

District 112. New Zealand, north of the Wellington Region

**2019-2020 DISTRICT BUDGET**

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PART 1 PREAMBLE

**Basis:** The foundation for the budget is District Procedure 1

“The District Mission as defined by Toastmasters International is: We build new clubs and support all clubs in achieving excellence.

To improve the promotion of Toastmasters International within New Zealand, each year District 112 shall aim to achieve, through the use of the District Success Plan, the minimum of Distinguished District.

District 112 covers a large geographical area and is committed, as much as practicable, to providing the benefits of Toastmasters to rural and urban areas and to ensuring that urban and rural members are enabled to take advantage of the communication and leadership opportunities in the District.

**Explanation on the size of the Budgeted Deficit**: Toastmasters International has recently reviewed their compliance with their charitable status under US State and Federal law. As Districts are an administrative body of Toastmasters International, activity at District level (world-wide) comes under that review. There are two impacts for our District.

Our district like others have for some time have been basing our reimbursement rate for District officer travel on the US IRS business travel rate (NZ$ 0.50 per kilometre) . We have now been advised to use the lower IRS Charities rate (NZ$ 0.35 per kilometre).

There was mention in the Board of Directors briefing about concern regarding the size of the balances that some districts had in their District Reserve Fund. (That can cause issues with TI’s charitable and tax free status). Whilst there has been no official directive to District 112, a comment overheard was to the effect that “if Districts don’t spend their funds, TI has to find another way to reduce the balances.”

Toastmasters International expects a District to use the funds that they provide to Districts each year. District 112 inherited large reserves from District 72. These had been built up over many years, partly as a result of planned under spending in order to have reserves for “a rainy day”. It is not yet raining, however severe storm warnings are being heard.

The trio has decided to significantly increase the 2019-2020 budget deficit in ways to give the best support to Clubs.

PART 2 THE NARRATIVES

The following are questions from Toastmasters International and the District’s Answers

**MEMBERSHIP**

Q What is the district's goals for the year regarding membership? Since these numbers are based off prior years totals, what strategies have changed or remained the same compared to last year, to ensure that this budgeted revenue is met?

A There is a great deal of potential in D112 as it has an excellent record of forming new clubs and a membership base that reflects of the transition from the old education system to Pathways. Some may see this as a threat however District 112 sees this as an opportunity to take the membership to the next level. There must be a total re-focus towards Pathways where the benefits are always front of mind and the background challenges of the website are played down.

New clubs will be chartered throughout the District as opportunities are seen and recognised as there is still a great deal of people who are unfamiliar with what is on offer at both corporate and community levels

More resources must be focused on strengthening clubs low in membership as these were once strong clubs that must not be abandoned.

CONFERENCE

Q What city will they be held in? If conferences are not budgeted to net zero, explain why. What is the profit for? How do you justify the loss?. How many attendees are you budgeting for and at what cost each? About how much will the tickets cost per registrant? How much are the venues budgeted to cost? Did the prior term pay any expenses or receive any revenue for these conferences?

A The conference will be held on 1st, 2nd &3rd of May 2020 in Napier, NZ. There is a nominal surplus budgeted of NZ$ 64.83 The estimate is for 220 Registrations at an average of NZ$ 120.79 The venue cost Is $ 9976.82. Last year paid a venue deposit if NZ$ 2000. Early bird registrations received last year were NZ$ 1,252.17. There is a budget in CPR for promoting the conference to members (Facebook boosting).

FUNDRAISING

Q How many events will be held? What is each event for? What will the funds received be used for?

A No fund raising events are planned.

DISTRICT STORE

Q Does the district have a District Store? If not, why? Are all the costs from Toastmasters products? If not from WHQ what are the other costs? When is the district store available to members. Are all the costs from Toastmasters International products? If not from World Headquarters, what are the other costs? When is the District Store available to the members?

A The District does not have a District store. With the imminent demise of the traditional programme the demand has fallen away. It was announced in the 2019 Board of Directors Briefing that TI are moving to provide more documents as digital downloads which members can individually access. Last year we shared the District store operated by D72 and had to cover 50% of a significant loss. We have terminated that arrangement. Consideration is being given to allowing clubs to add items to the proposed quarterly district orders, but no final decision has been made.

