



7. SECRETARY AND TREASURER/FINANCE DIRECTOR WORKING TOGETHER

Ray Burniston writes Part 7 in a series all about the Committee.

Secretary At Work: September 2003 *(reviewed December 2011)*

Although the days of the Honorary Treasurer looking after all the cash and books of accounts is a thing of the past, in all but the very small clubs, there is and should be a role for a Treasurer or Financial Director in all clubs.

At the vast majority of clubs the finances are handled through the office under the control of the secretary/manager. However as in any well-run business there should be some control by the committee/board over the finances. This is in no way a reflection on the secretary/manager and the office personnel, but good housekeeping. Budgets should be set on a monthly basis and controls in place that assure there are no deficiencies within the system. Monthly management accounts should be produced and set against budgets and also comparisons with the previous year. Although in many cases the committee/board may only meet five or six times a year, members should know what the financial situation of the club is each month and the likely outcome for the year based on the current subscriptions and other charges. Good financial control with prudent management is a must for every golf club.

The working relationship between the secretary/manager and the financial member of the committee/board are of extreme importance. Both must be able to work together without the feeling that either is looking over the other's shoulder. Failure to work together will be detrimental to the club. A good financial member of the committee/board will have established very quickly a working relationship with the secretary/manager from day one. If this is done correctly with respect and confidence on both sides then it can only be to the benefit of the whole club. Similar to the Chairman of Green, the role is that of an adviser and often rather than having set meetings they can be on an informal basis with both keeping the other informed of all-important matters.

The secretary/manager must report to the financial member on any matters that occur which have or could affect the finances of the club. This might be a poor stocktaking report, unexplained cash shortage or additional expenditure through some unforeseen occurrence. Regular monthly accounts will produce changes in income and expenditure with explanations found for any outside the normal variations. If the course is closed due to climatic conditions for any length of time this is most likely to effect the finances of the club. Often the financial member will study the accounts and point to areas of weakness, which may not be apparent to the secretary/manager.

In this way you both work together with regular meetings and discussions being essential. When major works are being carried out at the club either on the course or clubhouse then it is imperative that control is kept and if the contract is likely to greatly exceed budgets then explanations will be required.

Communication is a word often banded about but in many cases it is only used as an excuse for someone not doing their job properly. The secretary/manager must communicate on a regular basis to the financial member who in return should at least acknowledge that they have received and studied what has been sent. There is nothing more annoying than to spend several hours producing management accounts for a meeting only for the financial member to arrive on the day having not read or studied what you have sent. You in return must ensure that reasonable time is allowed from sending out information and the date of the meeting.

The regular monthly signing of cheques used to be a good time for the financial member to call into the office and not only sign but have an informal chat at the same time. Nowadays many clubs pay a high percentage of their accounts by direct debit, which reduces this particular way of meeting.

A major time is before the committee/board meet to agree the budget for the next year when subscriptions and other charges are decided. Both of you work with the sub-committee chairman (assuming you have sub-committees) and you will need to meet and work out the budget for the year. Invariably you will be several months into the current financial year so you will have a reasonable estimate of how the club will finish.

In most cases the secretary/manager will work out draft budgets and then these will be finally decided by the committee/board. Accurate information including capital expenditure required in the next year must be at hand. Between you a practical budget for the year with suggestions for charges will have been drawn up. If you have been at the club for a number of years and have a good record on budgeting then the committee/board will probably rubber stamp your proposals providing they are not showing above inflation increases in subscriptions and other charges.

Agree between you a contingency fund to cover unexpected costs during the year. Many clubs fight shy of trying to produce a sensible surplus annually and then eventually have to put a large increase in subscriptions to cover expenditure. Most charges we have at home such as council tax, water & sewage rates increase annually often well above the rate of inflation. Far better to keep a sensible working surplus on the accounts each year by increasing the subscriptions and charges by rates around inflation. Members are generally happier paying this than suddenly having to find a 15-25% increase in one year.

Both you and your financial member should know the mood of the members and be well aware of what is likely to be acceptable. If you are a club that has to get an increase in subscriptions agreed at the annual general meeting, then both of you will have to spend sometime preparing a presentation to put to the members. More and more clubs put on professional presentations using flip charts and/or PowerPoint, which seem to impress the membership. Members generally come

away from the meeting feeling the committee/board appear to know what they are doing even if the member failed to understand what was agreed.

Check list of points to watch:

- ✎ Build up a good working relationship with your financial member from day one at the club.
- ✎ Always keep them fully informed of financial events especially matters concerning possible problems. Never attempt to cover up any financial problems. Remember two heads are better than one and between you a solution may well be found.
- ✎ Communicate and discuss monthly management budgets on a regular basis.
- ✎ Inform the financial member when the club's auditors are carrying out their annual audit and give him copies of the draft accounts if you are preparing them.
- ✎ If a presentation has to be made to the members for perhaps a major scheme then spend time discussing how you will present it.
- ✎ Annually review all systems and controls in place and improve where you think is necessary.
- ✎ Always be completely satisfied before accepting any explanation for stock or cash shortages. If necessary, obtain further information and check it.

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