



# club resource guide

MANAGING THE FINANCES OF YOUR CLUB

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## ACKNOWLEDGEMENTS

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The Herts Sports Partnership would like to thank team BEDS&LUTON who have kindly shared this information with us, enabling us to offer useful advice & support to community sports clubs in Hertfordshire.



# 1. FINDING AND ACCESSING FUNDING STREAMS

There are many sources of funding available for both individuals and clubs. It is true to say that you may have to jump through a few hoops and tick a few boxes to be able to get hold of it, but there is almost certainly a pot of money somewhere that you can access.

## FUNDING ADVISORS

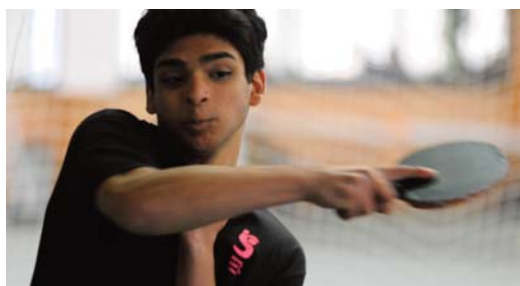
The Councils for Voluntary Service (CVS) in Hertfordshire produce very useful toolkits which include information to assist individuals every step of the way. They also employ funding advisors who offer support to local organisations or individuals who are seeking financial support. Their role includes providing:

- One-to-one support through the funding advice process.
- Advice on running fundraising events.
- Training courses, workshops and leaflets to help you through the funding maze.
- Help with completing application forms.
- A regular newsletter, updating you on new funding developments.

## LINKING WITH CO-OPS AND BUILDING SOCIETIES

Local Co-operative societies often offer grant aid for community focused initiatives. The amounts range from £100 up to £30,000. If you have a community project you think could be supported it is worth contacting your local Co-operative society to see if they have a community fund.

Building Societies are mutual organisations who are other natural partners for sports clubs. Skipton Building Society sponsors Wharfedale Rugby Union Club to the tune of £100,000 per annum because of the club's great work in the community.



## TOP TIPS

- Allow plenty of time to prepare an application - there is often a large amount of detail and evidence required in support of the information.
- Make sure you are aware of the specific criteria that each organisation stipulates within their scheme. It is very frustrating to complete an application and then find out you are not eligible to receive funding.

## FURTHER INFORMATION

The Herts Sports Partnership can offer additional support and runs an extensive education and training programme for clubs, volunteers, coaches and teachers. Visit the Herts Sports Partnership website for more information. There is also a detailed section on funding under the 'delivering sport' area (green section) which has a list of various funders that could be accessed by both clubs and individuals.

Funder Finder provides two windows based software programmes to help voluntary and community groups to write grant applications and formulate budgets. Visit [www.funderfinder.org.uk](http://www.funderfinder.org.uk)

runningsports offer a range of additional resources. For more information including Top Tips, Quick Guides, Workbooks and Courses, visit [www.runningsports.org](http://www.runningsports.org)

Sport England distributes money to both capital and revenue projects. Visit [www.sportengland.org](http://www.sportengland.org)

## 2. HOW TO WRITE A GOOD FUNDING APPLICATION

### BEFORE YOU START

Before submitting a funding application, you will need to check that your club and project is actually eligible to receive funding under the funder's criteria. Remember, that 'keeping the club/project going' is often not looked upon favourably. You should focus on what much-needed service you want to provide – expanding or setting up a new activity is normally key.

### WHAT TO INCLUDE

Different funders require different levels of information as part of an application process. However, as part of good planning, you should look to address the following elements within your funding application:

- Include a covering letter – explaining who you are and what you do (one paragraph maximum).
- Why is there a need for funding?
- Which sports are involved?
- Why was the project set up and what does it involve?
- What gap(s) do you need to fill and what will the project achieve?
- What exactly you need the funds for? Include a breakdown of the costs involved.
- Why your work is important and who will benefit (statistics, case studies, pictures)?
- How does it meet the funder's objectives?
- Which other partners are involved (both funding bodies and delivery partners)?
- Who will manage the project?
- What risks are attached to the project?
- How will the risks be managed?
- Include an annual report/annual accounts.
- Invite the funder to meet you/view your project.

