

Masonic Financial Management

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V:I: PGM

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CISA, CIRM, CSCP, CQA, CSTE, CTCM, CTPM



Objectives

- Learn how to develop a budget.
- Learn how to analyze budget.
- Discuss options to deal with budget shortfalls.
- Encourage sound financial management.
- Encourage emphasis on delivering value to members and non-members.
- Encourage collaboration among Masonic and affiliated bodies.



Financial Responsibilities

- Financial integrity of the organization.
- Financial stability of the organization.
- Meet financial responsibilities.
- Full accounting of financial transactions.
- Support the activities of the organization.



Financial Transactions - Revenues

Dues & Fees

Endowment
Payments

Rents

Donations &
Fund Raisers

Date	Description	Revenue	Expense	Balance
		\$		\$



Financial Transactions - Expenses

Rent

Utilities &
Upkeep

Membership
Supplies

Per Capita
Payments

Date	Description	Revenue	Expense	Balance
		\$	\$	(\$ - \$)



Revenue Accounts

- **MEMBERS:** Total number of members on the books.
- **REMITTED MEMBERS:** Number of members whose dues are being remitted.
- **ENDOWED MEMBERS:** Number of 50 year & endowed members who pay no dues.
- **NET DUES PAYING MEMBERS:** Members – (Remitted members + Endowed members): Actual number of members paying dues.
- **DUES:** Amount paid annually by dues-paying members.
- **FEES:** Amount candidates pay for degrees (part kept & part paid with per capita)
- **RENT:** Payments received for use of facilities and utilities.
- **DONATIONS & FUND RAISERS:** Money given as a donation or made through fund raising activities.
- **NET REVENUE:** Total of all moneys received by the body.



Expense Accounts

- **RENT:** Amount paid for each meeting held in the facility.
- **UTILITIES:** Electricity, water/waste water, gas, garbage collection, and telephone.
- **OFFICE SUPPLIES:** Postage, dues cards, envelopes, stationary, etc.
- **MEMBERSHIP SUPPLIES/MAINTENANCE:** Regalia, caps, aprons, books, courses, and training materials for officers and members.
- **UPKEEP:** Maintenance of facility (plumbing, electrical, roof, parking lot, etc).
- **CUSTODIAL:** Cleaning, cleaning supplies, etc.
- **TAXES:** Taxes paid on parts of the facility that are income producing or otherwise not tax exempt.
- **FOOD & PROGRAMS:** Amount paid for speakers, food, entertainment, etc.
- **PER CAPITA:** Amount paid annually to the Grand Body; set by the Grand Body.



Budget - Revenues

Description	Number/ Quantity	Unit Rate Dues/ Endowment	Total
Members	A		
Remitted members	B		
Endowed members	C	\$	C x \$
Net dues-paying members	$A - (B + C)$	\$	$[A - (B + C)] \times \$$
Rent	D	\$	D x \$
Fees	E	\$	E x \$
Donations & Fund Raisers		\$	\$
Total Revenue			\$\$\$

Budget - Expenses

Description	Number/ Quantity	Unit Rate Dues/ Endowment	Total
Rent	# Months	Monthly rate	# Months x Monthly rate
Utilities	# Months	Monthly rate	# Months x Monthly rate
Office supplies		\$	\$
Membership supplies		\$	\$
Upkeep/Maintenance	# Months	Monthly rate	# Months x Monthly rate
Custodial	# Months	Monthly rate	# Months x Monthly rate
Per capita	# Members	Rate	# Members x Rate
Food & Programs		\$	\$
Total Expenses			\$\$\$\$

Budget – Projected Gain/(Loss)

Description	Number/ Quantity	Unit Rate Dues/Endowment	Total
Total Revenue			\$\$\$
Total Expenses			\$\$
Net Gain			\$

Description	Number/ Quantity	Unit Rate Dues/Endowment	Total
Total Revenue			\$\$
Total Expenses			\$\$\$
Net Loss			(\$)



Blank Budget

Description	Quantity	Unit Rate	Total
Members			
Remitted members			
Endowed members			
Net dues-paying members			
Rent			
Fees			
Donations & Fund Raisers			
Total Revenue			
Rent			
Utilities			
Office supplies			
Membership Supplies			
Upkeep/Maintenance			
Custodial			
Per capita			
Food & Programs			
Total Expenses			
Net Gain/(Loss)			



		Description	Quantity	Unit Rate	Total	
Owners Budget		Net dues-paying members	85	50	4,250	Chapter Council Commandery Eastern Star
		Rent	4 x 12	200	9,600	
		Fees				
		Donations & Fund Raisers	2	100	100	
		Total Revenue			13,950	
		Utilities	12	500	6,000	
		Office supplies	4	125	500	
		Membership Supplies		250	250	
		Upkeep/Maintenance	12	250	3,000	
		Custodial	12	200	2,400	
		Per capita	90	18	1,620	
		Food & Programs	12	100	1,200	
		Total Expenses			14,970	
		Net Gain/(Loss)			(1,020)	



**Renters
Budget**

Description	Quantity	Unit Rate	Total
Net dues-paying members	85	50	4,250
Fees			
Donations & Fund Raisers	2	100	100
Total Revenue			4,350
Rent	12	200	2,400
Office supplies	4	125	500
Membership Supplies		250	250
Upkeep/Maintenance			
Per capita	90	18	1,620
Food & Programs	12	100	1,200
Total Expenses			5,970
Net Gain/(Loss)			(1,620)



Dealing with a Loss

Raise Rent

+ Balance without dues increase

- Force Tenants raise dues, move, or go dark

Reduce Expenses

+ Balance without dues increase

- Can kill any activities and delay upkeep

Raise Dues

+ Balance

- Can result in loss of members

Raise Donations

+ Balance without dues increase

- Difficult to sustain over time

Have Fund Raisers

+ Balance without dues increase

- Difficult to sustain; Lots of work

Get Some Candidates

+ Long term gain without raising dues

- Can't ask anyone to join*



**Owners
Budget**

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Net Gain/(Loss)			(1,020)



Renters
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Total Expenses			5,970
Net Gain/(Loss)			(1,620)



How Much Should Dues Go Up?

