

**FINANCIAL
MANAGEMENT
PRACTICES
FOR
JUNIOR RUGBY
LEAGUE CLUBS**

FINANCIAL MANAGEMENT PRACTICES

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TREASURER'S JOB DESCRIPTION

- Ensure that adequate accounts and records exist regarding the organisation's financial transactions.
- Ensure that a register of accountable forms exists that lists all cheque books, order books and receipt books.
- Coordinate the preparation of budgets for the forthcoming year describing potential sources of income and expenditure.
- Issue receipts and promptly deposit all monies received in the organisation's bank account.
- Make all approved payments promptly.
- Keep accurate and up-to-date records of all income and expenditure.
- Invoice groups/members promptly for rentals (e.g. building, equipment, uniforms).
- Act as the signatory on the organisation's bank accounts, cheque accounts, and investment and loan facilities (with at least one other management committee member).
- For all accounts in operation, ensure that order books are being used for purchases, official receipt books are being used to collect money, and cheque books or EFT processes are being used to make all payments (except for petty cash payments).
- Manage the organisation's cash flow.
- Be accountable for the organisation's petty cash.
- Prepare regular bank account reconciliation statements for presentation to the management committee or board.
- Be fully informed about the financial position of the organisation at all times.
- Prepare and present financial statements on a regular basis to management committee or board meetings.
- Recommend investment strategies for surplus funds.
- Manage the organisation's investment programs.
- Negotiate with banks for overdraft facilities, mortgages and other loan facilities where required by the management committee or board.
- Handle payrolls and income tax payments for employees if applicable.
- Regularly file business activity statements (including GST) with the relevant authorities, where applicable.
- Acquit funds received from government grants and submit the necessary financial statements.
- Prepare financial accounts for annual or more frequent auditing, and provide the auditor with information as required.
- Prepare all necessary financial statements for inclusion in the annual report.
- If incorporated, ensure annual returns and audited financial statements are filed with the relevant government department as required by the Associations Incorporation Act.

Skills Required

- honesty and integrity
- enthusiasm for the task
- good organisational skills
- a good eye for detail
- good at making decisions
- an ability to work in a logical and orderly manner
- an ability to allocate regular time periods (eg weekly or monthly) to maintain the books
- an ability to keep good records
- an awareness of procedures for handling cash, cheques and other financial transactions
- a willingness to learn new skills, if necessary.

Accountability

A key issue for the Treasurer is **accountability**. The Treasurer must be accountable to the management committee or board and ultimately the members of their organisation for **full disclosure of all financial transactions**.

Separation of Powers and Conflict of Interest

Separation of powers and conflict of interest are important concepts in this regard. In order to minimise the risk of errors, misuse of funds or fraudulent activities, all financial transactions (e.g. receipting cash or making payments) must pass through **at least two parties** within an organisation. Importantly, **the two parties should not be involved in a close interpersonal relationship** which might increase the risk of collusion with respect to the misuse of funds.

Accounting stationery

In order to get started with the financial operations aspect of their role the Treasurer will need the following accounting stationery:

- cheque books
- bank deposit books
- a cash book or a general ledger (can use Accounting Software for this)
- payment authorisation (cheque requisition) vouchers
- a numbered receipt book with carbon copy page
- account forms for members' subscriptions
- a petty cash payment book (can use Accounting Software for this) and petty cash vouchers
- a file for accounts payable
- a file to store receipts from accounts paid
- a file of orders placed with suppliers
- a file to store bank statements.

All of the stationery listed should be held by the organisation or the previous Treasurer and should be routinely handed over when the new Treasurer takes up their position. The Treasurer will be responsible for setting up systems to collect and record the details of financial transactions, most of which will be receipts and payments. An understanding of the operations of bank accounts, the cash book, receipting funds, making payments, bank reconciliation, petty cash and managing creditors (external parties who are owed money) and debtors (people who owe the sport or recreation organisation money) is essential.

Accountable Forms Register

Example: Accountable Forms Register

Date	Serial No.	Book No.	Date Issued	Officer Initials	Date Returned	Treasurer Initials
PURCHASE ORDERS						
2/2/13	AA201-AA300	AA	4/2/13	AH	6/7/13	JS
	AB301-AB400	AB	5/7/13	BT		
3/6/13	BA001-BA100	BA	1/10/13	AH		
	BB101-BB200	BB				
RECEIPT BOOKS						
2/2/13	A001-A500	A	4/2/13	AH	8/8/13	JS
	B501-B1000	B	1/8/13	AH		
CHEQUE BOOKS						
	268001-268100	A	4/2/13	AH		
	268101-268200	B	30/8/13	JS		
	268201-268300	C				

You've been elected Treasurer – Now What?

Here is a list of all the things you need to do as soon as you get the job:

- ☐ Ensure that all signatories on all accounts (including electronic signatories) are changed. You will need to provide a signed copy of the AGM Minutes
- ☐ Verify details of all accounts receivable & payable
- ☐ Ensure that all financial files (including bank statements, cheque books, deposit books, credit/debit cards, bank tokens, software, etc.) have been handed over to you.
- ☐ Ensure that all creditors (e.g. phone, internet, insurance, utilities) are advised of new authorised contacts. You will need to provide a signed copy of the AGM Minutes.
- ☐ Check budgets for upcoming special events, major expenditure or income.
- ☐ Ensure you have a master copy of your financial procedures manual
- ☐ Organise for a detailed briefing from the outgoing Treasurer detailing any pending spending commitments or incomings
- ☐ Prepare a timeline of upcoming payments and dates when bills (insurance/rent/loan repayments etc.) are due
- ☐ Once you have prepared your first report, check with outgoing Treasurer (if possible) that nothing is missing.
- ☐ Review policies & procedures

BANK ACCOUNTS

Cheque Account

A **cheque account** is a must for the well-run sport or recreation organisation. A cheque account provides a convenient record of payment through the cheque butt. It is therefore essential that cheque butts are completed when cheques are drawn and the cheque number is written on the creditors invoice when payment is made. Cheques also provide a secure method of payment. This means that in most circumstances members need not carry cash.

All cheques must contain two eligible signatures. Eligible signatories are Board members or staff members who have been previously nominated and endorsed by the Board.

Any two of the above have the authority to sign cheques.

Signatories cannot sign a cheque made payable to themselves, or a blank cheque. All details on the cheque form must be filled in before signature.

A list of all cheques issued each month, featuring amount, recipient, signatories, and explanation, will be provided to the Treasurer.

NEVER sign cheques:

- before all other details have been completed (eg date, amount, payee)
- without an accompanying invoice from the supplier
- before checking that goods have been received or services completed.

All invoices and accounts should be paid from the cheque account (or by direct debit), as all expenditure will be recorded on the account statement. Depending upon the average number of transactions, bank statements can be requested quarterly, monthly or more frequently.

Online Banking

Electronic Banking can be used in the same way as a cheque account, provided the banking institution can facilitate the requirement for two approved signatories to complete a payment from the account.

