
Canadian Journal of Volunteer Resources Management

Le journal canadien de gestion des bénévoles

Volume 9.2



FINANCIAL MANAGEMENT










LA GESTION FINANCIERE

Sponsor
commanditaire



Canada Agricole
et Pêcheur
du Québec

TABLE OF CONTENTS

	EDITORIAL Shirley Jenkins, <i>Ontario</i>	
	FINANCIAL MANAGEMENT Nicole Dufresne-Baker, <i>Ontario</i>	3
	LA GESTION FINANCIÈRE Nicole Dufresne-Baker, <i>Ontario</i>	8
	FINANCIAL MANAGEMENT ISSUE Kelvin Chin, <i>Ontario</i>	14
	MANAGING ON A SHOESTRING Tanzeem Kassam, <i>British Columbia</i>	16
	MISE EN PLACE D'UN BUDGET POUR UN SERVICE DE GESTION DES RESSOURCES BÉNÉVOLES : PLUS D'ENJEUX QU'ON LE CROIRAIT À PREMIÈRE VUE! Marjolaine Lalonde, <i>Québec</i>	19
	SETTING-UP A BUDGET FOR VOLUNTEER MANAGEMENT: MORE THAN MEETS THE EYE! Marjolaine Lalonde, <i>Québec</i>	23
	ARE YOUR VOLUNTEERS A GOOD INVESTMENT? Judy Lister, <i>Manitoba</i>	27
	BOOK REVIEW Mireille Roy, <i>Ontario</i>	30

Guidelines, themes and deadlines are located on the back page.

Published Quarterly Since 1992

Subscriptions can be sent to:

The Journal of Volunteer Resources Management
1310 Upper Dwyer Hill Road

RR #2, Carp, Ont., Canada K0A 1L0

Send all correspondence to the above address.

Phone (613) 256-5516 • Fax (613) 256-0902

Editorial Team

Chris Jarvis

Shirley Jenkins

Ginette Johnstone

Lynne Whitehead

Carol Anne Clarke

Laura Kelly

Sponsored By

Canadian Administrators
of Volunteer Resources

ISSN 1192-1676

We invite submissions.

jcinc@jcinc.ca

*Typeset and Printed in Ottawa at
Aarkade Design & Offset Printing Inc.*

No part of this publication may be reproduced, in whole or in part, without written permission from the Editorial Team. All articles are the express opinion of the author(s) and do not necessarily reflect the views of the publisher or the Editorial Team. The Publisher and the Editorial Team assume no responsibility for unsolicited manuscripts. Letters commenting on articles are welcome, but may be edited for brevity and clarity.

It has often been difficult to quantify the true value that volunteers bring to organizations and the community as a whole. Many of us in the field of management of volunteers tend to focus on the “fuzzy” aspects when looking at benefits and find it difficult to attach a dollar value to the volunteer service. In today’s climate of amalgamations, restructuring and downsizing, the time may be here to adopt the talk of the business sector if we want the volunteer sector to be recognized for its true value. Rightly or wrongly, what is important to the business sector is the “bottom line”. The volunteer sector also needs to focus on cost – effectiveness. As professionals, I believe that we can do this without devaluing the many outstanding benefits volunteers bring and also protect our volunteers from being exploited for their cost saving benefits.

In this edition of the Journal we provide an array of articles around financial management. Nicole Dufresne-Baker tells us why financial management is important in the not-for-profit sector and discusses important information to gather when looking at financial management. Judy Lister rationalizes whether volunteers are a good investment or not by balancing costs of training, reimbursements, recognition, etc. versus services volunteers provide. Tahzeem Kassam provides insight regarding managing on a shoestring and even gives us ideas for day to day money saving. Marjolaine Lalonde gives us good food for thought in her tips and tools approach to “Setting –up a Budget for Volunteer Management: More Than What Meets The Eye.” Kelvin Chin presents us with an interesting solution to the problem of obtaining start-up money necessary for fundraising ventures.

As managers of volunteer services, it is vital that we deal with financial management wisely and effectively. We hope that this issue will provide you with valuable information on how to do just that.

Shirley Jenkins is a member of the Editorial Team.

FINANCIAL MANAGEMENT

by Nicole Dufresne-Baker

One of the basic elements of management is resource planning and administration. Good management means protecting the value of the organization’s assets by providing security and/or insurance or in the case of human resources, providing opportunities for professional development. It is important to use resources efficiently in order to minimize waste and avoid using up resources unnecessarily. This, in a nutshell, is financial management. Financial management focuses on protecting and maintaining the value of financial assets, that is, those assets that have a cash value or can be converted into cash such as buildings, equipment, supplies and investments.

Why is financial management important in the not-for-profit sector?

Generally when this topic is discussed, participants either respond negatively or skip it altogether. (It’s enough to give an accountant a complex!) Administrators have indicated that financial management is not important and have evoked several reasons:

- “We are not in the business of making a profit...”
- “Our funders have so much control there is little to manage.”
- “We have little money; not enough to go through the trouble...”
- “We have lots of money; we do not have a resource problem.”

All of these are reasons for instituting sound financial management practices as soon as possible. NPO’s may not be in the business of making a profit but they are not expected to lose money either. This is much like a card game called “Bugger Bridge”. At the beginning of each hand you have to predict how many tricks you will make based on the strength of your cards. If you make the number of tricks as planned your score is high. However, if you make too many or too few tricks you lose points. It takes careful planning and analysis of resources before committing to the number of tricks, not to

mention some canny card playing to ensure that you do end up with the number of tricks desired. NPO's face the same problem. They cannot overspend, nor do they want to spend less than was allocated either. Otherwise, they will end up with less funding the next year.

It is by administering resources and managing finances that you will be able to gain control of your situation. The information gleaned through financial analysis will give you the information needed to negotiate the next round of grants. When you provide compelling arguments along with a detailed and comprehensive financial analysis, your funder can only be impressed and is more likely to sit up and listen.

The biggest irony of it all is that those with the least are the ones that require the most effort to manage. The fewer resources you have, the more important it is to manage them more closely. So little can slip away so fast if you do not keep track of it.