Minimum amount to raise dues to break even:
Divide the Loss by the number of dues-paying members.

$$\text{Loss} / \text{Dues-paying members} = \$500 / 85 = \$5.89 \approx \$6.00$$

∴ Dues increase of \$6.00



How Much Should Dues Go Up?

Minimum amount to raise dues and cover future needs:
**Divide the Loss by the number of dues-paying members
and add a cushion.**

Loss = \$500 and Cushion = \$250

$(\text{Loss} + \text{Cushion}) / \text{Dues-paying members} = (\$500 + \$250) / 85 = \8.83

\therefore Dues increase of \$9.00



Consider ...

If you belong to the ...

Lodge **\$12**

Chapter **\$25**

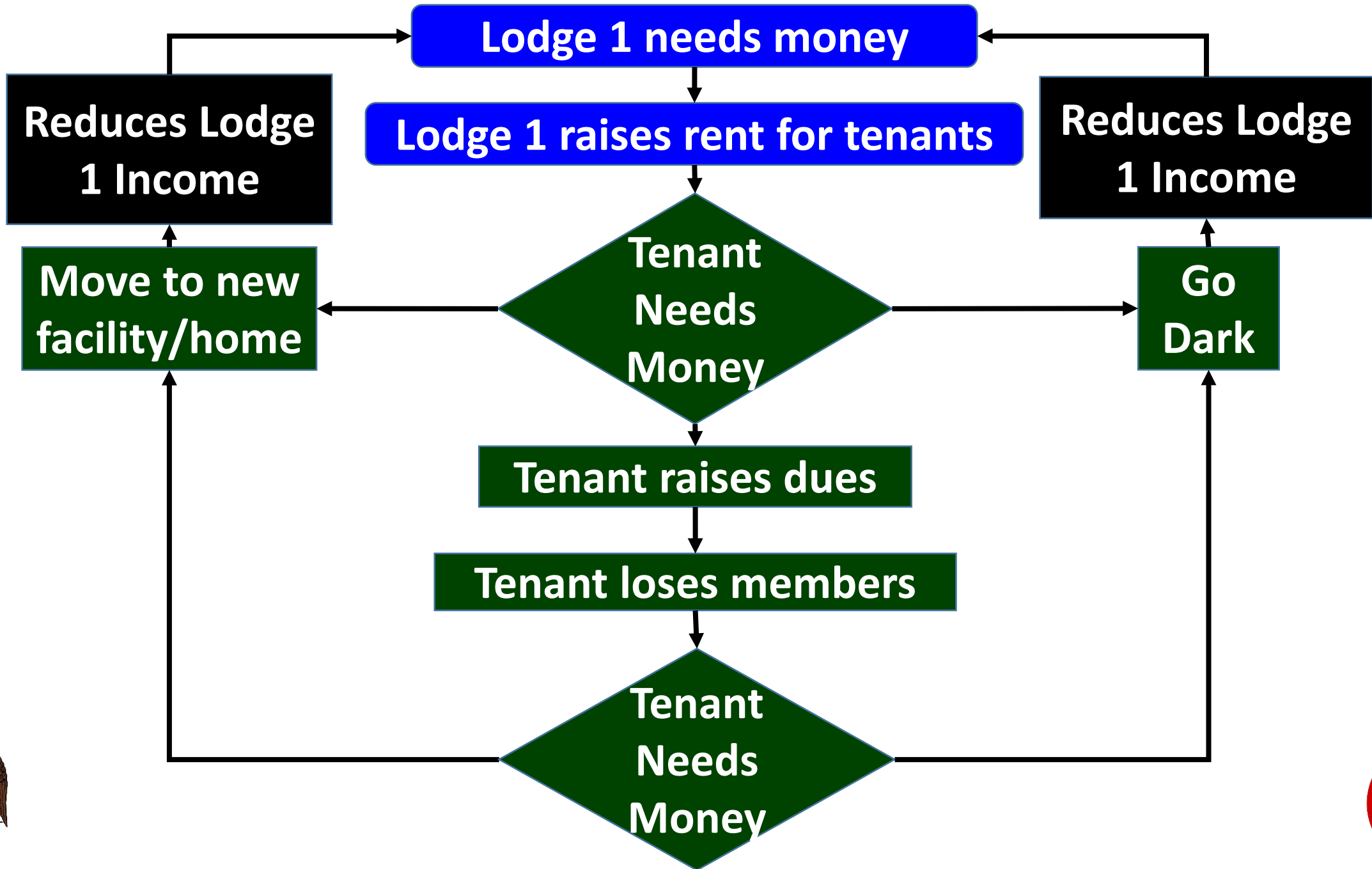
Council **\$25**

Commandery **\$25**

Eastern Star **$\$25 \times 2 = \50**

YOUR TOTAL DUES $\uparrow =$ **\$137**





**Owners
Budget**

Description	Quantity	Unit Rate	Total
Net dues-paying members	85	50	4,250
Rent	4 x 12	200	9,600
Fees			
Donations & Fund Raisers	2	100	100
Total Revenue			13,950
Utilities	12	500	6,000
Office supplies	4	125	500
Membership Supplies		250	250
Upkeep/Maintenance	12	250	3,000
Custodial	12	200	2,400
Per capita	90	18	1,620
Food & Programs	12	100	1,200
Total Expenses			14,970
Net Gain/(Loss)			(1,020)
Dues Increase to Meet Expenses		1,020 ÷ 85 =	12.00

