

Creating a Team Budget and Tracking Process for *FIRST* Teams

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Why A Team Budget?

- o BUDGET is not a 4 letter word
- o Budgets allow you to
 - o Make estimates of your expected income and expenses
 - o Make decisions on how to use limited resources on unlimited wants and desires
 - o Set priorities and assure the most important needs are met
 - o Create goals for fundraising and income generation
- o For long term sustainability
 - o $(\text{Income} + \text{Resources} + \text{Savings}) - (\text{Spending}) > \0

How to Start? - Goals

- o Set some goals / make philosophy decisions
- o Potential Goals
 - o Student fees will be <\$250
 - o You will save \$5000 over a 2 year period
 - o You will build 2 robots
 - o You will support 3 LEGO teams
 - o You will purchase a new drill press
 - o You will fund a \$1000 Senior Scholarship
 - o Attend CHP
 - o Other ideas?
- o *Do this BEFORE you start making spreadsheets!*

How to Start? - Income

o Potential Income Sources

- o Existing Funds
- o Major Sponsors with High Probability of return
- o Student Fees
- o Grants
- o Local Sponsors
- o Potential New Sponsors
- o In-Kind Donations
- o Special Events Income
 - o Dinner Fund Raiser, Car Wash, Working Concessions, Auction
- o Product Vouchers (only include ones you will use!)
- o Other ideas?

How to Start? - Expenses

- o Potential Expense Sources
 - o Entry Fee
 - o Shirts
 - o Robot Materials
 - o Tools
 - o Consumables (Drill Bits, Saw Blades, etc.)
 - o Build Season Meals and Snacks
 - o Travel Expenses (Bus, Hotels, Meals)
 - o Support for other programs (FLL, FTC)
 - o Team Scholarship
 - o Savings
 - o Other Ideas?

How to Start? - Baseline

- o Set Up A Baseline Budget
 - o Excel, Numbers, Google Sheets, etc.
- o List Income Sources
 - o Name, Expected Date, Amount
 - o For Student Fees, Indicate Number of Students
- o List Expenses Sources
 - o Name, Expected Date, Amount, Priority
 - o 1 = Critical
 - o 2 = Good to Have
 - o 3 = Lowest Priority
- o Compare Income v. Expenses
- o Compare Cash Flow (Timing)

How to Start? – What if...?

- o Compare Income v. Expenses
 - o How do they compare
 - o Reasonableness
 - o Where are risk areas
 - o If you are underfunded, what are some opportunities?
 - o Income increases
 - o Expense reductions
 - o Make changes and adjustments until you have an acceptable plan
 - o “I Hope” is not an acceptable plan!

Sample – First Pass

Team 9999 - Tentative Budget - 2016-2017				Income - Expenses				\$5,370		
Total Expected Income (Sum Line 1 - 15)				\$22,700	Total Expected Expenses (Sum Line 1 - 15)				\$17,330	
		Level	#			P	Level	#		
1	Existing Funds			\$2,200	1	Entry Fees	1		\$5,000	
2	Corporation 1			\$5,000	2	Entry Fee - District CHP	2		\$5,000	
3	Corporation 2			\$2,000	3	Shirts (Student + Mentors)	2	\$12	40	\$480
4	Student Fees	\$250	30	\$7,500	4	Robot Materials	1		\$1,500	
5	Special Grant			\$2,500	5	New Battery Drill	1		\$100	
6	Small Sponsors	\$100	10	\$1,000	6	Consumable Tools	1		\$50	
7	Company 1 Materials			\$200	7	Saturday Snacks	2	\$50	6	\$300
8	Dinner Event at Chicago Pizza			\$150	8	Fuel for Drivers to Events	1	\$100	3	\$300
9	Concession Stand at Football Game			\$150	9	FLL Team Materials	1		\$500	
10	AM Product Voucher			\$450	10	Team Scholarship	2		\$1,000	
11	Bimba Product Voucher			\$50	11	Savings Goal *	2		\$2,500	
12	Current Savings*			\$1,500	12	FRC CHP (if qualify)			\$0	
13	Next			\$0	13	FRC CHP Transportation			\$0	
14	Next			\$0	14	FRC CHP Hotels			\$0	
15	Next			\$0	15	Off-Season Events	1	\$300	2	\$600

