2024 National Order of the Arrow Conference

How to Finance a Lodge

Session Length: 45 minutes

Session Description

Money, money, money! It impacts all areas of our lives; yet, we never have enough to cover all of our needs and wants. The finances of our lodges are in many ways the same. In this session, learners will begin to appreciate the concept of budgeting, become familiar with the guidelines applicable to lodge finances, and brainstorm new and innovative ways to raise the revenue that a lodge needs not only to function, but to use its finances to enhance its program and membership, seeking new heights in the process.

Learning Outcomes

Outcome 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.

Outcome 2: Identify guidelines for lodge budgeting and financing, and understanding safe spending.

Outcome 3: Learn to use the basics of budgeting to tell your lodge's money where to go, instead of wondering where it went.

Outcome 4: Learning what tools are available to assist lodges with their budgeting and finance needs, and how those tools may be used.

Theme Connection: Seek New Heights

In addition to being good stewards of our lodge's limited resources, budgeting allows lodges to be intentional about using money to offer innovative programing, fun and memorable events, and opportunities for Arrowmen in need of financial assistance, taking your lodge to new heights.

Facility and Material Needs

Facility Needs

Is this session remote delegate-compatible? (ie. can the material be engagingly taught via live stream)	Yes; although, learners will participate in group activities individually and will need to obtain their own supplies.
Does this session need audio/video (AV) capabilities? (ie. projector)	Yes.
Are there any other specific facility needs for this session? (ie. movable chairs, panel-style seating, etc.)	Having a table, desk, or other flat surface for learners is ideal.

Material Needs

Material	Quantity	Source
Jelly Beans	20 per 2-4 learners	Trainer
Printed materials (including Jelly Bean Game Cards)	1 set per 2-4 learners	NOAC Training Committee
3 oz paper cups	1 per 2-4 learners	Trainer
Projector/Speaker	1	NOAC Training Committee
Copies of example resources and forms from Lodge Finance Manual	Discretionary	Trainer

Session Preparation Steps

Step 1: The trainer should be someone who has already gained personal experience in the budgeting process of a lodge.

Step 2: The trainer should review and be knowledgeable with the Order of the Arrow's Lodge Finance Manual and Handbook for Officers and Advisers prior to preparing for or delivering this session. It would also be helpful, but not required, to be knowledgeable with the Field Operations Handbook.

Step 3: After reviewing this session, the trainer should be sure to print all handouts for learners, particularly ensuring sufficient supplies needed for the activity. It is recommended that the trainer have a copy of the Lodge Finance Manual in order to show learners, and as a resource, in the event that any questions or clarifications are sought by learners.

Lesson Plan

Introduction **3 minutes**

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- The trainer should introduce themselves, including relevant experience in the Order and Scouting, and advisers should be sure to mention service as a youth, if applicable.
- The trainer should call on volunteer(s) to read the Learning Outcomes to the group.
- During the 1992 Presidential Campaign, James Carville, one of Governor Bill Clinton's chief advisers and strategists coined a phrase and even hung it in Governor Clinton's office – "The economy, stupid." This became a slogan of the Clinton campaign, which was during a downturn in the economy, and the focus on this point likely helped propel Clinton to win the presidency. Ask learners to consider what this quote has to do with our lodges, with the point being that so much of what the Order and our lodges do depend on money and financing.

The Jelly Bean Game **15 minutes**

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Activity

Materials Needed: Jelly beans in paper cups and printed Jelly Bean Game cards,
Length of Activity: 15 min
Activity Description: This activity is best played with a group of 2-4 players. The trainer should divide leaners into groups. Each group receives 20 jelly beans and a set of spending category sheets. The group must decide how to spend their "income" based on life circumstances and the values and goals of the lodge. Each item has a set number of squares, which indicates how many jelly beans are needed to "pay" for that item.

Trainer Action

Prior to beginning this activity, the trainer should have learners find one to three other learners (depending on the size of the group), ideally who they do not previously know, and have each group sit together. The trainer should also distribute one Jelly Bean Game card to each group, as well as a set of approximately 20 jelly beans in a paper cup or other appropriate container.

