

## **LA220 – How To: Budgeting and Financing**

### National OA Adviser Training

**Session Length: 50 Minutes (Slide 1)**

#### **Overview (Slide 2)**

This Session will:

- Present the uniqueness of the budgeting process in the Order of the Arrow lodge.
- Provide an understanding of the fiscal management process in the council as it pertains to the Lodge.
- Give you an opportunity to teach our youth fiscal responsibility.
- Present ideas for lodge income sources as an introduction to LA-104 Fund Raising.

#### **Purpose (Slide 3)**

Promoting and implementing fiscal responsibility, budgeting, and income generation are critical components for helping Lodges and Chapters to develop sustainable programs and quality activities. Sustainable programs and quality activities provide for enhanced participation by all Arrowmen and the overall growth of the Order of the Arrow. This session will guide you in developing a fiscally responsible budget, effective reporting, managing expenses and income, and achieving the requirements for Journey to Excellence.

#### **Outline of the Session (Slide 4)**

- Key Youth Roles (Treasurer, Finance Committee, and Auditor) -
  - Sample Monthly Audit Report
- Key Adult Roles
- Fiscal Management & Responsibility
- Incomes Sources – Lodge Money-Earning Application
- Annual Budget – Sample Annual Budget Worksheet
- Event Budget - Sample Event Budget Worksheet
- Journey To Excellence
- Summary
- References

### **Key Youth Role (Slide 5)**

#### **Treasurer:**

- Elected by fellow Arrowmen.
- Chairs the lodge finance committee and supervises preparation of the annual lodge budget.
- Works closely with the lodge financial adviser and members of the lodge finance committee.
- Sets up and maintains the lodge financial record book (income, expense, dues, inventory, budget, etc. ...).
- Works closely with the council service center accounting specialist in matters relating to income, expenses, inventory and auditing (OA Custodial Account 2371).
- Uses annual Lodge Program Support PAK from National Office
- Prepares monthly financial statements for the lodge executive committee in order to keep the committee aware of their adherence to the lodge budget.

### **Key Youth Role (Slide 6):**

#### **Finance Committee:**

- All members appointed by the Lodge Chief.
- Chaired by the lodge treasurer and advised by the lodge financial adviser.
- Develops the annual lodge budget for submission to the lodge executive committee. (Chapter needs are a part of the lodge budget.)
- Works with the lodge secretary and membership committee in matters concerning dues collections.
- Performs the monthly audit of the lodge financial records.
- Develops proposed money-earning projects for consideration by the lodge executive committee.

### **Key Youth Role (Slide 7)**

#### **Auditor:**

- Member of the finance committee, but not the lodge treasurer.
- At the end of each month, conducts an audit of the lodge financial records.
- The lodge treasurer and financial adviser should participate in the audit.
- Once the audit is complete, the auditor, treasurer, and lodge financial adviser discuss and finalize the treasurer's report for the next lodge executive committee meeting.

## Sample Monthly Audit Report (Slide 8)

Attachment 1 (note these are attachments)

## Key Adult Role (Slide 9)

### Lodge Financial Advisor:

- Works closely with the lodge treasurer and the lodge finance committee to establish and maintain proper accounting techniques and procedures.
- Meets with the lodge treasurer, Scout executive, staff adviser, and council accounting specialist as often as required to maintain adequate records.

## Fiscal Management (Slide 10)

- Set up and maintain the lodge financial record book.
  - Approved lodge budget for the current fiscal year.
  - Running record of income and expenditures (one for each month).
  - Itemized record of income and expenditures (one for each month).
- Inventory of the lodge property.
- Submit monthly report showing receipts and expenditures for the past month and the year to date. These figures should be compared to the budget figures for each item also indicate how the lodge programs and projects are progressing.
- Ensure all Order of the Arrow funds, whether they are lodge or chapter monies, handled through the council's financial system and deposited into the council's custodial account.
- Chapter finances are in separate chapter accounts established as sub-accounts of the lodge account.

## Fiscal Management (Slide 11)

- Financial Support of the Local Council -
  - Order of the Arrow lodges can support their local councils through contributing to the council Friends of Scouting (FOS) campaign, donating to capital improvements (e.g. camps), contributing to the council's endowment program, etc. These should be discussed with the Scout Executive to determine the greatest need.
  - There are two National Order of the Arrow programs available to support local councils. These are the Maury Clancy Indian Campership Fund and the OA Service Grant program.

