



# Handbook on Financial Resources Management and Development



**SCOUTS**<sup>®</sup>  
Creating a Better World

Finance

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## Message

Dear Readers,

I am happy to present to you this much-awaited Handbook on Financial Resources Management and Development. This special gift to National Scout Organizations underscore the essential values of Scouting: resourcefulness and self-reliance.

As Scouts, we have a great responsibility to take care of our God-given resources like nature and environment in as much as we are accountable to the resources, big or small, that are bestowed on us, Our goal is to manage our financial resources efficiently and use them effectively.

I congratulate the APR Financial Resources Sub-Committee (2004-2007) who developed this booklet from its raw material to its final production, which is indeed a practical guide for National Scout Organizations. May I also commend the participants of the 1<sup>st</sup> International Resources Development Seminar held several years ago in Indonesia for conveying the idea that good practices can be learned, improved, strengthened and shared.

Using this handbook as a guide, even small steps if taken in great numbers, could yield abundant results. Sustaining our resources could be a practical way of living up to the challenge left to us by Lord Baden-Powell – to try and leave this world a little better than we found it.

**Jejomar C. Binay**

Chairman

APR Scout Committee

## Foreword

This booklet is a resource for the financial management of a National Scout Organization (NSO). It provides principles that enable NSOs to develop their own strategies and procedures for the effective management of their financial resources. It does not attempt to set out matters of policy and procedures of managing finances within a NSO as such requirements often vary from country to country.

The need for a guidebook on financial resources has been essential based on feedback from Scout leaders who attended various workshops on resources development. Given that many National Scout Organizations are endowed with resources, there is an apparent call to develop, enhance and strengthen what they own, and consequently, bring a significant impact on the development and growth of Scouting.

Back in 2003, the World Scout Bureau/Asia Pacific Region together with the Central Office in Geneva organized the 1<sup>st</sup> International Resources Development and Management Workshop in Indonesia. Sharing of experiences and great

possibilities emanating from the discussions gave birth to the idea of producing this handbook. It was also noted that a number of resource materials have been written on this broad topic. However, the region's Financial Resources Sub-Committee believes that a handbook customized for the unique culture of Scouting and its specific needs help NSOs in two areas:

- Financial Resources Management
- Financial Resources Development

In addition to standard financial norms, emphasis is on integrated financial planning as well as on financial governance. These are two significant areas which are found lacking in many NSO's financial management. A segment on the *why* and *how* of developing and utilizing financial assets is featured with examples.

The Asia Pacific Region appreciates the initiative of the Financial Resources Sub-Committee (term 2004-2007) chaired by Paulus Tjakrawan Taningdjaja and Mr Ian Langford-Brown for editing this handbook.

**Abdullah Rasheed**  
Regional Director

## I. Financial Resources Management

Financial Resources Management is the development and implementation of a range of guidelines and objectives directed towards the financial growth of Scouting while at the same time ensuring that the image of Scouting is not put at risk. The various aspects which are outlined below are designed to meet the mission of the Scouting Movement and also comply with the needs and requirements of both its members and the community.

At the same time it provides guidance on practical steps to take which not only assist in carrying out the financial responsibilities within an NSO but call attention to activities that do not meet or fall within the NSO's strategic plan.

### Financial Accountability

In Scouting we are dealing with and are responsible for looking after funds and assets which belong to our members. Accordingly, it is important that we are able to demonstrate both financial accountability and financial transparency in all aspects of our financial management. It is also important to appreciate that these obligations apply at all levels of

Scouting ( eg down to the Group level) and not just at the NSO level.

There must always be a clear distinction between the funds and assets of the NSO and those of each individual associated with a particular Scouting organisation. A simple precaution is to ensure that all funds and other assets are kept in the name of the NSO and not in the name of individuals.

Financial accountability should be based upon a series of guidelines which have been formally approved by, and adopted for use within each NSO. These guidelines will in turn be implemented through a range of committee structures which have also been approved by, and its members appointed by the NSO.

The content of these guidelines serve a fundamental and basic purpose; namely to set out in simple terms the various steps that are required to be undertaken in managing each NSO's finances. Examples to be found in these guidelines may include:

- How many signatories are required to operate the NSO's bank account(s)?

Ideally there should be two signatories out of an approved listing of three or four.

- The process to be followed for the receipt and banking of income. This should ensure that the person who opens the mail, receives the money etc does not do the banking. In addition, all funds received should be entered into the receipt book and banked no later than 24 hours after receipt or the next working day..
- Who is authorized to approve expenditure and is special approval required for expenditure above a specified amount?

The Treasurer and other members of the Finance Committee are usually given authority to approve expenditure up to an agreed amount. All amounts above that need to be approved by the Finance or similar Committee.

- In which type of institutions may surplus funds of the NSO be invested and what approvals are needed to make such investments?

It is common for the Finance Committee to specify that surplus funds, or funds not immediately required, should be invested with the NSO's bankers, in building societies, credit unions etc. It is usually the role of the Finance Committee to approve

such investments.

- How often should financial accounts be prepared and circulated to members? Audited financial accounts should be prepared and distributed to members at least annually.

In addition to establishing guidelines there is the necessity to formally appoint committees who are both responsible for implementing the guidelines as well as providing guidance and assistance as to their operation. A Finance committee should always be appointed and there are often additional committees for areas such as Investment and possibly Insurance.

Membership of these committees should be comprised both of members skilled in finance as well as a balanced representation from the various sections of the NSO. This ensures that the needs and wishes of the NSO as a whole as well as those of each section are considered at all times. In relation to committees dealing with special areas such as investments and insurance it is advisable to appoint members who have skills in those special areas. On the practical side, and as a first step, there is a responsibility to

ensure that proper books of account are kept and regularly updated. These can usually be simple in format with their level of sophistication growing as the level of funds and assets increase. The keeping of books of account demonstrates accountability for the receipt of all funds, the payment of all expenses and the acquisition and ownership of assets.

The ultimate step is to prepare financial accounts, traditionally at year end, representing all financial transactions during the year as well as the financial position at year end. These accounts will not only record the financial position but will also provide a record of all assets owned by, and liabilities due by the NSO.

It is also important to appoint external auditors to conduct an independent audit of the NSO's financial accounts and for these audited accounts to be presented to the members at the Annual General Meeting. This is a positive and practical example of financial accountability as well as enabling all members to see the financial results for the year.

Finally there is the overarching requirement for the NSO to recognize that financial accountability at the

NSO level extends to and embraces its members, its Region as well as WOSM. In other words the NSO has obligations both downwards to its members and upwards to WOSM.

In addition, and in special cases where specific funds, trusts etc have been established, it may be necessary to also account to parties who have provided funds for specific purposes.

A simple example could be where someone gives the NSO a sum of money to be used to send members to international Scouting events. In this case it would be appropriate to give, possibly annually, a summary to that person of which international events were attended, the names of those who went and the cost.

## Ethics and Policy

Whenever we are dealing with other people's funds and assets we must always honour our ethical position associated with the trust placed in us. This must also extend to ensuring that each Scouting Organisation devotes all of its financial resources to the advancement of Scouting within its jurisdiction.

Put another way, the question should

be asked of every proposed commercial activity “is it one that Scouting should engage in”?

Furthermore, Scouting must ensure that every one of its financial actions and transactions are conducted and constituted in such a way that it always reflects and enhances its non-commercial, and usually tax free, status.

In some countries Scouting organizations come under the broad heading of “charitable” entities, not because they do not need to make money but as a recognition that any profits that are made are wholly used in the conduct of Scouting activities. This description, which carries a certain kudos within the broad community, is another reason for being open and ethical in all financial activities.

The need to carefully monitor the various money making activities of each NSO is becoming more and more important as the Revenue Authorities in some countries are reviewing the commercial activities of scouting and similar bodies with a view to levying tax thereon. The approach is not necessarily to tax all of the profits but, at least, to impose tax on the profits from those activities that are seen by the Revenue Authorities as being outside those

traditionally conducted by Scouting organisations. It may be wise to check the taxation position in your respective country.