Petty cash

A petty cash system is a convenient and cost effective way to reduce paperwork and minimise account fees and taxes that would have to be paid if a cheque was drawn for every item of expenditure. Petty cash can be issued in exchange for a receipt as a means of reimbursing members or volunteers who have used their own money to purchase small items (e.g. less than \$50.00) on behalf of the organisation.

To initiate a petty cash system, a 'cash' cheque is drawn on the organisation's bank account for a small amount (eg \$100.00) and entered in the cash book. When presented with a **valid claim supported by a receipt** the Treasurer completes a petty cash voucher, has the claimant sign the voucher, reimburses the claimant, records and retains the receipt. Petty cash expenditure should be recorded in a petty cash book, not the cash book. As a means of control, at any given time the amount of cash plus retained receipts should tally with the total in the petty cash fund. When the petty cash funds run low a 'cash' cheque is drawn to the total of the receipts paid. It is advisable to include the petty cash float in the organisation's theft insurance policy.

It is important that Petty Cash be kept under strict control, as it is also subject to Audit.

Example: Petty Cash Book

Date	Particulars	Receipts	Payments	Postage	Stationery	Misc.
1/1/13	Chq no. 123	\$50.00				
3/1/13	Stamps		\$1.00	\$1.00		
	Account Book		\$3.15		\$3.15	
7/1/13	Stamps		\$1.00	\$1.00		
21/1/13	Matches		\$0.50			\$0.50
22/1/13	Butter		\$2.20			\$2.20
25/1/13	String		\$2.95			\$2.95
	Total Spent		\$10.80	\$2.00	\$3.15	\$5.65
	Cash on Hand		\$39.20			
			\$50.00			
31/1/13	B/ce on Hand	\$39.20				
	Chq no. 128	\$10.80				
	Reimbursement	\$50.00				

RECORD KEEPING

Cash book (or Accounting Software)

The cash book, also known as the cash receipts and cash payments journal, is used to record all of an organisation's receipts and payments. **Cash means bank notes, credit card slips, cheques, cash, electronic funds transfer advices, direct debits and money orders.** Source documents such as receipts and cheque butts provide details about individual transactions, but unless the individual transactions are recorded and summarised it is impossible to get a clear picture of the financial position of an organisation.

The Treasurer should regularly record the details of receipts and payments in the cash book.

To determine the cash balance, total the receipts and deduct payments. Other items that will affect the cash balance are bank interest and charges, government taxes, unpresented cheques, dishonoured (bounced) cheques, and direct credits or debits from other accounts. At the end of each month, the figures recorded in the cash book can be checked against the bank statement (Bank reconciliation). The cash book closing balance for each month becomes the opening balance for the next month. It is also a good practice to summarise what the organisation owes to external or third parties (creditors) and what money is owed to the organisation itself (debtors).

Monthly financial reports

For regular management committee or executive meetings, the Treasurer should prepare and present the following:

- **Statement of Income and Expenditure (Profit & Loss Statement) for the past month**, as well as a summary of the year-to-date figures, and a comparison to budgeted figures called variance.
- **Bank Reconciliation Statement** for each and all bank accounts held.
- **List of Creditors (Accounts Payable)**
- **List of Debtors (Accounts Receivable)**

The information contained in these reports enables the management committee to get a clearer picture of its financial position and performance and can use the information in making other types of decisions (eg revising the price of membership or choosing an alternate telephone company).

In larger organisations, the management committee may also require a report on its assets and liabilities (**balance sheet**) at monthly meetings.

Frequent financial reporting gives an organisation a better chance of identifying problems early. It should also help to improve the organisation's overall financial performance and ultimately strengthen its financial position.

AUDITED ACCOUNTS

The term audited accounts means that the financial records of the organisation have been independently checked by someone with recognised accounting qualifications (usually a chartered accountant) as being a true and correct record of the financial operations and position of an organisation at that time. It is a legal requirement to have the organisation's accounts audited prior to the AGM. An Auditor must be appointed for the following year at the organisation's AGM. To ensure that an audit is truly independent, the auditor should be someone who is not a member of the organisation. It is good practice to give the auditor plenty of time (eg 6 to 8 weeks) to audit the accounts.

What the Auditor Needs

Essentially, the auditor will need a copy of all your financial statements for the past 12 months, including:

- Director's Declaration
- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flows
- Notes to Financial Statements

It is best if you have this information already prepared, and then meet with the auditor before the auditor starts any work.

The auditor will also need:

- Receipts issued during the year
- Bank deposit book
- Cash book recording the receipts for the year
- Bank statements for the whole year for all bank accounts
- Cheque books
- Cash book recording payments for the year
- File of invoices and other documents you have that support each of the payments made. It is normally best to have this in a file in the same order as the cheque book numbers.
- Wages book
- Employee files that have the history of annual leave, long service leave, and sick leave taken
- Group certificates and the Tax office end of year reconciliation
- Assets register, or details of all the assets that the corporation bought or sold during the last twelve months
- Copy of the insurance policy documents and the insurance invoices
- List of any debtors at June 30 (money owed to the organisation)
- List of any creditors at June 30 (money owed by the organisation to another organisation or person for goods or services that had not yet been paid for at June 30)
- Minutes of meetings of the Directors, special general meetings, or annual meetings held in the last twelve months

There may be other records needed. Some of your records may also be on your computer. You should check with the Auditor as to exactly what is needed.

Filing Annual Financial Reports

Under the Associations Incorporation Act, an incorporated association is required to lodge a return (copy of annual accounts) with the appropriate authority. The accounts are to be accompanied by a certificate stating that they have been approved by the members at the AGM on a particular date, and they must be signed by an officer of the organisation (Statement by Members of the Committee).

GOLD COAST DISTRICT JUNIOR RUGBY LEAGUE INC STATEMENT BY MEMBERS OF THE COMMITTEE FOR THE YEAR ENDED 30/09/2013

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out in the statement of income and expenditure, balance sheet and notes thereto:

1. Present a true and fair view of the financial position of Gold Coast District Junior Rugby League Inc as at the 30/09/2013 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Gold Coast District Junior Rugby League Inc will be able to pay its debts as and when they fall due.

This Statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by: /

President _

Treasurer _

Dated this day, 30 October 2013.



Audited Financial Statements

Each financial year a charitable organisation must prepare the following documentation:

- Financial Statements incorporating a statement of income and expenditure
- Information and notes to the financial statements
- A declaration by the president or principal officer of the governing body
- An Auditor's Report that includes details from an audit of the financial statements

The Auditor's Report

- The auditor is required to examine and provide the organisation with a report (to accompany the financial statements) which states whether:
- The Organisation has complied with relevant legislation, accounting standards and the corporations regulations;
- The financial statements show a true and fair view of the financial result of fundraising conducted during the year;
- Records were properly kept;
- All fundraising monies collected have been properly accounted for; and
- The financial viability of the company and ability to pay its debts.

Financial records should be independently checked by someone with recognised accounting qualifications (usually a Chartered Accountant) as being a true and correct record of financial operations and position of an organisation at that time.

