

AKTIVE

# FINANCE AND INSURANCE TOOLKIT

WAYS TO GENERATE INCOME,  
MANAGE MONEY AND SAVE MONEY



# OVERVIEW

Maintaining the financial viability of your club is all about ensuring the amount of money coming in is equal to, or greater than, the amount going out.

If your club doesn't make a profit, there is no money available to invest into growing your club. This makes it difficult to provide for equipment repair or replacement, make better facilities and, as a result, provide more services for your members. Through planning you can invest surplus income into the development of your club and provide better services for your members.



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# THE PURPOSE



Auckland is a complex multi-cultural environment with many challenges and unparalleled opportunities to increase and sustain participation in sport and recreation. This has led to the establishment of *The Auckland Approach to Community Sport*, a strategic response aiming to create a world-class community sport system in *Tāmaki Makaurau*, community by community. This toolkit has been developed (and will be updated) by Aktive, with input from delivery partners CLM Community Sport, Harbour Sport, Sport Auckland and Sport Waitākere, based on insights and good practice examples from across Auckland.

The purpose of this generic finance and insurance toolkit is to provide information, insights and ideas that will assist leaders of clubs/codes to make, manage and save money; and put good financial systems in place. It can be tailored and implemented as each club/code sees relevant.

# MANAGING YOUR MONEY

## WHAT PROCESSES AND RESOURCES DO WE NEED?

The size of your club will determine the financial management processes and resources that need to put in place. For example, a small club's accounts are not complicated, so you don't have to be an accountant to be able to manage the finances. For large clubs with more complex issues (for example those with GST taxation and paid employees), it may be helpful to use the prior financial experience and/or accountancy skills of a member.

The size of the club can also impact whether a manual Excel system or an accounting software product is used.

## WHO LOOKS AFTER THE FINANCE SIDE?

The management of the finances for an organisation is led by the Treasurer, or Financial Lead. They are usually represented on the club's board or committee and take overall responsibility for its financial management. This individual should take a leadership role guiding and managing the organisations finances.

The size of this job will depend on how big the club is and whether there are other people who can help - either with the financial administration or as a finance sub-committee.

## STANDARDS AND POLICIES

The Committee needs to discuss and agree to a set of standards and procedures to operate the finances for their organisation. This can be documented into a Financial Management policy.

### Example statements to consider may include:

- A suitably qualified person is recruited to the role of Treasurer
- Adequate support by means of a financial sub-committee or advisory group is established if needed
- An approved budget for the year is determined and that expenditure is tracked regularly against budget
- All funding agreements are adhered to and reconciled as required
- Monthly financial management reports are produced and presented to the next Committee Meeting
- An audit or review is completed if necessary, in accordance with the Incorporated Societies Act
- Decisions regarding investment are resolved by the Committee
- Two signatures are required on all cheques / for all accounts. The Treasurer and at least one other Committee Member are authorised to operate the club bank accounts.

■ [Sample Financial Management policy >>](#)

The Treasurer's role includes reporting on actual finances and seeking out the best ways to source and use available funds.

■ [Treasurer Job Description >>](#)



## SETTING UP YOUR FINANCES

Below is a checklist to help your club carry out the day to day activities to manage your money.

These items can be used to support the use of either a paper system or a computerised accounting system to carry out the day to day transactions.

### This includes:

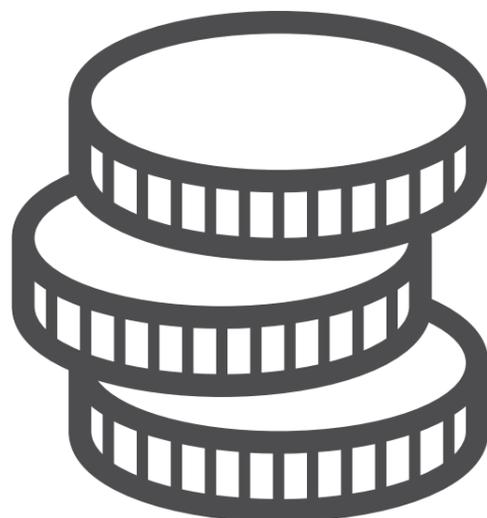
- bank accounts: for example, a day to day account, savings accounts, term deposits
- cheque books (if still used by bank)
- bank deposit books
- a cash book or general ledger
- payment authorisation (and associated signatories)
- a numbered receipt book with carbon copy page
- membership forms for members' subscriptions
- a petty cash payment book and petty cash vouchers
- a file for accounts payable (amounts owing to suppliers for goods and services purchased)
- a file to store receipts from accounts paid
- a file of orders placed with suppliers
- a file to store bank statements.

The accounting needs of your organisation will change as it grows, so it is important to regularly review the financial processes and systems used; for example, moving from an Excel spreadsheet to using online software such as Xero.

## BANK ACCOUNTS

The first thing your club will need is a cheque account with at least two, if not more, people who are authorised to process payments. For example, three members may be authorised, with only two required to validate the payment. The club's bank statement also provides an accurate record of spending and can be exported into an Excel spreadsheet or online accounting software.

It is good practice for the Treasurer to present the monthly statements and current financial status at the committee meetings, along with a list of payments required so the committee can authorise these payments to be made.



## CASHBOOKS

A cashbook allows you to record all of the club's transactions (money in and out) in one place.

