

# District Budget Success Guide



## Background

All districts funds, regardless of the source of those funds, are Toastmasters International funds. This money is entrusted to the district so it can carry out its mission and achieve the major goals of the organization.

The budget should focus on directing financial resources toward achieving the district mission: Funds are to be used by districts in ways which benefit the clubs and members of Toastmasters International within the district specifically, to promote educational growth, increase membership in clubs, and establish new clubs.

The goals, programs and strategies of the district must be translated into monetary terms. These projected expenditures should correlate with the goals of the organization. If a district's budget does not reflect the major goals of Toastmasters International or meet the budget standards established by Toastmasters International, then the district may be asked to resubmit its budget.

**Your budget should match the use of funds against the goals set in your district success plan.** By translating the district success plan into dollars, you can evaluate the worth of what you intend to do. The more important the goal, the more support it should receive when developing a budget.

All district expenses must be documented. Accuracy and appropriateness are essential. The year-end audits are consolidated with World Headquarters operation and is included in the Form 990 that is filed with the Internal Revenue Service every year. **Incorrect or inappropriate expenditures could result in the loss of Toastmasters International's tax-exempt status.**

**Any use of district funds that is not authorized and is not consistent with the district's mission is a violation of the California Charitable Trust Act and is illegal.** Even though your district may not be in California, a diversion of charitable trust funds puts the organization at risk because districts are administrative arms of Toastmasters International and are subject to the same laws and guidelines. If you become aware of any financial irregularities, you are required to contact World Headquarters immediately.

## DISTRICT BUDGET GUIDELINES AND STANDARDS

### District Budget Guidelines

The following prioritized guidelines are intended to help district officers develop a budget consistent with the priorities of Toastmasters International and the critical success factors as outlined in the district mission and the Distinguished District Program. Funds should not be used in any manner which would jeopardize the tax-exempt status of Toastmasters International. District funds may be used only for:

- ▶ District and club officer training
- ▶ Club building
- ▶ Club rescue
- ▶ Membership growth
- ▶ Promotion of Toastmasters International educational programs within clubs
- ▶ Communication within the district, including district newsletters, directories or web site
- ▶ Administrative supplies and district management materials
- ▶ Awards and recognition
- ▶ Authorized district officer travel to *officially recognized* conferences and meetings.

- ▶ (There are only two official conferences and meetings outside of a district: the midyear training, held before February 28, and the International Convention in August.
- ▶ Therefore, district funds cannot be used for any other meetings outside the district).
- ▶ District conferences, other district meetings, and speech contests.

When preparing a budget and allocating funds, a district should treat the first item on this list – district and club officer training – as the most important.

Then, consider the second item on the list for funding before the remaining items and so on. This does not mean that items at the beginning of the list should necessarily receive more funds than items at the end of the list.

However, the district should strive to provide sufficient funds for higher priority items. If financial resources are limited, give items at the beginning of the list top priority for full funding compared to the remaining items. For example, the district may not need to spend as much money on training when compared to district communications.

However, if you must cut expenditures due to limited funding, then it is appropriate to fund training fully and decrease the amount spent on district newsletters and other items of lower priority.

**Emphasis must be placed on items that contribute directly to the critical success factors of training, club extension, membership growth and educational achievements.**

## **District Budget Expense Limits by Category**

Districts' budgets must match the District Success Plan and provide full funding in the categories of marketing, education and training. In order to achieve these goals, the maximum expenses allowed for each budget area are as follows:

- ▶ Marketing: no budget limit
- ▶ Communication and public relations: maximum 25 percent of total budget
- ▶ Education and Training: maximum 30 percent of total budget
- ▶ Speech contests: maximum 10 percent of total budget
- ▶ Administrative: maximum 20 percent of total budget
- ▶ Travel: maximum 30 percent of total budget
- ▶ Other: maximum 10 percent of total budget

As you prepare the budget, remember that district funds are **NOT** to be used for:

- ▶ Payment of charter fees
- ▶ Payment of any club's dues

## **Examples of Acceptable and Unacceptable District Expenses**

### **Marketing**

Include in this category expenses for the purchase and printing of promotional material; cost of materials to attract potential members and clubs.

#### **Acceptable expenses**

- ▶ Cost of paper, printing, copying
- ▶ Advertising and public relations: billboards, advertisements in newspaper or on radio, booth at shopping mall
- ▶ Plaques, pins, trophies and certificates
- ▶ Supply catalog gift certificates and other items obtained from World Headquarters relating to marketing

### **Unacceptable expenses**

- ▶ Items that do not directly relate to club and membership growth
- ▶ Personal telephone charges
- ▶ Offering free meals, liquor or entertainment
- ▶ Cash
- ▶ Plaques, certificates, trophies obtained **from other manufacturers (not World Headquarters)** bearing the Toastmaster International trademark or name
- ▶ Travel

### **Communications and Public Relations**

Include in this category the cost of producing and sending the district newsletter, website expenses and directory expenses.

