



Expenditure by Non-Proprietary Licensed Clubs Policy

Greyhounds Queensland Limited

Albion Park Raceway
Breakfast Creek Qld 4010

PO Box 250
Albion Qld 4010

Phone: 07 3262 7800
Fax: 07 3262 7809

Website: www.greyhoundsqueensland.com.au
Email: gql@greyhoundsqueensland.com.au



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COMMENCEMENT DATE

This policy comes into effect on 30 March 2006.

PURPOSE

The *Racing Act 2002* authorises Greyhounds Queensland Limited (GQL) to make policies for the sound management of the industry. Section 81(t) of the Act requires Queensland Racing to make a policy on spending by non-proprietary licensed clubs.

Licensed race clubs organise and run greyhound race meetings in Queensland. They are responsible for the development and maintenance of assets crucial to the greyhound racing industry. They generate revenue and profits and hold assets on behalf of their members and the industry. They operate in an increasingly competitive environment. The welfare of individual clubs and the industry as a whole depends on clubs instituting sound financial management practices.

Queensland clubs are incorporated bodies under the *Associations Incorporation Act 1981* and range from multi-million dollar businesses with substantial administrations to those that race at a lesser level and are administered mainly voluntarily. The corporate governance structures will therefore differ substantially from club to club but the fundamental principles of business management and control remain the same. Clubs must ensure their expenditure is for legitimate purposes, that they receive value for money and that they have appropriate documentation to support their expenditure. They must also ensure that their financial accounts are audited annually by an authorised auditor.

GQL helps clubs administer their finances and monitors clubs' financial management and performance. This includes providing a Financial Management Procedures Manual, a standard chart of accounts and standard annual report, and requiring clubs to obtain authorisation before undertaking certain types of expenditure. The clubs are also required on a monthly basis to provide unaudited financial reports to GQL.

The purpose of this policy is to help GQL and licensed clubs manage the greyhound racing industry's finances, and to ensure clubs understand their financial roles and responsibilities and have the necessary tools and support to manage their finances soundly.

POLICY STATEMENT



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Policy**

GQL requires clubs to manage their finances effectively and accountably for the benefit of the club and the greyhound racing industry.

Clubs must manage their finances, including their expenditure, in accordance with relevant legislation, including the *Racing Act 2002*, *Associations Incorporations Act 1981*, and the *Taxation Laws*.

Clubs must also manage and disclose their finances in accordance with rules and procedures set down and administered by GQL, including the rules of greyhound racing, licence conditions and the Financial Management Procedures Manual issued by GQL.

In relation to expenditure, race clubs should take particular note of the following requirements contained in the *Racing Act 2002* and the Financial Management Procedures Manual:

- Clubs may only incur expenditure on activities directly associated with the encouragement of greyhound racing, or for a charitable purpose with the written approval of GQL in accordance with (section 112 of the *Racing Act 2002*;
- Appropriate internal control systems should be established to minimise the risk of misappropriation of club revenues or fraudulent expenditure, and to ensure that financial disclosure of expenditure is not compromised;
- Internal control systems should include clearly documented authorities for the approval of expenditure by club officers; and
- All expenditures must be supported by appropriate documentation that must be maintained in accordance with the section on “Safeguarding and Retention of Accounting Records” in the Manual.

In addition to the requirements of the Act and the Financial Management Procedures Manual, a club must obtain prior approval in writing from GQL before:

- undertaking expenditure on any capital item or capital program in excess of \$25,000; or
- undertaking any expenditure on activities not directly related to the conduct or encouragement of greyhound racing.

Activities not directly related to the conduct or encouragement of racing include, for example, investing in property or shares, the establishment of gaming facilities and sponsoring non- greyhound racing related events.



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GQL will monitor clubs' financial management and financial performance.

Should GQL find a club is not complying with the Financial Management Procedures Manual, relevant legislation or this policy, GQL will direct the club to take action to rectify the situation.

Should a club refuse to comply with such a direction, GQL will take appropriate action under the *Racing Act 2002*, which could include suspending or cancelling the club's licence.

APPLICATION

This policy applies to all licensed, non-proprietary race clubs in Queensland, including these clubs' management committees and officers.

DEFINITIONS

“Capital expenditure” refers to the application of funds toward the purchase or construction of items that will not be fully expensed through the club's Statement of Financial Performance in the year of purchase.

“Charitable purpose” refers to a club donating money to a benevolent cause not associated with the operations of the club.

“Encouragement of racing” refers to the application of monies by a race club to the core business and business objectives of the club – the conduct of greyhound racing.

“Financial Management Procedures Manual” refers to the publication prepared and distributed by GQL that provides comprehensive guidelines and standards for clubs for their financial and business operations.

“Internal control systems” refer to the practices and processes established by clubs to ensure high standards of corporate governance and financial accountability are in place, and to minimise the risk to clubs of fraudulent activity or theft.

PROCEDURES

GQL Financial Management Procedures Manual details the way clubs must manage their finances, including their expenditure.



Roles and responsibilities

Club committees

Club committees must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. Club committees must provide accurate, complete and timely information on club finances to GQL, to their auditors and to their members, and ensure policies are established in respect of the financial operations of the club that are consistent with the principles and guidelines outlined in the Financial Management Procedures Manual. Club committees must comply with a direction from GQL.

Club treasurer

Club treasurers must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. They must oversee the internal accounting and stock controls and procedures of the club and ensure that appropriate standards in that regard are being met and that the risk of misappropriation or fraudulent use of race club monies is minimised

Club officials

Club officials must ensure club expenditure is for legitimate purposes, represents value for money and is supported by appropriate documentation. They must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. Club officials must at all times operate in accordance with the financial policies and procedures established by the committee.

GQL

GQL provides support and guidance to clubs, monitors clubs' financial management and financial performance and, if necessary, intervenes to ensure clubs manage their finances appropriately. GQL assesses proposed major capital expenditure by clubs and any proposed expenditure by clubs not directly related to the conduct or encouragement of racing. GQL must comply with a direction from the Minister for Racing.



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Review

This policy will be reviewed after two year's operation from its commencement.

This policy was reviewed by GQL Board on 3 March 2008, with the policy to be reviewed within two years of this date or earlier as determined by the GQL Board.

Rules of racing

GQL rules of greyhound racing are not made to provide for the application of this policy.

Authority and other information

This policy was issued by GQL on 30 March 2006 pursuant to the powers vested in the GQL by the *Racing Act 2002*.