The opening cashbook balance for each month is the closing balance from the previous month. When a manual system and only one cashbook is used, record receipts (money in) in the front of the cashbook and payments (money out) at the back. If using online accounting software, a cashbook will be pre-formatted for you to enter the data directly.

Your cashbook should be presented to the committee meeting each month as part of the Treasurer's report, along with the bank statement to show transactions and balance matches.

'Cash' includes actual money, credit card slips, cheques and money orders. There will be receipts and cheque butts, however the cashbook records the details of all transactions made for that month.

### RECEIPTING PAYMENT ENTRIES IN THE CASHBOOK MAY LOOK LIKE THIS:

Date	Details	Receipt No.	Amount	Membership	Uniform	Entry Fees	Banked
1.1.18	K Smith	000123	\$50.00	\$50.00			\$50.00
3.1.18	J Jones	000124	\$75.00		\$75.00		\$75.00
15.1.18	D Dodds	000125	\$250.00			\$250.00	\$250.00
<b>31.1.18</b>	<b>TOTAL</b>						<b>\$375.00</b>

### PAYMENT ENTRIES IN THE CASHBOOK MAY LOOK LIKE THIS:

Date	Details	Cheque No/ Debit Id	Amount	Details	Paid
1.1.18	Mercury Energy	002365	\$50.00	Power	\$120.00
3.1.18	Jd Smith	002366	\$75.00	Rent	\$340.00
15.1.18	Xyz Newspaper	123456	\$250.00	Advertising	\$250.00
<b>31.1.18</b>	<b>TOTAL</b>				<b>\$710.00</b>

It is also beneficial to summarise monthly what the club owes (its creditors) and what is owed (its debtors) to the club. The committee can then discuss strategies to collect any outstanding money owed by debtors and allocate people to these tasks.



## ACCOUNTING SOFTWARE

Usually online accounting software is the easiest and simplest way to keep track of your club's accounts. There are several options available including Xero or MYOB.

Here's what your accounting software should be able to do:

- calculate GST and allow you to allocate it by individual transactions
- follow spending
- produce comprehensive financial accounts (profit and loss statements and balance sheets)
- allow you to make necessary adjustments easily
- provide you with the information required in an easy-to-understand report form
- provide information in a clear format that everyone using it can understand clearly
- Link into club websites to receive online payments for memberships and purchases

# MAKING MONEY

## PREPARING A BUDGET

A budget can be viewed as the club's financial game plan for the coming year. Your club's budget is generally the responsibility of the Treasurer to prepare, often with the support of delegated members of the committee and is agreed on by the club's management committee. Once the budget has been approved it is entered into your cashbook or online software so that it can be compared to the club's actual income and expenses throughout the year.

A good starting point is to base your budget on last year's actual total income and expenditure. Accounting software provides useful tool to make this process easier. If your club is new you will have to base these costs on realistic estimates.

### Some aspects to consider:

#### Income

- Membership/Affiliation fees
- Gate takings at events or games
- Membership/Subscription fees
- Fundraising
- Social events

#### Expenditure

- Ground rental
- Electricity
- Umpires
- Affiliation fees
- Insurance

The committee then needs to discuss and prepare a cashflow forecast which includes where potential income may come from and include potential expenses. This means breaking the 12-month budget down into months, so the club can keep track of its finances each month.

## HOW TO PREPARE A CASHFLOW FORECAST

Use historical patterns of income receipts and payments (e.g. memberships) to help you predict the future timing of annual income. Record for each month how much money potentially will come into the account and what expenses need to be paid for that month. For example, the main annual club income could be membership fees may be paid early in March, whereas you will have regular monthly expenses to spread out through the year.

Consider other income streams such as 'pay for play' user-pays activities, venue and ground hire, as well as fundraising activity.

Also, your operational budget will need to include items like GST payments to IRD, loan repayments or fixed asset purchases so be sure to keep those in mind.

It's helpful to forecast cashflow on a daily, weekly or monthly basis.

■ [Download a cash flow template >>](#) 

# WHERE TO GET MONEY

## FUNDRAISING

Fundraising is the process that your club undertakes to secure additional funds over other income such as memberships and is the main source of income for many clubs. It shouldn't be considered in order to pay for the everyday operational costs of the club; rather it should fund special activities such as new buildings, special events, overseas team trips, and new programmes, uniforms or projects.