It is usually a legal requirement to have the organisation's accounts audited prior to the AGM. To ensure that the audit is truly independent, the Auditor should be someone that is not a member of the organisation.

It is good practice to give the Auditor 6-8 weeks to audit the accounts.

RETENTION OF RECORDS

As a guide, the following applies:

Audit Reports	7 years
Bank Deposit Slip	7 years
Bank Statements	7 years
Cash Register Slip	7 years
Cashbooks	7 years
Cheque Butts/Payment Vouchers	7 years
Financial Reports	7 years
Order Books, Invoices	7 years
Pay Sheets, Acquittal Sheets	7 years
Petty Cash & Postage Books	7 years
Receipt Books	7 years
Stock-Counting Sheets	3 years

After these storage periods, the records can be destroyed.

REIMBURSEMENT OF EXPENSES

Staff or volunteers may on occasion be required to pay out of their own pockets expenses incurred on behalf of or in the course of business.

These expenses may be reimbursed by the organization provided they are reasonable and authorized.

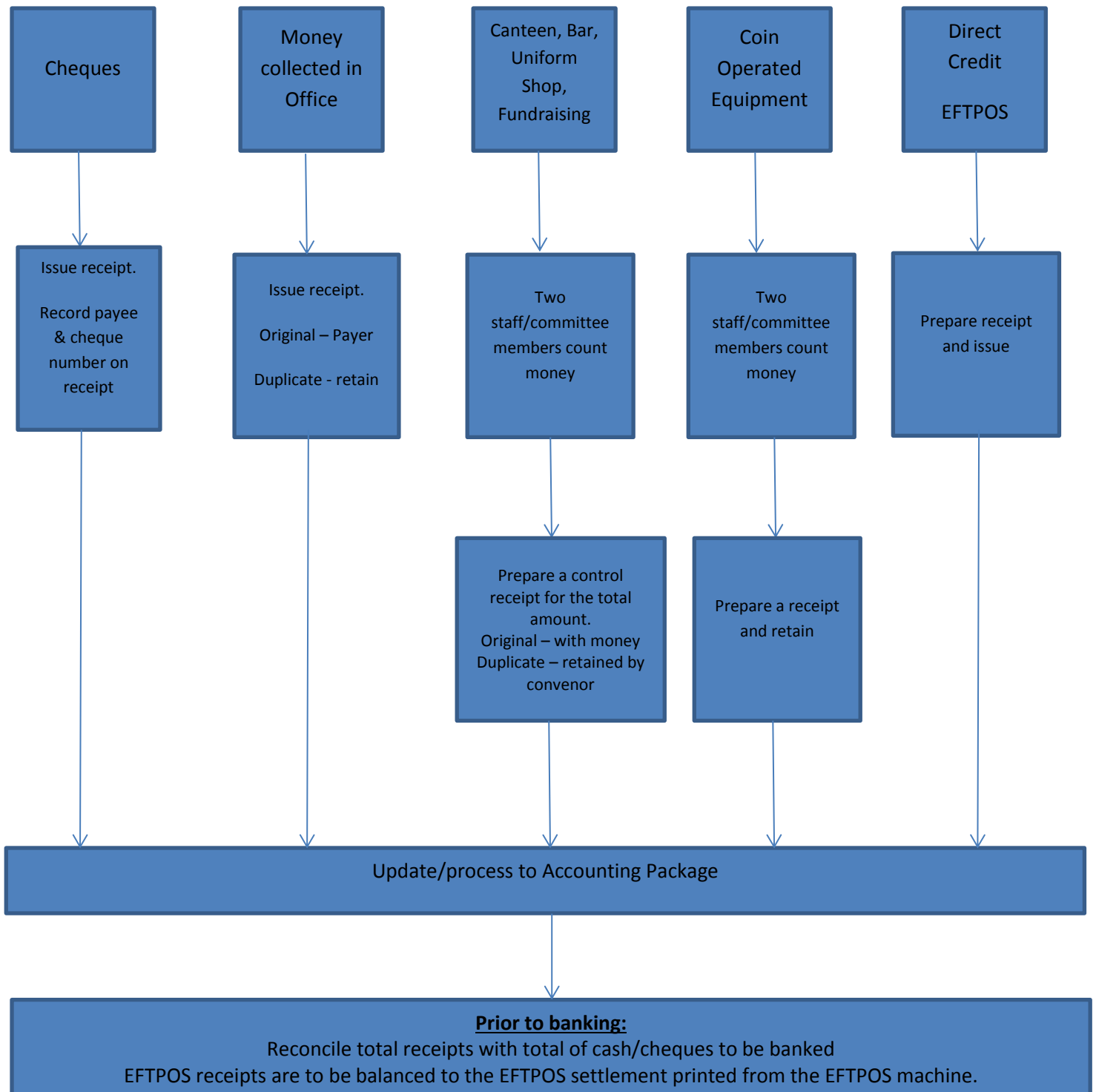
Reimbursement of reasonable but unauthorized expenses may be made on an *ex gratia* basis at the discretion of the Management Committee in exceptional circumstances only.

Staff and volunteers incurring authorized expenditure must obtain, retain and produce receipts, invoices, vouchers, tickets, or other evidence of such expenditure when seeking reimbursement.

Reimbursement must be made in the form of a cheque made out to the person making the claim, or a direct debit to the claimant's bank account. **NEVER reimburse expenses by using cash takings, or by issuing a credit from your EFTPOS facility.**

RECEIVING AND BANKING MONEY

Receipting Flowchart



- Always keep club money separate from your own personal money.
- Write receipts for ALL money as it arrives, as this assists in avoiding any confusion.
- All money that you have received for banking needs to be receipted to its source (e.g. Bar Takings, Canteen Takings, Membership Fees etc.).
- **DON'T TAKE SHORTCUTS** - much confusion has reigned for the person who has bundled all the money together over a few days or weeks, and then has had to spend several hours sorting it all out.

Cash Handling Controls

Reduce the collection of cash, by providing non-cash payment facilities in the form of EFTPOS, credit card, BPay, direct deposit.

A Cash Float is necessary for the conduct of some operations (e.g. canteen, bar). The amount is to be determined by the committee, and recorded and maintained in a secure location, with the keys held by the convener, treasurer, or designated person.

A reconciliation of cash collected to cash banked must be conducted at the end of each day's trading, to confirm a nil variance, or highlight any discrepancies. Where a discrepancy occurs, and investigation should be immediately conducted, with the reasons for the variance documented.

Any cash collected or remaining after banking must be stored in a secure location.

Ensure that there is minimal cash held overnight and on weekends.

Cash collected away from the office should be regularly removed, counted and recorded by two independent people (see Daily Takings Breakdown Statement).

Daily Takings Breakdown Statement

DATE/...../20.....

☐ CANTEEN

☐ BAR

☐ UNIFORMS

☐ REGISTRATIONS

☐ MERCHANDISE

☐ FUNDRAISING
ACTIVITY

Approved Float of: \$ (Float is removed before counting takings, and remains the same throughout the year. It is then re-banked separately at year end).

