

## CREATING A SOCIETY/CLUB BUDGET

<p><b>WHAT</b></p> <p>Is a Budget?</p>	<ul style="list-style-type: none"> <li>A budget is a tool that helps your Society/Club track its financial health so that informed financial decisions can be made.</li> <li>A budget includes <b>estimates</b> of revenues and expenses and may be for one year or for several years.</li> <li>The estimates for the upcoming year(s) are established by looking at the actual numbers from previous years and considering current trends at your society/club and within your community.</li> <li>A budget helps provide a plan for the allocation of financial resources in order to maintain or grow your bank balance and/or avoid or reduce debt.</li> </ul>	
<p><b>HOW</b></p> <p>To Prepare a Budget</p>	<p><b>FIRST:</b> Chart the <b>revenues</b> and <b>expenses</b> of your Society/Club over the last several years to establish the financial history. Typical revenues and expenses are listed below. If you have previous budget information, it is often helpful to compare the budgeted figures with the actual numbers to determine predictability.</p>	
	<p>Typical Society <b>REVENUE</b> Items</p>	<p>Typical Society <b>EXPENSE</b> Items</p>
	<ul style="list-style-type: none"> <li>Membership dues (regular)</li> <li>Grants</li> <li>Plant sales</li> <li>Other fundraisers (rain barrel sales, bulb sales, etc.)</li> <li>Draw revenues</li> <li>Coffee Fund</li> <li>Donations</li> <li>Bank Interest</li> </ul> <p>Note: Your Society/Club may have other sources of revenue that should be included.</p>	<ul style="list-style-type: none"> <li>Membership dues (life)</li> <li>OHA Affiliation fees</li> <li>Insurance costs</li> <li>District dues</li> <li>Hall rental for meetings</li> <li>Speaker fees</li> <li>Judges' fees for flower shows</li> <li>Flower Show ribbons and entry cards</li> <li>Awards</li> <li>Cost of maintaining community gardens/events</li> <li>Cost of running fundraisers</li> <li>Post Office box rental</li> <li>Member attendance at OHA Convention or District Meetings</li> <li>Office and postage expenses</li> <li>Annual, Special or District Meeting costs</li> <li>Refreshments</li> </ul> <p>Note: Your Society/Club likely has other expenses to be considered. Remember to take into account Special Projects or events that are upcoming in the next budget year or two.</p>

<p style="text-align: center;"><b>HOW</b></p> <p>To Prepare a Budget (continued)</p>	<p><b>SECOND:</b> Look at the trends which have been established and make your best prediction of what the upcoming year will show. The following questions maybe of assistance in determining the answers.</p>
	<p><b>REVENUES: What revenues can be expected to be similar to previous years? Which revenues will be higher/lower?</b></p> <ul style="list-style-type: none"> <li>• Are membership numbers increasing or decreasing?</li> <li>• Membership – Will the net membership revenue be higher, lower, or the same? Net membership revenue = membership fees – (OHA dues + Insurance fees + District dues). Are associated membership expenses the same this year as last i.e. OHA dues, Insurance fees, and District dues? <b><i>For example, the per person OHA affiliation fees are increasing over the next few years as follows:</i></b> <ul style="list-style-type: none"> <li style="padding-left: 40px;"><b><i>\$4.50 in 2025,</i></b></li> <li style="padding-left: 40px;"><b><i>\$5.00 in 2026,</i></b></li> <li style="padding-left: 40px;"><b><i>\$5.50 in 2027 and</i></b></li> <li style="padding-left: 40px;"><b><i>\$6.00 in 2028.</i></b></li> </ul> </li> <li>• Will the net membership revenues be sufficient to cover your regular expenses? (Hall rental, speakers, associated dues, flower shows, awards, social costs)</li> <li>• If net membership revenues do not meet your expenses, where will the additional funds be sourced?</li> <li>• Fundraisers – plant sales, rain barrel sales, bulb sales or other fundraisers? – Will event(s) be new or continued; will similar revenues be generated?</li> <li>• Grants – have they been received in the past and will they repeat in this budget period, are new grants available?</li> <li>• Consider other possible revenue sources such as Special Projects, donations and bank interest.</li> </ul> <p><b>EXPENSES: What expenses can be expected to be similar to previous years? Which expenses will be higher/lower?</b></p> <ul style="list-style-type: none"> <li>• Will OHA fees and Insurance coverage be the same or increased?</li> <li>• Will District fees be the same or increased?</li> <li>• Will hall rentals, speaker fees, flower show and social costs remain the same or will they be higher?</li> </ul> <p><b>If predicted expenses are greater than revenues (a deficit budget) what can be done to balance the books?</b></p> <ul style="list-style-type: none"> <li>• Can the number of members be increased to improve revenues?</li> <li>• Are there other sources of income? (New fundraisers, Donations)</li> <li>• Can we maintain our present membership fees or will we need to raise them to cover the expenses of running the club?</li> <li>• Will some expenses need to be reduced or eliminated and how can this be achieved?</li> <li>• Will savings need to be accessed? (Ie. Cashing in a GIC)</li> </ul>

