



SKATE ONTARIO
SKATECANADA

CLUB BUDGETING



AGENDA



1. Why Budget?
2. Where to Start?
3. Expense Considerations
 - a) Direct Program Expenses
 - b) Overhead
 - c) Special Programs/Supports/Reserve Contribution
4. Revenue Sources
 - a) Membership Fees.
 - b) Fundraising
 - c) Other



Why Budget?



A good budget process is the cornerstone to solid financial management of a club.

A proper budget will help define the annual operations of the club and will act as a monitoring/measuring tool of how the club is performing throughout the year. This is critical to keep the club from finding itself in financial trouble.

There may be some “special considerations” over the next 1 to 2 years as we recover from the impacts of COVID 19.



Where to Start?



Many often start by estimating the anticipated revenue and then calculate expenses to match the revenue.

This approach is often ineffective, may result in “knee-jerk” reaction, unnecessary deficits and unnecessary stress for the Board.

We recommend the following approach:

1. Calculate total expenses first.
2. Determine revenue generation method(s) to meet all expenses. **Be conservative.**
3. Adjust discretionary expenses if necessary to meet **conservative** revenue targets.



Expense Considerations



Direct Program Expenses

For each program – ice time, coaching, other direct costs

These costs form only part of the membership fee calculation

Overhead Expenses

Admin staff, facility costs, Skate Canada fees*, website, marketing, banking fees, registration systems, etc.

Special Programs/Support Programs/Reserve Contributions

Coaching development, Athlete Bursaries, Low-income support, contribution to reserve

COVID NOTES – Capacity issues, increased ice costs, PPE and cleaning costs, other



Revenue Sources



Membership Fees

1. Lower does NOT always mean better.
2. Skate Canada Fees are a flow-through.
3. Amount required to cover direct program costs
4. Amount to cover overhead costs
5. Ratio considerations – Big participant program supports smaller but more expensive program
6. Tiering of membership fees.
7. Fees should be reflective of product.

All costs (except “Special programs”) should be covered by membership fees.



Revenue Sources



Fundraising and Sponsorship

Fundraising initiatives can be used to off-set membership fees (next year?) and/or to support special programs or initiatives

A club should not consider fundraising as a primary revenue source to support operations **UNLESS** the fundraiser has a proven track record of annual success --- minimum average net over a number of years

Other

Events, Grants, Drawings from Reserves

COVID NOTES – local market considerations, competing interests, other.



Summary

Break-even

$$\text{Revenue} - \text{Expenses} = 0$$

Surplus

$$\text{Revenue} - \text{Expenses} = +$$

Deficit

$$\text{Revenue} - \text{Expenses} = -$$

OR
$$\text{Revenue} - \text{Expenses} + \text{Reserve Drawings} = 0$$



Questions



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