



District Budget Success Guide

Background

All Districts funds, regardless of the source of those funds, are Toastmasters International funds. This money is entrusted to the District so it can carry out its mission and achieve the major goals of the organization.

The District budget should focus on directing financial resources toward achieving the District mission: We build new clubs and support all clubs in achieving excellence.

Funds are to be used by Districts to benefit the clubs and members of Toastmasters International, specifically within the District, to promote educational growth, increase membership in clubs, and establish new clubs.

Your budget should reflect the use of funds to achieve the goals set in your District Success Plan. The more important the goal, the more funds it should receive when developing a budget. If your District's budget does not reflect the goals of Toastmasters International or meet the budget standards established by Toastmasters International, then you may be asked to resubmit the budget.

All District expenses must be documented. Accuracy and appropriateness are essential. The year-end audits are consolidated with World Headquarters operations and are included in Form 990 that is filed with the United States Internal Revenue Service every year. **Incorrect or inappropriate expenditures could result in the loss of Toastmasters International's tax-exempt status.**

Any use of District funds that is not authorized and is not consistent with the District's mission is a violation of the California Charitable Trust Act and is illegal. Even though your District may not be in California, a diversion of charitable trust funds puts the organization at risk because Districts are administrative arms of Toastmasters International and are subject to the same laws and guidelines. If you become aware of any financial irregularities, you are required to contact World Headquarters immediately.

District Budget Guidelines

District funds are to be used to support the District mission. District officers are required to use funds effectively according to the District Success Plan and Toastmasters International Policy and Protocol. Expenses shall be incurred according to the following priorities:

- ▶ Education and training
- ▶ Marketing outside Toastmasters
- ▶ Club growth and retention
- ▶ Membership growth and retention
- ▶ District communication and public relations

While the above five (5) categories are considered the highest priority, the following expense categories are also considered important to the District mission; however, the level of priority for the categories below is not strictly mandated and may be determined on an annual basis by the District.

- ▶ Recognition
- ▶ Travel and lodging

- ▶ Food and meals
- ▶ Speech contests conducted by the District
- ▶ Administration and District meetings
 - Per Protocol 7.1: The optional October and November event must be budgeted, self-funded, and cannot result in a financial loss.

When preparing a budget and allocating funds, a District should treat District and club officer training as the most important. Then consider the second item on the list—marketing—for funding before the remaining items and so on. This does not mean that items at the beginning of the list should necessarily receive more funds than items at the end of the list; however, the District should strive to provide sufficient funds for higher priority items. If financial resources are limited, give items at the beginning of the list top priority for full funding compared to the remaining items.

For example, if you must cut expenditures due to limited funding, then it is appropriate to fully fund training and decrease the amount spent on District newsletters and other items of lower priority.

Emphasis must be placed on items that contribute directly to the critical success factors of training, club extension, membership growth, and educational achievements.

Seven Steps to Creating a Budget

Toastmasters International and its Districts must never violate the California Charitable Trust Act. Regardless of where your District is located, a diversion of charitable trust funds puts the entire organization at risk because Districts are administrative arms of Toastmasters International and are subject to the same laws and guidelines.

Make sure all uses of District funds are authorized and consistent with your District's mission. Remember the budget is a team effort and you will be evaluating the results monthly. The review of the Mid-Year Profit and Loss Report is a good time to evaluate how well you are meeting the District goals and what resources will be necessary to achieve the goals over the next six months. Follow these eight steps closely.

- 1** Gather and review the District Success Plan, Projected Membership Revenue, and Annual Budget Template. In the Toastmasters International Governing Documents, review Policy 8.4 District Fiscal Management and Protocol 8.4: District Fiscal Management.
 - The District Success Plan is what drives the budget, so please ensure it mirrors your budget. Emphasis must be placed on items that contribute directly to the critical success factors of training, club extension, membership growth, and educational achievements. You should understand the costs involved in executing the plan and the estimated funds available to the District.
- 2** As a team, complete the Annual Budget Template. The District Director, Program Quality Director, Club Growth Director, and Finance Manager should work together to complete the budget.
 - Remember that at the end of the program year the District reserve account balance shall remain equal to or greater than 25% of the District's membership dues income for the prior year.
- 3** Fill out the narratives portion of each tab of the budget. Use the narratives to explain different events and expectations for the coming year. World Headquarters will review the comments and may ask for additional information. Be as detailed as possible in your narratives.
 - Remember, if it is not budgeted for, there may not be funds for it in the future.
- 4** Once the budget template is complete, please send the preliminary budget template to the District Finance Team at World Headquarters for review **before** it is shared with the District Council members.

- 5** Once any adjustments required by the District Finance Team are made, the budget can be sent to the District Council members and presented at the District Council meeting to obtain budget approval.
- 6** Sign the budget summary page (District Director, Program Quality Director, Club Growth Director, and Finance Manager). Only physical signatures or verified e-signatures such as Adobe Signature, DocuSign, etc. are accepted.
- 7** Submit the final budget template and the signed summary page to World Headquarters by September 30. These can be submitted by the District Director or Finance Manager via District Central or emailed to the District Finance Team (districtreports@toastmasters.org).

