



Club Operations

Finances

Part of running a club will require the committee to manage the day-to-day finances of the football club.

Club finances should be managed and administered by the club treasurer (you'll find a job description in the People Development section of this operational manual). This section aims to guide you so that you can ensure your club is prepared for the costs involved in running your club from year to year.

Managing finances

Budgeting


The budget of your football club should be linked to your club development plan. These two documents will help create the future of your club.

The day-to-day running of a football club and the associated costs are often significantly underestimated. The cost of putting out/running one team for a season can be anywhere between £2,000 and £10,000 depending on the level at which the team plays. Your finance subcommittee needs to factor in all the different costs associated with running the football club and estimate these along with any other unforeseen costs so that the club can plan effectively.

Budgeting needs to be realistic for your club. The table below shows the categories and line items that need to be factored into the budgeting process. These are your expenditure assumptions.

Basic Budgeting For Your Football Club

| Teams | Facilities | Overheads | Competitions | Referees |
|-----------------|--------------|--------------------|----------------|--------------|
| Kits | Goalposts | Water | Affiliation | Match fees |
| Balls | Pitch lining | Electricity | Cup entry fees | Travel costs |
| Bibs | Lawnmower | Rubbish collection | Fines | |
| Cones | Flags | Cleaning | | |
| Ladders/hurdles | Nets | Laundry | | |
| Whistles | Pitch hire | Insurance | | |
| Goals | | Transport/travel | | |
| Training venues | | | | |



A budget should be prepared well in advance of the start of your club's financial year so that it is finalised and approved by the committee for the start of the year. You will also need to plan how you will meet the budgetary needs of the football club.

It is the entire committee's responsibility to help with the development of an annual budget that everyone agrees to and accepts.

The annual budget should consider all finances required to run a football club and will be split into forecasts for income and expenditure. The treasurer will be able to report against this budget so that committee members can track whether membership subscription fees are adequate to meet the running costs.

A budget needs to forecast the kind of income the club is going to generate from different sources as well as which items will need to be purchased, how often and at what cost. To prepare a budget you will need to gather a range of information, dependant upon the type of club and the activities it undertakes.

To make your budget plan work you will need to understand your income sources. The income assumptions are the income streams and might include:

- **Subscriptions:** Match or training fees charged weekly, monthly or annually
- **Membership:** Senior, junior or social
- **Sponsorship:** Look at what you have to offer potential sponsors
- **Fundraising:** Generated through social events, lotteries or raffles
- **Bar income** if you own your facility
- **Match income:** A senior team may generate income from admission charges or sale of match programmes

Expenditure vs Income

The treasurer needs to keep account of all club expenditure as well as income. To help the treasurer keep up-to-date records, the club should use a weekly account sheet. All teams could also have an account sheet which they can give to the treasurer on a weekly basis where possible.

A basic team accounts template is shown on page three.

Monthly income and expenditure

| Name of Club | | | | | |
|--------------------------------|--------------------|--------|--------------------------|----------------------|--------|
| Name of team: | | | Age Group: | | |
| Income | | | Expenditure | | |
| Date | Description | Amount | Date | Description | Amount |
| 1/1/19 | Match fees | £46 | 1/1/19 | Pitch hire | £30 |
| 7/1/19 | Grant from council | £500 | 1/1/19 | Referees' fees | £20 |
| | | | 2/1/19 | Purchase of football | £25 |
| | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total income | | | Total expenditure | | |
| Overall surplus/deficit | | | | | |
| Signed: | | | Date: | | |

It is good practice to keep clear records of any petty cash being used by officers and volunteers at the club. Any petty cash should be balanced against receipts. A receipt book should be kept and a receipt issued for monies received by the club.

Cashflow projections

Ensuring that the club has the money to meet ongoing costs is an entirely different challenge from budgeting. You will need to manage your outgoings on a monthly basis to ensure you have enough funds to cover the next month's costs.

Income for a football club is often staggered over the year depending on the type and level of fundraising your club is involved in. Therefore, plotting realistically when you expect the income from sponsorship or a fundraising event is essential so that you can predict a possible cashflow problem in any given month.

This might help you decide how you will collect your subscriptions to ease cashflow, or identify when in the year you need to hold your fundraising events.

One strategy could also be to keep a reserve amount in the bank and not commit to making payments until you know you have the funds to do so.

It makes sense for your treasurer and finance committee to make quarterly cashflow projections.