Finally, as a contributor to various good causes, nothing insults a donor more than to be told that they have given so much that the organization does not feel the necessity to be diligent. This is the quickest way to see the number of donors and funders fall and the funds will dry up faster than a corn field in July.

Okay, so my organization should adopt sound financial management. What does that have to do with me and my services?

While most would agree that sound financial management is important to their organization they are not quick to take on the responsibility for it in their own realm of activity.

- "My service is key to our organization; it would never be cancelled and I can always get funds when I need them."
- "Finances are not my responsibility"
- "I don't understand the reports; it's too frustrating..."

There is an underlying disdain for finances in all of these comments and it usually stems from lack of understanding and training. Nevertheless, not knowing how your service is doing in relation to your plan and to the rest of the organization can be far more stressful than the exercise of obtaining and analysing the information. There are no guarantees that money will keep flowing. It is only by keeping abreast of the financial situation of your service that your organization can make an informed decision about its survival.

Even administrators who do not have spending authority need to know how their service fits into the overall picture. It is also important to provide the powers that be information that underlines the monetary value of your service. This can only be accomplished by knowing your own financial position. Keep in mind that even if the administrator's position is not evaluated based on budget performance the service certainly is.

The best thing the administrator can do to tame the financial management beast is to learn more about financial management. There are many courses available that address financial management for non-financial managers as well as various publications which can be found at your local book store.

I am convinced I should take some training and show more interest in financial management. What information should I be gathering and where will I get it?

In most cases, the information you need can be provided by the accounting or finance department of your organization. They should be able to provide reports upon request. Admittedly this can be a difficult process, particularly in organizations with a large bureaucracy. One must begin by asking. In some cases, it may be necessary to do your own record-keeping.

The first and most important thing to know is what revenues are generated by the service. This would include grants, user fees,

donations as well as donations-in-kind. Donations-in-kind are often forgotten since they may not be included in the books. Yet, they represent a real cost savings to the organization and should be included when evaluating a program. It also recognizes the resourcefulness of the administrator who has obtained these donations.

Revenue is then compared to the expenses incurred to deliver programs. Revenues should exceed the costs. If there is a shortfall that must be supplemented by general funds, the service becomes vulnerable to cutbacks or worse, cancellation.

Expenses can be divided into two types: direct costs and indirect costs. Direct costs are incurred each time a unit of service is provided; for example, food and supplies for children at a day camp. The cost would not be incurred if the unit of service was not provided. Indirect costs support the overall service and would be incurred regardless of the number of units of service; for example rental of camping grounds, maintenance and coordinator salary. The level of control on direct costs is greater; it is possible to increase or decrease the direct cost if the demand for services changes. Since direct costs are more sensitive to change, they are generally monitored more closely, at least on a month-by-month basis. On the other hand, indirect costs require more planning because it is difficult to make changes mid-course. They are monitored on a quarterly or semi-annual basis.

It is also worthwhile to compare revenues and expenses to the plan or budget. Discrepancies show how actual operations are different from the original plan and this will affect future actions. Adjustments to resources will be required, possibly cut backs or additional fundraising. Increases in costs may be an indication of an increase in demand for the services. This would require a review of services and a search for additional resources.

Where expenses fall short of budget, one should inquire as to whether there has been a reduction in the use of the services or that

there has been more efficient use of resources. It is important to determine the source of the decrease in costs because the former can lead to cancellation of the service while the latter can mean additional resources available to add services. Budget analysis should be done on a monthly basis.

Other possibilities for analysis include measuring the number of units of service provided and the cost per unit of service. All these analyses will help you understand the financial situation of your service better and help you develop stronger budgets in the next year.

The more you tame financial management the more control you will have on your service, whether resources are coming or going. As well as being in a better position to keep decision-makers informed of the value and benefit of your service it will show how well you are doing your job.

Nicole Dufresne-Baker, C.A. is the controller at Ritchie Feed & Seed Inc. in Ottawa, Ontario. As treasurer of a not-for-profit organization she has experienced first hand the importance of financial management. She is also the author of Taking Care of "Cash"ews; Financial Responsibilities of Boards (Board Series) and the financial management chapter of Management of Volunteer Services in Canada: the Text.



**We do take unsolicited manuscripts.
Please check our upcoming themes to see
if you would be interested in sending
us an article.**

LA GESTION FINANCIÈRE

par Nicole Dufresne-Baker

La planification et l'administration des ressources constituent un des éléments de base de la gestion. Une bonne gestion est synonyme de protection de la valeur des actifs de l'organisme en leur offrant sécurité et/ou assurance ou, dans le cas des ressources humaines, en donnant l'occasion aux employés de profiter d'un développement professionnel. Il est important d'utiliser les ressources de façon efficace afin de minimiser les pertes et d'éviter d'utiliser les ressources inutilement. Voilà, en quelques lignes, ce qu'est la gestion financière. La gestion financière concentre son activité sur la protection et le maintien de la valeur des actifs financiers, c'est-à-dire, de ces actifs qui ont une valeur monétaire ou qui peuvent être convertis en argent, comme les bâtiments, l'équipement, les fournitures et les investissements.

Pourquoi la gestion financière est-elle importante dans le secteur des organismes à but non lucratif?

En général, lorsqu'on discute de ce sujet, les participants ont une réaction négative ou s'abstiennent tout simplement de participer. (C'est en assez pour donner des complexes à une comptable!) Des administrateurs ont même laissé entendre que la gestion financière n'avait pas d'importance et il ont invoqué plusieurs raisons à l'appui:

- "Nous ne sommes pas là pour faire des profits..."
- "Nos bailleurs de fonds exercent un tel contrôle qu'il ne reste plus rien à gérer."
- "Nous avons peu d'argent, pas assez pour qu'il en vaille la peine..."
- "Nous avons beaucoup d'argent; aucun problème de ressources."

