SCRIPT: Meeting your Sisterhood’s Financial Needs Distance Workshop. 2019

Slide 1

Good evening.  Welcome to the Women’s League’s Distance Workshop. We are happy to have you all on the phone with us tonight.

You should have received the workshop pdf file when you received the conference call in number. If you do not have the pdf, please email Toby Maser at xxxxxxx.com. She is the Distance Workshop chair and will listen in on the call.

We are asking you to follow along slide by slide in your pdf document as we speak. Click on the pdf document.  You should see the large slides starting with the colored Distance Workshop logo. You should now also see little slides in the right hand column with the slide numbers beneath each little side. You can easily follow along by clicking on the little slide with the number that we are discussing.  Slides are also numbered as page numbers at the top after the file name.  We will announce each slide before discussing it.

Before we begin, some rules of procedure:

First: in the interest of clarity for everyone, please put your phones on MUTE, so that background noise does not drown out the speakers. \*6.

Second:       You may reach me, by email at any time during the workshop at xxxxxxxx@wlcj.org. We will answer questions at the end of the program if time allows, or by email within the next few days.

Go to Slide 2

Tonight’s Workshop is Meeting your Sisterhood’s Financial Needs. This is an appropriate topic for May because this is the time when sisterhoods are completing their fiscal year ending June 2019, and should be working on their 2019-2020 budgets, and starting to plan their upcoming year agendas.  To plan responsibly, they will need to know how they did for the fiscal year that just ended and what their upcoming obligations are, in order to decide how those obligations can best be fulfilled.

Go to Slide 3

This workshop will provide tips for preparing a budget and comparing actual results to the budget; developing your sisterhood’s budget, a sample provided; and Planning a Sisterhood event or project. It should lead to understanding why your project, organization, household or sisterhood may be losing money, or conversely, what you need to do to change your results.

Go to Slide 4.

Our speakers are, in order of presentation are:

Me, Sandy Blumenthal, Financial Secretary

And, Janet Kirschner, Treasurer

Go to Slide 5.

A Budget—(from French *bougette,* purse) generally refers to a list of all planned expenses and revenues. Another definition, still in the noun class, it is a plan for saving and spending.

 When an annual budget is presented to an organization’s voting body, and okayed, it allows the organization to operate within the financial framework laid out in that plan for the ensuing fiscal year.

“Can we do that?” someone will ask.    “Is it in the budget?”  If so, yes, you can.

 If something is not covered in the budget, if it is a new expenditure, the question should be brought to the decision making body of the organization, which is probably your Board of Directors. Check your Bylaws and Policy.

 To budget for the year—the verb form, you need to provide a forecast of revenues and expenditures, a projection of what you think you will make or spend dependent upon, usually, what you made or spent actually in the prior year. If things move as planned, if your income is what you expect it to be, and your expenses stay within their limits, then things should go smoothly. It is when income falls slack, and expenses don’t, that there has to be an alternative plan. This is when the printed annual budget in the hands of the BOD is most important. No one can be expected to do their best without all the tools possible at their disposal.

Go to Slide 6.

  Your budget is a tool; one of the best an organization can have.  It informs Board members of the viability of the organization so they can be fiscally responsible in their decision making.

       A printed budget assists in determining any excess of income over expenses at the end of the year, and allows the BOD to make an informed decision of how to handle those funds: for example whether to designate any excess for future projects, or to set up a reserve for contingencies. It is the Board’s responsibility, after all.

       And finally, a budget provides documentation and a paper trail to follow in succeeding years.

Consider these questions for which looking at a budget can give the answer:

“We ran this program for 5 years with declining income over the last three—should we do it again?  What kind of fund-raiser do our members most respond to? Does the fashion show still work? Do we need a raise in dues?”

  I’ll return to that in just a minute.

       But first, the Sisterhood books, those of the Treasurer, Financial Secretary, Judaica Shop, etc., should be reviewed by a third person after year end who understands both Sisterhood affairs and account keeping, just as a business has an accountant review their books. Unless your sisterhood has an extraordinary annual income you do not require an official audit.

       It is best for the organization when this is done on a regular basis. When it becomes policy, no one’s feelings are hurt. It is just organizational procedure.

Go to Slide 7.

Women’s League has developed a sample sisterhood budget.  All members of Women’s League can get a copy of the sample budget by going to the Women’s League Website.

Just enter www.wlcj.org in your web browser to take you to the Women’s League home page. Women’s League has recently introduced a new and easier to navigate web site.

