

# CLUB FINANCES

Any camera club must have sufficient funds to operate effectively. The state of its treasury, current and prospective, will govern the organization's policies. An unsound financial condition restricts a club's activities. However, a solvent club free of financial worries, will be able to offer its members more, better, and varied activities and programs. This, in turn, helps to retain present members and attract new ones. Sound finances contribute to the health and vitality of an organization, with individual members being the direct beneficiaries.

## PLAN EARLY

Camera clubs can be harried by numerous problems, with finances often being their chief concern. This applies to established groups as well as newly formed clubs. The importance and need for a sound financial policy should be recognized at the time a club is organized and developed during its fledgling days. Unfortunately, at this stage many new clubs are more concerned with survival than planning for the future. Generally small in size and functioning in a limited and informal manner, their expenses are negligible. Hence a pay-as-you-go policy proves adequate. But when a club begins to mature, unless a firm financial foundation has been laid, it is apt to be plagued by many headaches. There is no simple or single solution to financial stability. Many factors affect income and expense, with each club facing conditions peculiar to its own organization. The practical experiences of other clubs, which have established successful fiscal policies, are a realistic guide toward sound financial and need for a sound policies.

## THE TREASURER'S DUTIES

Because finances play such a vital part in the life of a club, the Treasurer occupies a key position. In new or small groups, the duties of Secretary and Treasurer are sometimes combined. This should be avoided, if possible. It is best to spread official duties as much as possible. In large or very active organizations, a Finance Committee may be appointed to advise and assist the Treasurer.

The question of whether or not the office of Treasurer should be rotated periodically can be debated endlessly without resolution. Proponents of both views with practical experience to support them cite advantages and disadvantages of each policy. The precaution to prevent dictatorial tendencies is to have the officers, executive board or membership regularly review the operation of that particular position.

A Treasurer should possess certain attributes which qualify him/her to serve in this office. Although not essential, some financial experience is helpful. The Treasurer should possess a progressive outlook and the foresight to keep abreast of changing conditions (e.g., interest rates) and to plan for future needs.

The Treasurer is custodian of all funds and pays all expenses. Funds are kept in a bank approved by the club. Some banks require a resolution signed by club officers authorizing the Treasurer to withdraw monies from the club account. Preferred financial practice calls for the signatures of two officers on club checks.

The Treasurer must maintain accurate and complete records of all receipts and disbursements and must report the status of all income due, unpaid expenses, expected income and balance in the treasury at each Executive Board meeting. At this time the financial position of the club is reviewed and authorization for payment of outstanding bills made. An inventory of physical assets (equipment, etc.) is kept by the Treasurer who is also responsible for the

preparation and presentation of an annual budget. This is explained later in the budget section. An annual audit of finances should be made at the conclusion of the fiscal year, either by a Finance Committee or by one or more members appointed for this purpose. Some provision should be made for the preservation of old records, with the Club Historian the logical custodian.

In an avocation group the position of Treasurer is not for the member who is seeking glory. Even so, because financial stability is essential to a club's well-being, the individual who serves as Treasurer and manages a successful fiscal policy will derive great satisfaction from the effort.

## **BASIC CONSIDERATIONS**

\* **Fiscal Year of Operations:** This twelve-month period is generally decided on when a club is organized. If, after a fair trial, a change is warranted, it should be made. Many clubs either suspend operations during the summer months or meet less often. With clubs resuming in September (usually after Labor Day), it is logical for the fiscal year to commence at that time, too. Some clubs, however, prefer starting their fiscal period on January 1.

\* **Term of Treasurer's Office:** This may or may not coincide with the fiscal year. In the case of clubs dormant during the summer, it would be wise to change officials at the close of activities in May or June rather than in September, for it allows the new officers and committee chairpersons to familiarize themselves with their duties during the summer lull. Where clubs are active all the year around, elections should take place at least two months before changes in office. In either case, the incoming officials should have the guidance of the outgoing ones to promote smooth continuity of operation.

\* **"Types" of Members:** Many clubs have only one type of membership with everyone paying equal dues. Some organizations offer numerous classifications which may include: youth, resident, non-resident, family, non-active, associate, and student. Dues are levied according to privileges received. Broadening the membership base will increase income and participation in activities without materially increasing expenses.

\* **Dues:** Some long-established clubs have been able to accumulate capital assets over the years, but the average group depends on dues as its main source of revenue. Dues, therefore, can be considered the keystone of financial stability. This subject is treated in detail later in this section.