NOTES		COINS	
\$100		\$2	
\$50		\$1	
\$20		50¢	
\$10		20¢	
\$5		10¢	
		5¢	
TOTAL NOTES (1)		TOTAL COINS (2)	
BANKING SUMMARY		DAILY SALES	
Total Notes (1)		Total Deposit (3)	
Total Coins (2)		EFTPOS (see attached documentation)	
Total Cash			
Cheques			
TOTAL DEPOSIT (3)		TOTAL TAKINGS	
COUNTED BY:		CHECKED BY:	
Name		Name	
Signature		Signature	
Receipt No	DATE BANKED	BANKED BY	
		Excess/Shortfall (as per bank)	
		Explanation for Excess/Shortfall	

Making Payments

All payments should be made by cheque or EFT, except for small payments from petty cash.

Normally, payments will be for **budgeted items** and can therefore be paid promptly, subject to ratification at the next meeting. If the item is unbudgeted, DO NOT pay until the committee approval is given.

All expenditure must have supporting documentation validating the transactions (e.g. payment vouchers, invoices or committee minutes).

NEVER issue blank cheques or make payments without sighting and validating receipts.

All payment documentation (e.g. invoices) should be clearly marked as to the exact expense code the cost will be coded to.

The invoice should be checked for arithmetical correctness, and there should be evidence that the goods or services have been correctly provided.

Cheques

At the AGM or at a general meeting, the association must authorize the President, Vice-President, Secretary, Treasurer and other officers as required to sign cheques, with any two to sign each cheque.

New account signatories will need to complete documentation at the financial institution and provide proof of identity. Photocopies of change of signatories forms must be retained for 7 years.

The association must advise the bank in writing when signatories to bank accounts change or are to be cancelled.

When writing cheques it is important to:

- write in the payee's name in full
- cross out 'or bearer' if you want the cheque to be paid only to the payee, and cross it 'not negotiable' if it should be banked into the payee's bank account
- write in the correct date
- write in the total amount clearly both in words and figures
- put the sport and recreation organisation's postal address and the invoice or account number on the back of the cheque
- fill in the cheque butt
- sign the cheque, making sure there are two authorised signatures.
- cheques should not be signed by two members who are interpersonally related (e.g. family members, business partners)
- request a receipt for all payments.
- all cheques should be made payable to an entity, and not "Cash". If a cash cheque needs to be drawn for petty cash or a cash float, mark it "please pay cash" at the top.
- NEVER sign a blank cheque, regardless of the circumstances.
- Cancelled cheques, along with their butts, must be crossed with the word "Cancelled" filed with invoices in cheque-number sequence and recorded in the cashbook as cancelled.

It is usually the Treasurer's responsibility to prepare cheques for approval and signing by a second authorised signatory. The Treasurer usually has the power to make payments between management committee meetings and any such payments must be ratified at the next meeting. All payments that have been budgeted for can normally be paid subject to ratification by the management committee. **The management committee minutes should record authorisation for major items of expenditure.**

Keep a register of all chequebooks and the names of people holding the books. All people holding chequebooks must keep them in a secure place.

Payment Voucher/Cheque Requisition Form

Cheque No			
EFT No.			
..... JUNIOR RUGBY LEAGUE FOOTBALL CLUB INC.			
PAYMENT VOUCHER/CHEQUE REQUISITION			
CLAIMANT/SUPPLIER DETAILS			
NAME:			
ADDRESS:			
		P/CODE	
INVOICE DATE	INVOICE NUMBER	DETAILS	AMOUNT
		TOTAL	\$
AUTHORISATION FOR PAYMENT			
Check that all relevant invoices and purchase orders are attached.			
FROM Canteen/Bar/Uniform/ Registrations/Merchandise/ Fundraising Activity	NAME Convenor/ Bookkeeper	SIGNATURE	DATE
CHEQUE SIGNATORIES/EFT PAYMENT AUTHORITIES			
Before authorizing payment, check that the account number & BSB match the invoice/claim			
FIRST		SECOND	
Signature	Date	Signature	Date
Name		Name	
Position		Position	

Attach EFT payment advice

Online Banking - Electronic Funds Transfer

- All EFT transactions are to be authorized by any **two account signatories** by entering:
 - a) A user name and password, or
 - b) A user name and the randomly generated pin if using a security token (highly recommended if the financial institution offers this level of security)
- The two account signatories are to sight, check and approve all documentation before an EFT payment is authorized.
- A confirmation email or screen receipt which is generated by the financial institution following the entry of an EFT transaction must be filed for audit purposes.
- A printed record of any transaction deleted or edited must be made and filed for audit purposes.
- A receipt/record of all electronic fund transfers for each payment must be printed and attached to the relevant document (invoice) and filed for audit purposes.

Receipts

Receipts are to be issued in sequential date order of takings, for the total amount of funds collected.

Two independent persons must be responsible for collecting and counting money.

On presenting money to the Treasurer, a receipt is issued to the person responsible for collecting and counting the money.

Banking

Bank all receipts promptly and intact. Promptness reduces the risk of cash and cheques being misplaced and ensures that the proceeds of cheques received by the organisation are cleared and ready to use. Banking receipts intact (ie without deductions being made) reduces the risk of funds being misused as well as facilitating the bank reconciliation process.

The collection and counting of all money must be performed by two independent persons who must sign the supporting documentation (Daily Takings Sheet).

Persons responsible for receipting and counting money must not also be responsible for banking the money.

The amount of the banking must correspond to the total of receipts.

All banking must be done promptly, and cash should be banked on the day of collection, or the next working day. It is recommended that night safes at your financial institution be used to deposit large amounts after hours.

Deposit books must be used for each account, and a copy of the processed deposit slip be retained for record purposes.

As bank account statements show only the total of monies banked, the Treasurer must ensure that records are sufficiently detailed to allow the identification of sources of income, and the timing of banking.

Management of Surplus Funds

Surplus subcommittee funds are to be regularly transferred to the main association account.

An account of all receipt books, purchase order books and cheque books is kept in a **register of accountable forms** that lists all forms and their location or who has possession of them.

A plant and equipment register must be kept and monitored to prevent theft and loss.

Receiving Goods

The Canteen, Bar, Merchandise Convenors are in charge of recording how much has been spent and ensuring that the goods or services are received.

This checklist shows what the convenor should do as goods are delivered:

- Check that all goods listed on the invoice have been received into stock
- Stamp the invoice with a “Goods Received/Date” Stamp and sign the invoice to show the check has been carried out.
- Return any substandard stock and obtain a credit note from the supplier
- Check all invoices for quantity ordered, price charged, credit for returned goods, discounts and other calculations. Errors do occur in suppliers’ invoices and, unless detected, can contribute to a trading loss.
- Give certified and checked invoices to the Treasurer.

Stocktake

A stocktake must be completed at least every quarter. One person should count while another checks and records.