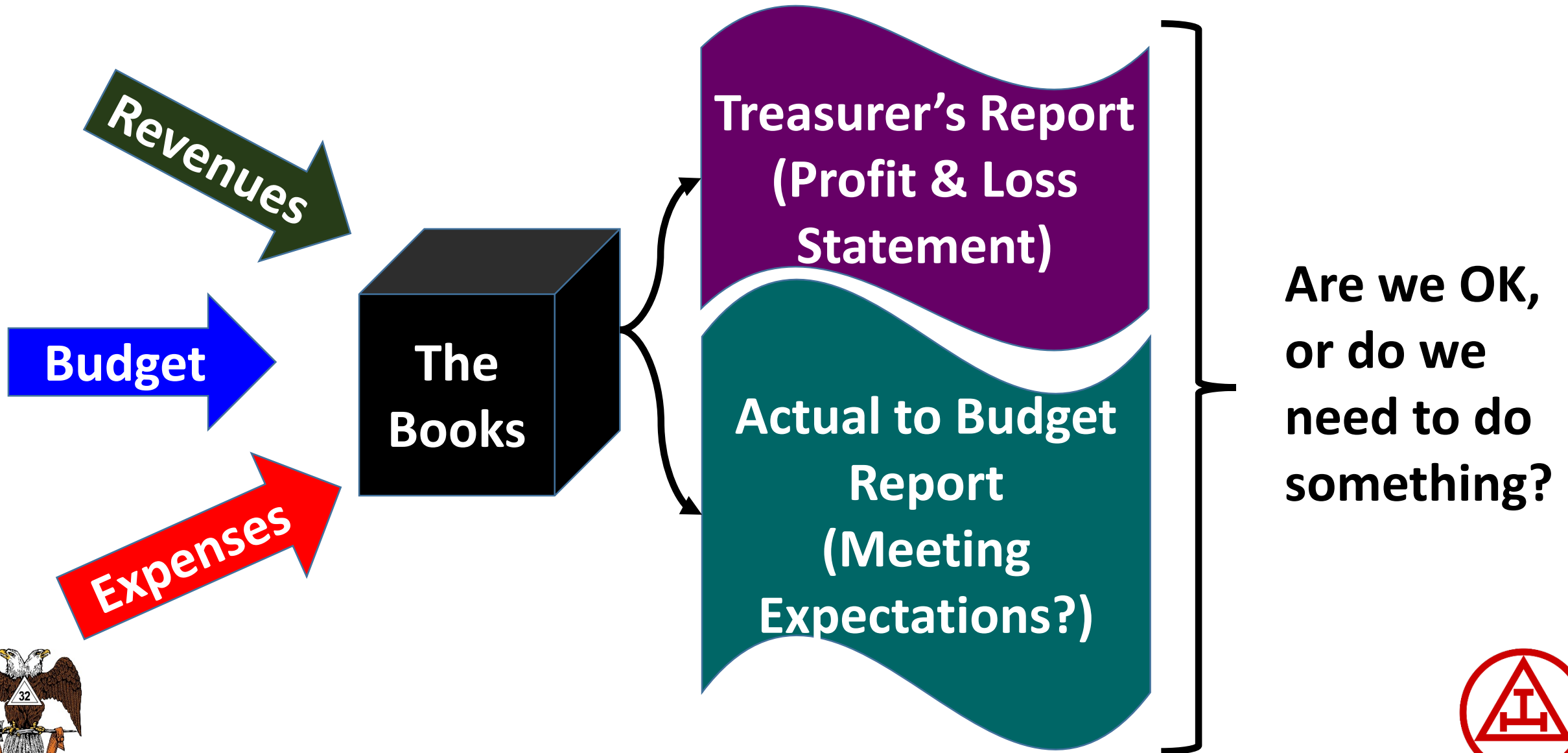


**Renters
Budget**

Description	Quantity	Unit Rate	Total
Net dues-paying members	85	50	4,250
Fees			
Donations & Fund Raisers	2	100	100
Total Revenue			4,350
Rent	12	200	2,400
Office supplies	4	125	500
Membership Supplies		250	250
Upkeep/Maintenance			
Per capita	90	18	1,620
Food & Programs	12	100	1,200
Total Expenses			5,970
Net Gain/(Loss)			(1,620)
Dues Increase Plus Cushion		1,620 ÷ 85 :	19.06 ≈ 25.00



Analyzing What's Happening



Description	Quantity	Unit Rate	Total	Budget	Year to Date Actual (6 mos)	Year to Date Percent
Net dues-paying members	85	50	4,250	4,250	4000	0.94
Fees	4	50	200	200	100	0.50
Donations & Fund Raisers	2	100	100	100	75	0.75
Total Revenue			4,550	4,550	4,175	0.92
Rent	12	175	2,100	2,100	1050	0.50
Office supplies	4	100	400	400	250	0.63
Membership Supplies		250	250	250	200	0.80
Upkeep/Maintenance						
Per capita	90	18	1,620	1,620	1620	1.00
Food & Programs	12	75	900	900	510	0.57
Total Expenses			5,270	5,270	3630	0.69
Net Gain/(Loss)			(720)	(720)		
Shortfall per Member			(8.47)			

Considerations ...

