



Budget considerations for Area, Divisions and District in 2020/2021

As Toastmasters International have made some changes to budget limits this year, it is important for Area and Division Directors to consider these changes when preparing budgets.

We also need to consider that our overall gross amount will be less than previous years because we have lost members during the Covid 19 virus. Our budget allocation is calculated as a percentage of our membership payments. Therefore, less members means less money. We will not know the actual amount until mid-July or later.

The budgets that areas and divisions prepare are amalgamated into the district budget, therefore we need to consider each other when preparing our budgets. In particular, remember that these amounts include all district expenditure. Club budgets are not part of the district budget.

The maximum gross percentages for the total district expenditure are as follows:

Budget categories and %:

Education & training – Max 15% of budget

Marketing outside TM – min 5% max 10%

Club Growth – max 15%

Public Relations – max 10%

Recognition – max 20%

Travel max - 25% (may exceed with prior approval from Chief Executive officer)

Lodging – max 15%

Food & meals – max 15%

Speech contests – Max 5% of budget

Administration – 10% of budget

These percentages impact on every activity by Areas, Divisions and District. All District expenditure is included in these limits. You will notice that speech contests attract only 5% of the budget.

The gross amount of expenditure needs to be accounted for in the District's budget if it is run as an area or division event. Speech contestants may not be charged to attend their speech contest. (Speech Contest Rule Book item 1F) This year, district is promoting that all speech contests should be free to contestants, members and supporters. This is based on the premise that our membership fees cover these activities.

If your area or division chooses to have additional activities to create a conference, then charges can be applied as these may not necessarily be district events if a club sponsors the event. They should still be run as cost neutral events.

There are several things we can consider when preparing budgets to manage our budgets and to meet these requirements.

- Consider having your event sponsored by a club using a club budget.
- Allocate expenses across several categories, such as contests, food, education.
- Consider a non-catered event where members purchase their own meals separately.
- Look for free venues such as libraries.
- If you are planning an event, as district, we encourage it! However, we must bear in mind the costs. Can we still organise the events via zoom? Can we get free venues such as libraries? Can we bring our own food to the event?
- Club accounts are not included in the budget. Some events may be run by clubs instead of Areas or Divisions. This should not include Area or Division speech contests, but could include the educational component of the day.
- If you decide to have a club host part of your event, for example one club may host the meal and another may host the guest speaker, then that has a separate budget and does not have to be sent to district as it is a club sponsored event.
- If you choose to run your conference this way, the club is fully responsible for the conference budget excluding the contests. Therefore, any profit remains with the club and any loss must be covered by the club. However, please always consider affordability. Events should be run to benefit the members, not as money making ventures. The ideal is a cost neutral event.
- District will allocate some funds towards the speech contest. At this stage, we are looking at a \$100 towards Area contests and \$300 towards Division speech contests. You can consider this as being paid out of the membership fees that you pay each half year. It does not have to be paid back to district.
- The goal is to have speech contests as a free event for contestants, members and supporters.
- District has sufficient certificates to cover division contest needs.

We all need to consider these limits in our planning. I do not want members to miss out on opportunities, therefore please plan carefully so that we can all benefit and gain as much as possible in a cost-effective way.

By Barbara Nielsen (District 69 Director)