**SOUTHEASTERN SWIMMING
2020-2021 BUDGET NARRATIVE**

This is, by far, the most difficult budget proposal that has been contemplated since assuming the position of Treasurer. As we are all aware, there are still a myriad of unknowns that we face within the next 12-24 months. The assumptions that we make concerning the budget are essential to determining what we finally come up with. That being said, it will be even more incumbent on our LSC to review our financial position throughout the year and be proactive in making adjustments as circumstances warrant.

**While going through the budget,** please reach your own conclusions regarding the assumptions I have made. While we may disagree, the perspective of the body will be more inclusive than just my perspective.

Specifically, our **Income** is driven by membership and meet surcharges. Adjustments to assumptions in those areas will greatly impact our bottom line.

On the other side, a lot of the **Expense** items are pretty simple. We have certain expenses regardless of our income; we have other expenses that are completely flexible depending on the will of the body. Decisions on the latter category may be able to be postponed until later in FY 2020-21. However, if we take that route, I recommend that we set dates by which each category will be addressed.

As always, if you have any questions upon your review, let me know.

Respectfully submitted,

Chris Coraggio

Treasurer

**General Assumptions**

The ability for clubs to secure pool usage, attract and retain members, and host meets will continue to be impacted by health and economic concerns throughout this fiscal year.

**Budget Scenario (Feel free to disagree; I have no magic crystal ball):**

We will continue to gradually progress in our abilities to provide the sport of swimming. No “game changing events” will occur until **at least February, 2021**. (A game changing event is defined positively as a major breakthrough in the ability to protect against and treat the coronavirus (ie: the development and adequate distribution of a vaccine) or negatively as the return to a more-restrictive scenario in which our clubs’ abilities to operate is severely stressed (ie: a return to previous quarantine restrictions that we saw in March, 2020)).

**Beginning in February, 2021**, either progress will have been made on the medical front to protect against or treat the coronavirus and/or progress will have been made on the social front in adapting to life within the new realities we will encounter. Economically, the country will be greatly impacted, one way or another, by the 2020 election. The ability of whomever is elected (as President and in the Legislative branch) to buoy the economy is unknown at this time. However, it will be crucial to the ability of members to afford elective activities such as sports and to clubs to maintain their financial structures.

By the **summer of 2021**, we will begin to see a more-normal return to swimming and club operations. While social distancing and other restrictions may still be in play, our experience in dealing with those restrictions will have helped us develop operational models to more effectively run our clubs and host some meets. Our membership numbers will still be impacted, as some families will not return to the sport and some may not be in a financial position to join due to a reduction of discretionary income. Assuming the Olympic Games are run in some capacity, we will not see the traditional “Olympic bump” in membership until the 2021-2022 season.

**INCOME**

The two main sources of income for our LSC are membership fees and meet surcharges. Both are expected to see severe declines in 2020-2021.

**Membership Fees**

For athlete membership categories, we will see a 30% decrease from FY 2019-20 from September – February. From March – August, FY 2018-2019 figures were used and a 20% decrease from those numbers was projected.

Non-athlete membership was reduced by 20%. FY 2019-20 figures were used for September – February, and FY 2018-2019 figures were used for March – August.

It was projected that we will lose 7 of our smaller clubs in FY 2020-21.

**Meet Surcharges**

We voted to decrease out-of-LSC fees to $4 per swimmer and increase in-LSC fees to $4 per swimmer in FY 2020-21. This would have had a net increase in income with everything else being equal. Obviously, everything else is not equal.

We are seeing very small steps in terms of teams hosting invitational or open meets. These are further restricted at the time of this writing by USAS policy regarding travel from teams between LSC’s.

**To be clear:** A sanctioned meet requires that the host club remit to the LSC $4 per participating swimmer, regardless of whether or not it is an intrasquad meet or an invitational/open meet, and regardless whether or not any meet fees are charged. An approved meet does not require that surcharges be remitted.