- Raising the rent on other Masonic organizations is like playing Russian Roulette with an automatic ... you always lose.
- Being visible and demonstrating Masonic principles in public is not “advertising for members.”
- Cutting the budget for family and social activities sends a negative message.
- Delaying upkeep, allowing facilities to deteriorate, and not keeping facilities clean and neat is ultimately more expensive and creates a very negative image.
- “Passing the hat” is an additional “tax” on those who attend meetings; and it drives them away.
- A collaborative approach to financial shortfalls can be fruitful for all concerned.



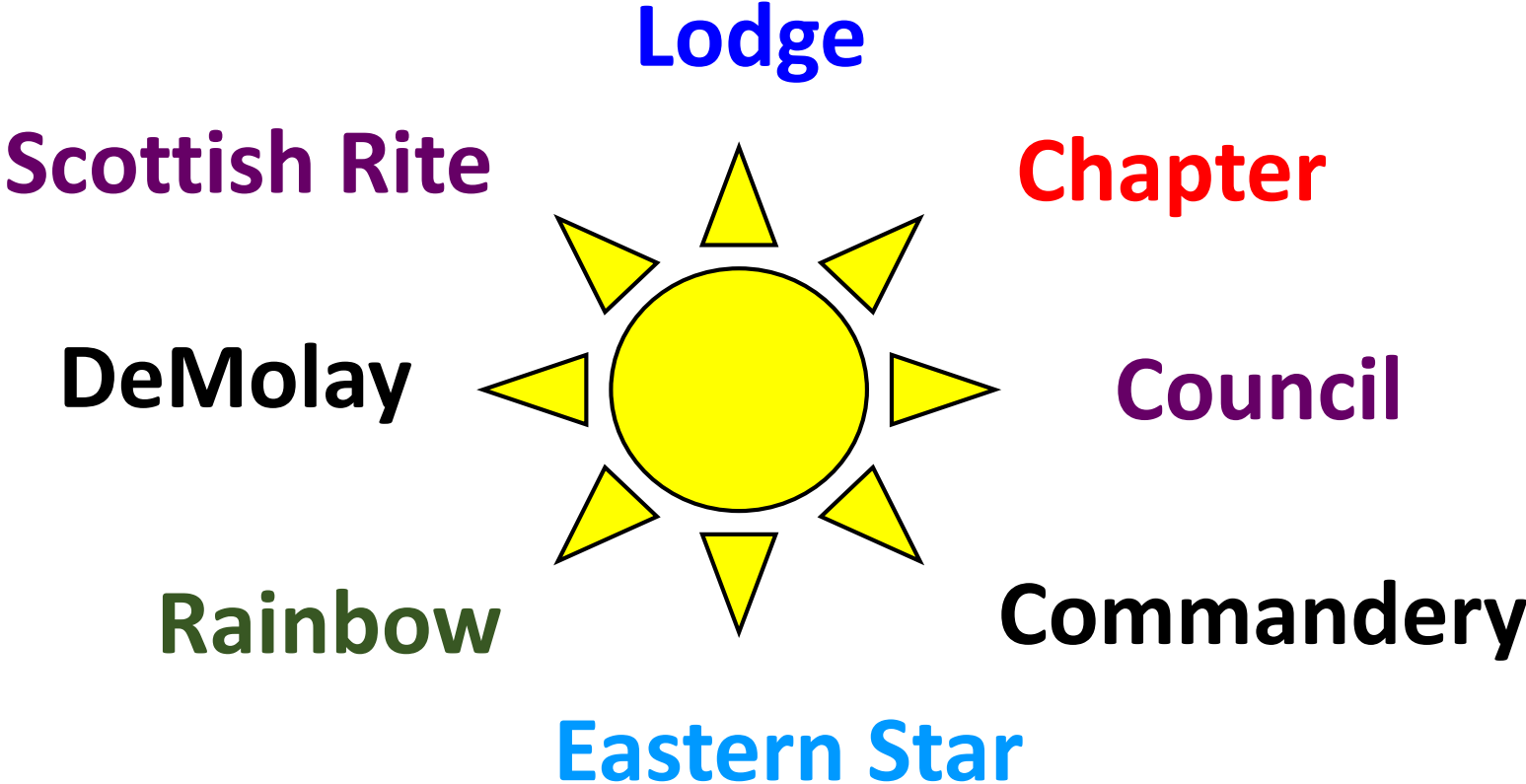
More Considerations ...

- Consider the total amount of Masonic dues paid by members of the organizations meeting in the facility.
- Consider the number of activities members are “expected” to attend, i.e., stated meetings, called meetings, practices, and other activities.
- Consider the contribution “expected” of members in both time and money.
- Consider the VALUE received by members in return for their dues and participation.

CONSIDER WAYS TO RAISE VALUE RECEIVED AS MUCH AS DUES AND FEES ARE BEING RAISED.



Who's In The Game?



A Collaborative Approach

- Hold an open house meeting to discuss the financial situations of all of the Masonic organizations that use the facility.
- Develop a prioritized list of maintenance tasks and their estimated costs.
- Develop a joint list of actions to alleviate issues for each of the Masonic bodies.
- Commit each Masonic body to collaborate to solve everyone's issues together.



