

## Budgeting for the Regional Board



Identifier	MGT
Revision	1
Effective Date	January 2015
Class Length	75 minutes

Change Summary		
Rev #	Date	Comment
	December 2008	New
1	December 2011	LP and PPP updated
2	December 2012	LP and PPP updated
3	December 2013	LP and PPP updated
4	December 2014	Finalized and Posted

### **Learning Objectives**

- Understand the importance of continually improving the budget process.
- Develop an understanding of the process for gathering information for the budget and for obtaining and estimating data.
- Give Board Members the tools that will help them to assist the Treasurer and RC to prepare a better budget, by preparing a generic budget.
- Emphasize the importance of communication.
- Highlight the importance of working with the budget during the year, and adjust changes in the Region's operations.

### **Class Length**

1 hour and 15 minutes (Allow time for questions and discussion during this time)

### **Instructor Requirements**

Management Instructor  
Advanced Management Instructor at AYSO EXPO.

### **Prerequisites**

Certification obtained in AYSO's Safe Haven®

### **Materials and Handouts**








Budgeting Exercises handouts  
Blank Budget form  
**Masking tape (to be provided by instructor)**

### **Equipment**

Lesson Plan  
Power Point presentation  
Computer  
Flip Chart and markers  
LCD Projector  
Screen (optional)

**Special Instructor Notes**

These are the icons that will be used throughout the Lesson:

	Activity
	Key (Critical) Point
	Question
	Instructor Note
	Handout
	PowerPoint (slide presentation number)
	Nuts and Bolts

**NOTE:** All **BOLD** items must be emphasized with attendee confirmation

**Small group instruction** - If giving this workshop at an Area level, a much more informal approach can be taken. The intent would be to have a workshop of various board members in an Area attend. Cross-training further educates the volunteer and further empowers them to complete their specifically assigned job duties.






- ❖ If you are working with a co-instructor coordinate each assigned topic with enough advance notice for proper preparation. Arrive early enough to arrange the room that best fits the venue and anticipated number of participants. (Keep in mind what room arrangements lends itself to this workshop)
- ❖ The first thing to do is to assess the level of experience in this workshop. Find out if you have more than just Treasurers and RCs in the workshop. If you do, tie the roles of the Treasurers and RCs together with the other volunteers in the room. Then ask how the other volunteers can support the Budget process. No matter what level of experience is present, teach from the lesson plan.
- ❖ Make sure you have enough copies of ALL handouts, and have them collated prior to the beginning of the workshop. Pass them out as the attendees enter the class.
- ❖ Prepare the room with any word strips, posters and flip charts.
- ❖ After introductions of instructors and any housekeeping items, start with the overview and the objectives of the class with what information each attendee will go away with, and how that information empowers them to complete their special job tasks. PowerPoint slides numbers 2 and 3.

- ❖ Flow into the body of the lesson plan. Remember to fully discuss each bolded item. Address any and all “on task” questions before moving on in the workshop. If a question is asked that you are unsure of the answer, do not make one up that may sound correct, find out the correct answer and let the attendee know that you will get back to them within a specified time frame and method. If questions are being asked that are not applicable to the workshop, or are a higher level question, please refer them to their Area director, Section director, or National Office support staff. Do not spend time on these types of questions.
- ❖ Move into the balance of the lesson plan. There are specific time frames and requirements for filing budgets during the year. Emphasize that all board members should be involved in the budgeting process, and that an early start is key to producing a useful budget.



**AYSO EXPO workshop - under 50 participants.**

- ❖ Make sure that you have enough copies of ALL handouts for each participant. Arrange the room so that it will enable you to present the workshop to the number of participants. Computers and LCD projectors (PowerPoint presentation must be set up prior to the workshop. The use of several rosters will facilitate quicker completion and less distraction to the participants.
- ❖ After introductions of instructors and any housekeeping items, start with the overview and the objectives of the class with what information each attendee will go away with, and how that information empowers them to complete their special job tasks. **PowerPoint slides numbers 2 and 3.**
- ❖ Assess the audience to make sure that it is understood that this workshop is for all board members. Emphasize that the other volunteer positions present support the Treasurer and RC in the budget process, and vice versa.
- ❖ Make sure you watch your time during the presentation so that you will be able to answer questions. The more attendees in the workshop, the more questions.
- ❖ Prepare the type of format you will use for the activities based on the projected number of participants (i.e. game based, guided participation, individual based, or group based).
- ❖ Move into the balance of the lesson plan. There are specific time frames and requirements for filing budgets during the year. Emphasize that all board members should be involved in the budgeting process, and that an early start is key to producing a useful budget.

