

BUDGETING FOR TEAM SUCCESS

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A Beginning Experience® team's success can be measured in many ways – number of participants served, number of team members, number of programs established, cash in the bank, etc. All of these measures of success involve **planning** for such things as how participants will be reached, how team members will be trained, where and when the programs will be offered, etc.

Planning for a team's financial health is just as important as any other planning. This is the responsibility of the team through the decisions of its board of directors. Budgeting is the primary process used for this planning. Adopting an annual budget is part of the leadership role of the local board. It provides a **guide** for the team's anticipated income and expenses for the coming year. And, once approved by the board of director's it eliminates the need to approve individual expenditures unless they exceed the amounts approved in the budget.

In planning to budget, remember there is no sin in making money—nor does making a profit imperil the team's non-profit or charitable status. The difference between a for profit business and a not-for-profit organization is this:

—In a for profit business, the income in excess of expenditures goes to the owner or to the directors of the company.

—In a not-for-profit organization, the income in excess of expenditures goes to further the mission of the organization now or saved to further the mission in the future.

Each team needs to plan to send people to conferences and conventions—this is an investment in the team's leadership, and in its health and growth. It should also be a goal to aim for money in the bank (or in a Certificate of Deposit) to fund future weekends. Don't just plan to cover costs. Plan to be a fruitful, growing team.

As outlined on the following pages, the budgeting process can be broken down into specific steps to make the process easier.

Step 1: Determine the team's annual fixed expenses. These are expenses that would have to be paid **regardless of how many weekends or other programs** are held and **regardless of how many participants** are served.

Examples:

Item	Estimated cost	Notes re possible source of funds
Cost of team PO box if any		
Cost of team phone number if applicable		
Stewardship to International Ministry Center (\$825 annually)		
Insurance (estimated at \$400 annually)		
Office supplies and stationery		
Music, banners, directional signs, etc.		
Cost of board meetings including training materials, copies, postage, (Board member travel, child care and other out-of-pocket expenses are a cost but not included -- too difficult to determine)		
Cost of team meetings including training materials, copies, postage (Team member travel, child care and other out-of-pocket expenses are a cost but not included -- too difficult to determine)		
Convention/conference attendance for team and leadership development (allow \$1,000)		
ANNUAL FIXED EXPENSES PER TEAM		

Step 2: Determine the fixed costs per weekend. These are **costs incurred regardless of how many participants attend**.

Clergy honorarium		
Counselor on call fee		
Presentation room, chapel, small group rooms etc		
Promotional materials: brochures/posters, etc.		
Cost of mailings, faxes to promote the weekend		
Cost of room for coordinator, co-coordinator @ \$_____ night x 2 nights x 2 people		
Cost of meals/snacks for coordinator, co-coordinator @ \$_____ x 2 people		
Fixed cost per weekend		
x number of weekends = ANNUAL FIXED EXPENSES FOR WEEKEND PROGRAMS		

Step 3: Determine the variable expenses for team needed for each weekend offered. These costs **vary depending on the number of team members** serving on each weekend or other program. For example:

Cost of room per team member @ \$_____ night x 2 nights		
Cost of meals/snacks per team member @ \$_____		
Cost of supplies per team member (tissues, pen, notebook, name tags, copies, etc.) @ \$_____		
Total per team member		
x number of team per weekend		
x number of weekends per year = ANNUAL VARIABLE TEAM EXPENSE FOR WEEKEND PROGRAM		

Step 4: Determine the variable expenses for participants for each weekend offered. **These costs vary depending on the number of participants.** For example:

Screening/application process including long distance phone, mailing acceptance letter @ \$_____		
Cost of facility per participant @ \$_____ night x 2 nights		
Cost of meals/snacks per participant @ \$_____		
Supplies per participant (tissues, pen, notebook, name tags, copies, flowers, BE cross, etc.) @ \$_____		
Beginning Experience International participant fee @ \$30		
Total per participant		
x number of participants per weekend		
x number of weekends per year		
ANNUAL PARTICIPANT VARIABLE EXPENSES FOR WEEKEND		