Building Collaboration

Lodge 1 needs funds for building

Lodge 1 calls Town Hall Meeting

All Tenants raise issues and pose solutions

All Tenants collaborate on Joint Plan of Action

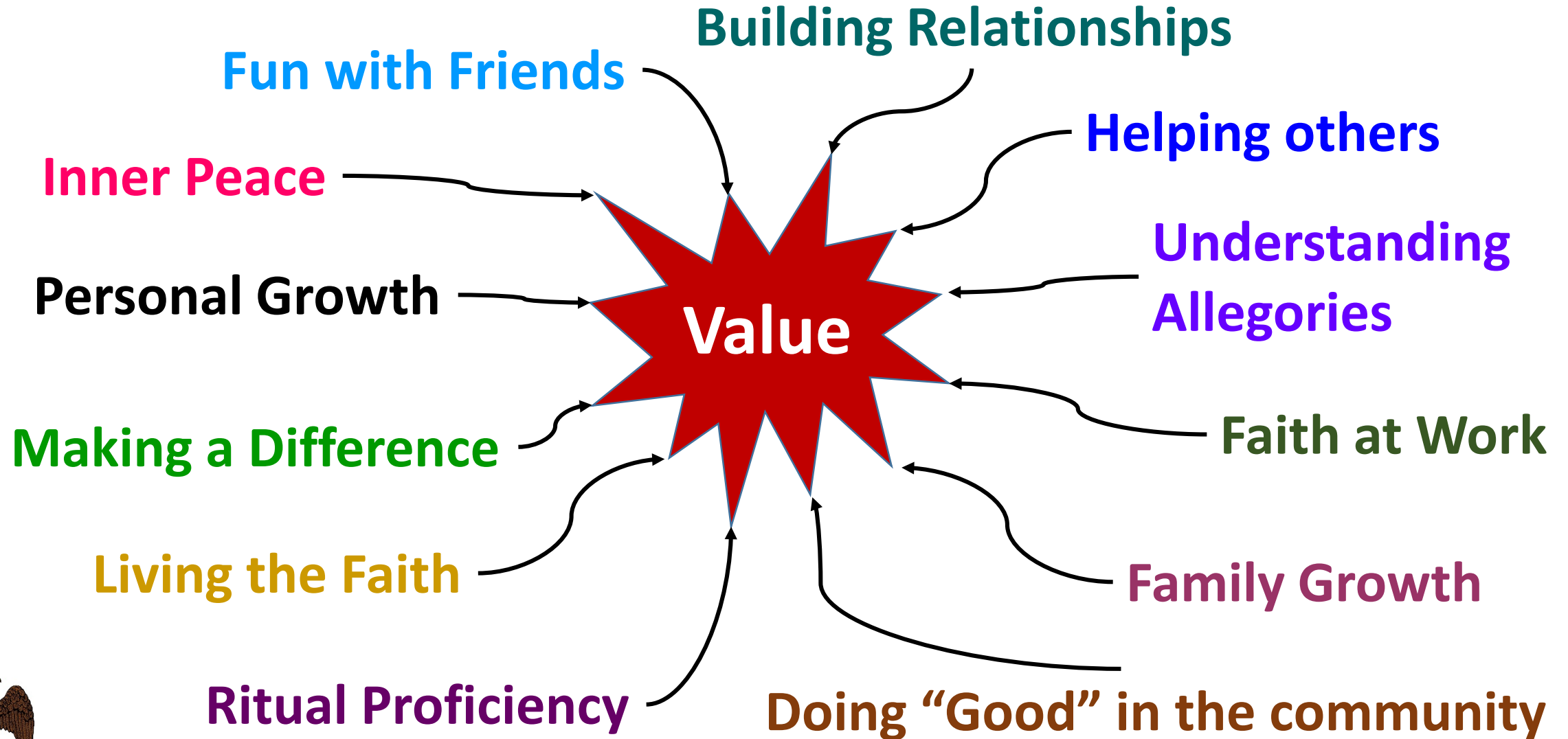
All Tenants support each other in executing the Joint Plan of Action

JOINT ACTION PLAN

- Delivering value to members and non-members.
- Membership (active and inactive).
- Dues and fees.
- Activities (meetings, family, fund raising, and youth) and calendars.
- Communications (joint newsletter, linked web pages, etc.).
- Engagement outside of the Masonic community.



Let's Define "Value"



What Is “Value-Add”?

- Sponsor a youth team (one that doesn't keep score).
- Adopt-a-Highway.
- Collaborate with local churches on programs on the Constitution and Bill of Rights.
- Adopt-a-School.
- Build a small neighborhood park on a vacant lot.
- Help rebuild a historic site.
- Host / create a senior center.
- Sponsor a Cub Scout or Brownie troop.



What Is “Value-Add”?

- Sponsor licensed elder care in the community.
- Provide programs at a senior center.
- Provide firearms safety and concealed carry instruction for members and family members.
- Initiate “1 Change” program in the community.
- Create a program to recognize veterans and connect them with schools and youth.
- Become involved in programs for veterans with disabilities.
- Participate in voter registration programs.



What Is “Value-Add”?

- Participate in Coats for Kids program.
- Provide / sponsor patriotic education camps for school students.
- Provide childcare during meetings and activities.
- Adopt a park.
- Join with a local civic organization to sponsor a community event.
- Sponsor a booth at a local festival.
- Sponsor/host a series of one-act plays or community theater plays.
- Co-sponsor vocational training classes.

