



**AASLH**

American Association  
for State and Local History

**StEPs**

Standards and Excellence Program  
for History Organizations

*A Program of the American Association for State and Local History*

## **StEPs Lab 2**

### **Money Talks: How to Discuss Financial Information with your Board**

This packet includes four sample documents for discussion during the webinar:

- A “bad” budget – why it is “bad” will be discussed!
- An improved budget
- A “bad” financial report – again, we will discuss why!
- An improved financial report

We encourage you to print them out and have them in front of you during the webinar.

**Bad Budget**

	<b>Budget</b>	<b>Notes</b>
<b>Revenue</b>		
Memberships	10,000	
Annual fund	10,000	
Admissions	10,000	
Group tours	5,000	
Student tours	2,000	
Shop sales (net)	5,000	
Town grant	5,000	
Wine tasting (net)	6,000	
Auction (net)	4,500	
Investment income	4,000	
<b>Total Revenue</b>	<b>\$61,500</b>	
<b>Expenses</b>		
Director salary+benefits	36,000	
Guides hourly wages	8,000	Increase; over budget last year
Insurance	3,500	
Maintenance	2,500	
Utilities	3,500	
Temp exhibit	5,000	
School program supplies	1,000	
Printing, postage, office	1,000	
Website contract	3,000	
<b>Total Expense</b>	<b>\$63,500</b>	

**Improved Budget**

	<b>Prev Year Budget</b>	<b>Prev Year Actual</b>	<b>Current Year Budget</b>	<b>Notes</b>
<b>Revenue</b>				
Memberships	10,000	11,200	10,000	No mini-campaign this year
Annual fund	15,000	10,025	15,000	Increase \$5,000; planned campaign
Admissions	10,000	8,400	8,000	Open 8 months; \$1,000 average for last 3 years
Group tours	5,000	4,000	4,000	No change; same in-kind advertising
Student tours	2,000	2,000	2,000	No known changes with school budgets for field trips
Shop sales (net)	5,000	5,899	6,200	Allows for \$1000 in new merchandise
Town grant	5,000	5,000	5,000	No change expected
Wine tasting (net)	2,000	2,300	2,300	No increase this year
Auction (net)	5,000	4,723	4,200	Reduced net by \$500 for advertising previously donated
Investment income	4,000	3,782	3,600	4.5% draw
<b>Total Revenue</b>	<b>\$63,000</b>	<b>\$57,329</b>	<b>\$60,300</b>	
<b>Expenses</b>				
Director salary+benefits	36,000	36,000	36,000	No increase this year
Guides hourly wages	8,000	6,725	6,000	Reduced; new vols taking Sun. shifts
Insurance	3,500	3,600	4,000	Rate increase 10% from previous year
Maintenance	2,500	2,489	3,000	Includes \$500 for emergency repairs
Utilities	3,500	3,685	3,300	Expected reduction of \$400 with new furnace
Temp exhibit	5,000	0	4,500	Based on average of three quotes and XYZ's new exhibit
School program supplies	1,000	998	800	Reduced, using leftover supplies (about \$200)
Printing, postage, office	1,000	1,045	1,500	Increase for broader annual campaign @\$500
Website contract	2,000	1,899	1,200	New provider; includes 2 updates per month
<b>Total Expense</b>	<b>\$62,500</b>	<b>\$56,441</b>	<b>\$60,300</b>	