### TOP TIPS

- Remember that very few funders will make grants after the project has taken place. Therefore ensure that you apply in plenty of time and check out if the funding agency has particular deadlines by which applications need to be received.
- Double check you have included all the documents they have asked for.
- Most applications will require you to have a bank account in the name of your club / organisation. Make sure you allow enough time to set this up.

### FURTHER INFORMATION

The Herts Sports Partnership can offer additional support and runs an extensive education and training programme for clubs, volunteers, coaches and teachers. Visit the Herts Sports Partnership website for more information [www.sportinherts.org.uk](http://www.sportinherts.org.uk)

Funder Finder provides two windows based software programmes to help voluntary and community groups to write grant applications and budgets. Visit [www.funderfinder.org.uk](http://www.funderfinder.org.uk)

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## 3. FUNDRAISING FOR YOUR CLUB

The same principles for income generation apply whether you have a clubhouse or use a school or leisure centre as your base. The following few pages, contain some ideas on how your club may be able to generate some more funds.

### 100/200/300 CLUB

Depending on the number of members/size of the club aim to sell either 100/200/300 numbers, for example 1 - 100 to individuals or families. Each number costs £1 or £2 per month and direct debits (monthly/quarterly/yearly) could be set up to cover the amount owed. Aim to put a minimum of 50% of the revenue back into the prizes, but if you are launching from scratch consider initially increasing the prize share to go to 60-70%, to increase the attractiveness of the draw.

Monthly draws are then made to decide the winner. Try to make the draws high profile and publicise the names of the winners on websites and on the club's email. Also set up a text group with all the 100 Club members and text them. Some clubs have a Christmas draw with everything doubled and/or special prize; say a hamper, on top of the main prize.

If you work on the basis of 100 numbers at £1 each, this could make £50 a month for the club, with the other £50 going on prizes.

### AUCTIONS

Auctions are fantastic at fundraising dinners, and all prizes should look the best they can e.g. put a signed shirt in a frame and a special pair of boots, to be auctioned, in a glass box of authenticity etc. Do not forget how much fun auctions can be when they include actual people, e.g. buy Jack to cook a meal for all your family, or dance with John etc.

### RECYCLING

- Aluminium - Link up with local recycling/scrap business by collecting empty aluminium drinks cans. Money generated by selling aluminium can then be split between the club and the business. Increasingly, there are social enterprises which also 'recycle' their share of the profits.
- Mobile phones - There are around 90 million unused mobile phones in the UK and there are more and more businesses, which will pay for unwanted handsets. For the best return, the phone needs to be in good condition, but the re-sellers will also take non-working handsets.
- Printer cartridges - Over 24 million homes in the UK have a personal computer and 90% of those homes have printers. The average household uses 2-3 inkjet cartridges a year and many offices use large numbers of laser cartridges. Only 15 % of the 65 million printer cartridges that are sold in the UK are recycled. The Recycling Appeal collects old cartridges and raises funds whilst helping the environment.

### CAR BOOT SALES

There are now car boot sales running up and down the country, but if you have your own ground or access to land it is worth considering setting up car boot sales. The secret is to get as many stalls as possible to attract more visitors. So advertising is vital – consider linking up with your local paper, along with incentives for stall holders to attend.

One of the most impressive car boot sales at a sports club takes place at Blaydon Rugby Union Club, near Newcastle. This second division club which has a large ground, organises a car boot sale every Sunday. Through the hard work and dedication from volunteers the club now makes £90,000 between March and December each year.

### CAR WASH

Even if you don't have an official car park, visitors' cars have to be left somewhere! Consider charging around £5 per wash and £15 per full valet - so if you service 30 cars at an average of £10 at 10 home games per season...the total revenue would be £3,000. That could offset the cost of kits and trips and it would certainly be very popular with your spectators!

