Sport is central to New Zealand life

Whether it’s watching a rugby match on TV, taking part in a netball tournament, or cheering for friends at a local football game – there’s no denying our country’s innate passion for team sport, recreation and physical activity.

And for decades, New Zealand sporting clubs have been at the heart of this growing and profitable ecosystem. From rugby, netball and cricket, to golf, football and tennis, sporting clubs keep us active, teach us new skills and help us connect with like-minded people. They also provide a sense of belonging, helping to bring different communities and people together from all over the country.

Sport – a New Zealand love affair

In 2014, three quarters of Kiwi adults took part in at least one sport, and almost a million New Zealanders volunteered their time to a sporting organisation, club or community (Active New Zealand survey 2014). Similarly, in 2016, a third of the nation (31 per cent) belonged to a sporting club, including two fifths (38 per cent) of all 15-24 year olds (Stats NZ).

But despite our commitment to clubs, and our passion for sporting culture, managers and committees across the country continue to face a number of key challenges – from funding shortages to lack of active volunteers.

In fact, a 2017 report by Volunteering NZ found that while the total number of volunteers has increased over the years, the total number of hours spent volunteering has fallen. The report highlights that a decline in volunteer hours is likely to put more pressure on organisations as they struggle to meet the demands of our growing sport sector.

In addition, a report by researchers at Victoria University, Financing Sport Organisations in New Zealand found the financial health of sports clubs reduced significantly between 2007 and 2009. It says despite a majority of finances being spent on players and facilities, many members lack an appreciation for the costs associated with managing such a community.

A starting point for success

For sporting clubs to be successful – and to continue to support local communities all over the country – they must be managed, promoted and taken care of properly. They also need to have their finances and tax obligations in check, and have processes in place for the future.

To help sporting clubs make the most of their finances, people and resources, MYOB has created a guide to Financial Fitness in New Zealand.

This comprehensive handbook details how to successfully operate a club in Aotearoa – from choosing the right club structure and promotion techniques, to managing finances for future growth and profitability. So, whether you’re a small community sport club with little-to-no experience, or a larger organisation with decades of history, MYOB’s guide to Financial Fitness is your starting point for success.
Choosing the right management and financial structure for your club can make all the difference to your club’s financial and legal security.

More often than not, the best structure for your club will depend on how you want it to be managed, how you wish to source funding, and how you plan to grow or decrease it in size over time.

Incorporated Society

According to the Ministry of Business, Innovation and Employment, an incorporated society is a group or organisation that has been registered under the Incorporated Societies Act 1908 and – when incorporated – is authorised by law to run its affairs as though it were an individual person.

This means that no member, manager, officer or player is personally liable for the sporting club’s legal and financial requirements or faults – such as debts and contracts.

A sporting club may choose to operate as an incorporated society because of the financial, legal and managerial benefits.

These include:

- Ability to own, lease, buy, rent and sell property in the club’s name
- Ability to agree upon and sign contracts in the club’s name
- Ability to release members, managers, officers or players from legal and financial troubles such as debts or contracts*
- Ability to sue and be sued in the club’s name.

*There are some circumstances where a single person or group of persons may be liable. For more information, visit societies.govt.nz.
Becoming an incorporated society

Before you can become an incorporated society, you must have at least 15 active members. If you qualify, you can submit a signed and witnessed application form to the Registrar of Incorporated Societies at the Ministry of Economic Development.

In your application, you must include:

- Your club name (this will become the society’s name)
- Your club’s physical address or chosen society address (this cannot be a PO Box or private bag)
- An address and contact details for communication between the society and the Registrar
- Details of the person completing the form
- The signatures of at least 15 members witnessed by at least one other person (a witness cannot be a member)
- A cheque for $100 made out to the Ministry of Economic Development.

You can also choose to provide further details about your sporting club to the Registrar, such as where you operate from (club rooms), your website/social media details and a description of your goals as a society.

Reporting Requirements

Every year, incorporated societies in New Zealand must file a copy of their annual financial statements with the Registrar of Incorporated Societies (Ministry of Economic Development). This not only complies with legal reporting obligations, but is a way to notify the Registrar of your club’s operations.

You’ll need to file your financial statement as soon as it’s been approved by your club’s members at the Annual General Meeting (AGM) or similar.

Your financial statement must include:

- Your club’s name
- The financial year the statement has been prepared for
- Your club’s income and expenses for the financial year
- Your club’s assets and liabilities at the end of the financial year
- Any mortgage, debts and securities that affect your club’s property
- An audit report (if applicable)
- A signed certificate confirming the statement has been submitted and approved by all members of your club at the AGM.
Structure

Sporting clubs generally cater to both junior and senior members, as well as social and high performance players. This means a club will often follow a two-by-two matrix:
Marketing your Club

To attract and retain reliable members, you’ll need to demonstrate what makes your club special and build exclusive partnerships with local businesses, brands and people.

Building awareness

To increase your membership numbers, treat your club like a brand or business, and work to promote it through marketing channels such as online (digital marketing) and more traditional methods of marketing such as print, direct mail and events. If you target the right people at the right time, you’ll be able to attract new members and top players to your club with ease.

Ask for help

If you’re on a limited marketing budget, ask around to see if any of your members have experience in marketing, PR, social media, journalism or graphic design. They might be able to put together a marketing committee, or teach you the basics for free.
Ways to build awareness

Build your online presence
If you haven’t already, purchase a domain name and create a website. This is the easiest way for people to find out more about your club. You’ll want to include your club’s location, key contacts, history, current members, pictures of games and club rooms as well as anything else that might set your club apart.