Step 5: Determine the total expenses for the year

Annual Fixed expenses per team (from Step 1)	
Annual Fixed expenses per weekend (from Step 2)	
Annual Variable Team expenses per weekends (from Step 3)	
Annual Variable Participant expenses per weekend (from Step 4)	
TOTAL EXPENSES FOR THE YEAR	

Determine cost per participant served (use as an indicator when setting weekend registration fee):

Average number of participants each weekend	
x number of weekends	
Average number of participants served per year	
Divide by the total expenses for the year	\$
This yields the weekend cost per participant	\$

*While the registration fee set may not cover the entire cost, it should cover a significant portion of it. Don't be afraid to place a value on this registration fee—participants receive a life changing program that is **INVALUABLE**.*

Step 6. Costs per support program:

Venue cost	
Coffee, cookies, cups, napkins, etc. @ \$_____ x team, participants	
Supplies: notebooks, pens, name tags, etc. @ \$_____ x _____ team, participants	
Total per program	
x number of programs per year = ANNUAL COST for SUPPORT PROGRAMS	
+ ANNUAL WEEKEND AND TRAINING EXPENSE (from #5 above)	
TOTAL PROGRAM AND TEAM EXPENSES	

Step 7. Now determine the team's sources of income. For example:

Registration income

Weekend Participant registration fee	
x number of participants per year = total weekend registration fees	
Support program registration fee	
x number of program participants per year = total support program registration fees	
Total registration fees (weekend fees + support program fees)	
x PERCENT paying entire fee -- including those on payment plans (this is an allowance for those needing partial financial assistance, weekends not full, "no shows")	0.80
TOTAL ANNUAL REGISTRATION INCOME	

Gift and fund raising income

Annual support from the diocese	
Annual grants, funds from local churches, United Way, employer matching funds	
Value of contributed supplies, copies, etc.	
Average team contribution in addition to out-of-pocket travel, child care expenses	
Average participant contributions above fees paid	
Net fundraising income (income – expense)	
ANNUAL GIFT INCOME	

Total Income

Total Registration Income	
Total Gift and fund-raising Income	
TOTAL ANNUAL INCOME	

Balance

Total Income	
(Less) Total Expenses	
EXCESS (DEFICIENCY) INCOME OVER EXPENSES	

Now the real work begins:

If expected income exceeds expected expenses, the result is a **surplus**, and a very desirable goal. Remember, that although the ministry is a non-profit organization, this does not mean it cannot make money—it just means that the money must eventually be used for ministry purposes, not for the benefit of the board or team. The board must decide how to use these funds to further the work of the ministry.

Some examples:

- Build and maintain a bank reserve:
 - to ensure that the costs of one to three future weekends can be covered in the event this is needed
 - in case income in a future year is less than expected
 - to enable taking advantage of an unexpected opportunity to further ministry effectiveness
- Add additional programs
- Increase promotional or outreach efforts
- Establish a financial assistance fund for participants and team members who need a subsidy
- Add to the budgeted funds for conferences/conventions to send additional people

If expected expenses exceed income, the result is a **deficit**. The board must decide how to cover the deficit to continue the ministry. This can be done by decreasing expenses or, preferably, by increasing income, or by a combination of both.

Possibilities for decreasing expenses might include:

- Looking for less expensive locations (however, a location that is too rustic usually results in fewer participants and fewer team because of primitive conditions)
- Offering less financial assistance (most people can pay if they are allowed to work out a payment plan over a period of time; the treasurer should send periodic friendly reminders if needed)
- Using less expensive or fewer supplies (keep in mind that "extras" can not only add to the expense of the program, but can actually **detract from** and **interfere with**, the process focus of the ministry)

- Adding programs to spread the cost of fixed expenses over the additional programs

Possibilities for increasing revenues might include:

- Increasing participant fees, remembering that while some people may need financial help or a payment plan to cover the full amount, the fee should be a reasonable reflection of the value of the program that does not subsidize those who could pay in full
- Adding programs and the necessary publicity to increase registration fee income
- Obtaining contributions from team, past team, past participants, local businesses, churches, etc.

Remember that you are asking them to invest in furthering a worthwhile mission

- Holding fund-raising events; these can help raise awareness of the ministry as well as raise money
- Exploring other funding sources: United Way, parish or diocesan support, employer or business gifts