Prepare stock sheets in advance, pre-printed with items that are regularly carried in stock. Prices used to calculate the value of stock are entered after the stock is counted, and must be the cost price.

As a result of a stocktake it may be necessary to “write off” stock that is no longer suitable for sale. This should be documented by listing item, size, quantity, cost and total value of the written off stock, attached to the stocktake sheet/s, signed by the convenor and validated by the Treasurer. The value of the written off stock will form part of the expenditure in the Profit & Loss Statement.

If stock on hand can be identified as belonging to a particular purchase lot, then the value of that stock should be valued using the price of that purchase lot. If not, the stock on hand should be valued at the most recent purchase price.

Example: Stocktake Sheet

..... Junior Rugby League Football Club Inc.					
Uniform Shop Stocktake					
As at December 31, 2013					
ITEM	SIZE	No of Items on Hand	Cost \$	Total Value \$	Sale Price/ Item \$
Training Tees	S	1	\$15.00	\$15.00	\$17.50
	M	0			
	L	0			
Shorts	S	3	\$10.00	\$30.00	\$15.00
	M	2	\$10.00	\$20.00	\$15.00
	L	1	\$12.00	\$12.00	\$18.00
Gear Bags		30	\$10.00	\$300.00	
Signature: (Convenor)					

Cash Registers

If a Cash Register is used in the activities of the association, the following standard procedures must be followed:

- The register must be capable of accumulating separate totals for each mode of payment (e.g. cash, cheques, eftpos).
- The cash register must print on a receipt the amount received, a progressive receipt number and the date of receipt. The method of payment must be shown (e.g. cash, cheque, eftpos). If this is not possible, the operator must be able to insert the particulars. The receipt must identify the operator, the cash register (if more than one is used), a description of the item, and the GST applicable.
- Imprinting of the journal roll is mandatory. All particulars of receipting, resetting or displaying totals must be indicated on the journal roll.
- The cash register must be inoperable whenever a receipt roll is not properly inserted in the cash register.
- The cash register must feature key locks or other devices for date setting, access to the journal roll, and reading and resetting routine for totals. These devices must be placed under effective supervisor control and accessible only to authorised persons.
- Most cash registers have six keys. Four are for operators; one is for a sub-manager, and the other is for the manager. The manager should not be an operator.
- The manager must have control over the monthly balancing total. The sub-manager must have control over the daily balancing total.
- The manager must retain custody at all times of all keys not in use. Any person wishing to use the cash register must obtain the key from the manager. The cash register drawer lock must only be placed in the register while an operator is present. The manager must be responsible for the removal of the journal roll and its safe custody.
- Differences between the total daily balancing total docket and money collected are the responsibility of the cash register operators. The committee must develop operating guidelines on this responsibility for the information of all cash register operators.
- A Cash Register Readings Book must be kept:

Example: Cash Register Readings Book - Canteen

Date August	Register Reading (progressive)	Register Reading (Previous Day)	Day's Total	Adjustments	Net Daily Total to Cashbook	Sub- Manager	Manager	Reason for Adjustment
1								
2		201.10						
3	567.30	201.10	366.20		366.20	ABC	CBA	
4	980.98	567.30	413.68	4.87	407.81	ABC	CBA	Cancellations

Example: Daily Balancing Total Sheet

Canteen

Date: 2 August 2013

CASHBOOK COLUMN	AMOUNT	Cash Register Docket Pasted Here
Sandwiches	337.00	
Hot Chips	29.20	
TOTAL	366.20	
Cash: \$263.20	EFTPOS: \$103.00	Cheque:
Receipt: A345		
Issued By:	Signature:	
Banked: \$366.20	Signature:	

On a daily basis, the cash register manager will:

- Check the readings indicated by the cash register against the entries in the Cash Register Readings Book.
- Verify the correctness of every adjustment made to the journal roll or to an entry in the Cash Register Readings Book.
- Verify all cancellations by ensuring the reason for the cancellation is recorded, the tape is signed by the operator and counter-signed by the manager.
- Ensure that the receipts are retained and securely files.
- Verify the money on hand at the end of each day.
- Verify that the sub-manager has prepared the Daily Balancing Total Sheet and the Daily Balancing Total Cash Register Roll is attached to these sheets and stored securely in date order.
- Issue a receipt for the total of the Daily Balancing Total Sheet and securely store the original of the receipt.
- Record the money received in the cashbook according to the categories in the Daily Balancing Total Sheet.

On a monthly basis, the cash register manager will:

- Check each daily balancing entry on the monthly balancing cash register roll against the cashbook and the bank statement.
- Initial the Cash Register Readings Book.

EFTPOS Facilities

For every payment made by EFTPOS, your customer should receive a receipt, and you should keep your merchant copy. At the end of every day's trading, all merchant copies should be attached to the merchant summary, and the total value of the merchant receipts should equal the total on the merchant summary. At least once per week, the merchant settlements should be verified against the bank account.

If there is more than one EFTPOS machine in use, each machine should be "totalled off" at the end of each day's trading, as described above.

If EFTPOS payments are used for purposes other than canteen or bar purchases, details of who made the payment, the invoice number (if applicable), and what the purchase was for, should be made on the back of the merchant copy of the transaction (e.g. J Smith, Inv 1234, Registration B Smith U9).

NEVER reimburse volunteers or committee members for purchases by giving an EFTPOS refund.

GOODS & SERVICES TAX (GST)

- **SALE** of Goods & Services: the amount received may be subject to GST. GST component is 1/11th of amount charged.
- **PURCHASE** of Goods & Services: Purchaser may be able to claim credit for the GST component in the amount paid.
- **GST Free/Input-taxed Sales:** no GST charged
- **Annual Turnover > \$150,000:** must register for GST.

GST Reporting

REGISTERED FOR GST

Annual Turnover < \$20million:
normally quarterly tax period,
but may choose to report &
pay monthly

NOT REGISTERED FOR GST

- GST not included in price of Goods &/or Services
- Credit cannot be claimed for GST component of purchases made

What Is Subject to GST?

