

Chapter 6: Finances

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The responsible management of organizational funds is critical to a club's success. Club officers assume the responsibility of guaranteeing expenses support the club's mission and goals, and that expenses do not exceed income. Texas A&M University has established guidelines and procedures regarding the use of state funds. Sport Clubs officers are strongly encouraged to familiarize themselves with these policies, and to coordinate club transactions with their advisor to ensure funds are utilized according to these limitations.

A. Types of Accounts

There are three types of accounts that may be used by Texas A&M Sport Clubs. Each of these accounts has very specific guidelines for utilizing the funds, and these accounts are explained in further detail below.

1. Department of Recreational Sports Allocation

The Department of Recreational Sports receives funds from the University that are annually allocated to the members of the Sport Clubs Association. These funds are allocated through the combined efforts of the Sport Clubs staff and the Sport Clubs Executive Committee based on the requests of the clubs. The guidelines for applying for these allocations are explained later in this section. **Allocation funds are available from Sept 1 - Aug 1.**

Examples of **appropriate** expenditures from the Rec Sports allocation include

- Approved travel expenses
- Tournament entry fees
- League or Association fees
- Officiating fees
- Approved equipment purchases (**MUST BE INVENTORIED**)
- Approved team uniforms (**Must stay with the club**)
- Services rendered by another University department
- Other expenses as approved by the Sport Clubs staff
- **Post-Season travel concerns (hotel, rental vehicles, airfare, registration)**

Examples of **inappropriate** expenses include

- Purchasing individual equipment needs
- Banquet expenses
- Coaching stipends
- Awards
- Newspaper advertisements
- Uniforms or warm-ups
- Club t-shirts
- Fundraising Efforts
- Increase endowments
- Food
- Gas
- Coach's travel expenses

2. Student Organization Finance Center Accounts

The Student Organization Finance Center (SOFC) is located on the second floor of the Koldus Building, next to the Student Programs Office. **Treasurers** must complete the **online training seminar** prior to utilizing the services provided SOFC. Funds received from club activities such as dues, donations, and fundraisers must be placed in the SOFC account. Typically these funds are utilized for awards, banquets, refreshments, meals, uniforms, and resale taxes. Because funds in these accounts **CARRY OVER** from year to year, it is not necessary for the club to spend all funds in the account each year. Clubs are responsible for off-setting allocation monies from Rec Sports to pay for club related items through fundraising.

Records of student organizations are "public" and subject to audit by SOFC personnel, Texas A&M University auditors, State of Texas auditors, advisors and other members of your club. It is vital club officers keep very accurate records of all account transactions, including income and expenses. If a club is audited and cannot produce documentation verifying the transactions, then the authorized student signing the ledger sheet will be responsible for repaying the funds.

3. Endowments

An endowment is a gift placed in a permanent fund. The Texas A&M Foundation oversees these accounts and disburses part of the income from the fund for the purpose the donor designates. These accounts are established for a particular purpose (i.e. scholarships, large equipment needs, coaches stipend, etc). Once the account reaches a balance of \$25,000, the interest earned will be available for the club's use.

The following information will be needed to set up an endowment

- Name of the club
- Purpose of the account
- Description of what the money can be used for (i.e. travel, equipment, coaches stipend, scholarships, etc.)

Please see the Sport Clubs staff or James Welford (Development Director for Rec Sports) at jwelford@rec.tamu.edu for information regarding the establishment of endowment accounts.

B. Department of Recreational Sports Allocation

The Sport Clubs staff and Executive Committee have developed the following budgeting process to determine clubs' annual Department of Recreational Sports allocation amounts. In addition to the club's financial status and balances, these procedures place a strong emphasis on the following items.

- **Membership considerations**
- **Generated revenue**
- **Budget presentation**
- **Amount of competitions**
- **Travel considerations**
- **Administrative considerations**
- **Club needs for the upcoming academic year**

Annual goals will influence the nature of club activities for membership recruitment, competition, fundraising, etc. Once these objectives have been established, careful attention to the needs and services that will assist the club in meeting these goals is expected. Fundraising efforts need to be demonstrated to justify the Rec Sports allocation.

