



Management of Club Finances

Editor, let me congratulate the Eastern Caribbean Central Bank (ECCB), for again recognizing the month of October as “Financial Information Month” especially in light of all the global financial problems confronting us daily.

As a member of the current Executive of the St Vincent and the Grenadines Football Federation the timing of the information on financial literacy is very timely, since we are in the process of restructuring the sport of football in St Vincent and the Grenadines of which, a critical part is focusing on the professionalisation of clubs. One imperative is to encourage the effective management of club finances as a critical function in professionalising its operation.

It is important for clubs to be properly structured and legally registered. Within this structure there should be a constitution with specific clauses dealing with all financial matters of the club. Transparency and accountability are necessary ingredients in building confidence among members and all stakeholders. This could be achieved by involving members in the planning and budgeting process, and presenting financial reports/information on a timely manner.

A club should be involved in planning and budgeting activities three to six months before the next financial year, especially in these times when sponsorship funds, donations and even subscriptions are declining as businesses and individuals struggle to cope with the impact of the global financial squeeze. Develop good projects and plan all fundraising activities properly, most importantly set realistic targets. The following are my DO’S and DONT’S:

DO’S

- Prepare and approve budget before year start.
- Establish formal control systems for receipts and payments
- Install an appropriate record keeping/ accounting system to produce timely and accurate financial information
- Monitor actual income before spending
- Provide information on budget variance and encourage discussions on corrective measures.

DONT'S

- Mix club and personal funds; including informally lending monies to club or members
- Accept emergencies when dealing with club funds without general consensus by members
- Make payments through individuals
- Placing too much trust in people without adequate checks and balances in place
- Delay payment to stakeholders which could create a bad image of the club.

As we move forward with developing a modern SVG, sports (and in particular football) must play a vital role in developing our youths. Clubs provide a good opportunity to institutionalize the type of norms and values we want to inculcate into our youths. The professional Culture we envisage could only be attainable through sound financial management of clubs which is also necessary to sustain their own existence.

*This article was submitted by the Cerlian "Maff" Russell National Commercial Bank SVG Limited as part of the activities commemorating Financial Information Month, October 2009, an initiative coordinated by the Eastern Caribbean Central Bank. **Financial Information Month, October 2009 – Save and Invest Today...Enjoy Tomorrow.***