## CLUB SHOP

This is not just for the big clubs, provided you handle it properly. Of course, the more members and supporters you have the bigger the potential. Having the same clothing, colours and branding running throughout the club will also help to retain club members by ensuring a greater sense of belonging to the club. Common branding will also help make the club a bit more visible in the community. Do some research amongst your members as to what type of garments they would prefer and if possible develop a range of products. The decision you'll have to make is whether to order in bulk and keep stock in reserve or order as and when people request specific items.

## AFFILIATE MARKETING

There are a number of businesses which offer clubs, charities and others the opportunity of making money, through commission, from their members using a particular website through which they purchase products from mainstream retailers. The potential success for a club lies with its ability to get members to use the site, that the club has linked up to.

## TOP TIPS

- Always check if you need a Local Authority licence for the event you are planning on running.
- Try to engage everybody within your club and also use the recycling programmes to raise the profile of the club as an environmentally conscious community club.
- Put information about merchandise on the website (even if items can't be purchased online) to increase awareness about what is on offer.



## FURTHER INFORMATION

Recycle Now has a postcode search facility giving details about what and where you can recycle close to your location, as well as general tips about how to reduce waste. Visit [www.recyclenow.com](http://www.recyclenow.com)

The Recycling Appeal collects mobile phones, and printer cartridges for reuse and recycling, raising funds and helping the environment. The Recycling Appeal has generated over £3.2 million for partner organisations since 1999. Visit [www.recyclingappeal.com](http://www.recyclingappeal.com)

envirofone.com is the UK's number one online mobile phone recycling site. They have paid out over £4 million to users and thousands of pounds more are paid out every week. It is free to use, pays you cash for your old mobile and helps the environment. Visit [www.envirofone.com](http://www.envirofone.com)

## 4. MAKING MONEY FROM YOUR CLUBHOUSE OR FACILITIES

### FIND ANOTHER CLUB TO SHARE IT WITH YOU

Many clubs are 'homeless' and you should consider approaching other local clubs, from different sports which would fit in with you, to use your facilities. Whether you want to become a full multi-sport club is up to you. Remember whilst your club is empty during the closed season, no income is being generated. For example, many cricket clubs and their clubhouses are empty throughout the winter and rugby union clubs are empty during the summer. Having a shared clubhouse leads to more people actually using it and potentially more income through facilities and the bar!

### HIRING OUT YOUR FACILITIES

Many people look for venues to run events and your clubhouse could be the venue they are looking for. The event can either be held in the clubhouse, or as many clubs now do, hold the event in marquees out on the field, with the caterers/event organisers using the clubhouse as their kitchen/organising room. Some examples of events include:

- Wedding receptions.
- Wakes.
- Charity events.
- Business/corporate functions and hospitality.
- Birthday parties.
- Religious festivals/celebrations.

As well as using the clubhouse for large events, smaller groups might be interested in using individual rooms for various activities. A few examples include:

- Local martial arts groups.
- Pilates classes.
- Yoga classes.
- Meetings.

Other community groups may also be interested to hire the pitches/courts for one off events. A few examples include:

- Schools - sports days and festivals.
- Other sports - festivals, training venues for other sports etc.
- Community - summer fairs, car boot sales, dog shows, beer festivals.

### KEEPING IT CLEAN

If you are going to attract new people to use your venue who will find it a pleasant place they would consider hiring again, it needs to be kept clean. If the toilets are dirty, the locks don't work and there is no toilet paper, it shows complete disrespect to your members and guests, and will discourage repeat visits by your visitors.



### TOP TIPS

- Ask somebody who has never been to your clubhouse to take an objective look around and then sit down and consider what improvements you can make with minimum effort and expense.
- Why not host a nursery in the clubhouse during week days when it is not in use by the club.