Subject to GST

- Reimbursement of Volunteer Expenses: Volunteer must provide tax invoice for the expense.
- Grant Funding: if you provide a product or service in return for the grant.
- Sponsorship (including Contra arrangements): if you provide a benefit to the Sponsor.
- Memberships
- Competition Fees
- Supply of Club Facilities for a Fee
- Raffles & Bingo
- Commissions
- Food consumed on premises or surrounds in which it is supplied

Not subject to GST

- Gifts & Donations (provided there are no conditions or obligations attached)
- Donated Second-hand Goods (provided there is no change in the original character of the goods e.g. clothing cut up & sold as rags will attract GST)
- Fundraising Events: If you choose to treat as an input taxed event, you cannot claim GST credits for any purchases made in relation to the event, and will not be required to charge GST for any sales made in relation to the event.
- Fines

A Sample Tax Invoice


1 *Border Bake ~*
2 ABN XX XXX XXX XXX

3 Date: 05/07/2010

To: **4**

4 **TAX INVOICE** No. 2610 **5**

DESCRIPTION	QTY	UNIT PRICE (excl GST)	SUB TOTAL (excl GST)	GST AMOUNT	AMOUNT PAYABLE (incl GST)
White high fibre bread	110	0,80	88,00	6 0	88,00
Rye loaf	60	0,85	51,00	0	51,00
Iced finger buns	30	1,10	33,00	9 3,30	36,30
Chocolate chip muffins 7	7 50	0,50	10 25,00	10 2,50	10 27,50
Totals			197,00	5,80	202,80

TOTAL (excl GST)	10 197,00
TOTAL GST AMOUNT PAYABLE	10 5,80
TOTAL AMOUNT PAYABLE (incl GST)	10 202,80

1. Supplier's Name
2. Supplier's ABN
3. Date of Supply
4. The words "Tax Invoice" displayed prominently
5. Invoice Number
6. Purchaser's Name
7. Description of Goods/Services supplied, including quantities
8. Indication of which goods/services don't include GST, by showing "zero" in GST Amount column
9. Indication of which goods/services include GST, by showing amount in GST Amount column
10. The GST-exclusive price, the GST amount, and the GST-inclusive price for each item, together with the totals for these, vertically in the bottom right-hand corner

A

Michael Jones Pty Ltd
123 Lower Mountain Road
MT PLEASANT NSW 2222

Office use only
41000011

Business activity statement

July to September 2011

Document ID: 12 123 123 123
ABN: 97 999 999 999
Remit date: 28 Oct 2011
Payment date: 28 Oct 2011
GST accounting method: Cash
Contact phone number:
Advised contact person who completed this form:

When completing this form:
 • print clearly using a black pen
 • round down to whole dollars (do not show cents)
 • if reporting a zero amount, print '0' (do not use NIL)
 • leave boxes blank if not applicable (do not use N/A, NIL)
 • do not report negative figures or use symbols such as +, -, /, &

Goods and services tax (GST)

for the QUARTER from 1 Jul 2011 to 30 Sep 2011

Complete Option 1 OR 2 OR 3 (indicate one choice with an X)

Option 1: Calculate GST and report quarterly
 (X) Complete (1A completed)
 Total sales G1 \$
 Sales tax inclusive sales at 01 include GST? (indicate with X) Yes No
 Input sales G2 \$
 Other GST-free sales G3 \$
 Capital purchases G10 \$
 Non-capital purchases G11 \$
 Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page

Option 2: Calculate GST quarterly and report annually
 () Complete (1A completed)
 Total sales G1 \$
 Sales tax inclusive sales at 01 include GST? (indicate with X) Yes No
 Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page

Option 3: Pay GST instalment amount quarterly
 () Complete
 G21 \$ 1,900
 Write the G21 amount at 1A in the Summary section over the page (from 10 items)
 OR if varying this amount, complete G22, G23, G24
 Estimated net GST for the year G22 \$
 Revised amount payable for the quarter G23 \$
 Write the G23 amount at 1A in the Summary section over the page (from 10 items)
 Reason code for variation G24

Indicate which GST option you're using with an X in the appropriate option box. Choose option 1, 2 or 3. If you're not eligible for an option, a message 'Not eligible for this option' will be shown.

If you choose GST option 3, we advise the amount of GST instalment to be paid here. This message changes to 'Varied instalment amount' if you varied your instalment amount in an earlier quarter of the income year.

Methods of payment

Bank contact your financial institution to make this payment from your cheque or savings account. Quin's offer code 715555 and your EFT code shown on the front of the payment slip as the customer reference number.

Credit card payments can be made online or by phone, a card payment fee applies. Go to www.ato.gov.au/howtopay or phone 1300 896 088.

Direct credit you can electronically transfer funds to the ATO's direct credit bank account using online banking facilities. Use 082 082 000, Account number 216 285 and your EFT code. Phone 1300 816 088 for assistance if required.

Direct debit have your payment deducted from your financial institution account (not credit cards). Phone 1800 800 308 to organise a direct debit or to get further information.

Mail payments mail the payment slip together with your cheque or money order using the envelope provided. Please do not use pens or staples. Do not send cash. See below for cheque information.

Post office payments can be made at any post office by cash, cheque or EFTPOS (where available and subject to daily limits). A \$2,000 limit applies to cash payments. Your payment slip must be presented with your payment.

Cheques/money orders should be for amounts in Australian dollars and payable to 'Deputy Commissioner of Taxation'. Cheques should be crossed 'Not negotiable'. Payments cannot be made in person at any ATO site or shopfront.

PAYG tax withheld

For the QUARTER from 1 Jul 2011 to 30 Sep 2011

Total salary, wages and other payments **W1** \$ 00

Amount withheld from payments shown at W1 **W2** \$ 00

Amount withheld where no ATO is quoted **W4** \$ 00

Other amounts withheld (including any amount shown at W2 or W4) **W3** \$ 00

Total amounts withheld **W5** \$ 00
(W2 + W4 + W3)

Write the W5 amount at 4 in the Summary section below

Reason for varying (324 & T4)	Code	Obligation
Change in investments	21	PAYG only
Current business structure not continuing	22	GGT & PAYG
Significant change in trading conditions	23	GGT & PAYG
Internal business restructuring	24	GGT & PAYG
Change in legislation or product line	25	GGT & PAYG
Financial market changes	26	GGT & PAYG
Use of income tax losses	27	PAYG only

PAYG income tax instalment

For the QUARTER from 1 Jul 2011 to 30 Sep 2011

Complete Option 1 OR 2 (indicate one choice with X)

☒ **Option 1: Pay a PAYG instalment amount quarterly**

Write the T7 amount at 5A in the Summary section below
(If you're varying this amount, complete T8, T9, T4)

Estimated tax for the year **T7** \$ 5,300

Estimated tax for the year **T8** \$ 00

Variied amount payable for the quarter **T9** \$ 00

Write the T9 amount at 5A in the Summary section below

Reason code for variation **T4**

OR

☐ **Option 2: Calculate PAYG instalment using income tax rate**

PAYG instalment income **T1** \$ 00

T2 1.70 %

or

New instalment rate **T3** %

T1 x T2 (or x T3) **T11** \$ 00

Write the T11 amount at 5A in the Summary section below

Reason code for variation **T4**

We advise the PAYG income tax instalment amount to be paid. If you're not eligible for this option the message 'Not eligible for this option' will be shown.

Indicate which PAYG option you're using with an X in the appropriate option box (choose one of options 1 or 2). If you're not eligible for an option, a message 'Not eligible for this option' will be shown here.

We advise the PAYG income tax instalment rate to be paid. If you're not eligible for this option the message 'Not eligible for this option' will be shown.

