

Keeping Score

It is very important how you handle your club's finances. Accountability should be everyone's first concern. As revenue is created, your committee will expect to see periodic profit and loss updates. You will need to have an organized accounting system in place to accomplish this goal. Please don't overlook the need for accountability and a system of checks and balances. Not having that in place will cause untold problems as you develop your program.

In order to accomplish this, you will need to establish an operating budget. It's important you identify in that document what you are going to need to operate your program and place those needs in categories. Things such as equipment, travel, supplies and administrative costs should be your initial concerns. Ways to begin developing a system of accountability and accounting might be:

Using Your Personal Bank Account

This should not be an option. Using your personal checking account to conduct athletic programming is a poor idea. Combining personal and athletic funds opens the door to the appearance of impropriety.

Opening A Second Personal Account

This is a good option for programs just starting out. Wherever you bank, just open a second personal account in your name. This account should have two authorized signers, preferably two coaches, or perhaps a team mom and a coach that aren't related. Only team funds should go into and come out of this account. This way you maximize accountability issues while enjoying minimal banking fees.

Opening A Business Account

Creating a business account at your bank is a wiser choice when accountability is your main concern. This allows you to use the club name on the checks and set your account up in a way that requires two signatures to cash checks. We can not emphasize enough the need for a system of checks and balances when finances and people are involved.

Not-For-Profit Organization

If you plan on establishing a program that will be in existence for an extended period of time, you might want to consider creating a not-for-profit 501(c)(3) corporation. The main benefits of such a business arrangement are a) tax-exempt status and b) tax deductible donations. However, given this step is time consuming and typically requires the services of a lawyer, you may want to wait until your program is firmly established before going this route.

As you can imagine, when working with tax deductible donations, extra accounting functions and IRS paperwork is expected. To assist you in navigating these waters, you might want to consider contacting the financial department at our National Headquarters at 407 828 3748 for some tips.