### FURTHER INFORMATION

NatWest Cricket Force encourages cricket supporters, their friends and families to give something back to their local community cricket club by volunteering to undertake major renovations to clubhouses and grounds. Why not get a group of volunteers together out of season and contact some local businesses for supplies, and have a fun day sprucing up the clubhouse?

Visit [www.ecb.co.uk/development/natwestcricketforce](http://www.ecb.co.uk/development/natwestcricketforce)

## 5. HOW TO RUN YOUR BAR MORE EFFECTIVELY

### WHAT KIND OF BAR DO YOU WANT

Consider the different groups of people who would/should normally use your bar at different times: male and female players, children, families, over 45s etc. How do you cater for their needs? Would an 18 year old member recommend your club/bar as a meeting place for their friends? Would parents consider having their child's birthday party (and indeed their own) at your club? If not, why not? What can you do to change their perception?

### WHO IS IN CHARGE?

It is imperative that somebody is actually in charge. Yes, they'll need support from volunteers but their remit is to leave no stone unturned in their quest to develop this part of the club into a key focal point and a major profit centre.

### PROFIT MARGINS

It is important to know which products sell well and which ones don't so make sure you are keeping track of your stock. It is also useful to work out what your profit margins are on each product. You should look to make an average 50% gross profit margin on your drink sales. So if you want to sell a pint of lager at, say £2.50, you should pay a maximum of £1.25 per pint to the brewery/wholesaler. Ensure you are aware of what your overheads are, particularly staffing costs. Do you have the right number of people working at the right times?

### BAR STAFF

Profitable bars and contented customers depend upon motivated, enthusiastic people and that takes good management. Are you giving your staff something to smile about? Great décor and good prices won't bring in the customers without friendly, efficient people on hand who enjoy what they do. If staff are ill-tempered, ill-equipped or ill-trained, customers definitely notice this and may not come back again. Some ideas that should be considered include:

- Recognition - bar work is often perceived as a casual, unskilled job, with staff often undervalued.

Recognition for a job well done is a key factor in developing staff satisfaction and morale.

- Information - to have happy, successful staff, they need to be empowered and inspired. That goes beyond telling staff what to do and how to do it, and it is also about explaining why things are done in a particular way.
- Training - there are always difficult customers but how difficult they are to deal with will also depend on the people skills of the bar staff. Staff need to recognise and know how to refuse to serve someone who is at their limit or possibly under-age.
- Equipment - a good service and a quality service also depends on having the right materials to hand e.g. quality products, the right glasses etc. Making sure your bar area is sensibly organised and uncluttered will also help your staff work more effectively.
- Teamwork - team incentives and rewards possibly linked to a manufacturer's promotion can be used in this way. Work needs to have an element of fun to it. If your staff don't enjoy their job, your customers won't enjoy your bar.

### BBQs

Many clubs organise BBQs in connection with games, but far too often the burgers are 'the cheapest that the club could get at the Cash 'n Carry and taste accordingly. Why not visit your local butcher or farm shop and convince them to supply for free or at a large discount one type of burger and type of sausage and call them 'Your Club Banger' and 'Your Club Burger' sponsored by xx Butcher. By having your own quality brand you add another feature to your club's catering offer and provide another sponsorship opportunity.

### FURTHER INFORMATION

Speak to another local club in the area to share ideas and if more than one club links together you may be able to get a joint sponsorship deal or buy stock in bulk.

### TOP TIPS

- Promotions are a great way to build up business at specific times or with specific lines. They also give you the opportunity to profit from new product development and national promotions run by major suppliers. For example, if you are looking to increase trade during a quieter period consider an early evening spirit-mixer deal or a mid-week meal deal.
- Keep your bar clean because no one likes a dirty place to relax!
- Do a few simple things, but do them well - you are not running a Michelin Star restaurant, but remember also that cheap is not always cheerful.

## 6. MANAGING YOUR CLUB'S ACCOUNTS

### ROLES TO BE COMPLETED

#### Managing all income:

- Invoicing and collecting subscriptions and all money owed to the club/organisation.
- Ensuring that all cash and cheques are deposited promptly in the bank or building society.
- Issuing receipts for all money received and recording this information.

