

# 2019-20 Chapter Budget Guidelines

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## **A. Budgeting Overview**

Chapter budgets should be prepared with the goal to direct the most efficient and prudent use of the organization's resources with the focus of member engagement. A budget is a management tool which allows the chapter to plan for present and future activities. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of available resources.

The FICPA is committed to funding the events and activities of chapters with financial resources to match the level of services and programming provided. The cost of each event should be offset by a registration fee, sponsors and state funding.

## **B. Performance-Based Budgeting Concept**

Performance-based budgeting (PBB) is the practice of developing a budget based on the relationship between program funding levels and expected results. Every activity within the chapter is analyzed for its needs and costs. Starting with zero funding, budgets are then built around what is needed for the upcoming year, regardless of whether the budget is higher or lower than the previous one. Each chapter receives funds from the FICPA to pay for chapter operations in the form of an annual budget. There is no per member amount allocated to the chapter, and therefore there is not a budget excess accumulated at the end of the fiscal year. Each year the chapter begins with zero funding, prepares a budget and, once approved, can begin with chapter programs.

## **C. Budgeting Policy**

The annual chapter budget is to be developed during the months of December/January for submission to the FICPA Finance Department by February 1st.

The FICPA staff will review budgets by March 1<sup>st</sup>. If any portion of the chapter's submitted budget is denied, the chapter may appeal the decision in writing to the FICPA Chapter Operations Committee (COC) within 30 days of being notified. If the COC agrees with the recommendations of staff, in a final step of appeal the chapter may ask that the Board of Directors review the appeal for which their decision is a final resolution. Budgets should be finalized by April 1<sup>st</sup>.

Preparation of the budget is an integral part of the planning process, involving participation at every level of the organization. Key components of the budget

include:

1. Key initiatives/programs for the year identified by month
2. Revenue by source
3. Expenditure by category/program/event

**Process:**

In mid-December, each chapter will receive a budget packet consisting of the Chapter Budget Template and the Chapter Budget Guidelines.

The template is broken down by the following Categories:

- Meetings and Events that should make a profit
- Sponsors – subsidize meetings and other chapter activities
- Fundraising Events – proceeds donated to the FICPA Scholarship Foundation
- Fundraising Events – proceeds donated to the charity identified
- Student Events
- YCPA Events
- Social/Networking Activities
- Chapter Administrative Expenses

Each chapter template includes:

- Months of expected expenditure
- Total expenditure
- Account numbers and Subaccount numbers (General Ledger Codes)
- Nonmember fees will auto-populate based on the member fee for CPE events.
- Space is now available to project the number of students attending a CPE event. The cost will auto-populate based on the entered F&B costs.
- Student, YCPA and socials events require additional details to be completed in “column L”
- Space is provided in “column L” to note anything special or unique about events.

The sums of all the chapter expenses by category are rolled into a Summary spreadsheet by expenditure type and by month.

The chapter’s budget must be reviewed and approved by the respective chapter’s board of directors prior to submission and inclusion in the overall FICPA budget. Chapter board approval of the chapter budget is an approval of an overall financial plan for the year.

**Guidelines:**

The goal of each chapter budget is to provide resources that promote engagement for chapter members and align with the strategic plan of the FICPA.

In general, all meetings and events should be budgeted based on the following:

1. Meetings and Events – Designed to break even or make a profit: These events are intended to break even in cost or result in a profit, i.e. CPE events and roundtable discussions. Student attendance at these events should be budgeted for actual cost, however, a student's attendance cost will not be calculated as a cost in factoring if profit or loss of an event.
2. YCPA/Student/Socials Events – Designed for member engagement: These events are defined as having been established to benefit the FICPA and its initiatives, such as membership appreciation events, town hall meetings, or events intended to grow membership or to engage members. Examples are student and YCPA state committee events which help bring the younger generation to the FICPA. Our Emerging Professionals Managers will contact the chapter to help execute student and YCPA events when an event is budgeted.
3. Board and Planning Meetings: Meetings held for business purposes.
4. Scholarship Foundation/Fundraising Events: These are programs of a fundraising nature designated to support the FICPA Scholarship Foundation, i.e. golf tournaments and 1040 K Races. Contributions are limited to the net profits of the events. A chapter may solicit scholarship sponsors to help offset the cost of the event; sponsors must be designated as such. All events designated as scholarship fundraisers must generate a profit, and the net proceeds are to be distributed to the Scholarship Foundation's chapter scholarship fund. If a designated event fails to make a profit for **two** consecutive years, the chapter may be asked to discontinue the event.
5. Charitable Contributions/Giving Events: These are programs of a fundraising nature, i.e. Cancer Walk or similar, designated for charitable/giving contributions and must be budgeted to generate a profit. Contributions are limited to the net profits of the events. If a designated event fails to make a profit for **two** consecutive years, the chapter may be asked to discontinue the event.
6. FICPA-Chapter Events: Events organized by partnering with the FICPA to offer a chapter/seminar-type event where profits and expenses are split, i.e. Infusion.
7. Non-Member Recruitment Events: This type of program is designed to allow non-members to attend an FICPA Chapter event for a reduced cost or at no charge. These events will be designed as non-member recruitment events and must be noted in column L.

## **Policy:**

1. Consult chapter committee chairs and roundtable discussion group leaders regarding their anticipated expenditures for the next year and include those amounts in the budget.
2. Consider the FICPA strategic plan as well as upcoming initiatives when planning activities for the next year and preparing the budget.
3. Review prior year financial activity.
4. All events should be evaluated on a routine basis to ensure events are meeting the expected results and covering the event's cost. If any meeting or event does not at least break even for **two** consecutive years, the chapter may be asked to discontinue the event.
5. Registration fees for Non-Members attending events other than those designated as Non-Member Recruitment Events should be 150% of the member fee, rounded up to the nearest \$5. When the event is "free" for members as a member benefit, non-members will be charged \$50.
6. Chapter officers and board members are not eligible for discounted chapter event registrations fees. All members will be charged the same fee to attend the same chapter event. A designated event may be planned to honor the chapter's past chairs yearly.
7. Chapters will utilize the reimbursement policy of the FICPA as noted in the Chapter Operations Policies and Procedures Manual for officer training and travel reimbursements.
8. All events should be named and when possible provide the date of the event. Exp. Chapter Monthly CPE meeting, Student Appreciation Night
9. Any attendee prizes and give-away gifts should be budgeted with the event details.
10. Chapter leadership awards/gifts should be budgeted in the Officer Awards/Gifts line item in the chapter's Administrative Expenses in June. A one-time recognition award/gift of \$25 each may be given to show appreciation to all board members.
11. Chair plaques – If ordered through the FICPA when offered in April, a chair plaque should not be budgeted as the FICPA will directly pay for this recognition award.
12. Costs associated with Board and other planning meetings should fall in line with the GSA per diem rates for meals guidelines for the city in which the chapter is located. A modest amount may be requested for alcoholic beverages at such

meetings.

#### **D. Best Practices for Preparing a Budget**

1. Review the Chapter Operations Policies and Procedures Manual for specifics regarding chapter budgeting, as this budgeting guideline only pertains to completing the budget template. All of the chapter's policies and procedures should be read and understood.
2. Local chapters should not have expenditures for operating services, including administrative service fees, clerical support, meeting greeters and web hosting and design, without the written approval of the Chapter Operations Committee. Request for approval must be justified and submitted with the chapter's budget in writing.
3. Scholarship donations should be made to the FICPA Scholarship Foundation as the recognized organization supported by the FICPA. Chapters may still designate a school for which the chapter's donations will be presented. By combining our resources and giving to one organization, we will have the greatest impact.
4. Chapters should not plan to provide sponsorship funding for other FICPA events/initiatives, (i.e. YCPA Day of Service, Ocean Reef Event), other state committees' events or events presented by other FICPA chapters.
5. All chapters should have a goal of member engagement when events are discussed and planned. Think outside the box when planning/creating events. The advantage of having a PBB is the freedom to try new ideas without the fear of failing.