- Round 1: First, each group should chose one item in each of the starred categories: Program Materials, Fees and Surcharges, Financial Assistance, Food, Patches and

Memorabilia. Once leaners have finished choosing the starred items, groups should continue making decisions concerning the remaining items until they have used their entire 20 jelly bean "income."

- Discussion Questions: 1) Why did you choose what you did? 2) In what ways were you influenced by your values and those of the lodge? 3) In what ways were you influenced by your goals and that of the lodge? 4) Did your prior experiences influence any of your decisions? The trainer should allow groups to compare what they chose to spend their "income" on compared to other groups of learners.

- Round 2: Your income has just been cut to only 13 jelly beans. What will you give up, and what changes will have to be made? Move your jelly beans around until you have 13 jelly beans on your card.

- Repeat and discussion questions from after the first round, and be sure to ask additional probing questions to expound upon the discussion.

- If time permits, continue with the following Bonus Rounds, and ask learners for feedback after each Bonus Round:

    - Bonus Round 1: Your food supplier calls to advise that their prices increased. If you purchased food at the "locked-in" rate, do nothing. If you did not, take off three jelly beans.
    - Bonus Round 2: After the Lodge Executive Committee made considerable efforts to promote your event, 50 more people paid their registration fees than you anticipated, resulting in 2 more jelly beans of income. How will you use them?

- Conduct a short debrief after the activity, with the goal of learners recognizing that the first step in budgeting for the lodge is understanding the lodge's financial position and establishing goals. End this portion with the point that having a budget without understanding your lodge's financial goals will not ultimately benefit your financial health. As American radio personality and personal finance expert, Dave Ramsey, says: "A budget is telling your money where to go instead of wondering where it went."

Budgeting 101 **10 minutes**

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Trainer Action

Based on the time allotted for this session, the following is intended merely as a high-level overview of the budgeting process so that learners begin to feel more comfortable with the process, generally. If you have more time, or would like additional resources concerning lodge budgeting, additional information may be found through the Lodge Leadership Development program and other sources.

In light of Dave Ramsey's quote, that "a budget is telling your money where to go," we can think of a **budget as a plan** – a plan of what revenues will be raised, how resources will be allocated, and how money will be spent. It is important to approach this plan with the right mindset, and while many of our other functions in the lodge might require something different, the best mindset here is to think like a *successful* businessperson.

Step One: Define Guidelines

Before actually starting the budget, you will want to create a clear set of guidelines that you will follow when making and executing your budget. These guidelines may be set yourself, by the Lodge Executive Committee, the lodge finance committee, or other stakeholders in the lodge. In crafting these guidelines, consider the following:

- If you are planning for an event, how many people are *reasonably* expected to attend?
- What is the purpose of the event? Is it to break even or to make a profit?
- What kinds of programming do you need to finance? Will there be activities, and if so, what equipment/permits/licenses/facilities may be required? Is there going to be a service project, and if so, what supplies may be needed?
- Everyone likes to and needs to eat. What kind of menu do you intend to plan? How will food be prepared or otherwise provided?
- What resources are available that will not cost anything? What items does the lodge already have in its inventory? Are there items that can be borrowed or donated?

Step Two: Do Your Research

There is not much use guessing about your expenses, especially in the information age. As you prepare your budget, get multiple quotes or proposals, shop around with various approved vendors, if you are designing memorabilia be sure to ask your vendor about pricing specific to that item (for example, patches with more colors or complicated designs may cost more to produce).
As with the prior step, consider whether items may be obtained without spending any additional money. This is an important time to involve others in the process as they may have knowledge or sources that might be helpful.

Additionally, this is the perfect time to involve adults in the lodge who have professional experience in areas of finance or the particular needs of the event (e.g., food service, design or manufacturing, etc.)

Step Three: Identify Fixed and Variable Costs and Revenues

Revenue = monies coming in.

Costs or expenses = monies going out.

Lodge events generally rely solely on two revenue sources – event registration fees and revenues from the sale of memorabilia like patches, shirts, etc.

Variable expenses and revenues **change** depending on other factors, such as how many people will register for the event. If more people register, both your revenues (i.e., fees) *and* expenses (i.e., food) will go up. Some variable expenses include insurance and National Activity Surcharges, food, and event patches (if free for participants).