OTHER REVENUE

Q What other revenue is expected? Who is it from?

A The only other revenue expected is from bank interest.

MARKETING

Q What is the main focus for your district? What events are planned. What is different from last year?

A This is partly covered in the Membership Section above. There will be a major focus on membership retention as well as the normal work on chartering new clubs. There is funding under Education and Training for membership workshops in different parts of the District. There are Marketing Incentives, which are explained in the “Incentives Section” below.

Members join clubs, not the Divisions or Areas and the District’s marketing focus is on supporting clubs.

COMMUNICATIONS AND PUBLIC RELATIONS

Q What is the main focus for your district? What events are planned? What is being done differently or the same as last year?

A The main focuses are on Facebook Boosting, the District Website and District and Division Facebook pages. In the last two years there has been overlap between CPR and Marketing, with occasional confusion as to responsibilities. This year there is a clear allocation of responsibilities. Some of the expenses budgeted for last year are now under marketing. No PR events are planned at District level.

EDUCATION AND TRAINING

Q What is the main focus for your district? What events are planned? What is being done differently or the same as last year?

A There are four major focus areas in Education & Training . They are Pathways., Club officer Training, District Officer Training and workshops. Workshops are scheduled for Northland, Waikato, Taranaki, Hawke’s Bay, Bay of Plenty and several in Auckland City. There are three types of Workshops on Contest management and Judging; Pathways. and Membership.

At least one pathways resource person is being established in each of the 8 Divisions. There will be weekly Zoom calls for new members to support them is registering for pathways. The Education and Training Incentives are outlined in the “Incentives Section” below.

SPEECH CONTESTS

Q What is the main focus for your district? What events are planned? What is being done differently or the same as last year?

A Generally the same approach as last year. The biggest change is that the district is printing all the forms etc. for Areas and Divisions as well as for the final. That will reduce printing costs. A challenge last year was different venue and food costs (Area and Division Contests) in different parts of the District. We also under budgeted for trophy engraving. As part of the preparation of the budget, Division Directors did the research and suggested costs for their Division. There is still a substantial increase in this budget.

ADMINISTRATION

Q What is the main focus for your district?

A Last year a major part of the administration budget was for establishment costs, which were a "one off" This year there is an incentive around Area Director club visit reports..2019 is also the first years of a two-three year District plan to ensure that every club in the District has a club banner reflecting the current TI branding. We have also budgeted for the purchase of a video projector and Laptop, for DOT and Workshops

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TRAVEL

Q What is the main focus for your district? Are there any maximums for your District to keep travel costs at a minimum? Who is budgeted to be reimbursed for travel? What is being done differently or the same as last year? What events are being budgeted to be reimbursed for travel? Are there any maximums for your district to keep travel costs at a minimum? What is being done differently or the same as last year?

A Travel is the biggest challenge area for this District. We budget for the following travel costs:

* Trio members attendance at Convention & Training as well as mid-year training.
* Trio members also have a small budget for travel within the District.
* All District Officers are budgeted to attend the four DOTs. That also applies to the Parliamentarian and Logistics Manager.
* Area Directors are budgeted for their two official visits to clubs in their area -for city clubs that is negligible and rural divisions significant.
* We have also budgeted for our Pathways Chair to travel around the District to present workshops

The travel costs for District officers to the DEC and training associated with the Napier Conference are significant. Our normal policies focusing on reducing travel costs will apply.

Whilst we don't expect to spend the whole travel budget, our approach is to budget that everyone will claim their entitlement (under District procedures); and we know from experience that many District officers will not - however that is their choice.

OTHER EXPENSES

Q What other expenses are expected?

A The only item is the TI charge of 5% of membership revenue. That covers international travel by the Trio, the TI accounting system and some other items.

PART 3 2019-2020 DISTRICT INCENTIVES

Note on District Gift Vouchers. Some of the Incentives are for clubs to purchase items from the TI Shop. It is the club’s choice of what to use their purchases for – club equipment, promotional material or incentives to club members.. There are two options – both for the same face value in USD.