Allocation Request Procedures

There are 4 tabs that need to be completed within the Budget Worksheet: Current Budget, Projected Budget, Current Year Competition Sheet, Projected Competition Sheet. Remember to be specific when preparing your allocation requests! The more information you provide, the easier it will be for the Sport Clubs Executive Committee to understand your needs.

Once you have determined the club's needs and fundraising totals, allocation requests will proceed as follows.

- Sign up for a budget presentation time in the Sport Clubs office during the announced times, and bring your completed budget request to the Sport Clubs Executive committee during your presentation time.
- Representatives from your club will have a fifteen minute opportunity to present the rationale for your request to the Sport Clubs Executive Committee. This hearing will take place during the month of March.
- After all proposals have been heard, the committee will complete rating forms based on criteria presented earlier that will determine amounts. These rankings and recommendations will be presented to the sport clubs staff for approval.
- Once final determinations have been made, each club will receive an email and letter stating the exact amount of the allocation
- Feedback will be given on presentations by sport clubs staff to assist in development
- Clubs will have access to the funds beginning September 1st of each year

Budgeting Suggestions

The following suggestions should help you coordinate and effectively manage the funds utilized by your club.

- Once funds have been allocated, prepare an adjusted budget to accommodate the differences between the request and the actual allocation. You will receive notification within 2 weeks of the presentation for your actual allocation.
- Stay within your budget. Spend your money carefully and make sure expenses will assist the club in reaching its goals. Receipt all expenses, keep copies of invoices, and record all deposits. Keep track of all money that is spent and deposited. If you need to know your current financial status, please contact the Sport Clubs staff.
- Pay your bills on time. If you are having difficulty making a payment, discuss the situation with the Sport Clubs staff. **Do not ignore outstanding bills.**
- The treasurer should approve all expenditures. Require all club members to obtain approval before they pay for anything for which they expect reimbursement. Demand receipts, and do not reimburse members for expenditures you did not approve in advance: **No approval & No receipts = No reimbursement.**
- Devise a separate budget for major events (i.e. hosting a tournament, staging a race or fundraiser, etc.) itemizing all projected income and expenses
- Receipt all income received. Be sure to record and deposit any cash received on the day it was received.
- Learn to maintain accurate and up-to-date financial records. Club records are subject to review and/or audit by the Department of Recreational Sports and/or Texas A&M University at any time. It is vital that you maintain an accurate list of all income and expenditures.

C. Methods of Payment

A Sport Clubs staff member must approve all Sport Clubs purchases and expenses. Do not purchase items and expect to be reimbursed, or make any verbal or written agreements for the purchase of equipment without first receiving approval. Agreements made without approval are not binding to Texas A&M University or the Department of Recreational Sports, which means the party involved in the agreement will be held liable for all expenses.

Equipment purchased with Recreational Sports allocations becomes the property of Texas A&M University. This equipment will be issued to the club for use during the year. All personal equipment must be purchased by individual club members and remains the property of the individual. Other equipment purchased by the club remains club property. The following methods may be utilized when making purchases or paying for services depending on the product and price which are generally used for facility equipment.

1. Department of Recreational Sports Credit Card

The full-time Sport Clubs staff has credit cards that can be used to purchase items for club use. This method is highly recommended and greatly expedites the purchasing process. To use the credit card:

- **Contact the Sport Clubs staff to set up a time to come in and use the card**
- For lodging, obtain a **credit card authorization form** from the hotel. If the hotel cannot provide one, ask the Sport Clubs staff for assistance.
- If staying in the State of Texas, inform hotel that card is State of Texas tax exempt and provide the occupancy form (located in Sport Clubs Office)
- All orders placed with the credit card will be shipped to the Department of Recreational Sports
- The complete cost of the purchase will be subtracted from the club's Rec Sports allocation
- Clubs must have enough money to in their allocation account to cover expense before purchasing with a sport clubs credit card.
- Based on a Hotel's policies and charges, clubs may not be able to use card.
- Online purchases MAY NOT have tax or service fees attached. Otherwise you will need to contact the vendor directly