Social media is another easy (and free) way to promote your club. Create a Facebook page, Instagram account and LinkedIn profile and link them to share relevant content, images and videos with your members. You can also pay social media channels to promote your pages or content through ads, sponsored posts and influencer partnerships.

Brand all of your gear and club rooms
Put your logos and club colours on all of your sporting gear (like balls, uniforms, water bottles etc.) and make sure to paint your club rooms in team colours.

Use logos on all of your paperwork
Include your club emblem (or logo) on all of your financial, legal and administrative paperwork. This not only looks professional, but increases brand awareness to third party services like accountants, lawyers or city council members.

Publish a weekly newsletter
Publish and distribute a weekly online newsletter to all of your members. You can include game schedules, injuries, players to watch, special deals and even bring in some revenue from selling ad spaces to local businesses.

Partner with local businesses and city councils
Partner with local businesses and city councils and ask them to list your sporting club on their websites.

Sell your own promotional wear to members
If you have the budget, why not design, manufacture and sell promotional wear to your members and club guests? Sell branded clothing and accessories like caps, uniforms, sunglasses, water bottles, socks, beanies and jumpers.

PR and media engagement
If you have a newsworthy story, put a short press release together and email it to a local media outlet. Local journalists are always looking to report on local success stories or challenges, so try calling them directly or connecting with them on social media.

Advertising
While more expensive, paying to be featured in a newspaper, magazine, radio show or TV programme is a proven way to increase ‘brand’ awareness. Find out which publications are suitable and ask for their media kit and advertising schedule.
In a sport that is the dominant female sport and also the number one sport played in secondary schools, it’s sheer size requires all levels of the game to have strong financial plans in place.

Netball NZ Head of Commercial and New Business David Cooper says netball clubs are well aware of how they need to operate but making that a reality can at times be difficult. He says female sports also receive less funding overall than male-dominated sports.

“Female sport receives significantly less funding than male sport, and in a country where we pride ourselves on equality this should not be acceptable,” he says.

“Female sport deserves to be treated the same, so funders need to give more thought to how and where they invest their money.”

While all clubs face external challenges like volunteer and funding pressures, some clubs also struggle with volunteer turnover on management teams or committees.

“Newly established committees and managers sometimes try to change how their club operates without understanding the ‘why,’” David says. “Which can then put their club on a totally different, and potentially fatal, trajectory.”

“And this comes down to experience and management capabilities.”

David says it’s important managers prioritise tasks, delegate activities and work with the resources they have.

“Committees need to identify what their clubs need in order to be successful, and then put processes in place to achieve pre-planned, and realistic goals.”

However, aside from financial statements, record-keeping and general goal-setting, David says clubs should avoid operating like bigger-businesses.

“If you manage a club like a big business, you run the risk of taking on corporate structures and processes – losing sight of what’s important,” he says.

“Clubs run best when committee members work hard together for a common cause – fun, participation and community.”

However, David also promotes that there are some practices corporate boards follow that club committees can mirror – like running effective meetings and being financially prudent.

“Club committees should also be inclusive, diverse and represent the club’s larger membership group – just like a board represents a company’s needs, customers and other stakeholders.

“The person responsible for securing revenue on your committee must be capable and should do it on a day to day basis at some level. Make the most of people’s skillsets but don’t overload them with “other” tasks – share the load”.

Having worked in sport management roles for more than 20 years, David’s greatest advice to club managers is to be flexible – adapting to the changing landscape and societal norms.

“Change is inevitable in all walks of life, and therefore sport too needs to adapt and keep pace with a changing society.”
David’s top tips to staying financially fit

1. Have a comprehensive accounting process
   “Choose an easy-to-use accounting software and learn the basics of bookkeeping so you can manage your club’s outgoings and income with ease.”

2. Think about what you need and not what you want
   “Don’t spend money on something unless it’s going to benefit the club and your members. You need to have a spending plan and think about your club’s key outcomes. Look after your pennies and the pounds will look after themselves.”

3. Adapt to a changing society
   “Long gone are the days of only playing Saturday afternoon sport. Offer some teams a mid-week night competition, and be open to mixed teams. Foster links with secondary schools and tertiary institutions to attract players, and ditch expensive uniforms if your players can’t afford them.”

4. Make sure your members have fun and love your club
   “An energetic club positively influences people in the community – including those who might be able to provide funding or sponsorship. Remember, it’s all about having a great time doing something you love with likeminded people.”

As the Head of Commercial and New Business at Netball New Zealand, David works closely with Netball communities across the country – developing the Netball NZ brand and seeking out new opportunities for the country’s most popular women’s sport. Prior to joining Netball NZ in 2016, David was the General Manager of Domestic Cricket at NZ Cricket. He is also a board member for Auckland Golf Inc.
Fundraising

Fundraising is a way of gathering voluntary contributions (such as cash, services or goods) from external sources, such as individuals, businesses, councils and other organisations. Fundraising is a great way to secure additional funding for special projects, events, materials (like sporting gear) and buildings.

There are numerous ways to fundraise – from stalls, events and raffles to selling goods like chocolates or cookies door to door.

Raising Funds

While club subscriptions and membership fees are vitally important, they only provide a small portion of the revenue needed to successfully operate a profitable sporting club. For a healthy cash flow – and a greater experience for your members – it’s crucial to source supplementary funding from fundraisers, sponsorships and grants.
Do

Have a plan
Always prepare your fundraising event or scheme well in advance, and outline any problems you may encounter before, during and after the fundraiser. It’s important to mitigate risk by solving potential problems before they occur, and having back up plans in case something goes wrong – like preparing an indoor space if it is expected to rain during your outdoor event.

Set up a fundraising page online
Online fundraising pages make it really easy for people to find out more about your club or fundraising goal, and provides an easy way for people to donate via credit card.