As part of the process of maintaining an ethical focus it is necessary for all members having an involvement in the financial affairs of each NSO to give appropriate declarations that they have no “Conflict of Interest” in any of their personal activities with that of the NSO. When fundraising, seeking sponsorships or considering partnerships with parties outside Scouting it is essential that you study the profile, image and ethics of the prospective donors/partners so as to ensure that their values are not in conflict with those of Scouting.

It is also important that formal guidelines are also implemented setting out the requirement for keeping accurate minutes of all financial matters pertaining to each NSO. These minutes should record decisions relating to such matters as

- membership of the Finance Committee and the appointment of its Chairperson
- setting the level of membership fees
- decisions to acquire or dispose of assets and/or investments
- names of the NSO’s bankers, auditor etc

- details of cheque signatories
- routines established for the receipt and banking of all funds received etc

## Integrating Strategic Financial Planning

Because of the complexities and demands of today's world, especially in the world of finance, it is important that each NSO develop and circulate a range of notes and instructions to assist their financial office bearers in properly addressing the many functions associated with their role. The following are a range of scenarios which should be addressed:

- The relationship and interaction between the NSO's Strategic Plan and its Financial Plan
- A chart of accounts to be used throughout the NSO

This ensures that there is a consistent approach to the recording and display of all financial transactions and those similar items of both income and expenditure are shown under the same headings.

- A process or method to be used in developing financial budgets within the NSO.

Having such information to draw upon will be of assistance, not only in ensuring that all traditional categories of income and expenditure are recognized in the budgetary process but that the financial needs of each section are considered. There should also be an outline of a process to be followed when unusual or "one off" items are to form part of the budget.

- A check list of the necessary steps to be taken so as to ensure that the NSO has, and maintains adequate and effective insurance for all its assets, its office bearers, its members and members of the public who may have some interaction with the NSO.

In today's litigious world there is an ever increasing need to ensure that all of our members and office bearers are adequately covered against any financial claims that are made against them. It is also important to ensure that all assets and investments are properly insured and that their insured value is reviewed regularly.

In limited cases "self insurance", which is a decision by an NSO not to insure for a certain risk or part thereof (eg to cover the first \$100,000 of building insurance from

its own funds) may be appropriate or even necessary. If this step is taken then adequate financial reserves must be in place to meet any claims.

- A process and policy whereby adequate registers are maintained in respect of all assets and investments either owned or leased by the NSO.

In any organization where members and office bearers are often changing, registers such as these may be the only way of remembering or knowing exactly where each asset or investment is located. It also provides an ideal check list to ensure that all assets are properly maintained and insured.

A similar register of all known or potential liabilities that the NSO may be exposed to is another useful tool in developing a comprehensive system of financial management within the Organisation.

Yet another useful register is a record of all contractual arrangements (e.g. to support sponsors etc) entered into by the NSO. This register will not only ensure that contractual arrangements are met but they are also met on time thereby enhancing the relationship with sponsors.

- A business plan for the operation and conduct of any commercial or business activity that the NSO is, or intends to be engaged in.

Given the increasing need for NSOs to fund their scouting programs from a wide variety of activities and business ventures it is important that each NSO has in place business plans outlining both the concept and method of operation for each activity.

These may be as simple as practical guidance on how to operate a business ( such as a Scout Shop, a Training Camp, a Hostel etc) or more detailed guidance on the acquisition of investments ( such as sources of funding, expected returns, cash flow forecasts etc).

One of the main benefits to be derived from developing such business plans is in providing guidance and assistance on possible ways to derive maximum financial benefit from the utilization of business assets or the conduct of business activities.

## Fundamentals of Corporate Governance

While the concept of both Corporate and Financial Governance may not be fully developed in some countries it is

a concept which is being adopted quite quickly in many countries.

As a result of the ever growing requirements flowing from these areas of Governance it is important to anticipate their requirements and incorporate aspects such as the following as part of each NSO's preparations for financial management.

A number of these aspects are also addressed in other segments of this Handbook:

- The financial resources of each Scouting Organisation must be totally applied for, and directed towards the advancement of Scouting in each jurisdiction.
- All the financial resources and assets of each NSO must be kept completely separate from those of its individual members.
- Appropriate levels of financial accountability and responsibility must be established at all levels throughout each NSO.
- The division of financial duties and levels of financial responsibility within and without each NSO must be formally established.
- It is essential that Finance Commit-

tees be established and that both the composition of its members, and their roles and duties are formally established.

- It is important that an independent audit of the NSO's financial position is conducted at least annually.

It is highly desirable that an open tender process should be used for the supply of all financial services to and within the NSO (eg banking, insurance, investment advice, audit services etc).

## Budgeting

As mentioned above budgeting is an integral part of successful financial management and the level of detail required will depend upon the volume of financial activities as well as the complexity of the activities involved. Moreover, it is important to appreciate that some form of budgeting is important at all levels of Scouting. To illustrate, a budget for the NSO will be far more complex than that required by a local Cub Pack or Scout Troop. The NSO's budget needs to cover all aspects of its operation while the local Cub Pack etc only needs to ensure that it has adequate funds to run their weekly activities and to pay their own bills.

When preparing a budget the following is an outline of many of the components that need to be considered:

- To identify all categories of known and potential sources of income.

These will range from membership fees; returns from investments; surpluses from business activities; fund raising; sponsorships; donations; grants from (government) bodies; surpluses from Jamborees etc.

- At the same time it is necessary to identify all known and potential items of expenditure.

Not only will these include normal running and operating expenses such as postage and telephone; administrative salaries; traveling costs; insurance; printing and stationery etc but it will also include costs of maintaining training facilities; business premises and meeting halls.

- There must always be consultation with each section of the NSO to ensure that both their income expectations and their expenditure needs are known and discussed before the budget is completed.
- Likely capital expenditure during

the budget period needs to be identified and considered as well as expected returns from any projected sales of capital items.

Not only are there revenue and expenditure considerations arising from such transactions themselves but any reductions in income arising from using investments to fund these transactions must be allowed for.

- The budgeting process must take into account the financial aspects of any strategic plans; major events such as jamborees and the initial funding needs of special/one off projects.

In events such as these funding may only be of a temporary nature (ie the funding may be refunded from future activities) but there may also be "unusual" expenditure which is not normally encountered during the budget process.

- An important component of any budget documentation is the preparation of a cash flow statement for the budget period.

This document ensures that periods of tight liquidity are known in advance and appropriate arrangements made to cover any cash shortfalls.

- The final step is to have the budget discussed, amended where necessary and then approved by both the Finance Committee and the NSO's Executive Committee. The final budget documents should then be submitted to the members for their approval before the budget period commences.

## Audit

In most countries there is a recognised auditing profession and the audit of each NSO's finances and their financial activities is a statutory requirement. Even if an audit is not formally required it is strongly recommended that a full audit is conducted, at least annually, by an independent party.

It is recommended that some form of audit be conducted at all levels within an NSO as not only does it provide a level of protection for the person(s) looking after the finances but it is also a key measure in ensuring both the proper application and transparency of all finances and assets within the NSO.

In addition it is strongly recommended that each NSO implement an appropriate process of internal audit, i.e. a measure of review and control conducted by the NSO itself. Internal

audit should be conducted on a regular basis and should be conducted at all levels of financial responsibility with each NSO. Not only will such internal audit supplement the independent audit but it should also provide an early indication of any problems that have arisen or areas where assistance may be required

## Insurance

In today's world insurance has become such an integral part not only of our daily lives but is also an essential part of financial management. This is not only a reflection of our litigious society but also a recognition of the increasing sophistication which has developed and been embraced by insurance companies around the world.

Therefore the first step that each NSO should take is to find an insurance broker who both understands the role and various activities of a Scouting Organisation and who also has an up-to-date, working knowledge of the insurance industry. It may take a while to find the right party but be assured that it will be time well spent.

It is also important to remember that as insurance is such a specialized area the appointment by the NSO of

an Insurance Committee would be appropriate. The members of the committee would include people with knowledge and skills in insurance and may well include your insurance broker. If the insurance broker is not appointed as a member of the Insurance Committee then the broker should attend all meetings of that Committee as an advisor.