**Bad Financial Report**

<b>Financial Report</b>	<b>FY09 actual</b>	<b>FY10 actual</b>	<b>FY11 actual</b>	<b>FY12 actual</b>	<b>FY13 actual</b>	<b>FY14 actual</b>	<b>Current Budget</b>	<b>Sept 30 YTD</b>
<b>Revenue</b>								
Memberships	8,400	8,500	8,200	8,100	8,200	8,230	9,000	6,600
Annual fund	14,125	14,590	14,230	14,600	14,750	15,645	15,000	0
Admissions	7,900	7,123	7,823	7,005	7,230	6,890	7,000	5,200
Group tours	6,000	5,700	5,500	5,400	5,012	4,568	4,000	3,800
Student tours	1,800	1,800	1,800	1,800	1,800	1,800	2,000	1,700
Shop sales	8,545	8,123	8,878	8,010	8,566	7,611	8,100	7,010
Town grant	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000
Wine tasting	4,000	4,150	4,250	4,200	4,100	4,500	5,500	5,600
Auction	5,600	5,450	5,500	5,700	5,500	6,000	6,800	6,600
Investment income	3,450	3,412	3,316	3,455	3,567	3,678	3,600	2,711
Grants	0	1,200	0	1,500	0	20,000	4,000	1,500
<b>Revenue Total</b>	<b>\$69,820</b>	<b>\$70,048</b>	<b>\$64,497</b>	<b>\$64,770</b>	<b>\$63,725</b>	<b>\$83,922</b>	<b>\$70,000</b>	<b>\$45,721</b>
<b>Expenses</b>								
Salaries+benefits	33,000	33,000	34,000	34,500	35,000	45,500	36,000	27,000
Guides hourly wages	6,500	6,450	6,590	6,600	6,650	6,120	6,000	5,400
Contractors, consultants	0	1,200	0	800	0	5,000	0	0
Insurance	3,400	3,500	3,550	3,550	3,600	3,600	4,000	4,000
Maintenance	2,333	2,456	2,768	2,666	2,789	2,809	3,000	2,200
Utilities, technology	3,200	3,222	3,345	3,455	3,490	8,500	3,300	2,350
Shop	4,232	4,211	4,316	4,255	4,555	4,590	4,600	4,400
Wine tasting	2,300	2,214	2,566	2,588	2,677	2,444	2,700	3,150
Auction	2,333	2,477	2,598	2,590	2,733	2,890	2,900	2,500
Temp exhibit	4,000	0	4,200	0	4,500	0	4,500	4,459
School program supplies	900	978	982	976	840	824	800	750
Printing, postage, office	765	777	734	812	822	856	1,000	745
Website contract	0	0	0	0	0	2,850	1,200	900
<b>Expense Total</b>	<b>\$62,963</b>	<b>\$60,485</b>	<b>\$65,649</b>	<b>\$62,792</b>	<b>\$67,656</b>	<b>\$85,983</b>	<b>\$70,000</b>	<b>\$57,854</b>
<b>Net</b>	<b>\$6,857</b>	<b>\$9,563</b>	<b>-\$1,152</b>	<b>\$1,978</b>	<b>-\$3,931</b>	<b>-\$2,061</b>	<b>\$0</b>	<b>-\$12,133</b>

**Improved Financial Report**

<b>Financial Report Sept 30</b>	<b>FY14 grant</b>	<b>FY14 actual (core)</b>	<b>Current Budget</b>	<b>YTD (9 mos)</b>	<b>Difference</b>	<b>Revised Budget</b>	<b>Notes</b>
<b>Revenue</b>							
Memberships		8,230	9,000	6,600	-2,400	8,800	
Annual fund		15,645	15,000	0	-15,000	17,500	Develop Comm added 750 names to the list from event registrations, other sources
Admissions		6,890	7,000	5,200	-1,800	8,000	Based on FY14 TreeDays admissions
Group tours		4,568	4,000	3,800	-200	4,400	October is always peak month
Student tours		1,800	2,000	1,700	-300	1,700	All tours were in Spring
Town grant		5,000	5,000	5,000	0	5,000	
Grants	20,000	0	4,000	1,500	-2,500	1,500	No pending applications
Investment income		3,678	3,600	2,711	-889	3,600	
Shop net		3,021	3,500	2,610	-890	3,500	TreeDays sales are largely consignment; no additional outlays
Wine tasting net		2,056	2,800	2,450	-350	2,450	
Auction net		3,110	3,900	4,100	200	4,100	
<b>Revenue Total</b>	<b>\$20,000</b>	<b>\$53,998</b>	<b>\$59,800</b>	<b>\$35,671</b>	<b>-\$24,129</b>	<b>\$60,550</b>	
<b>Expenses</b>							
Salaries+benefits	10,000	35,500	36,000	27,000	-9,000	36,000	
Guides hourly wages		6,120	6,000	5,400	-600	5,400	Reflects fewer school tours
Contractors, consultants	5,000	0	0	0	0	0	
Insurance		3,600	4,000	4,000	0	4,000	
Maintenance		2,809	3,000	2,200	-800	2,500	
Utilities, technology	5,000	3,500	3,300	2,350	-950	3,300	
Temp exhibit		0	4,500	4,459	-41	4,459	
School program supplies		824	800	750	-50	750	
Printing, postage, office		856	1,000	745	-255	800	All annual fund printing completed
Website contract		2,850	1,200	900	-300	1,200	
<b>Expense Total</b>	<b>\$20,000</b>	<b>\$56,059</b>	<b>\$59,800</b>	<b>\$47,804</b>	<b>-\$11,996</b>	<b>\$58,409</b>	
<b>Net</b>	<b>\$0</b>	<b>-\$2,061</b>	<b>\$0</b>	<b>-\$12,133</b>		<b>\$2,141</b>	