Summary

Amounts you owe the ATO

GGT on sales or GGT instalment **1A** \$ 00

PAYG tax withheld **4** \$ 00

PAYG income tax instalment **5A** \$ 00

Deferred company fund instalment **7** \$ 00

1A + 4 + 5A + 7 **5A** \$ 00

Amounts the ATO owes you

GGT on purchases **1B** \$ 00

Do not complete 1B if using GGT instalment amount (Option 3)

Credit from PAYG income tax instalment variation **5B** \$ 00

1B + 5B **5B** \$ 00

This is the section where you summarise all your reporting obligations and calculate whether you're due a refund or need to pay an amount to us.

Payment or refund?

Is 5A more than 5B? ☐ Yes. Then enter the result of 5A minus 5B at 6. This amount is payable to the ATO.

☐ No. Then enter the result of 5B minus 5A at 6. This amount is refundable to you (or offset against any other tax debt you have).

6 \$ 00

Do not enter symbols such as +, -, /, %

Declaration: I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature Date / /

Return this completed form to

GST ☐ GST ☐

Estimate the time taken to complete this form. Include the time taken to collect any information.

Sign and date your activity statement and return it to the ATO by the due date at the top of the form on the front.

**PAYMENT SLIP - 60**

Michael Jones Pty Ltd

ATO code 0000 0156 03

ABN 97 999 999 999

Amount paid \$.00

EFT code 97999 999 999 2222

Australian Taxation Office
Locked Bag 1793
PENGARH NSW 1793

Your payment advice - you can use this tear-off section when making a payment to the ATO.

BAS Due Dates for Lodgement

Quarter	Due date
1 - July, August and September	28 October
2 - October, November and December	28 February
3 - January, February and March	28 April
4 - April, May and June	28 July

If you use a **registered tax agent or BAS agent**, they will be able to inform you if your activity statement lodgement will qualify for the lodgement program concessional due dates. These **concessional due dates** will only be updated online after your agent has lodged your activity statement electronically.

EMPLOYEES



- Employees of the association must receive the correct wages and payslips, superannuation contributions and leave entitlements.
- Association insurance and WorkCover payments must be kept up-to-date.
- Association PAYG tax and superannuation payments must be kept up-to-date
- Children under 11 years of age are not covered by the voluntary workers insurance held by most associations, and must not be allowed in canteen etc. It goes without saying that anyone under the age of 18 cannot work in the bar in any capacity.

Payroll


Employees

<ul style="list-style-type: none"> • Paid for time worked. • Receive paid leave (e.g. sick leave, annual leave, long service leave). • Not responsible for providing materials &/or equipment required to do their job. • Work hours set by agreement or award. 	<ul style="list-style-type: none"> • PAYG-W System applies. • Amount withheld depends on how much they are paid & the information they have provided in their TFN Declaration &/or Withholding Declaration. • ATO publishes tax tables which list amounts to withhold from weekly, fortnightly & monthly pays. • Report & Pay PAYG-W with BAS. • Must also give employee an annual PAYG-W Summary. • Must also provide annual report of PAYG-W payments. • Child Support: If deductions are required, Child Support Agency will advise requirements
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Independent Contractors

<ul style="list-style-type: none"> • Paid for results achieved. • Responsible for providing all/most of materials &/or equipment to do the job. • Provides services to general public &/or other businesses. 	<ol style="list-style-type: none"> 1. Individual contract worker with an ABN (NOT company, partnership or trust) may be able to make a voluntary agreement to bring their payments into the PAYG system.  For more information refer to <i>PAYG withholding – voluntary agreements</i> (NAT 3063). 2. Labour Hire Arrangements: Labour Hire firm withholds PAYG  For more information refer to <i>PAYG withholding and labour hire firms</i> (QC 16691).
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Volunteers

<ul style="list-style-type: none"> • There is no legal definition for “Volunteer” for tax purposes. 	<p>As a general rule:</p> <ul style="list-style-type: none"> • Volunteers do not have to pay tax on payments or benefits they receive in their capacity as volunteers; • Non-profit organisations are not liable for PAYG-W & FBT on payments they make, or benefits they provide, to volunteers <hr/>  For more information refer to <i>Volunteers and tax</i> (NAT 4612).
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Superannuation

Salary Sacrifice	Agreement between Employer & Employee where Employee agrees to forego part of their wage/salary as additional Superannuation	<ul style="list-style-type: none"> Employee pays income tax on reduced salary/wages. Salary Sacrificed Super contributions are classed as Employer Super contributions – NOT Employee contributions. This means they are taxed in the super fund under tax laws dealing specifically with this subject. Employer may be required to report certain benefits on the Employee's Payment Summary.
<div> ■ salary sacrifice arrangements, refer to Salary sacrifice arrangements for employees (QC 24632). </div>		
Superannuation Guarantee	<p>Must provide a minimum level of super support to all eligible employees.</p> <p>This is currently 9% of ordinary time earnings.</p>	<ul style="list-style-type: none"> Most employees, whether full-time, part-time or casual are covered by SG Legislation. Exceptions include: Paid less than \$450 (before tax) in any calendar month (Don't have to pay Super for that month). Aged 70 or over. Under 18 & employed for less than 30hrs/wk.

Super Quarters & Due Dates

Superannuation guarantee quarter	Due date for payment of super contributions	Due date for lodgment of statement and payment of SGC
1 July – 30 September	28 October	28 November
1 October – 31 December	28 January	28 February
1 January – 31 March	28 April	28 May
1 April – 30 June	28 July	28 August

REPORTING TO YOUR MANAGEMENT COMMITTEE

- It is vital that your organisation's finances are reviewed and analysed on a regular basis to ensure ongoing financial viability, and to assist in identifying potential areas for improvement.
- A BUDGET is an essential tool for monitoring & managing the longer term financial situation of the club. It provides a forecast for how the club thinks it will perform, and can be used to measure actual performance throughout the year.
- To ensure that all members are fully aware of the current financial situation, a **monthly Treasurer's Report** must be prepared & tabled at Committee meetings. It should include the following:
 - Bank Reconciliation Report
 - Accounts Presented for Payment Authorisation
 - Profit & Loss
 - Balance Sheet

Preparing a Budget

- It should not take you any longer than 2 or 3 weeks (part-time) to prepare your budget.
- Top Down/Bottom Up – Start with what your objectives for the next 12 months are. Then work out what resources you need to achieve those objectives.
- Examine last year's income & expenses – delete any income or expenses you won't incur this year, and amend/insert any you will incur. Always allow for increases/decreases as is appropriate.
- You can prepare the budget on a spreadsheet or use the budget tools in your accounting software. By using the budget tools in the accounting software, you can compare your actual income/expenditure to your budget on one report.

Bank Reconciliation

Bank reconciliation is a process by which you identify and explain any differences between how much cash you think you have and the amount of cash shown on your bank balance.

Bank reconciliation has two extremely important purposes:

- to verify that your accounting records are accurate; and
- to ensure that the bank has correctly credited your account with all the cash owed to you.

The reconciliation allows you to ensure that your records, and the bank's, are correct – or to find and correct any errors.

How to prepare a Bank Reconciliation

Compare your bank statement with your records

Cross check every transaction to identify any items which only appear in either the bank statement or your accounts.