**❖ AYSO EXPO Workshop - 50 or more participants**

-  Make sure that you have enough copies of ALL handouts for each participant. Arrange the room so that it will enable you to present the workshop to the number of participants. Computers and LCD projectors (PowerPoint presentation tools) must be set up prior to the workshop. The use of several rosters will facilitate quicker completion and less distraction to the participants.
-  Assess the audience to make sure that it is understood that this workshop is for all board members. Emphasize that the other volunteer positions present support the Treasurer and RC in the budget process, and visa versa.
-  Be careful with questioning with larger groups. It will be harder to stay on task and to complete the lesson plan with too many questions. However, any “on task” question must be addressed correctly.
-  Prepare the type of format you will use for the activities based on the projected number of participants (i.e. game based, guided participation, individual based, or group based). It will be harder to have everyone participate in a larger group.
-  Move into the balance of the lesson plan. There are specific time frames and requirements for filing budgets during the year. Emphasize that all board members should be involved in the budgeting process, and that an early start is key to producing a useful budget.

**➤ Introduction**** Slide 1. Course Title**

-  *Introduce yourself as workshop leader, the topic and allow the co-instructors to introduce themselves. This is a good time to have the attendees put the instructor names on the course evaluation form if used.*
-  *Identify key housekeeping items such as location of restrooms, request for class speakers to identify themselves (amount of info mentioned should depend on size of class and time available for introductions), etc.*

## Body 75 Minutes

### Slide 2. Learning Objectives


- Review elements of the annual budget.
- Develop a budgeting process.
- Understand variable vs. fixed costs.
- Discuss individual/specific budgets.
- Understand how to deal with under and over runs.

 *Review the objectives with the attendees.*

**? Who is in the workshop?** Survey the attendees:

### Slide 3. Class Survey Questions

- Who is not either an RC or a Treasurer?
  - What other positions are in the workshop?
  - What is the size of your Region? (less than 300 players, between 300 and 1000 players, or greater than 1000 players)
  - What is the size of your annual Regional budget? (less than \$20K, between \$20K and \$50K, between \$50K and \$100K, greater than \$100K.)  
If participants don't know, estimate at \$100 per player.
- *Ask questions... Use input to assess level to which class should be taught.*
  - *If attendees don't know, estimate at \$100 per player.*

 **Slides 4-15.** *Intent is to introduce attendees to definitions of revenues and expenses, and to understand the relationship between the number of players, variable revenue and expenses, and fixed revenue and expenses.*

### Slide 4. Financial Definitions

**Annual Budget:** Estimate of revenues and expenses for a specified 12 months. AYSO's fiscal year is July 1st to June 30<sup>th</sup>.

**?** When should the budget be finalized and submitted? [By June 1st.]

 *Remind the class that Regional Budgets are due June 1<sup>st</sup>, but Section and Area budgets are due on July 1<sup>st</sup>.*

**Actuals:** Financial report with actual revenues and expenses to-date. NAP report from AYSO is an actual.

#### **NAP report**

**Forecast:** Financial report with actual revenues and expenses to-date and estimates for the remaining time, usually one year.

**? When** should a forecast be done? [As needed, which is a factor of the number and significance of changes.]

**Objective:** Explain definitions, confirm understanding.

**CLICK1:** The terms Annual Budget, Actuals, and Forecast all appear.

**ASK:** For someone to explain what a Budget is – after a few responses advance to next click

**CLICK2: Annual Budget:** Estimate of revenues and expenses for a specified 12 months. AYSO's fiscal year is July 1st to June 30th.

**? When** should the budget be finalized and submitted? [By June 1st.]

**Remind** class that Regional Budgets are due June 1st, but Section and Area budgets are due on July 1st.

**ASK:** For someone to explain what an Actual is – after a few responses advance to next click

**CLICK 3: Actuals:** Financial report with actual revenues and expenses to-date.

NAP report from AYSO is actuals!

