

Budget & Finance

Purpose:

The Budget & Finance committee (generally shortened to Finance) is responsible for managing the club annual budget process as well as for reviewing and providing feedback on the monthly/annual financial reports prior to the Treasurer presenting these reports to the Board of Trustees (BOT). The committee will review the progress of the current budget and each separate committee budget providing feedback, as needed, to the Treasurer or the Board of Trustees.

The Committee, under the direction of the Board of Trustees, shall be responsible for preparing, reviewing, and studying the proposed annual operating budget and capital reserve spending plan. This will include but will not be limited to proposing adjustments to fees for moorage, dues, reserve assessments and unworked CSP hours as per OYC bylaws.

The Budget & Finance Committee is responsible for working with the Board of Trustees and Treasurer to resolve any financial issues within the Club. The Committee will coordinate with the OYC Auditor and Treasurer to resolve audit recommendations, corrections, and findings. The Committee may prepare special studies as requested by the BOT, Treasurer, or selected by the Committee. The Committee will submit occasional articles for the Beachcomber to communicate financial issues to the membership.

Structure:

The Olympia Yacht Club Budget & Finance Committee shall consist of not less than four Active Club Members. Members of the Budget & Finance Committee shall be appointed for staggered three-year terms as required by the Olympia Yacht Club bylaws under Article 4, Section 2. The Olympia Yacht Club Board of Trustees shall appoint the Committee Chairperson and select a member of the Board of Trustees to serve as the Liaison for the Budget & Finance Committee. The Club Treasurer (appointed by the BOT) is a de-facto member of the Finance Committee and may serve as Committee Chairperson. Committee members should be selected based on knowledge of accounting practices or business management.

Chairperson Responsibilities:

The Chairperson is responsible for directing the committee and convening monthly meetings to review monthly reports created by the bookkeeper that detail expenditures versus budget for each GL account. The Chairperson is responsible for establishing the budget preparation process for the following year budget and for presenting the completed budget to the BOT for approval and implementation.

The Chairperson is responsible for collecting CSP hours from committee members and reporting them to the CSP Chairperson, preferably on a monthly basis.

OYC Annual Budget Process (as of Feb 2022):

The budgeting process starts in September. Spreadsheet files referenced below will be obtained in electronic form from the Finance Committee Chairman or the Treasurer.

An email should go to all committee chairs who receive a P&L. This email should tell them to begin thinking about what they might need in their next year's operating budget.

For each Class, provide a summary of what was spent the previous year and year-to-date by line item. Members of the Finance Committee should divide responsibility for individual class budgets and work with the Committee heads responsible for those budgets to recommend any changes. QuickBooks reports provided by bookkeeper will be used as a starting point. The Committee Chairman will be responsible for organizing the proposed new budget for presentation to the BOT.

Provide the Commodore File 3. Club Events Budget. Have them fill in column H. The income will be calculated automatically in column I.

Use File 1. – Operating Budget Draft and begin filling it out with input from committee chairs.

Use File 2. – Income Projection to determine what income must be collected to support the expense budget. Begin to make some estimates for increase in dues, moorage and assessments and the other items listed on this file.

Using File 1 and File 2 is an iterative process. It usually takes several go-arounds until everyone is satisfied.

For the October board meeting, the Committee Chair along with the Treasurer should present a high-level summary budget. This allows the board to give an approval to the overall budget or question the overall expenses. By having a summary expense budget, the Finance Committee and BOT can begin to determine what the dues, assessment and moorage fees need to be.

For the November BOT meeting, we should have a detailed budget by line item. We should have accurate dues, assessment, and moorage fees. The board should approve salary increases at this meeting.

For the December BOT meeting, the board should approve the final budget. It will be entered into QuickBooks now unless this has already occurred.

Reserve Budget Process

The Capital Reserve Budget is a separate budget. It is funded by the monthly assessment, new member initiation fees, CSP dollars collected (for hours not worked the previous year) and the surplus from the operations budget. This annual surplus usually runs from \$60k to \$90k. The items shown on this plan are typically assets with a value of more than \$50,000.

The instructions for updating the Reserve Plan are located on a worksheet tab on the Excel spreadsheet. The Capital Expense worksheet is updated each year with input from the long-range planning committee, main station chair, clubhouse chair and Island Home chair. The main station, clubhouse and Island Home chair are looking at the items that need to be replaced in the next couple or three years. The long-range planning committee is looking at items to be replaced further out in the future.

The reserve plan itself is an iterative process where you adjust the monthly assessment, CSP dollars, initiation fees, operations surplus, inflation rate, etc. While making these adjustments, you verify that the graphs on the right-hand side of the plan always stay positive, at least in the near future.

Current Members of the Finance Committee (as of September 2, 2021)

Gary Ball – chair (member since 2017)

Jon Jones (member since 2015)

Joe Downing (member since 2015)

Kevin Kennedy (member since September 2019)

Rich Rocks (member since April 2021)

Mark Pearson (member since September 2021)

Walt Schefter – BOT liaison

Bootstrap:

In the event that the Budget and Finance Committee needs to be rebuilt without the experience of the former Committee Chairperson, the new Chairperson (appointed by the BOT) will want to enlist at least two other Committee members (per Bylaws Article 4 Section 2) and perhaps as many as five members. Since Budget and Finance Committee members require access to confidential Club financial data, BOT approval of candidates is required prior to them assuming their duties.

Committee members should be selected based on knowledge of accounting practices and business management.

The new Committee Chairperson must obtain the password(s) for accessing Quickbooks – these may be available from the Treasurer, hired bookkeeper or the outside accounting firm.