Tous ces commentaires sont des raisons justifiant l'instauration, le plus tôt possible, de saines pratiques de gestion financière. Les organismes sans but lucratif ne sont peut-être pas là pour faire des profits, mais on ne s'attend pas on plus à ce qu'ils perdent de

l'argent. C'est un peu comme un jeu de cartes appelé "Bugger Bridge". Au début de chaque main, vous devez prédire combien de levées vous allez faire, en vous basant sur la force de vos cartes. Si vous faites le nombre de levées annoncé, votre pointage est élevé. Mais si vous faites trop ou trop peu de levées, vous perdez des points. Il faut une planification et une analyse attentive de ses ressources avant de s'engager à faire le nombre de levées, sans mentionner une part d'astuce de jeu pour vous assurer de finir avec le nombre voulu de levées. Les organismes à but non lucratif ont le même problème. Ils ne peuvent pas dépenser plus que leur capacité, mais ils ne veulent pas non plus dépenser moins que ce qui leur est alloué. Autrement, ils vont se retrouver avec moins d'argent l'an prochain.

C'est en administrant les ressources et en gérant les finances que vous serez en mesure de prendre le contrôle de votre situation. Les renseignements recueillis au moyen de l'analyse financière vous donneront l'information dont vous avez besoin pour négocier la prochaine ronde de subventions. Lorsque vous apportez des arguments convaincants, appuyés d'une analyse financière détaillée et complète, votre bailleur de fonds ne peut qu'être impressionné et il y a plus de chances qu'il dresse les oreilles et qu'il vous écoute.

L'ironie des ironies, c'est que ce sont ceux qui possèdent le moins qui ont le plus besoin de faire de la gestion. Moins vous avez de ressources, plus il est important que vous en fassiez une gestion plus serrée. Il peut vous échapper si peu, si vite, si vous relâchez les cordons de la bourse.

Enfin, rien n'insulte plus un donateur, en tant que personne qui a contribué à diverses bonnes causes, que de se faire dire qu'il a donné tellement que l'organisme n'a pas senti la nécessité d'être diligent. C'est le moyen le plus rapide de voir tomber le nombre des donateurs et des bailleurs de fonds, et de voir ses fonds sécher plus rapidement qu'un champ de maïs en juillet.

Bon, ça va, mon organisation devrait adopter une saine pratique de gestion. Quel rapport avec moi et mes services?

Même si la plupart des intervenants sont prêts à convenir qu'une saine gestion financière est importante pour leur organisme, ils n'y vont pas si vite pour en prendre la responsabilité dans leurs propres sphères d'activité.

- "Mon service est essentiel à notre organisme, il ne pourrait jamais disparaître et je suis toujours capable d'obtenir des fonds quand j'en ai besoin."
- "Les finances, ce n'est pas de mon ressort."
- "Je ne comprends pas les rapports; c'est trop frustrant..."

Dans tous ces commentaires, il se dégage, à l'égard des finances, un fond de dédain qui découle souvent d'un manque de compréhension et de formation. Quoi qu'il en soit, le fait d'ignorer comment votre service se comporte par rapport à votre plan et au reste de l'organisation peut être beaucoup plus stressant que l'exercice qui consiste à obtenir et analyser l'information. Il n'y a aucune garantie que l'argent va continuer à rouler. C'est seulement en restant au fait de la situation financière de votre service que votre organisation peut prendre des décisions informées concernant sa survie.

Même les administrateurs qui n'ont pas de pouvoir de dépenser ont besoin de savoir comment leur service s'insère dans la mosaïque générale. C'est aussi important de fournir aux dieux de l'Olympe l'information qui exprime la valeur monétaire de votre service. Cela n'est possible que par une connaissance de votre position financière. Souvenez-vous toujours que même si le poste de l'administrateur n'est pas évalué sur sa performance budgétaire, son service l'est sûrement.

La meilleure chose que l'administrateur peut faire pour apprivoiser la bête de la gestion financière, c'est de s'instruire sur la question. Il existe de nombreux cours qui traitent de gestion financière à

l'intention de ceux qui ne sont pas des gestionnaires financiers, ainsi que de nombreuses publications que vous pourrez trouver chez votre libraire.

Je suis convaincu que je devrais acquérir un peu de formation et montrer plus d'intérêt pour la gestion financière. Quelle formation devrais-je recueillir et où puis-je la trouver?

Dans la plupart des cas, l'information dont vous avez besoin peut vous être fournie par le service de la comptabilité ou des finances de votre organisme. Ces gens devraient être en mesure de fournir des rapports sur demande. Convenons que cela peut être un processus difficile, particulièrement dans un organisme où se trouve une importante bureaucratie. Il faut commencer par demander. Dans certains cas, il peut être nécessaire de faire votre propre tenue de livres.

La première chose, et la plus importante, c'est de savoir quels sont les revenus qui sont générés par le service. Ces revenus devraient comprendre les subventions, les frais payés par les utilisateurs, les dons, ainsi que les dons en nature. On oublie souvent les dons en nature parce qu'ils peuvent ne pas apparaître aux livres. Mais ils représentent des économies réelles pour l'organisme et devraient être comptés lorsqu'on évalue un programme. Cette comptabilisation reconnaît aussi l'ingéniosité de l'administrateur qui a obtenu des dons.

Le revenu est ensuite comparé aux dépenses encourues pour assurer le fonctionnement des programmes. Les revenus devraient excéder les coûts. S'il y a un déficit, celui-ci doit être comblé par les fonds généraux, le service devient vulnérable aux coupures ou, pis encore, peut risquer de disparaître.

On peut diviser les dépenses en deux types: les coûts directs et les coûts indirects. Les coûts directs sont encourus chaque fois qu'une unité de service est dispensée; par exemple, de la nourriture et des fournitures pour les enfants du centre de loisirs. Le coût ne serait pas encouru si l'unité de service n'était pas dispensée. Les coûts

indirects soutiennent le service dans son ensemble et seraient encourus quel que soit le nombre d'unités de service; par exemple, la location du terrain de camping, l'entretien et le salaire du coordonnateur. On peut exercer un plus grand contrôle sur les coûts directs; il est possible d'augmenter ou de diminuer le coût direct en fonction de la demande de services. Comme les coûts directs sont plus sensibles aux changements, on les surveille généralement de plus près; au moins chaque mois. Par ailleurs, les coûts indirects exigent plus de planification parce qu'il est difficile de faire des changements chemin faisant. Ils sont sujets à un contrôle trimestriel ou semi-annuel.