#### Managing all expenditure:

- Paying the bills and recording the information.

#### Managing legal requirements:

- Handling the payroll and income tax for employees.
- Helping to prepare and submit any statutory documents that are required by law (e.g. VAT returns, PAYE and NI returns, tax returns, grant-aid reports).

#### Additional roles:

- Keeping up-to-date records of all the financial transactions.
- Arranging for the statement of accounts to be audited.

### ACCOUNTING FOR THE MONEY

- The accounts comprise books or ledgers, either in paper format or using a computer programme, which keep a record of all income and expenditure usually covering a 12-month period (the financial year).
- The cashbook is a cash receipts and cash payments journal, including records of bank notes, credit card slips, cheques, money orders, receipts and cheque stubs. A summary of these books should be prepared showing the club's total receipts and payments during the financial year. In smaller clubs, the cashbook is usually a manual system based on a ruled ledger book available from most stationery shops. Keep the receipts and payments separate to each other (maybe one set in the front and one in the back of the book).
- The cash balance is determined by totalling the receipts and deducting the payments. Be aware that any interest, bank charges, VAT, direct credits or debits from other accounts, and un-presented or dishonoured (bounced) cheques will affect this.

### TRANSACTION DETAILS

For every transaction that is recorded it is important to have the same level of detail. Items to include are shown below:

- Date of the entry.
- Reference number for that entry – this number should also be written on the invoice or expenses claim form for easy cross-reference.

- Person you are paying (or from whom you have received the money).
- Cheque number (for payments by you) or receipt number (for receipts issued by you).
- Details of the transaction (what it was for- e.g. coaching fees, membership, raffles, bank interest).
- VAT element (necessary only if you are VAT registered).

Whenever cheques are paid into a bank or building society, the receipts section of the cashbook should be totalled (as above) and a note made of the total amount put in the bank, with the date. These totals can easily be compared with the bank statements to make sure that they tally.

### AUDITING

It is advisable that at the end of the 12-month period you have the accounts audited (looked at and verified) by an independent person, preferably someone with professional qualifications (the auditor). If the organisation is a limited company, it must have a registered auditor who produces a report under the requirements of the Companies Act. Most clubs that are not limited companies elect honorary auditors to inspect and verify the accounts that the club's treasurer produces.

### PAYING THE BILLS

Bills should be paid promptly (within 30 days), including payment of out-of-pocket expenses to volunteers. Normally, bills will be for items that have been budgeted for (e.g. expenditure that has already been approved or for routine items). If the treasurer gets a bill for something unexpected, the committee should be informed and their guidance sought. It is a good idea for the committee to give the treasurer authority to make smaller financial decisions themselves (e.g. up to £50) and seek consultation from the committee on larger financial decisions.

All payments should relate to a written invoice or document, including claims for expenses from members of the committee, and be properly recorded. Always document the handing out of cheques. Payments need to be recorded in cashbook columns, labelled with the account names (e.g. rent paid, maintenance, coaching staff).

All payment columns should be totalled at the end of each month. The total can then be compared to budgeted figures to see whether expenditure items are within budget. When balanced, the monthly closing figures can be carried forward as the opening balances for the next month.

## COLLECTING THE MONEY

Always keep any cash received separate from your own money. Keep a cash box solely for the club's money and write receipts in duplicate as soon as you receive it. Hand one receipt to the person who pays you; the other one is your copy which should be kept in the book. Deposit all cash and cheques in the bank or building society as soon as possible after receiving them.

If you send out invoices to collect money, you will need to keep a record showing that an invoice has been issued and later to confirm it has been settled. If you receive lots of invoices (i.e. bills), try to allow for these when the final accounts are prepared. Include the expenditure in the financial year to which it relates, irrespective of when the bill is actually paid.

