

FUNDING THE TEAM

October 29, 2011

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Your Pilot Club Budget

THE BUDGET COMMITTEE

The Budget Committee consists of the club's incoming officers: Treasurer (chairman), President, President Elect, Vice President (if applicable) and the Fundraising Coordinator. The committee will prepare the budget for the upcoming year.

RESPONSIBILITIES OF THE COMMITTEE CHAIR

The incoming Treasurer, as Chair of the Budget Committee should:

- Attend the briefing session for division coordinators;
- Attend all division planning meetings;
- Obtain requests for funds to be included in the proposed club budget from each division coordinator after the division planning meetings;
- Obtain anticipated receipts for fund raising activities from the Fund Raising Coordinator;
- Compile a worksheet for preparing the proposed budget prior to the first meeting of the Budget Committee;
- Review Pilot International bylaws, Florida District standing rules, club bylaws and/or standing rules, policies and procedures for PI and the District, and any official notices regarding dues, insurance and assessments from PI and the Florida District;
- Review the club's current income and expense statement;
- Evaluate the amount of club dues and make recommendations to the Executive Board if a change is needed;
- Call the meeting of the Budget Committee to prepare the proposed budget;
- Contact division coordinators prior to submitting the proposed budget to the Executive Board if any changes have been made regarding the division's budget request;
- Present the proposed budget, on behalf of the Budget Committee, to the Executive Board and Club for approval. The proposed budget should be submitted to the incoming Executive Board for approval at the meeting held prior to the first club meeting of the year. Upon recommendation by the Executive Board, the budget is presented for approval by the club membership at the first meeting of the year; and,
- Once the budget is approved, the Treasurer should furnish each club member and PI headquarters with a copy of the approved budget. This may be included in the club's yearbook or submitted separately.

THE BUDGET

The budget is a plan of anticipated receipts and disbursements approved by your club for the coming year. It should represent practical estimates of the club's financial needs for the year. Challenging, yet realistic. The budget is the foundation of successful club operation.

Attached is a Sample Budget based for a club with a membership of 20. What follows below is an explanation on how many of the line items were calculated. The explanations also include a note as to which line items are required expenses from the Florida District and Pilot International.

INCOME

PILOT INTERNATIONAL DUES

PI Dues are currently \$50.00 per member (except 50 year members and Emeritus members) and are due by June 30th to PI. Dues should be collected from your members in advance and paid to PI prior to the end of the fiscal year even though the dues are for the upcoming year.

PILOT INTERNATIONAL LIABILITY INSURANCE

PI Liability Insurance is currently \$4.00 per member and is due by June 30th to PI. Some clubs choose to collect the insurance from their members along with their dues. Other clubs simply budget it as an operating expense. If your club collects the insurance fee from your members, it should be collected in advance and paid to PI prior to the end of the fiscal year. If your club does not invoice your members, you would not have an income line item entry.

FLORIDA DISTRICT DUES

Florida District Dues are currently \$25.00 per member and are due by June 30th to the district treasurer. Dues should be collected from your members in advance and paid to the district prior to the end of the fiscal year even though the dues are for the upcoming year.

CLUB LOCAL DUES

This amount is typically determined by your club's executive board or membership. Refer to your club's bylaws and/or standing rules. These dues are typically used to offset operating expenses and/or meals. Like PI and District Dues, these are not tax-deductible contributions.

PILOT SCHOLARSHIP HOUSE FOUNDATION DUES

The PSHF Dues are currently \$5.00 per member and are due by June 30th to the PSHF treasurer. Some clubs choose to collect the PSHF dues from their members along with their other dues. Other clubs simply budget it as a projects expense. If your club collects the PSHF dues from your members, it should be collected in advance and paid to the PSHF treasurer prior to the end of the fiscal year. If your club does not invoice your members, you would not have an income line item entry.

PIF PACESETTER

Pilot International Foundation asks that all clubs contribute \$10.00 per active member each year as the club's Pacesetter contribution. Pacesetter contributions are used by PIF in its annual fund as unrestricted and used to operate the foundation. It is not a required contribution. Some clubs choose to collect the Pacesetter contribution from their members along with their other dues. Other clubs simply budget it as a projects expense. If your club collects the Pacesetter contribution from your members, it should be collected in advance and paid to PIF prior to February 1. If your club does not invoice your members, you would not have an income line item entry.

INTEREST INCOME

Any interest expected on the club's bank accounts should be budgeted for in the income category.