**ASK:** For someone to explain what a Forecast is – after a few responses advance to next click

**CLICK4: Forecast:** Financial report with actual revenues and expenses to-date and estimates for the remaining time, usually one year.

**? When** should a forecast be done? [As needed, which is a factor of the number and significance of changes.]

**Advance to next Slide.**

**Slide 5.** What items are included in the budget?

**? What** revenue items do you include?

### Revenue

- Registration fees
- Sponsorships
- Financial donations
- Fund-raising
- In-kind donations

**Objective:** Identify Key Revenue Items.

**? What** revenue items do you include? Ask for the various revenue sources.

- Revenue

**Advance Slide to review responses.**

Review specific items not mentioned by class. There may be others in they are not mentioned; for example snack shacks, etc.

**Advance to next Slide** where in-kind donations will be discussed and the importance of tracking them

## ☒ Slide 6. In-kind donations.

### ? What are they?

- Product or services that are free or at less than market price.
- Local company donates t-shirts for coaches.
- **Why track them?**
- For planning purposes, to ensure items are covered in future budgets.

**Objective:** Explain concept and why it's important to track these items.

**? What are in-kind donations?**

#### **Advance Slide.**

Products or services provided for free or at a lower than market price. Example – vendor donates t-shirts for coaches or a local soda distributor donates soda to be sold at the snack shack.

#### **Advance Slide.**

**? Why should you track in-kind donations and their respective costs?**

#### **Advance Slide.**

If an in-kind donation goes away, then the Region will need to account for the expense in current forecasts or future budgets. Even though these items are not included in the budget, if they were to go away, they may need to be included in future budgets.

## ☒ Slide 7. Major Expenses “Basic/Critical” (Musts)

What items are included?

Major “basic/critical” expenses

- Players: uniforms
- Volunteers: referee equipment, training, travel (AYSO EXPO and NAGM)
- Organization: registration, supplies/postage/phone, publicity, field (usage, maintenance)
- Capital Equipment “musts” – Goals, nets, field improvements

**Objective:** Identify Critical Expense Items.

**? What basic/critical items do you include? The “Musts”?**

Advance Slide to review responses.

Review specific items not mentioned by class. Other items would include balls and other administrative costs needed to operate the Region.



## ☒ Slide 8. Other Expenses (Wants)

? What items are included?

- Player: awards, photos, apparel,
- Volunteer: recognition, apparel,
- Organization: postage, copying, meeting,
- Capital: equipment, field development,

**Objective:** – the WANTS would be considered as items that would be nice to have but are not considered a necessity.

*Identify Other Expense Items.*

**Advance Slide to review responses.**

*Review specific items not mentioned by class. When equipment is noted above, it would probably be putting off the purchase of some of the equipment until the next year. For example, it would be nice to have new goals, but the old ones may work for one more year.*

## ☒ Slide 9. Who owns the budget?

- The Treasurer should take the lead, but may co-lead with the RC, or the RC may have the lead in certain situations.
- RC and Treasurer collaboration is very important.
- Once experienced, the Treasurer should take the lead.
- All Board Members must participate. Other volunteers will need to provide information. Emphasize that “The Board owns the Budget!”

**EXPLAIN – Moving on to new topic – Next few slides are on who owns the budget, potential sources of information, detailed items necessary, budgeting tools.**

**ASK - Who owns the budget?**

*Accept a few responses, and step through 4 clicks to display list.*

**Last click to EMPHASIZE** concept the entire board owns the budget.

## ☒ Slide 10. With whom should the Treasurer interact to prepare the budget?

- ? With whom should the Treasurer interact?
- ACCEPT a few responses
  - Regional Commissioner
  - Registrar
  - Uniform and Equipment Coordinators
  - RCA and RRA
  - Other Board and non-Board Members

*Once again, please stress that everyone should be part of the budgeting process.*

## ▣ Slide 11. Building a budget from scratch - Gathering Data

*? How do you gather past data in the preparation of the budget (assuming no detailed financial report)?*

*ACCEPT a few responses.*

*CLICK1 to show next seven statements on slide.*

- Create a list of all possible expenses and enter data as information is gathered.
- Review past checks and receipts to determine how much was paid to whom for what and when.
- Review past deposit amounts and sources.
- Check with former Board Members for their understanding.
- Schedule meetings specifically to talk about budget items.
- Talk to suppliers who have served your Region.
- Call other Treasurers.

