:

- The authority of the Board to approve expenditure on behalf of the Club
- The authority of the Treasurer, granted by the Board, to expend funds within budget without approval.
- The requirement for two signatories on all cash withdrawals, cheques and electronic funds transfers.
- Board approval for the Treasurer to maintain a cash float, provided that all money paid from or to the float is recorded accurately.

The signatories on Club accounts shall be the President, Treasurer and Secretary.

Board members and nominated delegates have the authority to handle and receive funds on behalf of the Club.

Sub-Committees

Finance Sub-Committee

Sound financial management is the responsibility of the full Board of AHC. As such, the Board shall fulfill the role of a Finance Sub-Committee with respect to implementation of and compliance with this policy (see “Policy Implementation and Non-Compliance Strategy” below).

Revenue Sub-Committee

The Revenue Sub-Committee provides support to the AHC Board through investigating and recommending options to improve the financial position of the AHC.

The Revenue Sub-Committee leads on initiatives (approved by the Board) with the primary aim of maximising the Club’s net profit. Key functions of the Revenue-Sub Committee include:

- Fundraising
- Sponsorship
- Grants

- Review of key club expenditure items
- Fee collection.

Insurances

Building and contents insurance

Club facilities are insured by the Hobsons Bay City Council, for which the Club pays the annual premium as part of its lease arrangements.

In addition, the Club insures its contents annually through JLT.

Public liability insurance

The Club accesses public liability insurance through the Hockey Victoria arrangement with JLT.

Directors insurance

The Club accesses club management liability insurance through the Hockey Victoria arrangement with JLT.

FUNDS MANAGEMENT

Cash Management

Cash floats are maintained for canteen and bar sales on Club premises. Each float is counted and recorded by a Board member or nominated delegate at the beginning and end of each day.

All individual cash, cheque and card payments for membership fees and merchandise sales are received and recorded by a Board member or authorised delegate. Tax receipts shall be provided upon request.

Cash and cheques are deposited frequently to limit cash on hand.

The Club maintains sufficient funds in its day-to-day operating account to cover two months of expenses.

Payments

Payments may be made to the Club via any of the following methods:

- Cash
- Cheque
- Card (debit or credit)
- Direct bank transfer
- Online (for selected items only).

Invoice payment terms are typically 14 days, with the exception of membership fee invoices, which are due and payable in accordance with the *AHC Membership Fee Payment Policy*.

Payment options are available to those experiencing financial hardship. These situations may be identified by the Club or raised by special request from the member/debtor. Arrangements are agreed with the Treasurer on an individual basis.

Debt Collection

The Treasurer monitors and reports on outstanding debts at each Board meeting. The process for recovering each debt, and/or the decision to write-off that debt, is determined by the Treasurer on an individual basis, usually in consultation with other members of the Board.

Investments

The Club holds its sinking funds and excess cash in zero-risk, interest bearing savings accounts.

The Club shall not place any portion of its available cash in risk-based investments. This includes term deposits where there is a chance that invested funds would be required before the maturity date.

ASSET MANAGEMENT

Pitch replacement strategy

See Appendix A.

Depreciation

Assets valued at more than \$1,000 and all technology equipment (such as video cameras, televisions, projectors, etc) are recorded as depreciable assets. These are depreciated using the straight line method for the anticipated life of the asset (usually 3 to 10 years).

The Club records its contributions to building assets, including the hockey pitch and clubhouse facilities, as depreciable items under leasehold arrangements with Hobsons Bay City Council. These are depreciated using the straight line method for the anticipated life of the asset (usually 20 to 50 years).

Policy Implementation and Non-Compliance Strategy

Compliance with this policy is to be monitored as a standing item at each meeting of the Board with endorsement and/or matters arising from the financial report included in the minutes.

Policy Review

This policy shall be reviewed annually by the Treasurer, with recommendations to the Board for approval.

Dated: 17th June 2017

Reviewed: Annually

For and on Behalf of its Members.
The Altona Hockey Club Inc. Board

Appendix A – Pitch replacement strategy

OBJECTIVE

The Club aims to meet council expectations for facilities co-contributions (which at the time of writing is 50 percent of the project value). This includes replacement of the playing surface when it reaches end of life. For example, if the cost of pitch replacement was \$300,000, the Club would aim to contribute \$150,000 to the project.

To achieve this aim requires a shared understanding by council and the Club of:

- Pitch lifecycles
- The likely future cost of pitch replacements over time
- The facilities development priorities for AHC and the broader sport and recreation community.

APPROACH

The Club shall ensure it has the following processes in place to achieve its objectives for pitch replacement and other facilities development projects.

Council relationship management

- Engage with council sport and recreation officers and councilors annually to keep them informed and updated on strategic priorities and timeframes.
- Work with council two to three years in advance of pitch replacement to ensure funding is included in the council budget.

Planning

- Maintain a sinking fund for pitch replacement (and other facilities development projects) in a separate bank account.
- Use a ten-year budget forecast to establish the Club's savings goals.
- Draft the annual budget to achieve a profit equal to the annual savings target.

Fundraising

- Set up additional revenue streams to assist with pitch replacement costs (eg. Australian Sports Foundation project)
- Seek new revenue opportunities and work to maximise the profit from key fundraising events. Note that the Revenue Sub-Committee plays an important role in this regard.

Maintenance

- Budget for and complete annual maintenance work to extend the life of the playing surface.

Risks

There are several challenges to be overcome in saving and planning for pitch replacement. These include:

1. A reliance on fundraising and other non-guaranteed sources of income to meet the annual savings target. Membership fees and retail sales help the Club cover its normal operating costs and do not contribute to any additional profits for facilities development.
2. Council does not undertake long term financial planning for its sport and recreation facilities. Hence it is difficult to ensure Club priorities are addressed in any given annual budget cycle.
3. The high leasing costs for Club facilities. Hobsons Bay City Council has adopted a full cost recovery model for its exclusive-use sports facilities. This means that the Club covers the full cost of the facility over its useful life, inclusive of initial project contributions and annual rental payments. This arrangement has a significant impact on the Club's ability to save towards facility improvement.