Use social media
Use your community Facebook page or Instagram account to promote your upcoming fundraiser or to share web links to your online fundraising page. It’s also a great way to share any updates with your members – such as how much has been raised and how much more is needed to achieve the end goal.

Get permission from third parties
If you’re going to use third party logos, products or services to promote your fundraiser, always receive written permission from the appropriate person and outline both your own and their expectations.

Ask for free products/services instead of a donation
If you’re hosting a trivia night, dance, or dinner, why not see if a caterer, supplier or musician will provide their services for free (or at a discounted rate) instead of contributing cash.

Tell people how much to contribute
Sometimes people like to know exactly how much to donate so that they’re not contributing too much or too little.

Use your contacts and wider sporting network
Reach out to all of your contacts and ask your club members if they have any contacts who can help or contribute something to your fundraiser. Perhaps you know a baker who is willing to donate their sweet treats for a door-to-door sales fundraiser.

Appoint a coordinator or committee
Ask for help from members, parents or players to manage your fundraiser instead. There might be someone with an events management background, or someone who has more time on their hands because they work part-time.

Say thank you
Always thank everyone and every business who donated, helped or provided services. You can do this in writing, on social media or in person.
Don’t

Be afraid to ask for help
Fundraising takes a lot of time and hard-work, so don’t be afraid to ask for help when you need it – people with a vested interest in your club will be more than happy to chip in when they can.

Be afraid to follow up
If you’ve sent an email, shared a Facebook post, or left a voicemail, don’t be afraid to follow up. It’s better to hear a definitive ‘no’ than to not know at all.

Leave it to the last minute
Never leave it to the last minute. If you’re holding a fundraising event, there’s a lot to organise, and caterers, suppliers and volunteers prefer to be notified well in-advance.

Use the same volunteers
Don’t always rely on the same people to help you with a fundraising event or programme. Ask around for fresh faces to engage with different people.

Use similar fundraising styles repeatedly
Don’t repeat the same fundraiser more than once in a single season, and always ask for feedback so you know what not to do again.

Make it all about the money
While it’s important to raise funds, you don’t want to make your fundraiser all about the money. If your only concern is revenue, you might deter people from wanting to be involved and lose their donation.
Sponsorships

Sponsorship is slightly different to fundraising, in that a sponsor supports an organisation (financially or otherwise) through the provision of products or services. They also receive marketing opportunities and associations with the club in return for their support – such as logos on club rooms, sporting gear or sportswear.

Sponsors can add real value to your club and can help promote your ‘brand’ to a wider audience. If you can successfully secure a long-term sponsor, you’ll not only have more time on your hands, but you’ll have more money in your pockets to work on what matters most – club sport.

Types of sponsorships

There are different types of sponsorships and financial support agreements, including, cash, in-kind, media and promotional.

Cash sponsorships

This is the most common sponsorship and is fairly straightforward. A business, organisation or individual provides funding in return for logo placements on your team uniforms, club rooms and other gear.

In-kind sponsorships

When a company provides products or services in return for logo placements, this is called an in-kind sponsorship. In-kind sponsorships are commonly used for events – for example, a catering company providing free food in exchange for being the events primary sponsor.

Media sponsorships

A media sponsorship is when a media organisation – such as a newspaper, magazine, TV show or online publication – sponsors one of your events. They also might offer to cover any newsworthy stories in their publications throughout the season.

Promotional partners

Promotional partners are often individual people who choose to promote your club on their own social media accounts or in the media, for example digital influencers or members of government.
Securing a sponsorship

To secure a sponsorship, follow these 6 key steps:

Utilise your network
Before you reach out to external parties, ask your members and their families to find out if they know any local businesses or people with an interest in local sporting clubs. They might be able to introduce you to them, or set up the sponsorship on your behalf.

Prepare a proposal
Prepare a brief proposal outlining what you’re looking for, what you expect from the relationship and what you can offer them in return. You should also take this opportunity to outline your club’s values to see if they align with theirs.

Talk to the right people
Make sure you’re building a relationship with the right sponsor representative. You want to be speaking with a General Manager, Finance Director or Marketing Manager. There’s no point liaising with someone who can’t sign-off on your agreement.

Demonstrate the value they’ll receive
This is the most important step when securing a sponsorship. If a business can’t see value in the relationship – or a return on their investment – they’re not going to become a sponsor. To demonstrate the value they’ll receive, make a list of the benefits you’re offering, explain the demographic of your players and community, and the likely reach of their promotional material. If necessary, you can also show them where their logos will sit on your team shirts and jerseys. You’ll have more luck if you can show them something visual or tangible.

Get the price right
To price the sponsorship, you need to put a value on the benefits you’re offering them. How much is a logo on your club uniform worth? How much is a logo on every social media picture worth? Determine how many people are likely to see their logo throughout the season and put a price on it.

Maintain a good relationship
Maintain a professional relationship with your sponsors, even if you or they decide to terminate the agreement. You never know when you might need to use their services again in the future.
What to include in a sponsorship contract

The parties
Include all of the necessary information about both parties, such as name, address and relevant contact details.

Sponsorship term and renewal
Outline the length of the sponsorship – fixed term, one-off payment or recurring. If it is to be renewed next season, make sure you include details about the renewal process and expectations – including any provisions to renegotiate the value of the arrangement.

Sponsorship payments and fees
Clearly state all payments and anticipated fees, and outline the payment process and deadline. If payments are recurring, put together a timeline.

Sponsor benefits
Summarise the benefits you’re offering the sponsor and outline where their money is going to be spent if they ask.

Exclusivity
Determine if they’re going to be your only sponsor, or if they’re happy for you to take on additional sponsors. Make sure you understand whether they have any competitors in the market they absolutely won’t want you to form an arrangement with.