Fixed expenses and revenues **stay the same** regardless of the number of attendees. For example, a council may require a fee for the lodge to use a facility like the climbing tower. This is likely to be a flat fee or a fixed expense.

Step Four: Formulate Your Budget

The Lodge Operating Budget Worksheet provided in the Lodge Finance Manual is a great place to start, particularly because it includes a variety of categories of revnue and expenses that you might use.

But, it may be helpful to use a program like Microsoft Excel, Google Sheets, or even the OA LodgeMaster Finance module. After creating the various categories and line items, using one of these programs will allow you to insert attendance projections into the spreadsheet and to see how the variable expenses may change depending on the ultimate registration.

This is also an important time to build in a contingency. Some councils may set their own contingency percentage. If not, 10% might be a good place to start. A "contingency" is an event that can possibly happen, but cannot be predicted with certainty, and the contingency will allow for some cushion in case there is an unexpected event.

At this point, you should not be so concerned about "balancing" the budget. It is more important to try to include all possible revenue and expenses in one place.

Step Five: Evaluate and Balance

After you have compiled this information in the budget and have had time to let it sink in, it is now time to return to it. Consider the goals that you made in the first step (e.g., whether the event should make money or the budget should be balanced), and this is the time to make adjustments.

If the budget is not balanced, consider how to address those issues. This step may involve making cuts to certain line items, or exploring other ways to obtain the necessary resources. Go through each line item with a fine tooth comb.

Only as a last resort should you consider increasing the registration fees. And any increases should be modest and taking into the financial needs of lodge membership. Remember that an increase in registration fee may impact the number of people who sign up.

Step Six: Get Your Budget Approved and Execute

Explain that these topics will be addressed in the following section.

Trainer Action

The trainer will have gone through this material relatively quickly with learners. The trainer should feel free to take questions, time permitting. If there is not sufficient time, the trainer should refer learners to additional resources on the budgeting process.

Guidelines for Responsible Management of Lodge Money **10 minutes**

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Trainer Action

The following is intended as a quick introduction to the Lodge Finance Manual. The trainer should have a copy of this publication available, if possible, both so learners can recognize the document, and so it may be consulted for reference or to address any questions.

In order to increase learner engagement in this portion of the session, the trainer should introduce each subtopic through the use of hypotheticals. These hypotheticals will help allow learners to independently think through and learn the processes and procedures provided under the guidelines.

Begin this portion by asking learners which National Publications they are already familiar with that address guidelines concerning budgeting, financing, and fiscal management. Some possible answers include: Lodge Finance Manual and Handbook for Officers and Advisers. Some participants may also be familiar with the Field Operations Handbook; although, this publication is intended to apply to the section, region, and national levels. Particularly once learners have identified the Lodge Finance Manual, the trainer should show participants a hard copy of the same.

Ask learners to brainstorm the purposes of the Lodge Finance Manual, and why it is important to have guidelines such as these. Some possible answers include:

- Fostering cooperation between lodges and their respective councils concerning financial matters.
- Developing procedures that will allow lodges to strengthen their financial position as a part of their council's overall operations.
- Creating a system that will allow youth to manage lodge finances cooperatively with their adult advisers.

Present the following hypotheticals for learners to consider the appropriate answer. After soliciting responses, and in addition to providing and explaining the information provided in the guidelines, the trainer should also provide the appropriate reference to the Lodge Finance Manual:

- 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 set 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."
- According to BSA and OA policy, the local council acts as the "banker" for the lodge.
- *See* Lodge Finance Manual (quoting BSA Local Council Accounting Manual): "It is an established BSA policy that the **local council acts as a banker** for its local Order of the Arrow lodge. **It is against BSA policy for the Order of the Arrow lodge to have its own bank account."**

- Hypothetical: Custodial Accounts
  - "Lodge Chief Larry thought about creating a campership fund that would allow members of his lodge to attend OA High Adventure. Larry went to the service center to visit his council's accounting specialist and 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 that Larry would need to check the custodial account. Larry rushed off to find the janitor, but told Larry that he did not know how to help."
  - While councils use "activity accounts" for council-sponsored activities, **funds belonging to any OA lodge should be accounted for in the local council's "2371 Custodian Account,"** and not a council activity account.
  - *See* Lodge Finance Manual (quoting BSA Local Council Accounting Manual).

