# Financial Terms Quick Sheet

Any club needs to be financially viable in order to survive. To be financially viable, you should consider revenue & expenses, as well as assets & liabilities.

| Term | Definition | Example |
|---|---|---|
| **Revenue** | Money your club earns from conducting business | Membership dues, entry fees, sponsorship dollars |
| **Expenses** | Costs you incur to generate the revenue | Rent, utilities, bar stock |
| **Assets** | Something your club owns that can provide future economic benefit | Clubhouse, investments, accounts receivable |
| **Liabilities** | Your club's obligations: either money that must be paid or services that must be performed | Outstanding loans, accounts payable |

There are two major financial statements that you should use to assess the overall financial wellbeing of your club:

**Income Statement**: shows revenues and expenses over a period of time

**Balance Sheet**: snapshot of your club's financial position at a single point in time; contains assets, liabilities, and equity (sometimes known as retained earnings)