\* **Paying Dues:** Since the usual club dues is relatively small, it is desirable that a single payment be made at the start of each fiscal period. This is the simplest method and involves the least time and work on the part of the Treasurer. Where dues are a considerable amount, or in special cases, payment may be made quarterly or semi-annually.

Even if dues are paid by check, it is wise to issue receipts. A book of such forms can be purchased at most stationery stores and will serve as a record of payment. In lieu of receipts, Club Membership Cards can serve the same purpose.

Persons joining after the beginning of the club year are generally charged on a prorated basis. Dues are not refundable should a member withdraw before the expiration of a complete fiscal period.

\* **Initiation Fee:** Some clubs charge new members an entrance fee which is not refundable. Large, fixed overhead expense, often due to an organization owning its own building or renting

extensive quarters, may make such a fee necessary. These funds are ordinarily kept in a special savings account, dispensation of which can be made only by a vote of the members.

Often not considered, but nonetheless important, is the psychological influence of an initiation fee. Such payment tends to establish a closer bond between the member and the club, if for no other reason than that the individual shares a monetary interest in the organization.

### **ESTABLISHING DUES**

What a club assesses members annually can only be based on individual requirements and, as may be expected, there is wide variation. One group may operate successfully on as little as \$5.00 a year per member, while another may require \$100.00 from each member.

The size of the club has little bearing on its activities and some small groups may offer considerably more than larger organizations. But size is closely related to the amount of dues. Some small clubs may be able to reduce or eliminate certain expenses faced by larger groups. Paradoxically, a small club may have to charge its members proportionately higher dues than a large club, all other factors being equal.

A new club will find it difficult to anticipate expenses with any accuracy, so it is best to establish dues on a temporary basis. A \$25.00 annual fee should start such a group on its way, with members being levied small amounts to cover any deficits which might occur. After a club has had a year or more experience, it will be in a better position to determine its dues in a realistic manner.

Some clubs are satisfied to continue in a limited, informal way, but most organizations are eager to expand their photographic interests and grow in size. Engaging in Interclub Competitions (PSA and Council), using "outside" judges, sponsoring courses and lecture programs, purchasing equipment, even occupying permanent quarters require not only funds but a sound fiscal program to promote these activities and services.

Without a complete understanding of all the conditions under which a club operates, it is impossible to recommend what it should charge for dues. A logical assumption may be that \$35.00 a year dues per member for a club meeting twice (or more) a month, and \$25.00 for a club meeting once a month, is reasonable; providing benefits are commensurate with the charges.

The dues of many clubs are too low, resulting in restricted operation. It is possible to price a commodity out of the market and this also applies to camera clubs, but if expansion is desired, it must be realized that costs will rise accordingly and someone must pay the bills.

A reduction or elimination of an expense is equivalent to additional income. While considerable emphasis is laid on raising dues to cover increased costs, just as much emphasis should be placed on efficient management whereby expenses can be held to a minimum without impairing operations of the club.

### **OPERATIONAL EXPENSES**

Necessary expenditures vary from club to club, both in number and importance. A survey made for this document reveals that rent, programs, and fees to other organizations are the major expenses of most clubs. A discussion of these and other costs follows.

\* **Rent:** Securing suitable club quarters, especially in larger cities, has become increasingly difficult. Adequate space is necessary to display prints or to project images, with the result that rent is often prohibitive. The ability to properly darken a room must be considered. But in spite of this situation, clubs do find meeting places they can afford. Publicizing such a need may uncover a building owner who is willing to rent space to a club tenant.

Many clubs in smaller cities and suburban areas have reduced or eliminated rent by using facilities in schools, libraries, community centers, museums, churches, banks, and service clubs. Consulting proper authorities will disclose that there are few localities where one or more of the above mentioned buildings cannot be obtained for a nominal fee, or without charge.

\* **Programs:** With a club secure in its meeting quarters, attention can be concentrated on the all-important phase of programming. Under this heading come such activities as contests and their judging, demonstrations, lectures, print and projected image instruction CDs and DVDs.

Clubs in large population centers are fortunate to have much program material from which to draw, for little or no cost. A time comes, however, when even the most talented of local speakers and judges loses appeal, and the use of "outsiders" becomes necessary. The cost is justified on another count - outsiders will reflect a broader viewpoint, which is highly desirable.

In smaller communities, clubs are forced to rely on other than local talent for their programs. Surprisingly, this has compensating effects, even if additional cost is involved. These smaller groups take greater advantage of the many instructional programs and services offered by PSA, its chapters, camera clubs, councils, and photo manufacturers. Some of these may be procured/rented for shipping charges only.