<b>OMAF GRANT and EXPENSES</b>	<p>The OMAFA reporting asks that expenses be broken down into expenses which are eligible for grant coverage and those expenses which are not eligible. <b>Eligible expenses should total to at least 50% of the Society/Club grant amount.</b> For example, if the grant is \$1000 then \$500 of the society expenses should be in the eligible category. For more information go to <a href="https://gardenontario.org/omafra-annual-return-webinar-and-information-guide/">https://gardenontario.org/omafra-annual-return-webinar-and-information-guide/</a></p>	
	<b>ELIGIBLE EXPENSES</b>	<b>NON-ELIGIBLE EXPENSES</b>
	<ul style="list-style-type: none"> <li>• Insurance</li> <li>• Hall rental for meetings</li> <li>• Promotional costs for increasing interest in horticulture</li> <li>• Distribution of seeds, plants, trees, bulbs</li> <li>• Membership fees</li> </ul>	<ul style="list-style-type: none"> <li>• Refreshments for meetings</li> <li>• Website costs</li> <li>• Travel costs</li> <li>• Donations</li> <li>• Awards, Grants, Yearbooks</li> <li>• Bank Fees</li> </ul>
<b>APPROVAL of SOCIETY BUDGET</b>	<ol style="list-style-type: none"> <li>1. The Draft Budget is usually prepared by the Society/Club Treasurer or a Budget Committee.</li> <li>2. The Draft Budget is reviewed by the Society/Club Board and a recommendation is made to present it to the general membership.</li> <li>3. The members of the Society/Club review the draft budget – usually at the AGM.</li> <li>4. The draft budget is then voted upon by the membership.</li> </ol>	
<b>BUDGET USE by the SOCIETY</b>	<ol style="list-style-type: none"> <li>1. The approved budget is a financial tool that informs the members of the financial health of your Society/Club. During your meetings, Financial information should be presented as compared to the budget. (Usually, Actuals are shown on the left and the Budget numbers are on the right.) Often bank balances and investment information is also provided in the report.</li> <li>2. The Budget can be reviewed regularly and changes made based on any new information.</li> <li>3. The final report for the year showing the actual revenues and expenses can act as a reference for the next fiscal year budget.</li> </ol>	
<b>RESERVES</b>	<ol style="list-style-type: none"> <li>1. According to most accounting standards, it is appropriate to keep the equivalent of one year's of Society/Club expenses in reserve to cover the expenses in case something drastic happens and you have little or no income that year.</li> <li>2. Reserves may also be kept for special projects. The funds should be specified on the balance sheet and identified with the special project's name with an anticipated date of completion.</li> <li>3. The reserve funds may also be kept in a Guaranteed Investment Certificate (GIC) or a Special Interest Savings Account.</li> </ol>	
Thank You		