### – Lodge Fees and Dues -

- Each lodge sets its own annual dues and fee for induction into the Order. Only registered Scouts and Scouters who have been officially inducted into the Order are eligible to pay dues and be members of the lodge.
- The fee for new member induction should be kept to a minimum. It should be enough to cover dues and the cost of the new member's sash, Order of the Arrow Handbook, and Universal Arrow ribbon, which are given upon completion of the Ordeal ceremony. Food, insurance, and other costs may also be charged.
- Annual lodge dues should be kept to a minimum, covering costs of mailings to members and other expenses. Average lodge dues are \$10–\$15 per year.
- The lodge charter renewal fee is due on December 31 each year and is based on the total membership as of the last day of the lodge's dues year.
- The record of dues paid should be kept by the lodge secretary or membership committee. The lodge treasurer keeps duplicate records showing monies received.
- Arrowmen can only be a registered member of the OA lodge in their BSA membership Council. Arrowmen cannot have dual registration in multiple councils.

### **Income Sources (Slide 12)**

Revenue for lodge operations:

- Lodge dues.
- Activity fees.
- Trading post income.
- Money-earning projects (OA Course LA-104 Fund Raising).
  - Money-earning application (SKU 34427).
  - Three copies Council, District (Chapter Events), and Lodge/Chapter.

### **Lodge Money-Earning Application (Slide 13)**

Attachment 2

### **Annual Budget (Slide 14)**

- The fiscal year of the lodge should run concurrently with the council's fiscal year.
- Plan the lodge budget beginning at least 120 days before the end of the fiscal year.
- The finance committee should request expense and income estimates from the lodge operating committees, officers, and chapters for the next fiscal year.
- From this information, a proposed budget is developed for the next year, reviewed by the Key 3, and presented to the lodge executive committee for approval.
- The approved lodge budget is controlled by the lodge executive committee based on information received from the lodge treasurer and the finance committee.
- Since this budget will probably be administered by a new set of officers, the budget should include the flexibility to allow the new officers the chance to adjust to the needs of the lodge that arise during their portion of the new fiscal year.

### **Sample Annual Budget Worksheet (Slide 15)**

Attachment 3

### **Event Budget (Slide 16)**

- Completed at least 90 days prior to the event.
- Recommend expenses not to be authorized until the budget is approved.
- Review past costs and attendance. Any event should be at least self-supporting.
- Establish with a pessimistic attendance projection and include a \$1.00 per person Administration Fee. This fee helps cover website and online payment options.
- Closed within 30 days of the event and submit final report.
- Note the "How to Budget For an Event" section in the Session Outline.

## How to Budget For an Event:

- Determine a “break-even” attendance number to base your figures. If your event budget relies on income from participant registration, how many people must show up for you to do everything you want to do at the event?
- Make a preliminary outline budget highlighting major areas. Include basic things such as food, lodging, supplies, etc., and estimate the expenses for each.
- Figure out a feasible registration fee for the event. What is an amount someone would be willing to pay considering what they will personally get out of the event while meeting the needs of the event?
- Special registration offers. Plan for some catchy bonuses: “Register by <date> and receive a \$3 discount!” or “Pre-register now and get a \$2 off coupon at any vendor or the snack bar.” These types of promotions can easily be built into the price. Don’t make people registering late feel guilty by tacking on “fees,” but make the early birds feel special by giving them a good deal.
- Find out if any money from the current lodge or chapter budget contributes to the event. Sometimes your lodge may contribute to the event. For instance, it might be nice to be able to lower the cost to participants of a leadership development conference.
- Find out if the event needs to produce a profit to be returned to the general operating budget. Some events need to yield a profit. For instance, a fundraiser benefit dinner might help send Arrowmen to NOAC or another event, and thus you would want to have fewer expenses than income.
- Use your resources to take advantage of possible donations. Before purchasing anything, ask around to get donations. If you get donations, you can go more “all-out” with other things you might have needed to cut back in your budget.
- Authorized Approvals -Since all expenditures eventually will be recorded in the council’s books, a system of purchase orders and other expenditure approval forms should be developed. Any expenditure in the approved lodge budget (e.g., lodge charter renewal fee) does not require further approval by the lodge executive committee. An expense not in the budget must have lodge executive committee approval before a purchase order is issued. If a lodge member incurs expenses by using personal funds on behalf of an event, the event chairman must give approval before the item(s) is (are) purchased.

