



2020-2021 DISTRICT BUDGET

CONTENTS:

- 1 Preamble
- 2 The “Narratives” - Comments on the approach taken in the various Budget Categories.
- 3 This year’s Incentives
- 4 The Budget Summary
- 5 Budget Category Details

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:

This budget report is the first draft for District 112. We are currently showing a deficit of \$67K, which is NOT ideal. Toastmasters International requires the district budget to break even this year, meaning that we spend the incoming funds deriving from the membership fees (to be confirmed by TI). The budget will need to be reviewed and considerable cuts may have to be made to meet Toastmasters International expectations. Once our suggested spend has been analysed we may be able to request additional funding from Toastmasters International, supported by a specific business case for the 2020-2021 financial year.

Our district like others have for some time been basing our reimbursement rate for District Officer travel on the US IRS business travel rate (NZ\$ 0.50 per kilometre). We have been advised to use the lower IRS Charities rate (NZ\$ 0.35 per kilometre). In New Zealand this reimbursement rate is much lower than our local recommended rate by the IRD (Inland Revenue Department) at 0.79 per kilometre (Reference: <https://www.ird.govt.nz/income-tax/income-tax-for-businesses-and-organisations/types-of-business-expenses/claiming-vehicle-expenses/kilometre-rates-2018-2019>)

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, despite the challenges we experienced due to the COVID-19 pandemic. The District will need to be more accommodating with hybrid clubs, as this is an excellent way to build our district, both build and re-build clubs and more importantly, give so many more individuals the opportunity to join Toastmasters. If COVID-19 taught us anything, it is that we don't have to stop learning, we can comfortably support individuals on their learning journey, either in person or online. This is an excellent motivation to offer more flexibility in attendance.

Our District strategy is to drive membership campaigns to gain new members:

- Maximise the use of social media – Facebook, Instagram, LinkedIn and others.
- Website update, with easy navigation and relevant information for newcomers, clearly outlining the expectations of a Toastmasters' membership.

We identified that we can retain more members by:

- Keeping members informed and engaged
- Using of surveys and engaging regularly with clubs to ascertain member needs
- Holding workshops to identify and address educational gaps (offer more Educational workshops e.g. Pathways)
- Empowering Area and Division Directors to develop skills to enable clubs and members to reach their full potential.

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 Conference dates and location to be announced. The Conference team set out with a break-even budget, however, unforeseen expenses arise causing a deficit, but sometimes more attendees register than expected and a surplus arises. It is actually very difficult to get a break-even result on a conference as there are so many variables.

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. It's actually very hard work to run a District store and extremely time consuming. And as we have moved to Pathways there is less call for paper based Toastmasters International products. D112 decided not to set up a store when the D72 – D112 reformation was completed.

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 geographical areas 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 to generate more club awareness by utilising social media platforms. Improve the overall functionality of the District Website. 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.

- Pathways
- Club officer Training
- District Officer Training
- Workshops. Workshops are scheduled for - **TBC**
 - Contest management and Judging
 - Pathways
 - Membership.

The district is encouraging a mentoring approach in all our clubs to ensure that all new and existing members have the information they require to embrace the Pathways learning journey.

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 district is printing all the forms etc. for Areas and Divisions as well as for the District finals. This allows the District to negotiate a bulk printing discount. A constant challenge is the different venue and food costs (Area and Division Contests) in different geographical regions of the District.

ADMINISTRATION

Q What is the main focus for your district?

A Incentivise Area Directors to submit club visit reports in a timely manner. Ensure and encourage that all clubs have updated branded banners. An area for consideration is how can we support more clubs to offer a hybrid environment to encourage more people to join online, where there is a need. We expect an increased spend on Zoom accounts.

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. Due to so much uncertainty around COVID-19, our Travel budget is very conservative, however, we are concerned that the current estimate for travel will not be sufficient. We have budgeted for the following travel costs:

- Trio members have a small budget for travel within the District, mainly to attend the District officer training in November.
- All District Officers are budgeted to attend one DOT, the rest of the training will be in Auckland. I believe this need to be reviewed, as our CGD is based in Hamilton and will require more travel. No allowance is made for the **Parliamentarian and Logistics Manager at the time of submitting this report - TBC**
- 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 are included. However, the attendance and training associated with the 2020/2021 Conference are still to be calculated, once the venue is confirmed. 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 2020-2021 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 section on Club banners needs to be discussed further, before any narratives can be presented.