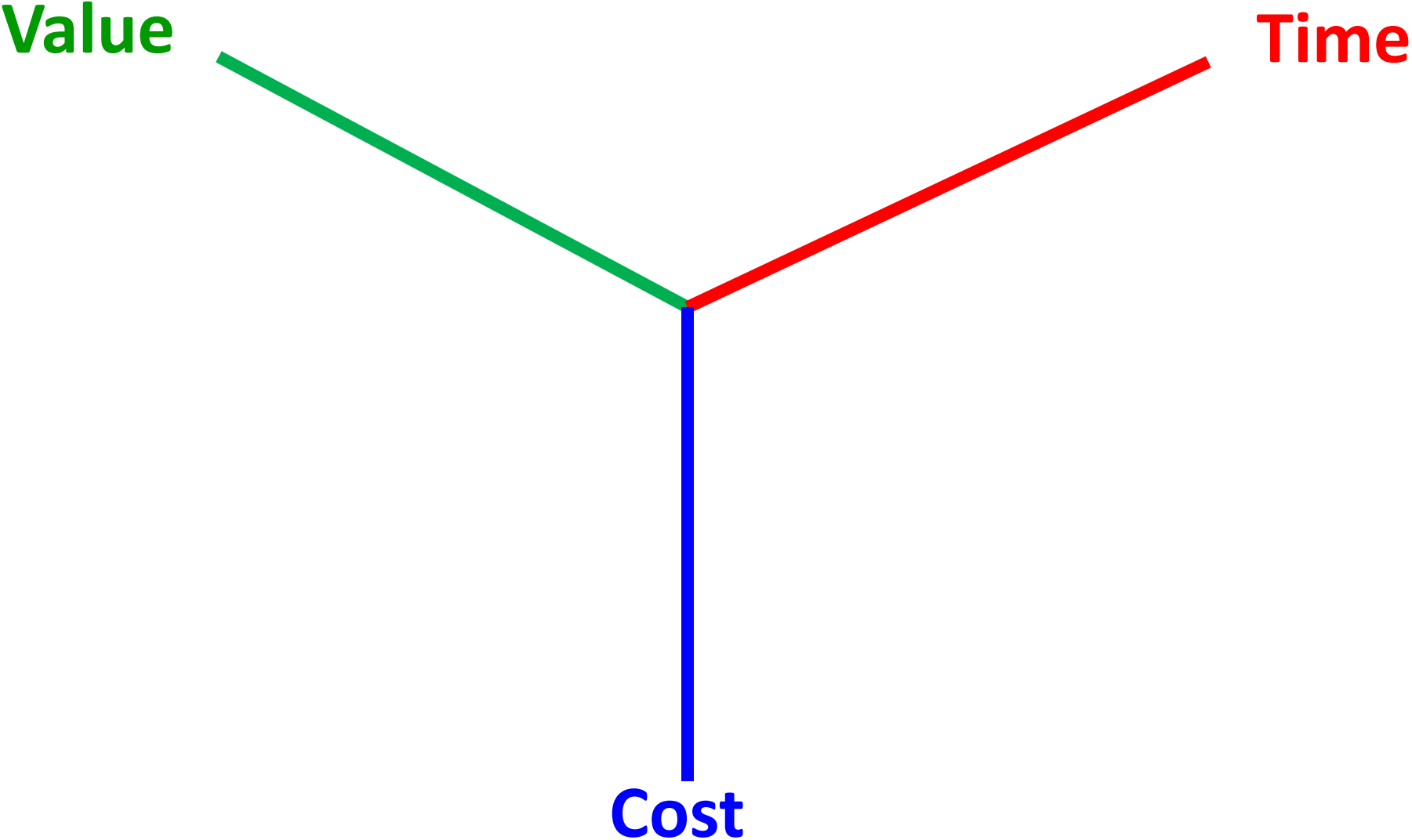


What Is “Value-Add”?

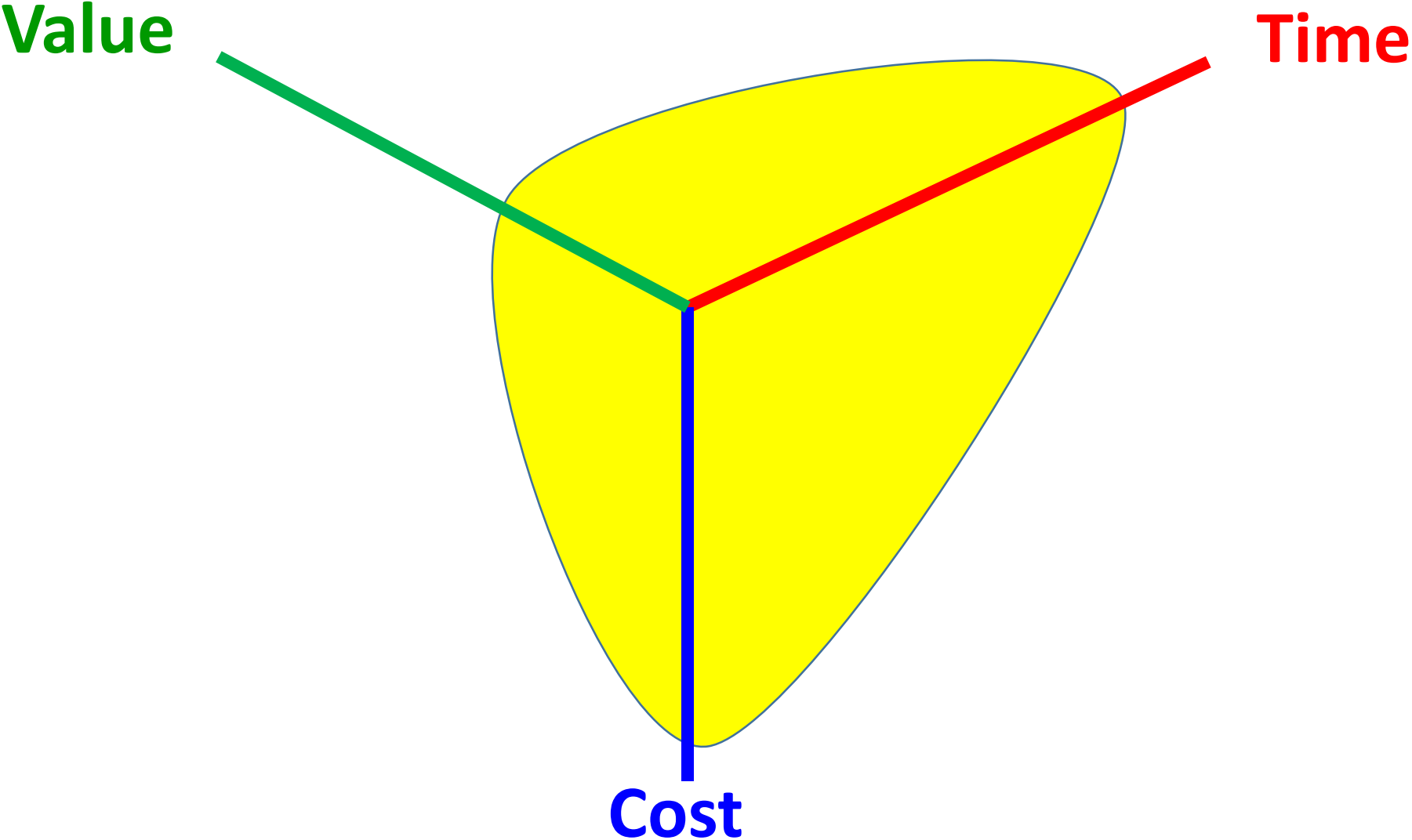
- **Participate in patriotic programs in the community.**
- **Sponsor licensed childcare or afterschool care in the community.**
- **Participate in local food bank activities.**
- **Start a civic leadership development program.**
- **Sponsor / host a series of health programs with the local public health department.**
- **Sponsor an annual recognition program for First Responders.**
- **Build a sports field or complex for youth athletics such as soccer or softball.**