#### **Acceptable expenses**

- ▶ Printing and postage
- ▶ Supplies (e.g., paper, pens)
- ▶ Copying
- ▶ Website

#### **Unacceptable expenses**

- ▶ Printing on expensive paper stock, glossy stock or other “cosmetic” additions that are not necessary
- ▶ Fees or wages paid to district volunteers for time spent working on the communication items
- ▶ Travel

### **Education and Training**

Include in this category all costs relating to acquiring or printing educational materials, and other costs that directly relate to the training of club officers, division governors and area governors.

#### **Acceptable expenses**

- ▶ Printing educational materials
- ▶ Buying or renting audio visual equipment
- ▶ Meeting room rental
- ▶ Promoting achievement in the distinguished club, area and division programs

#### **Unacceptable expenses**

- ▶ Copying Toastmasters International materials
- ▶ Certificates, plaques, trophies not purchased from World Headquarter that bear the name “Toastmasters,” “Toastmasters International,” or the Toastmasters International emblem
- ▶ Using purchased or rented audio visual equipment for personal use
- ▶ Travel

### **Speech Contest**

Include in this category expenses relating to the speech contest.

#### **Acceptable expenses**

- ▶ Trophies, plaques and certificates purchased from Toastmasters International
- ▶ Postage
- ▶ Copying
- ▶ Room rental

#### **Unacceptable expenses**

- ▶ Cash awards
- ▶ Certificates, plaques, trophies not purchased from World Headquarter that bear the name “Toastmasters,” “Toastmasters International,” or the Toastmasters International emblem
- ▶ Mugs, t-shirts or other “giveaway” items
- ▶ Travel

## **Administration**

Include in this category office and administrative expenses relating to conducting district business.

### **Acceptable expenses**

- ▶ Stamps
- ▶ Overnight delivery service
- ▶ Bulk non-profit mail permit
- ▶ Telephone
- ▶ Facsimile
- ▶ Stationery
- ▶ Office supplies
- ▶ Badges
- ▶ Copying
- ▶ Bank fees (includes credit card fees)
- ▶ Toastmasters International supply catalog purchases not budgeted elsewhere

### **Unacceptable expenses**

- ▶ Personal telephone
- ▶ Personal facsimile
- ▶ Personal postage
- ▶ Undocumented reimbursement requests
- ▶ Travel

## **Travel Within the district**

Travel reimbursement to district officers, including travel to division and area officer training, club charters and any other official Toastmaster business within the district.

### **Acceptable expenses**

- ▶ Airfare (coach fare)
- ▶ Train
- ▶ Mileage (.555 per mile)

### **Unacceptable expenses**

- ▶ Airfare above coach level
- ▶ Car rental
- ▶ Parking
- ▶ Duplicate reimbursement requests when driving with another district officer

## **Mid-year training**

Transportation, lodging and registration expenses for district governor and lt. governors.

### **Acceptable expenses**

- ▶ Airfare (coach fare)
- ▶ Train
- ▶ Mileage (.555 per mile)
- ▶ Breakfast, lunch and dinner (included at Mid-year training)
- ▶ Registration fee
- ▶ Standard hotel room

### **Unacceptable expenses**

- ▶ Airfare above coach level
- ▶ Car rental
- ▶ Parking
- ▶ Duplicate reimbursement requests when driving with district governor or lt. governors

- ▶ Suite or other deluxe hotel room
- ▶ Personal phone calls
- ▶ Incidental meals (snacks)
- ▶ Room service
- ▶ Breakfast, lunch and dinner (outside of Mid-year training)

**International Convention**

Transportation, lodging and registration expenses for district governor, Lt. governor education and training, Lt. governor marketing, immediate past district governor and other leaders for whom training is provided and authorized by Toastmasters International. A district may also reimburse travel for the international speech contestant, if not provided by World Headquarters.

**Acceptable expenses**

- ▶ Airfare (coach fare), if not reimbursed by World Headquarters
- ▶ Train, if not reimbursed by World Headquarters
- ▶ Mileage (.555 per mile), if not reimbursed by World Headquarters
- ▶ Breakfast, lunch and dinner (included at Convention)
- ▶ Registration fee
- ▶ Standard hotel room
- ▶ Speech contestant travel reimbursement, if not reimbursed by World Headquarters

**Unacceptable expenses**

- ▶ Airfare above coach level
- ▶ Car rental
- ▶ Parking
- ▶ Duplicate reimbursement requests when driving with district governor or Lt. governors
- ▶ Suite or other deluxe hotel room
- ▶ Personal phone calls
- ▶ Incidental meals (snacks)
- ▶ Room service
- ▶ Speech contestant reimbursement other than travel
- ▶ Breakfast, lunch and dinner (outside of Convention)