FUNDRAISING INCOME

After consulting with the Fundraising Coordinator prior to the start of the year, the budget should include line items for each fundraising event planned by the club. Please note that income received into the Projects Fund must be used for designated service projects. If your club holds a fundraising event and states that the proceeds are for the club's service projects, the income must be put into the Projects Fund and used for projects. You can, however, hold fundraising events designated for operating expenses as long as they are not held as being designated for specific service projects.

DISBURSEMENTS

PILOT INTERNATIONAL DUES (required)

PI Dues are currently \$50.00 per member (except 50 year members and Emeritus members) and are due by June 30th to PI. Dues should be collected from your members in advance and paid to PI prior to the end of the fiscal year even though the dues are for the upcoming year. The line item amount in disbursements should correspond with the line item amount in income.

PILOT INTERNATIONAL LIABILITY INSURANCE (required)

PI Liability Insurance is currently \$4.00 per member and is due by June 30th to PI. Some clubs choose to collect the insurance from their members along with their dues. Other clubs simply budget it as an operating expense. If your club collects the insurance fee from your members, this line item should correspond with the line item amount in income. If your club does not collect the insurance from your members, there will be no corresponding income line item.

CORPORATION FEES (required)

Your Pilot Club should be a registered non-profit corporation with the Florida Department of State, Division of Corporations. The current annual fee for each club is \$61.25 and is payable to the Division when the annual report is filed. The report and filing fee can be paid on-line.

INTERNATIONAL CONVENTION (partial required)

Each Pilot Club is entitled to one delegate and one alternate to attend the Pilot International Convention. The Club President will be the delegate and the President Elect will be the alternate. If neither can attend convention, the club will elect a delegate. It is REQUIRED that each club budget transportation expense and a registration fee for one delegate to attend the PI Convention. It is up to the club to decide whether or not to pay for the delegate's lodging and per diem. If the club is unable to send a delegate to PI Convention, the club may ask the Florida District Administrative Counsel to be excused from representation. However, the club will still be invoiced by Pilot International the cost of one registration fee. The proposed budget attached has two line items. The first line is for the required registration and transportation. The second line item is for the lodging and per diem which is optional. If your club budgets more than the required item(s), your budget may have just one line item for international convention as it does not need to be divided as in the sample budget.

PIF GOALS FOR GRANTS

Pilot International Foundation has a designated fund called the Grants and Scholarships Fund. Donations to this fund are used to fund PIF's matching grant program and the various scholarship funds. Each club is asked to participate in the fundraising effort by donating \$250.00 each year toward the "Goals for Grants". This donation is a suggested donation. If your club participates, it is suggested that the donation be made prior to February 1st. If your club does not participate in the PIF Goals For Grants, there would be no line item in disbursements.

PIF PACESETTER

Pilot International Foundation asks that all clubs contribute \$10.00 per active member each year as the club's Pacesetter contribution. Pacesetter contributions are used by PIF in its annual fund as unrestricted and used to operate the foundation. It is not a required contribution. Some clubs choose to collect the Pacesetter contribution from their members along with their other dues. Other clubs simply budget it as a projects expense. If your club collects the Pacesetter contribution from your members, this line item should correspond with the line item amount in income. If your club does not collect the Pacesetter contribution from your members, there will be no corresponding income line item. If your club does not participate in PIF Pacesetter, there would be no line item in income or disbursements.

PIF SWEETHEART

To celebrate PIF month, clubs may honor one or more members of their club by designating him/her as the Pilot International Foundation Sweetheart. PIF requests that a minimum donation of \$25.00 be sent to PIF prior to September 30th in order to honor him/her in The Pilot Log. This donation is a suggested donation. If your club does not participate in the PIF Sweetheart, there would be no line item in disbursements.

FLORIDA DISTRICT DUES (required)

Florida District Dues are currently \$25.00 per member and are due by June 30th to the district treasurer. Dues should be collected from your members in advance and paid to the district prior to the end of the fiscal year even though the dues are for the upcoming year. The line item amount in disbursements should correspond with the line item amount in income.

DISTRICT CONVENTION (partial required)

Each Pilot Club is entitled to three delegates and two alternates to attend the Florida District Convention. The Club President and President Elect will be two of the delegates. The third delegate and two alternates are elected by the club. It is REQUIRED that each club budget transportation expense and a registration fee for one delegate to attend the District Convention. It is up to the club to decide whether or not to pay for the delegate's lodging and per diem as well as expenses for the other two delegates. If the club is unable to send a delegate to District Convention, the club may ask the Florida District Administrative Counsel to be excused from representation. However, the club will still be invoiced by Florida District the cost of one registration fee to cover the cost of materials. The proposed budget attached has two line items. The first line is for the required registration and transportation for one delegate. The second line item is for the lodging and per diem for that delegate (which is optional) as well as additional expenses for the other two delegates. If your club budgets more than the

required item(s), your budget may have just one line item for district convention as it does not need to be divided as in the sample budget.