## PETTY CASH

A small analysis book (the petty cash book) is needed to record the cash received, the cash paid out, and the balance in hand. This balance figure should be updated whenever any cash is received or paid out and checked against the actual cash in the cash box. If there is any discrepancy, it must be resolved immediately. Don't take short cuts, or expect to be able to remember exactly who has given you what. Write everything down immediately in a dedicated book or file.

## DIRECT DEBITS

Try to convince members to pay their membership fee by Direct Debit. It will save having to chase members for their subs, increase membership retention rates and save you lots of hassle. Some clubs do offer incentives for people who pay their membership fees/subs by Direct Debit or before a certain date.

## FURTHER INFORMATION

runningsports offer a range of additional resources. For more information including Top Tips, Quick Guides, Workbooks and Courses, visit [www.runningsports.org](http://www.runningsports.org).



## TOP TIPS

- Make sure you request a receipt for all payments as the auditor will need this evidence at the end of the year.
- Ensure that the club has a budget for each year which details how the club is planning to meet its objectives.

## 7. SPONSORSHIP

### ATTRACTING SPONSORSHIP

Making your club interesting to potential sponsors is not an easy task, but there are certainly a number of tools that successful community sports clubs have used to attract and retain sponsors. It is an important part of this process that you are objective in your appraisal of what your club is offering sponsors.

Your club must work harder and smarter to grow your sponsorship revenue. The days of sending out boring 'begging' letters addressed 'Dear Sir/Madam' to local businesses, who have probably never heard of you, have definitely gone. That simply doesn't work.

### DIFFERENT TYPES OF SPONSORS

Not all sponsors are the same and not all are suited to your club. Not all businesses have the same culture and this reflects the way that they look at sponsorship and getting involved with a club. Following on from that you should not apply a 'one-size fit all' approach when you approach new sponsors and work with existing sponsors, but to adapt to the needs of the sponsors and work accordingly. There are a number of different reasons why companies sponsor sport, these include:

- Publicity - to raise their profile.
- Corporate image - according to the image they are trying to portray to the general public.
- Public relations and community involvement - successful businesses like to be regarded as caring members of the community.
- Endorsement opportunities - by providing free equipment they hope that success in the club will bring an association with their products.
- Client hospitality - popular for businesses to entertain clients and associates.
- Direct marketing - allows companies to use sponsored events to promote their products.
- Educational sponsorship - allows companies to make a favourable impression on students who may make a life-long affinity with the company.

### HOW TO FIND POTENTIAL SPONSORS

There are lots of places to look for sponsors but it is important before you start to have a clear idea about what support you require. A few options of where to find them are shown below:

- Within the club, i.e. members and friends. Go through the database of all club contacts and members and you'll be amazed by the number of businesses owners and decision makers.
- Look through directories – Thomson, YELL etc.
- Local papers and lifestyle magazines – a company that is advertising frequently may have funding to be able to support your club.
- Any business which advertises locally is a potential sponsor. Work out how you can help, get the name of the decision maker, find out if someone within the club knows him/her and get in touch. Invite them to a training night, match or event.
- Join the local Chamber of Commerce and network at every possible occasion. Be seen and if necessary share that role between you and others.

Another important factor of looking for sponsors is getting the 'pitch' right:

- Research every potential sponsor to give you up-to-date knowledge.
- Ask yourself what type of business/sponsor are they?
- Ensure you have a personal touch as this makes you stand out.
- Avoid sending 'Dear Sir/Madam' letters.
- Phone, introduce and ask a convenient time to discuss or meet.
- Describe the benefits to the business and demonstrate that you understand them. If you have a vibrant club, invite them to your club and let them experience it.
- Don't assume what a sponsor might want, e.g. name splashed on kit. Ask them what their aim is and what they'd like to achieve.
- Highlight the club website if it is a positive reflection of the club.

## MANAGING THE RELATIONSHIP

It is important that once you have secured a sponsor that you treat them well. Ensure that you deliver on all promises and appoint a club officer to be their main contact. Think proactively and update them regularly - you can also invite them to attend events you are running. They may not want to come to all of them but at least make sure they know about them. Keep notes about everything their support has helped you to achieve - this is good at the end of a season to report on, or to put onto the club's website.