2019-2020 Notes

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 – This section needs to be reassessed by the Trio and advised, before any narratives can be presented

2019-2020 Notes

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.

Club Growth Budget – This section needs further discussion and reporting on achievements, before this section can be updated.

March Renewals

This is based on the increase in Paid Members from the Club membership as at 1 July 2020 and is based on the first TI Membership list dated April 2021. There are three categories:

Bronze: A USD 30 Voucher

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

Silver: A USD 30 Voucher

- For clubs under 13 members on 1/7/20 an increase of 6 members
- For clubs 13+ members on 1/7/20 an increase of 40%

Gold: A USD 60 Voucher

- For clubs under 13 members on 1/7/20 an increase of 10 members
- For clubs 13+ members on 1/7/20 an increase of 70%

Supporting clubs to hold open meetings - This section needs further discussion and reporting on achievements, before this section can be updated.

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 events during the year

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.

Recognition Budget - This section needs further discussion and reporting on achievements, before this section can be updated.

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.

PART 4 2020-2021 DISTRICT BUDGET

D112 2020-2021 District Budget

	TI Max Exp %	% Of Tot Exp	BUDGET	Last year Actual	Last year's Budget
Membership revenue			\$80,000	\$0	\$98,844
Conference revenue			\$0	\$0	\$34,052
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	\$0	\$60
Total revenue			\$80,060	\$0	\$132,956
Conference expense	N/a		\$0	\$0	\$33,991

Fundraising expense	N/a		\$0	\$0	\$0
TLI expense	N/a		\$0	\$0	\$0
District store expense	N/a		\$0	\$0	\$0
Marketing expense	10%	9.3%	\$7,400	\$0	\$42,000
Recognition expense	20%	31.6%	\$25,314	\$0	\$0
Club Growth expense	15%	25%	\$19,985	\$0	\$0
Communications & Public Relations Expenses	10%	17.2%	\$13,788	\$0	\$13,350
Education & Training expense	15%	36.7%	\$29,348	\$0	\$30,500
Speech contest expense	5%	13%	\$10,435	\$0	\$20,000
Administration expense	10%	9.6%	\$7,700	\$0	\$25,000
Travel expense	25%	26.7%	\$21,426	\$0	\$65,000
Lodging	15%	0%	\$0	\$0	\$0
Food and Meals	15%	14.9%	\$11,917	\$0	\$0
Other expense	0%	0%	\$0	\$0	\$5,000
			<u>\$147,207</u>	<u>\$0</u>	<u>\$234,841</u>
District net income/(loss)			-\$67,147	\$0	-\$101,885

AVAILABLE DISTRICT FUNDS 1 JULY 2020

Funds held in NZ	\$16,641
District Reserve Fund	\$0 TBC
Total Funds	\$16,641
Less Required balance at Year End (TI Requirement)	-\$0 TBC
Total Available Funds	\$16,641
Projected Deficit	<u>-\$67,147</u>
Remaining Funds	<u>-\$50,506</u>

PART 5 2020-2021 DISTRICT BUDGET CATEGORY DETAILS

Membership Revenue

This is set by WHQ

Conference

CONFERENCE INCOME

6025	Registrations	\$0
6060	Optional Meals	\$0
	Total Income	<u>\$0</u>

CONFERENCE EXPENSES

7004	Conference Badges & Lanyards	\$0
7010	Banner Ribbons (1 per club + 1 per Division)	\$0

7012	Stationery	\$0
7014	Venue Hire	\$0
7020	Conference Programs	\$0
7042	Audio-visual equipment Staff Costs	\$0
7070	Bank fees	\$0
7078	Food	\$0
7080	Thank you, gifts,	\$0
7086	Conference Bags & Contents (members provide their own)	\$0
7086	Conference Ambassadors	\$0
7086	Conference Postage	\$0
7086	IT Costs	\$0
7086	Prizes	\$0
7086	Registration Forms & Signage	\$0
7090	Audio-visual equipment Hire	\$0
7086	Sundry expenses (5% of Fixed & Variable Expenses)	\$0
7086	Transport Costs excl. Speakers	\$0
	Budgeted Expenses	<u>\$0</u>
	BUDGETED SURPLUS	<u>\$0</u>

Other revenue

The only other revenue is from Bank Interest.