*Most of these items above are specifically for the Treasurer, since they are the ones in custody of the Region's financial records.*

## ▣ Slides 12 to 13. Key Budgeting Factors

*? What are the key quantities (not \$\$\$ numbers) you need to estimate expenditures?*

*- Numbers of...?*

- Players, teams, players per team
- Referees and coaches
- Practice fields per week
- Field Equipment – (nets, flags, paint, etc.)
- Training classes
- AYSO EXPO and NAGM attendees
- Sponsors
- Copies/ads/mailings

**Slide 13 ?** *What are the key amounts/costs you need to estimate expenditures?*

*- Amount/Costs...?*

- Registration fees
- National player fees
- Sponsorship funding levels
- Uniform costs
- Referee and coach equipment/apparel
- Awards/recognition costs
- Training materials costs
- Communication costs: printing, postage, website, advertising

*Other items may include things like fund-raising plans for the next year.*

**Slide 14. Budgeting Tools**

*There are at least three popular methods (maybe others) that a Treasurer can use to prepare a budget.*

- Paper
- Excel
- Quicken/MS Money, etc.

*? Ask the attendees by a show of hands who uses which tools; they may select more than one method):*

- Paper
  - forms
  - NAP reports
  - Checkbook
- Software
  - Excel (Microsoft)
  - Quicken (Intuit)
  - Money (Microsoft)
- Other (What is it?)

**Slide 15. Budgeting Tools – Consideration Factors**

**? What are some key considerations in choosing these methods?**

- Simplicity vs. complexity/flexibility.
- Special knowledge and/or equipment (computers) required and costs of the equipment.
- Ease and timeliness of sharing past and future information (as a group, in hard copy, etc.)
- Time to integrate changes; automatic updates.
- Ability to assess impact of what-if scenarios.
- Accuracy.
- Reuse of past, current, future data.
- Training learning curve for new volunteers.

**Slide 16.** *Major Consideration for Budgeting: Variable vs. Fixed Costs*  
*- Some of the previous expenses are variable and some are fixed.*

- Variable expenses means (in this case) dependent on the number of players

**? What** are some examples of variable expenses?

*-Uniforms, photos, participation awards, etc.*

- Fixed expenses do not depend on the number of players.

**? What** are some examples of fixed expenses?

*AYSO EXPOs and NAGM travel costs, tournament trophies, registration costs, training costs, equipment (for example - goals)*

**Emphasize that fixed does not mean “does not change”, means fixed relative to the number of players**

**Emphasize that fixed/variable is always relative to time.** *What is fixed in the short term is variable in the long term. In a long enough time frame, all costs are variable...*

**Slide 17. Graph** Costs versus number of players (fixed and variable).

*EXPLAIN that this is a graphical representation of costs versus the number of players in the Region.*

*EXPLAIN that fixed costs do not change regardless of the number of players, and variable costs start at zero and increase proportionally.*

*Fixed costs – flat line, don’t vary with number of players.*

*Variable Costs – start at zero and increase proportionally*

**Slide 18. Same Graph** Total Costs vs. Number of Players (same, only we have moved the variable cost line up to the level of fixed costs, so that it now represents total costs.