(i) A District 112 Voucher, clubs place their order with the District Administration Manager who will include the order with the District next quarterly order to TI. In that case the District covers the freight cost. If the cost is greater than the voucher the District Finance manager will invoice the Club. D112 Vouchers are valid for three months from the date of issue

(ii) The club prefers to receive a TI Voucher (which the District will purchase). In that case any freight is a club cost.

**[a] Incentives Required by District Procedures**

Education & Training Budget

DTM Medals and Triple Crown Pins. Eligibility is specified in the District Awards criteria.

**[b] This year’s Incentives:**

Administration Budget

**Club Banners**

This is year one of a two or three year programme for all clubs in the District to have one of the new style banners available from TI. This year’s budget for Club banners is capped at NZ$ 8,000. First priority is clubs who only have a banner with the former logo on it. Second priority is clubs who have changed their name and do not have their current name on their banner. Third priority is all other clubs. Each club has received details and within those priorities, allocation is on the order that the requests are received.

**Area Director Reports**

One of the past issues is that some Area Director Visit reports are lodged almost at the end of the official TI window. Where those identify opportunities for district support to the club, there is limited time for that support. Our cut off for this incentive is earlier than the TI requirement and the incentive is a $100 subsidy for the registration to either the District 2020 Conference or the 2021 District Conference. Conditions apply. This incentive does not affect the Conference budget.

Marketing Budget

**Supporting clubs to hold open meetings**

To qualify a club holds an open meeting and at least 3 guests join within 3 meetings (Excludes reinstates who have been a member of that club in the last year and new dual members). To qualify the club sends an application to the CGD with a copy of the agenda, details of the promotion plan, including samples of the promotional material and a copy of the attendees sign in sheet.

The district will reimburse clubs up to 80% of the cost to a maximum of NZ$100. A club can claim for up to two qualifying event during the year

**Gift vouchers for clubs qualifying for TI promotions**

TI has three membership promotions during the year.

Smedley Award August/September

Talk Up Toastmasters February/March

Beat the Clock May/June

A club meeting the requirement for any these promotions will receive a USD 40 gift voucher. That is in addition to the 10% discount that TI offers when the voucher is used.

**New Clubs Chartered this year**

The club will receive a new banner and a voucher on the TI shop for USD 100. Intention is to help the new club with meeting equipment / supplies, depending on their needs.

**March Renewals**

This is based on the increase in Paid Members from the Club membership as at 1 July 2019 and is based on the first TI Membership list dated April 2020. There are two categories:

Bronze: A USD 30 Voucher

* For clubs under 13 members on 1/7/19 an increase of 4 members
* For clubs 13+ members on 1/7/19 an increase of 20%

Silver: A USD 30 Voucher

* For clubs under 13 members on 1/7/19 an increase of 6 members
* For clubs 13+ members on 1/7/19 an increase of 40%

Gold: A USD 60 Voucher

* For clubs under 13 members on 1/7/19 an increase of 10 members
* For clubs 13+ members on 1/7/19 an increase of 70%

