

Club Accounts

Some non-profit organisation and clubs are set up for the benefit of their members and not to make a profit. A Club usually gets its income from subscriptions (From members) and fundraising. By law a club has to hold an AGM each year (Annual General Meeting). This is where the members get to see the financial statements of the club, make decisions of where the club is going and appoint the following officers

1. The chairperson
2. The Treasurer
3. The secretary

The Treasurer

They look after the club's finances and have the following responsibilities

1. Collect subscription from members
2. Make all payments for the club
3. Make all lodgements to the bank of money received by the club
4. Keep records for all receipts and payments
5. Prepare a report to be presented at the AGM
6. Advise the members of any implications of future expenditure

Accounts

The following are some of the accounts a treasurer keeps

1. Analysed Receipts and Payments book
2. Receipts and Payments account
3. Income and expenditure account
4. Statement of accumulated fund
5. Special Purpose profit and loss
6. Balance Sheet

1. Analysed Receipts and Payments book

This is used to record the day-to-day receipts and payments. It is like the analysed cash book kept by a business

2. Receipts and Payments account

This is a summary of the clubs' receipts and payments for a particular period. The following are omitted from the account resulting in a true and fair financial position of the club not being given

1. Expense and gains not given (Due and prepaid)
2. Capital and revenue expenditure isn't differentiated
3. It doesn't show if there is enough income to cover expenditure

3. Income and expenditure account

This shows the difference between the income and expenditure for a period. It shows the true financial performance of the club over a period of time - showing all profits and losses. It is similar to the Profit and Loss and only takes into account actual income so adjusted for gains and expenses

4. Statement of accumulated fund

This shows the list of assets and liabilities at the start of a year and is used to calculate the Accumulated fund (Capital)

5. Special Purpose profit and loss

Some clubs will have a bar or restaurant this account helps to calculate if a profit or loss has been made. All expenses and revenues related to the activity are accounted for here - also includes running a lotto or disco

6. Balance Sheet

This has the same layout as a business and shows the assets and liabilities of a club at the end of a financial period

Special Club Receipts

The following are some of the special receipts for clubs

1. Life Membership
2. Entrance Fees
3. Levies
4. Donations / Grants
5. Sponsorships

1. Life Membership

This is treated as a liability in the balance sheet and is written off in the income and expenditure account. It allows the member to use the facilities for life

2. Entrance Fees

These fees are treated as an income. They are joining fees and are paid in addition to subs

3. Levies

These are used for a specific purpose and is due to the members until it is used so it is a liability in the balance sheet. Unpaid levies are treated as an asset

4. Donations / Grants

These are treated as an income and entered in the income and expenditure account. Large donations, once off grants and winnings are treated as a capital receipt and entered in the balance sheet as an addition to accumulated fund

5. Sponsorships

This is an annual income and is treated as incomes in the income and expenditure account

Adjustments

1. Life Membership

Life membership at the start	x
Plus any new membership issued	<u>x</u>
Total Life Membership	x
Less amount transferred to income	<u>x</u>
	X

2. Subscriptions

Amount received during the year	x
Less Due 1/1 (Last year)	x
Add prepaid 1/1 (This year)	x
Less subs prepaid 31/12/ (Next year)	x
Add subs due 31/12 (This year)	x
Less any life membership included in the subs	x
Less any levies included in subs	<u>x</u>
	X