Rec Sports Credit Card Usage Policy

Clubs utilizing the Rec Sports credit card for ANY purchases MUST submit ALL receipts/statements/invoices to the Sport Clubs staff **NO LATER THAN 48 HOURS AFTER** the completion of the event or time of purchase for equipment that the card was used for. If the club and officers do not comply, **ALL CLUB ACTIVITIES** including, but not limited to: **ALL** practices, competitions, travel, access to funds (no signatures for check requests), etc. **WILL BE SUSPENDED IMMEDIATELY** until all receipts have been submitted to the Sport Clubs staff. **Receipts must be itemized.**

FIRST OFFENSE - ALL practices will be cancelled, no access to funds (no check requests will be signed) until ALL paperwork is submitted to the Sport Clubs staff. IF paperwork is submitted AFTER the 48 hr deadline, the club's **NEXT** scheduled practice **IS CANCELLED** for **EACH** day paperwork IS NOT submitted. (Example: If paperwork is due on Tuesday by 5 pm, and it is turned in at 12 pm on Wednesday, there will be NO PRACTICE on Wednesday), and **an automatic \$150** will be deducted from the Rec Sports allocation.

SECOND OFFENSE - **ALL club** activities will be **CANCELLED** including competitions, funds will be frozen (no check requests will be signed), practices, meetings, etc. Same scenario as first offense are applied as far as turning in paperwork. **An automatic \$300** will be deducted from the Rec Sports allocation. **The club will NOT have access to the Rec Sports credit card for 6 months (excluding the months of May, June, and July).**

2. SOFC Credit Card Usage Policy

To utilize money from the club's SOFC account through a credit card the following will occur:

- Consult the SOFC to insure your club has the money to pay for the entire purchase
- Complete an SOFC Credit Card Payment Request Form (located in Sport Clubs room or online)
- Have a sport clubs staff advisor review and sign
- Take to SOFC with all documents and proof of purchase
- Ask SOFC staff member to assist with purchase
- Submit any and all receipts from credit card purchase to the SOFC
- Record/make note of amount in club treasurer's ledger to reflect amount deducted for purchase
- For hotels, you must have a reservation (potentially with personal card) before going to SOFC.

3. Invoiced Payments

In some instances, clubs may choose to be invoiced for services or for the purchase of items. The following procedure should be followed for the payment of club invoices through the Rec Sports allocation.

- Obtain approval for the payment from the Sport Clubs staff
- All orders should be delivered to:
 - Club Name (Required)
 - Attn: Keith Joseph or Jessica Konetski (Required)
 - Department of Recreational Sports (Preferred)
 - Texas A&M University (Required)
 - 4250 TAMU (Required)
 - College Station, TX 77843-4250 (Required)
- Once the items have been received, the accuracy of the shipment should be verified with the Sport Clubs staff
- Submit the invoice to the Sport Clubs staff for payment
- Allow 3 – 4 weeks for the processing of payments made in this way
- The complete cost of the payment will be subtracted from the club's Rec Sports allocation

4. Reimbursement

Reimbursements can ONLY be made to individuals. The Department cannot reimburse money directly to the club or into the club's SOFC account under any circumstances. To request a reimbursement:

- Obtain approval prior to the purchase from the Sport Clubs staff
- Once the items have been received, the accuracy of the charge should be verified with the Sport Clubs staff
- Submit the following paperwork to the Sport Clubs staff:
 - ◇ Receipt showing the name of the individual who made the purchase or paid for the service (this name must match the name of the individual being reimbursed). Receipts must be itemized.
 - ◇ Packing slip for equipment purchases
 - ◇ A completed **Reimbursement Request form** including the name, UIN, and mailing address of the individual being reimbursed
- **The Department cannot reimburse the payment of sales taxes, credit card service fees, or purchase of gas.**
- The total reimbursement amount will be subtracted from the club's Rec Sports allocation

5. Cash Advances

Cash Advances are NOT available through Rec Sports. Instead, sport clubs are highly encouraged to utilize the Rec Sports credit card whenever possible. Clubs should utilize funds from their SOFC account if cash payment is the only available option. **Cash Advance forms** may be found with Student Activities. **Do not pay for services with a cash advance (i.e. payment for officials).**

D. Donations

It is important to report donations and gifts to the Sport Clubs staff to ensure donors receive the necessary acknowledgements in a timely manner. The IRS does not classify Sport Clubs as "charitable organizations," therefore individuals wishing to receive the tax benefits of donating to members of the Sport Clubs Association must follow the procedures outlined below.