See cashflow example below:

| Income | July 2019 | August 2019 | September 2019 | October | November 2019 | Decemeber 2019 | January 2020 |
|--------------------------|-----------|-------------|----------------|---------|---------------|----------------|--------------|
| Opening balance | | | | | | | |
| Cash receipts | | | | | | | |
| Grant | | | | | | | |
| Fundraising | | | | | | | |
| Match subs | | | | | | | |
| Training subs | | | | | | | |
| Food sales | | | | | | | |
| Sponsorship | | | | | | | |
| Total income | | | | | | | |
| Expenditure | | | | | | | |
| Travel | | | | | | | |
| Insurance | | | | | | | |
| Equipment | | | | | | | |
| Pitch fees | | | | | | | |
| Electricity | | | | | | | |
| Total expenditure | | | | | | | |
| Net cashflow | | | | | | | |
| Opening balance | | | | | | | |
| Closing balance | | | | | | | |

Systems and procedures for accountability

It is often with regard to financial management that the requirement for accountability and transparency is most pronounced. This is because the club is most likely, now or in the future, to receive monies from the public by way of donations or grants. In that regard every club should produce a set of annual accounts. These should show opening balance, income, expenditure and closing balance. These accounts should be signed off by the club committee at its annual general meeting.

A club can thus demonstrate its accountability by being able to produce an accurate and verifiable record of how it has spent particular grants or any other income. Such a record will show how much was received, how much was spent and that all expended monies were spent for the advancement of the football club.

Financial health check

1. Can the club show:

- How much money has been received in any given period
- Where this money was received from
- How much has been spent and what it has been spent on
- Grant monies have only been spent on items agreed by the relevant funder

2. Is the group confident that their financial recording system is:

- Complete, so that all transactions are recorded
- Accurate, so that information gathered from the system will be reliable
- Able to produce relevant and timely reports
- Easily understood, so that any interested bodies can trace transactions and calculate cash, balances and other assets and liabilities

3. Is there an effective audit trail?

For example, can payments to suppliers be traced through the system from:

- An initial purchase order to the supplier
- The receipt of the supplies and the delivery note
- The receipt of the purchase invoice
- Authorisation and payment of the invoice
- The bank statement showing the relevant cheque

Generating income

Generating income will be a part of helping to sustain/grow your club. A football club will generate income through a variety of different ways:

- Fees
- Sponsorship
- Fundraising
- Grants

Fees

The fees generated from members will cover most of the costs involved with running the football club. After knowing your break-even point you will be able to use any additional money to help develop your club through running different projects or even saving the money in the bank for a rainy day.

When increasing or decreasing fees at your club it is important to keep your members fully informed of why you are doing so, when the change will take place and what the extra/reduced cost will be. Members will appreciate the transparency and open lines of communication.

Looking at the fees of other football teams and other sports clubs in the area will give you an idea of how competitive your fees are. Also, make sure members know what great services they are getting for their membership fees.

Sponsorship

Most football clubs will look for sponsors for a variety of areas including front of shirts, match balls for games, match programmes, signage at the ground, family fun days etc.

Here are some tips:

- Create a list of benefits a business would get for sponsoring your club
- Speak to current members within your club. They might know someone who would be interested in sponsoring your club
- Let people know you are looking for different sponsors. Advertise through your website, Facebook page, Twitter, local newspaper etc.
- Make a list of potential sponsors such as local businesses, community groups, universities, schools, colleges, health organisations etc.
- Make people aware of your club's values and vision so that it is an attractive proposition

Grants

Football clubs should constantly be aware of any grants that can support some of the objectives on their development plan, and to supplement the income they bring in through membership and sponsorship.

Types of grant-makers

The range of sources for grants can be categorised in different ways but normally the list would be as follows:

Statutory: government departments (e.g., executive offices, health, education, Department for Communities, DAERA etc) and local district councils, European Union (e.g., peace funding such as Peace IV)

Voluntary: independent grant-making trusts/foundations (e.g., Garfield Weston, John Moores, Esmee Fairbairn)

Private: businesses who wish to give some of their profits to worthy causes (e.g., Asda, Bombardier, Halifax Foundation)

Below is a list of different grant-making organisations that you may want to check regularly or follow on social media:

- Department for Communities
- Sport NI
- Big Lottery
- The Community Foundation For Northern Ireland
- Halifax Foundation
- Community Relations Council
- Comic Relief
- Northern Ireland Executive
- Garfield Weston Foundation
- The Henry Smith Charity
- Rural Development Programme
- Ulster Garden Villages Limited
- Armed Forces Covenant
- Northern Electricity Networks
- The Archer Trust
- Trusthouse Charitable Foundation
- Danske Bank
- Force For Good NI
- Standard Life Foundation
- Allstate Northern Ireland
- Tesco Community Grants
- BBC Children in Need
- Department of Foreign Affairs and Trade