Termination
Explain how, when and why the agreement might be terminated in the future, and determine what the termination process will be.

Intellectual property
Include Intellectual Property clauses to ensure your branding and club name isn’t used in a negative light or used without permission. Also, include intellectual property rights – when, where, how and why your branding and other IP can be used.

Liability and indemnity
Outline how each party is liable for death, personal injury or loss of income/profits. Also, make sure your sponsor agrees to purchasing public liability insurance (hint: you should already have this).

Grants
Grants are cash funds donated by government agencies, charity organisations or voluntary groups for a particular purpose – such as community growth and development and social justice. In most circumstances, you will need to apply and qualify for a grant.

Doing it together
You can also save money by working with other clubs and community centres. Perhaps you can lease your club rooms, courts or fields to source revenue when you’re not using them. Or, share your facilities with another club to split the expenses in half.
When setting subscription prices, it’s important to consider the size of your club, the quality of your facilities and the amount of cash you’re likely to spend throughout the season.

In New Zealand, subscriptions range in price from $60 to $200 a season, so finding your club’s sweet spot can be fairly difficult. While you want to provide the best membership experience, you also don’t want to overcharge your players.
Getting the price right

Compare with other clubs
Ask around to see what other sporting clubs are charging. You’ll want to charge a similar amount to the clubs in your area – unless you’re offering something different.

Determine your budget
Put a budget together to determine how much money you’ll need throughout the season. Then estimate how much you’re likely to raise from fundraising and sponsorships. The remaining amount will give you a rough indication of how much to charge your players.

Put a value on membership benefits
Determine how much you think your facilities and club benefits are worth. If you have brand-new facilities or you host multiple quality events for free, then you might be able to charge your players a little bit more.

Survey your members
If all else fails, simply ask your members and players how much they’d be willing to spend on a club subscription.

Should I increase sub prices or fundraise?
This decision will depend on your club’s financial situation and long-term goals.

While fundraising can be time-consuming, it enables you to source more money from a larger pool of people and local businesses. Fundraising can also bring your community together through events like trivia nights, movie nights and dinners.

However, if you’d prefer to increase your prices, be sure to show your members where the extra funding will be spent – will you be renovating the club rooms, purchasing new gear or relaying the turf? Your members will be happy to pay more if they know where their money’s going long-term.

Special offers and discounts
Offering discounts and special deals shows your members you value their commitment and loyalty to the club. And it can help you incentivise early payment – so you’re not spending the whole season chasing subs. It’s also a great way to attract new players and families to your club pre-season.

Family discounts
Provide a discount to family members who become members after the initial family member joins the club.

Early payment discount
Provide a discount to any members who pay in full prior to the due date.

Multi-year subscription discount
Offer a discounted rate to those wanting a two-or-more year membership.

Long-time member
Provide incremental discounts to anyone who has been a member for more than five years.
New Zealand Cricket board director and former White Fern Ingrid Cronin-Knight says today’s club managers face three key challenges: lack of time, lack of skills, and a waning interest from the public.

“Ingrid says today’s sporting clubs also struggle to compete with indoor activities like e-gaming and computers.

“There’s certainly been a decline in the number of kids – and adults – playing sports like rugby and netball, and this impacts a manager’s ability to run a club successfully and stay financially fit.”

However, Ingrid says high profile events like World Cups boost people’s interest in sport, helping local clubs attract members, families and high-performance players when they need them most.

“In 2016, following the 2015 Cricket World Cup, my club grew by 25 per cent. But prior to that, numbers were certainly declining.”

She says some traditional sports, like cricket, also have to address public perception issues because Kiwis see them as ‘stale, pale and white.’

“However, we’re creating ways to change people’s perceptions about cricket. For example some clubs are shortening the game for their younger players, while others are promoting the social side of joining a sports community.”

According to the former White Fern, facilities – particularly modern club rooms and open spaces – are hard to come by in growing areas like Auckland.

“A lot of sporting clubs have to share – or fight over – the green spaces they have at their disposal.”

“And councils only have a limited amount of money to invest in these facilities – so with declining numbers it’s becoming a major issue.”

If you’re a club manager, Ingrid recommends delegating the workload, and suggests asking different groups of people for help when and where you can.

“If you rely on the same people every time, they’ll lose interest, or think the workload is too much on top of their personal lives,” she says.

“So you need to implement sustainable systems and processes, and train groups of different people. Without a comprehensive manual and a capable management team, clubs often fail – and run out money, resources and people – fairly rapidly.”
Ingrid’s top tips to staying financially fit

1. Build a reserves base that will see you through the bad times
   “You don’t want to rely on sub payments, grants and sponsors to see you through the year. You need to ensure you have enough cash to pay your salaries at the very least.”

2. Have a specific person who focuses on grant applications and sponsorships
   “It’s best if local businesses, community groups and government agencies deal with one person from your club at a time. This way they can get to know them, and your club can establish valuable relationships.”

3. Be very clear about your pay to play policy
   “If someone hasn’t paid their sub fee, they shouldn’t be allowed to play – no matter how good they are. If you delay sub collections, you’ll find it twice as difficult to receive them later on too. However, you should have a hardship policy for rare cases – offering reduced sub prices or payment plans to members who need it.”

4. Never forget your purpose is to serve the local community
   “You’re there to support the local community and promote sport in New Zealand – not to make money or a profit.”

5. Assess your coaching structures
   “Make sure you manage your payroll and compliance obligations for coaching as it can be an area of a cash economy. If you’ve got a high performance coach, what are their KPIs? What does their contract look like?”

