

## Budget Planning

Explorers will work with leaders to develop an annual budget for their Exploring program.

### ACTIVITY LIBRARY TAGS

- Exploring: Business
- iTech Exploring: Required
- Life Skills: College & Career Prep, Financial Literacy
- US DOE: Business Management & Administration

### AGE APPROPRIATENESS

- Exploring Posts (14-20 years old)
- Exploring Clubs (10-14 years old)

### OBJECTIVES

By the end of this session, participants will be able to:

- Calculate an appropriate participant fee for their own Exploring program
- Set a unit and an individual fundraising goal
- Create a plan for the year and determine resources and materials needed by the unit
- Project various types and amounts of expenses

### SUPPLIES

- [Unit Budget Planning Worksheet](#) (one per group of 2-5 Explorers)
- Flip chart or markerboard and markers
- Calculators (mobile phones will suffice)

**LEADER NOTE:** Text in italics should be read aloud to participants. As you engage your Exploring unit (club or post) in activities each week, please include comments, discussions, and feedback to the group relating to **Character, Leadership, and Ethics**. These are important attributes that make a difference in the success of youth in the workplace and in life.

### INTRODUCTION

Leaders who desire a meaningful, exciting, and comprehensive youth program that achieves the objectives of both Exploring and of the participating organization will find this budget planning activity rather fruitful.

What is the unit's budget plan? It is implementing the elements of a complete annual Exploring program for youth, committing as a unit to incorporating these elements, and then providing adequate funding for them. Even more, it is committing to implementing the plan with the entire post or club—Explorers, leaders, and families—by raising enough dollars to fund the program. The result is a well-managed, well-financed program.

The steps to planning your post or club's annual budget are:

1. Refer to your Exploring program's previous budget, if applicable.
2. Calendarize the unit's complete annual program – meetings, meals, site visits, parties, events, etc.
3. Develop a budget that includes enough income to deliver the complete program.
4. Identify all sources of income (program fees, participating organization contributions), and then determine the amount that should be raised through Exploring fundraisers.

- Obtain sales goal commitments (including by dates) from parents, leaders, all Explorers, and/or the participating organization.

## ACTIVITIES

### Activity 1 | Income and Expenses

Prepare flip chart paper or a markerboard for the following discussion.

Ask the following questions in this order. Write examples of income and expenses on the flip chart or markerboard.

- What is the difference between income and expenses?
- Name some examples of income specific to a business? To an individual? To our Exploring program?
- Name some examples of expenses specific to a business? To an individual? To our Exploring program?

	INCOME EXAMPLES	EXPENSE EXAMPLES
<b>BUSINESSES</b>	Sales, service fees, donations (for nonprofit organizations only)	Office supplies, salary & benefits, marketing
<b>INDIVIDUALS</b>	Wage/salary, athlete sponsorships, gifts	Utilities (water, electricity), phone, auto insurance, gas, groceries, savings, tuition, fun stuff
<b>OUR EXPLORING PROGRAM</b>	Registration fee, program fee (optional), participating organization subsidy (optional), fundraisers	IDC prototype materials, gear/equipment, uniforms, travel, event entry fees

*Say: Why is it important to keep track of both your income and your expenses? What would happen if your expenses became greater than your income?*

### Activity 2 | Plan Your Budget

Divide the group into pairs or small teams of up to 5 Explorers. Give each pair or team a blank copy of the [Unit Budget Planning Worksheet](#).

#### LEADER NOTE

Allow the Explorers to suggest amounts for the following income and expenses, no matter how unrealistic. After the first round, if the totals are unreasonable – discuss why it’s unreasonable and then go through the process again. Repeat as needed until you reach a reasonable budget and fundraising goal.

*Say: Now let’s focus on our own Exploring program. On the [Unit Budget Planning Worksheet](#), we will review each income item and expense item together as a group. I will describe each item in detail, and as a group we will project and agree on an amount. Get your calculators out! Let’s start with income.*

**YOUTH LEADERSHIP ROLE:** The Treasurer should record the amounts that the group agrees to for each income and expense on a computer using the provided Unit Budget Planning Worksheet. There are formulas built into the Excel spreadsheet that will be helpful to the Treasurer.

#### INCOME

**Registration Fees** YES, \$33 per person per year for both you and adults.

**Program Fees** (Your organization may or may not charge a program fee to Explorers to subsidize the cost to deliver your Exploring program.)

**Participating org. Subsidy** (Your organization may or may not dedicate part of its operating budget to the operation of your Exploring program.) This is referred to as the “Reserve Fund” in the expenses section of this activity.

**Fundraisers** (You may or may not choose to have your Explorer participate in a fundraiser coordinated by your local Exploring office to earn their own way in the program.)

#### EXPENSES

**Registration Fees** \$33 per person per year for both youth and adults.

**Unit Accident Insurance** Protecting leaders and parents from financial hardship due to high medical bills from an unfortunate accident is a must for all involved in Exploring. Your local Exploring representative can tell you if what your local rate per person is.

**Unit Liability Insurance Fee** Units are required to pay an annual unit liability insurance fee of \$40. This fee is submitted with the unit’s annual Memorandum of Understanding and helps to defray the expenses for its general liability insurance.

**Awards and Recognition** Every Explorer should earn recognitions during their time in the Explorer post or club. A Career Achievement Award is available for each Exploring career field. Some career fields offer additional recognition opportunities. Recognition items are available through your local Exploring office.