Il est également utile de comparer les revenus et les dépenses avec le budget prévu. Les écarts montrent dans quelle mesure les opérations réelles sont différentes du plan d'origine et cette comparaison affectera les activités futures. Il faudra des ajustements aux ressources, peut-être des coupures ou une levée de fonds supplémentaire. Les augmentations de coûts peuvent être une indication d'une augmentation de la demande pour les services. Dans ce cas, il faudrait faire un examen des services et chercher à obtenir un supplément de ressources.

Lorsque les dépenses sont moindres que prévues au budget, on doit se demander s'il y a eu une réduction dans l'utilisation des services ou si l'utilisation des ressources a été plus efficace. Il est important de déterminer la source de la diminution dans les coûts parce que la première peut conduire à l'annulation du service, tandis que la seconde peut nécessiter un supplément de ressources pour ajouter des services. L'analyse budgétaire devrait se faire chaque mois.

Comme autres possibilités d'analyse, on peut mesurer le nombre d'unités de service dispensées et le coût par unité. Toutes ces analyses vous aideront à mieux comprendre la situation financière de votre service et à développer des budgets plus solides l'an prochain.


Plus vous apprivoisez la gestion financière, plus vous avez de contrôle sur votre service, que les ressources vous soient accordées ou retirées. En plus d'être en meilleure position pour tenir les preneurs de décisions informés de la valeur et des avantages de votre service, elle montrera à quel point vous faites bien votre travail.


Nicole Dufresne-Baker, C.A., est contrôleuse chez Ritchie Feed & Seed Inc., à Ottawa. Comme trésorière d'une organisation à but non lucratif, elle a fait l'expérience directe de l'importance de la gestion financière. Elle est également l'auteure de [Taking Care of "Cash" ews; Financial Responsibilities of Boards (Board Series)] et du chapitre sur la gestion financière de [Management of Volunteer Services in Canada: the Text].




ITEMS OF INTEREST

 Colman, Michael M., *A Practical Guide to Financial Management*, Vancouver, British Columbia: Self-Counsel Press, 1984.

 Danyluk, Kerry, CA, *Not-for-profit Financial Reporting*, Toronto, Ontario, The Canadian Institute of Chartered Accountants, 1998.

 Dufresne-Baker, Nicole, CA., "Financial Management", *Management of Volunteer Services in Canada: The Text, Second Edition*, Carp, Ontario: Johnstone Training and Consultation, (JTC Inc.), 1999.

 Dufresne-Baker, Nicole, CA., *Financial Responsibilities of Boards, Boards Today... Boards Tomorrow*: Carp, Ontario: Johnstone Training and Consultation, (JTC Inc.), 1998.

FINANCIAL MANAGEMENT ISSUE

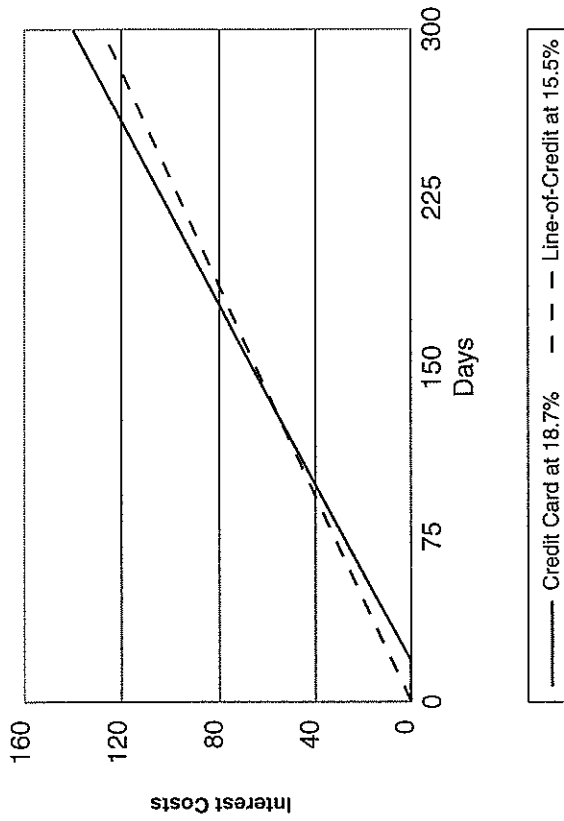
by Kelvin Chin

As a not-for-profit organization, one of the most common challenges is raising funds; however, in order to raise funds, you need funds to initiate the fundraising process (kind of like the chicken and the egg scenario of *which came first*.) Recently, our committee organized a fundraiser that required a security deposit up front. To curb this, our local committee considered two financing options:

1. Pay using a line-of-credit at 15.5%
2. Pay using a credit card at 18.7%

So, which one is the better option? Well, at first thought, the line-of-credit appears to be the better of the two. But looking at it in greater detail, we see that using the credit card may be a more appropriate means for a given period. What do we mean by this? Although not stated, we know that by using the credit card, we have an interest-free period after the purchase. In general, this interest-free period is *at least* 21 days — the period after the statement date until the account must be paid in full without being charged interest. Note that this period is *at least* 21 days (and up to 51 days) as it represents any charge to the credit card after the previous statement and up to the most recent statement. Using the credit card interest rate of 18.7% (with an interest-free period of 21 days), and also a line-of-credit interest rate of 15.5%, we see that it would be advantageous to finance using credit cards up to 131 days. Whereas after this period of 131 days, it is better to use the line-of-credit finance option. In other words, if our security deposit will be returned within 131 days, it is better to finance using the credit card option; if we expect the security deposit to be returned after this period, it is better to finance using the line-of-credit alternative. We have this balance point in the following graph:

Comparing Financing Options



Note that this balance point will differ based on the interest rates and the interest-free period. The number of days at this balance point can be determined by using the following formula:

$$BP = \frac{n \{ \log(1+f) \}}{\log \frac{1+f}{1+g}}$$

n = # days leeway on credit card
 f = Interest rate on credit card
 g = Interest rate on line-of-credit

So if you run into a similar situation, keep this in mind so that you can use your resources more effectively and efficiently.

