

NOAC 2024

CU Boulder



SEEK NEW HEIGHTS

How to Finance a Lodge

Using Budgeting to Take Your Lodge to New Heights

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Meet Your Trainer

- Echeconnee Lodge
- Section Adviser, E6
- Macon, Georgia
- Been to all places Abraham Lincoln lived as an adult, where he died, and where he is buried.



Ken Barton



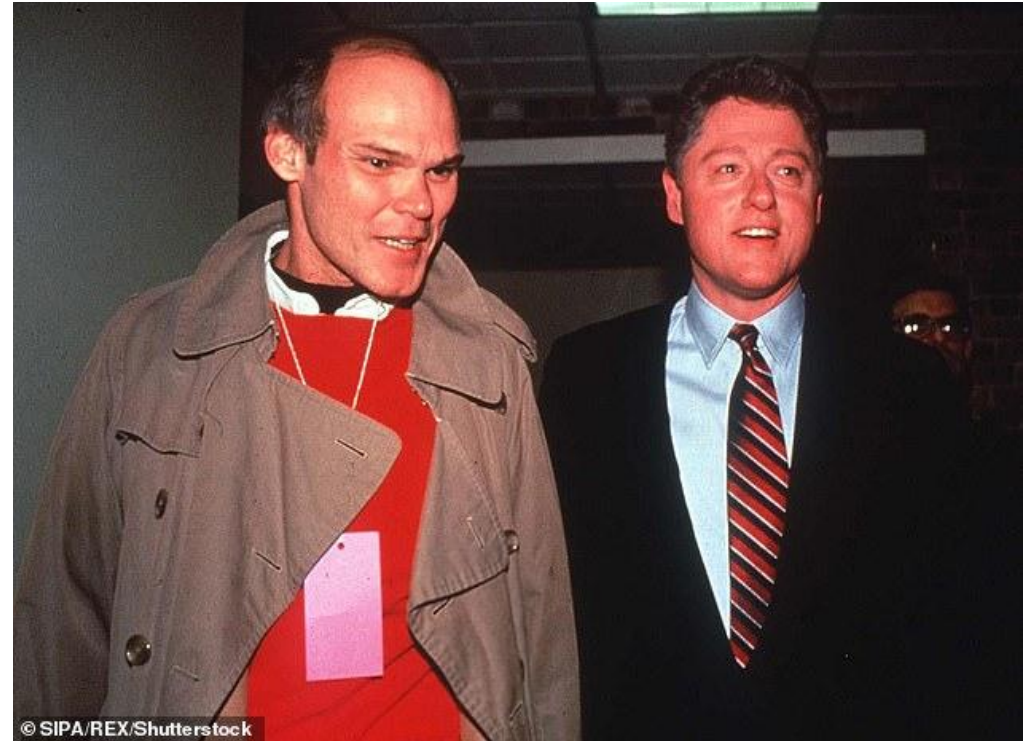
Learning Objectives

1. Identify ways in which lodges may be able to make or raise money for the Lodge for the purpose of strengthening its financial position as a responsible part of the council's program and operations.
2. Identify guidelines for lodge budgeting and financing, and understanding safe spending.
3. Learn to use the basics of budgeting to tell your lodge's money where to go, instead of wondering where it went.
4. Learn what tools are available to assist lodges with their budgeting and finance needs, and how those tools may be used.



“It’s the economy, stupid.”

- James Carville, Adviser to Gov. Clinton’s 1992 Campaign for President
- Recession
- Slogan of Clinton’s campaign
- What did Carville mean?
- Relevant to this session?





1.

The Jelly Bean Game



The Jelly Bean Game

- Your “income” is 20 jelly beans.
- Choose one item in each of the starred categories, and “pay” for the item with jelly beans.
- After you have paid for items in each of the STARRED categories, continue making choices in the remaining categories.
- Before considering any expenditure, consider your lodge’s values, goals, prior experiences, etc.



***“A budget is telling your money
where to go instead of wondering
where it went.”***

**-Dave Ramsey
American Radio Personality
and Personal Finance Expert**





2.

Crash Course in Budgeting 101



Budgeting 101

- Dave Ramsey: “A budget is telling your money where to go instead of wondering where it went.”
- A budget is simply a **plan**
 - **Plan** for what revenues will be raised
 - **Plan** for how resources will be allocated
 - **Plan** for how money will be spent
- Approach the plan with the right mindset, and think like a successful business person
- Steps: 1) Define Guidelines; 2) Do Your Research; 3) Identify Fixed and Variable Costs and Revenues; 4) Formulate Your Budget; 5) Evaluate and Balance; and, 6) Get Budget Approved, Then Execute



Step 1: Define Guidelines

- *Before* making budget, create clear guidelines (personal, LEC, Lodge Finance Committee, etc.)
- Consider:
 - Expected attendance
 - Financial purpose of event (i.e., break even or profit)
 - Types of programming and needs
 - Types of food and how prepared
 - Cost-savings



Step 2: Do Your Research

- No use *guessing* about expenses
- Obtain multiple quotes and proposals
- Shop around
- Special considerations about patches and memorabilia
- Check lodge inventory and consider costs savings
- Lean on adults with relevant professional experience



Step 3: Identify Fixed and Variable Costs and Expenses

- “Revenue” = monies coming in
- “Costs” or “Expenses” = monies going out
- Lodge events usually rely on fees and sales
- Variable expenses and revenues **change** depending on attendance or other circumstances
- Fixed expenses and revenues **stay the same** regardless of other factors like attendees



Step 4: Formulate Your Budget

- Use available resources (e.g., Lodge Operating Budget Worksheet in Lodge Finance Manual)
- Excel/Google Sheets, OA LodgeMaster Finance Manual
- Include contingency (e.g., 10% or that set by council)
- *But don't worry right now about balancing the budget, it's more important to include all revenue and expenses now*



Step 5: Evaluate and Balance

- Finish Step 4, let it sit and sink in.
- Return to goals from Step 1, and reconsider draft budget
- Now time to balance budget
 - May have to cut or eliminate some line items
 - Explore other ways to obtain resources
- Go through each line item with fine tooth comb
- Try to avoid raising attendance fee



Step 6: Get Approved and Execute

- Once the budget has the appropriate approval, time to execute
- This step will be addressed in the next portion





3.

