



including Auction Items be charged to the member's credit card or he/she can write a check at the time of purchase. This is common at Charity Auctions.

Currently each member is billed \$235 per quarter for 48 meals. That amounts to a little less than \$20 per week. That's barely enough to pay for your weekly meal and provides nothing at all to pay for the Installation Banquet and Pot of Gold.

POSSIBLE SOLUTIONS: Here are some things being explored by your Board

1. Reduce the cost of our weekly meeting. Matt Weaver has been meeting with the Embassy Suites to determine possible reductions in our weekly cost. Others have suggested moving to another venue including the Methodist Church, the Masonic Temple, the Arboretum or another less expensive restaurant.
2. Relocate the Rotary Office to less expensive space and ultimately create a "Virtual Office"
3. Tighten up on guest meals; create fair policies that won't put an undue burden on Rotary Members.
4. Require Auction Items and, perhaps, Pot of Gold raffle tickets to be paid by check or charged to credit cards. (1/2 of the total Pot of Gold Revenue is paid out in cash at the event)
5. Charge a 1% service fee for each month dues are unpaid after 30 days. Require members who are more than 90 Days past due to go onto a "Cash" basis.
6. Give a 50% meal credit only to those Rotarians who had to pay for a meal when they made up.
7. Increase the Quarterly Dues or Meal Charge only after all other avenues have been explored.

Your Comments and suggestions are welcome

Thanks

Your soon to be Treasurer

Frank Hall

Teachers of the Month and their Principals, guest speakers and their guests, prospective new members, etc.

When we had 130 members, we still had a handsome profit to help provide free tickets for you and your spouse for the Installation Banquet and for the two of you to attend the Pot of Gold dinner.

For a number of reasons we have less meal income and more meal expense than we have had in the past. Here are a few of them:

1. The severe economic crisis has hit a number of members very hard. A number of long term members asked for leaves of absence. The Board created a new category of "Extended Leave" at the beginning of the crisis, which 5 members took advantage of, and another group of members took regular Leaves of Absence. While these folks remain members, they don't pay for meals unless they come to a meeting. We refer to these folks as per diem. Their "Leaves of Absence" must be reviewed and reapproved by the Board
2. Rotary International has a category of Membership called "Rule of 85" that says a person whose age plus years of membership in Rotary totaled 85. These folks are excused from the attendance requirement and can request paying meals on a per diem basis. We currently have 11 rule of 85 members, only 4 pay for their lunch on a per diem basis the rest pay all meals quarterly as the rest of the membership does.
3. We have no policy relative to guests. Sometimes students of the month show up with more than one parent, and we have expanded the categories of awards so that we often have 10 or more free meals on one "of the month" day and, when the RYLA kids come, it's expensive. We're recommending that we invite each student or teacher to bring one guest, more, and we'll ask them to pay for their lunch. The meal costs have continued to go up; we now pay the Embassy Suites more that the \$18 we are collecting and we have other meeting costs that drive the total to just under \$20 per week. Per Diem people pay \$21 per Meal.
4. While we kept our number of members at the same level we had at the beginning of the year, we are one of only 4 clubs in the district that did not lose members this year.
5. Our Accounts Receivable has grown substantially. Members are taking longer to pay, or, in a few cases, not paying at all. Traditionally, all of your expenses of membership have been added to your quarterly bill. This creates a problem in certain circumstances. A large percentage of our current Accounts Receivable at present are items purchased by members during the Pot of Gold Auction. In many cases the Club paid for items at the time they were sold, and we don't collect until sometime in the future. I'm going to recommend that any purchase from the club

THE ARCADIA ROTARY BUDGET  
2010-2011

To: Arcadia Rotarians  
From: Frank Hall, Treasurer 2010-2011

Subject: Budget Considerations

You were recently asked to comment on some preliminary projections I had made based on what new revenue we would need to find in order to continue spending as we have in the past.

I'm sorry if this disturbed you, I didn't mean to suggest that your dues would be increased; I simply wanted to suggest we have had a problem the last couple of years and we're going to have to address it this year.

I've broken the EXPENSE budget into three categories:

**MEALS** which includes the cost of our weekly meetings and certain "free meals" that everyone gets including the Installation Banquet and Pot of Gold (two tickets each).

**OPERATIONS** which includes the dues you pay to Rotary International and District 5300, and our "Obligations to RI and the District:" These include attendance by our president at the Rotary International Convention and District Conference, attendance by our President Elect at the "President Elect Training" (PETS) session, attendance by your Board at the District Assembly, etc. It also includes the cost of our Rotary Office including rent plus salary and benefits of our part time secretary, Barbara. Also included are the "Club Service" budget items including Membership Development, Programs and Marketing.

**AVENUES OF SERVICE:** This is the cost of our service projects in the areas of Community, International, Vocational, Youth (soon to be called Next Generation) and Environmental.

The **INCOME** budget includes the amounts you pay on your quarterly bill plus any fundraising activities that aren't specifically restricted for another purpose (such as our Polio Plus activities). Our fundraising activity has primarily been the "Pot of Gold," a Raffle, Auction and Dinner which has produced significant amounts of money for the club over the years.

There is another more hidden income source, an unintended one. You pay for all your meals at the beginning of the year (usually 48 lunches, because the club is dark for certain holidays). If you miss a meeting you have paid for a meal you didn't eat. If you make that meeting up by attending the meeting of another club, you get a credit for half the cost of the meal you missed. The amount you have been paying per week is \$18, so a makeup gets a credit for you of \$9.

But, the club only pays the Embassy Suites for the meals we consume. That way we have a weekly profit to cover the cost of free meals for students of the month and their parents,