- Hypothetical: Council Records v. Lodge Records
  - "Bob Goodman just started as his lodge's staff adviser. Since he knew that he would need to 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 very brief descriptions of each transaction. This was not what Bob expected to get, but he is not sure where to go next."

  - While the overall numbers and balances should match, **Lodge's financial records should have significantly more detail than those with maintained by the council**.
  - *See* Lodge Finance Manual.

- Hypothetical: Lodge Positions Relating to Finances of the Lodge
  - "In preparation for hosting Conclave next year, Lodge Chief Larry wants to build the committee handling the lodge's finances. The only problem is he has no idea who should be on this committee."
  - The lodge treasurer, an elected lodge officer, is responsible for maintaining the lodge's finances, preparing financial statements, chairing the lodge's finance committee, and reporting back to the lodge executive committee ("LEC"). The lodge treasurer should be supported by a lodge financial adviser.
  - The lodge finance committee consists of other members who are appointed by the lodge chief. The committee develops the annual budget for submission to the LEC, assists with the collection of member's dues, performs monthly audits of the lodge financial records, and develops proposed money-earning projects for consideration by the LEC.
  - *See* Lodge Finance Manual.

- Hypothetical: Building the Lodge Budget
  - "Fresh into her job as treasurer, Jane Arrowman is looking forward to working with the lodge finance committee to create their first budget. Jane is looking for advice on how to get started with this process."
  - Creating the lodge budget should begin at least 120 days prior to end of the lodge/council fiscal year.
  - The finance committee first should review expense and income statements from the prior year.
  - There are templates/worksheets available to use to build the budget.
  - Each separate lodge event, project, activity, etc. should have its own event budget developed by the chair of he event, with the goal of each event breaking even (including a contingency).
  - The event budgets, along with the other anticipated expenses and revenue based on the prior budget should be combined to form the annual budget. Following

each event, the event chair should prepare a financial report, and this report should be used in a separate document for actual income and expenses compared to the budget.

- *See* Lodge Finance Manual.

- 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 walk-ups who paid in cash, and she offered to reimburse Larry immediately. While Larry wanted to be reimbursed quickly, he was not sure if this was allowed and asked your opinion."
  - No, Larry's gut feeling was correct. **Cash received at a lodge function must never be used to provide 'on the spot' reimbursement for function related-expenses**. The lodge should have a standard procedure for reimbursement requests so that all requests include a receipt, documentation of the expense may be made, and the reimbursement may be quickly submitted to the council service center.
  - *See* Lodge Finance Manual.

Trainer Action

Depending on time, the trainer may have to be selective as to how many and which of the hypotheticals above may be addressed during the session.

The next hypotheticals involves physical items belonging to the lodge, as opposed to issues relating to budgeting. This may be an important time to emphasize the fact that being a good steward of the lodge's money also requires being responsible with the lodge's property. This ties in to the overall goals of this session because, if a lodge does not adequately maintain and account for physical items, the lodge is likely to repurchase items that it already has and does not need.

- 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 to give to registered participants. Knowing that the lodge used similar wristbands and had a small stash available, Urner contacted Lodge Chief Larry to ask him to drop off the wristbands at the council office since they were council property. The lodge really needs the wristbands for when it hosts the upcoming Conclave, and Larry is not sure what to do."
- Larry, or better yet, the lodge adviser or staff adviser, should remind District Executive Urner that "**Any items that the lodge purchases are considered lodge property and inventory.**" While the lodge may decide to resell items in its inventory, the lodge should ensure that these transactions are properly recorded
- *See* Lodge Finance Manual.

- Hypothetical: Lodge Property
  - "In an effort to improve meetings and to reduce printing costs and environmental impact, the lodge invests in a projector and screen for use at lodge executive committee meetings that can display agendas and other documents. Since the LEC is does not always take place at the council service center, Lodge Chief Larry wants to know if he is permitted to keep this equipment at his house."
  - It is not necessarily a problem if Larry keeps this equipment at his house. However, like all other lodge property, the **location of this property should be provided in an inventory**. Additionally, Larry must ensure that he has a **safe and secure location** at home to store the equipment. Additionally, since these items are likely valued at more than $500.00, Larry should ensure that his family's personal insurance policy would cover theft, damage, or loss of the equipment.
  - *See* Lodge Finance Manual.

