**Factsheet**

**Managing payables & receivables**

**Introduction**

Strong financial management is essential for your Club’s survival and is an important part of good governance. Every Committee member should understand the club’s accounts and financial reports to ensure the best control in decision making. Further to this, managing accounts payable and receivable is an important skill to master. Proper management of these factors is essential for ensuring the efficient cash flow of the Club.

**What are payables & receivables?**

**Accounts payable**

Accounts payable is the sum of all outstanding amounts owed to vendors, and is shown as the Accounts Payable balance on the Club's balance sheet. This represents your Club’s obligation to pay off a short-term debt to its creditors or suppliers. This will include amounts that are due to be paid to vendors or suppliers for goods or services received that have not yet been paid for.

Examples of items that may be Accounts Payable at your Club include:

1. uniform and equipment purchases
2. FV/FA Fees
3. facility hire fees and utilities
4. payment plans for facility developments

**Accounts receivable**

Accounts receivable is the balance of money due to your Club for goods or services delivered but not yet paid for by participants or customers. Accounts receivables are listed on the balance sheet as a current asset, as this is money that is expected to come into the Club soon.

Examples of items that may be Accounts Receivable at your Club include:

1. Registration Fees
2. Payment Plans for Participants
3. Sponsorship Payments

**Managing Payables & Receivables**

Managing accounts payable and accounts receivable is an important function for Football Clubs. Below are great tips to keep your cash inflows and outflows moving along smoothly.

**Payables**

1. Utilize the latest technology – This can aid record keeping and ensure no double payments, etc.
2. Build trustworthy relationships with suppliers – By having solid personal relationships you may be able to negotiate more favourable terms or gain more leeway in paying outstanding amounts.
3. Avoid making payments too early or too late -
4. Take advantage of any discounts available – Consider paying early should a supplier of a reduced amount for payment before a certain date.
5. Avoid any penalties or late payment fees – Set up reminders to ensure all invoices are paid on time to reduce wasted expenditure on late fees.

**Receivables**

1. Offer great Club experiences – If you participants and customers are happy with your Club they are more likely to pay on time.
2. Use the electronic option – Communicating via email, creates a record to fall back on and can help in faster payments of accounts receivable.
3. Consider offering payment plans – More friendly payment options can help you avoid registrations that might become bad debts otherwise.
4. Set Credit Terms and stick to them – When you set payment plans make sure to enforce the terms as too much leverage to clients can lead to bad debts, etc.
5. Offer positive and negative incentives – Small early bird discounts can prompt individuals to pay ahead of time, while penalties for late payment can incentivize to pay on time or recoup money as compensation for failing to do so.
6. Follow up early and frequently – Contact those responsible for overdue amounts instantly, this shows you are serious about collecting the amounts owed.
7. Accept different payment options - Cash, checks, credit card, Bpay, direct debit, etc should be available to increase your chances of receiving the payments quickly.

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