To arrive at the budget numbers, actual income from September – March from FY 2019-20 and from April-May from FY 2018-19 was adjusted for our new $4 per swimmer policy and then a percentage was hypothesized as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Sep** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** | **Apr** | **May** | **June** | **July** | **Aug** |
| Out LSC | 0% | 0% | 0% | 10% | 10% | 25% | 25% | 25% | 30% | 50% | 50% | 50% |
| In LSC | 10% | 10% | 10% | 20% | 30% | 40% | 40% | 40% | 40% | 50% | 50% | 50% |

**Meet Sanction/Observed Fees**

In line with the idea that less meets will be held, the sanction/observed fees were adjusted accordingly.

Observed fees are issued primarily for high school and college meets. Currently, there has been no move to cancel any of the high school championships in our three states. College meets are unknown at this time.

Sanctioned Meets are expected to gradually increase, as teams become more comfortable with hosting and traveling to competitions. However, the influx of teams from outside our LSC may continue to be restricted via USAS policy. The timing of income may be less predictable, as teams may wait to see if hosting a meet is feasible before sending in their sanction fees.

**EXPENSES**

**Awards**

It is assumed we will hold Regionals, SC SES and LC SES Championship meets.

**Contract Services**

All contract services will be necessary. Note that the TU Credit Card Processing fees relate only to the collection of swimmer fees for the OW and AG Zone teams. The budget assumes that these two meets will be held and this line item reflects that assumption.

**Office Expenses**

Most office expenses will remain stable. Assumes in-person BOD meeting in April. Some additional travel was assumed for bringing the new DOO on board, as well as $500 for in-person attendance at a Registration Workshop (if it occurs). No new equipment purchases anticipated. Other transition expenses for DOO are included in Other Expenses line item.

**Payroll**

Assumes a 2% increase for DOO effective January, 2021 (first paid in February, 2021). Assumes bringing a new DOO on board in July, 2021 (first paid in September, 2021). No bookkeeper position proposed this FY.

**Officials’ Committee**

The Official’s Committee requested the same budget as in FY 2019-2020. All but one item from that budget is reflected here.

Assumes that the SC and LC LSC Championships will be held and new equipment (walkie-talkies) will be purchased for those meets ($1500). Still retains the $1500 National Evaluator expense, the $1500 first-time official at Nationals stipend, and $500 award expense. The one item left off is the additional $6000 stipend to be used to support SES officials invited to officiate at the 2021 US Olympic Trials. As we will have discussion about National support during our BOD/HOD meeting, I felt It appropriate that this line item also be reviewed at that time.

**Other Expenses**

$2000 was included to cover interviews, house hunting, relocation, and travel for the new DOO. Depending on who is hired , specifics of the above actions, and contract details, this amount may be higher or lower. The good news is that most of these expenses should be realized in the last quarter of our fiscal year so we will have time to make necessary adjustments.

**Life Membership**

Retained one USAS life membership annually awarded by SES to a deserving person.

**SES Meetings**

Assumes in-person SES Meeting in the spring.

**Support Programs**

This category will require looking at options concerning all of the sub-accounts.

In the current budget, the following sub-accounts are funded:

 Coach of the Year Education Stipend $2000

 Outreach Meet Reimbursement $1200

The following sub-accounts have not been funded:

 Coach Education

 National Travel Support (Athlete and Coach)

 Olympic Trials Support (Athlete and Coach)

 Note: A review of the Officials’ Committee request for Officials OT Support would be appropriate in this discussion

 Zone Diversity Camp Support

 Note: A request was made in a timely manner to budget $3200 to send 2 athletes and 2 coaches to this camp. This camp is traditionally held in the spring. The body may decide to address this request now or wait and decide on funding support if/when the plans for the camp are announced later in the fiscal year.

**USAS Convention**

No costs associated with the convention, as in will all be on line. If we are going to be charged any registration fees, I have not been made aware as of this date.

**Zone Meets**

Assumption is that the Zone meets (OW and AG) will happen. However, the level of support from the LSC has not been determined.