## Sample Event Budget Worksheet (Slide 17)

Attachment 4

## Journey To Excellence - 2016 (Slide 18)

Two requirements in the Finance category.

1) **Fiscal management:** Develop and successfully execute a lodge annual budget (200 Points).

- **Bronze:** Complete and follow an annual budget approved by the Lodge Executive Committee.
- **Silver:** Close the year with a positive operating balance (i.e., operate in the black).
- **Gold:** Close with an operating balance at least as great as your budget projection.

2) **Contribution to council:** Contribute cash, materials or both to the council (300 Points).

- **Bronze:** Contribute an average of \$4.50 per lodge member.
- **Silver:** Contribute the equivalent of \$8.50 per lodge member.
- **Gold:** Contribute the equivalent of \$24.00 per lodge member.

## Quick Tips (Slide 19)

Here are a few "Quick Tips" that will help you to implement a successful Budget and finance plan and to successfully navigate your council's financial procedures:

- Be sure to obtain a starting cash position from your council along with any pending expenses when you assume your duties as lodge adviser so you understand the lodge's current financial condition
- Obtain a good understanding of your council's procedures for obtaining approvals for expenditures *and follow them!* Don't make expenditures until they are approved through proper council channels.
- Understand your council's procedures for handling cash at lodge events.
- Reconcile your custodial account monthly to ensure that all posted transactions are correct.

### Summary (Slide 20)

- The lodge must know how much money it has, where it is spent, and how it is used.
- Knowing how it performs financially helps the lodge plan for the future.
- The lodge is to be self-supporting, requiring no funding from the council.
- Estimating how much money will be collected from various sources and keeping records of how it is spent will enable the lodge to prepare and operate within a budget.
- The lodge treasurer should report regularly, at each lodge executive committee meeting, on the financial condition of the lodge.
- An analysis of each lodge event should be prepared.

### References (Slide 21)

OA Handbook - Local Council (#34996)

Guide for Officers and Advisers (GOA) - <http://www.ao-bsa.org/uploads/publications/GOA-2012.pdf>

Lodge Finance Manual - <http://www.ao-bsa.org/uploads/publications/LFM-2008.pdf>

Annual Lodge Program Support PAK – Provided by National Office

Lodge Budget and Financial Records (Running and Itemized by Month)

Lodge Adviser Handbook - <http://www.ao-bsa.org/uploads/publications/lodgeadviserhandbook-2012.pdf>

Local Council Accounting Manual – Local Council Office

OA Lodge Master – <http://lodgemaster.ao-bsa.org/support/docs/doku.php>

Chapter Operations Guide – <http://www.ao-bsa.org/uploads/publications/cog-2012.pdf>

Field Operations Guide - <http://www.ao-bsa.org/uploads/publications/FOG-2013c.pdf>

OA Training Website – <http://training.ao-bsa.org>





**ATTACHMENT 1**

**SAMPLE MONTHLY AUDIT REPORT**

This sample worksheet can be found in the [Lodge Finance Manual](#)

**MONTHLY AUDIT REPORT**  
**(For lodge executive committee reports by the treasurer)**  
Month of \_\_\_\_\_, 20\_\_\_\_

|   |       |       |
|---|-------|-------|
| Balance on hand at beginning of month                         |       | _____ |
| Total income since last report<br>(Line 35, column 3)         |       | _____ |
| Total expenditures since last report<br>(Line 35, column 4)   | _____ | _____ |
| Gain or loss since last report                                |       | _____ |
| Balance on hand<br>(To be carried over to line 1, next month) |       | _____ |
| Unexpended petty cash   |       | _____ |
| Total CASH on hand  |       | _____ |
| Outstanding bills to be paid                                  |       | _____ |
| _____   | _____ | _____ |
| _____   | _____ | _____ |
| _____   | _____ | _____ |
| Total of all bills to be paid                                 | _____ | _____ |

This report is submitted as a correct statement of the financial accounts of this lodge.