**EXPLAIN** *that in this chart vs. the last one, the variable cost line has simply been “moved up” to start at \$25,000, the level of fixed costs, so it now represents total costs.*

**Slide 19. Graph** .Revenue vs. Number of Players

*Graph of Fixed and Variable Revenue versus number of players.*

*- Same for revenue, Fixed and variable*


*EXPLAIN that this is basically the same graph as before, only for revenue instead of costs. The fixed level is typically lower, since fixed revenues (sponsorships, fundraising) are lower than fixed costs. The line is steeper, since registration fees should be higher than the variable cost of adding a new player. (Otherwise, keeping a positive budget balance is very difficult.)*

*EXPLAIN that each new player added should mean enough fees to cover their variable cost, plus some fees left over to cover the Region’s fixed costs.*

▣ **Slide 20. Again, Same Graph** Total Revenue vs. Number of Players *only we have moved the variable revenue line up to the level of fixed revenue, so that it now represents total revenue.*

▣ **Slide 21.** Revenue and Costs vs. Number of Players  
*Combine Revenue and Cost graphs on one graph.*

**Advance slide.**  *Icon will fly in automatically*

 Where the lines cross, that is the number of players where you will break even on your budget! **Revenues equal costs.**

▣ **Slide 22.** Let's now prepare a budget

- First – Obtain the Budget Form.
- From the Treasurer's Manual or [www.ayso.org](http://www.ayso.org)
- *STATE: from the Treasurer's Manual or the AYSO website.*

▣ **Slide 23. Preparing a Budget**

• *STATE:* Although we cannot cover the budgeting process in as much detail as you will need, we are pleased to present these five steps to assist you:

- *1. Estimate revenues.*
- *2. Estimate expenditures.*
- *3. Subtract expenditures from revenues.*
- *4. Add in last year's account balances.*
- *5. Celebrate the surplus (or cry over the loss)*
- *6. Done! Right?*

**? ASK** Are there any questions?

*STATE* that unfortunately it is not as simple as that, but developing a budget can be greatly simplified with the right process.

▣ **Slide 24. Preparing a Budget: Use a Process**

*STATE Let's discuss a process.*

*Display first statement:*

- Develop and communicate the calendar, including due dates for:

*STATE It is important to have a budgeting calendar with key milestones like these included.*

- Submittal of individual budgets
- Budget reviews
- Approval meeting
- Submittal to AD and approved then submitted to the National Office (by

June 1)

*STATE: Some key dates on the calendar could include the dates for  
Display 2nd statement:*

- Agree on the assumptions that will be used.

*STATE Without an agreement on the assumptions, it will be difficult to have a realistic budget. For example, if the Registrar and the Uniform Purchasing Coordinator do not agree on the number of teams, the Region may have too many or too few uniforms.*


*Display 3rd statement:*

- Have each Board Member submit a budget to cover their area of responsibility.

*STATE Obtain the commitment of everyone to participate.*

### Slide 25. Preparing a Budget: Use a Process

- ? Should you estimate revenues or expenses first?

 *Instructor should accept valid reasons for either way...*

*Display first two statements:*

- Depends upon degree of stability versus prior year
- Do you wish, intend or need to change fees?

*STATE It is important to know how much you expect things to change versus last year. If things are pretty stable the budget is pretty simple. Also, do have plans to raise fees, or do you need to raise fees?*

### Slide 26. Preparing a Budget: Use a Process - continued

*Display first question:*

Are you expecting significant growth?

*STATE Growth can mean additional funds to spend on fixed cost items.*

*Display second question*

Does your Region rely on Sponsorships, Donations, Fundraising drives, etc to generate revenue?

*STATE May be better to project expenses first, then deduct fees and determine if remaining "gap" can be covered by these efforts.*

### Slide 27. Preparing a Budget: Use a Process - continued

*Display first question: Did you achieve last year's budget?*

*STATE If you overran expenses they need to be evaluated. If you ran a surplus, understand why... Will it happen again?*

*🔗 There is no “correct process”. What works best for you? These are merely considerations to make the Board’s job easier.*

*✍ Slides 29-36. These slides are used to explain and lead into the Budget Building Small Group exercise.*

## **🗒 Slide 28. Budget Building Exercise                    5 MINUTES**



Break out into functional groups

- Coach Administrators
- Referee Administrators
- Registrars and CVPAs
- Safety and Field Directors
- Administrative group

Each group should identify budget expenses.