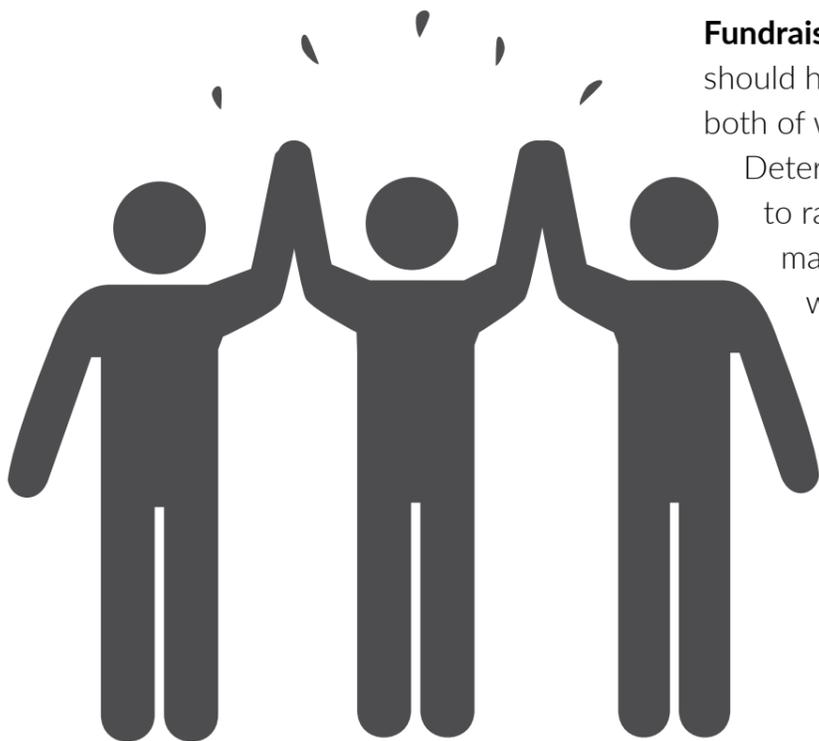
**Establish a fundraising committee** - to start, form a fundraising committee for your club, allocate duties and agree to meet at regular intervals to decide on activities and monitor progress. Duties include organising and helping with traditional fundraising activities such as sponsored or promotional events, raffles, street collections, recruiting and coordinating the work of volunteers.

**Plan** - put together a plan. Determine what needs to be done, when it needs to be done by and who will do it. Start early if your activity involves booking facilities, requiring insurance, applying for permissions or inviting a guest speaker. A funding plan outlines when funding is required, potential sources for the various funding requirements and appropriate timelines for sourcing.

**Fundraising goal** - your fundraising goal should have an amount and a timeframe; both of which should be achievable.

Determine how much money you want to raise. Keep a running budget - you may have brilliant ideas, but how much will it cost to do? Remember the fundraiser needs to make money to be successful.

**Past successes** - review past fundraising activities. If it has been successful before then that's a good start!



## WHERE TO GET MONEY



**Enthusiasm counts** - discuss what you would all enjoy selling or participating in. If you're enthusiastic about something, you'll be more motivated to sell and get people involved. Throughout the fundraising activity, update your members or sponsors of your progress.

**Permissions and regulations** - make sure you get all the necessary permissions and have covered all regulations. Examples include: transport/road closures, health and safety, parking permits, liquor licenses, food licenses.

For all activities check if you need to comply with any council or health regulations. Council websites feature a range of fact sheets and applications. Also, if the event is not on the club's premises, check with the local council for permission to use a public facility or area.

In addition, if you're serving food, you'll need to comply with health and food regulations.

**Give thanks** - remember to thank everyone. People are giving up their time and resources to help. People give to people. Ensure your potential donors know the faces behind the names, understand your cause, and can relate to the purpose of your project.

## WHEN THINKING ABOUT FUNDRAISING, CONSIDER:

- Can you identify some patrons who would be prepared to become the public face of your project?
- Patrons may be high-profile and respected sports people, business people or other community figures.
- Always say "thank you". Acknowledge donors in numerous ways such as honour boards, annual reports, certificates of appreciation, phone calls and letters from your members.
- Always let people know how much you would like them to give. It makes them feel comfortable and makes you look competent. Explain what the donor will receive for their donation, for example, a tax deduction and knowing they are helping the local community.
- Try something different. Think outside the square, and regularly review fundraising activities to ensure you are getting the best value for the time and effort the club is putting in.



## WHERE TO GO FOR MONEY

Fundraising provides a great way to engage with members. A good starting point is to spend some time researching potential funders. Look for funders that operate in your local community. The Department of Internal Affairs website shows where local funding is distributed:

■ [www.dia.govt.nz/DIA/CurrLice.nsf/AKLLIST](http://www.dia.govt.nz/DIA/CurrLice.nsf/AKLLIST) >>

■ [www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Services-Casino-and-Non-Casino-Gaming-List-of-Society-Websites](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Services-Casino-and-Non-Casino-Gaming-List-of-Society-Websites) >>

**There are a range of websites you can browse that supply information on potential funders:**

■ [KiwiSport \(Read more about KiwiSport or contact your local Regional Sports Trust\) Contact list](#) >>

■ [Generosity New Zealand](http://www.generosity.org.nz)  
[www.generosity.org.nz](http://www.generosity.org.nz) >>

■ [Sport NZ](http://www.sportnz.org.nz/get-into-sport/search-for-funding/search) <http://www.sportnz.org.nz/get-into-sport/search-for-funding/search> >>

■ [Community Gaming Association](http://www.localcommunity.org.nz)  
[www.localcommunity.org.nz](http://www.localcommunity.org.nz) >>

■ [Lotteries Grants Board](http://www.communitymatters.govt.nz)  
[www.communitymatters.govt.nz](http://www.communitymatters.govt.nz) >>

■ [Auckland Council](http://www.aucklandcouncil.govt.nz/EN/newseventsculture/communityfundingsupport/grantsfunding/Pages/home.aspx) [www.aucklandcouncil.govt.nz/EN/newseventsculture/communityfundingsupport/grantsfunding/Pages/home.aspx](http://www.aucklandcouncil.govt.nz/EN/newseventsculture/communityfundingsupport/grantsfunding/Pages/home.aspx) >>

It is important that you look for a match between your organisation and the funding criteria of the funders you research. Funders are very unlikely to fund your project if it does not meet their funding criteria.

