

SNOWDEN OVERLOOK COMMUNITY ASSOCIATION, INC.

POLICY RESOLUTION NO. 2017-_____
BUDGETING FOR COMMUNITY ACTIVITIES

BECAUSE:

- It is a goal of the association to promote maximal use of its facilities for social activities for the benefit of the residents of Snowden Overlook.

- The SOCA budget, starting in 2017, provides four categories of projected social expenses:

Supplies: Reusable items, such as game components,

Consumables: Covering all events and activities,

Events: Usually small and repeating, with no admission fee,

Activities: Major events for which fees are usually charged.

- The SOCA budget also includes an amount for estimated event income (admission fees received from residents for attending Activities).

- The Activities account is the only social account that generates income, and that income can be controlled through activity scheduling and the setting of admission fees.

- As a result, the board regards all event income as applicable to the Activities account.

- The budget therefore creates an implied Activity subsidy equal to the budgeted Activity expenses minus the budgeted income from events.

- There has been uncertainty about how the board intends the social accounts to be used by the Lifestyle Coordinator and the Social Committee.

THEREFORE, the following policies are adopted by the SOCA Board:

1. The board intends that the first three social expense accounts listed above (Supplies, Consumables, and Events) be treated as normal budgeted expenses. The budgeted Activity account, however, is regarded as having a subsidy equal to the budgeted Activity expenses minus the budgeted event income. [Note: In the event that expenditures for the first three social categories (Supplies, Consumables and Events) differ significantly from the budget during the year, the board may elect to compensate by changing the budgeted expenses (and thus subsidy) available to Activities for the remainder of the year.]

2. The Activity account shall be managed with the primary goal of staying within the budgeted level of Activity **subsidy** each year. (The Activity subsidy is equal to the budgeted Activity expenses minus the budgeted event income.) The budgeted expenses for Activities are to be regarded as a rough

estimate and not as a target or limitation. They will not be the controlling factor in managing this account.

That is, the board authorizes the Lifestyle Coordinator, and the Social Committee which she chairs, to plan activities and set admission fees with the goal of using no more than the Activity subsidy for the year. It is understood that this may result in total expenditures for Activities that are higher or lower than the budgeted expense amounts. If Activities expenditures exceed the budgeted amount, however, the amount of overage should be offset by a similar overage in income from activities. That is, **Activity expenditures during a year may exceed the budgeted amount, provided that the subsidy for Activities is not significantly exceeded.**

3. The board is to be consulted by the Lifestyle Coordinator at least 60 days before any scheduled Activity that is expected, itself, to require a subsidy exceeding \$500. That is, the board must be consulted on any individual planned Activity for which costs are projected to exceed projected admission fee income by more than \$500. Board approval is required for all such activities.

4. The new year's eve activity is subject to the additional requirement that its subsidy may not exceed 50% of its total cost without an exception granted by the board. That is, the New Year activity's income from admission fees must cover at least half of its cost.

5. Management is to provide the Lifestyle Coordinator and the Social Committee with simple tools for tracking actual and projected Activity subsidy utilization and to review their decisions and plans to advise them and the board of the likely utilization of budgeted subsidy by the end of the year. It will also track Supplies, Consumables and Events expenditures to alert the board if they appear unlikely to stay within budget by the end of the year.

See attached analysis of the 2017 social budget as a guide for applying this policy.


This policy resolution is adopted by the board of directors at its meeting of

April 24, 2017 and is effective upon adoption.

Snowden Overlook Community Association, Inc.

President

Attest:


Secretary to the Board of Directors

Date: 4/24/17

SNOWDEN OVERLOOK COMMUNITY ASSOCIATION. INC.

2017 BUDGETING FOR COMMUNITY ACTIVITIES

EXPENSES: The budget provides four categories of projected social expenses (with account numbers in parentheses):

\$1,000: (60127) Supplies
\$2,000: (60128) Consumables
\$5,200: (60129) Events
\$40,000: (60130) Activities

\$48,200: Total Social Expenses

INCOME: The budget includes \$17,500 for estimated event income (account 43100). The board regards all such income as attributable and applicable to the Activities account only.

ACTIVITIES SUBSIDY: The 2017 budget creates an implied Activities subsidy equal to the difference between budgeted Activities expenses and budgeted event income:

\$40,000 expense - \$17,500 income = \$22,500 subsidy.

BUDGET MANAGEMENT:

The Lifestyle Coordinator and the Social Committee shall plan activities and set admission fees with the goal of using no more than the subsidy allocated to Activities: \$22,500.

It is understood that this may result in total Activities expenditures that are higher or lower than the budgeted amount. That is, the Activities expense budget of \$40,000 may be exceeded, provided the budgeted event income of \$17,500 is also exceeded by about the same amount. This will have the result that the 2017 budgeted Activity subsidy of \$22,500 will not be significantly exceeded.

See following spreadsheet for one approach to monitoring social subsidy expenditures through the year.

Annual Budget:

Event Income (43100): \$17,500

Community Activities Expenses (60130): \$40,000

ACTIVITY SUBSIDY: Annual = \$22,500 Monthly Average = \$1,875

Yellow = Entered Data

Month	Month #	Cum Budget Income	Cum Budget Expense	Cum Budget Subsidy	Actual Income*	Cumulative Income	Actual Expenses**	Cumulative Expenses	Actual Subsidy	Cumulative Spent Subsidy	Cumulative Budget-Spent Subsidy Balance
January	1	\$1,458	\$3,333	\$1,875	\$4,020	\$4,020	\$3,783	\$3,783	-\$237	-\$237	\$2,112
February	2	\$2,917	\$6,667	\$3,750	\$740	\$4,760	\$1,096	\$4,879	\$356	\$119	\$3,631
March	3	\$4,375	\$10,000	\$5,625	\$715	\$5,475	\$1,275	\$6,154	\$560	\$679	\$4,946
April	4	\$5,833	\$13,333	\$7,500							
May	5	\$7,292	\$16,667	\$9,375							
June	6	\$8,750	\$20,000	\$11,250							
July	7	\$10,208	\$23,333	\$13,125							
August	8	\$11,667	\$26,667	\$15,000							
September	9	\$13,125	\$30,000	\$16,875							
October	10	\$14,583	\$33,333	\$18,750							
November	11	\$16,042	\$36,667	\$20,625							
December	12	\$17,500	\$40,000	\$22,500							

* Acct 43100, Current Month Actual Event Income from Income/Expense Statement.

** Acct 60130, Current Month Actual Community Activities expenses from Income/Expense Statement

Community Activities Cumulative Subsidy Budget and Actual