Kelvin Chin <kx_chin@nickel.laurentian.ca> is the Local Coordinator for Canadian Crossroads International in Sudbury, Ontario, and is currently completing his MBA at Laurentian University.



MANAGING ON A SHOESTRING

by Tahzeem Kassam

Managing volunteer resources is a time intensive activity. It also requires a sustained infusion of financial resources. In times of financial constraint, how does one continue to manage volunteer services effectively? I have managed volunteer resources in the not-for-profit sector in British Columbia for the past four years. Here are my thoughts.

Step 1: Get the Big Picture

When funds are limited, evaluate your current program activities with respect to the organization's mission and program goals and objectives. It is important to continue to do the things that are meeting your mission, goals and objectives and to shed the things that are not. Review the organization's mission and the services' goals and objectives and compare them to current activities. Identify the activities that are necessary and the ones that are not.

Step 2: Trim the Fat

Once you have identified the activities that are non-core (i.e., only peripherally meeting the mission, goals and objectives), eliminate them entirely, or ask, "are there ways to keep these activities going?" For example, perhaps another staff member or an experienced volunteer could continue these activities.

With the core (or necessary) activities, identify timesaving and money-saving strategies. Then, allocate time needed to maintain these core activities.

Step 3: Do More With Less

Identify the needs or gaps in your service. Are there goals and objectives that you are currently not meeting? If there are, identify these needs, set priorities, identify strategies or actions needed for each need to be met and allocate time needed to conduct these activities. It is important here to identify the needs and activities that will increase the service's profile, thus helping to secure funding.

In increasing your profile, time is well spent:

- networking and collaborating with other programs;
- advocating and lobbying for the field of volunteer resources management;
- seeking alternative funding sources and strategies (including fundraising activities); and
- conducting program evaluation activities.

Here are some general strategies to consider in trying to "Do More With Less":

1. *Networking and Collaboration*

It is important to connect and network with others in both your service area and your geographical area. Working together with other managers that have similar needs can lead to partnerships in funding opportunities. Many funders like to see collaboration. It translates into cost effectiveness and ensuring that service duplication does not occur. Networking can also lead to valuable information sharing about available community resources.

2. *Advocacy and Lobbying*

Networking and collaboration may lead to the creation of alliances or collectives. Advocating and lobbying as a collective is much more effective than doing so alone. It is also important to connect with a professional association as a way of advocating for the field of volunteer resources management and lobbying for changes.

3. *Project Staff*

Hire a summer student through the Summer Student Grant Program or an Employment Insurance recipient through the government's Targeted Wage Subsidy Program to work on a small project. Develop the project strategically.

4. *Volunteers*

Recruit and place volunteers in more responsible positions that will ease your workload a bit. For instance, involve volunteers to assist with clerical work, including record keeping and preparing handouts. Involve volunteers in planning fundraising or other events. Train volunteers to conduct volunteer interviews, orientation or training sessions. Be creative in how you involve volunteers. However, conduct your screening carefully to avoid problems later.

5. *Technology*

If you can, use technology (computers, e-mail, internet) to simplify the administrative aspects of your job.

6. *Program Evaluation*

Spend time conducting program evaluations because this validates to funders what benefits your services provide.

Here are some ideas for day-to-day money saving:

- re-use paper that is printed on one side only as scrap paper;
- reduce cost of supplies;
- look for in-kind donations for things like office supplies, refreshments, appreciation items and space;
- purchase supplies in bulk from a wholesaler;
- refurbish supplies, furniture and equipment;
- reduce cost of space by sharing space with other programs/organizations or having space donated;
- reduce travel costs (e.g., hold meetings at your office);
- cancel or at least minimize subscriptions and memberships in professional associations;
- reduce the number of clients served;
- introduce a fee-for-service structure to your current programs and services or offer new programs and services for a fee (e.g., résumé preparation); and
- implement fundraising activities.

Remember, fattening your budget can be a very long process. It can also be a draining process. Be careful not to burn out. Build support systems. Take one step at a time and celebrate every success, no matter how small it may seem! And, . . . try to enjoy the process! Best of luck!

Tahzeem Kassam works for Surrey Delta Immigrant Services Society, a not-for-profit organization in B.C. She is the Manager of Volunteer and Community Development Programs.



MISE EN PLACE D'UN BUDGET POUR UN SERVICE DE GESTION DES RESSOURCES BÉNÉVOLES : PLUS D'ENJEUX QU'ON LE CROIRAIT À PREMIÈRE VUE!

par Marjolaine Lalonde

L'exercice initial de planification d'un budget est similaire à la planification de projet. Les objectifs qu'on désire atteindre en termes de services dictent l'ampleur et la direction que la planification des ressources devraient prendre.

Une planification budgétaire pour soutenir la création d'un service de gestion des ressources bénévoles d'une organisation exige une réflexion différente de celle d'un service en phase de maturité voire de déclin ou de celle d'un service qui désire entreprendre des projets d'envergure ou qui fait face à une expansion organisationnelle d'importance.

Le budget : un outil de positionnement stratégique

Une des premières phases de réflexion en tous les cas exige un repérage des besoins actuels et immédiats. Ceux de l'avenir prochain et plus lointain devraient, pour des raisons de stratégie évidentes, être établis et documentés au même moment afin de montrer la réflexion et la capacité de vision du gestionnaire. Vous faites connaître ainsi votre sens de direction et d'orientation pour le long terme et vous donnez l'heure juste relativement à votre service comme partie prenante crédible de la mission de l'établissement au même titre que l'ensemble des autres services.

Qui posera les questions? Quels sont les mécanismes de contrôle de votre budget? Qui pourra autoriser les dépenses dans votre service? Les dépenses considérées comme plus importantes seront-elles autorisées par vous ou votre supérieur? A qui devrez-vous répondre? A quelle fréquence?

Budgétisation au quotidien

Échangez avec collègues « in muro » et avec ceux de l'extérieur : les uns partageront avec vous leurs expériences des façons de faire de l'organisation; les autres sauront vous guider dans l'établissement et la sélection des types de dépenses à prévoir de la petite caisse jusqu'aux frais inhérents à l'organisation de sessions de formation, en passant par l'organisation matérielle du bureau, les frais d'abonnement à la littérature, etc. Prévoir des frais cachés tels que les frais de messagerie, d'appels interurbains, d'envois postaux.