\* **Association Dues:** A progressive camera club will join PSA and a camera club council (if one is available) because it feels that such organizations offer necessary national and regional services and benefits not obtainable locally. A greater percentage of a small club's budget must be allocated for the payment of these association dues than that of a larger group.

\* **Miscellaneous:** Under this heading are the following: awards and trophies, social activities, projection equipment (e.g., digital projector, laptop, judging software, judging machines, cords, card reader), PSA and council interclub contest fees, contributions (e.g., to PSA in memory of a club member), print racks, members' badges, books and magazines for a club library.

An expense not often considered is insurance. Fire and theft on the club's assets and public liability covering injury to members and guests on field trips and on the club's premises. It is wise to investigate such insurance, for the cost may result in a reimbursement for a loss or protection in a lawsuit.

## **EFFICIENCY THROUGH BUDGETING**

Preparing and following a budget is good business practice. This procedure need not frighten the uninitiated, nor should they feel that it applies only to large, affluent clubs. In simple language, a budget is merely an itemized allocation of funds that covers a plan of operations for a specific period. It will prove as valuable to an organization having \$100.00 to spend as to one with \$1000.00 to spend. A budget is prepared by the Treasurer or by a Finance or Budget Committee. The Budget Committee is usually composed of three members, one of whom is the Treasurer.

Using income and disbursements of the current year as a base, a budget for the next twelve-month fiscal period is projected. It is presented to the Executive Board for approval, well in advance of the new club year, in order that the various committees can plan their future activities. However, a new Treasurer may wish to revise the budget after taking office.

In preparing an annual budget it is prudent that provision be made for a Reserve Fund. It is seldom possible for clubs to anticipate income and expense so accurately that they will balance to the penny. Instead, a certain percentage, say 5% to 10%, is set aside to cover unforeseen expenses or the failure of income to meet expectations. Unexpended Reserve, built up over the

years, comes in handy to purchase equipment or sponsor special events.

Many clubs do not provide for a Reserve Fund in their budgets, but use any profit at the close of a fiscal period for that purpose. This is fine as long as income exceeds expenses, but putting away a predetermined amount for emergencies eliminates any risk and helps to build a sizable nest egg for the club. During the year, the Treasurer acts as watchdog of the budget to see that it is followed. Should a situation arise whereby expenditures indicate they will exceed income (without something to draw on), the Treasurer quickly revises allocated expenditures to bring the budget into balance.

## **MONEY-MAKING SUGGESTIONS**

Supplementing club income is limited only by the members' imagination. Here are a few proven ideas:

\* **Sponsoring a PSA-recognized International Exhibition:** If someone in the club has experience working on an International Exhibition, they may be able to lead and train others. The PSA Exhibition Standards Directors can help any club wishing to begin holding an International Exhibition. Most of the information and are on the PSA web site. Those club members who enter Exhibitions will be able to share valuable insight that will help.

\* **Offering Courses and Lectures:** Many clubs are successfully sponsoring educational activities, which are open to the public for an admittance fee. A school series of six to twelve lessons, a short course of four sessions, a weekend "teach-in," or a single presentation by a well-known speaker, if properly promoted and publicized, can add materially to the club treasury. These projects are also an excellent means of arousing community interest in an organization.

\* **Projected Image Shows:** Numerous clubs have financially capitalized on the great interest of the public in digital photography. People are willing to pay to view high quality travelogues and nature presentations, but not a series of unrelated images, no matter how good they may be. One or a series of such shows, either by club members or guest celebrities, may be sponsored. Interesting and informative live or taped commentary is essential. This type of program is considered entertainment by the public, so little how-to-do-it material should be included.

\* **White Elephant Sale:** a cute name for items in one's household no longer used. Members donate articles to be sold with the proceeds going to the club. The scope of these sales can be expanded by including other than photographic articles.

\* **Raffle:** Drawing for prizes is always appealing and can produce a substantial profit. Try to have a number of winners, say three, with the first prize of considerable value. "Gift Certificates" from local camera stores are highly desirable, or it may be possible to induce such stores to contribute equipment for prizes or sell it to clubs at reduced cost. The sale of raffle tickets should be considered a donation to the club and not a game of chance. It would be wise to check the legality of raffles in the county, state or city, especially if tickets will be sold to the public.

\* **50/50:** Members purchase raffle tickets with 50% of the evenings "pot" going to the club and 50% to the winner of the raffle drawing. This sale of raffle tickets is again considered a donation to the club.