Then click log in, which is in the upper right hand corner of the home page.

On this screen, enter your email address or your WL member ID. Your email address is the one you provided to your sisterhood who in turn sent it into WL. If you did not provide an email address, you can enter your member ID. If you don’t know your member ID, you can call **Razel Kessler** at the Women’s League office at 212-870-1263.  Your initial password will be sent to your email address. The initial password will be a long series of symbols and letters. You should copy and paste it into the appropriate place on the login page. Do not attempt to retype it. Once you login, there is an option to change your password on the right hand side of the page. Change the password to something you will remember.  Once you login you can also enter an email address to use in the future rather than remembering your member ID.

Once your User ID and Password are entered, click Login.

You will see My account displayed.

Click download WLCJ member materials.

See sisterhood finance.

Click and open sample sisterhood budget.

There are two versions of the sisterhood budget on the website:  pdf version and excel spreadsheet version.  In the presentation we are using the spreadsheet version.

Also WLCJ now has an app for Iphone, ipad and android. You can access the budget through the app also.

Go to Slide 8.

I will use the blank Sample Sisterhood Budget which you have in the pdf in slides 8, 9, 10 to illustrate my part of the presentation:

First, we have to fill in last year’s figures, under both income and expenditures. Total both categories, Income on slide 8, expenses on slides 8, 9 and 10.

Let’s pretend those numbers have been filled in.

Remember. I am talking only about your annual income. If your sisterhood had made a large donation to the synagogue outside of annual income, from funds collected in the past for special giving—that money Is Not What I am Discussing.

Therefore:

 If your annual Income equals expenditures, you had a safe year, not great, but safe.

 If your annual income is greater than expenditures, you have money for the future. A decision has to be made how to handle it.

Finally, and this is the red flag item:

If your annual income is less than your annual expenditures, something needs to be corrected. Don’t do the exact same things in Next year’s budget and fund-raising plans and expect good results before you determine what went wrong and how to fix it.

       Remember the program with declining figures for three years. Is it time to scrap it? Which fundraisers do your members seem drawn to? Can you do another fundraiser along similar lines? Does something that everyone likes need to have a new angle?

 As you project your income and expenses item by item for the upcoming year, judge your projection against last year’s results; project for an additional fund-raiser if you have to, cut an expense, do what you need to do to have at least a safe year, at best a good one.

Return to Slide 8-Income.

The first line under INCOME is for Membership Dues, which includes Women’s League per capita dues.

The individual dues for your Sisterhood should cover both the Women’s League Per Capita AND your Operating Expenses. (*operating expenses are lower down on this page and on Slides 9 and 10.)*

If your total Membership dues last year did not cover your total WL Per Capita payment plus your Operating Expenses, perhaps either your dues are too low, or your operating expenses are too high. In either case, it is a red flag, signifying a time to consider an increase in dues or cutting your Operating Expenses, or both.

And, I don’t have to remind you that WL Per Capita is due and payable by January 10. Per capita is $15 per member. If your Sisterhood has not yet paid 2018-19 per capita, please send it to Women’s League. If there is a problem, let me know.

In September 2019 WL will send out per capita bills for 2019-2020. As you know Women’s League now has electronic billing for per capita.

Make sure you are on Slide 8.

Torah Fund Receipts are a pass-through. They should be sent directly to Torah Fund, or kept in a separate escrow account and submitted quarterly. The checks must be made payable to Torah Fund.

Contributions and Fundraising Projects should be used for your commitment to the synagogue, and any other ventures. You each know where your responsibilities lie.

Go to Slide 9

We hope you will regularly include money in your annual budget that will subsidize your President’s attendance at the Triennial WL conventions ( our next Convention is next year, July 12-15, 2020) and to aid your officers in attending your region conferences. When you budget for it over three years, it doesn’t hit as hard. When it is a customary and usual expense, it is easy to include.

If you can manage to send an up and coming leader to a Leadership Institute, that is an investment in new leadership for the future of your sisterhood.

Go to Slide 10

WL asks that you participate in our appeal for the Overseas Masorti Women’s Groups in Israel by contributing the suggested $100, or any amount that you can contribute. One suggestion is to collect $1 per attendee at a sisterhood event. This is a painless way to collect for this important cause.

 The Sample Sisterhood Budget is ---- a sample. Copy it and adapt it to fit your needs. Fill in the Past Year’s actual figures in the lines you are going to use, and then decide what you are going to need in income to meet your projected expenditures. From there, you can plan your year’s work.

