



Money Management for Clubs and Regions: What is a Budget?

USPC By-Laws for both the Clubs and Regions state that the District Commissioner (DC) or the Regional Supervisor (RS) shall

develop and implement a plan to provide funds with which to support the expenses for [Club/Region] administration and activities. Each year, the [DC/RS] shall develop and present a proposed operating budget for the approval of the [Club Sponsors or the Regional Council]. The [Club/Region] Treasurer shall assist in the development of the proposed operating budget and in the administration of the funds in accordance with the approved operating budget.

So, what is a budget, and how does one create it?

- An operating budget defines the expected and approved income and expenses for a specific year for the organization, whether it is a Club or Region. This allows the organization's leaders to plan an affordable program of activities for its Members. It also provides for reimbursement of expenses incurred by volunteers and set expectations for fees and fundraising efforts.
- The Annual Budget is a required agenda item for Annual Meetings. The organizations' leadership create the budget, with assistance and input from their Treasurers. In some Clubs or Regions, a "Budget" or "Financial Committee" may develop the draft budget to share with the organizations' leadership before presenting it to the Annual Meeting. The Club Sponsors or voting-privileged Regional Council members approve the budget by motion and vote.
- The organizations' Treasurers must include an update on the budget—and all other organizational financial assets (bank accounts, property, etc.)—at each Club or Region meeting throughout the year. In some Clubs and Regional Councils, the Sponsors or Council members vote on budget adjustments periodically.

Hint: In addition to an annual operating budget, some Clubs and Regions also maintain a long-term (three-to-five year) budget. A long-term budget is useful when the organization's financial health may fluctuate over a multi-year period, such as every three-year Festival participation plan, or Championships West participation every two years.

Budget Development:

What should a budget consider?

- How many Members do we expect for the following year? How much in dues will we expect Members to pay? How many Sponsors (if a Club) and what is the Sponsor fee for next year?
- How does this compare to the current year? [The Treasurer can provide this information. There are many reports in the Centralized Financial Reporting System (CFRS) for the current year that can help frame activities for the following year.]
- What kind of fundraisers do we want to do? [If possible, fundraising in one year should be done for the next year. You may also create "mini-budgets" for large events, i.e., Rallies, Clinics.]

- What activities do we provide our Members? Is it enough? Does it need to change?

Hint: If your Club or Region has individuals or committees dedicated to a specific function, then their input is helpful in the budget development process. Functions may be Membership, Fundraising, Instruction, Rallies, and so on. Ask them!

What items should be in the budget? The sample budget below gives you some ideas of income (revenue) and expenses normally found. (You can also find information on the USPC website.) Your own organization may have unique concerns. Contact USPC's [Finance Director](#), Karen Clark, with questions.

Budget Presentation:

- At the appropriate place in the meeting agenda, the DC/RS asks the Treasurer to report on the organizational financial assets and matters. After the Treasurer provides the report, a Sponsor or voting-privileged Council member makes a motion to approve the Treasurer's report. Another Sponsor or voting-privileged Council member makes a second; there is discussion as necessary (recommend no longer than five minutes); and then the DC or RS calls for a vote to only approve the report.
- Treasurers may have decision items in their reports that the group should motion, second, discuss, and vote upon. Examples: "*I move that we change our bank to this other bank,*" or "*I move we start using PayPal for Rally entries.*" Those should be done AFTER the vote on the report approval and BEFORE any discussion about the budget.
- AFTER the vote to approve the Treasurer's report, the Treasurer presents the draft budget(s). The budget(s) is/are draft until it is voted upon. The Treasurer can provide paper copies or display on a screen from a computer.
- BEFORE any budget discussion, a Sponsor or voting-privileged Council member makes a motion to approve the budget. (If a long-term budget is included, you may use a separate motion.) Another Sponsor or voting-privileged Council member makes a second, then there may be discussion as necessary. (Again, recommend 5 minutes or less for each item in discussion.)