Calculate your adjusted bank balance

If there are any payments you have received but which the bank has not yet processed (such as uncleared cheques), add these amounts to your bank balance.

If there are any payments which you have made but which the bank has not yet processed, deduct these amounts from your bank balance.

If you find any errors, add or deduct the amounts from your bank balance and contact the bank with details.

Calculate your adjusted cash balance

If there are any amounts which you have received but which have not yet recorded in your accounts (such as bank interest), add them to your cash balance.

If there are any amounts which have been taken from your account but which have not yet been recorded in your accounts (such as bank charges), deduct them from your cash balance.

If there are any errors, correct them and add or deduct the amounts from your cash balance.

Compare the final balances

The adjusted bank balance and the adjusted cash balance should be the same. If they don't match then you will need to check everything again. Reconciliation has only been achieved when both sets of records show the same, true cash balance.

Adjust your accounting records

If you have made any adjustments to your cash balance you will need to record these in your accounts, both in your cash ledger and in the corresponding ledger. For example, if a customer's cheque has bounced you will need to record both the decrease in your cash balance, and an increase in the amount owed to your business by that customer.

Sample Bank Reconciliation

			\$
Opening Cash Account Balance - [insert date]			
Add: Receipts			
Less: Payments			
Closing Cash Balance - [insert date]			0.00A
Closing Balance of Bank Account - [insert date] (as per bank statement)			
Add: Receipts not banked (refer detailed listing below)			
Less: Cheques written but not presented (refer detailed listing below)			
			0.00B
Difference (A-B)			0.00
			Note: 'A' must equal 'B'
List of Receipts not Banked as at [insert date]			
Item	Amount	Date banked	
Total	0.00		
List of Cheques not Presented at [insert date]			
Payee	Chq. No.	Amount	Date presented
Total		0.00	

Profit & Loss Statement (aka Income & Expenditure Statement)

A profit and loss report, also known as an income & expenditure statement (or Statement of Financial Performance), shows the profitability of your business over a specific period. It can cover any period of time, but is most commonly produced monthly, quarterly or annually.

A profit and loss report is a useful tool for monitoring business activity. For business owners, it highlights where their business is succeeding and where it is struggling.

Investors will use profit and loss reports to gauge the financial health of a potential investment, or to see what kind of return they are getting on an existing investment.

What's in a Profit & Loss Statement?

In general, your profit and loss report will be split into 2 sections:

REVENUE- details of all income from your primary business activities (i.e. sale of products and services), any revenue from secondary activities (e.g. bank interest) and any other financial gains

The most important part of the revenue section of your profit and loss report is total sales. Secondary revenue and other income can be unpredictable, so to grow your business you should focus on your primary sales revenue.

Note how much sales have risen or fallen since your previous profit and loss report.

Breaking sales figures down into individual products or product lines will help you see which products are performing well and which products need attention.

Always look to increase revenue in the period between each profit and loss report. A pattern of falling revenue shows a business in trouble.

EXPENDITURE - details of all expenditure on primary activities (e.g. material and labour costs), any secondary expenditure and any other losses during the period

The 2 main sets of figures in the expenses section of a profit and loss report are:

- cost of goods sold (i.e. cost of direct labour and any raw materials used to produce your goods or services)
- operating expenses (i.e. cost of indirect labour and any other costs not directly linked to the production of good or services).

Of course, you should look to reduce costs wherever possible. A rising figure for material costs could mean you need to find a different supplier [1], or find more efficient ways to produce your products. Bear in mind that inflation is likely to cause costs to increase across a market over a period of time, so some increase is inevitable.

Operating costs can be harder to bring down. For example, if rent increases it may not be practical to move to cheaper premises, or the move itself may cost more than the increase in rent. Labour costs can also be complicated, as you cannot usually bring down your wage bill without reducing the number of employees (which may not be possible or desirable).

You should check your profit and loss report for any sudden or unexpected spikes in costs, rather than gradual increases over time (due to factors such as inflation and annual employee pay rises).

How to calculate Profit

Using your profit and loss report, you can extract a number of important figures to explain your business's profitability:

- **Gross profit** = revenue – cost of goods sold

The difference between total sales and the cost of producing the goods or services you sell.

An indicator of overall production efficiency and a key figure for setting prices and sales targets.

- **Gross profit margin** = (gross profit ÷ revenue) x 100

Shows what proportion of gross profit you keep from each dollar of revenue generated (e.g. 20% gross profit margin means you keep a gross profit of \$0.20 for every \$1.00 of revenue generated).

- **Operating profit** = gross profit – operating expenses

Profit generated from core operations. It does not include expenses from interest or taxes (often called 'earnings before interest and tax' or EBIT).

- **Net profit** = operating profit – (taxes + interest)

Also known as the 'bottom line', net profit is the total amount earned (or lost) after paying all expenses.

Example of Profit & Loss Statement

Black Stump JRL Inc. Profit and Loss Statement For the month ending 31 May 2006	
INCOME	
Canteen	560.00
Membership Fees	360.00
Fundraising	225.00
Game Fees	65.00
Sponsorship	750.00
Government Grant	1250.00
Total Income	\$3210.00
EXPENSES	
Advertising	1200.00
Bad Debts	150.00
Electricity	280.00
Insurance	220.00
Field Maintenance	160.00
Motor Vehicle Expenses	350.00
Postage	150.00
Repairs to Clubhouse	1420.00
Referee Payments	315.00
Telephones	175.00
Trophies	620.00
Total Expenses	\$5040.00
Loss for the period	\$1830.00

Balance Sheet (aka Statement of Financial Position)

A balance sheet is a summary of all of your business assets (what the business owns) and liabilities (what the business owes). At any particular moment, it shows you how much money you would have left over if you sold all your assets and paid off all your debts (i.e. it also shows 'owner's equity').

What's in a balance sheet?

A balance sheet is also called a 'statement of financial position' because it provides a snapshot of your assets and liabilities - and therefore net worth - at a single point in time (unlike other financial statements, such as profit and loss reports, which give you information about your business over a period of time).

There are 3 different sections in a balance sheet, represented by the following formula:

Assets – liabilities = owner's equity

It is called a balance sheet because, at any given moment, each side of this equation must 'balance' out.

Balance Sheet Example

The Sport & Recreation Organisation Inc. Balance Sheet (Statement of Assets & Liabilities) For the year ending ____/____/____		
Last Year \$		This year \$
28462.31	NET ASSETS Represented by	32375.05
	ASSETS	
100.00	Petty Cash Float	100.00
3694.31	Cash at Bank	1689.35
15000.00	Deposits – Building Society	21580.25
2750.00	Furniture & Equipment	2500.00
22000.00	Minibus	19700.00
43544.31	TOTAL ASSETS	45569.60
	Less LIABILITIES	
82.00	Creditors	654.25
15000.00	Business Loan (Minibus)	12540.30
15082.00	TOTAL LIABILITIES	13194.55
28462.31	Total Assets – Total Liabilities = Net Assets	32375.05