

11 Tips for New and Existing Club Boards

Many clubs will have recently held their Annual General Meeting or will do so in the near future. The following tips, aimed at new or existing boards, aim to improve the overall functioning of the Board and improve the Club's operations.

1. Club Directors Institute – Directors Guide

All board members should familiarise themselves with this publication as it outlines rules, roles & responsibility of Directors of Club Boards.

2. Develop / Review Budgets

Performed at least on a quarterly basis, budgets should be a realistic target and set by Management. The Board should review the current budget which would include both a cash flow and profit and loss budget. Actual results should always be compared to budget amounts as forecasts may need to change due to unexpected events.

3. Capital Budget

This budget would outline upcoming expenditure on capital improvements and plant and equipment that would need to be purchased during the year. The club's current cash position will decide whether the item is to be purchased by cash, leased, hire purchased or rented. The entire club's assets should be reviewed to determine if there are any "non performing assets" that the club does not utilise or require and determine if they should be scrapped or replaced.

4. Five Year Plan

The five year plan should list goals, strategic direction of the club and how these will be obtained. If a five year plan has already been prepared, new Directors should familiarise themselves with this plan on an annual basis.

5. Review Previous Board Minutes

All new Directors should review previous board minutes to understand previous dealings and happenings of the club.

6. Review Contracts and Over Award Payments

Each year, the Board should be aware of all contracts, lease agreements and over award payments made to staff, suppliers and financial institutions.

Contracts with suppliers such as cleaning and catering should be reviewed to ensure best price and service is being obtained.

7. Trading Hours

Board members should review trading hours ensuring that current hours are profitable for its operations. Consultation with management to determine if income generated in early opening or late closing hours are profitable against costs such as wages and other overheads.

8. Financial Reporting

We recommend that financial reports be prepared at least quarterly and on an accrual basis so that realistic profit/loss figures are calculated. Cost centre trading statements should be available to determine and review important ratios such as gross profit % and wages to sales %.

9. Marketing/Promotions

A schedule should be prepared to outline current marketing and promotional activities that are held in the club. The next step is to ensure that these activities are being provided and aimed at the right group of people or held when they will most benefit the club. The costs of these activities should be matched to income generated to determine if they are profitable to the club. Income generated may not only be the direct income, but should also include income from other sources eg. Bar, Poker Machines, Dining, etc. This information should be outlined in a marketing plan.

10. Competition

Determine other venues within the area that your club competes against. Visit those competitors and see what differentiates them from your club. A club that can differentiate its facilities and promotions will be a step ahead of its competitors which will generally lead to a successful club.

11. Meet Employees

Ensure that all new Directors are introduced to employees. This will improve communication and working relationships between the board and employees.

Update on Financial Reporting – Concise Reports

In the last issue of ClubCHAT, we outlined information that should be contained in concise financial reports. In addition to these requirements, the Registered Clubs Act also prescribes the following information to be included in both the financial report and concise financial report:

1. The five highest paid employees of the club if their remuneration is greater than \$100,000. This is to be shown as number of employees, and which \$10,000 band their remuneration falls within.
2. Any financial interest that a director or employee holds in respect of a hotel to be declared.

3. Details and costs of overseas travel by a director or employee of a club.
4. Total amount of profit from the operation of approved gaming machines in the club during the period of twelve months ending 30 November in the financial year to which the report relates.
5. The amount applied by the club to community development and support during the gaming machine tax period.

These inclusions to the financial reports are as outlined in section 10(1)(M) of the Registered Clubs Act.

Did You Know

- New wage rates for the Bowling Club Employees (State) Award and the Golf Club Employees (State) Award take effect from the first full pay period to commence on or after 20 July 2003.
- Clubs are now required to check with subcontractors to ensure that they have a certificate of currency and hold valid workers compensation insurance in respect to work being provided to the club.
- Actual amounts spent by clubs on CDSE funding for the period 1 December 2001 to 30 November 2002 was as follows:

Category 1	\$21.8m
Category 2	\$33.7m
Total	\$55.5m
- From 1 July 2003 – significant changes have occurred to the payment and reporting obligations related to the Superannuation Guarantee Charge. Please refer to Clubs NSW circular 03:094 for details.
- 1026 Keno clubs will be issued with an additional commission payment of 2.03486% of their turnover for the 2002/03 year which is a total distribution of \$6.73 million.

Recruitment and Human Resources Services

Long regarded as a specialist provider of Audit, Taxation, Accounting and Financial Services to the club industry, Cutcher and Neale have recently increased our range of services to include Recruitment and Human Resources.

If you are looking for permanent or contract staff in roles from Secretary Manager to Office Administration why not talk to our Recruitment Manager, Glen Barry.

If it's advice on duty statements/ job descriptions, task/ skills audits, workforce planning, staff performance appraisals and development reviews or O.H & S planning please talk to our Human Resources Officer, Grant MacNeill.

Both Grant and Glen have direct access to partners who have an intimate knowledge of your industry so why not give them a try?

Social Impact Assessments

Cutcher and Neale are able to complete Social Impact Assessments (SIA) for both Class 1 and Class 2 applications at reasonable rates. Please contact our experts, Ian Neale or Keith Crawford, for further assistance.