Une prochaine étape consiste en la cueillette d'information auprès des instances décisionnelles afin de déterminer les paramètres, les habitudes dictées par la culture de votre organisation relativement à l'exercice de budgétisation : les dates du cycle budgétaire, les postes budgétaires existants, etc. Comparez cette liste à ce que vous aviez prévu : matériel de bureau, petite caisse, dépenses audio-visuelles, de traduction, de transport local, de frais de voyage, de formation, de représentation, etc.

D'autres considérations sont importantes. Votre budget couvrira-t-il les dépenses relatives au fonctionnement du service et du personnel ainsi que les dépenses relatives aux frais de formation, frais de repas, titres de transport des ressources bénévoles? Dans quelle proportion?

Les frais rattachés à des activités de reconnaissance des bénévoles avaient-ils été prévus? Seront-ils imputés à votre budget ou à celui du budget global de l'institution? Les services bénéficiaires des contributions bénévoles seront-ils sollicités afin d'absorber une partie de ces dépenses? De quelle façon? De plus, les salaires et les bénéfices feront-ils partie de votre budget? Les frais de photocopies et d'impression sont-ils imputés à votre budget ou au budget global?

Le travail accompli par un service interne à votre organisation est-il gratuit ou devrez-vous en assumer les coûts? Est-il toujours plus profitable de faire affaire avec les services internes tels que l'audio-visuel? Un contracteur externe vous donnera-t-il plus de qualité pour un coût moindre ou équivalent avec délais écourtés? Quelles sont les politiques de votre établissement relativement à l'impartition?

Prévoir un plan de contingence : un coussin absorbera les chocs qui sont par la nature des choses imprévisibles et déstabilisant. La règle de 10% est généralement utilisée, ce pourcentage pouvant être réparti et intégré à l'ensemble des postes.

Les habitudes de la maison...

Posez les bonnes questions et vérifiez les habitudes réelles : au lieu d'imputer les frais de matériel informatique (computer supplies) au poste correspondant, les frais seront-ils imputés à la section « dépenses diverses »? Quel effet d'entraînement (hausse, diminution) cela aura-t-il sur la budgétisation de chacun de ces postes pour l'année subséquente?

Travailler avec les autres...

Analysez si un partage de ressources amènerait des gains : l'encre de l'imprimante, l'achat d'un télécopieur partagé avec un service voisin peut présenter des avantages.

Établissez les priorités et explorez les partenariats avec les ressources potentielles de la communauté (services bénévoles de consultation, de traduction, don d'ordinateur, etc). En allant dans la communauté, il y a beaucoup plus que les ressources matérielles qui présentent un intérêt. Les occasions de réseautage évidentes sont à entretenir et à développer.

Environnement

Clarifiez votre pensée : dans quel type d'environnement votre service navigue-t-il? Les coupures budgétaires, les fusions et les restructurations n'offrent pas nécessairement les mêmes circonstances d'évolution qu'un milieu qui désire investir ressources, énergies et temps dans l'établissement d'un service de gestion des ressources bénévoles sous la pression de circonstances difficiles et pressantes... Cela a un impact direct sur les budgets qu'on veut et qu'on peut obtenir...


Ahhh! Budget... quand tu nous tiens!...


La question de mise en place d'un budget pour un service de gestion des ressources bénévoles soulève plusieurs points de réflexion pour le gestionnaire. Les chiffres parlent haut et fort et vont à l'essence des choses. Des données historiques ou des projections financières bien préparées et ficelées ont l'heur de capter et de retenir l'attention de votre bailleur de fonds institutionnel ou autre. La planification budgétaire mérite toute l'attention qu'on donne à l'organisation d'un voyage prometteur de développement d'affaires. Le portefeuille ne constituerait-il pas le baromètre de l'importance réelle accordée à la mission d'un service. A bon entendre...

Marjolaine Lalonde, coordonnatrice de l'action bénévole à l'Hôpital de Montréal pour Enfants du Centre Universitaire de Santé McGill (CUSM) est active au comité exécutif du réseau des Administrateurs Canadiens de Ressources Bénévoles (ACRB). Membre d'un groupe de travail pan canadien sur la question d' « éthique », Marjolaine est également membre de l' « Association des gestionnaires de ressources bénévoles du Québec-secteur santé et services sociaux ». Elle est présentement inscrite au programme de maîtrise « McGill McConnell » en gestion pour le secteur volontaire.



MORE ITEMS OF INTEREST

 Dufresne-Baker, Nicole, CA., *Taking Care of "Cash" ews*, Carp, Ontario: Johnstone Training and Consultation, (TIC Inc.), 1992.

 Ross, David, *How to Estimate the Economic Contribution of Volunteer Work*, Ottawa, Canada, Department of Canadian Heritage, 1994.

SETTING-UP A BUDGET FOR VOLUNTEER MANAGEMENT:

MORE THAN WHAT MEETS THE EYE!

by Marjolaine Lalonde

The initial budget planning exercise is similar to project planning. The objectives that we wish to meet in terms of services dictate the scope and the direction that resource planning should take.

Budget planning to support the creation of a volunteer resources management service for an organization requires a thinking process which is different from that for a service that wishes to initiate large-size projects or that faces major organizational expansion.

The Budget: a tool for strategic positioning

One of the first phases of the process, in all cases, requires that the present and immediate needs be identified. Short-term and long-term needs should, for obvious strategic reasons, be set and documented at the same time, in order to reflect thought process and manager's vision for the future. In so doing, you reveal your long-term sense of direction and orientation and provide a positive view of your service and its importance as a credible stakeholder in the corporate mission, having equal standing with all the other services.

Who will ask the questions? What are the control mechanisms for your budget? Who will be in a position to authorise the expenditures? Will expenditures that are considered more important be authorised by yourself or your superior? To whom will you be accountable? How often?