PART 4 2019-2020 DISTRICT BUDGET

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **D112 2019-2020 District Budget** | |  |  |  |  |  |
|  | TI Max Exp % | % Of Tot Exp | BUDGET |  | Last year Actual | Last year’s Budget |
| Membership revenue |  |  | $98,844 |  | $99,275 | $97,383 |
| Conference revenue |  |  | $34,052 |  | $20,115 | $48,652 |
| Fundraising revenue |  |  | $0 |  | $0 | $0 |
| TLI revenue |  |  | $0 |  | $0 | $0 |
| District store revenue |  |  | $0 |  | $0 | $0 |
| Speech contest revenue |  |  | $0 |  | $0 | $0 |
| Other revenue |  |  | $60 |  | $5,415 | $6,505 |
| Total revenue |  |  | $132,956 |  | $124,805 | $152,540 |
|  |  |  |  |  |  |  |
| Conference expense | N/a |  | $33,991 |  | $17,803 | $48,652 |
| Fundraising expense | N/a |  | $0 |  | $0 | $0 |
| TLI expense | N/a |  | $0 |  | $0 | $0 |
| District store expense | N/a |  | $0 |  | $2,881 | $0 |
| Marketing expense | N/a |  | $42,000 |  | $30,737 | $31,000 |
| Communications & Public Relations Expenses | 25% | 5.68% | $13,350 |  | $11,193 | $13,100 |
| Education & Training expense | 30% | 12.99% | $30,500 |  | $18,396 | $28,368 |
| Speech contest expense | 10% | 8.52% | $20,000 |  | $10,698 | $13,754 |
| Administration expense | 20% | 10.65% | $25,000 |  | $13,503 | $15,700 |
| Travel expense | 30% | 27.68% | $65,000 |  | $26,014 | $48,857 |
| Other expense Estimate | 10% | 2.13% | $5,000 |  | $9,053 | $4,869 |
|  |  |  | $234,841 |  | $140,278 | $204,300 |
|  |  |  |  |  |  |  |
| District net income/(loss) |  |  | **-$101,885** |  | -$15,473 | -$51,760 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| AVAILABLE DISTRICT FUNDS 1 JULY 2019 | | | |  |  |  |
| Funds held in NZ |  |  | $12,887 |  |  |  |
| District Reserve Fund |  |  | $114,335 |  |  |  |
| Total Funds |  |  | $127,222 |  |  |  |
| Less Required balance at Year End (TI Requirement) | |  | -$24,346 |  |  |  |
| Total Available Funds |  |  | $102,876 |  |  |  |
|  |  |  |  |  |  |  |
| Projected Deficit |  |  | -$101885 |  |  |  |
| Remaining Funds |  |  | $991 |  |  |  |

PART 5 2019-2020 DISTRICT BUDGET CATEGORY DETAILS

**Membership Revenue**

This is set by WHQ

**Conference**

|  |  |  |
| --- | --- | --- |
|  | **CONFERENCE INCOME** |  |
| 6025 | Registrations | $27,791.30 |
| 6060 | Optional Meals | $6,260.87 |
|  | Total Income | $34,052.17 |
|  |  |  |
|  | **CONFERENCE EXPENSES** |  |
| 7004 | Conference Badges & Lanyards | $534 |
| 7010 | Banner Ribbons (1 per club + 1 per Division) | $174 |
| 7012 | Stationery | $130 |
| 7014 | Venue Hire | $9,977 |
| 7020 | Conference Programs | $2,137 |
| 7042 | Audio-visual equipment Staff Costs | $626 |
| 7070 | Bank fees | $17 |
| 7078 | Food | $16,026 |
| 7080 | Thank you gifts | $261 |
| 7086 | Conference Bags & Contents (members provide their own) | $0 |
| 7086 | Conference Ambassadors | $348 |
| 7086 | Conference Postage | $87 |
| 7086 | IT Costs | $261 |
| 7086 | Prizes | $261 |
| 7086 | Registration Forms & Signage | $304 |
| 7090 | Audio-visual equipment Hire | $1,350 |
| 7086 | Sundry expenses (5% of Fixed & Variable Expenses) | $1,320 |
| 7086 | Transport Costs excl Speakers | $174 |
|  | Budgeted Expenses | $33,987 |
|  | **BUDGETED SURPLUS** | **$65** |

**Other revenue**

The only other revenue is from Bank Interest.

**Marketing Expenses**

|  |  |  |
| --- | --- | --- |
| 7008 | Marketing-Promotional Materials | $27,635 |
| 7012 | Marketing-Supplies & Stationery Exp | $0 |
| 7040 | Trade Show Registration | $0 |
| 7078 | Food Expense | $0 |
| 7082 | Marketing-Incentives | $14,357 |
| 7086 | Marketing-Miscellaneous Expenses | $8 |
|  | TOTAL MARKETING EXPENSES | $42,000 |

**Communications & Public Relations Expenses**

|  |  |  |
| --- | --- | --- |
| 7008 | **CPR Promotional materials** | $9,150 |
| 7012 | CPR Supplies & Stationary | $0 |
| 7026 | CPR-Website Expense | $2,994 |
| 7032 | CPR Telephone Note 1 | $1,025 |
| 7042 | CPR Outside Contractor | $0 |
| 7086 | CPR-Miscellaneous Expenses | $181 |
|  | **TOTAL COMMUNICATIONS & PR EXPENSES** | $13,350 |