Guidelines for Responsible Management of Lodge Money



Guidelines for Responsible Management

- National publications containing guidelines for budgeting, financing, and fiscal management.
- Brainstorm purposes of Lodge Finance Manual
- Let's learn some of these guidelines through hypotheticals



Hypothetical: Who's your banker

- “Several days after her election as Lodge Treasurer, Jane Arrowman called her adviser to discuss the financial condition of the lodge. Her adviser answered as he was stepping into a meeting at work, and he quickly told Jane to try to step up a meeting with the lodge's banker. Jane ended the call confused because she didn't know the lodge used a bank. She needs your help figuring out who to call.”



Hypothetical: Who's your banker

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- According to BSA and OA policy, **the local council acts as the “banker”** for the lodge.



Hypothetical: Custodial Accounts

- “Lodge Chief Larry thought about creating a campership fund that would allow members of his lodge to attend OA High Adventure at low or no cost to them. Larry went to the service center to visit his council’s accounting specialist and he asked for the balance of funds set aside for members with financial needs to be able to do activities. The accounting specialist told Larry that the lodge did not have an ‘activity account,’ and Larry would need to check the custodial account. Larry rushed off to find the janitor, who told Larry he was not sure how to help.”



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- While councils use “activity accounts” for council-sponsored activities, **funds belonging to any OA lodge should be accounted for in the council’s “2371 Custodian Account,”** not a council activity account.



Hypothetical: Lodge vs. Council Records

- “Bob Goodman just started as his lodge’s Staff Adviser. Since he knew that he would have a handle on the lodge’s financial outlook as the officers planned their upcoming fellowship, Bob asked his coworker, the council accounting specialist, for a report reflecting the lodge’s finances. When the report was prepared, it only included income, expenses, and brief descriptions. This was not what Bob expected to get, and he is not sure where to go next.”



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- While the overall numbers should match, **lodge’s financial records should have significantly more detail than those maintained with the council.**



Hypothetical: Lodge Positions Related to Finances

- “In preparation for hosting Conclave next year, Lodge Chief Larry wants to build the committee handling the lodge’s finances. The only problem is that Larry has no idea who should be on this committee.”



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- **Lodge Treasurer:** Elected youth officer, responsible for maintaining the finances, preparing financial statements, chairing the finance committee, and reporting to the LEC. **Supported by adviser.**
- **Lodge Finance Committee:** Members appointed by chief, elps develop budget, dues collection, monthly audits, etc.



Hypothetical: Building the Budget

- “Fresh into her job as treasurer, Jane Arrowman is looking forward to working with the lodge finance committee to create her first budget. Janes is looking for advice on getting the process started.”



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- 120 days in advance of end of fiscal year
- Review prior year’s expense and income statements
- Templates and worksheets
- Each event should have its own budget
- Combine even budgets with other revenue and expenses to prepare annual budget.



Hypothetical: Income and Expenditure Records

- “When Lodge Chief Larry arrived at his first event, he realized that he forgot to purchase the drink mix for the camp’s famous ‘bug juice.’ Larry made a quick trip to the store, and when he returned, he handed a receipt to the lodge treasurer for reimbursement. The lodge treasurer knew that the event had a number of walkups who paid in cash, and she offered to reimburse Larry immediately. While Larry would have liked to be reimbursed quickly, he was not sure if this was allowed and he asked your opinion.”



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- **No, cash received at a lodge function must never be used to provide on-the-spot reimbursements for function-related expenses.** Lodge should work with council on a standard procedure for such requests.



Hypothetical: Lodge Property

- “District Executive Urner was getting ready for the council’s largest Cub Scout event when he realized that the council forgot to purchase wristbands for registered participants. Knowing that the lodge used similar wristbands and had a small stash available, he contacted Lodge Chief Larry to ask him to drop off the wristbands at the council office since they were council property. The lodge needs the wristbands for when it soon hosts Conclave, and Larry is not sure what to do.”



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- **“Any items that the lodge purchases are considered lodge property and inventory.”** The lodge can decide to sell or repurpose items, with proper record-keeping.



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- Larry *can* keep this equipment at his house, so long as **the location of property is documented and inventoried**. For items worth more than \$500, Larry should also ensure his family’s insurance policy would cover any theft, damage, or loss.



Takeaway Challenge

Financial health of a lodge is critical to quality programing. There are guidelines, processes we learned, and resources that will help toward that path.

For two minutes, brainstorm 3-5 things you would advise lodge treasurer on getting started



Takeaway Challenge

Finally, let's consider some innovative ways to use revenue-generating activities so your lodge can offer innovative programming, fun and memorable events, and opportunities for Arrowmen in need of financial assistance.

These experiences enable lodges to “Seek New Heights!”