## PATRONAGE

A lot of clubs receive financial support from businesses and individuals who have a personal affinity with the club, be they former players, parents or others. These people may not want any commercial benefits from their patronage but that should certainly not lull you into a false sense of security that their support will last forever. It is important that clubs should treat 'patrons' with the same professionalism, courtesy and respect as you would apply to a sponsor. Being taken for granted and internal club politics are often the main reasons why long standing patrons withdraw their support.

## FURTHER INFORMATION

The UK Sponsorship database lists a large number of clubs/sports organisations that either currently has sponsorship or is looking for a potential sponsor by including an advertisement. Both local and national examples are included. Visit [www.uksponsorship.com](http://www.uksponsorship.com)

runningsports offer a range of additional resources. For more information including Top Tips, Quick Guides, Workbooks and Courses, visit [www.runningsports.org](http://www.runningsports.org)

Sports Marketing Network provides information on how to make your club or facility more viable, vibrant and visible, sharing best practice across all sports. They publish newsletters, run workshops, organise seminars and help sports organisations with their commercial and community activities. Visit [www.smnuk.com](http://www.smnuk.com)



## TOP TIPS

- Bigger businesses receive large numbers of sponsorship requests therefore you have to stand out in the crowd. Clubs that are seen as being part of their communities tend to get stronger support in return.
- Make sure your club is vibrant and visible and you will find it easier to attract sponsors. Your club becomes vibrant through the activities and events the club creates and visible through its communication with members, supporters and sponsors. The more you do, the more there is to sponsor!
- Talk to as many members as possible and find out about their employers' potential as sponsors.

## 8. TAXATION & COMMUNITY AMATEUR SPORTS CLUB STATUS

Since 2002, many local amateur sports clubs have been able to register with the HM Revenue and Customs as Community Amateur Sports Clubs (CASCs) to benefit from a range of tax reliefs, including Gift Aid.

### DEFINITION OF CASCs

A club is entitled to be registered as a Community Amateur Sports Club if it is, and is required by its constitution to be, a club that:

- Is open to the whole community.
- Is organised on an amateur basis.
- Has its main purpose as the provision of facilities for the promotion of participation in one or more eligible sports.

A club is “open to the whole community” if:

- Membership of the club is open to all without discrimination.
- The club’s facilities are available to members without discrimination.
- Any fees are set at a level that does not pose a significant obstacle to membership or use of the club’s facilities.

A club is “organised on an amateur basis” if:

- It’s non-profit making.
- It only provides for members and their guests, the ordinary benefits of an amateur sports club.
- It’s governing document requires any net assets on the dissolution of the club to be applied for approved sporting or charitable purposes.

### WHICH CLUBS CAN REGISTER FOR CASCs?

A club that meets the requirements (see guidance notes; [www.hmrc.gov.uk/casc/casc\\_guidance.htm](http://www.hmrc.gov.uk/casc/casc_guidance.htm)) of the statements above can qualify to register as a Community Amateur Sports Club.

### ELIGIBLE SPORTS

Eligible sports are defined by reference to the Sport England list of recognised activities which can be accessed at; [www.sportengland.org/index/get\\_resources](http://www.sportengland.org/index/get_resources)

### WHICH CLUBS DO NOT QUALIFY TO REGISTER FOR CASCs?

A sports club will not qualify as a Community Amateur Sports Club if:

- Sport England does not recognise the sport in which the club is engaged.
- The club facilities are controlled by a Limited company, which is separate from the sports club. In this instance then only the underlying sports club can register.
- The club does not have its own membership.
- The club does not promote and encourage sport for its own membership.
- The club’s main purpose is not the provision of facilities for and the promotion of participation in an eligible sport.

### HOW TO REGISTER AS CASCs

To register, a club must apply to the HM Revenue and Customs Sports Club Unit using the appropriate application form. The completed form should be sent with the following information:

- A copy of the CASC’s governing document.
- A copy of the CASC’s latest accounts.
- A copy of any prospectus, members’ handbook, rule book etc.

### TAX RELIEF FOR REGISTERED CASCs

Sports clubs that are eligible to register as CASCs are treated as companies for tax purposes. Consequently, their profits may be chargeable to Corporation Tax. Sports clubs that are registered as CASCs will be able to claim the following tax reliefs:

- Exemption from Corporation Tax on profits from trading where the turnover of the trade is less than £30,000.
- Exemption from Corporation Tax (under Schedule A) on income from property where the gross income is less than £20,000.
- Exemption from Corporation Tax on interest received.
- Exemption from Corporation Tax on chargeable gains

All of the exemptions depend upon the club having been a registered CASC for the whole of the relevant accounting period and the income or gains being used only for qualifying purposes.

## CLAIMING TAX RELIEF

If the club has had tax deducted from its income, or if it has received Gift Aid payments, it will be able to claim a repayment from HM Revenue and Customs (Sports Clubs' Unit).

## RELIEF FOR DONORS

Individuals can make gifts to CASCs using the Gift Aid scheme. There is a range of tax relief to encourage individuals and companies to support CASCs:

- Individuals can include the gross value of Gift Aid donations to CASCs when making a Tax Credit application or, when computing age related personal allowances.
- Individuals can obtain relief from Inheritance Tax for gifts to CASCs. Gifts will not form part of the donor's estate for inheritance tax purposes, in the same way as gifts to charity.
- Businesses that give goods or equipment that they make, sell or use get relief for their gifts. They do not have to bring any disposal amount into account, but can still obtain relief for the cost, for tax purposes.
- Gifts of chargeable assets to CASCs by individuals or companies are treated as giving rise to neither a gain nor a loss for Capital Gains purposes.
- There are rules to prevent the exemptions for CASCs and the donor relief being used for tax avoidance purposes.

## GIFT AID

Individuals who are UK taxpayers can make gifts to CASCs using Gift Aid in the same way as they can make gifts to charities. A CASC can reclaim basic rate tax on donations made by individuals - provided the conditions for the Gift Aid scheme are satisfied. In particular, the CASC will have to be able to show an audit trail from the donation to a donor who has given a Gift Aid declaration that covers that donation.

Gifts made using Gift Aid are treated as having been paid after deduction of Basic Rate income tax. As long as the CASC applies the income for qualifying purposes it can claim repayment of this tax from HM Revenue and Customs Charities.

If the donor pays tax at the higher rate they can claim additional relief in their self-assessment tax return. All they need to do is enter the amount donated to the CASC in the Gift Aid box on their self-assessment return.

Companies cannot make gifts to CASCs using Gift Aid, but can normally claim a deduction in computing their profits for either formal sponsorship of a sports club or for payments made to enhance their standing in the local community.



## TOP TIPS

- Visit the [runningsports](http://www.runningsports.org) website to ensure that your club is eligible for CASC status.

## GUIDANCE NOTES

Sports Clubs should take note of the CASC Guidance Notes which provide further details of eligibility for CASC registration. Please log onto [http://www.hmrc.gov.uk/casc/casc\\_guidance.htm](http://www.hmrc.gov.uk/casc/casc_guidance.htm) for this information.

## FURTHER INFORMATION

[runningsports](http://www.runningsports.org) offer a range of additional resources. For more information including Top Tips, Quick Guides, Workbooks and Courses, visit [www.runningsports.org](http://www.runningsports.org)



Herts Sports Partnership  
Hertfordshire Sports Village,  
de Havilland Campus,  
Hatfield Business Park,  
Hatfield,  
Herts,  
AL10 9EU

Telephone: 01707 284229  
Email: [info@sportinherts.org.uk](mailto:info@sportinherts.org.uk)

[sportinherts.org.uk](http://sportinherts.org.uk)