Also enter the previous year’s budget.

       Begin by completing the column with the budget for 2018-2019—or, if you didn’t have a budget projection, what you expected to make in each income category, or to spend in each expense category, based on tradition.  Enter the column of 2018-2019 actual figures in the past year column, and you will be able to compare how you actually did with how you thought you would do. Then you will be able to make an even better guesstimate of how to plan your projections for 2019-2020.

May you have a very good 2019-2020 financial year and a well-informed Board of Directors thanks to your due diligence.

I will now turn over the presentation to Janet Kirschner, WLCJ Treasurer.

Go back to budget income slide 8:

When Sandy discussed the sample sisterhood budget form she mentioned that there is a line item under income for fundraising projects. On this budget form, a fund-raising event will show up as one net number on both the past year results and the projected column. Net is the difference between income and expense. There may be multiple projects combined in this one line item. When you are preparing the budget, this one number is the net income expected from the event. It’s the result of estimating the income and expenses, and arriving at the net amount you expect to make. But one line item on the budget does not provide sufficient financial information about the event. You need a detailed budget for the event or program. You need an event management budget.

Go to Slide 11.

A budget is a fundamental tool for an event director to predict with reasonable accuracy whether the event will result in a profit, a loss or will break-even. A budget can also be used as a pricing tool.

Why do you need a detailed event management budget?

* You need it to know what the expected profit is. This is a fund-raising event so the bottom line is important.
* You need it to make decisions on how much you can afford. Can you afford an outside caterer or do the volunteers have to do the cooking?
* You need it to figure out how much to charge. You look at your expected expenses per attendee to see how much you need to charge to cover the expenses and make a profit.
* And finally, you need it to track the actual expenses against the budget. You have to make sure that you are keeping expenses under control.

You can use an event management budget for any event or project, for sisterhood or any volunteer activity. You can apply these concepts to a personal event, such as planning a wedding, or to any business project.

Go to Slide 12.

As Sandy said earlier, Contributions and Fundraising Projects should be used for your commitment to the synagogue.

When Sisterhood Aleph-Bet-Gimmel prepared their 2019-2020 budget, the budget committee realized that they had a $3000 shortfall in the amount of income needed to meet their annual commitment to the congregation. They decided to try a new fundraiser: a fashion show.

The sisterhood president appoints a chair of the fashion show. The chair invites a few women to the planning meeting. They set the date of the fashion show for May 3, 2020. One of the first things they have to do is prepare the budget.

The budget will be used

* to determine how the sisterhood can make $3000 on the fashion show,
* to set the price of admission,
* and to track the actual revenue and expenses from the fashion show. After the fashion show is held, the chair will report the results back to the sisterhood board.

Go to Slide 13.

Before we prepare the fashion show event budget, we should review some key budgeting terms:

Revenues are all the monies you expect to take in.

Break-even point occurs when revenues equal expenses.

There are 2 categories of expenses:

Variable expenses –these are expenses that change depending on how many women will attend the event, for example, the dinner costs.

Fixed Expenses – these expenses will not change regardless of the number of women attending the event, for example, the room rental, or the fashion show commentator.

You need to know expenses before setting an admission price.

Go to Slide 14.

The fashion show committee met and put together the fashion show event budget. Let’s see what they came up with! Will they be able to plug the $3000 hole in the sisterhood budget for 2019-2020? How much do they have to charge for admission?

The first page of the event budget covers the expected revenues. Let’s skip this for the time being and move onto expenses.

Go to Slide 15.

The second page of the event budget covers variable expenses. First you should identify all the variable costs that you can possibly expect to incur. Variable expenses include the dinner costs, favors, centerpieces, program printing, etc. You have to determine and then enter the per unit cost of each expense item. Centerpieces will cost $10 each. The caterer is charging $17.00 per person for the dinner. The food is generally the largest part of the variable expenses and you should be able to budget these very accurately once you get the caterer’s costs.

Then you have to estimate the number of attendees. How many women do we think will attend? This is often very difficult to estimate, especially if it is a new type of event for your group. And we want to be as accurate as possible. While Aleph-Bet-Gimmel Sisterhood never held a fashion show, the sisterhood held a concert 4 years ago, and 160 women attended. The committee decided to budget based on 150 women attending the fashion show. The sisterhood has lost members and the economy is down. Don’t forget to include non-paying guests in your count. They have to eat too.

