

Sportsbiz

HAS YOUR CLUB BEEN BITTEN BY THE *BUDDY BILL*?

Has your organisation ever entered into contracts without all the information, or suddenly been hit with an invoice for services thought to be for free? Do the following statements sound familiar?

- “I thought they were doing some work as a volunteer but we received a huge bill. We are a not-for-profit organisation that relies on volunteers, how can we find the money to pay this bill?”
- “He was a mate of one of the board members, he didn’t quote for the work or anything, we thought it would be really cheap but now we are left with a hefty bill.”

We call this the “buddy bill” and the great news is that these situations are avoidable. It is often no one’s fault but can bounce back and be very damaging to the organisation. Boards and committees and management need to treat every transaction as a “business” transaction and therefore contract out work on a professional basis with an offer and an acceptance in place. Shop around for quotes, even if it is a mate doing a favour ensure you have in writing the work to be done and who pays for what and have both parties sign off the agreed approach. Have your board or committee (or at least quorum) agree to the work and ensure the decision is included in the minutes of the meeting.

If you need advice in relation to procedures for contracting parties or general information regarding roles and responsibilities of boards and committees feel free to contact Julie Pudney on 89822325 or M 0438806257

If you represent an organisation incorporated under the Northern Territory Associations Act, then you need to ensure that you are familiar with the provisions under that Act. In particular, Division 5 which relates to contracts and duties of officers. For specific advice or actions on these matters please call Business Affairs on 8935 7722 or email: businessaffairs@nt.gov.au.