For more information about District Finance, visit the District Finance section of the Toastmasters website.

District Budget Expense Limits by Category

District budgets must match the District Success Plan and should aim to provide sufficient funding in the categories of marketing, education and training, club and membership growth, and communication. To facilitate these goals, the maximum expenses allowed for each budget area are as follows:

- ▶ Marketing outside Toastmasters: minimum 5% of total budget and maximum 10% of total budget
- ▶ Public relations: maximum 10% of total budget
- ▶ Education and training: maximum 15% of total budget
- ▶ Speech contests: maximum 5% of total budget
- ▶ Administration: maximum 10% of total budget
- ▶ Travel: maximum 25% of total budget
- ▶ Food and meals: maximum 15% of total budget
- ▶ Lodging: maximum 25% of total budget
- ▶ Recognition: maximum 20% of total budget
- ▶ Club growth: maximum 15% of total budget

Exceptions to the policy maximums can be made only for the following:

- ▶ Travel
- ▶ Lodging
- ▶ Marketing outside Toastmasters

To make a request for an exception, please send a completed budget template and a detailed explanation of the expenses in the narratives portion to District Finance at World Headquarters.

Please note that we do not grant exceptions for overages on policy maximums for any other budget category.

As you prepare the budget, remember that District funds are **NOT** to be used for:

- ▶ Payment of charter and new member fees
- ▶ Payment of membership dues
- ▶ Payment of any club's dues
- ▶ Payment to speech contestants attending the International Convention

Examples of Acceptable and Unacceptable District Expenses

International Convention and August District Leader Training

Below are the travel, lodging, and registration expenses for the District Director, Program Quality Director, Club Growth Director, Immediate Past District Director, and other leaders for whom training is provided and authorized by Toastmasters International. Expenses should be included on the travel and lodging tabs of the budget.

Acceptable expenses

- ▶ Airfare (coach fare), if not reimbursed by World Headquarters
- ▶ Train, if not reimbursed by World Headquarters
- ▶ Mileage, if not reimbursed by World Headquarters
- ▶ Taxi and shuttle, if not reimbursed by World Headquarters
- ▶ Breakfast, lunch, and dinner (included as a ticketed event at the International Convention)
- ▶ Registration fee
- ▶ Standard hotel room
- ▶ Travel visa for International Convention

Unacceptable expenses

- ▶ Airfare above coach level
- ▶ Car rental
- ▶ Fuel
- ▶ Duplicate reimbursement requests when driving with the District Director, Program Quality Director, or Club Growth Director
- ▶ Suite or other deluxe hotel room
- ▶ Personal phone calls and incidentals
- ▶ Any expense payments to speech contestants attending the International Convention

Mid-year District Leader Training

Below are the travel and lodging expenses for the District Director, Program Quality Director, and Club Growth Director to be included on the travel and lodging tabs of the budget.

Acceptable expenses

- ▶ Airfare (coach fare), if not reimbursed by World Headquarters
- ▶ Train, if not reimbursed by World Headquarters
- ▶ Mileage, if not reimbursed by World Headquarters
- ▶ Taxi and shuttle, if not reimbursed by World Headquarters
- ▶ Standard hotel room
- ▶ Travel visa for Mid-year Training

Unacceptable expenses

- ▶ Airfare above coach level
- ▶ Car rental
- ▶ Fuel
- ▶ Duplicate reimbursement requests when driving with the District Director, Program Quality Director, or Club Growth Director
- ▶ Suite or other deluxe hotel room
- ▶ Personal phone calls and incidentals

Breakeven Events

Events included in this category are Conferences, October/November event, Fundraising, and District store. These must be budgeted, self-funded, and cannot result in a financial loss.

Acceptable expenses

- ▶ Room rental
- ▶ Food and eals
- ▶ Stationery
- ▶ Decorations
- ▶ Audio visual

Unacceptable expenses

- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab
- ▶ Fees or wages paid to District and non-District volunteers for time spent working on communication items

Education and Training

Include in this category all costs relating to acquiring or printing educational materials and other costs that directly relate to the training of club officers, Division Directors, and Area Directors.

Acceptable expenses

- ▶ Printing educational materials
- ▶ Buying or renting audio visual equipment
- ▶ Meeting room rental
- ▶ Promoting achievement in the Distinguished Club, Area, and Division Programs

Unacceptable expenses

- ▶ Copying Toastmasters International materials
- ▶ Using purchased or rented audio visual equipment for personal use

- ▶ Food and meals, these expenses should be included on the food and meals tab
- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab

Marketing Outside Toastmasters

Include in this category expenses for the purchase and printing of promotional material and the cost of materials to attract potential members and clubs.