Monetary Donations

1. A form letter for making contributions to Sport Clubs has been created for each individual club. These letters are available by contacting any member of the Sport Clubs staff and should be mailed to potential donors.
2. If possible, avoid cash donations. Checks are preferred. If cash is accepted, it is important to give the donor a receipt and to get his/her name and address. This paperwork will be required for the donor to receive the necessary acknowledgements.
3. Checks should be made payable to the "Texas A&M Foundation" with the name of the specific sport club appearing in the memo section of the check. Checks made out to the club itself will NOT be tax deductible.
4. If possible, letters outlining the donor's wishes should accompany all donations.
5. Donations and letters should be delivered or mailed to:
 - Club Name (Required)**
 - Attn: James Welford (Required)**
 - Department of Recreational Sports (Preferred)**
 - Texas A&M University (Required)**
 - 4250 TAMU (Required)**
 - College Station, TX 77843-4250 (Required)**
6. Donations can also be submitted online. (Contact Keith or Jessica for more information)

Equipment & Livestock Donations

1. The item or animal must be inspected by a knowledgeable club member, the Sport Clubs Director, or Dr. Michael Martin (for horses) to judge its condition and suitability for the club
2. Prior to accepting a donation of equipment or livestock clubs must:
 - Determine and locate appropriate storage or housing space on campus
 - Receive approval from the Sport Clubs staff
3. Upon delivery of the equipment or livestock, the following must be given to the Sport Clubs Staff:
 - A letter from the donor stating the condition and the market value of the donation
 - A picture of the item or animal
 - **Independent Appraisal from someone NOT employed by donor.**
4. The Sport Clubs staff will send a letter to both the donor and the Texas A&M Foundation verifying the receipt of the equipment or livestock. The Foundation will send the appropriate acknowledgements for tax purposes.
5. In most instances, the item or animal will be put on the Sport Clubs Program Inventory

E. Fundraising

Although clubs receive some monetary support from the Department of Recreational Sports, the funding of club activities is primarily the responsibility of each club's membership. It is important members take an active role in raising funds to reduce the individual costs associated with participation in the club. Before organizing a fundraiser or soliciting funds from donors, club leaders should communicate their plans with the Sport Clubs staff to ensure compliance with University policies and procedures.

To assist clubs with fundraising ideas, a fundraising resource guide is available in the Sport Clubs Office. Some possible fundraising activities include:

- **Letter campaigns to friends and alumni of the club**
- **Car washes**
- **Merchandise sales**
- **Exhibitions**
- **Concert/Athletic concessions**
- **Athletic facility clean ups**
- **Tournaments**
- **Game programs**

Each of these activities requires planning and coordination and should be coordinated with the assistance of the Sport Clubs staff. The following guidelines will help make your fundraising efforts successful.

- **Determine the purpose of the fundraising campaign**
- **Develop a fundraising officer position to coordinate and direct fundraising efforts**
- **Recruit and motivate all club members to participate in the activity**
- **Avoid scheduling conflicts with other major campus and community events**
- **Utilize various forms of media to promote and publicize the activity**
- **Reserve the appropriate facilities well in advance**
- **Keep accurate financial records of all monies spent and received**
- **Prepare a report about the fundraising activity to help future club members plan similar events**

Sport Clubs Alumni

Sport Clubs are highly encouraged to maintain contact with former club members and alumni. The development of an accurate mailing list takes a lot of time and patience. However, once complete, an alumni mailing list can prove to be very beneficial to the club. To create an alumni mailing list:

- Obtain a former member roster from the Sport Clubs staff
- Utilize the former student database available through the Association of Former Students to find mailing addresses

Sport Clubs may not contact individuals who are not associated with the club without receiving approval from the Texas A&M Foundation. Please coordinate these efforts with James Welford, Development Director for the Department of Recreational Sports. Alumni are NOT permitted to compete with the club or represent the club or university in any fashion in any competitions.