

## Developing a Budget

Many of us are challenged when it comes to developing and then applying a budget. As the leader of the group you assume financial responsibility for the solvency of that group. It is the responsibility of the DC, with assistance from the Treasurer, to develop a reasonable financial plan each year. This plan, known as the budget, is presented to at the Annual Meeting of Sponsors for their acceptance and approval.

When developing a budget you are basically making an educated projection of those sources of revenue that the club can expect and how those revenues will be expended, or developing a projected profit and loss statement. To develop a fairly accurate or realistic projected budget one must have the supporting cash flow statement and balance sheet of the banking accounts of the group. These will show how the money was actually spent in the present year and will help you to decide how to plan the financial picture of the group for the coming year. Your Treasurer will be able to assist you by providing you with a copy of the most current cash flow statement and balance sheet.

When sitting to develop the budget you must have a good idea of how the money of the club is spent. It is my suggestion that money that is only passing through the treasury, such as rally entry fees, not be listed on the proposed budget since there is no money staying with the club and the rally is not going to be an expenditure of the club. In some instances, clubs do decide to pay part of or all of a rally entry fee or rating fee (for those doing upper level ratings) and in those situations my suggestion is to list that as both an income (where do you plan to get the money to pay for that) and an expense (list what the club is paying for). Maybe that would be listed as member stipend or member allocation or scholarship or some such heading/title.

I have provided within a basic outline for a simple budget. This template can be used only as a guide to give you a starting point or can be altered to suit the needs of your club.

If you intend for your club to pay all rally entry fees and all upper level rating fees then you need to determine and reflect in your financial plan where the money is coming from to pay for those expenses. This often will help a club in the decision of fund raising – we need to raise at least \$2000 in the coming year to cover all of the expenses that we wish to cover for our members. Usually the proceeds from this year's fund raising will be used to budget for the activities of the following year so you are always working now to raise funds to cover expenses for the next year.

I hope that this is helpful to you.

Jan

# Budget Template

## **Revenues:**

### General Fund/Administrative

- Dues: (# projected members x club dues)
- Sponsor Fees (# projected club Sponsors x sponsor fee)
- Dividends/interest on accounts
- Donations
- Allocation of Fundraising

### Education/Testing Fund

- Rating fees (projected number to rate at each rating x projected rating fee)
- Special activity/Camp registration fees
- Allocation of Fund Raising

### Miscellaneous

- Allocation of Fund Raising

## **Expenses:**

### Administrative/General Club expenses

- Corporate Membership Fees (if the club pays for them)
- USPC/Regional Meetings (if the club pays any part of)
- Postage/ Copies
- Insurance (List of Landowners)
- Pins
- Bank charges

### Education/Testing Fund

- Instructor/examiner fees
- Facility Fees
- Certificates

### Miscellaneous

- Club Equipment/materials (library, shirts, banners etc)
- Awards/banquet
- Hospitality/gifts/donations
- Fundraising expenses
- Special Activity/Camp Expenses/Member Stipends

Other: