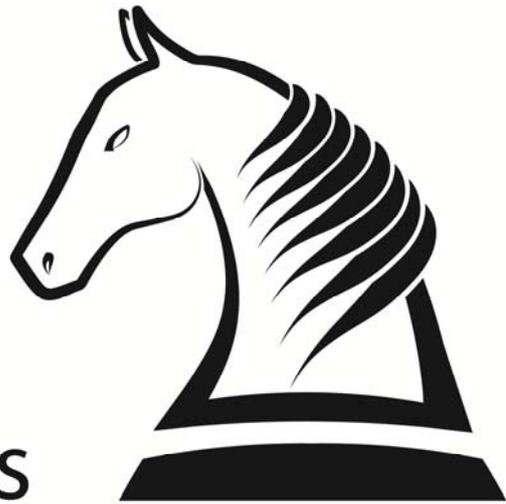


**A.I.R.C.**  
Association of  
Irish Riding Clubs



# Finance in the Club

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## Appendices (D30a/12):

- a) Treasurers Statement (Sample)
- b) Balance Sheet
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- d) Bank Reconciliation Template
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## Disclaimer

The A.I.R.C. shall not be held liable for any loss or damage whatsoever arising from the use of or reliance on the information contained in this guide.

The A.I.R.C. reserves the right to amend or withdraw the information contained in this guide.

# Introduction

This guide has been prepared to assist clubs and their appointed treasurers to ensure there are appropriate financial procedures, controls and documentation in place.

It sets out some basic controls which clubs should implement and provides some basic formats for financial statements that should be prepared annually.

It is important to note that this guide was prepared within the context of the club being affiliated to the Association and not a separate legal entity.

Regional Treasurers should find the principles set out in this document applicable to assisting in ensuring that there are appropriate financial procedures, controls and documentation in place within their region.

The Association of Irish Riding Clubs Ltd (A.I.R.C.) has a policy of being fully compliant with all tax laws and regulations.

**“To assist clubs and their appointed treasurers to ensure there are appropriate financial procedures, controls and documentation in place.”**

All payments made by A.I.R.C. affiliated Clubs must be compliant with tax requirements and will include VAT and other taxes where they should be due in accordance with tax laws and regulations.

The A.I.R.C. will not assume the tax liability for any individual.

Riding Clubs are autonomous in the control of their club funds.

# The Treasurer

The Club Treasurer has responsibility for the safe keeping of the funds of the club.

They are responsible for recording all income and expenditure and for reporting on the financial position of the club to the club's committee on an on-going basis.

It is important to note that the Treasurer does not have to be an accountant to perform this role. However they must have the ability to record all financial transactions, control expenditure, plan and assist in fundraising, and provide regular reports to the Club Committee.

The Club Treasurer must not commit the club to any expenditure for which prior approval has not been sanctioned and should also be in a position to give ample warning to the club should funds decline.

The functions and responsibilities of the Club Treasurer are outlined in policy document D22/12.

**“Recording all income and expenditure and for reporting on the financial position of the Club to the Club’s Executive Committee on an on-going basis.”**

## **Notification of Account Details**

The treasurer/secretary is responsible for notifying National Office of your Clubs bank account details.

This is to ensure any refunds due to your club are paid promptly and to the correct account.

If your club changes its bank account, you must also notify National Office of your new account details.

To notify National Office of your bank account details, use form F19/12 which is available on [www.airc.ie](http://www.airc.ie).

# Management of Club Accounts

In managing the clubs accounts, the Club Treasurer should receive and pay out money on behalf of the club, lodge all monies to the clubs bank accounts and collect all fees due to the club.

Every club is required to open and operate a bank account for the purposes of managing the clubs finances.

It is the policy of National Office to accept club issued payments (i.e. cheques) only for membership registrations and entry fees for certain events.

A bank account refers to an account with any financial institution (i.e. bank, credit union, post office, etc.).

All bank accounts must be opened on resolution of the club's committee and this includes any accounts which a sub-committee may wish to open on behalf of the club.

It is important to emphasize that all funds of the club, wherever they are held, are under the control of the club's committee and that all or part of these funds can be transferred to the club's current account at any time.

All accounts held by the club remain the responsibility of the Club Treasurer.

All bank accounts shall require a minimum of two signatures for each and every transaction or alternatively, you may allow one signatory up to €100 if deemed appropriate by the club committee. The signatories must be approved by the club's committee and at a minimum include the chairperson, secretary and treasurer.

**“All bank accounts must be opened on resolution of the Club's Committee”**

## **Operating an account**

The Club Treasurer is responsible for the clubs finances, monitoring all bank accounts and implementing controls over payments and receipts.

All accounts must be reconciled by the Club Treasurer at least quarterly (best practice would recommend monthly).

The Club Treasurer is responsible to the club's committee for preparing annual accounts and presenting these to the Annual General Meeting for approval.

While not required, a club may decide that it wishes to have an independent review of the accounts performed by an independent person or an audit performed by an accountant. Care should be taken in making a decision of this nature bearing in mind the cost of the review or audit.

## **Income and Cash Handling**

All cash receipts received must be recorded. A cash receipts record book must be maintained and best practice dictates that receipts should be provided.