Day to Day Budgeting

Talk with your colleagues, both inside and out: some will share with you their experiences of the organisation's culture; others will be

able to coach you in setting up and selecting the types of expenditures to provide for, from the petty cash to the expenses inherent to the organization for training sessions, as well as the physical organization of the office, subscription fees for literature, etc. Provide for hidden expenditures, such as couriers, long distance calls, mailouts.

A further stage consists in collecting information from all decision making levels to identify the parameters, the habits dictated by the culture of your organization with respect to the budgeting exercise: the dates of the budget cycle, the existing ledger codes, etc. Compare this list with what you had anticipated: office supplies, petty cash, audiovisuals, translation, local transportation, travel, training, representation expenses, etc.

Other considerations are also important. Will your budget cover expenditures relative to the operation of the service and to the staff, as well training fees, meal allowances, transportation vouchers for the voluntary resources? In what proportion?

Had expenditures linked to volunteer recognition activities been provided for? Will they be charged to your budget or to the overall budget of the agency? Will the services that benefit from the volunteer contributions be solicited to absorb part of these expenditures? How? In addition, will salaries and benefits be part of your budget? Will photocopy and printing expenses be charged to your budget or to the overall budget?

Is the work accomplished by an internal service of your organization free or do you have to cover their costs? Is it always profitable to deal with internal services, such as the audio-visual services? Will an external contractor give you more quality for a lesser or equivalent cost, with shorter delays? What are the policies of your establishment with respect to contracting out?

Provide a contingency plan: a cushion will absorb the shocks which are, by nature, unforeseeable and destabilizing. The 10 % rule is

generally used, percentage that may be spread over and integrated with all the budget accounts.

The House Habits...OR The Local Culture...

Ask the right questions and check the real habits: instead of charging computer supplies to the corresponding item, should these expenditures be charged to "miscellaneous expenses"? What ripple effect (increase, decrease) will this have on the budgeting of each of these items for the following year?

Working with others

Analyze whether sharing resources would be profitable: the ink for the printer, the purchase of a fax machine shared with a neighbouring service may be advantageous.

Set priorities and explore partnerships with potential community resources (volunteer consulting services, translation, donated computer, etc.). By going to the community, you will find that there is much more than material resources that are of interest. Obvious networking opportunities are to be maintained and developed.

The Environment

Clarify your thoughts: in what type of environment does your service navigate? Budget cuts, mergers and restructuring do not necessarily offer similar circumstances for evolution as an environment which is willing to invest resources, efforts and time in the establishment of a volunteer resource management service under the pressure of difficult and pressing circumstances. This has a direct impact on the budgets that one wants to and can obtain.

Aaaaagh! Budget...when we are at your mercy!...

The question of implementing a budget for a volunteer resource

management service raises many issues for the manager. The numbers speak loud and clear and go to the heart of the situation. Well prepared and concise historic data or financial projections have the virtue of getting and retaining the attention of your institutional or other funder. Budget planning deserves equal attention as the organization of a promising business development trip. Should the pocketbook not be the test of the true importance given the mandate of a service? Let a word to the wise be enough!

Marjolaine Lalonde, coordinator of Volunteer Support at the Montreal Children's Hospital of the McGill University Health Centre (MUHC) sits on the executive committee of the Canadian Administrators of Volunteer Resources (CAVR). Member of a profession-wide task force on Ethics, Marjolaine is also a member of "l'Association des gestionnaires de ressources bénévoles du Québec-secteur santé et services sociaux". She is currently involved with the McGill/McConnell Masters of Management for National Voluntary Sector Leaders program.



Tell us what themes you would like us to feature in an upcoming issue of the Journal.

The Editorial Committee wishes to thank the PAVRO Conference Committee for including the Journal subscription forms in their recent "Bridge to the Future" Conference held in May in London, Ontario.

-ARE YOUR VOLUNTEERS A GOOD INVESTMENT?-

by Judy Lister

Do you know the true cost of your volunteers? The reason I'm asking is that last week I had to decide whether or not to fire a volunteer. I was tempted to make my decision on the basis of cost-effectiveness. I had recruited this volunteer late last summer because he represented an element of our client population that was not previously represented among our volunteers. He had attended our fall orientation and training sessions, which are two full days with lunch included. He had received a volunteer handbook and training materials. He had attended one of our on-going training sessions, again with food included. Like our other volunteers, he had been sent a small gift in December. But every time I gave him a volunteer assignment, he did not show up. I was annoyed that I had invested so much on this volunteer and had received nothing in return.

Is it fair to evaluate our volunteers and our programs on a return-on-investment basis? After all, accountability is more than just a buzzword these days. It can be a very useful exercise to look at the budgets for our volunteer programs and calculate the per-volunteer or per-volunteer-hour cost. Then we can look at our volunteers and assess whether we are getting our money's worth. But does that provide the whole picture? Some of the value of volunteers is hard to quantify. Bringing volunteers into our organizations may help them feel a sense of ownership, especially if it is a self-help group. In my department, we like to think our volunteers 'put a human face' on a government department. Volunteers add a welcome diversity to our programs, such as the ability to represent cultures not currently represented by staff. Many programs depend on the extra 'people-power' that volunteers provide, and some organizations are totally volunteer-run.

Sometimes the true value of volunteers is impossible to calculate, but do not make the mistake of under-valuing them. Make sure you are recording the true cost of your volunteer service. Like most of

you, I reimburse volunteers for out-of-pocket expenses related to their volunteer assignments. We do this to provide accessibility for single parents, students, seniors and others with low incomes. Some of your volunteers, however, may not claim any expenses for mileage, for example. They do not feel the need to be reimbursed and/or consider it too much hassle to record mileage. But they are actually giving an in-kind donation of those expenses. You need to keep a record of these donations because you need to reflect the true cost of your volunteer department. When these volunteers leave, they may be replaced by individuals who do need reimbursements and then it would appear that the costs of your service have increased when in fact it is the donations which have decreased.