Acceptable expenses

- ▶ Cost of paper, printing, and copying
- ▶ Advertising and public relations: billboards, advertisements in newspapers or on radio, booth at a community event, etc.
- ▶ Plaques, pins, trophies, and certificates
- ▶ Supply catalog gift certificates and other items obtained from World Headquarters relating to marketing
- ▶ Toastmasters International gift certificates

Unacceptable expenses

- ▶ Items that do not directly relate to club and membership growth
- ▶ Personal telephone charges
- ▶ Cash incentives
- ▶ Plaques, certificates, and trophies obtained from other manufacturers (not World Headquarters) bearing the Toastmasters International trademark or name (unless purchased through a Global Logistics preferred vendor or approved by the Toastmasters International Brand Team)
- ▶ Food and meals, these expenses should be included on the food and meals tab
- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab

Club Growth

Include in this category expenses for the cost of materials to promote educational growth, increase membership in clubs, and establish new clubs.

Acceptable expenses

- ▶ Room rental
- ▶ Advertising: billboards, advertisements in newspapers or on radio, etc.
- ▶ Promotional materials
- ▶ Cost of paper, printing, and copying

Unacceptable expenses

- ▶ Items that do not directly relate to club and membership growth
- ▶ Cash incentives

- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab
- ▶ Food and meals, these expenses should be included on the food and meals tab

Public Relations

Include in this category the cost of producing and distributing the District newsletter, website expenses, and directory expenses.

Acceptable expenses

- ▶ Printing and postage
- ▶ Supplies (e.g. paper, pens)
- ▶ Copying
- ▶ Website

Unacceptable expenses

- ▶ Printing on expensive paper stock, glossy stock, or other cosmetic additions that are not necessary
- ▶ Fees or wages paid to District and non-District volunteers for time spent working on the communication items
- ▶ District telephones
- ▶ Food and meals, these expenses should be included on the food and meals tab
- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab

Administration

Include in this category office and administrative expenses relating to conducting District business.

Acceptable expenses

- ▶ Stamps
- ▶ Overnight delivery service
- ▶ Bulk nonprofit mail permit
- ▶ Telephone charges for District use
- ▶ Stationery
- ▶ Office supplies
- ▶ Badges
- ▶ Copying
- ▶ Bank fees (includes credit card fees)
- ▶ Toastmasters International supply catalog purchases not budgeted elsewhere

Unacceptable expenses

- ▶ Personal telephone
- ▶ Personal postage
- ▶ Food and meals, these expenses should be included on the food and meals tab
- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab

Recognition

Include in this category expenses that relate to recognizing club, Area, Division, and District services and achievements.

Acceptable expenses

- ▶ Trophies, plaques, and certificates purchased from Toastmasters International
- ▶ Room rental
- ▶ Postage
- ▶ Stationery

Unacceptable expenses

- ▶ Plaques, certificates, and trophies obtained from other manufacturers (not World Headquarters) bearing the Toastmasters International trademark or name (unless purchased through a Global Logistics preferred vendor or approved by the Toastmasters International Brand Team)
- ▶ Cash incentives
- ▶ Non-Toastmasters gift cards
- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab
- ▶ Food and meals, these expenses should be included on the food and meals tab

Speech Contest

Include in this category expenses relating to the speech contest.

Acceptable expenses

- ▶ Trophies, plaques, and certificates purchased from Toastmasters International
- ▶ Postage
- ▶ Copying
- ▶ Room rental

Unacceptable expenses

- ▶ Cash awards

- ▶ Plaques, certificates, and trophies obtained from other manufacturers (not World Headquarters) bearing the Toastmasters International trademark or name (unless purchased through a Global Logistics preferred vendor or approved by the Toastmasters International Brand Team)
- ▶ Mugs, t-shirts, or other “giveaway” items
- ▶ Food and meals, these expense should be included on the food and meals tab
- ▶ Travel, these expenses should be included on the travel tab
- ▶ Lodging, these expenses should be included on the lodging tab

Travel

Travel reimbursement to District officers, including travel to Division and Area officer training, club charters, and any other official Toastmasters business within the District. There are only two official trainings that may be outside of the District boundaries: Mid-year Training held before February 28, and the International Convention in August. Therefore, District funds cannot be used for any other meetings outside the District.

Acceptable expenses

- ▶ Airfare (coach fare)
- ▶ Train
- ▶ Mileage
- ▶ Taxi and shuttle
- ▶ Parking fees
- ▶ Baggage

Unacceptable expenses

- ▶ Airfare above coach level
- ▶ Car rental
- ▶ Fuel
- ▶ Duplicate reimbursement requests when driving with another District officer
- ▶ Lodging, these expenses should be included on the lodging tab
- ▶ Food and meals, these expenses should be included on the food and meals tab

Food and Meals

Include in this category food and meals for all budget categories except for the Annual Conference, October/November event, and Fundraising as the expenses should be budgeted under their respective tabs.

Lodging

Include in this category expenses relating to hotel and lodging.

Acceptable expenses

- ▶ Standard hotel room

Unacceptable expenses

- ▶ Event room rental
- ▶ Suite or other deluxe hotel room
- ▶ Personal phone calls and incidentals
- ▶ Food and meals, these expenses should be included on the food and meals tab
- ▶ Travel, these expenses should be included on the travel tab