Before joining the board of directors at New Zealand Cricket in November 2016, Ingrid Cronin-Knight played for the White Ferns – the New Zealand women’s national cricket team. She was also a member of the board at her local cricket club. As a dedicated member of the New Zealand cricket community, Ingrid knows a thing or two about managing a sports club – and has extensive experience promoting sport across the country. Ingrid is also the NZ Head of Clients & Partners at MYOB.
Managing club finances

From cash flow forecasting and invoicing, to sub payments and reporting – how you prepare and manage your finances can make an enormous difference to the success of your club and how it operates.

Forecasting

Forecasting, or cash flow forecasting, is a financial plan that projects your club’s income and expenses/outgoings over a particular period of time – for example, a week, month or year.

While it’s possible to forecast using a spreadsheet, it’s best to use accounting software like MYOB Essentials to ensure greater accuracy and better results.

Why forecast?

Forecasting is a good way to look at your organisation’s future, reducing risk and highlighting any areas where you may need to address issues – before they arise. It might highlight where you’re short on cash, or where you could make vital changes to create more working capital.

Four reasons to forecast:

To avoid financial trouble

To plan for the future

To meet your tax obligations on time

To benchmark performance.
Preparing your forecast

It’s reasonably straightforward to prepare a cash flow forecast if your club has been operating for more than a year, because you’ll have access to the previous year’s cash movements to predict what costs you’re likely to incur throughout the season.

If you make use of a good accounting software product like MYOB Essentials, budgeting is a piece of cake. MYOB groups all of your income and costs together in expense categories and can produce a report showing all of your receipts and payments on a monthly basis from prior years.

Predicting expenses and income

Overheads are usually straightforward to predict. Outgoings or expenses include capital expenditure, drawings, GST and income tax.

However, predicting income or sales can be a little trickier. Will these be the same as last year? Have you increased your sub prices? Are you planning a discount? Do you have more players or less? It’s important to remember that income is more than the payments received from players and sponsors, it also includes bank loans, interest on savings and cash from fundraising.

Reading the forecast

So, you’ve taken the plunge and prepared the cash flow forecast, and to your horror you find it’s not looking good because half way through the season you have a cash deficit of $10,000. What could this be telling you?

Do you need to make improvements? Can you cut costs where possible? Increase pricing? Or look into another fundraising strategy?

Do you need more players? Do you need to increase your marketing efforts?

Are your drawings too high? Do you really need all of that new (and expensive) gear?
Invoicing – best practice

An invoice is a document that outlines a transaction. It’s used to bill a customer, client or person for the goods or services you provided them. Invoices are also kept as records of transactions, which can be used to keep track of club revenue.

What to include in an invoice

To ensure they’re legally valid, you must include the following things on an invoice:

- The words Tax Invoice (preferably at the top of the invoice and only if you’re GST registered)
- Your identity as the seller. This will be your club name and should include your club’s contact details
- The name and address of the recipient
- The date the tax invoice was created
- A brief description of the items sold, including quantity and price
- The GST amount (if any) payable. You can display GST for each item in a separate column, or within the total price. If you choose not to display it separately, use a statement such as ‘Total includes GST’
- The extent to which each item sold includes GST. You’ll meet this requirement if you either:
  - Show the GST amount for each item
  - Clearly state that the total price includes GST.

Filing and tracking invoices

Invoices play an important role in keeping good financial records. This is because they tell you the story of your cash flow – helping you to understand when money is coming in and where it’s coming from. This will help you outline potential financial challenges and opportunities.

Pro Tips

As well as including the mandatory elements, there are three things you should do to make sure your invoices look professional:

- **Be specific**
  It’s tempting to keep your invoices as brief as possible, but be specific when outlining what you’re charging customers, other clubs or players for.

- **Track your time**
  Time is money, so keep track of it. Time tracking will help you learn how long it takes to do a certain task, which will help you work out your costs – making your invoices more transparent.

- **Consider your club branding**
  When it comes to invoice design, simple and legible designs tend to work best. Think about including your branding or club logo on your invoices. You could even design your invoices using your team colours.
Subscriptions
New Zealand sporting clubs rely on players and other community members to pay membership fees or subscriptions each and every season. While there are other ways to source funding for club activities and events, the steady stream of cash provided by sub payments is often a good place to start and is crucial to a club’s overall financial health.

Getting subs paid on time
Without subs, sourcing revenue can be difficult, time consuming and stressful for club managers and treasurers. However, the task of collecting sub payments is equally taxing – especially if you’re the one left chasing players all season. To get your subs paid on time and in full, plan ahead, communicate on and offline and make paying subs as easy as possible with online software.

Pro Tips

Use social media and email
Email your players well in advance to remind them that subs are due before the first game of the season. You should also use social media to communicate with members – whether it be public posts on Facebook, or a direct message.

Provide incentives
Provide your players with an incentive to pay on time and in full. Perhaps you can offer them a discount if they pay prior to launch day, or set a rule stating payments must be made before they can play.

Make paying subs as easy as possible
You’ll have more luck receiving payments if you make the payment process quick, easy and straightforward. Use online payment tools like Sporty from Sportsground and provide your players with a step-by-step user guide.
Understanding financial reports

Financial reports collect all of the important information about your financial health and operational activity. They provide valuable insights about your financial performance, reducing your expenses and saving you money.

Profit and Loss Reports
A profit and loss report makes it easy to review financial performance. You can see what’s contributing the most to your bottom line, and the areas of your business that could be performing better.

Reading a Profit and Loss Report
Sales
The first line is always your Sales, excluding GST. It’s the only place to start, because if you don’t have sales, you don’t have a profitable club.

Costs of Goods Sold
This is where you will have recorded all purchases related to producing sales. Don’t include things like electricity here, because that’s an overhead and needs to be paid regardless of whether you sell anything or not.