**Activities** Well-conceived and well-planned activities are critical to a successful annual program plan. Traditionally, such activities as field trips, Innovation Design Challenges, competitions, and district or council activities are financed by the youth and his or her family over and above program fees. It is suggested that the complete cost of these outings be built into the unit’s budget.

**Program Materials** Each unit needs to provide certain program materials, gear, and equipment. Depending on the type of unit program, these could include safety gear, tools, prototype construction materials, consumable materials, reusable supplies, unit flag, and training videos and books. (NOTE: Units may not hold title to property. Only participating organizations or the local council legally can own property.)

<b>Training Expenses</b>	Trained leaders are key to delivering a quality and safe program. Adult and youth leader training should be considered an integral annual unit expense. Your local Exploring office may offer local trainings specific to Exploring and positive youth development.
<b>Uniforms</b>	Your unit may or may not have a formal uniform. Some units choose to have T-shirts or polos made for each participant. Traditionally, the individual pays for the uniform, if applicable. We suggest that these expenses become part of the total cost of Exploring.
<b>Reserve Fund</b>	The reserve fund might be established by a gift or loan from the participating organization, by participants of the committee, or by a unit money earning project. The reserve fund should be intended for unexpected expenses. A new participant's initial expenses may be met from the fund. Consider setting aside 10% of your total unit budget in your reserve fund.
<b>Other Expenses</b>	These could include meeting refreshments and contingency funds.

**YOUTH LEADERSHIP ROLE:** The Treasurer should total both the income and the expenses, then subtract the expenses from the income. This amount will be automatically calculated in the [Unit Budget Planning Worksheet](#) in the cell labeled "C". A positive amount means there is a surplus, and it is not necessary (though still suggested) that the Explorers participate in a fundraiser coordinated by the local Exploring office. A negative amount means there is a deficit, and it is necessary to participate in a fundraiser.

Repeat this process as needed until you reach reasonable amounts for the projected income and expenses.

### Activity 3 | Selecting a Fundraiser

*Say: Paying your own way is a fundamental principle of the Exploring program. It is one of the reasons why no solicitations (requests for contributions from individuals or the community) are permitted by Explorer posts and clubs. Let's calculate our fundraising goal as a group.*

#### LEADER NOTE

Except for council-sponsored product sales, all other money-earning projects require the submission of the [Money-Earning Application](#) (found in the Forms box at [www.exploring.org](http://www.exploring.org)) to the local council. To ensure conformity with all Exploring standards on money earning, leaders should be familiar with the guides listed on the back of the application.

**YOUTH LEADERSHIP ROLE:** The Treasurer should enter fundraiser commission percentage and the total number of Explorers in the [Unit Budget Planning Worksheet](#) (at the bottom of the worksheet) to calculate the unit's total fundraising goal and each Explorer's individual fundraising goal.

Here are some examples of locally-coordinated fundraisers that may be available to you. Your local Exploring representative can provide you with more information about these and other options. The Treasurer should read these options aloud to Explorers and allow the group to vote on the option they'd like to pursue.

### Jack Link's Fundraiser

Jack Link's is the Official Protein Snack of the Boy Scouts of America (BSA). Exploring is an affiliate program of the BSA. Jack Link's offers a fundraiser for Scouts and Explorers across the country. There is only one product to sell – a kit with 6 Jack Link's products inside. The kit is sold to the public at \$15 each. The local council will retain \$5 per kit sold, your unit will retain \$5 and Jack Link's will retain \$5.

### Discount Cards

The cards include discounts from various businesses represented in the local council territory and typically have one-time use "break off" coupons along with multi-use offers. The cards are most widely offered at the low price point of \$5.00. Customers recoup their donation by using one of the two one-time coupons, and enjoy multiple food, service and entertainment discounts throughout the year. Features of a camp card sale typically include the following:

- Risk free for the Exploring unit by returning unused cards to the local council
- Unit earns 40 – 50% commission
- Grocery or other major retail discounts make the cards easy to sell

Your local Exploring representative can provide you with more information.

### Coordinate Your Own

Consider coordinating your own fundraiser. Many units organize car washes, bake sales, traffic control at community events, etc. In either case, money-earning projects require the submission of the Money-Earning Application (found in the Forms box at [www.exploring.org](http://www.exploring.org)) to the local council. To ensure conformity with all Exploring standards on money earning, leaders should be familiar with the guides listed on the back of the application.

### **LEADER NOTE**

Together with your youth leaders monitor the status of the unit budget at regular intervals throughout the year.

### **LEADER NOTE**

Some sample questions are below. They are designed to help the participants apply what they have learned to their own interests. You are welcome to use these questions or develop your own questions that relate to your Exploring unit or specific focus area.

### **REFLECTION**

- *Does everyone agree with the final unit budget? What are you (as an individual) going to do to ensure that the group reaches its goal(s)?*
- *What life skills will you gain from participating in a fundraiser? How is this relevant to the "real world"?*
- *What can you do to practice responsible money management – personally and in the post/club?*
- *How would it feel if you learned that a fellow Explorer was irresponsible with the unit's money? What are some suggestions for how you could fix the problem?*

Links to other websites are provided for your convenience and information only. When you click on a link to another website, you will be leaving this website. The fact that we provide links to other websites does not mean that we endorse, authorize, or sponsor the linked website, or that we are affiliated with that website's owners or sponsors. Unless otherwise indicated, the linked sites are not

under our control and we are not responsible for and assume no liability for the content or presentation of any linked site or any link contained in a linked site, or any changes or updates to such sites. Your use of a linked site and its content is at your sole risk and may be subject to restrictions and/or limitations. Always take care to abide by the linked site's terms of use, including any permission requirements/guidelines.