Once you have the number of attendees, you multiply the unit cost times the count to determine the variable cost for each category. Then add up all the variable costs. We estimate that the total variable costs will be $3992.50. We then have to calculate the total variable cost per attendee. For this step, divide the total costs by the expected paying guest count of 140 to arrive at a variable cost of $28.52 per person.

Go to Slide 16.

Now we move onto fixed expenses. Again, the first step is to identify all the fixed expenses that you can possibly expect to incur. Fixed expenses include the runway, the custodian, and invitations. These expenses are not dependent on the number of women attending the event. Enter the expenses for each category. Add up all the fixed expenses. They total $1770. Divide the total fixed expenses by the expected paying guest count of 140 to arrive at a fixed cost of $ 12.64 per person.

We see that our expected expense per attendee is about $41: variable expenses $28 and fixed expenses of almost $13. If we were to charge $41 per attendee, we would break-even on the event. With 150 attendees and140 paying women, and charging $41 per person, our revenues would equal our expenses and we would be at the break-even point.

Now comes the really important part of setting the prices and seeing if we can make our $3000 profit. As we said earlier, we think 150 women will attend. In order to make a profit of $3000 in total, we have to make $21 on each woman who pays to attend. (I took $3000 and divided it by 140.) If our expenses are $41 and we need to make a profit of $21, we have to charge $62 per person. We have to ask ourselves, will 140 women pay $62 to come to this fashion show?

Go back to Revenue Slide 14.

Let’s move back to the revenue slide, and see what the committee decided to charge. The committee thought that most women wouldn’t pay more than $50, but that there was a select group of women who would be willing to pay $72. In fact, the committee believed that another group would even be willing to pay $100.

As on the expense side, the committee should identify all possible sources of revenue. Besides ticket sales, you could have corporate sponsors, ad journals, raffles, 50/50, etc.

As we just mentioned, the committee decided to have 3 levels of ticket sales: regular guests at $50, patrons at $72 and sponsors at $100.

We add up all the expected revenues and it comes to $8660.

Go back to Fixed Expense slide 16

Going back to the expense summary, we expected to incur expenses of $5760, resulting in a budgeted profit of just under $2900 (just short of our $3000 goal). And the committee is really hoping to have 160 women attend this event. Those additional women would bring the profit over $3000.

We said that the event management budget is also used to track the actual revenues and expenses against the budget. In October of 2019 one of the committee members recommends that they hire a piano player to provide background music during the fashion show. She said the cost is only $300. Should the committee approve this? We look at the budget and see that there is no money budgeted for entertainment. The answer is no unless the committee can find an additional sponsor or donor to cover the cost.

The fashion show is over; everyone said they had a wonderful time. Did they make as much as they budgeted?

Go back to revenue slide 14

As you can see our ticket sales did not do as well as we expected. We had 148 attendees including 12 guests. That’s 136 paying guests compared to 140 budgeted. We did not sell as many patron and sponsor tickets as we budgeted. We ended up with revenues of $8050. Our actual revenues were about $600 under budget.

Go to Variable exp slide 15

We came in very close on the variable expenses because we had 148 guests and had budgeted for 150. And we had known most of our variable costs up-front.

Go to Fixed exp slide 16

On the fixed expenses we came in about $100 over budget. Sally Cupcake loves to decorate the room. She spent $110 on flowers to decorate the runway. This was not a budgeted expense item. No one knew that Sally had purchased these flowers until they saw them the night of the fashion show. The sisterhood president knew Sally meant well and told the treasurer to reimburse Sally for the flowers. The sisterhood president told Sally that she can’t spend any money in the future without advance approval. In fact the sisterhood president is implementing a new procedure for all expenses to be approved in advance.

The fashion show chair reported the results of the fashion show at the June 2019 board meeting. She told the board that the sisterhood made $2200, $700 short of the budget. They were short $600 in revenues and over by $100 in fixed expenses.

The sisterhood is not going to have enough funds to pay their congregational commitment unless they can quickly raise additional funds through contributions. Or perhaps they can dip into their contingency fund.

I hope this example was helpful to you in

* figuring out how much to charge for a fund-raising event,
* deciding how much you can afford to spend on the event,
* determining your expected profit,
* and comparing actual results to the budget.

Now back to Sandy Blumenthal.

Turn to Slide 17

We hope you learned some helpful tips for:

* Preparing a budget for your project, organization, household, or sisterhood
* Comparing actual results to the budget

Final Slide 18.

Take questions if time permits. Sandy to read any emails she received.

Questions: Please contact us.

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Thank you for your participation.