In partnership with your insurance broker you can then proceed to undertake a review of areas such as:

- The type of risks that need to be insured against.
- Ascertain what statutory classes of insurance each NSO is required by law to carry.
- Determine whether the NSO is financially able to carry any level of “self insurance” and, if so, what would be the appropriate areas of insurance in which to “self insure”.

Some NSOs have been able to “self insure” some part, say the first \$100,000, of their building insurance. This being possible because the NSO has adequate financial resources to meet any such claim while, at the same time, having a good claims history in relation to buildings.

- Ensure that all members and office bearers are covered for appropriate risks as well as the level of insurance cover being adequate.
- Ensure that all assets, owned or leased by the NSO, are properly and adequately insured. In addition, it is necessary to ensure that all parties who may have an insurable interest ( eg in respect of equipment which has been lent or leased to the NSO) are properly recorded on the insurance policy.
- If the NSO undertakes any business or commercial activities then ensure that full an adequate insurance cover is in place including insuring the people who work there as well as customers.
- Ensure that a complete and up-to-date asset register is maintained thereby providing a basis of ensuring that all assets are insured.
- Ensure that a regular program of asset maintenance is in place as this, of itself, provides a measure of asset protection.
- Ensure that all/any people who are not members of the NSO, such as tradespersons, business customers, people hiring scouting facilities etc

are covered by appropriate and adequate insurance.

As will be apparent from the above, insurance is a specialised business and in order for each NSO to be adequately and comprehensively covered it is essential to use a skilled and competent insurance broker. In addition, it is essential that regular (at least annual) reviews of all insurance needs are carried out and, where necessary, insurance policies updated and the level of insurance increased.

It should not be forgotten that Scouting has its own, inbuilt form of insurance protection, namely the development and implementation of proper Risk Management practices and procedures. Scouting has a proud history of managing risk whether it is in planning its adventurous activities or producing check lists for scout hall maintenance.

It is therefore important that both your insurance broker and your insurance company is fully briefed on the extent of your Risk Management procedures and practices as this knowledge should be beneficial in terms of the amount of premiums paid and the levels of insurance cover obtained.

## Investments

### Types/Categories

Today, many NSOs will have acquired assets as a means of enabling them to deliver the Scout Program. The majority of assets are likely to be owned, either directly by the NSO or by some related party. However, some may be either leased (eg for a period of years) or subject to some other form of restriction as to use or tenure.

These assets will include some which simply provide the setting for the conduct of Scouting while others will be income producing. Common examples include:

- Land and Buildings – such as scout halls; campsites; headquarters; training centres and centres providing accommodation for various courses.
- Equipment used for Scouting activities – including sailing craft; aircraft; climbing and abseiling towers; flying foxes and “challenge course” equipment.
- Motor vehicles and office equipment.
- Income producing investments such as stocks and shares; funds on deposit etc.
- Investments in scouting business

activities – including scout shops; training centres; hostels etc

- Investments in non-scouting business activities – such as collecting aluminum cans; manufacturing honey, growing fruit and vegetables and investments in media.
- Investments in business partnerships with outside parties including – running staff development days for corporations; working with governmental agencies on environmental projects; provision of refreshments to those attending non-scouting activities eg corporate functions.

This is another aspect of financial management where its own committee, an Investment Committee may be advisable. This would depend upon the level and complexity of the investments and if such a Committee was appointed then its membership would include people with good investment skills as well as representatives of the Finance Committee.

### **Decisions to Invest**

The availability of financial resources couple with a commonsense approach to the suitability of any proposed investment are always important criteria involved in making investment decisions. That is not forgetting that all investment decisions must be

made at the appropriate level of authority within each NSO.

Another very important criteria is to carefully consider whether or not the proposed investment is one that Scouting should be involved in. This has implications both as to the perceived image of scouting by the general public as well as potentially influencing the attitude of governments and corporations towards providing assistance to Scouting.

Having made the fundamental decision to invest there are a number of other factors which must now be considered before the final decision to proceed can be made. These include:

- Develop a business plan to determine whether or not the investment will be financially viable.
- In relation to investing in financial products such as cash on deposit, debentures etc the financial viability will be readily apparent.

However if the proposed investment is a business opportunity you will need to consider issues such as customer needs and competition; sourcing and supply of materials; cost and availability of the required

finance; location of business premises etc.

In addition you need to ensure that the product can be offered at a competitive price, one that produces a profit.

- As part of the business plan you must develop cash-flow models to ensure that the proposed investment will generate an appropriate return of income to justify the investment.

- Check to ensure that the price to be paid for the investment is reasonable.

- This will involve having the investment proposal reviewed by someone with appropriate skills and experience; calling tenders to establish prices for the supply of product; comparing market values etc.

- Consider any legal aspects associated with the purchase.

It will be important to engage a lawyer to undertake various searches and enquiries to ensure that you will be able to obtain clear title to any property being acquired; that any governmental etc zoning requirements can be complied with and that all necessary permits can be obtained.

- Ensure that all appropriate insur-

ance policies are in order

- Ensure that the Scouting Organisation already has, or can readily obtain the necessary skills and people that will be required to fully run and manage the investment.

## II. Financial Resources Development

The financial strength of any organization, in our case the NSO, depends to a large extent upon the various resources which it either owns or which are available to it. It is from the development and utilization of such resources that an NSO is able to generate income as well as providing and maintaining the facilities needed for its successful and continued operation.

The range of resources available to an NSO comes in many forms. Not only do they include tangible assets (such as land and buildings; investments and similar assets) intangible assets such as Intellectual Property but they also include its members and its supporters. The ability, ingenuity and willingness of these people to work towards enhancing the financial strength of an NSO can often be the key to generating or developing its required level of resources.

When thinking about the development of financial resources it should not be overlooked that the receipt of income is, in its own right, the gaining or development of a re-

source. The benefits to an NSO of having funds available are twofold. There is a positive demonstration of the development of a resource, the generation of income, as well as the creation of an additional resource, namely cash.

This section of the Handbook seeks to illustrate various ways, including steps that can be taken, to fully develop the various resources available to an NSO. In so doing the resources have been divided into two broad categories – internal and external.

### Internal Resources

#### A. Membership Fees

Membership fees are one of the most readily available forms of income available to any NSO. It is traditional for anyone who is a member of an organization, be it a sporting club, a professional body, a theatre club etc to pay membership fees. The same rationale applies in Scouting.

We should always remember that BP himself, when organizing the first experimental camp for 20 boys on Brownsea Island, charged a token fee to each boy as he believed that anything free will not be appreciated by the receiver.

The challenge is, of course, to determine the correct level of membership fees to apply at any point in time. This is an important part of resource development as it requires regular and careful monitoring to ensure that the fees remain affordable. However, at the same time, it is important to keep in mind that the level of membership fees should also reflect the value and benefit which membership of Scouting confers on each member.

Accordingly, when producing a budget, there is always a logical nexus between the number of members and the amount to be received from membership fees.

While the focus will be on the quantum of the fee this does not automatically imply that they will be actually paid, in part or in full, from the member's own funds. The obligation to pay remains with the member but the source of the funds becomes part of the development process associated with this resource.

The challenge then becomes how best to fund (develop) this resource. Possibilities include fundraising by the member or their local Group (or

Section); seeking sponsorship; using profits from business or commercial activities etc. Whatever the means there is always the possibility of a benefit accruing to Scouting from such fundraising especially if the relationship with the external party providing the funds is strengthened, thereby enhancing the image of Scouting.

## **B. Property Development**

Many National Scout Organizations (NSOs) own land and buildings which they may be able to use to generate income. These are valuable assets and should be properly managed so as to maximize the amount of income which can be generated for the benefit of the NSO. The value of the property to the NSO, as well as how it can best be used to generate income, will often depend upon a range of factors such as:

- the location of the property;
- its size (area);
- the facilities available or the scope of facilities to be developed; and
- any specific conditions, restrictions etc which may be embodied within, or specified in its title deeds or other legal documentation relating to the property.