## OTHER FUNDRAISING OPTIONS

**Here are some alternative proven ways to raise funds:**

- Raffles, stalls and special functions such as dinners, lunches and sports days
- Auction/silent auction
- Renting your club house to outside groups
- Bequests
- Bingo/quiz nights
- Selling products from national fundraising companies|
- Car wash
- Parking arrangements for special events
- Annual garage sale
- Selling advertising space at the club
- Raffle, BBQ and a major sporting event viewed in a big-screen TV

Crowdfunding is now a popular way to use the Internet to fundraise. Using popular crowdfunding platforms, you can add your fundraising goal and promote it through your website and social media. This gives your organisation a wider audience and helps you achieve your fundraising goals quickly.



## GRANT FUNDING

When applying for grants, planning goes a long way. Most funders WILL NOT grant money to something that has already started or starts before funding is received. Funding agencies don't usually fund activities that have been run previously by your club – it often needs to be a new initiative. Given this, it pays to look at funders' criteria closely.

**Here are some initial steps to get you going:**

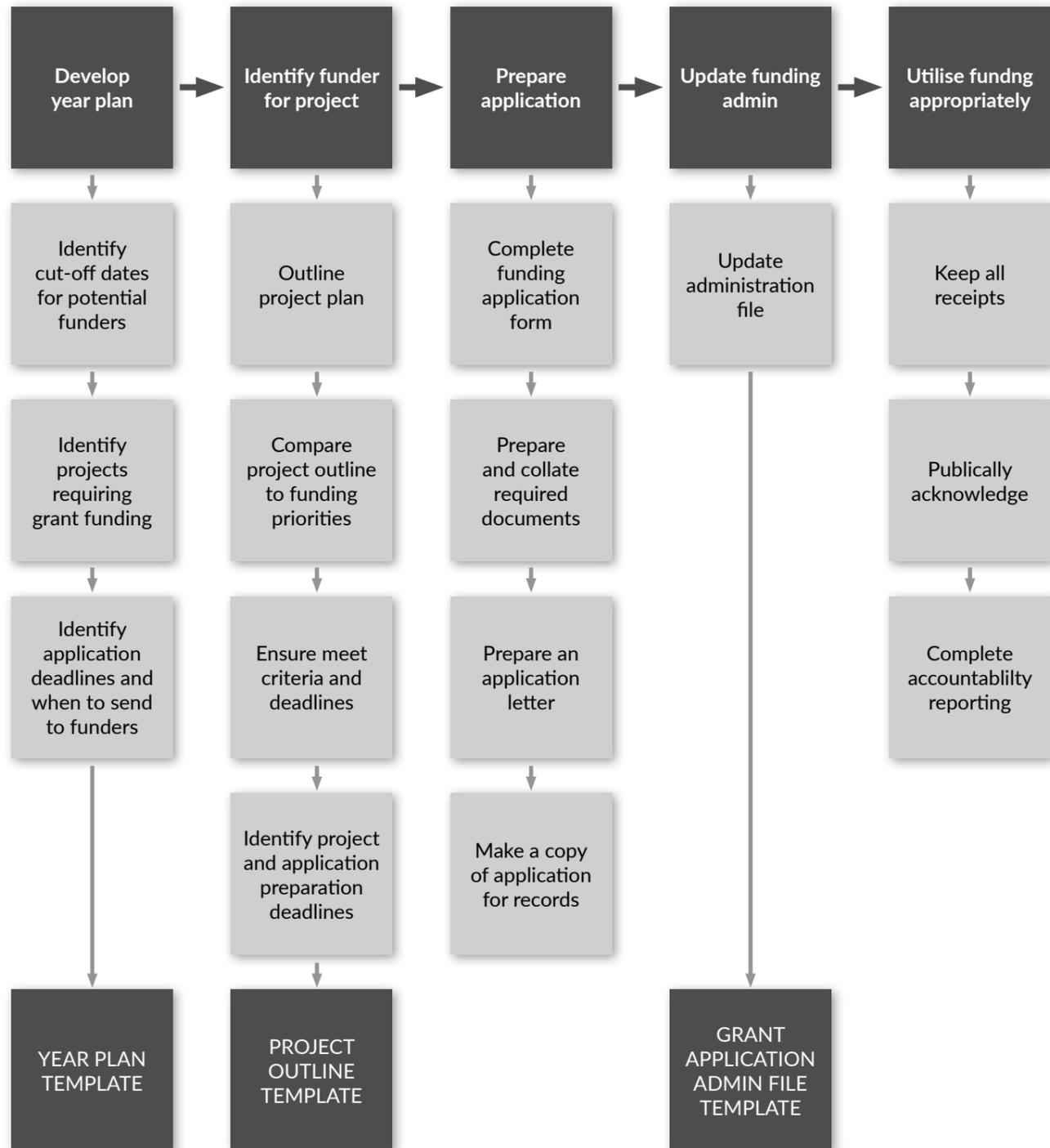
- **Know what your club wants to do and why:** The need for a grant application is stimulated by an idea and an identified need. Start talking about the idea with others. A key question at this point is do you have the volunteers to support to carry the idea out if you get the money?
- **Identify suitable grants:** Refer to Funding Sources section to see what is available, and / or google for other grant sources which link to your idea e.g. youth grants, volunteer grants, planning and environment.
- **Read the guidelines carefully:** Look for the key clues first – eligibility, funding objectives, priorities, target groups, overall aims of the funding agency, and timelines. If the grant targets a particular area and/or community group, it is worth finding out what this includes.
- **Not eligible:** If your organisation is not eligible, you could partner with an organisation that is – they can

then become the lead agency on the application and list you as a partner. Many funders like to see collaboration in the community, so this is often an effective option.