7 minutes

Conclusion & Takeaway Challenge

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"As we have discussed today, it is the 'economy,' or financial health of our lodges, that is a critical component, not only to the mere operation of our lodges but to the lodge's ability to provide a

quality program to lodge members. In the process, we learned some of the guidelines and processes for how lodge financing should work, but we also gained familiarity with resources like the Lodge Finance Manual and forms and worksheets that will assist in creating budgets and tracking revenue and expenses."

"Please take out your notebook and a pen. For about two minutes, imagine that you have recently been appointed as the lodge financial adviser. The new lodge treasurer has never put together a budget, and she has asked you for help getting started. Take this time to brainstorm and come up with a list of the first three to five things that the lodge treasurer should do in order to start working on her proposed budget."

Trainer Action

Now that learners are familiar with the procedures and best practices for financing a lodge, this period is intended as a time for learners to brainstorm innovative ways to raise revenue, and for some learners to share best practices for what may have worked for their own lodge.

If there are any remaining jelly beans, the trainer may want to provide several to each person who contributes to this discussion, placing the additional jelly beans near the Jelly Bean Game card they previously used. In addition to being a way to keep learners engaged, learners will likely connect these money-earning projects to an increase in their lodge's "jelly bean income" from earlier in the session.

After you have solicited several ideas for revenue-generating activities, reemphasize to learners that these are the types of creative efforts and opportunities that will enable each lodge to offer innovative programing, fun and memorable events, and opportunities for Arrowmen in need of financial assistance. And those experiences are ones that will enable each of our lodges to "Seek New Heights!"

Appendix: Resources and Source Material

Resource	Link
Order of the Arrow, Mission & Purpose	Available online at: https://oa-bsa.org/about/mission-purpose
Lodge Finance Manual	Available online at: https://oa-bsa.org/uploads/publications/LFM-202311.pdf
Handbook for Officers and Advisers	Available at: https://oa-bsa.org/uploads/publications/HOA-202404.pdf
The Jelly Bean Game	Various sources. Available at: https://prettyprovidence.com/wp-content/uploads/2019/07/jelly-bean-game.pdf

The Jelly Bean Game

Lodge Operating Budget Worksheet

Lodge & Cncl. _____ Year _____

Receipts

Carried forward from	_____ (year)		_____
Member dues	_____ @ _____		_____
New member fee	_____ @ _____		_____
Sale of lodge emblems			_____
Sale of OA accessories			_____
Income from lodge and/or chapter events			_____
Service weekends	_____		
Fellowships	_____		
Banquet	_____		
Others	_____		
Money-earning projects (list)			_____
Other (list)			_____
Total receipts			_____

Expenditures

Lodge charter fee	_____ @ _____		_____
Cost of lodge emblems			_____
Cost of OA accessories			_____
Camp promotion			_____
Unit elections			_____
Ceremonial outfits			_____
Cost of lodge and/or chapter events			_____
Service weekends	_____		
Fellowships	_____		
Banquet	_____		
Others	_____		
FOS and/or endowment fund contribution			_____
Gifts in kind to camp/service center			_____
Money-earning projects (list)			_____
Mailing, office supplies & stationery			_____
Chapter needs			_____
Recognitions (*e.g.*, Vigil Honor, Founders' Award)			_____
Lodge Chief expenses to Council of Chiefs meetings			_____
Others (list)			_____
Carry forward to	_____ (year)		_____
Total expenditures			_____

Running Record of Income and Expenditures

	1 Dates	2 Received From/Paid To	Enter Check or Receipt #	3 Income	4 Expenditures	5 Balance
1		Balance Brought Forward				
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25						
26	Totals End of	20				

Itemized Record of Income and Expenditures

	Income				Expenditures						
	6 Dues	7 New Member Fees	8 Supplies	9 Activities	10 Lodge Charter Fee	11 Camp Promotion	12 Unit Election	13 Ceremonial Equipment	14 Activities	15 Supplies & Accessories	16 Other Expenditures
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Inventory of Lodge Property

Date Purchased or Received	Description of Item	Where Stored	Cost or Value	Inventory Check Date			Disposition
				MM	DD	YY	