For example, if the property is

situated in an urban or a commercial area it may well be suitable for the construction of commercial buildings such as hostels, hotels, offices or shops. If it is located in a suburban/residential area it may be suitable for residential housing and if it is situated outside the township/city limits it would probably be suitable for a Camp Site; a Training Centre or an Activities Centre.

The first step before proceeding to the development stage is to undertake a detail study/search of the documents or title deeds pertaining to the land especially to ascertain whether they contain any restrictions that may apply to or govern its use. This is essential as any specific conditions in the title deed for the land must be complied with or, as is sometimes appropriate, an official request can be made to the appropriate authority seeking to have these restrictions either removed or modified. It is often the case that with the passing of time, changes in an area's demographics etc restrictions made in the past may no longer be appropriate.

In any event it is important that no development is commenced until any restrictions have either been re-

moved or modified and new documents of title issued. This is important not only in ensuring that the NSO has the legal right to begin the development but also because the title deeds will often be the key document under which finance for the development will be obtained. i.e. by way of mortgage, collateral etc.

The optimum is to have a "win/win" situation whereby the NSO achieves its target of obtaining the necessary funds to complete the development within a nominated time frame and is also able to complete all necessary searches and reviews to ensure that all risks are minimized.

### **B.1 Property Development Committee**

An initial part of the development process is to create a Property Development Committee which should be established at the commencement of the development project. Membership of this Committee should include people skilled in finance, contract management, architecture and property development as well as having an appropriate mix of uniform members and non-uniform (lay) members. It is critical, in the interests of good governance and transparency, that

none of the members of the Committee have a personal interest in any part of the development.

Should the development be of a size that warrants it, specific sub-committees such as Finance and Project Management could also be established.

In addition, it is essential that a reputable legal firm be engaged to attend to all the legal aspect of the project. Furthermore, before the proposed project gets underway the Committee should engage a skilled consultant to undertake, and provide them with a feasibility study of the overall project. The feasibility study will, as indicated below, be a key reference document as the project progresses.

It is important to appreciate that undertaking the various steps mentioned above are just as important to the development of a new camp site as they are to the building of (say) a hostel complex. Each step is vital in ensuring that the NSO gains the maximum benefit both from the asset as well as its development.

## B.2 Feasibility Study and Finance

The various components of a feasibility

study include:

- production of site plans and architectural drawings;
- preparation of cash flow forecasts, costing and financial modeling;
- consideration of potential revenue projections etc

as such information is needed to give the Committee both an overall picture of the financial viability of the project while also assisting it to make appropriate decisions relating to the project.

The method of financing the project, as well as the level and source of finance are all important decisions. Aspects to consider will include whether the NSO is able to undertake the project on its own or whether it is necessary to seek a partner(s) to participate in the project and if a partner is required what contribution will be required from that partner; who should be approached to provide the necessary finance; the term of any borrowings; what security will be required by the lender etc.

In some instances it will be appropriate for a project to be undertaken together with another party. Reasons for such a decision could include the need to secure certain skills such as

marketing; sources of supply; ownership of trade marks and other industrial property or access to favourable funding. If a decision is taken to join with another party then legal advice will be required to draw up an appropriate joint-venture or partnership agreement, one which ensures that the rights and responsibilities of each party are adequately protected.

It is also necessary to ensure that when choosing a partner the party chosen is reputable, trustworthy; and well regarded as we must always protect the image and reputation of Scouting and ensure that our high ideals are maintained.

Once all the preliminary issues have been addressed and a decision taken to proceed, appropriate tender documents will be prepared and issued. The decision as to which tender to accept should be made by the Committee, and this decision should be endorsed by the NSO. However it is important to recognize that, for any of a number of reasons, the cheapest tender may not always be the one best suited to the NSO.

**B.3 Sales and/or Rental of Property**  
Revenue generated from property

will traditionally flow from:

- Sale(s) of property
- Renting the property for extended periods;
- Renting the property for short periods (workshops, seminars, social and corporate functions); and
- The provision of short term accommodation (renting rooms in a hostel, hotel etc).

To achieve the desired outcomes from each of the above categories requires the involvement of people with both experience and specific expertise. It is therefore important to engage professionals, be they members of the NSO or otherwise, to undertake each of these activities or, if necessary, to contract them out.

Whatever step is taken it is important to ensure that there is a suitably drawn contract between the NSO and the party providing the service.

Successful NSOs in Hostel Development and Management in the Asia-Pacific Region:

- Hong Kong Scout Association
- Persekutuan Pengakap Negara Brunei Darussalam on Office, Shop Houses and National Headquarters Project.
- Bangladesh Scouts Association on

Development of National Headquarters Building

#### **B.4 Scout Camps Development and Operation of a Scout Camp**

As an opening remark it is recommended that in relation to the initial development, or any major extension of a Scout Camp, NSOs follow the various steps and procedures set out above in relation to "Property Development"

Camping is synonymous with Scouting thus every NSO has a camp site. Differences are traditionally only in terms of size or location. Nevertheless every Scout camp needs to be properly maintained, and upgraded on a regular basis, so as to ensure that it remains a successful centre and one that continues to attract not only Scouts but the general public. This enables many people to enjoy what it has to offer as well as providing an excellent setting in which to experience life in the outdoors.

Scout camps must not only provide open areas for camping and outdoor activities but they must also have a range of properly supervised activities and challenges to ensure that

attendance at the camp is fun and exciting. In some countries open fires are not permitted and accordingly, in those locations, it will also be necessary to provide proper kitchen facilities for meals and refreshments.

All activities, courses etc must be under the guidance, and supervision, of qualified instructors and facilitators. This is a requirement not only for insurance and safety purposes but should be part of every NSOs Risk Management processes and procedures.

Depending on the location, nature and purpose of the camp site (is it just for camping or is it also designed to appeal to the corporate market) there may be a need to provide various standards of accommodation as well as conference facilities. Developing a camp site to this extent will also benefit the NSO by providing a suitable training venue for leaders and a location for the holding of meetings. In addition it will also act as an incentive for parties who are not members of the NSO to hire the camp thereby providing an additional source of income for the NSO.

The availability of challenging activities within the camp site will

also add to its appeal not only to the various Scouting sections but also to the corporate world and the community in general. All such activities provide not only fun and excitement but they assist in team building, self confidence and motor skills.

An innovative and efficient Camp Warden, supported by good management and maintenance teams, will keep the camp site attractive and able to offer good programs throughout the year. Support of this nature will ensure that the camp site is popular, not only with Scouts but also with non-Scout users. It should be able to generate a good source of revenue for the NSO thereby providing funds to adequately reward the staff as well maintaining and upgrading the camp site.

The gross rental received by a camp site will naturally depend on its usage. At the same time it is usual to offer priority bookings and lower charges to members of the movement as compared to those charged to the public. A professionally produced brochure advertising the camp and highlighting its facilities should be developed and widely circulated.

Successful NSOs on Camp Sites in the Region:

- Gerakan Pramakua Indonesia Bumi Perkemahan Chiburur
- The Bharat Scouts and Guides India
- Bangladesh Scouts

### **C. Scout Supplies**

Providing Scouting supplies is a service which many NSOs offer to its members and it embraces the production or purchase of a range of merchandise which is offered for sale to its members. Traditionally this service does not run at a loss and is often a profit centre for the NSO.

A NSO may decide to run its scout supply service in its own right or it may choose to provide this service through some form of commercial arrangement, such as a franchise, or through an associated entity such as a Scout Foundation. Irrespective of the method of operation the key decisions such as pricing, quality control etc relating to the scout supply service should remain with the NSO. Ongoing monitoring of this service should be undertaken by a separate committee, such as a Scout Supplies Management Committee, with designated powers which should extend to the managing of the surplus funds derived from the

service.

As part of the initial decision making process there are a number of steps to be undertaken to enable a full assessment of the proposed service while, at the same time hopefully identifying, and protecting against, any risks that are likely to arise such as:

- Undertaking an overall feasibility study of the proposed Scout supply service
- Ensuring that competent management is available to operate the service
- Preparing financial models of the proposed service
- Reviewing any existing competition
- Determining an appropriate marketing strategy

### **C.1 Scout Shops**

Many NSOs provide this service through their own scout shop(s) thereby offering a facility where members can purchase their uniforms, badges, publications and a range of Scouting paraphernalia under the one roof.

