

Financial Guidelines for Athletic Chairmen

In a Nutshell:

The following are key financial considerations for the Chairman of the Athletic Committee and for the chairmen of the individual sports.

1. **Events must be budgeted in advance, reviewed and approved by the General Manager, the Athletic Director, the Chairmen of the sport, the Chairman of the Athletic Committee and, when appropriate, by the Board of Directors.**
2. **Budgets are “transparent”---all cost considerations are included and all budgets will be distributed to all policy makers and administrators.**
3. **Capital expenditures are budgeted in the capital account and do not impact annual operating budgets for individual sports.**
4. **An annual operating budget will be created for each individual sport including pro-rata share of the Athletic Director’s salary, miscellaneous “consumable” equipment needs and a small “slush fund” to cover unanticipated overages from activities or for public relations opportunities that are anticipated but can’t be identified in advance.**
5. **A paid Athletic Director is required who administers policies established by the Committee and the various tourney committees.**
6. **The club will not endorse, publicize or subsidize events which are exclusionary in nature.**
7. **Tourney entry fees should cover all tourney costs, including prizes, but not the “overhead” expense of the Athletic Director.**
8. **Miscellaneous promotional costs, which are insignificant in nature, may be picked up in other related administrative departments.**
9. **The schedule of prizes rarely attracts a bigger field of players, though more prizes are always appreciated by those who decide to play. The temptation is to “give away the house” without getting an appropriate benefit in return.**
10. **The Committee should submit their “prize schedule” for upcoming tourneys to the Board for fiscal and “philosophical” approval.**
11. **Annual operating budgets, annual capital budget, monthly operating and capital results and year-to-date operating and capital results are available whenever requested from the Accounting Department.**

A Little Detail:

The following discuss some of the issues summarized above in a little more detail.

1. **The club needs a paid athletic director since members prefer to make policy and let others administer:** The days are gone when members had surplus time to truly organize, promote and administer tournaments. A paid athletic director is now the norm and the club and the budget need to acknowledge the fact.
2. **People want far more in prizes than they pay for. They expect the general membership to subsidize the prizes awarded:** Prizes are a big deal for the status involved and for the goods and services received free. One is always amazed how cheap people can be when the prospects of a freebie is present. The policy should be: prizes come from the price of admission and not from the general fund of the club.
3. **Free beer prizes are attractive to participants but rarely used:** The fraternity spirit surrounds the free beer prizes that are given. The hype is more important than the beer since most prefer to trade their prizes for drink tickets. That being the case, make sure that “alternatives” are clearly defined in advance and that the “free beer” is clearly the “best deal” amongst those alternatives.
4. **People want to exchange prizes of “low personal utility” into prizes of “high personal utility” and to get more prizes in the bargain than intended by the committee:** Accept that people want prizes to be personalized. Nothing wrong with that. But make sure the alternatives are clearly defined and equally administered. People will try to squeeze extras and will be tough on the director or chairman.
5. **The club will not subsidize events which are exclusionary---special surf clinics, special “A” paddle tennis tourneys and the like:** Cliques are a part of sports life. Those in the clique would like theirs subsidized by the club community while excluding many in that community from participating. A very bad “mind set” made worse if such exclusionary types are subsidized in any way by the general membership. Be cautious of this one since people will try to squeeze out favors for their crowd, suggesting in the process that they’re deserving or special.
6. **Tourney entry fees should cover all direct operating costs relating to the tourney, including prizes but excluding the salary of the Athletic Director:** Tourneys should be self-sustaining. If they’re not, the general membership ends up subsidizing prizes, excess food, cocktail hour and the like. Tourneys should be break even events. The Athletic Director, by contrast, is subsidized and his cost should not be pro-rated into the budgeting for an event.
7. **Drink prizes will always create controversy amongst those who are concerned about the impression such prizes have on “the youth” of the club:** Drink prizes validate the “fraternity appeal” of certain sports. However, they’re controversial since they are perceived as encouraging drinking amongst the youth. Get Board approval to avoid controversy over “big prizes.” *Drink tickets, however, remain as the “currency of choice” amongst participants* and are more welcome than food prizes.
8. **People will try to squeeze the Athletic Director for drink tickets whenever they can:** The Chairman and the Director will be “squeezed” for drink tickets in payment for successes, failures and for volunteer efforts. Avoid giving when asked since this validates the behavior and takes the fun out of giving the unexpected.
9. **When there are few participants in a given tourney, almost each participant will get a prize and they expect to receive one:** Some tourneys are “dogs” and attract few participants. However, people still want the traditional pay-outs for first, second and so forth. Doing so will often mean that everyone wins. If this was just an “acknowledgement issue,” no big deal. But when it involves prizes, it means either a higher entry fee (a big no-no under most circumstances) or a prize subsidy from the general membership. Resist their entreaties to “pay out” and distribute only what one collects in admissions fees.
10. **The schedule of prizes rarely attracts a bigger field of players:** Competitive athletes who have a “gambling impulse” argue that people play for the prize money. In clubs that is rarely the case since dignity and status are their “prime movers” in the member community. Don’t get me wrong. People like to be rewarded nicely for their victories. However, they rarely sign up for “the bucks” since the prizes involved don’t sway affluent types who can join clubs. By way of example, the volleyball Calcutta has no prizes, yet it is a club tradition and the most aggressively sought after crown in club sports.
11. **The Board should approve the list of tourney prizes well in advance of “the season”:** Some prizes are appropriate under some circumstances whereas others are not. Although the committee recommends that certain prizes be given, they should be run by the Board in the Spring and approved, thereby circumventing post tourney controversies over the type or extend of awarded prizes.

Cash is king. Participants want to pay less and get more. Non-participants want them to pay more and get less. The Board and Finance Committee want them to hit the budgeted subsidy and not spend a nickel more. It is the individual and collective responsibility of the Athletic Director, the Athletic Chairman, the individual sports Chairman and the General Manager to ensure that the dollars are well spent, that value is always received and that budgets are met.