FALL COUNCIL

The Florida District holds an official meeting called "Fall Council" to be held a Friday-Sunday in October or November of each year. The club's bylaws and/or standing rules may designate the number of representatives to send to Fall Council. Your club may budget registration fees, transportation, lodging and/or per diem for this official meeting. The club is not required by PI or the district to send any representatives.

FLORIDA FRIENDSHIP DIRECTORY

Each club in the Florida District will be billed for a Friendship Directory each year. The current fee is \$5.00 and is invoiced with the club's district dues.

PILOT SCHOLARSHIP HOUSE FOUNDATION DUES (required)

The PSHF Dues are currently \$5.00 per member and are due by June 30th to the PSHF treasurer. Some clubs choose to collect the PSHF dues from their members along with their other dues. Other clubs simply budget it as a projects expense. If your club collects the PSHF dues from your members, this line item should correspond with the line item amount in income. If your club does not collect the PSHF dues from your members, there will be no corresponding income line item.

ALL OTHER LINE ITEM DISBURSEMENTS

Each club will budget different amounts in the Local, Fundraising, Projects, Anchor and Membership categories based on the plans of work proposed by the Executive Board and as adopted by the club membership. It is recommended that all fundraising activities be listed separately (for income and disbursements) to make record keeping easier. It also provides a distinction between which fundraisers may be used for operating expenses and which are to be used for projects.

SAMPLE BUDGET
 PILOT CLUB OF CHARLOTTESVILLE, FLORIDA
 JULY 1, 2011 TO JUNE 30, 2012

RECEIPTS	OPERATING FUND	PROJECT FUND	TOTAL
Pilot International Dues (20X\$50)	1,000.00		1,000.00
Pilot International Insurance (20 x \$4)	80.00		80.00
District Dues (20X\$25)	500.00		500.00
Club Local Dues (20 x 12 months x \$13)	3,120.00		3,120.00
Pilot Sch House Foundation Dues (20 x \$5)		100.00	100.00
PIF Pacesetter (20 x \$10)		200.00	200.00
Interest Income	12.00		12.00
Fundraising Income:			
District Convention Marketplace	350.00		350.00
Fall Council Marketplace	350.00		350.00
Yard Sales	600.00		600.00
Pecan Sales		7,500.00	7,500.00
Pilot Cookbook		1,100.00	1,100.00
Restaurant Share Events	800.00		800.00
TOTAL RECEIPTS	6,812.00	8,900.00	15,712.00

DISBURSEMENTS

INTERNATIONAL

Dues (20X\$50)	1,000.00		1,000.00	Required
Insurance (20X\$4)	80.00		80.00	Required
Corporation Fees (Florida Dept of Corporations)	62.00		62.00	Required
International Convention (registration and transportation)	800.00		800.00	Required
International Convention (hotel, per diem)	800.00		800.00	
PIF Goals for Grants		250.00	250.00	
PIF Pacesetter (20X\$10)		200.00	200.00	
PIF Sweetheart		25.00	25.00	
Total International	2,742.00	475.00	3,217.00	

DISTRICT

Dues (21X25)	525.00		525.00	Required
District Convention (1 delegate registration & transportation)	200.00		200.00	Required
District Convention (2 add'l delegates, hotel for all 3)	500.00		500.00	
Fall Council (2 representatives registration, trans, hotel)	600.00		600.00	
FL Friendship Directory	5.00		5.00	Required
Pilot Sch House Foundation Dues (20 x \$5)		100.00	100.00	Required
Total District	1,830.00	100.00	1,930.00	

LOCAL CLUB

Meals	1,100.00		1,100.00
Past President's Pin/Guard	125.00		125.00
Recog/Gifts/Memorials	75.00		75.00
Supplies/Postage/Copies	150.00		150.00
Total Local Club	1,450.00	0.00	1,450.00

FUNDRAISING

District Convention Marketplace	20.00		20.00
Fall Council Marketplace	20.00		20.00
Garage Sales	0.00		0.00
Pecans (cost of nuts)		6,000.00	6,000.00
Pilot Cookbook		100.00	100.00
Restaurant Share Events	0.00		0.00
Total Fundraising Expenses	40.00	6,100.00	6,140.00