- **Make the call:** Make an initial call to the funding agency contact or a representative of the funding agency before you launch into the write up. Discuss your ideas, the grant and what the funding body is looking for. It's also worth asking how competitive it is and for any tips when completing the application.
- **The Grant aims:** After reading the grant guidelines and discussing with the funding agency, consider if you know what is trying to be achieved through the funding and if your project does this in some way or another. This link is the most important aspect of your application. If available, have a look at the details of previously funded projects (sometimes on the website) to get further ideas.
- **Sell your story:** Be clear on who you are and what you do and provide photos and stories to show the impact of what you do has on the participants and the community.
- **Indicative plan:** Include: why, what, who, when, when, and how much. This plan needs to be realistic, logical and have a well thought out budget attached.



## GRANT FUNDING APPLICATIONS PROCESS



■ [Click here to see a list of all documentation required for a Grant Application >>](#)



## FUNDING ACCOUNTABILITY

Recipient organisations need to provide the appropriate accountabilities to their funder to prove grant monies have been spent as per the specified project.

Funders then check receipts and other evidence of expenditure to ensure that the grant was not used retrospectively and that the entire amount of the grant has been spent on the approved project.

Generally, you will need to provide the following in your accountability report, as well as any other information specifically requested by the funder:

- Bank statement showing receipt of the funds
- Relevant invoices for the grant purpose
- Receipts showing proof of purchase
- Bank statement showing the payment of the invoices being made.

If a grant was used retrospectively, or the money granted was not fully utilised, contact will be made with the grant recipient detailing the inconsistencies and the action required. This may be to provide more evidence or return part of, or the entire grant amount.

There are so many worthy causes out there, so if someone has taken the time and effort to contribute to your fundraising campaign then it's critical to make sure they get a sincere and timely thank you. It's a nice idea to include images of the funding being used and provide personal acknowledgement from members.

Research tells us that by simply thanking a donor, you have a 50 percent better chance of receiving another donation next time you ask! And you have an increased chance of increasing the donation amount if you let your donors know how their money was spent, how much it was appreciated, and the practical and emotional impact their donations have had on you or your organisation. Tell your story!



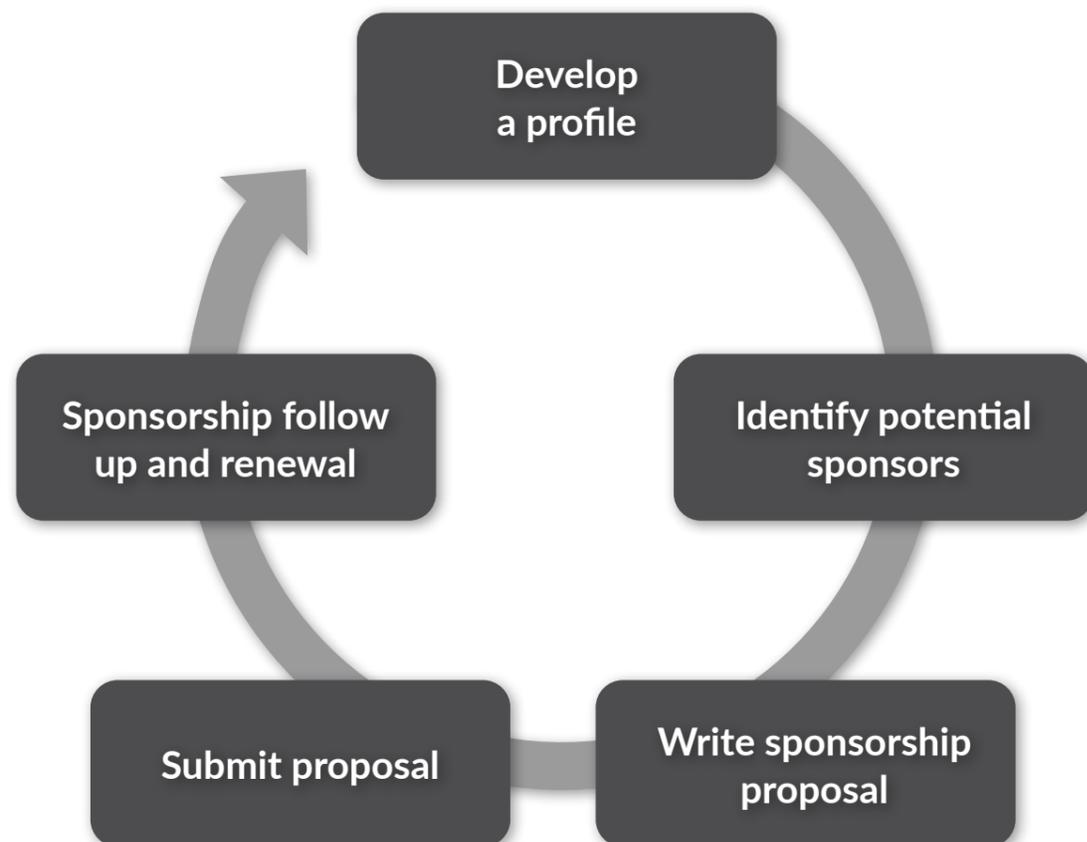
# SPONSORSHIP

Sponsorship is when businesses and companies provide funds, resources or services to a club in return for commercial rights and or associations with the club. These may take the form of a logo on a uniform or equipment, signs on a venue, or free advertising in a newsletter.