If it is decided to operate a Scout shop it must be treated as a business. Ideally it will have full time staff dedicated to its management

and success and the overall business must be administered professionally.

As part of the process of deciding whether to open one or more shops the NSO must evaluate the size of its membership as well as undertaking a feasibility study covering the potential sales volume, sources of supply, the anticipated costs of operation etc. This information can then be used to develop a business case as to the viability of opening a Scout shop as well as indicating both the number and location of shops that will be required.

NSOs may choose to establish their shop(s) within their Headquarters as both a cost reduction measure as well as being a convenient location for its members. Headquarters in other locations such as Regions or Districts can operate as agents for the Scout shop(s).

### **C.2 Stock Control and Management**

The financial success of a Scout shop depends on a number of factors including a sound business plan, good governance, proper management of stock, transparency in their operations as well as sound financial controls.

Stock control is a key element and before commencing operations the management has to source reliable manufacturers who can guarantee timely delivery of high quality products at reasonable prices. It is also advisable to establish good term of credit either with the manufacturers or the NSO's financiers. Good stock control is also essential and a minimum level of supplies must be maintained at all times. Given that there is often a large range of stock items, often including ones of low value, the shop manager must ensure that stock records are maintained and regularly updated.

### **C.3 Products and Pricing Policy**

While the range of items carried will vary the following are commonly sold in Scout shops:

- Scout uniforms
- Scouting badges, awards and decorations
- Scout publications
- Jackets, wet weather gear and camp shirts
- Camping gear including tents, backpacks, sleeping bags and cooking gear
- Souvenirs and handicraft items

In determining a pricing policy the

product range is usually categorized into "essential" and "non-essential" items and lower profit margins are traditionally applied to those designated as essential items. Essential items will include uniforms, badges and often publications and the sale price of these items will be set so as to cover the cost of sales with possibly a small contribution towards administrative costs.

Higher profit margins will be applied to the non-essential items, such as camping gear, wet weather gear and souvenirs so as to generate a surplus from the operation of the shop. Such items are often sold to people who are not members of Scouting and for the benefit of members it is not uncommon for such goods to be sold at different prices, one price for members and one for non-members with a membership card being used to identify members. This is normally expressed as a percentage discount being available to members.

As part of the pricing policy prices need to be reviewed regularly so as to reflect changes in the cost of sales and the market situation generally. Obsolete, slow moving and dead stock should be cleared out, possibly on an annual basis, by selling at

discounted prices on occasions which are widely publicised. New items or product lines may be introduced to members by offering, well publicised, special promotional discounts.

#### **C.4 Staff Competence**

The competence of the staff involved plays a critical role in the success or otherwise of a scout supply service and it is vital that the Management Committee responsible for the service comprises members of the NSO as well as business people who are familiar with market situations as well as operating in a retail environment. While it is often difficult to find staff to work in a small business environment, and while it is desirable to employ people who have retail sales experience, members of an NSO are often willing to try and can be provided with on-the-job training so as to ensure that they are equipped with ample product knowledge and customer service skills. This is one area in which the members of the Management Committee can contribute.

The key staff member is the Shop/Service Manager and in addition to having a background in retail selling this person needs to have the necessary business and financial

acumen, as well as people skills to both manage the business as well as guiding and supervising other staff members.

#### **C.5 The Concept of Service**

When it is decided to commence business there will always be an element of risk. One common area of risk is competition and Scout shops often have to compete with other shops that sell items that are not Scouting's propriety products, such as camping/outdoor equipments and accessories. Competition can often be a matter of price and in times of price competition the deciding factor may be as simple as the service provided by the staff. A warm smile and a polite manner are simple yet very effective tools.

While profit is an integral part of the operation there will be times when service to both the members and the NSO may be the appropriate decision to take.

Successful NSOs in Scout Supplies in the Asia-Pacific Region:

- Hong Kong Scout Association
- Scout Association of Japan

## D. Endowment Funds and Foundations

Many NSOs are fortunate in having such a dedicated resource, or a similar source of funds, the income of which is to be used by or applied for the benefit of the NSO. In most cases it is only the income of the fund that is available to the NSO thereby ensuring that the capital is maintained and continues to be available

The development of such a resource should be considered at three distinct levels:

- The creation of the Fund;
  - The maintenance of its capital base; and
  - The growth of its capital base
- each of which have as its primary aim the building of a financial asset which provides an income stream dedicated to assisting the NSO in delivering the Scouting program.

The initial funding can come from a variety of sources such as a bequest; a fund raising campaign or surpluses arising from a major event such as a Jamboree. Whatever the source, the next steps are to ensure that the funds are separately maintained away from the general funds of the NSO while also ascertaining what

special terms and conditions are to apply to the income derived by these funds.

An associated step is to appoint a group of people, either as Trustees or as a Committee, to administer the Fund. If the Fund was created by way of a bequest or gift the party providing the funds should be represented otherwise those appointed should have a strong affinity with Scouting in general as well as the NSO concerned.

Having established the Fund, an ongoing requirement should be to maintain its capital base. A simple way to achieve this goal is to limit the distribution of income each year by retaining within the Fund an amount of income calculated by reference to the inflation rate. This increases the capital base so that each year it equals the amount of the original capital adjusted to reflect all increases in inflation since that date.

The optimum development technique is to undertake regular fund raising exercises to increase the capital base and thereby providing a greater income stream for use by the NSO. However, careful thought should be given, before any new funds are

raised if only to ensure that the additional income generated can be readily and beneficially used by the NSO. The point being that sometimes the terms and conditions governing the use of income derived by a particular Fund may be unduly restrictive.

If such restrictions exist, or are likely to arise, then the focus of any fund raising should be undertaken in another, more flexible vehicle so as to gain maximum benefit to the specific needs of the NSO.

### **E. Events**

Suitable events that are either large enough, or important enough, to warrant inclusion as part of an NSO's financial resource management program are not likely to occur every year. Never the less certain events, such as Jamborees fall into the category of "major" events and these should come within any resource management program.

When considering the development of financial resources associated with major events a key question to be answered is

"What are the financial aspect(s) associated with this particular resource are we interested in developing?"

Potential answers would include seeing this event as:

- an opportunity to raise funds, from the event surplus, for the future benefit of the NSO; or
- an opportunity to raise funds for the development of a specific asset such as a camp site
- and in these situations funds can be raised, for example, by including a special levy in the event fee or, as an ongoing practice, include a small "development" amount in the course fee for every training course held by the NSO.
- an ideal opportunity to develop an ongoing financial relationship with a major sponsor
- an example would be to grant naming rights, for a specific period, in respect of nominated events
- an ideal opportunity to enter into an ongoing partnership(s) with suitable/ logical partners
- such as with a tent manufacturer whereby the NSO agrees to sell their tents in their Scout shop and the manufacturer provides a number of free tents at Jamboree time.
- a promotional opportunity to enhance the image of Scouting
- whereby the NSO agrees to raise funds for a charity and, in return, receives appropriate publicity.

Having decided which areas to focus on enables the NSO to determine what steps are required to obtain the best financial outcomes from a particular event. In so doing the NSO will gain assistance from other aspects of financial management and development outlined elsewhere in this Handbook. Topics to consider would include "Fund Raising"; "Partnerships" and "Project Management".

### **F. Intellectual Property**

Scouting is fortunate in that it has available to it a range of valuable Intellectual Property which can be developed to enhance the financial position of many NSOs. While Intellectual Property is a resource which has not been greatly utilized within Scouting it is one that should not be overlooked.

Common examples include:

- emblems (the National Scout Emblem and the National Scout Badge)
- registered (trade) marks
- designs
- training programs
- publications

and provided that each item of Intellectual Property is properly registered and protected in its

jurisdiction. Each NSO has the ability to use these resources to improve its finances. A possible way of fund raising would be to grant a license to an acceptable, from a Scouting perspective, party to pay a royalty for the use of a (trade)mark, training publications etc which have been properly registered.

