



## Creating a Budget

### District Resource Guide – 2

Compliments of the team for:

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Each District has their own traditions, but I have found that the best budgets are created and managed when they are put together in a collaborative effort. Don't underestimate the value of "zero-based" budgets; ask your team members to create a budget with no minimums and no imposed limits. This will get their creative juices flowing and you will be able to determine if they are looking at the big picture.

This approach also helps each member of the team when it is his or her turn to lead the budgeting effort.

- Step 1** Ask each member of your team with a budget category to create a wish list. Assign no restraints and ask them to provide a plan with their wish list.
- Step 2** Have a team meeting where each member presents their wish list and plan. Enter his or her budget into the template provided by world headquarters (WHQ) with no edits.
- Step 3** Based on the results of the completed template, examine overages and shortfalls. As a team, discuss which categories are most important. Before you re-program dollar amounts, ask your team members to reduce their own overages first. They will perform better if they take responsibility for their own plans. Once plans and wish lists are trimmed by the team members, determine if any reprogramming is needed based on your overall District Success Plan and the TI-imposed spending caps.
- Step 4** Don't forget to put enough money in administration to cover your costs as District Governor. These costs would include name tags, promotional items such as theme pins, and any subsidy for a "hail and farewell" event.
- Step 5** Once you have a completed budget, ask each team member to review it completely before submitting it to WHQ. You may want to include your IPDG in the review process.

#### Avoiding common pitfalls

- Many Districts put most of the money in marketing as there is no spending cap. It is better to plan for actual spending and track actual spending. This information will help future District Governors.
- Don't worry about showing a bust of the spending cap. This will not cause your budget to be rejected and it will help you, your successors, and WHQ understand where money should be spent.
- Don't be a miser, but don't be a spend-thrift either. The money is best spent providing service to the members of your District. That service comes in many forms. That does not mean that you spend money on needless upgrades or excessive gifts, but rather look at the best value for each purchase.
- Try to leave enough money in your local bank account to allow your successor to fund his or her transition costs. These costs might include promotional items, or district officer trainings. It is a nice touch to have the incoming District Governor unveil his or her theme with a banner already made.

*"Helping others helps ourselves grow and succeed!"*