\_\_\_\_\_  
Lodge Treasurer

\_\_\_\_\_  
Lodge Financial Adviser



## ATTACHMENT 2



### LODGE MONEY-EARNING APPLICATION

Date \_\_\_\_\_

Please submit this application to your council office well in advance of the proposed date of your money-earning project. Read "Ten Guides to Lodge Money-Earning Projects", on the back of this application. They will help you in answering the questions below.

Council Name: \_\_\_\_\_

Lodge Name: \_\_\_\_\_ Lodge No.: \_\_\_\_\_

Submits the following plan for its money-earning project and requests permission to carry it out.

1. What is your lodge's money-earning plan?  
\_\_\_\_\_  
\_\_\_\_\_
2. About how much money does your lodge expect to earn from this project? \_\_\_\_\_
3. What will the money be used for?  
\_\_\_\_\_  
\_\_\_\_\_
4. Has your council executive committee given full approval for this plan?  Yes  No
5. What are the proposed money-earning project dates?  
\_\_\_\_\_  
\_\_\_\_\_
6. Are tickets or a product to be sold?  Tickets  Product Please specify.  
\_\_\_\_\_  
\_\_\_\_\_
7. Will Arrowmen be in Scout uniform while carrying out this project?  Yes  No
8. Have you checked with other Scouting units to avoid any overlapping of territory while working on your project?  
 Yes  No
9. Is your product or service in direct conflict with that offered by local merchants?  Yes  No
10. Are there any contracts to be signed?  Yes  No If yes, by whom? Give details:  
\_\_\_\_\_  
\_\_\_\_\_
11. Is your lodge on the budget plan?  Yes  No How much are lodge dues per person? \$ \_\_\_\_\_
12. How much money is in the lodge treasury? \_\_\_\_\_

Signed \_\_\_\_\_  
Lodge Chief                      Lodge Adviser                      Lodge Staff Adviser

|   |
|---|
| <p><i>FOR COUNCIL APPROVAL</i></p> <p>Approved by _____</p> |
|---|

## GUIDES TO UNIT MONEY-EARNING PROJECTS

**A unit's money-earning methods should reflect Scouting's basic values. Whenever your unit is planning a money-earning project, this checklist can serve as your guide. If your answer is "Yes" to all the questions that follow, it is likely the project conforms to Scouting's standards and will be approved.**

### **1. Do you really need a fund-raising project?**

There should be a real need for raising money based on your unit's program. Units should not engage in money-earning projects merely because someone has offered an attractive plan. Remember that individual youth members are expected to earn their own way. The need should be beyond normal budget items covered by dues.

### **2. If any contracts are to be signed, will they be signed by an individual, without reference to the Boy Scouts of America and without binding the local council, the Boy Scouts of America, or the chartered organization?**

Before any person in your unit signs a contract, he/she must make sure the venture is legitimate and worthy. If a contract is signed, he/she is personally responsible. He/she may not sign on behalf of the local council or the Boy Scouts of America, nor may he/she bind the chartered organization without its written authorization. If you are not sure, check with your district executive for help.

### **3. Will your fund-raiser prevent promoters from trading on the name and goodwill of the Boy Scouts of America?**

Because of Scouting's good reputation, customers rarely question the quality or price of a product. The nationwide network of Scouting units must not become a beehive of commercial interest.

### **4. Will the fund-raising activity uphold the good name of the BSA? Does it avoid games of chance, gambling, etc.?**

Selling raffle tickets or other games of chance is a direct violation of the BSA Rules and Regulations, which forbid gambling. The product must not detract from the ideals and principles of the BSA

### **5. If a commercial product is to be sold, will it be sold on its own merits and without reference to the needs of Scouting?**

All commercial products must sell on their own merits, not the benefit received by the Boy Scouts. The principle of value received is critical in choosing what to sell.

### **6. If a commercial product is to be sold, will the fund-raising activity comply with BSA policy on wearing the uniform?**

The official uniform is intended to be worn primarily for use in connection with Scouting activities. However, council executive boards may approve use of the uniform for any fund-raising activity. Typically, council popcorn sales or Scout show ticket sales are approved uniform fund-raisers.