Further information can be found in the recent publication "Guidelines for the Protection of Intellectual Property".

### **G. Business/Commercial Activities**

Entering into business or commercial activities has never been regarded as a major part of Scouting activities. Certainly many NSOs operate Scout shops, rent out camp sites, sell publications and possibly license Intellectual Property and these will continue to be part of traditional Scouting activities.

However it is a significant step, and one only to be taken after careful consideration of the many potential risks that may be encountered, for any Scouting organization to undertake, or enter into any form of major business or commercial activity.

There are certainly a range of successful activities being conducted by NSOs such as raising cattle, collecting and bottling honey, building hostels and shopping complexes and collecting and crushing aluminum cans. No doubt other possibilities will present themselves to many NSOs.

In other sections of this Handbook we have provided some guidance in areas such as financial accountability, ethics, strategic financial planning and corporate governance and each of these must be carefully considered before deciding to participate in any business or commercial activity.

Once a decision has been taken to enter into an appropriate activity the next step should be to undertake feasibility studies and due diligence reviews. These steps should be part of the overall process to enable you to be satisfied, as best you can, that the proposed activity will provide a safe financial return to the NSO.

Another important step, before a final decision to proceed can be taken is to obtain approval from your NSO to proceed, especially as both the image of Scouting as well as the financial security of the NSO is at stake.

## External Resources

This section focuses on specific areas of developing financial resources and should be read together with other sections such as Fund Raising and Partnerships.

### Government Grants

The obtaining of grants from Government will be easier for some NSOs than others. Furthermore, it may be easier to obtain grants from some levels of Government, or some Governmental Departments than others. There may be many reasons for this such as:

- The relationship between a NSO and a particular Government;
- Whether the Government has grant funds available; or
- The use to which available grants can be applied.

The number of levels of Government can vary between countries as in some countries there will be up to three levels while in others there may only be one or two. When there are different levels of Government there are usually specific areas of responsibility assumed at each level (eg one level may be responsible for education and training while another may be responsible for sport and

youth, recreation or small grants to business).

Therefore an important step is to ascertain details of all grants that are available, which areas of Government provides the various grants as well as the relevant criteria under which grants may be made.

Having ascertained this information the NSO should determine which grants they will apply for and commence to prepare the necessary application(s). At the same time enquiries should be made as to any personal contacts that may be available to the NSO to assist in receiving a favourable response to the various grant applications.

At a practical level, grants are more likely to be received if they are made, or followed up at a personal level. This will assist the NSO in the following ways:

- It will enable the NSO to receive guidance on how to frame the grant application and who the application should be forwarded to; and
- It will be the person responsible for approving grant applications to have a greater awareness of the needs of, and areas of expertise within the

NSO.

It should also be recognized that when grants are received appropriate, public recognition must be given to the Government making the grant. Also, in certain instances the best interests of both the Government and the NSO may be served by working together to achieve the desired outcomes from obtaining the grant.

The following examples illustrate a range of grants that have been received by various NSOs:

- A grant for the long term development of Scouting (youth development).
- A grant to enable each Scout Hall in a NSO to install water tanks, thereby assisting to preserve water.
- A grant to work with indigenous people, in remote areas, to introduce the Scouting program to those people.
- A grant to meet the annual costs of both activities for youth members and Leader development courses.
- A grant to cover annual operating expenses.

- A grant to assist in celebrating the Centenary of Scouting.
- A grant to assist in developing international relationships and friendship.
- A range of small grants to enable Scout Groups to acquire computers or other small items of equipment.

Applying for grants, and developing a good working relationship, including developing partnerships, with all levels of Government is a positive way of developing financial resources.

#### Donations and Sponsorship

Both donations and sponsorship are important sources of funding for NSOs and are areas where time and resources can be usefully deployed.

It is recommended that efforts in these areas be coordinated under specially created committees whose members have skills and expertise in these forms of fund raising. It is also recommended that these activities be coordinated at the NSO level so as to maximize effort and to minimise duplication in approaching potential donors and sponsors.

In some countries donations and sponsorship contributions to organizations such as Scouting are tax

deductible which is of considerable assistance when NSOs are seeking financial support.

NSOs may seek donations in different ways. One approach may be to have a major campaign at periodic intervals – say every three years - directed towards both the corporate world as well as high wealth individuals which are conducted at periodic intervals – say every three years. These campaigns are often focused around specific needs (e.g. to develop a new camp site) or to provide a major source of funding for particular activities (e.g. to provide Leader training).

Another approach is to establish an ongoing donor program whereby people become members of a specially created fund and the members commit to making regular donations, usually on an annual basis, of varying amounts. The net income of this fund is distributed in accordance with pre-determined guidelines.

Every NSO has a need for increasing its financial resources and accordingly is important that all NSOs have in place a strategy and a focus directed towards seeking donations.

It is an activity that should be ongoing and undertaken at all levels within an NSO.

Sponsorship may well be associated with major Scouting events such as jamborees which provide ideal opportunities to develop ongoing relationships. These relationships can be established for the supply of a wide range of products and services from food and soft drink, paint and maintenance items, use of motor vehicles and computer equipment to providing a fully equipped and staffed hospital.

However sponsorship is certainly not limited to major events and can be of considerable benefit through all levels of Scouting. For example, at the Group level a local business may provide camp shirts while at a higher formation the ongoing use of a motor vehicle(s) may be negotiated.

When developing relationships with sponsors it is essential that the NSO fully understands what form the sponsorship will take as well as understanding the level and form of acknowledgement that the sponsor is seeking.

The key to success is to develop

strong, ongoing relationships, be they “partnerships” or other arrangements. It must also be appreciated that, in today’s financial climate, business will only sponsor organizations such as Scouting if they see that they are receiving something in return. This will be a matter of negotiation in each individual case.

### **Special Events**

As the name implies “special” events do not occur regularly and should only be conducted in conjunction with a significant fund raising event. It is important to appreciate that it is easy to annoy potential donors, especially major donors, by continually approaching them for funds.

A recent example of a special fund raising event was one organized to raise funds to rebuild a large camp site which was completely destroyed in a bush fire. Being in aid of a very good cause, permission was obtained to hold the main fund raising event in a prestigious location and the event was successful. The function consisted of a formal dinner, with a significant attendance fee, and considerable funds were raised by auctioning a range of donated items at the end of the dinner.

To ensure the success of the occasion particular care and attention was given to its organisation including producing high quality invitations and dinner menus, the caliber of the speakers and the location.

### **Affinity Programs**

This is an area of financial resource development which is relatively new to Scouting. It also has many similarities to, and can be considered as an extension of, sponsorship.

Also the World Organization of the Scout Movement in 1996 entered into an agreement with Visa International and Seoul Bank for the issuance of Visa Cards to Scout members through World Scout Affinity Program.

The Scout Association of Hong Kong has entered into with a local Bank for the issue of a Scout Visa cards to its members.

Other examples include telephone companies issuing specially designed cards for members of NSOs, including ones which are issued to younger members to provide them with the facility to call their parents should the need arise, and discount and membership cards issued by some NSOs

which provide benefits in respect of the purchase of nominated goods and services.

Another area is where fees are paid to NSOs when their members take out housing and other loans with a particular bank.

## IV. Fund Raising

Fund raising is a valuable part of strengthening Scouting as cash and non-cash contributions and resources are needed to carry out our desired and planned activities. The obtaining of resources is therefore a desired and honourable task and fund raisers are to be acknowledged and praised. The image of Scouting as well as its contribution to the community, coupled with the significant contribution that fund raising makes in achieving them, must be consistently conveyed to the public.

### Principles of Fund Raising

#### **Integrity**

Integrity is the key to fund raising. It is most important that those raising the funds as well as those providing the funds are convinced as to the integrity and worth of Scouting. In addition, everyone associated with and responsible for the fund raising must believe in the benefits and value of the activity, or project that the funds are being raised for. The level of commitment is a most important attribute.

