

THE FA CLUB
FOOTBALL FORUM

FREE PODCAST



**FOR
ALL**

How to work best within budgets

Understand budgets you have how you can prepare and review budgets with confidence and work within your club or leagues means.

WHAT WILL BE COVERED;

By the end of this podcast you should ...

- 1) Understand the importance of setting a club budget
- 2) Have the confidence to contribute to preparing a club budget
- 3) Feel better equipped to review your club budget

BUDGETING

What is budgeting?

- A budget is an estimate of the expected income and expenditure for a future period, typically a year
- It is usually produced before the start of the period
- It is used to plan ahead and make decisions, and to track how the club is doing during the year

Why is it important?

- Identifies in advance where there might be a problem, such as a cash shortfall
- Helps you to be proactive and plan ahead rather than be reactive
- Identifies when there is surplus, and how it can be used
- Allows you to make informed decisions in line with your objectives
- It can act as a motivator

CREATING A BUDGET

- 1) Work out your current income and expenditure. What is likely to change in the future?
- 2) Link it to your club's plans for the future. Is there any new income or expenditure to consider?
- 3) Involve the right people. It will be more accurate and people will take more ownership.
- 4) Break it down to monthly amounts, and group income and expenditure by category or activity.
- 5) Use consistent headings to help reporting

WHO TO INVOLVE

Treasurer

Coaches

Committee members

Facilities manager

Bar manager

Anyone else who knows the club well or is responsible for a part of the budget

CREATING A BUDGET

Key questions to ask

- 1) How does it compare to the actual figures of the previous year? What are the differences due to?
- 2) How does it compare to last year's budget? What are the differences due to?
- 3) For any new income or expenditure, what are the underlying assumptions, and are they realistic?

Final points

- It is possible to produce a budget which shows the estimated Income and Expenditure account, Balance Sheet and Cashflow statement
- If only one of these is going to be produced, the most useful is usually the Cashflow forecast for the next 12 months, broken down monthly.

MONITORING A BUDGET

- The budget should be compared to actual results, reported to the committee on a monthly or quarterly basis
- Show a variance, colour code and add short commentary
- You can update the budget, particularly if something significant takes place (e.g. inclement weather, COVID-19)

TOP TIPS WHEN MONITORING

- Be aware of proportionality – which are your biggest areas of income and expenditure, make sure they have sufficient attention
- Consider whether under/over performance is down to timing or a real trend
- Be prepared to act
- Use your experience to help inform next years budget setting


TOP TIPS

- 1) **Prepare a budget ahead of the next year** – schedule it in a few months before the year starts
- 2) **Involve key people at the club**, to give people ownership and make sure the budget is realistic
- 3) **Compare actual results to the budget as the year progresses** – to monitor how the club is doing against the plan

FURTHER SUPPORT


- Business Continuity Planning Template


Club Business Continuity Planning 2019/20





ENTER CLUB NAME


Huntingdonshire FA





How To Guide


Resources


Risks Log

Cash Flow

Action Plan - Now

Risks Table

Financial Risk Table

Action Plan - Future



THANK YOU

Next podcast –

‘Understanding different taxes’

-An overview of the different taxes and where to find further information on these taxes.