Sponsorship links a club with a sponsor in a mutually beneficial relationship that is not just about money. An effective sponsor can add considerable value by, for example, becoming the club's primary promoter. In the long term, this may be of more value than the sponsorship income initially received.

It can be useful to think of sponsorship in this way: "Don't ask what your sponsor can do for you, ask what you can do for your sponsor." Remember that donations are different to sponsorships - businesses and/or individuals generally do not often expect any commercial advantage in return for their donation.

## SPONSORSHIP PROCESS



## SPONSORSHIP



### DEVELOP A PROFILE

Clearly define who your members are (location, age, gender, other family members), the programme or activities your club offers, geographical area your club covers, the club's history, size, and values, and the people you are trying to attract to the activities your club wants sponsored.

This information is vital to sponsors, as it allows them to decide if they want an association with your club and its members and if the people your club attracts to activities are in the sponsor's target market. The target market is the group of people to whom the sponsor considers it can sell its product or is keen to promote its services to.

### IDENTIFY POTENTIAL SPONSORS

The sponsorship deal is not just about your club; it's a partnership.

#### Sponsorship can be obtained through:

- Relationships within the club and its local community, a good associate or a club member may be in a position to be able to sponsor the club.
- Someone outside of the club interested in what the club does because they identify with it.
- Club members, family and friends. Start locally with your members, friends and relatives. If people know the club and understand what you do, then they are more likely to listen and give the support required. There may be someone in the club who has a small business and is

willing to offer sponsorship.

- Local businesses and suppliers. Check with suppliers of sports clothing, food and equipment.
- "In kind" sponsorship through the provision of goods and services is also valuable sponsorship. Research local businesses and target those who could benefit from a partnership with your club.

Larger organisations may have more resources, but they may not have the interest or commitment the club needs, and your club may be too small to attract enough value for their sponsorship. Unless you have a contact, it may be more challenging to approach them as they are often inundated with requests for sponsorship. Given this, don't overlook the possibility that small companies may be interested!

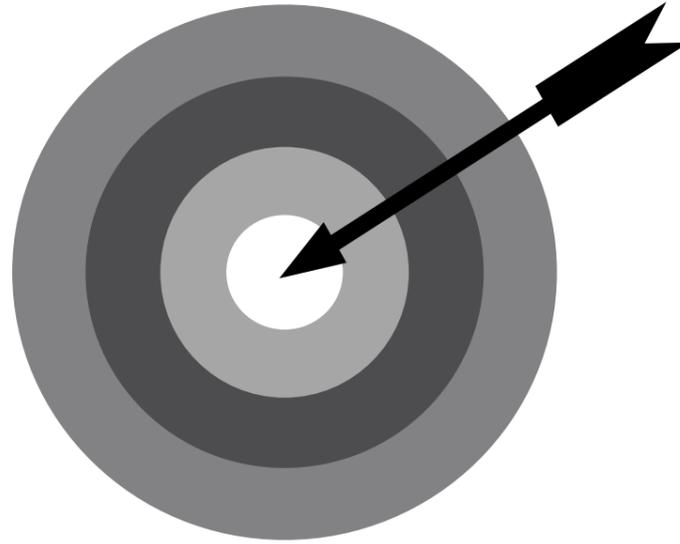




## SPONSORSHIP PROPOSALS

At some stage in the club's life a sponsorship proposal will need to be prepared. The proposal is an offer to do business. It is extremely important that it is a well-presented and concise business document that contains enough information for a company to understand what they are being offered. Be aware that you are not the only club out there looking for sponsors, so you need to make sure your sponsorship proposal stands out from the rest.

Tailor the proposal to the individual needs of the company being approached. Do your research. Find out as much as you can about the business you are approaching, including the target market, desired image, products and services, and corporate objectives. Writing proposals, contacting companies and making your approach can be time-consuming so it's important to consider how much to tailor a proposal to meet the specific requirements of potential sponsors. Be aware how much time is required per proposal.



### EXAMPLES OF TYPICAL CONTENT FOR SPONSORSHIP PROPOSALS:

**A cover letter.** Address the proposal to the most appropriate person in the sponsor's organisation, ideally by their name!

**Overview.** Provide an outline of the project and/or the club. What are you asking sponsorship for? What and where does it happen? Relevant statistical information in sponsorship proposals can help the assessor get a picture of the club or event and identify cost benefits. Market demographics define your membership, public and audience. If possible, identify niche markets the club can deliver to as this makes it easy for a product or company to be matched to a particular audience.

**Objectives.** Outline the objectives of the project and/or the club.

**The investment.** Outline the funding amount or in-kind support being sought. What is it going to cost the sponsor and what is the period of the agreement?



**Sponsorship benefits.** This is a critical component. Look to include benefits such as naming rights, promotion strategies, signage, media, brand awareness opportunities, articles in newsletters, social media, websites etc.