#### **Acknowledgement**

Acknowledgement is not only a courtesy – it is a must. Many donors

use their donations not only to assist Scouting but also to enhance their prestige and honour in their community. It is therefore important to acknowledge all donations and praise the donors for their loyalty to the community and for their much needed and appreciated support. The two most important words in raising funds, and thereby running a successful NSO, are “Thank You!”.

#### **Accountability**

Donors want to know what has been achieved with their donation and whether we reached, or partially reached the objectives we outlined when we asked for a donation. A very effective way of keeping them informed is to send donors a progress report.

#### **Transparency**

Transparency goes together with accountability. All accounting records must be open and available and they include Published Accounts, Annual Reports and similar documents. It must be remembered that these records should also be open and available to the public.

#### **Persistence**

Not everybody is a donor. You must recognise that not being able to

obtain a donation from one source does not imply failure. Do not give up. You may experience eight rejections but the ninth and tenth request may bring the needed donations.

### **Recording Project Inputs**

It is important to create and maintain accurate records of all funds and resources donated to a particular project. Too often certain donations (especially communal labour and gifts in kind) are overlooked and not recorded and therefore the true worth of the project is undervalued.

### **Techniques of Fund Raising**

There is no magic formula for successful fund raising. Basically, there are only four simple steps:

#### **Know where the money is:**

Identifying donors for a particular fund raising project is an important step. This is not always easy as decisions have to be made as to specific segments of the business world or the community to be approached while, at the same time avoiding undesirable sponsors such as liquor and tobacco companies and other unethical or otherwise unacceptable parties. Potential donors may be identified, and sought

through Leaders, members of Scout Committees, government officials and senior members of your local community.

**Know how to get it:** A simple, yet professional letter of introduction, clearly setting out who you are and what you are seeking, including the purpose for which the donation will be used, is important. Make it simple and easy to read and always ensure that it is politely and correctly addressed. Being able to add a personal touch to a letter is always an advantage. If you take the time to learn a little about the person you are writing to, it will help your request by adding a personal touch to your letter. It is also helpful if you are able to request a well known and respectable person to sign the letter.

**Go out and get it:** A common reason for not giving is not being asked. In addition, do not assume that the potential donor fully understands the request simply by receiving a letter. Ask clearly and directly for exactly what is being sought and repeat the message. Ask more than once, especially if a large donation is being sought, and make it as easy as possible for the donor to respond and contribute. The person presenting to

the prospective donor must be knowledgeable and well briefed before hand. Preparation of a proposal setting out how much funding is required, how the donation will be utilized and how many people will benefit will be helpful..

**Thank you:** Saying “thank you” is a simple and polite way of reassuring the donor that the donation has made, or will make an important contribution to Scouting and that the donor is reassured that the right decision has been made.

It is always a nice gesture to publicly recognize the donor at an appropriate event such as at a prize giving ceremony, the Annual General Meeting, at the camp site where the donation was used. In addition, sending a photo of how the donation was used will always be a positive way of saying “thank you”. Long-term recognition such as a name plaque etc. should be arranged for those who make significant donations.

## Procedures of Fund Raising

The procedures and steps associated with a fund raising campaign include:

- Review the various laws, policies,

guidelines and regulations relating to fund raising in the relevant jurisdiction, and as decreed by the NSO, to ensure that you will be able to comply with these requirements.

- Obtain approval from your NSO and then obtain the necessary approvals and licenses from the various authorities to undertake the fund raising activities.
- Set the goals of the fund raising campaign, including preparing a detailed budget. It is important to ensure that the amount raised can be tallied with the donations, effort and resources put into the campaign.
- Prepare an overall plan for the fund raising campaign including the appointment of a Planning Committee and key officers of the campaign including the Fund Campaign Director/Manager.
- Determine the actual format of the fund raising activity(ies) including consideration to any limitations that are likely to arise or should be imposed.
- Ensure that all relevant insurance issues are considered, and cover obtained, to protect both the NSO as

well as all people participating in any fund raising activities.

- Develop an appropriate publicity and public relations campaign to promote both the fund raising activity as well as the image of Scouting.
- Seek the support of outside parties in identifying potential donors and soliciting sponsorship.
- Establish and maintain appropriate accounting and financial records and arrange for an audit at the completion of the fund raising activity.
- At the end of the campaign, hold an appreciation ceremony to recognize all those who were involved, especially donors, sponsors and volunteers.

Make an evaluation of the campaign and prepare a report for future reference (this would include documenting the whole process, its financial outcome, the programs and activities undertaken, a list of achievements and lessons learned). The report should be presented to the NSO and any regulatory body requiring such a report.

## Examples of Fund Raising

Funds may be raised through the following formats:

- Direct solicitation for donations and/or sponsorship
- Developing various fund raising or expense reduction partnerships
- Approaching retired Leaders, retired members of Committees etc. and establish a regular “donor program” for such people. Obtaining tax deductions for donations will be a positive incentive
- Operating Scout shops selling scout uniforms, equipment etc
- Renting camp sites to outside parties
- Writing, publishing and selling Scouting publications
- Holding Banquets, balls and similar social activities
- Sponsoring Gala premieres of plays, movies etc
- Producing variety shows, plays and musical performances

- Conducting raffles, lucky draw competitions, trivia nights etc
- Arrange a fund raising soccer match and charge admission
- Organise a Charity walk
- Holding a Flag day
- Selling souvenirs and other items of interest
- Performing a service (job week, car washing, shoe-polishing, painting, cleaning up areas etc)
- Obtaining paid advertising in Scouting magazines

## Conclusion

Fund raising is a job to which all should contribute and for which all should be responsible. Do it with enthusiasm, integrity and confidence.

## V. Partnerships

A Partnership exists when two or more parties (be they individuals, corporations, organizations etc), having a mutual interest, agree to seek a common outcome or achieve common goals by implementing an agreed plan of action, a program or project while adopting common strategies and actions.

In many countries “partnerships” have legal status or recognition and therefore it is necessary to ensure that each partnership is created, and operated in accordance with the laws and regulations that apply in each respective jurisdiction.

To assist your understanding of partnerships in the Scouting context it is important that you also read “The Marrakech Charter – Bangalore Revised Edition” on ‘Partnerships in Scouting’ produced by the World Scout Bureau.

Today, many NSOs are recognizing the range of benefits and opportunities which flow from entering into strategic partnerships, albeit with partners whose stature and ideals match those of Scouting. Benefits can be of a financial nature; lead to the recruitment of additional Leaders and

Committee Members as well as increasing the recognition and awareness of Scouting both in the community, with governments and in the business world.

Provided that partners are chosen carefully, and that the rationale behind a particular partnership is soundly based, there will be a reasonable expectation that the partnership will continue and will provide mutual benefits over many years.

### Objectives of a Partnership

Each partnership will have its own aims and objectives. However, it is essential that when considering the formation of any partnership all prospective partners initially spend time identifying and agreeing a common set of objectives which will govern that partnership.

While many objectives will be based on sound business practice, as well as the Intended outcomes that each partner desires, there are various fundamentals which should always apply. These will include a genuine commitment to the partnership; high levels of service and performance; the achievement of specified outcomes; the protection of the interests

of each partner and being open and trusting in partnership dealings.

## Principles of a Partnership

Complying with all relevant laws and regulations relating to partnerships as well as abiding by the following generally accepted principles associated with financial cooperation, will reinforce the agreed partnership objectives as well as creating a positive atmosphere between the partners:

- Determining jointly the aim of the activity or project(s) to be funded;
- Agreeing on the criteria and rules governing the injection of funds and the provision of services;
- Ensuring transparency in financial management;
- Exchanging information on administrative and financial procedures; and
- Evaluating jointly.

Within every successful partnership there should be mutual trust as well as benefit and reward for all partners. This may well require change to previously agreed objectives and outcomes as well as the possible introduction of additional or varied resources. All partners must therefore be flexible in their approach to their partnership.

## Creating a Partnership

The creation and operation of a partnership usually comprises a number of phases which follow one from the other and may include:

- A planning phase;
- An implementation (or launching) phase;
- A development stage; and
- The productive stage.