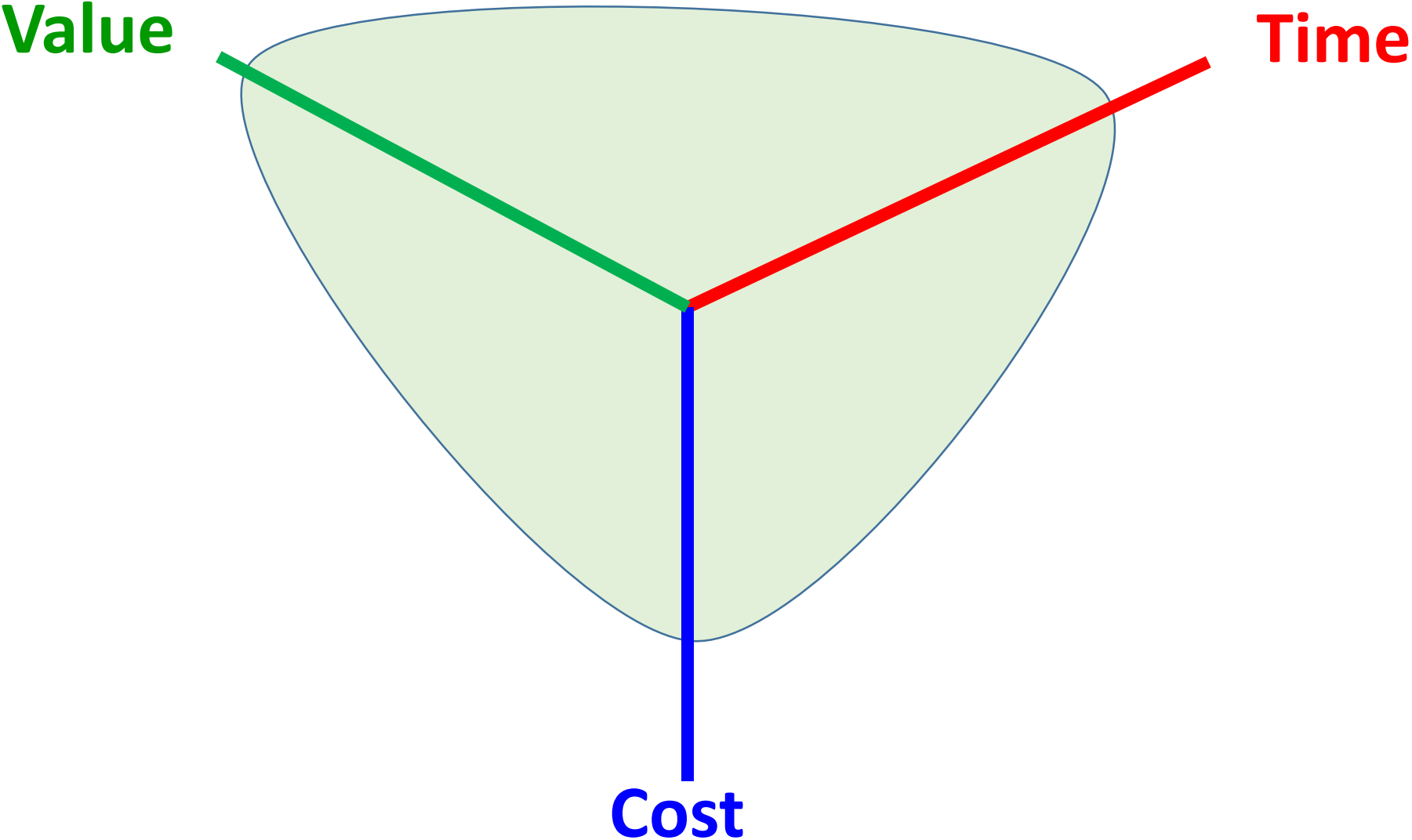
Balancing Value, Time Commitment and Cost