Marketing Expenses

7008	Marketing-Promotional Materials	\$3,400
7012	Marketing-Supplies & Stationery Exp	\$4,000
7040	Trade Show Registration	\$0
7078	Food Expense	\$0
7082	Marketing-Incentives	\$0
7086	Marketing-Miscellaneous Expenses	\$0
	TOTAL MARKETING EXPENSES	<u>\$7,400</u>

Recognition Expenses

7006	Recognition-Educational Materials	\$0
7008	Recognition-Promotional Materials	\$0
7010	Recognition-Awards Expense	\$2,050
7012	Recognition-Supplies & Stationery Exp	\$1,032
7036	Recognition-Advertising Expense	\$0
7044	Recognition-Postage & Shipping	\$0
7082	Recognition-Incentives	\$22,232
	TOTAL RECOGNITION EXPENSES	<u>\$25,314</u>

Club Growth Expenses

7006	Membership Growth-Educational Materials	\$0
7008	Membership Growth-Promotional Materials	\$2,750

7010	Membership Growth-Awards Expense	\$0
7012	Membership Growth-Supplies & Stationery Exp	\$2,470
7036	Membership Growth-Advertising Expense	\$3,769
7044	Membership Growth-Postage & Shipping	\$0
7082	Membership Growth-Incentives	\$10,996
	TOTAL CLUB GROWTH EXPENSES	\$19,985

Communications & Public Relations Expenses

7008	CPR Promotional materials	\$7,318
7012	CPR Supplies & Stationary	\$300
7026	CPR-Website Expense	\$6,170
7032	CPR Telephone Note 1	\$0
7042	CPR Outside Contractor	\$0
7086	CPR-Miscellaneous Expenses	\$0
	TOTAL COMMUNICATIONS & PR EXPENSES	\$13,788

Education & Training Expense

		Total
TRAINING CLUB OFFICERS COT & Workshops		
7014	ET Room Rental	\$4,900
7078	ET Food Expense	\$5,166
7020	ET Printing Expense	\$3,421
	Sub Total Club Officers	\$13,487
TRAINING DISTRICT OFFICERS (Note 2)		
7014	ET Room Rental	\$5,000
7078	ET Food Expense	\$5,000
7006	ET Educational Materials	\$2,184
7090	ET Equipment Rental Expense	\$0
	Sub Total District officers	\$12,184
OTHER ET EXPENSES		
7004	ET Badges & Pins	\$2,475
7082	ET Incentives	\$1,202
	Sub Total Other ET	\$3,677
	TOTAL EDUCATION & TRAINING	\$29,348

Speech Contest Expense

7010	SC Awards Expense	\$0
7012	SC Supplies and Stationery Exp	\$1,175
7014	SC Room Rental	\$6,260
7078	SC Food Expense	\$0

7090	SC Equipment Rental	\$0
7042	SC Outside Contractor Exp	\$3,000
		<u>\$10,435</u>

Administration Expense

7048	Admin-Equipment Purchase	\$0
7086	Admin-Miscellaneous Expenses	\$0
7034	Admin-Conference Calls & Webinars Expense	\$872
7012	Admin-Supplies & Stationery Expense	\$2,000
7010	Admin-Awards Expense	\$0
7020	Admin-Printing Expense	\$1,500
7004	Admin-Badges & Pins	\$700
7070	Admin-Bank Charges & Credit Card Fee Expense	\$503
7046	Admin-Express Mail/Courier Expense	\$400
7044	Admin-Postage Expense	\$400
7032	Admin-Telephone Expense	\$1,325
	TOTAL ADMINISTRATION EXPENSE	<u><u>\$7,700</u></u>

Travel Expense

District Director	\$ 100
Programme Quality Director	\$ 100
Club Growth Director	\$ 100
Public Relations Manager	\$ 100
Finance Manager	\$ 100
Administration Manager	\$ 100
Division Directors	\$ 5,516
Area Directors	\$ 15,210
IPDD	\$ 100
TI Director	\$ 0
Other Officers	\$ 0
TOTAL	\$ 21,426

Food and Meals

7078	Food Expense	\$11,917
7016	Meal Event Expense	\$0
	TOTAL FOOD AND MEAL EXPENSES	<u><u>\$11,917</u></u>

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.