

Developing Chapter Dues

Once the expense side of the budget has been developed (see "The Budget Planning Process), you need to look at the prime source of your income: the members, through the payment of dues.

To do this, compile a complete list of all the men in the Chapter at the present time in order to determine how many men you can expect to return next year.

- *Deduct from the list all those who are expected to graduating in May*
- *Delete from the list an average number – based on past experience -- for those who may not return in the Fall (academics, transfers, drop-outs, probation, etc.)*
- *Of the remaining men on the list, look at their 'Account Receivable' with the Chapter: if they owe money for this year, what is the likelihood of collecting it and, further, what is the likelihood of them paying next year's dues? If in doubt, you may not want to count on them as an income source. So, deduct these men from the list.*

(But don't just accept that these men will not pay: their names should be turned over to the Chapter Board of Advisors for their action. Let's not keep people who are not helping the Chapter!)

This will give you the number of members you anticipate sharing in the financial obligations of the Chapter.

Now that you have a reasonable expectation of how many men will be returning in the Fall -- and who you expect to pay their fair share--look at the expenses you will incur during the Fall vs. the Spring. For example: fees to the International Fraternity for Annual Membership Fees and Liability Insurance Fees, dues to the Greek Senate/IFC, etc. usually need to be paid in the beginning of the school year. So, all these expenses need to be collected up-front and paid by the members at the start of the Fall semester. Therefore, you will need to collect all the "per member" fees in early September as well as the money to operate the Chapter during the first semester.

Events that will occur in the Spring should be included in the Spring semester's dues. For example: the RCB, awards, etc.

- *Ideally the members should make their full annual dues payment at the start of the school year (usually August or September). It makes it a lot easier to operate with all your money' in the bank' and you reduce your collection problems.*
- *Another reason to want to collect as much as possible up front is that the Fall is when the average collegiate member has the most money – he usually has just gotten back from working all summer!*

To determine how much to assess each member for his portion of the dues, simply divide the total expenses anticipated by the number of men determined to be returning next Fall and who are reasonably expected to pay their dues. (Be sure to take into consideration any member(s) who may be graduated in December, or any second semester 'drop outs'.)

This amount is what needs to be assessed to each member as his dues payment for the year. If more men than expected return to school, you have two choices: (1) re-calculate the dues amount, or, (2) put the extra income in your savings account – *the preferred choice!*

If the amount of dues that you need to assess against the members is considered too high, then you must re-examine your expenses and see what cuts can be made – or, how you can raise additional monies. Of course, another option is increase your rush efforts so you have a larger number of new members to share the expense of the operation of the Chapter – *the preferred choice!*

There are two basic rules you may want to remember ~

- The operation of the Chapter should be paid for by the members, not anticipated fund raisers
- Fund raisers should not be looked to offset your expenses, unless you have solid, empirical data that supports your fund raising numbers