For 99% of companies, media exposure is an important part of sponsorship. Wherever possible outline how you can get radio, TV and newspaper coverage, as well as community access in the sponsorship proposal.

**Target market.** Outline who the project is aimed at or provide a membership profile. Identify how it matches the target market of the proposed sponsor or how it could benefit them. A successful outcome is more likely if you tailor the proposal to a specific sponsor.

**Exclusivity.** Detail other sponsors and/or supporters of the project or the club. Make sure sponsors are not in competition with each other.

**Servicing the sponsor's needs.** Outline how you will cater to their needs. Identify an employee, member or volunteer to be the contact for the sponsor.

**Evaluation strategy.** Outline how you plan to evaluate and measure the success of the agreement.

**Conclusion.** Summarise the proposal, identify a follow-up procedure, and supply contact details.

## SPONSORSHIP FOLLOW UP AND RENEWALS

The following tips will also help improve your proposal:

- provide an attractive cover page featuring the proposed sponsor and club names and logos
- format the document so that it can be read easily
- provide a contents page
- keep it concise
- provide examples of past programmes, newsletters etc, which show how previous sponsors have been acknowledged, or draft a communication using the proposed sponsor logos. Include photos of club members in action
- Finally, don't do it at the last minute. The assessment, negotiation and planning involved in managing a sponsorship can take a while. Allow plenty of lead-in and planning time.

■ [Click here for a sponsorship proposal and agreement template >>](#) 

# WAYS TO SAVE MONEY

There are ways to save money on your running costs. Accessing group buying plans through sharing costs with other organisations can achieve this, as well as working with not for profit organisations that provide support with utility costs.

**Aktive Shared Services** was established as a not-for profit service with the objective of offering high quality and more cost-effective accounting services for the sport and recreation sector and to leverage this group's buying power to reduce costs. This team offers cost savings in accounting services and procurement, and professional services at an affordable price, providing economies of scale and increased buying power.

■ <http://aktive.org.nz/shared-services/> >>

**n3** is another group buying provider that uses the group buying power of members to save on just about everything that is needed to run their business.

■ <https://www.n3.co.nz/> >>

**LiteClub** help sports and recreation organisations free up money by showing them how to be more efficient with electricity, water and waste - all for free.

■ <http://liteclub.org/> >>

**NZ Post** supports community organisations and the valuable work they do through Community Post. They donate postage-included envelopes and other NZ Post services to not-for-profit organisations for use with projects and activities that align with our community investment themes.

■ <https://www.nzpost.co.nz/> >>



# REPORTING

Sports and recreation clubs are often registered as charitable trusts – this impacts tax, GST, financial reporting and auditing.

According to New Zealand law, a charitable trust's main objective must be a charitable purpose. For an organisation's purposes to be considered charitable, its activities or aims must be for public purposes which means the benefit must be available to a large part of the community. It must not be carried out for the benefit or profit of any individual.

## TAX AND GST

Charitable organisations need to be registered by the Charities Services to receive tax exemptions. The Inland Revenue Department website includes a section on charitable organisations with information about how this relates to tax and collecting and paying GST. Unless annual turnover is more than \$60k per annum there is no need to register for GST.

The treasurer should ensure they get appropriate advice on tax areas such as GST regulations, Fringe Benefits Tax, Withholding Tax and Superannuation (these all relate to employment and some may not be relevant to many clubs).

## FINANCIAL REPORTING AND AUDITING

Club officers have a responsibility to keep members up to speed with its activities and to account for all income and expenditure that has been handled by the Treasurer and the club committee. This means the club's accounts to the end of the financial year need to be presented at the Annual General Meeting. These accounts should be verified and signed off by the club's committee. They may also need to be filed with the Charities Services, if appropriate, and the Societies website if an Incorporated Society.

The club's financial records are usually audited annually. However, unless your club's constitution, articles or members require it, clubs are not legally required to carry out an audit. An alternative to a full audit is an independent review. This simply involves an independent, qualified person (an outsider not connected to the club) examining the club's accounting records to ensure they agree with the annual accounts produced for the members.

During an audit, a person independent of the club (such as an accountant) checks that the financial statements are a correct record of the club's financial position at that time. A suitably qualified volunteer can audit the club's accounts, or it may be necessary to use a professional auditing service. This can be costly, so finding a volunteer who is willing to perform the audit is a good idea.



Auditing can be a lengthy process and can take six to eight weeks to complete.

Your club's auditor will need:

- the club's cashbooks, written up and balanced for the year, and journals or ledgers that the club uses for records
- bank statements for the whole year
- copies of deposit slips and cheque butts
- receipt books with duplicate and original copies, plus any unused receipt books
- vouchers for payments made by the club, arranged in numerical order
- receipts or copies of cheques/direct credits paid to your club
- copies of minutes from your management meetings that show how financial decisions were made and agreed
- copies of any previous audit statements
- all financial statements for the year being audited
- any other relevant financial documents

### CHARITY SERVICES

Although promoting "sport" itself isn't a charitable purpose, most sporting organisations can qualify as charities. This is because they promote participation in healthy activity, which is considered a charitable purpose in New Zealand.

Sports can also advance other charitable purposes, like supporting the social needs of a particular group of people (for example: people with disabilities, specific ethnicities or older people). Publicly available

"recreational facilities" are also charitable in most cases: this includes most sporting stadiums and sporting fields.

