

How to Budget for Your Club

SGA recently launched a new budgeting process and established a Funding Board. We (the Treasury team) wanted to give all Clubs a fair shot at getting funding, so we created a new system that encourages all Clubs to create budgets in advance and audits those budgets in a fair, transparent manner.

Sounds great, right? Well, not so fast. Now you must create semesterly budgets for your Club, and that can be intimidating. We want this to be a smooth, painless process for you, so we've created this guide to walk you through the budgeting steps. We suggest you read the "How does the Funding Board work?" document found on the SGA website in conjunction with this guide.

Step 1: Establish your Club's goals.

After analyzing hundreds of Club budgets, it's clear to us that Clubs with clearly defined goals make better budgets. Goals are vitally important because they make it easy to mentally focus on actions that meet the goals and easy to eliminate the ones that don't. In short, goals clarify all sorts of thinking.

For goals to be effective, they must be made explicit. For example, if Club X has no explicit goals, it might think a pizza party sounds like a fantastic idea. But if Club X has the specific goal to "promote the professional development of _____ majors," a pizza party is a questionable way to meet that goal.

So, how do you make goals? Think. Think a lot. Ask questions like "Why was this Club initially founded?" "What do my Club members want from this Club?" "What specific value does this Club provide to the LU community?" "What *can* this Club do well?" "How can this Club develop its members?" If it helps, imagine that someone is interviewing you and asks you to explain why your Club exists. You should have a well-thought-out answer to that question, and to any follow-up questions the hypothetical interviewer might ask.

Here are some examples of good goals. Don't feel pressured to have your Clubs' goals be exactly like this; circumstances are different for every Club.

- Club X will offer professional development.
- Club Y will serve the Lynchburg community.
- Club Z will promote the arts.
- Club A will encourage reasoned political discourse.

Note that goals ask "What?" In the next step, we ask "How?"

Step 2: Brainstorm effective ways to meet your Club's goals.

You've set good goals, so now it's time to figure out the most effective ways to meet them. We suggest you involve the entire Club leadership in a brainstorming process.

If you're searching for effective brainstorming methods, here's how we do SGA brainstorming: We put all participants in one room and give each of them a few pieces of paper. We sit in silence for 5-10 minutes while each participant writes down as many ideas as they can produce. After the period of silence ends, we work through each option one-by-one, assessing its merits against the goals we've already established.

After you have a list of ideas, figure out which of them will *most effectively* meet your goals. To provide an example of this kind of thinking, we take Club A from the list in Step 1 and discuss several options that might have come up in its brainstorming session.

Club A's mission is to "encourage reasoned political discourse." Options to meet that mission:

1. *Host moderated debates between students with different political views.* This clearly lines up with the Club's goals.
2. *Write letters to legislators advocating for certain policy positions.* Although a great activity, this doesn't seem to meet the Club's goal.
3. *Hold a monthly ice cream social for Club members.* See #2. The occasional social meeting is fine, but these shouldn't make up the majority of a budget.
4. *Hold monthly listening/discussion events for historically admired speeches.* This could be a great way to meet the Club's mission.
5. *Serve the Lynchburg community by attending weekly service events.* See #2. Club leaders should consider encouraging Club A's members to do this outside of Club meetings.
6. *Purchase a website domain name on which Club members will write blog posts on communicating well.* This is a unique way to meet the Club's goal. The Funding Board likes Clubs making investments that can provide benefits for years to come.

Before Step 2, Club A's goal was "encourage reasoned political discourse."

After Step 2, Club A's goal is "encourage reasoned political discourse by writing blogs, hosting moderated debates, and discussing the works of historically admired political figures." Do the same with your Club's goal!

If you spend a lot of time on Steps 1 and 2, you'll be well-prepared to make an effective Club budget.

Step 3: Establish a high-level list of funding requests.

This is as simple as creating a bulleted list of events, purchases, and meetings. It will be useful to have a calendar at hand as you're creating this list.

Don't forget – to make your Club a success for years to come, you'll need to attract new members. Remember to build marketing/outreach into your budget.

While creating your list, estimate attendance at each in-person gathering. This will be helpful for Step 4.

Step 4: Break down each item on your list.

One by one, work through each item on the high-level list you established in Step 3.

1. Break each high-level item down to component parts. For example, an event may include decorations, food, reimbursements to guest speakers, etc.
2. Research prices for each of the component parts, figuring out the most cost-effective supplier for each of them.
3. On a budget spreadsheet (the Treasury team will typically provide you a template), assign specific costs to each component. Beside each specific cost, feel free to drop a weblink or personal notes justifying the expenditure. If you can't find an objective price anywhere, use your best estimate.
4. Sum up the components for each event/purchase to arrive at total event/purchase costs.
5. Sum up each each total event/purchase cost to arrive at your Club's total semesterly budget.

That's it! Now you can submit your budget to the Funding Board for review.