

Directors and Commissioners,

Over the last several years the various CMSA leagues and tournaments (we currently boast 14 leagues and 5 tournaments) began operating under different budgetary plans, deadlines and procedures. This discrepancy occurred for several reasons including leadership turnover, various structures of league operation, and the exponential growth CMSA has been experiencing. The budgets of numerous leagues became lax and different leagues were given different directions as to budget control. The CMSA board has made correcting this inconsistency a priority and has been working to streamline our budget policy. Towards that end, we convened a budget sub-committee and met with representatives from the leagues.

As a reminder, and in the hopes of allaying any fears, the CMSA board is not looking to micro-manage or take control of any individual leagues. Our main goal is to stop the trend of leagues operating as separate satellite organizations independent of CMSA, instead of as integral components of a larger umbrella group. In our role as over-seer and in the interest of fairness, we must take steps to ensure that each league operates alike and all comply with the rules and regulations of CMSA. Further, we hope to ease some of the growing pains we've been experiencing as we continue to forge unexplored ground as a unique umbrella all-volunteer run, not-for-profit sports organization.

As a not-for-profit we must comply with state, federal and local laws including the filing of annual tax reports. We must operate not as a foundation or money making venture, but rather in compliance with our mission, to offer sports and social opportunities to members of the LGBT community. Fundraising and budget surpluses serve to jeopardize our status and must be considered carefully.

While each CMSA league is unique in the way it operates and functions, each follows a basic structure. All CMSA members should expect to enjoy a set season including weekly play (league should obtain fields/courts, etc), the opportunity to participate from a recreational to competitive skill level (establish different divisions), some form of an end of season competition (schedule playoffs/championships) and an end of season social gathering (party/awards banquet). Budgets should be developed around that basic structure and then expanded and made more elaborate consistent with the needs of the league, ie equipment, paid officials, other social opportunities, etc.

With your suggestions, information and assistance we have developed the following policy to take effect this CMSA season (03-04 [Sept – August]):

- 1) All leagues will operate zero based budgets each season. Any and all surpluses will revert to the organization for general operating. Deficits will be covered by the organization provided the deficits are caused by unforeseeable/uncontrollable events and are brought to the attention of the CMSA board immediately.

i.e. equipment is stolen/damaged during season and must be replaced. An example of a controllable expense that would not be covered is the cost of t-shirts or other end-of-season "goody."

Commissioners and their respective boards must monitor the budgets carefully throughout the season and diligently work to stay within those limits. The CMSA board treasurer will be available to inform any league of their current budget with a three day turn-around from the date of the request.

Put simply, don't spend it, if you don't have it.

Example of how this works in practice: if during the season a sponsor doesn't come through as expected and the money was earmarked for t-shirt purchases, then that season no t-shirts will be purchased unless another sponsor is obtained.

- 2) Budgets (preliminary) are due one month prior to the league's 1st sign-up party for the season. A separate budget will be prepared for each league even in the case where a standing board oversees more than one league in the same sport. Upon submission and approval by the board, advertising (newsprint and member mailings) will begin. Assistance with budget preparation is available upon request and strongly encouraged.
- 3) Final Budgets (*actual* costs) are due two weeks after the final league event for the season (last game, party, etc)
- 4) Any new leagues and/or commissioners must consult with a board representative for the first two years of the budgeting process to develop and maintain the league budget.
- 5) Beginning with CMSA year 2004-2005 (September), league costs for membership in national or local organizations will be subsidized up to \$1,500 by CMSA provided the Board approves such membership during the budgeting approval process. This will include straight as well as LGBT organizations. Examples of such organizations include, but are not limited to: NAGAAA, IGBO, GLTA, NAVA.

The rationale for this decision is that as an organization CMSA benefits from membership and participation in these various organizations. We can promote these perks to prospective members as well as obviously benefiting current members. By having the cost absorbed by the organization as a whole, we hope to help unify our leagues and help diffuse the impact that these large expenditures have had on individual leagues in the past. Spreading the costs equitably across the entire membership benefits everyone and puts membership fees towards the operating expenses as intended.

Finally, in the interest of smooth transition and implementation of this budget policy, every league will be allowed to bring forward past budget surpluses from the last two seasons based on the current actual accounting. Each league will be notified of the specific amount, if any, in a separate memo.

We hope this is helpful and look forward to working with you as we all continue to participate in running the most successful, largest and most unique LGBT multi-sport organization around. As always, please feel free to contact myself or anyone else on the board. AND a big thank you for volunteering to be part of CMSA.