The cash collected, together with the summary information, must be provided to the Club Treasurer on a timely basis. All cash should then be lodged by the Club Treasurer as soon as possible.

It is unfair on the drawer if a cheque is not presently in a timely fashion to a bank. It could cause embarrassment if delayed for several months.

If a float is required to fund a large event, details together with the accompanying receipts, must be returned to the Club Treasurer promptly at the end of the event and in advance of issuing further funds.

## **Expenditure**

Each club committee must establish clear procedure and authority levels for the committal of expenditure in the club.

The Club Treasurer must ensure that adequate records are kept of all expenditure (to enable the completion of the club's accounts). Receipts should be kept for all items of expenditure.

In order to ensure accountability, all financial transactions in the club should only take place by cheque or electronic means.

Cash payments should be avoided at all times where possible.

Single signatures, if permitted by the club committee, may be permitted on cheques up to €100. Payments above this must be signed by the Treasurer and co-signed by the Secretary or Chairman.

Alternatively, for additional security, your club may request that all payments be authorised by the Treasurer and co-signed by the Secretary or Chairman.

*Cheques should not be pre-signed under any circumstances.*

If using debit cards, the Treasurer should not be the holder of a debit card. The person who is the holder must give the transaction docket to the Treasurer at no later than monthly intervals, together with an explanation for each purchase.

The use of credit cards in clubs is not recommended.

## **Keeping Records**

It is essential to keep accurate and up-to-date records of all financial transactions in the Club.

If this isn't done, it will be very difficult to prepare the statement of accounts for the club's AGM.

The following points should be considered in order to keep accurate records:

- Make payments by cheque and retain cheque stubs.
- Avoid cash payments and try not to receive cash as payment where possible.
- Retain all bank statements and ensure that cheque numbers correspond to those on your bank statement.
- All bank statements should be forwarded to an officer other than cheque signatories for the purposes of accountability.

## **Budgeting**

All clubs should prepare a budget in order to help plan for the years activities. It is important to note that financial difficulties can occur when you least expect it.

It is the role of the Club Treasurer to initiate this budget, with the assistance of the clubs committee if required. A budget simply forecasts income and spending for the year.

**“In order to ensure accountability, all financial transactions in the club should only take place by cheque or electronic means.”**

When budgeting, project your expenses for the year first and make sure these are as realistic as possible. Allow a further 5-10% contingency to provide a buffer.

Then project your revenue for the year. You need to avoid over optimism with these figures.

For fundraising events and shows, the expected revenue to be generated from the event, together with the associated cost should also be forecast separately per event.

When preparing a budget, you should note the following:

- Identify income/trends over the past three years.
- Identify the financial needs of the club.

- Estimate income and expenditure in those areas for the year ahead.
- Make provision for expenditure in new areas.
- Initiate fund raising schemes
- Set financial targets for the club.

## Financial Statements

The Treasurer should provide club committee meetings with regular updates on the financial affairs of the club.

All meetings should have club finance on the agenda, where the current financial position of the club is outlined and discussed.

The main duty of the Club Treasurer at an AGM is to prepare and present an Annual Financial Statement and Balance Sheet.

A copy of the financial statement must be forwarded to club members prior to the meeting in accordance with the Clubs Constitution.

The accounts should be approved by the club's committee.

**“A copy of the financial statement must be forwarded to club members prior to the meeting in accordance with the Clubs Constitution.”**

The financial report presented to the AGM must include the following:

- Treasurers Statement
- Balance Sheet
- Income & Expenditure Account (to include reconciled opening and closing balances)

## Assets

The club must maintain a register of their fixed assets.

A standard template for this purpose is provided in D30a/12 to assist Clubs with this task.

**“Every asset with a purchase or replacement value in excess of €50 should be recorded on the Register.”**

The Club Treasurer and Club Secretary, working together, should compile the asset register. This is a list of all fixed assets owned by the Club.

Every asset with a purchase or replacement value in excess of €50 should be recorded on the Register.

A schedule of all items of equipment with an individual value of less than €50 may also be maintained.

The Club Secretary should assist the Club Treasurer in ensuring that the Asset Register is complete and accurate and that all assets

are maintained in good condition and their

location is known and secure.

## Fundraising

Fundraising is a key activity in all clubs and requires the help of as many people as possible.

The Club Treasurer cannot be expected to take on this role on their own but they should oversee all fundraising activities undertaken on behalf of the Club.

The Club's Executive Committee may appoint a sub-committee whose main role is to raise finance for the Club. The Club Treasurer should, ideally, be the chairperson of this committee.

For further information on fundraising, consult the Fundraising in the Club (D31/12) guide.

## Transition of Officers

Club officers can change from year to year so it is important that there is a smooth transition when this happens.

It is during this process when important records can be lost which can lead to difficulties for the newly appointed officer.

It should be noted that all accounting records are the property of the Club and not any individual who may have custody of them. This includes information contained in software packages.

**“All accounting records are the property of the Club and not any individual who may have custody of them.”**

All records must be provided to the new officer in a timely fashion to ensure an accurate picture can be maintained at all times.