Controllable expenses
Expenses are the things that you have control over and can manage. This is where the real difference between a profit and a loss occurs. You’ll need to record things such as labour, maintenance and repairs, electricity, telephone and communication costs and any other outgoings.

Operating Costs
Operating Costs are the costs needed to run a club. This includes expenses such as rent, royalties, marketing, accounting and insurance.

Using Profit and Loss Reports to improve your club
Every time you print a Profit and Loss report, print a column of percentages beside each expense line. This figure is a percentage of sales. This percentage figure becomes your Key Performance Indicator (or KPI) – which is something you can improve each and every day throughout the season.
Balance sheets

A balance sheet is a detailed list of assets, liabilities (or money owed by the club), and the value of the shareholders’ equity (or net worth of the club) at a specific point in time. Assets are anything of value owned by the club, liabilities are debts owed to outside creditors or other parties, and shareholder’s equity is the amount owed to the club.

Why balance sheets are important

The balance sheet provides a picture of the financial health of a club at a given moment in time – usually the end of a month, season or financial year. It can tell you if you owe more money than you currently have, the current value of your assets and the overall value of your club.

More importantly, if you familiarise yourself with using financial ratios, the balance sheet can provide warning signs so you can solve any problems before they impact your club.
Managing the accounts and payroll with MYOB Essentials

Organising your accounts is easy with MYOB Essentials. From managing payroll and expenses, to handling invoices and creating financial reports.
Online invoicing
Essentials allows you to email online versions of your invoices, as well as track their activity without leaving your software.

**Keep track of your invoices**
In just a few clicks you can see in real-time when an invoice is opened, viewed and paid giving greater insight and better control of your cash flow.

**Flexibility – invoice anywhere, anytime**
Mobile invoicing gives you the ultimate flexibility and convenience. Our invoicing app puts the power in the palm of your hand.

**Invoicing is easier online**
Easy online invoicing lets you store everything in one location, securely in the cloud – access anything in a few clicks.

**Viewing invoices**
The Invoices page lists all of your invoices, providing their number, customer name, issue date, due date, amount total and amount due. Each invoice will also have a status, such as paid, not paid, overdue or return.

**Creating an invoice**
You can create an invoice from the Sales menu or the Invoices page by clicking Create Invoice.

**Copying an invoice**
If you regularly create invoices that are very similar to each other – for example, a recurring subscription from one of your clubs or members – you don’t need to enter it from scratch. Instead, you can simply copy an existing invoice.
Managing Expenses

The **Purchases** area is where you’ll record any purchases you make. When you make a payment, you can match it directly to the original purchase, simplifying the way you manage what you’re spending.

**Record a purchase**

**MYOB Essentials** can help you keep track of what you’ve bought and when a particular payment is due. You’ll do this by entering each purchase as a bill.

If you have an electronic copy of a bill, you can add it to your In Tray. Essentials will identify key information in the file (such as supplier, date and amount) and auto-fill what it can. All you need to do is check the details, fill in the gaps, and add any extra information.

**Make a payment**

You’ve recorded a bill and made use of the available credit terms – now the payment is due. If you’ve set up your bank feeds, you can match your bank transactions directly to your bills. If not, you can also record the payment yourself, and Essentials will mark the bill as paid.

**Overpaid a bill?**

Simply record the amount you actually paid, and a supplier return will be created for the overpaid amount. When the overpayment is settled, record the refund or apply it to another unpaid bill.

**Review your purchases**

To see who you’ve been paying and how much you’ve paid them, simply review your purchase history. For greater detail, you can filter your purchases by date or supplier. Essentials will show you what kind of purchase you made too, or if it’s a return that needs to be dealt with.

**Made a mistake?**

There will be times when you need to return goods to a supplier, change the details of a purchase or delete something entered incorrectly. With **MYOB Essentials**, you can view all your bills from the Bills page, and edit or delete them as you go.
Banking

The Banking area is where you’ll manage the transactions related to your bank accounts. This includes money you spend and receive, as well as payments made to suppliers and clubs or members.

Bank Feeds and Bank Statements
The best way to work with bank transactions is to import them automatically using Bank Feeds. Once you’ve set your Bank Feeds up, Essentials will securely import your transactions directly from your bank, so you don’t have to.

Match and allocate your bank transactions
Once you’ve imported your bank transactions, all you need to do is tell MYOB Essentials what to do with them. If a bank transaction is a payment for an invoice or bill, just match it to that invoice or bill.

Reviewing your transactions
Use your Transaction History to see all your bank transactions, including Spend Money, Receive Money and Transfer Funds transactions, as well as payments made by customers and to suppliers.
Payroll

The Payroll area is where you pay employees and team members, and will help you keep track of their payroll information.

Adding employees
To add an employee, you’ll first need their personal, tax and pay information, so ask them to complete and return the IRD’s Tax Code Declaration form.

Pay your team
Once you’ve entered your employees’ information and completed the payroll setup, you can start doing pay-runs. The Pay Centre is the place to set up and manage this. MYOB Essentials makes it really easy by letting you fine tune other details, such as entering leave, splitting pay between accounts as well as earnings and deductions like overtime or commission.

Review Payroll
After you’ve paid your employees or team members, you can use MYOB Essentials to review your payroll with reports and past payslips. Keep track of how much you’re paying your employees and how much you need to pay to Inland Revenue, or re-print a payslip from previous pay-runs – it’s that easy.

KiwiSaver
Using MYOB Essentials, you can keep track of how much KiwiSaver you need to pay. After you’ve set up your employees, these amounts will be calculated for you.

PAYE Reporting
To help you with your PAYE obligations, you can download the reports you need straight from MYOB Essentials. These reports can be used to lodge your monthly IR returns online using the IRD’s ir-File web portal.