PROJECTS/ANCHOR

Anchors Activities		100.00	100.00
Alzheimer's Seminar		100.00	100.00
Brainminders Supplies		150.00	150.00
Patriotism Essay (Schools)		180.00	180.00
Project Lifesaver		600.00	600.00
PSHF Endowment Donation		100.00	100.00
The Alzheimers Projects, Inc.		750.00	750.00
Total Projects/Anchor	0.00	1,980.00	1,980.00

MEMBERSHIP

Founder's Day Picnic	150.00		150.00
Holiday Party	150.00		150.00
Socials-Share Pilot	300.00		300.00
Website	150.00		150.00
Total Membership	750.00	0.00	750.00

TOTAL DISBURSEMENTS	6,812.00	8,655.00	15,467.00
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EXCESS/(DEFICIENCY) IN FUNDS	0.00	245.00	245.00
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PILOT CLUB AUDIT COMMITTEE REPORT FORM & PROCEDURES FOR AUDITING THE CLUB'S BOOKS

THE AUDIT COMMITTEE

The Audit Committee consists of three club members appointed by the club president prior to the end of the club year. The committee members should not be signers on any of the club's accounts. It is recommended that Executive Board members not be appointed to the Audit Committee if other members are available to serve.

RESPONSIBILITY OF THE TREASURER

The treasurer is responsible for providing the Audit Committee all of the records and documents they will need to conduct the audit. All records are to be given to the Audit Committee by July 31st. The documents to be provided include the following:

- Minutes from the Executive Board approving the bank(s) for club funds;
- Minutes from the club meeting approving the budget;
- Minutes from the club meetings approving any amendments to the budget;
- Budget (initial budget and a final amended budget if amendments were made during the year);
- Bank statements and reconciliation reports for each month;
- Checkbook
- Copies of all checks written that show they were signed by the Treasurer and co-signed by either the President or President Elect;
- All monthly treasurer's reports;
- Membership records that show what dues were invoiced, what was paid and when dues were paid, to verify that all payments were made and were made timely;
- Cash receipts and disbursements journal, general ledger or similar reports; and,
- A Year End Report (Budget vs. Actual) by line item, used to determine that all expenditures were budgeted and authorized.

GENERAL PROCEDURES

In auditing the Club's books, the Audit Committee is verifying that all assets are accounted for and correctly stated, that all bills have been paid or accrued, that all transactions have been correctly classified, and that transactions have been approved and performed within the guidelines of the club's budget and standing rules.

Cash should be reviewed as to authorization of bank(s), preparation of monthly reconciliation and agreement of balances at the beginning and the end of the year. Records should be compared to budgeted amounts for reasonableness of amounts and classification. A review of

dues reports should be performed as to amounts paid and timeliness. If any bank statements were not reconciled, the committee should do so. If the year end balance on hand is incorrect, the committee should issue a statement of the correct ending balance on hand and issue a correct year end receipts and disbursements report.

Audit procedures checklists to assist the audit committee are attached. These checklists cover all the required components of the audit.

AUDIT COMMITTEE REPORT

When the audit is complete and the Audit Committee has determined that the year-end report is correct as prepared or corrected, the report of the committee should be prepared for submission to the club's Executive Board. The report should detail what the Committee did, their conclusion on the year-end report, and any suggestions to assist in the future. A suggested audit committee report is included below. A copy of the audit report must also be provided to the District Governor.

Please note that should the committee encounter any unexplained differences during the review of the months selected, additional months should be audited until the Audit Committee feels they can prepare a correct year-end statement.

The Audit Report is due to the club's executive board and copied to the District Governor by August 31st. The report should also be submitted to the club for approval.

SAMPLE AUDIT COMMITTEE REPORT

Audit Committee Report for the Pilot Club of _____
For the Year Ended _____

The Audit Committee of the Pilot Club of _____ certifies that it has examined the books of the Treasurer from the period of _____ through _____ and has found them to be correct (or "has made certain corrections as outlined below:").

Submitted this _____ day of _____, 2011.

