



WISCONSIN MASONIC HANDBOOK

CHAPTER 6

THE LODGE BUDGET

A. INTRODUCTION

Section 62.03 of the Masonic Code of Wisconsin requires the Finance Committee of the lodge to prepare an Annual Budget. Each individual lodge should have in its By-Laws the requirement that the Finance Committee submit an Annual Budget to the lodge for the lodge members' approval before the beginning of each fiscal year.

The importance of responsible financial planning is emphasized not only by its requirement in the Masonic Code of Wisconsin, but also by its appearing in the Grand Master's fiscal responsibility of his lodge officers.

The lodge budget is one of the most important tools for a successful lodge. For the elected officers, especially the Worshipful Master, to go into office not knowing the financial condition of the lodge is like trying to drive an automobile without knowing how.

Too few lodges project their finances beyond the briefest of time frames. Consequently, too few lodges, and fewer lodge officers, objectively budget for increased activity, and more critically, increased operational costs, such as utility rates, physical repairs, etc. And, far too few allow for declining income due to declining memberships.

A well-documented, pre-planned budget and fiscal direction will illuminate areas for savings as well as needs for added funding. Also, strengthened with the knowledge of their lodge's future fiscal structure, the Wardens can make more positive and definitive plans for their year in the East.

A budget projected five years out, or even one year, cannot be totally accurate, nor should it be accepted as set in concrete. However, when the budget is put together with practical thought and attention, it will go far in establishing

guidelines toward avoiding the financial quicksand that can so swiftly pull a lodge down.

B. HOW PREPARED

Chapter Nine of Carl Claudy's "The Master's Book" contains good advice on the subject of lodge finances. You are urged to read this book in its entirety (this book is available from the Grand Lodge Office).

Working forms are found in Chapter 25.

Step 1: Use one form to fill in this past year's actual Income and Expense, item by item.

Step 2: Carefully review and discuss this past year's information, item by item. Look especially for: (1) possible savings. (2) Probable increased expenses. (3) Increasing or decreasing needs, activities, etc. Be particularly aware of increasing utility/service costs and declining membership.

Step 3: With information gained from Step 2, use a second form to enter estimates for each item of Income and Expense to establish the coming year's budget. Again, review the figures, item by item, and discuss before finalizing.

Step 4: With information gained from Step 3, use a third form to enter estimates for each item of income and expense to establish a tentative budget for the fifth year out.

A review of the previous years' budgets will help determine the percentage increase to use. In most instances, a 3% per year increase per item of expense will serve as a general rule of thumb. (It is preferable to use past records to establish a percent.)

At the completion of the five-year projection, it would be a wise suggestion for the Finance Committee to decide upon a date to present this information to the lodge members. It is recommended that a definite Communication be planned to allow time for full discussion. At this time, it would be wise to have plans to present as to how to get "to there from here."