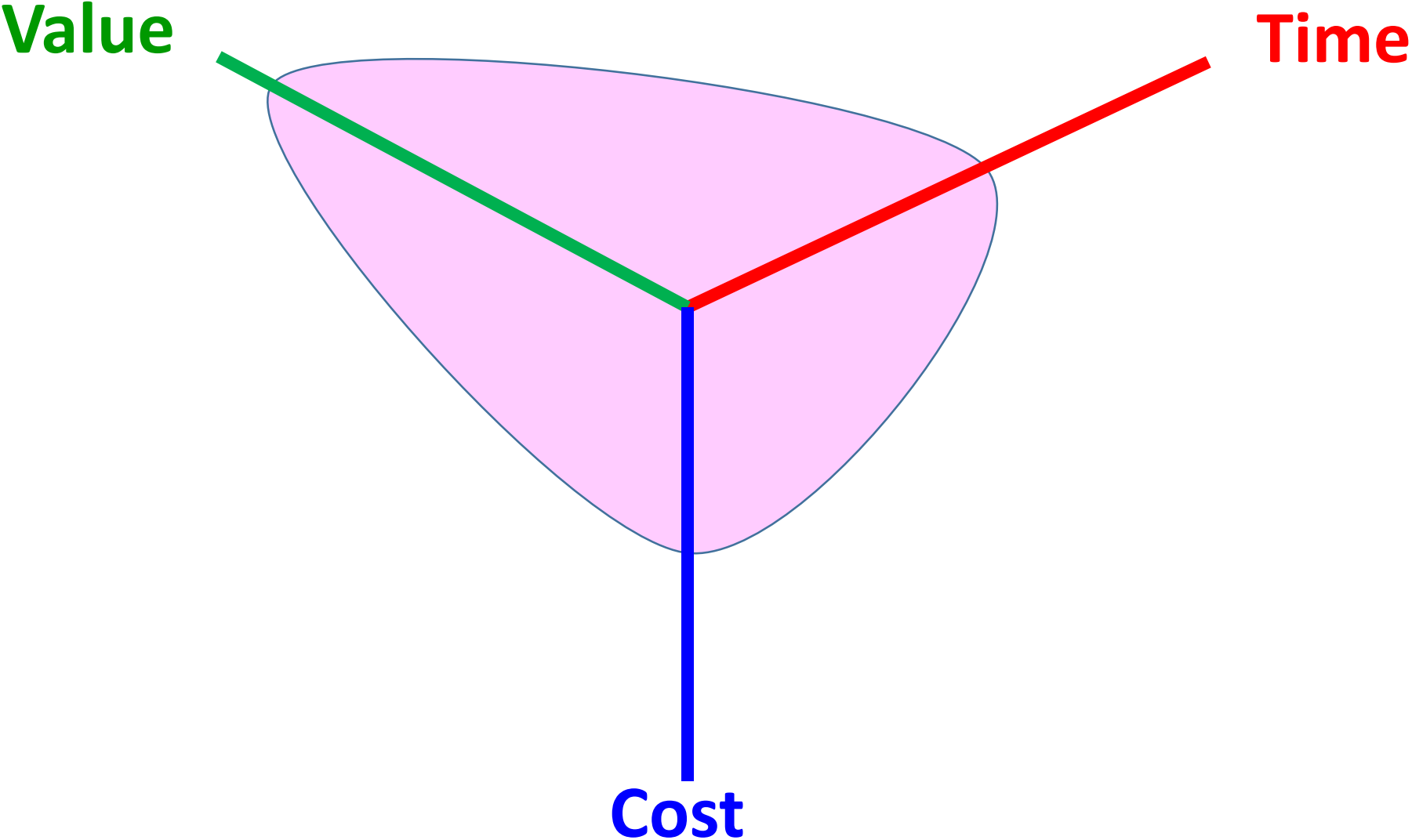
Balancing Value, Time Commitment and Cost



Balancing Value, Time Commitment and Cost



Balancing Value, Time Commitment and Cost



Why the Emphasis on Value?

**New
Members
Join**

**New
Members
Don't
Find
Value**

**New
Members
Lose
Interest**

**New
Members
Stop
Coming**

**New
Members
Drop Out**

**Former
Members
Don't
Inspire
Others**

**New
Members
Join**

**New
Members
Find
Value**

**New
Members
Increase
Interest**

**New
Members
Engage
More**

**New
Members
Exemplify
Masonry**

**New
Members
Inspire
Others to
Inquire**



Summary

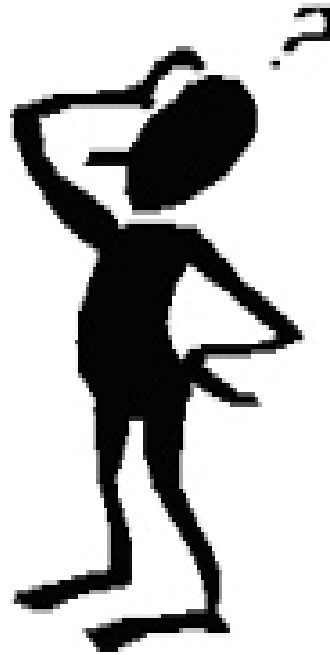
- Most Masonic organizations and facilities need of financial “help.”
- Many Masonic facilities need of repairs, upkeep, & general cleaning.
- Some members question the value they receive from the memberships they hold and the dues they pay.
- Careful financial analysis can indicate opportunities to “fix” financial problems.
- Collaboration with other Masonic organizations is important.
- **Nothing matters more than the VALUE members receive from belonging and participating.**



Objectives

- Learn how to develop a budget.
- Learn how to analyze budget.
- Discuss options to deal with budget shortfalls.
- Encourage sound financial management.
- Encourage emphasis on delivering value to members and non-members.
- Encourage collaboration among Masonic and affiliated bodies.





Thank you for attending!

The AUSTIN VALLEY, AASR, and the GRAND ROYAL ARCH CHAPTER OF TEXAS hope this presentation will be helpful to you and your organizations.