**Education & Training Expense**

|  |  |  |
| --- | --- | --- |
|  | | Total |
| TRAINING CLUB OFFICERS COT & Workshops | |  |
| 7014 | ET Room Rental | $5,680 |
| 7078 | ET Food Expense | $5,141 |
| 7020 | ET Printing Expense | $3,653 |
|  | Sub Total Club Officers | $14,474 |
| 35.08% | Increase on last year’s budget |  |
|  |  |  |
| TRAINING DISTRICT OFFICERS (Note 2) | |  |
| 6025 | Registration & Ticket Income ($15 lunch paid by District officers) | -$2,025 |
| 7014 | ET Room Rental | $7,290 |
| 7078 | ET Food Expense | $8,025 |
| 7020 | ET Printing Expense | $324 |
| 7090 | ET Equipment Rental Expense | $1,000 |
|  | Sub Total District officers | $14,614 |
| -8.39% | Decrease on last year’s budget |  |
|  |  |  |
| OTHER ET EXPENSES | |  |
| 7004 | ET Badges & Pins | $1,412 |
| 7082 | ET Incentives | $0 |
|  | Sub Total Other ET | $1,412 |
| -16.97% | Increase on last year’s budget |  |
|  |  |  |
|  | **TOTAL EDUCATION & TRAINING** | **$30,500** |
| 7.51% | Increase on last year’s budget |  |

**Speech Contest Expense**

|  |  |  |
| --- | --- | --- |
| 7010 | SC Awards Expense | $1,246 |
| 7012 | SC Supplies and Stationary Exp | $3,500 |
| 7014 | SC Room Rental | $5,840 |
| 7078 | SC Food Expense | $6,414 |
| 7090 | SC Equipment Rental | $0 |
| 7042 | SC Outside Contractor Exp | $3,000 |
|  |  | $20,000 |
| 45.42% | Increase on last year’s budget |  |

**Administration Expense**

|  |  |  |
| --- | --- | --- |
| 7078 | Admin-Food Expense (Division & Area Councils) | $1,440 |
| 7078 | Food budget for District Awards Dinner | $2,760 |
| 6025 | Registration & Ticket Revenue (District Awards Dinner Receipts) | -$2,760 |
|  |  | $1,440 |
|  |  |  |
| 7082 | Admin-Incentives | $11,631 |
| 7048 | Admin-Equipment Purchase | $3,850 |
| 7086 | Admin-Miscellaneous Expenses | $2,617 |
| 7034 | Admin-Conference Calls & Webinars Expense | $1,358 |
| 7012 | Admin-Supplies & Stationery Expense | $1,000 |
| 7010 | Admin-Awards Expense | $804 |
| 7004 | Admin-Badges & Pins | $700 |
| 7070 | Admin-Bank Charges & Credit Card Fee Expense | $500 |
| 7046 | Admin-Express Mail/Courier Expense | $400 |
| 7044 | Admin-Postage Expense | $400 |
| 7032 | Admin-Telephone Expense | $300 |
|  | TOTAL ADMINISTRATION EXPENSE | $25,000 |

**Travel Expense**

District Director $ 7,000

Programme Quality Director $ 6,800

Club Growth Director $ 6,800

Public Relations Manager $ 771

Finance Manager $ 280

Administration Manager $ 503

Division Directors $ 7,383

Area Directors $ 26,565

IPDD $ 5,675

TI Director (Napier conference) $ 800

Other Officers $ 2,423

**TOTAL $ 65,000**

**Other Expense (Estimate)**

**TI Policy 8.4: District Fiscal Management Clause 4.**

Toastmasters International also funds District activities that support the District mission. These include, but are not limited to, training events for District leaders, software systems to support financial management and club building, District support functions, and marketing programs.

To support these activities, each District will contribute five (5) percent of its previous year's membership income annually. The amount will be collected from each District's reserve account evenly throughout the year on a monthly basis.