It is hard to believe, but there are still people out there who think volunteers are free. Good volunteer services are actually quite expensive. Those of us who manage volunteer services in Manitoba had a real wake-up call last year with the Pan-Am Games. Around 20,000 people in our community volunteer pool had the "Pan-Am experience". For attending three training sessions and committing to 40 hours over a two-week period, Pan-Am volunteers received:

- a free uniform consisting of a windsuit, a golf shirt and a golf hat,
- a free belt bag and water bottle,
- a free Pan-Am volunteer pin,
- free food during all their shifts,
- free entrance to a volunteer party venue every night of the Games,
- one free party and a concert before the Games,
- one free party at the end of the Games,
- free bus transportation while wearing ID badge and in uniform,
- reduced prices on additional uniform clothing like shorts and straw hats, and
- reduced prices on track pants, sweatshirts, t-shirts and other Pan-Am merchandise.

Imagine the cost-per-volunteer of that service! Most of us cannot begin to compete with those perks, but we certainly also cannot make the mistake of taking our volunteers for granted.

So what did I do with the problem volunteer? We met to discuss the problem, which turned out to be just one of many in his life. It was apparent that he was offering to volunteer with several organizations when what he really needed was the services provided by these organizations. We agreed to a one-month leave of absence, after which we will meet again and re-evaluate.

Judy Lister, CAVR, is the Volunteer Program Manager with the Residential Tenancies Branch of the Manitoba government. She is the current President of the Manitoba Association for Volunteer Administration and is an instructor in the Volunteer Management Certificate Program at Red River College.

NEWS BITS

The Government will spend over \$90 million dollars in the next five years to strengthen the relationship between government and the volunteer sector. In order to improve on the current relationship with the volunteer sector, some of the allocated funds will be used to research and gather data in order to better understand the volunteer sector and the role that it plays in our society. The remainder of the funds will be used to:

- a) improve the current relationship with the volunteer sector;
- b) assist the volunteer sector with realizing the potential of the Internet;
- c) create promotional events to highlight activities during International Year of the Volunteer; and
- d) involve the sector in the development of government policies, regulatory issues and programs.

The announcement has been seen by volunteer sector leaders as a step in recognizing the importance that volunteering plays in the quality of life for Canadians.

To find out more about the throne speech and to get more details regarding the initiative, visit the web site: www.pco-bcp.gc.ca/volunteer/

BOOK REVIEW

by Mireille Roy

Are you considering a position as a board member with a local organization?

Are you presently a board member with a not-for-profit organization?

If you have answered yes to any of these two questions you owe it to yourself to read Boards Today...Boards Tomorrow - Financial Responsibilities of Boards by Nicole Dufresne-Baker, published by Johnstone Training and Consultation (JTC) Inc. 1998.

This book will offer practical/relevant information should you decide to accept a board position, and/or re-evaluate your position and obligations as a board member. This document along with others, is part of a collection of documents dealing with Boards for Today and Tomorrow.

The WHY, WHAT, WHO, WHEN and HOW offer valuable information about the risks involved when accepting a board position and will certainly clarify some of the most asked questions when accepting a Board position.

Clarity and expert advice are to be found in the well articulated document. It has a clear definition of the many roles and responsibilities of Board members, focusing mainly on the financial management and how board members may or may not be involved.

The 21st Century has compelled present and future Board members to be aware of their legal responsibilities in the voluntary and not-for-profit organizations. It furthers acknowledges that ignorance or lack of participation does not absolve the board member from his or her obligations.

With increased vigilance on the part of regulatory bodies, new regulations directing financial management and evolving government policy guiding this Sector, Board of Directors need constant re-assessment. All of these important subjects are treated in a professional and responsible manner in this document.

It became quite evident from the beginning of my reading that financial implications are considered of great importance in all aspects of decision making of the Board whether we are involved in the planning, managing or evaluating stages of the work.

Being accountable as a board member raises many questions and these same questions are being discussed in a very concise matter. Good governance of the organization is of utmost importance to assure the survival of the organization. A section dealing with review of operations can be a useful tool for Boards and certainly allows board members to be more accountable in the role they have accepted to play on this committee. A definite document to be added to your library.....

*Review done by: Mireille Roy, CAVR - Director Volunteer Resources
SCO - Saint-Vincent Hospital.*



NEWS BITS

The Kitchener and Waterloo Community Foundation has received another major gift, this time from the family behind Electrohome Ltd. The Pollock family announced the \$5-million gift at the foundation's annual general meeting. The money will be used to support both general projects and some specific funds for hospitals and education. Earlier this spring, Research in Motion Ltd. donated \$12 million to the foundation.

The Credit Unions of Prince Edward Island are using the internet to raise funds and promote awareness of PEI charities. The web site will be host to an online auction that will see the proceeds support a variety of charities. The Children's Wish Foundation has been selected for the current auction items. The organizers plan to change the online auctions every four to six weeks. You can visit the auction page at: www.creditunions.pe.ca/auction.html.

**DEADLINES
FOR SUBMISSION AND THEMES**

<i>Issue</i>	<i>Deadline</i>	<i>Theme</i>
<i>Summer 2000</i>	articles due on the 24 of May	Recruitment and Retention
<i>Fall 2000</i>	articles due on the 24th of August	Managing in the New Millennium
<i>Winter 2001</i>	articles due on the 24th of October	Non Traditional Volunteering
<i>Spring 2001</i>	articles due on the 24th of February	Celebrating Volunteerism - International Year of Volunteers



If you are interested in writing articles for any of these themes please submit them to the editorial team.

To become a member of **CAVR**

Call: 1-800-670-0401

E-mail: volunteer.canada@sympatico.ca

LOOKING AHEAD

December 5, 2000

Launch of International Year of Volunteers

For more information contact Nancy Amos, Volunteer Canada 1-800-670-0401, ext.244 or namos@volunteer.ca

January 16, 2001

Biennial World Volunteer Conference in Amsterdam

(International Association of Volunteer Efforts (IAVE) Conference). For more information contact Sandra Murphy, sandramurphy@csn.nf.net

October 3-7, 2001

International Conference on Volunteer Administration

(Mosaic 2001) in Toronto, Ontario. For more information contact Laurie McClure (416) 392-1906 LMcc509423@aol.com or Nancy Killey (416) 424-3817 Nkilley@bloorviewmacmillan.on.ca

October 19-21, 2000

CAVR Conference in Saskatoon

For more information contact Sheri Smith at (306) 664-0015 or e-mail- sherismith@sk.sympatico.ca

