

Civil Air Patrol



CAP Fundraising Made Easy!

Module #5 How to Determine What to Fund and How Much

**August 31, 2017
San Antonio, TX**



Best Place To Start

- All fundraising begins with knowing what expenses are absolutely necessary to complete all of your stated goals during the fiscal year.
- You must be brutally honest with yourself in developing and documenting these projected expenses. This is true at any level, i.e., Squadron/Flight, Group, Wing, Region, and even at National HQ.
- The accurate statement of the expenses that you are trying to fund is the first step in laying out an easy-to-use Fundraising Plan!



***What Do You Do
If You Have “Strings Attached”
To Any Revenue Sources?***



Are Strings Attached to Your Funds?

Restricted Funds

- The “Source” *restricts* what expenses you can fund with their monies.
- Typical Examples:
 - Foundation Grants
 - Endowments
 - Bequests
 - Large Donations
 - GoFundMe Appeals

Unrestricted Funds

- The “Source” *does not restrict* what expense you can fund with their monies.
- Typical Examples:
 - Wreaths (WAA)
 - CFC Donations
 - Smaller Donations
 - Matching Gifts
 - Volunteer Hrs Grant
 - Innovative Methods



***How Will You Tie Your
“Restricted Income”
To Expenses They Must Fund?***



Traditional vs. Sources & Uses Budgeting

Traditional

- Single Column or Matrix Worksheet (Income Sources at the Top, Expenses Below)
- Does Not Match any of the Expenses With Revenues That Will Fund Them
- OK to Use When There Are Only *Unrestricted Revenues* to Fund All of the Expenses

Sources & Uses

- Always a Matrix (Uses Rows for Expenses, Columns for Revenues)
- Does Match the Expenses With Revenues That Will Fund Them
- Must Use to Show the Matching of *Restricted Revenues* to Expenses They Will Fund




Sources & Uses Budget Matrix

- Let each of the **EXPENSE** Categories that you define as necessary to meet your stated mission goals be represented by **ROWS** of a Spreadsheet Matrix. These are called your **FUND USES**.
- Then, you can simply use the columns of that same matrix to show how you plan to fund each of the projected **FUND USE** in *each row* by allocating some or all of each **COLUMN** of proposed **SOURCES** of funding to pay for all or a portion of each proposed **USE**.



