

7.03.01

RCLS 480: BUDGETING IN RCLS

Guided Design #1

Group member signatures:

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Today is all about brainstorming. There is no need to formalize anything at this point. The following areas need to be discussed as a group so you can begin to develop your report in the next lab.

Organization: What type of organization are you going to develop a budget report for? Whatever you choose, your group needs to be able to delineate different departments that are all capable of having their own budget worksheets. Organizations that work well for this assignment include resorts, camps, outfitters, and tourism operators.

Setting: Consider ideas about your agency and setting, i.e., population, resources, location, climate, public, private, etc.

Department Supervisors: Who is going to be in charge of which department. During our next lab, you'll be developing fun descriptions for each supervisor.

Cover Page: Start thinking about what this is going to look like. Do you have a logo or brand? Who is going to be responsible for developing it?

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Guided Design #2

Group member signatures:

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Part I: Develop a *business description* for your enterprise. Be sure to include a mission statement, vision statement, format (public, commercial, etc.), business location, target market/population served, climate and geography, and resources (natural, community, cultural, etc.). Feel free to include other items that are relevant to the description.

Part II: Develop the *supervisor introductions* page. Each supervisor is to describe himself or herself in one paragraph. Have fun with this one, (real or fictitious) i.e., Two Time Diving Olympian in the 2012 games, Jim Dangerfield recently graduated from Eastern Washington University with a degree in Recreation Management and an aquatics minor. Jim is our new aquatics supervisor at Leguna Beach Athletics Club...

Part III: Develop *activity descriptions* for each department of the organization. Write short descriptions for 12 activities so that your list fits on one page of the final document. Be sure to include dates/hours/costs/seasons etc. that are relevant to formalizing your budget worksheets. These details need to be taken into careful consideration so that participants have a good idea of the total time commitment for each activity. This will also help you figure out how many hours of staffing you'll need to account for as a budget manager.

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Guided Design #3 – Personnel

Group member signatures with supervisor titles:

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Now that you have established a foundation of business ideas, it is now time to put a price on your activities/classes/programs. Take a look at what you will need for personnel and consider a few variables. Are they classes, workshops, one-time events, weekends, etc.? Now consider how many hours the classes will meet and the staff that is necessary to run your 12 activities/classes/programs. What will their respective wages be? Work closely with your group members in deciding upon wages so the entry level vs. more experienced staff are paid appropriately. Check out the going rates of pay online or in the library if you are still undecided.

In the time available in class, fill out as many details as possible for both the *description of your programs* and in the *personnel worksheet* where you will be entering wages, seasons, number of workers, etc.

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Guided Design #4 – Supplies

Group member signatures with supervisor titles:

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Now that you have figured out the personnel costs, it's time to consider the costs of materials for your 12 recreation activities, clinics, “packages”, events, trips, or programs. Check out sporting goods stores, phone local recreation agencies, look at websites, or contact retailers to get a good idea of current costs. You also may need to budget for a few “replacement” items depending on your activity, i.e., scissors, sport balls, rentals, lures, etc. This is to cover the costs of bats or balls, scissors or hot glue guns, microphones or headsets, etc. that get lost or damaged during your program.

For your supplies, ALWAYS consider some “free” gimmicks, i.e., certificates, awards, mugs, photo/video memories, etc. to provide as a remembrance of your great program! EACH of your 12 ideas must have a minimum of two supplies (it isn't recommend to duplicate the same T-shirt and water bottle for several of your activities). Many of your activities will have several, but five is a reasonable maximum. Remember, what will it take to make YOUR activity stand out among others.

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Guided Design #5 – Capital Outlay

Group member signatures:

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A Capital Outlay Budget is set up for purchase of large items (generally ranging anywhere from \$250 to \$10,000). This budget keeps the General Operating Budget from being inflated by large purchases. This type of purchase requires bids and a few extra steps (depending of course on the amount proposed). It may be used for emergency purchases (new pool filter) or may be planned (acquisition of a new item which would benefit a particular area, i.e., wheel chair lift, pottery kiln, portable climbing wall, etc.). The Capital Outlay Budget is voted on and adopted separately from the operating budget.

Each of you will propose two capital outlay items for your program area. You will state each item, then write a brief one paragraph justification for the item, i.e., why it will bring in more numbers, revenue, attention, expand your offerings, meet the needs of a population segment, etc. Then you need to find three bids for the item and write each bid (and which business it is from) directly underneath the item. All of this information will fit on one page in your respective supervisor's section.

Guided Design #6 – Fees/Revenue

Group member signatures:

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Setting the Fee/Finding the Revenue Total

1. Any agency may have programs that fall into one of three areas: break even, for profit, or subsidized.
2. For your budget document, we will choose break-even. This includes the reasonable administrative overhead of 40% or .4 is to cover additional costs of offering your programs, i.e., utilities, marketing, facility, custodial help, and of course, your salary!

Goal for today:

Take each of your 12 programs and “walk them through” the steps of setting the fee. First, you must have the total cost of your staff and the total cost of supplies complete. Then multiply that total by 40% (or .4) to get your administrative overhead costs. Add the administrative overhead to the total and divide by the number of participants that you predict will enroll in your class. Now, you have the fee each participant must pay to cover costs of offering your activity.

$$\begin{array}{c} \textbf{Staff + Supplies + Administrative Overhead} \\ \textit{divided by} \\ \textbf{\# Participants = FEE} \end{array}$$

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Guided Design #7 – Program Area

Group member signatures:

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Now that you have established your activities and their related expenses, it is now time to summarize these details for your program area. This page will be found after the title page for your department and will act as an introduction for what is to follow. For this guided design, please begin by outlining your title, program year, and the costs of each component of your program (i.e., labor, materials, and overhead).

Next, describe what you are trying to achieve via your department. This should include an overview of the department and well as a statement that summarizes the main goal you are trying to achieve.

Finally, break out the activities for your department into 2 or 3 levels/categories. The levels/categories are dependent upon what your activities are. For example, you may have novice/intermediate/advanced levels or morning/afternoon/evening categories. Be sure to describe each level/category to give the reader a thorough understanding of what is included.

Congratulations, you are in the home stretch! There is only one more guided design before you have completed your document.

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Guided Design #8 – Financial Statement

**Do not use the Paul Green Adventures example for your Financial Statement!!!*

Group member signatures:

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Congratulations! You have reached the final Guided Design for your Budget Report. Using a one-page format, prepare a financial statement explaining the expenses and revenues (and percentages for each one) for each department of your organization. You will be using the information from the worksheets that each department has developed.

Expenses

Be sure to analyze your costs in two different ways:

1. The four areas of administrative overhead, wages/salaries, supplies/materials, and capital outlay (use the lowest bid for each item to get your totals).
2. Each separate program area

Revenues

The first row will most likely be the largest (fees and charges). Any additional revenues will be from a variety of sources including, but not limited to grants and foundations, taxes, sponsors, beneficiaries, etc. As a group, simply decide which might be most realistic for your agency and choose at least one other source besides fees and charges.