

CLUB FINANCES

In the by-laws which the board of directors of R.I. recommends for club adoption there appears in Section 5 of Article X the statement that at the beginning of each fiscal year the (club) board of directors is to prepare or cause to be prepared a budget of estimated expenditures for the year, which, having been agreed upon by the board, shall stand as the limit of expenditures for the respective purposes unless otherwise ordered by the action of the board.

It is not necessary to have a special finance committee unless the club by-laws prescribe one. However, some clubs do have such a committee whose duty is to prepare the budget for presentation to the board of directors and to cooperate with the board and the club treasurer in seeing that the budget which the board adopts is carefully observed.

The adoption of a budget for handling club finances is the best protection a club can have against financial difficulties. It protects against over-enthusiastic expenditures on the part of any one committee. Furthermore, it guards against the club obligating itself beyond its means. The budget plan is an accepted part of practically every modern business and for that reason should appeal particularly to Rotarians who are the business leaders in the community.

In preparing the budget at the beginning of the year, there is danger of over-estimating the income and, in turn, letting expenses run too high. Be conservative in setting aside amounts for club activities. Plan to show a favorable balance at the end of the year. Then work the plan. The cost of membership to the individual should be low enough to permit participation by men of average means.

Appropriations from the club treas-

ury should be made only upon action of the board of directors of the club.

Many club budgets are prepared as follows:

INCOME

First estimate the income which will probably be received during the year in order to determine the amount available for expense appropriations. The sources of income are principally dues and admission fees.

ORDINARY EXPENSES

Per Capita Tax and Subscriptions to "The Rotarian" (or other magazines):

The computation of these amounts is fully explained in the by-laws of Rotary International, under Article XIII, Sections 1, 2 and 3, and Article XVI, Section 6.

International Convention: Some clubs pay all of the traveling cost of their delegate(s), one of whom very frequently is the incoming club president. Others pay only a portion.

District Conference: In compact districts a club often appropriates only a very small sum toward the conference expenses of its delegates; in others a substantial appropriation is granted.

District Assembly. It is customary in many clubs to reimburse the president and secretary for traveling expenses incurred in attending this meeting.

Secretary's Office: The expenses which should be provided for under this heading will depend almost entirely upon the size of the club and the manner in which the work of the secretary is handled. A review of the expenses for previous years will suggest the items which should be listed. These may include such items as equipment, printing and stationery, salaries, post-