Before entering into a partnership it is most important that the Scouting partner obtains approval from its NSO to do so. In addition, and throughout each stage it is essential for the Scouting member of the partnership to comply with the various policies, rules and guidelines established by its NSO.

The partners must work closely together so as to ensure not only the success of the partnership but also the development of a relationship that will readily accommodate changes and refinements to its objectives, vision and direction. The design of the partnership structure; its processes and the roles and responsibilities of its staff should always be aligned to the objectives and strategies of the partnership.

Progress of the partnership should be reviewed at least annually.

The practical, operating aspects of a partnership will include:

- Developing budgets and ensuring that adequate finance is available
- Designing and installing appropriate accounting procedures
- Maintaining appropriate accounting records
- Ensuring that adequate insurance cover has been obtained
- Agreeing how the profits (and losses, if any) are to be shared
- Agreeing on the provision of resources as between partners
- Preparing and signing a partnership agreement

## Examples of Partnerships Within Scouting

Today, Scouting is entering into partnership with a diverse range of partners while, at the same time, ensuring that the goals of each partnership remain directed towards attaining and enhancing the goals of Scouting.

The following illustrate the range of potential partners for Scouting;

- Governments and Government Departments at all levels of government

- Business entities both public and private
- Public, semi-public and private agencies
- Industry bodies such as Chambers of Commerce and Industry
- Other charitable, community and voluntary bodies

and within each of these groups of potential partners there will be many opportunities and avenues of potential benefit to pursue.

In recent years some of the partnerships that Scouting has entered into have a specific financial focus, such as receiving funding from Government to work with indigenous people or to provide funds for advertising to enhance the image of Scouting; to reduce the cost of communications and to provide support for major events such as reduced cost of goods for major events.

However some partnerships have been created specifically to provide other benefits both to Scouting and the community. These have included partnerships with community organizations to provide a source of new Leaders; working with volunteer groups to provide computer training; providing education on AIDS and

environmental support such as planting trees.

In these later partnerships the financial reward will often flow from a heightened level of awareness of Scouting in the community.

## VI. Project Management

### Definition

Everything we do, not only in Scouting, requires managing at one level or another. However in the context of this section of the Handbook, “management” is the utilization of (financial) resources to achieve the aims of the enterprise in a controlled and structured manner.

It is an essential organizing and managerial discipline that requires execution skills in getting things done. It is a set of well-defined methods and techniques for managing a team of people to continuously monitor the progress and finally accomplish a series of work tasks, within a well-defined schedule and budget. While it directs to everyday tasks it certainly has a place in a larger activities such as planning and running a jamboree, building a new campsite or establishing a scout shop.

Project Management is the discipline of organising and managing resources in such a way that these resources deliver all that is required to complete a project within its defined scope, time and cost constraints.

While it is not a technique that suits itself to everyday tasks it certainly has a place in larger activities such as planning and running a jamboree, building a new camp site or establishing a scout shop.

A Project is a one-time job that has defined starting and ending dates, a clearly specified objective or scope of work to be performed, a pre-defined budget and usually a temporary organization that is dismantled once the project is completed.

Scouting has long been a leader in the field of Risk Management, which certainly has a role in Project Management, and accordingly this is an area where experience and skill will be available.

### The Triple Components

There are three important components of project management which guide each project:

- Scope – a project must meet the customer requirements – where the customer is often the NSO
- Time – a project must be completed on time
- Cost – a project must not exceed its budget

The scope defines what must be done to produce the project's end result; the time component refers to the amount of time available to complete a project while cost refers to the budgeted amount available for the project. These three aspects often compete against each other as an increase in the scope typically means increased time and increased cost, a tight time line could result in increased costs and reduced scope while a tight budget could mean increased time and reduced scope. Project management can therefore be described as providing the tools and techniques that enable a project team to so organise their work so that they are able to work within each of these components.

## Features of Project Management

The main features of project management include:

- Project management can be complex and accordingly is not appropriate for small tasks.
- Project management has both a definite beginning and an end; it is not an open ended process.
- Project management uses a range of management tools to measure what has been accomplished and to keep track of the various project tasks.
- Project management frequently requires resources on an unplanned, ad-hoc basis.
- Project management is designed to reduce risk and increase the chances of success.

and these are factors which often distinguish a project using project management from those engaged in more conventional and ongoing activities.

## Project Management Activities

The constraints and controls embodied within a project management exercise embrace a host of different, yet never-the-less related activities and functions. This attention to control and organization is the trademark of project management.

- Planning the work and agreeing the overall objective
- Reviewing the various components of the project as a whole and determining the individual objectives which have to be met to completion
- Assessing and mitigating the various risks which are likely to arise during the project
- Estimating the total level of resources and allocating them across the project

- Arranging the overall work plan, acquiring the necessary human and material resources and assigning them to individual tasks
- Directing and controlling project execution and tracking, measuring and reporting progress
- Analysing the results and defining the outcomes achieved
- Forecasting future trends in the project
- Ensuring that there is "Quality Management" (including Risk Management) and "Issues Management" throughout the life of the project

## Elements of Project Management

Project management is often conveniently divided into two distinct segments; the first comprises its control systems and the second is comprised of the following four stages:

- initiation;
- planning and design;
- production or execution; and
- closing and maintenance.

## Control Systems

Project control is that segment of a project that keeps it on-track, on-time and within budget. It begins with the initial planning to determine what systems are required and ends at the

conclusion of the project at the time of the post-implementation review. The actual controls to be used will be determined on a project by project basis involving every step in the process as too much control is time consuming and too little control can be costly. Control systems are often used in areas relating to costs, risk, quality, communications, time requirements, change, procurement and human resources.

## Initiation

The initiation stage, its conception, is critical in determining the nature and scope of the overall project. There are significant risks to the project as a whole if this part of the process is not undertaken with due care and attention to detail as a lack of planning may result in the project not meeting its desired needs, objectives and expectations. The major requirement at this stage is to have a full and complete understanding of both the business and commercial environment in which the project will be undertaken.

## Planning and Design

Once the concept has been developed, the planning and design takes place. Occasionally a small prototype of the final product is built and

tested. The outcome of the design stage should result in a concept and a design that:

- satisfies the end user (the NSO) and meets all business requirements associated with the project
- should function as intended.
- will meet all quality standards.
- can be completed within time and budget constraints
- meets all necessary requirements and regulations

## Production or Execution

The production or execution stage is when the design or plan is converted into a fully operational project. All systems are “go” and the various segments of the project come on stream. If computer software systems are employed, this will be the appropriate time that any necessary conversions, production of documentation and training are carried out. Training is important because it ensures that the project software is used correctly. The bulk of the project’s work and the incurring of all expenditure, capital and revenue, occurs during this phase.

## Closing and Maintenance

Closing marks the formal completion of the project and the formal handing over to the customer. The project is all but completed. Certain administrative activities, include the archiving of files, plans, manuals etc and the preparation of a formal report on the project, may remain but these will be quickly completed.

Maintenance is ongoing throughout the project and will include:

- Providing continuing support to the customer/end user.
- Replacing and/or repairing plant, equipment or product etc as required and, if appropriate, rectifying the fault under warranty.
- Updating software systems as new versions become available ( if required within the terms of the project)
- Undertaking any servicing or maintenance tasks provided for within the terms of the project.

## Challenges of Project Management

There are many potential challenges and pitfalls which may be encountered when undertaking project management. While the following is by no means an exhaustive list it does provide an indicative outline:

- Failure to properly define goals; planning based on inaccurate information; poor communication; inadequate lines of responsibility; project estimates based on incomplete data; teamwork; people being continually reassigned; ballpark estimates; personality conflicts; poor management to name just a few.

## Project Manager

The role of the project manager carries great responsibility. It is the project manager's job to direct, supervise and control the project from beginning to end and to do this the project manager should not be directly involved in the project itself but be able to devote their time to manage the project.

A project manager must have, and use, a range of skills:

- Strong leadership
- People management
- The ability to communicate (verbal and written)
- Be a good negotiator
- Understand planning
- A sound knowledge of contract management
- Problem solving
- Creative thinking
- Good IT skills

## VII. Acknowledgement

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