### **7. Will the fund-raising project avoid soliciting money or gifts?**

The BSA Rules and Regulations state, "Youth members shall not be permitted to serve as solicitors of money for their chartered organizations, for the local council, or in support of other organizations. Adult and youth members shall not be permitted to serve as solicitors of money in support of personal or unit participation in local, national, or international events."

For example: Boy Scouts/Cub Scouts and leaders should not identify themselves as Boy Scouts/Cub Scouts or as a troop/pack participate in The Salvation Army's Christmas Bell Ringing program. This would be raising money for another organization. At no time are units permitted to solicit contributions for unit programs.

### **8. Does the fund-raising activity avoid competition with other units, your chartered organization, your local council, and the United Way?**

Check with your chartered organization representative and your district executive to make certain that your chartered organization and the council agree on the dates and type of fund-raiser.

**The local council is responsible for upholding the Charter and By-laws and the Rules and Regulations of the BSA. To ensure compliance, all unit fund-raisers MUST OBTAIN WRITTEN APPROVAL from the local council NO LESS THAN 14 DAYS before committing to the fund-raising activity.**

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### ATTACHMENT 3

### SAMPLE LODGE BUDGET WORKSHEET

This sample worksheet can be found in the [Lodge Finance Manual](#)

#### LODGE BUDGET WORKSHEET

OPERATING BUDGET OF

\_\_\_\_\_ LODGE COUNCIL NO. \_\_\_\_\_ YEAR \_\_\_\_\_

Receipts

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

Expenditures

|                                      |       |          |
|--------------------------------------|-------|----------|
| Lodge charter fee                    | _____ |          |
| Camp promotion                       | _____ |          |
| Unit elections                       | _____ |          |
| Ceremonial literature                | _____ |          |
| Ceremonial costumes                  | _____ |          |
| Bulletin                             | _____ |          |
| Lodge events                         |       |          |
| Service weekends                     | _____ |          |
| Fellowships                          | _____ |          |
| Banquet                              | _____ |          |
| Others                               | _____ |          |
| FOS contribution                     | _____ |          |
| Gifts in kind to camp/service center | _____ |          |
| Money-earning projects (list)        | _____ |          |
| Lodge emblems                        | _____ |          |
| OA accessories                       | _____ |          |
| Mailing                              | _____ |          |
| Office supplies & stationery         | _____ |          |
| Lodge Chief expenses to              |       |          |
| Council of Chiefs meetings           | _____ |          |
| Others (list)                        | _____ |          |
| Carry forward to 20____              | _____ |          |
| Total expenditures                   |       | \$ _____ |



**ATTACHMENT 4**

**Sample Event Budget Form:**

**BUDGET PLANNING AND ACCOUNTING FORM**

Name of Event \_\_\_\_\_

Date of Event \_\_\_\_\_

Type of Event \_\_\_\_\_

|                       | Units | Unit Price | Income Source | Anticipated | Actual Income |
|-----------------------|-------|------------|---------------|-------------|---------------|
| 1. Youth Fees         |       | @ \$       |               |             |               |
| 2. Adult Fees         |       | @ \$       |               |             |               |
| 3. Donations          |       |            |               |             |               |
| 4. Extra Patches sold |       | @ \$       |               |             |               |
| 5.                    |       |            |               |             |               |
| <b>TOTALS</b>         |       |            |               |             |               |

| Expenditures  | Proposed Budget | Actual Expenditures |
|---|-----------------|---------------------|
| 1. Printing   |                 |                     |
| 2. Postage  |                 |                     |
| 3. Facility Fee   |                 |                     |
| 4. Administrative Fee                                     |                 |                     |
| 5. Labor  |                 |                     |
| 6. Patches (must be approved and ordered through Council) |                 |                     |
| 7. Activity Insurance(if required)                        |                 |                     |
| 8. Literature   |                 |                     |
| 9.  |                 |                     |
| 10.   |                 |                     |
| <b>TOTALS</b>   |                 |                     |

Actual Income \$ \_\_\_\_\_

Actual Expenditures \$ \_\_\_\_\_

( ) Surplus or ( ) Deficit \$ \_\_\_\_\_

Budget Prepared By: \_\_\_\_\_

Budget approved by: \_\_\_\_\_ Date \_\_\_\_\_