

FINANCIAL TERMINOLOGY

A good understanding of financial terminology will help when you take on a leadership role in a club. Make sure that the entire committee is familiar with these terms, not just the treasurer, so that you're all on the same page when you talk money.

ABN

An Australian Business Number, or ABN, is simply an identifier. An ABN confirms that an organisation is conducting business in Australia.

University clubs that are part of a student association may simply trade under the ABN of their student association.

Larger, incorporated clubs would have an ABN of their own.

GST

GST is the Goods and Services Tax. It applies to goods or services sold in Australia.

The registration threshold for not-for-profit clubs is much higher than it is for businesses. So most university clubs won't need to register for GST.

INCOME OR REVENUE

Income or revenue is the money your club earns through its operations. This would include things like:

- Membership fees
- Event ticket sales
- Fundraising
- Food and drink sales
- Grants from your student association

EXPENSES OR EXPENDITURE

Your expenses or expenditure is all of the money you spend running your club. This would include:

- Event venue hire fees
- Equipment purchases
- Stock (like the food and drink that you purchase to sell at an event)
- Printing costs
- Insurances
- Travel
- Coaching costs

PROFIT OR LOSS

When you subtract the total of all of your expenditure from the total of all of your income, if you're left with a positive number, this is a profit, sometimes called a surplus.

Remember that not-for-profit doesn't mean that you can't make a profit. You can't achieve big goals for your club if you're always running at a loss.

If you get a negative number, then it is called a loss.

GST registration threshold for not-for-profit organisations is \$150,000 (which is double the threshold for a for-profit business). If you need more information about the GST, check out the not-for-profit portal on the ATO website ato.gov.au

ASSETS

Assets are all of the things that your club owns.

The money you have in the bank is an asset. Cash assets are known as current assets.

Physical assets that the club will own for more than a year are known as non-current assets. Non-current simply means that it's unlikely that you'll sell these assets any time soon.

LIABILITIES

And liabilities are all of the money that the club owes - your debts.

Most clubs don't carry much debt. But it would include any unpaid invoices you've received, or if you're yet to reimburse a member for out-of-pocket expenses.