PayAgent
PayAgent can help you take the hassle out of compliance by taking care of employee wages – MYOB gets them paid for you, PAYE deductions and IR reporting – we’ll look after all your IR reporting for you. This means less paperwork and time spent on compliance, and more time put back into your club.
Financial Reporting

The **Reports** area allows you to create detailed reports about any area of your sports club. You can use these reports to gain valuable insight into budget management, banking transactions, IR monthly returns and supplier payments.

**Producing Reports**
You can view these reports or produce digital and hard copies. Depending on the type of report you create, you’ll be able to specify the details you want, such as a range of dates or contact types.

**Manage your club**
When you want to get a broader overview of your club or sports centre, you’ll use the Business Reports such as Trial Balance, Profit & Loss and Balance Sheet. Try generating a balance sheet of your assets, liabilities and equity accounts or getting a summary of your club performance using a profit & loss report.

**Employees and pay**
View all the details about your employees using Payroll Reports. With these, you can see a summary of your total payroll for the year to date, or break it down to each past pay-run.

**Income and expenses**
Want to find out where your money is coming from? Take a look at the available Sales Reports. From here, you can see which of your clubs or ‘customers’ spends the most. On the other hand, you can also find out who takes the longest to pay you – or who hasn’t paid you yet at all.

You can invite an accounting advisor to become a registered user of MYOB Essentials at any time. An accounting advisor should be your accountant or any other person that you may want to help with your club.
Sport Canterbury Chief Executive Julyan Falloon says local sporting clubs must adapt to New Zealand’s changing society, and where they can, utilise technology to attract members, quality coaches and sponsorships.

“Clubs are incredibly fragile – especially from a volunteer and leadership perspective,” Julyan says. “To bring in quality people, trusted administrators and dedicated members, managers need to be creative and think outside of the box – using technology to improve the services they offer.”

Julyan says in some cases sport has been resisting technology for too long, but should be using modern devices and software to improve internal processes and increase the unique value of sport membership.

“Technology is constantly evolving – so sport, and the clubs that facilitate those sports, should be too. It’s about embracing change to build a sustainable future.”

He says people’s participation needs and expectations have also changed. Today, players, parents and other members expect to access club and game information online.

“And this is where technology can help to improve membership experience – from how a parent registers their child, to how a player finds out where they’re playing each week.”

Julyan says multiculturalism and gender diversity will also play a role in the future of sport in Aotearoa.

“Modern New Zealand is very cosmopolitan and inclusive,” he says. “So going forward, clubs will need to adapt and modify the sporting product to meet the needs of a new and diverse demographic.”

And this is something Julyan believes is crucial to building a sustainable and profitable club.

“To be successful, a club needs to be at the heart of its community. But it can’t do that if it doesn’t cater to the needs of its people.”

“It’s about finding new ways to experience traditional sports, and offering different opportunities to those not interested in traditional sports,” he says.

It’s also important for managers to be proactive in their leadership approach, and for committee members to build professional relationships in and out of the club rooms.

“This includes everything from club-school relationships, and coach-player relationships, to manager-volunteer relationships as well as committee-sponsor relationships,” Julyan says.

“At the end of the day, it really comes down to the individual club and its ability to implement technology, embrace change, and build strategic partnerships that support it financially.”
Julyan’s top tips to staying financially fit

1. Think of your members
   “Make sure you’re delivering what your members want. If you can create a unique and enjoyable experience your members love, you will grow.”

2. Diversify your funding
   “Don’t rely on membership fees alone to see you through the season. Be creative and think of other ways to bring in resources – like leasing your club rooms.”

3. Be collaborative
   “Work with other clubs and community groups to cut costs and improve efficiency. Share the infrastructure, facilities, and maintenance costs too. If it’s possible, merge to create one large club.”

4. Use technology
   “Sport won’t survive if we don’t innovate and use technology to engage with our participants. We need to be using it to our advantage, and evolve to the changes around us.”

Following seven years as Sport Canterbury’s general manager, Julyan Falloon was appointed chief executive of the organisation in 2013. He oversees the regional sport trust and works to promote Sport Canterbury’s vision of more people, more active, more often. He holds a Bachelor of Education from the University of Canterbury where he specialised in Physical Education, and also holds a Postgraduate Diploma in Sport Management from Massey University.
Amateur sports clubs set up as societies, trusts or associations in New Zealand are exempt from income tax. However, if your club’s income is used to benefit an owner, member/s, beneficiaries or associates you will still need to pay tax.

For more information about tax, head to www.ird.govt.nz

Tax Exemptions

Sporting clubs set up as societies are not automatically exempt from income tax and must request an exemption through the IRD.

Applying for a tax exemption

Before you can apply for a tax exemption you’ll need a resident non-individual IRD number. Once you have the appropriate IRD number, Inland Revenue will ask for the following:

- A copy of your club rules, constitution, trust deed or other founding documents like your incorporated society application form
- A copy of your club’s certificate of incorporation
- A written request/letter asking for the type of exemption
- Other details about how the club operates.

If your exemption request is denied, you might be able to qualify for a deduction from your club’s net income – worth up to $1000 a year.

Profit-making clubs

If your club makes a profit, you won’t be able to apply for a tax exemption and you’ll need to file a clubs or societies income tax return each financial year. Clubs that are not incorporated will be taxed at the individual income tax rate, while incorporated societies will be taxed at the company tax rate.

Residents withholding tax (RWT)

Like your personal bank accounts, the government will tax any interest earned on savings accounts. To make sure you’re taxed at the correct rate, you’ll need to supply your IRD number to your bank before interest is paid.
Essential for your Club’s success

At MYOB we know that achieving success takes lots of hard work, careful planning and hours of dedication, whether it’s on the sports field or in business. The easiest way to keep all your club’s business needs covered is with MYOB Essentials. Take up our special offer and take care of GST, invoices, reporting, expenses and payroll for your club.