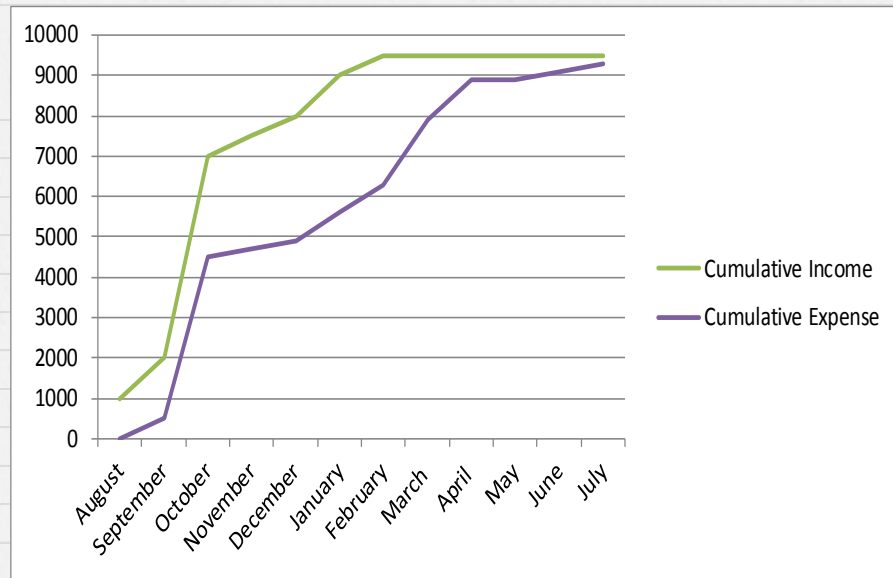
First pass looks good, confirm everything captured.

Next Step – Cash Flow

- o Capture when the income and expenses are expected
- o Is Cumulative Income always greater than Cumulative Expenses?
- o Can you have a negative balance in the account?
- o Can you use credit cards to delay payment for 30 days?

Cumulative Cash Flow

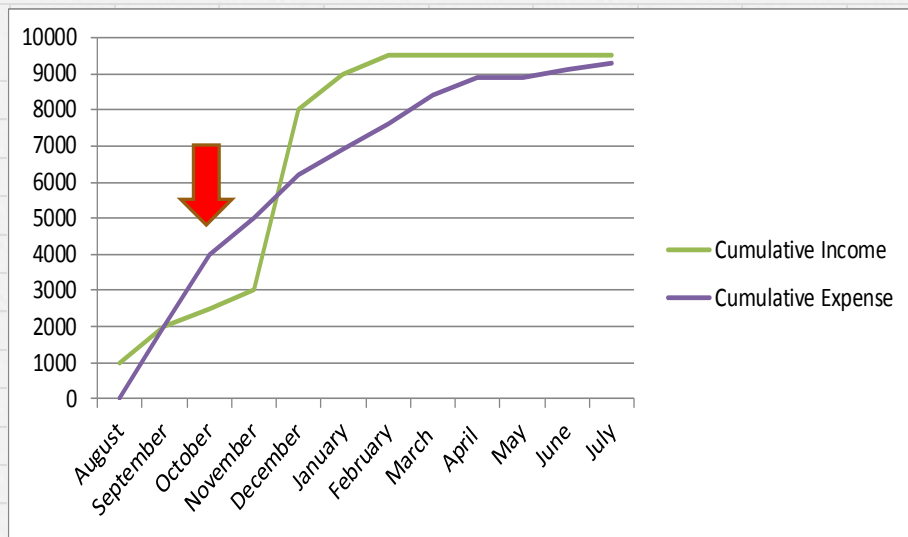
	Income	Expense	Cumulative Income	Cumulative Expense
August	1000	0	1000	0
September	1000	500	2000	500
October	5000	4000	7000	4500
November	500	200	7500	4700
December	500	200	8000	4900
January	1000	700	9000	5600
February	500	700	9500	6300
March	0	1600	9500	7900
April	0	1000	9500	8900
May	0	0	9500	8900
June	0	200	9500	9100
July	0	200	9500	9300



This Cash Flow plan shows Income is always above Expenses – GOOD!

Cumulative Cash Flow

	Income	Expense	Cumulative Income	Cumulative Expense
August	1000	0	1000	0
September	1000	2000	2000	2000
October	500	2000	2500	4000
November	500	1000	3000	5000
December	5000	1200	8000	6200
January	1000	700	9000	6900
February	500	700	9500	7600
March	0	800	9500	8400
April	0	500	9500	8900
May	0	0	9500	8900
June	0	200	9500	9100
July	0	200	9500	9300



This Cash Flow plan shows Income is below Expenses for several months – NOT GOOD! – A plan is needed to address this.

Next Step – Keep Track!

- o Create another spreadsheet to track it
- o Capture income as it happens
- o Capture actual expenses as they occur
- o Keep track of your balance
- o Have a plan to cover short term shortfalls
- o Keep key people informed

Tracking File

Tracking "CheckBook"						
	Date	Source	Description	Income	Expense	Balance
1	10/01/16	School Account	Starting Balance			\$2,500
2	10/01/16	Corporation 1	Sponsorship	\$5,000		\$7,500
3	10/05/16	Lowes	New Drill		\$50	\$7,450
4	10/15/16	SHS - Team 1529	CAGE Entry		\$250	\$7,200
5	10/20/16	Donatos	Pizza for Team		\$57	\$7,143
6	10/20/16	FIRST	Entry Fee	\$0	\$5,000	\$2,143
7	10/21/16	Joes Machine	Sponsorship	\$250		\$2,393
8	10/22/16	Chicago Pizza	Fundraiser	\$150		\$2,543
9						\$2,543
10						\$2,543
11						\$2,543
12						\$2,543
13						\$2,543
14						\$2,543
15						\$2,543



Open Discussion

Closing

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