*. Some Treasurers and RCs should comprise a separate “Admin” group, and some should disperse to each of the other functional groups. One group of RCs/Treasurers to do Admin budget and consolidate the other budgets. Max of 8-10 per group, split into multiple functional groups if necessary.*

*Once groups are formed, give the class about five minutes and ask them to come up with a listing of items that they would need to concern themselves with.*

## **🗒 Slide 29 - 33. Budget Building Exercise – Group responses**

*This slide is intended to prompt attendees to start on the process for their own functional Area. Allow groups to start off on their own for a few minutes. If anyone suggests having an assumptions meeting, **give them credit** for suggesting the proper process. Otherwise, stop process after about three to four minutes.*

*?How does each group know what the others are doing?*

**STATE:** *We need to convene an “Assumptions” meeting!*

*✍ Have attendees remain in their groups for this process.*

*### Allow about three to five minutes for groups to develop ideas that should be included in their functional budgets. At the conclusion of this exercise, each group should be given a chance to share their results.*

*Ask each group to have a spokesperson review some of the items that the group came up with, after the group gives their responses, ask the rest of the class if they can think of any others; and then review the slides to make sure that the few that are shown were mentioned (the list includes some broad responses since not every Board position has a group).*

**☰ Slide 29. Budget Building Exercise – Coach Administrators**

*Examples of answers should be:*

- Coach trainings/clinics
- Supplies/equipment (whistles, clipboards, etc.)
- Coach shirts/uniforms
- Tournaments

**☰ Slide 30. Budget Building Exercise – Referee Administrators**

*Examples of answers should be:*

- Referee trainings/clinics
- Equipment/supplies
- Uniforms
- Tournaments
- Appreciation items

**☰ Slide 31. Budget Building Exercise – Registrars/CVPA's**

*Examples of answers should be:*

- Registration event location expenses
- Volunteer flyers
- Uniforms
- Awards
- Office supplies for registration events
- Postage
- Payments to AYSO

**☰ Slide 32. Budget Building Exercise – Field/Safety Directors**

*Examples of answers should be*

- S&I brochures, forms
- Goals and nets
- First aid kits
- Field paint
- Park fees
- Kids Zone® signs



**Slide 33. Budget Building Exercise – Administrative group**

*Examples of answers should be:*

- Office supplies - postage
- Mileage - travel
- Meeting expenses
- Board trainings
- Advertising
- Awards - photos

**Slide 34 – 38. Adjusting your Budget aka “Now What?”**

**Slide 34. Adjusting your Budget**

? Are additional sponsorships or fundraising a possibility?

*Display 1st statement:* If you have no alternative, where can you cut expenses?

*Display 2nd statement:* Non-manageable expenses

*STATE certain expenses aren't manageable – National Office Fees, City or School District park fees. These are usually your biggest player related costs after uniforms.*

**NOTE** that these are typically large unmanageable expenses, so we need to look elsewhere...

**Slide 35. Adjusting your Budget**

? If no other alternatives, where can we cut expenses?

- *Display 2nd statement:* Less expensive uniforms
- *Display 3rd statement:* If you bundle your photo costs with registration, charge separately. A “hidden” way to raise fees without as much visibility.
- *Display 4th statement:* Cheaper trophies, medals, etc.

**Slide 36. Adjusting your Budget**

? If no other alternatives, where can we cut expenses?

- *STATE Now let's look at some fixed costs reductions...*
- *Display 2nd statement:* No cost promotional opportunities.
- *STATE Look for ways to promote that don't cost anything as an alternative to newspaper ads, etc.*

**Slide 37. Adjusting your Budget**

- *Display 3rd statement: Seek no cost meeting locations*
- *STATE Look to local organizations to provide meeting space at no cost.*

**Slide 38. Adjusting your Budget**

- Ultimately you need to use an appropriate mix of fund raising, fee management and cost management to balance your budget.
- Remember to budget a RESERVE!
  - \$5 to \$12 per player per National Guidelines.
  - No budget is perfect

**Slide 39. Additional Training Options**

*Remind the attendee that there are additional classes they can take, such as Auditor Training  
Treasurer Training*

**Slide 40. Available Resources**

- *STATE Remind them to consult [www.ayso.org](http://www.ayso.org) for additional resources including a new feature, self-paced training presentations.*

**Slide 41. Available Resources**

- *STATE Other resources, job descriptions, reference book, many other helpful items and all forms seen here.*

**Slide 42 Thank everyone for attending and volunteering**

*Remind them to complete an evaluation or survey as they exit, if utilized.*