Exclusive offer for Clubs*

Essential for Club Success
MYOB Essentials for $10 ex GST p/m for the first 12 months (RRP from $30 ex GST p/m)

Try for free

*Terms and Conditions apply. Visit myob.co.nz/clubsuccess to learn more.
In New Zealand, it’s necessary for every organisation – from small businesses and not-for-profits to local sports clubs and communities – to plan for the future. Whether you’re forecasting next season’s finances, putting together a succession plan, or simply finding ways to retain members, planning for the future is crucial to both your club’s short and long-term success.
Retaining your members

It’s impossible to operate a sports club without members, players, families and friends, so keeping them engaged, entertained and loyal season after season, game after game, is absolutely crucial.

Pro Tips to keep your members

Find out why
First find out why your members joined in the first place, then tailor your membership strategy to their individual preferences. Did they join to make friends? To socialise with like-minded people? To get fit? To stay in the sporting loop? Everyone is different, and keep in mind that it’s not always about the sport.

Make it easy
Make it really easy for people to find out more about your club, and to contact you. Promote your club wherever and whenever you can, and be sure to target the right people. Remember to use social media, a website, and other marketing tools like flyer drop offs and invitations to prior members.

Keep things flexible
Keep in mind that your members have other commitments outside of your club. Keeping things flexible allows them to meet their work, family and social obligations as well as the clubs. Make sure training sessions, events and club meetings are held at appropriate times to maximise their engagement.

Get the price right
At the end of the day, your membership fees need to be affordable. If you’re charging too much, you’re likely to lose members to other clubs.

Keep the calendar full
People join clubs for a number of different reasons – one being the social life that comes with playing a team sport. To keep your members engaged and entertained, ensure your calendar is full of events, training sessions, meetings, fundraisers and other social opportunities.

Provide leadership opportunities
People who get involved in club leadership often encourage others to get involved too. You want your members to feel valued – and they want to feel like they’re making a difference – so provide different leadership opportunities and always ask for their feedback.
Budgeting and revenue forecasting

Proper financial planning prevents poor performance and ensures management processes are taken seriously. While you might not see all the benefits of revenue forecasting today, you’ll thank yourself a year, two years – or even 10 years down the track.

Financial forecasting
Looking deep into the data of your accounting software will allow you to forecast the future financial performance of your club – especially if you meet certain key performance indicators (KPIs).
Continuous monitoring of these KPIs gives you peace of mind that your club is on track to realising the profit you need to grow or save for the future.
To accurately forecast the financial performance of your club, you need to analyse your financial performance to date to identify profit margins and fine-tune your pricing structure.

Cash flow forecasting
Cash flow forecasting is essential for every sports club and is easy to do. Running the Statement of Cash Flow report is a simple and quick way to see how your bank balance will look next week, next month – or even next year.
It takes all your entered supplier invoices with their due date, along with your sales invoices and the dates they are due. It also inputs your regular monthly payments such as loan repayments and puts them all nicely into a report that will show you the peaks and troughs you are likely to experience in your bank account.
Knowing where the shortfalls will be in advance is particularly helpful for you to manage your club and run fundraisers and other promotions to coincide with these troughs to boost your cash flow.

Budget forecasting
Budgeting is the most common form of forecasting. Using last year’s Profit and Loss Report to plan for the coming year is the tried and true way of creating a budget.

Long-term budgeting is a great way to plan for the future and stay on track too – especially if your club only operates for a few months a year.
Succession planning

Succession planning identifies and develops successors – whether they be club managers, coaches, treasurers or volunteers – before an existing member leaves or chooses to retire.

A comprehensive succession plan also outlines the necessary skills and expertise needed for growth, and puts simple processes in place to train the right people before it’s too late.

Step by step:

**Examine your current situation**
Take a look at your current team to understand what everyone brings to the organisation and identify those likely to leave your club in the near to immediate future. How will their absence impact the club? How long will it take to replace them? Can they be replaced?

**Identify the missing skills**
Take a look at what skills your club needs to grow over the next few years – is there a new role you need to create to maximise efficiency, or is there a missing skill you can teach an existing team member to save money?

**Identify potential replacements**
Before sourcing talent from elsewhere, look internally and identify the players, members or volunteers who are ready to take on a new challenge. Start the succession planning conversation early on and let them know their skills are valued.

**Plan the handover period**
Allocate time for predecessors to teach their skills to successors, and determine how the handover process will operate. Will there be a transitional period or will it be a one-off meeting? Will the departing manager be on call?

Planning for the future prepares your club for tomorrow’s challenges and outlines opportunities for success.
Additional information

You can use the following resources to find out more about sporting clubs in New Zealand, as well as their financial requirements and tax obligations.

**Sport New Zealand**

**Inland Revenue**

**Sport$pay**

**Sporty**

**MYOB Support**

**Online**

We have an extensive range of support notes that can help you, from setting up to troubleshooting. Visit myob.com/nz/support/essentials to find out more.

**My Academy**

Get the most out of your MYOB Essentials with our extensive catalogue of MYOB Courses at myacademy.myob.com

**Feel like talking?**

Give MYOB a call on 0508 328 283

**MYOB Partners**

Our specialised advisors give you the right tools and knowledge to simplify your club needs and help you stay one step ahead. Find a partner near you [here](#).

To find out more about MYOB head to our website.

For financial information, tips and advice, visit an accountant or financial advisor in your area. They’ll be able to recommend what’s best for your sport club and financial situation.