Sources and Uses of Funds

			Expected Sources of Funding 10/1/17 - 9/30/18								
			Funding Restricted by the Donor to a Specific Use				Unrestricted Use Funding				
				Walmart Facility Grant for Local Elementary Schools AE/STEM							
	Budgeted Expenditure Amount Funded from FY 2017/18 Sources	Best Buy Grant for Cadet AE & Local AE/STEM		Additional Grant Funding TBD	Cash Stipends from Wreaths Across America (Goal is 100 Wreaths)	Cash Donations Solicited from Individuals	Cash Donations Solicited from Local Business	Sales of Patches	Withdraw from WB Balance	Another Source	
Anticipated Uses of Funds	FY 2017/18	Timing Considerations	Fundin Available 10/1/17	Funding Available 4/15/18	NOT YET KNOWN	Various	Various	1/15/2018	Various	Various	Various
Planned Programs:											
Cadet Programs :											
	Cadet Financial Responsibility Seed Money	500.00						500.00			
	Cadet Wing Conference Scholarships	250.00				250.00					
	Cadet Encampment Scholarships	750.00				250.00	500.00				
	Cadet AE/STEM Activities & Supplies	1000.00	1000.00								
	Cadet AE/STEM Field Trips Expenses	750.00			750.00						
		3250.00	1000.00	0.00	750.00	500.00	500.00	500.00	0.00	0.00	0.00
Internal & External AE/STEM Program :											
AE/STEM Promotion in Local Schools:											
	New AE/STEM Equipment for STEM Needs at Local Schools	2500.00	1500.00	250.00	750.00						
	AE/STEM Impressions 5 Science Van Visits to Local Schools	250.00		250.00							
	Support of After-School AE/STEM Programs	1500.00	1000.00	500.00							
	Funding for AE/STEM Field Trips for Local Schools	500.00			500.00						
		4750.00	2500.00	1000.00	1250.00	0.00	0.00	0.00	0.00	0.00	0.00
AE/STEM Community Engagement Events:											
	Bertha Brock Park Fall Fest	200.00					150.00		50.00		
	Wizard of Oz Festival (as the Wizards of Science)	250.00					250.00				
	Labor Day Parade & Road Rally	50.00						50.00			
	Other Area Events (4H, Riverwalk)	50.00						50.00			
	Other Area Festival	50.00						50.00			
		600.00	0.00	0.00	0.00	0.00	400.00	150.00	50.00	0.00	0.00
Non-Program Expenses:											
	Facility Rental for Winter Open House Event	75.00					75.00				
	Senior Members Rank Insignia Supplies	75.00					75.00				
	Cadet Members Rank Insignia Supplies	75.00					75.00				
	Shipping Costs for Supply Purchases	50.00					0.00			50.00	
	General Office Supplies	100.00					100.00				
	Postage for Mailings	100.00							75.00	25.00	
	Advertising Expenses	75.00					75.00				
		550.00	0.00	0.00	0.00	0.00	400.00	0.00	75.00	75.00	0.00
OTHER POTENTIAL USES OF FUNDS											
	Potential MI- Patch Purchase Order	125.00							125.00		
	Potential Hangar Rent Donation to GLR-MI-	300.00						300.00			
	Increase in Reserves to MI- Wing Banker Balance	250.00									250.00
	FY 2017/18 Expense Funding by Source	\$9,825.00	\$3,500.00	\$1,000.00	\$2,000.00	\$500.00	\$1,300.00	\$950.00	\$250.00	\$75.00	\$250.00



Sources & Uses Budget Matrix

Important Concept

Do The Expense Planning First

Then Plan Your Revenues

Congratulations!! ... You are now familiar with the basics of the concept of:

**The Sources and Uses Approach
To Detailed Budget Planning**



Sources & Uses Budget Matrix

Let's Look at a Simple Example:

PLEASE REFER TO THE *SOURCES & USES HANDOUT*

- The handout before you is a very simple example of how one might develop a useful “work paper” that provides backup to your Unit’s Annual Budget Worksheet that is submitted up the Chain of Command.
- This “work paper” serves as an attachment to your Annual Budget if such is required to be submitted in “single column” form.
- It provides the reader(s) in the Chain of Command and the Finance Section “back up” for your proposed Annual Budget Plan.



Sources & Uses Budget Matrix

- Take note that in the *Sources vs. Uses Matrix* handout, the Sources columns are separated into:
 - Restricted Use Sources
 - Unrestricted Use Sources
- This allows you to specifically demonstrate that you expect that some of the sources of funding will place restrictions on what expenses can be funded with their money.
- If so, *you must abide by these restrictions.*



Discussion

What Are Your Thoughts on the Two Approaches?



Conclusions

- If a CAP Unit plans to raise *only Unrestricted Funds* with which to pay its expenses:
 - It is certainly acceptable to use a Traditional budget worksheet that describes its Income and Expenses.
 - It can do so without respect which Income Source will fund what Expense Use.
- If, however, a unit plans to raise *any Restricted Funds*, then it is *strongly advised* to utilize the Sources & Uses Approach and *meticulously track the usage of all Restricted Funds and the Expenses Funded by such.*



Conclusions

- **CAP National Development Section fully recognizes that the Sources & Uses Approach to Annual Budget Planning represents a major proposed paradigm shift to the CAP Annual Budget Development Process.**
- **We solicit your support in implementing the *Sources and Uses Approach to Annual Budget Planning* whenever a Squadron/Flight, Group, Wing, Region, or National Section anticipates the use of Restricted Revenues to pay for the expenses of *any* program that Restricted Revenues are expected to fund.**



Q & A



One Final Word!



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