Some sporting groups don't qualify. The main reason for this is because they have an independent purpose that benefits a closed group of elite sportspeople. Charities have to be for the benefit of the public.

All registered charities must complete annual reporting to Charities Services. This includes filling out an Annual Return and attaching financial statements.

With over 27,000 registered charities of all shapes and sizes in New Zealand, four different reporting tiers have been developed to allow smaller charities to prepare financial statements on a simplified basis. Larger charities are required to use a set of accounting standards.

Click here to identify which reporting standard is to be used by your organisation: <https://charities.govt.nz/new-reporting-standards/which-tier-will-i-use/> >> 

If you have any questions about your group, or don't know if you qualify contact the [CCRegistrationinfo@dia.govt.nz](mailto:CCRegistrationinfo@dia.govt.nz) >> 

# INSURANCE

### ORGANISATION INSURANCE

It is important that the club has adequate insurance. The extent of insurance will vary based on the club's assets, size and activities. Given the commitment and contribution that volunteers make, it's important they are also protected from any potential risks.

Accident Compensation Corporation (ACC) is New Zealand's statutory insurer for any injuries caused by accident. It provides all New Zealanders with accident protection, but many clubs are choosing additional cover to recognise the importance of their volunteers and members.

Generally, you'll require policy coverage for:

- liability insurance
- fire and theft of contents
- loss of income/increased costs of work.

The choice of insurance company will depend on the policies, cover and costs offered to the club. Club members may elect to take out individual policies, or the club may select a 'preferred supplier' who is able to tailor costs and provide cover for the club's specific needs. There are also specialist insurers who deal with sports insurance.

Your National Sporting Organisation or Regional Sporting Organisation may have insurance cover that can include member clubs and may share the premium costs, so check with them to see if a policy is in place.

### PUBLIC LIABILITY

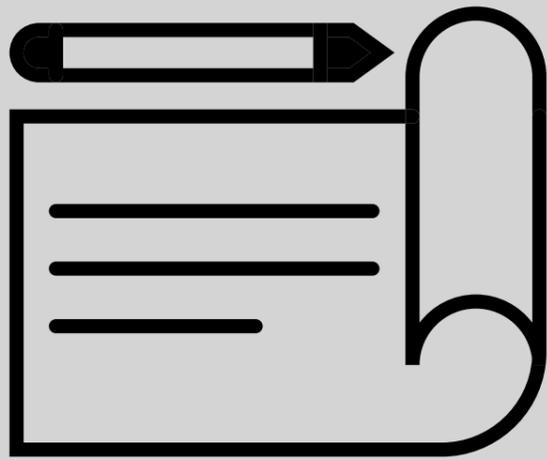
Public liability insurance provides cover for legal liability for damage to someone else's property, as well as legal costs defending a case. For clubs, this can be divided into liability from events on trips and liability arising from occupancy of premises. Most policies will protect both the club and individual members while on club activities, although if there's not enough cash in the pot the club gets first bite. The existence of ACC means that it is virtually impossible to be sued for causing personal injury.

Public liability policies usually protect both the organisation and its members (although usually members are only indemnified on club activities).

The occupancy risk covers events such as damaging premises that you are renting or (if you rent or own) nearby property. Examples include leaving the pie warmer on and burning down the building or flooding the shop downstairs and putting it out of business.

### ASSET AND FACILITY INSURANCE

Most clubs that own clubrooms will need to insure them and the contents. When considering insurance for a club room, consider 'what would we do if it was destroyed or substantially damaged?' Would you replace it? If it's old and a bit tired, would the amount insured pay for a replacement? To make an informed decision, it is important to keep up to date.



### TOP TIPS FOR INSURANCE

- Certain types of insurance may be compulsory for your club before you enter into competitions or leagues.
- Your National Governing Body may provide insurance or recommend specific insurance companies, policies or specialist advisors. Affordable group insurance schemes tailored to the needs of sports clubs are available through many governing bodies.
- Ensure you read policies carefully so that you are clear what your club is and isn't covered for and what your club's liabilities are, e.g. levels of excess.
- Carefully think about what your club needs to cover in terms of activities or property (buildings, equipment etc.)
- Ensure you don't miss anything off your insurance policy and that your club is not paying for something that is not needed.
- Annually review your club's insurance arrangements to ensure they continue to meet your club's needs and obtain an appropriate number of renewal quotes to test value for money.
- Implement agreed measures from the Risk Action Plan to reduce risk.
- Monitor to ensure standards are maintained.

## LOOKING FOR FURTHER INFORMATION?

There is a range of resources available to assist with various aspects of finance and insurance.

### HERE TO HELP

Your Regional Sports Trust/Organisations are also here to help – please don't hesitate to contact us if you would like to talk through any of this material and/or assistance for your club and/or code.

### MORE INFORMATION CAN BE FOUND AT THE FOLLOWING:

[aktive.org.nz](http://aktive.org.nz) >>

[harboursport.co.nz](http://harboursport.co.nz) >>

[sportwaitakere.co.nz](http://sportwaitakere.co.nz) >>

[sportauckland.co.nz](http://sportauckland.co.nz) >>

[clmnz.co.nz/counties](http://clmnz.co.nz/counties) >> 

Information in this toolkit is for guidance only and does not constitute formal professional advice. Where specific issues arise in your club/code, advice should be sought from the relevant expert(s) as necessary.

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