Sally Smith, Chair

Becky Butler

Jane Jones

AUDIT PROCEDURES CHECKLIST

GENERAL PROCEDURES

CASH

Yes No

Bank(s) approved by the Executive Board per minutes	_____	_____
Beginning balance(s) agree with ending balance(s) from prior year	_____	_____
Bank statements included and reconciled for all months	_____	_____
If no, Audit Committee should reconcile each statement		
Bank reconciliations agree to monthly treasurer's reports	_____	_____
If no, Audit Committee should provide amended monthly reports		
Last bank statement agrees to year-end treasurer's report	_____	_____
Verify year end balance on hand by taking the beginning balance from prior year, add all receipts from general ledger, and subtract all disbursements from general ledger. Does end of year balance on hand agree with last bank balance and year end treasurer's report?	_____	_____

DUES

Verify the amount invoiced to and collected for each member for local, district and international dues.		
Does the ledger for all dues collected agree with the bank deposits?	_____	_____
Does the amount paid to district and international for dues agree with the amount collected?	_____	_____

BUDGET vs. ACTUAL

Did club approve initial budget per minutes?	_____	_____
If any amendments were made to budget, do minutes reflect approval of the amendments?	_____	_____
Compare the general ledger "Actual" balances to the balances shown on the year-end Treasurer's Report.		
Do the general ledger balances agree with year end report?	_____	_____
In reviewing Budget vs. Actual report, did any expense line item exceed the amount budgeted?	_____	_____
Were any unusual items noted?	_____	_____
If "Yes", attach listing with explanation. If unexplained, item(s) should be noted on an attachment to the Audit Committee Report.		

AUDIT OF SELECTED MONTHS

Select three months to audit for receipts and three months to audit for disbursements. They may be the same months for receipts and disbursements or they may be different months. The selection should be based on activity. The months when most disbursements are made should be audited for disbursements and the months when most receipts are received or when major fund-raisers are held should be audited for receipts. Once the selection has been made the following procedures should be performed:

RECEIPTS

Trace all deposits from the bank statement to the deposit ticket. Examine the deposit ticket items for classification (dues, fundraiser, meals fees, donation, etc.) and trace to the general ledger to verify that the general ledger account agrees as to amount and classification. Make corrections as necessary.

Examine the record of cash receipts for date of receipt and note if deposit was made in a reasonable time frame from the date of receipt. If "deposit in transit" are shown on bank reconciliation, trace to next month's bank statement and agree amount of deposit and date deposited.

MONTH #1 _____

Did all deposits trace from the bank statement to deposit tickets?	Yes	/	No
Was each deposit item posted to correct line item on general ledger?	Yes	/	No
Were cash receipts deposited timely?	Yes	/	No
Were any differences noted? If yes, explain.	Yes	/	No

MONTH #2 _____

Did all deposits trace from the bank statement to deposit tickets?	Yes	/	No
Was each deposit item posted to correct line item on general ledger?	Yes	/	No
Were cash receipts deposited timely?	Yes	/	No
Were any differences noted? If yes, explain.	Yes	/	No

MONTH #3 _____

Did all deposits trace from the bank statement to deposit tickets?	Yes	/	No
Was each deposit item posted to correct line item on general ledger?	Yes	/	No
Were cash receipts deposited timely?	Yes	/	No
Were any differences noted? If yes, explain.	Yes	/	No

DISBURSEMENTS

Trace all disbursements to invoices, expense reports, or receipts. Even if an item is budgeted there should be documentation for the expenditure. Verify that amount and date paid on the invoice agrees with other supporting documentation. Trace record of cash disbursements for classification and reporting to proper fund balance.

Determine payment approval as to whether budgeted, board approval, club approval or budget amendments as prescribed in the club's bylaws or standing rules.

MONTH #1 _____

- Did all disbursements have supporting documentation (invoice, expense report, or receipts?) Yes / No
- Did the amount and date paid on the invoice agree with check? Yes / No
- Was each disbursement item posted to correct line item on general ledger? Yes / No
- Did each disbursement have proper approval? Yes / No
- Did each check have 2 signatures (treasurer & president/president elect)? Yes / No
- Were any differences noted? If yes, explain. Yes / No

MONTH #2 _____

- Did all disbursements have supporting documentation (invoice, expense report, or receipts?) Yes / No
- Did the amount and date paid on the invoice agree with check? Yes / No
- Was each disbursement item posted to correct line item on general ledger? Yes / No
- Did each disbursement have proper approval? Yes / No
- Did each check have 2 signatures (treasurer & president/president elect)? Yes / No
- Were any differences noted? If yes, explain. Yes / No

MONTH #3 _____

- Did all disbursements have supporting documentation (invoice, expense report, or receipts?) Yes / No
- Did the amount and date paid on the invoice agree with check? Yes / No
- Was each disbursement item posted to correct line item on general ledger? Yes / No
- Did each disbursement have proper approval? Yes / No
- Did each check have 2 signatures (treasurer & president/president elect)? Yes / No
- Were any differences noted? If yes, explain. Yes / No