Hint: Use an Excel or Word to create draft budgets (or any other word-processing application). You can then highlight new line items or items that need particular interest before the vote (i.e., a significant increase or decrease from previous years). You can also add "comments" to explain calculations and/or concerns. You can use the draft Excel or Word to present the budget and make changes *in real time* as the discussion progresses. (To keep track of changes, use a different color font.)

Hint: The DC/RS should ask for discussion of each line item or group of items without indicating personal opinion. For example, "*Membership fees. The draft budget anticipates an increase of \$5 per Member. Any comments?*" or "*Membership. The draft budget anticipates a fee decrease of \$10 per Member, but also asks the organization to pay the costs of background checks for our leadership and adult Members. Any comments?*"

- AFTER the discussion of the draft budget(s), the DC or RS calls for the vote. If there were modifications made to the presented draft, the DC or RS must ask the Sponsor or voting-privileged Council member who made the original motion to approve the budget to withdraw that motion and make a new one: "*I withdraw my motion to approve the budget and instead move to approve the budget as currently modified.*"
- With another second of the new motion, the DC or RS can call for the vote to approve the modified budget.

What happens after the budget is in place? There are two primary budget concerns throughout the operating year: transparency and budget adjustments.

Transparency. The approved budget—to include any “mini-budgets for special events or expenses—is entered in the USPC CFRS. As indicated above, the Treasurers must share the budget update at any meeting throughout the year. Sponsors or Regional Council have a right to review the Club or Region’s financial status.

Budget adjustments. On occasion, the budget may need adjustment due to an unanticipated cost. However, no disbursements can be made unless previously approved in the budget. Therefore, an unanticipated cost must have Sponsor or Regional Council approval WITH A VOTE.

Hint: Some Clubs and Regions allow for difference within a budget of a set amount. For example, the Rally Committee may be allowed to exceed projected costs by 10%, and/or no more than \$100. These allowances must be transparent to the Sponsors or Regional Council and discussed during budget approval.

Sample Budget for a 20 Member Club

Income					
	Dues	20	\$ 115.00	\$ 2,300.00	Assume \$75 Club dues and \$40 Regional dues
	Lesson Fees	360	\$ 10.00	\$ 3,600.00	Lessons are offered twice a month, assume 75% participation
	Fundraising - Spring Garage Sale	1	\$ 800.00	\$ 800.00	The Club holds a garage sale that brings in about \$800
	Fundraising - Fall Car Wash	1	\$ 600.00	\$ 600.00	The Club holds a car wash that brings in about \$600
Total Income				\$ 7,300.00	
Expenses					
	Regional Dues	20	\$ 40.00	\$ 800.00	Assume Regional Dues of \$40
	Mounted Lesson	24	\$ 100.00	\$ 2,400.00	Twice monthly lessons, \$100 per time
	Unmounted Lesson	24	\$ 50.00	\$ 1,200.00	
	Special Clinic	2	\$ 500.00	\$ 1,000.00	The Club brings in a special clinician twice a year
	Certifications	2	\$ 150.00	\$ 300.00	
	USPC Annual Meeting	1	\$ 800.00	\$ 800.00	Money set aside for DC to attend USPC Annual Meeting
	Regional Meetings	2	\$ 40.00	\$ 80.00	Money set aside for DC to attend two Regional Council Meetings
	Insurance	7	\$ 20.00	\$ 140.00	7 sites for mounted and unmounted meetings at \$20 each
	Banking Fees	12	\$ 10.00	\$ 120.00	
	Tax Preparation	1	\$ 60.00	\$ 60.00	
	Awards	1	\$ 200.00	\$ 200.00	
	Annual Fund Donation	1	\$ 100.00	\$ 100.00	Donation to USPC Annual Fund if funds allow
Total Expenses				\$ 7,200.00	

Leaves \$100 for carry forward to next year or for savings account.