

GUIDANCE NOTE

Financial planning and monitoring

A basic level of financial awareness is important and no-one should care more about your money than you.

Unfortunately, most professional sportspeople:

- have relatively short playing careers
- lack experience in financial management and long-term planning.
- have unpredictable income profiles
- have little expertise regarding cross-border or multi-currency issues.

Good financial management and long-term planning will help you to establish a solid financial foundation not just through your playing career, but also once your playing days have finished.

Annual budgeting

To help you to understand your own annual finances, it is vital that you create an annual budget. Write down a list of all the expenses you expect to incur over the course of a year, then try to estimate how much you think you will need to spend on each item. A spreadsheet has been created to help you with this exercise.

Expenditure is only half of the story. You also need to estimate how much income you think you're going to get and where it will come from.

When you put all of this together, you will be able to see whether or not it will be necessary to reduce some of your costs, or try to seek additional income.

It is important to review your budget regularly so that you can make adjustments to your spending as the year progresses. (Generally speaking, you have more direct control over your expenses that you do over your income.)

Event budgets

When travelling to an event, it might be helpful to produce a specific budget for the trip. This will help to ensure you have sufficient funds for the trip and this will prepare you for how costs differ in different countries.

Administration

You are advised to keep all of your booking forms, receipts, financial statements, etc., as these will probably be needed when you're producing your end-of-year accounts. Keeping on top of this as you go along is much better than trying to deal with all of it in one go at the end of the year.

One idea that might help is to print two copies of a receipt when you make a booking, one to carry with you and the other to go in an administration folder.

Professional services

Some players have the training, knowledge and time to be able to manage their financial affairs, but most will need professional support. Independent advice can help to secure a stable financial future.

When searching for an advisor seek advice from a trusted source. All too often professional sportspeople hire the wrong people as advisers and they trust them far too much.

Appointing a financial advisor does not mean that you no longer need to take an interest in your financial affairs. The work of your advisors will need to be monitored.

General advice

It is never too early to start planning for retirement.

Avoid the temptation to overspend and try to live within your means. It is good to aim to be at least debt free at the end of your playing career.

For most people, taxes are their single largest expense so it's worth getting advice from a tax specialist who understands the issues related to professional golf.

Ensure that you have appropriate insurances in place.

If investing money, carry out a proper appraisal of the business idea and your potential business partners before making any commitments.