

EXPLANATION OF 1967 BUDGET PROPOSAL

GENERAL STATEMENT

The attached proposed budget is divided into several parts. Number one, the actual operating budget showing allocation for previous year, the amount requested for the current year and a brief justification for the expenditure, followed by a recapitulation of the total budget request. Included also are three (3) worksheets. The first shows (A) the percentage of staff time devoted to each program which serves as a basis for the salary allocations under each budget heading; (B) the percentage of special budget items which are allocated to each program; and (C) an organizational chart indicating the maximum salaries requested for each staff position.

The second worksheet shows the actual dollar amount of each salary which is allocated to each program or activity.

The third worksheet simply lists the items requested under Office Equipment, Furniture and Furnishings.

It should be borne in mind that all dollar figures on the budget request form represent the pro-rated amount that will be expended for that item. Attached also are job descriptions for the two (2) additional professional staff positions requested in this budget proposal.

In all cases the amount requested represents the requirement for a total year's operation even though in some cases the total amount will not be needed. For example: all of the proposed staff members are not being requested for the entire year, even though an annual salary is shown in the budget request. This will be explained in greater detail by item.

A. GENERAL ADMINISTRATION

1. Salaries

a. The allocation of staff time by percentage serves as the basis for this figure and

b. The salary worksheet gives a detailed breakdown.

2. Employee Benefits

in all cases are figured at 15 percent of gross salaries

3. Office Rent and Maintenance

If the expanded program and staff are approved in this budget request, it will also be necessary to make an increased allocation for office rent and maintenance in order to physically accommodate the staff. Helmsley-Spear has estimated the total cost of the additional floor space at \$4,800 annually. It is requested that the increased rent appropriation be approved for on or about April 1, 1967. We would, therefore, continue to occupy the current office space at the current rent of \$2,760 annually until that time.

4. Office Equipment, Furniture and Furnishings

a. General: The previously mentioned worksheet will indicate this budget appropriation by item. The furniture which is listed on the worksheet will be used for the proposed additional staff as would the typewriters.

b. Photo Reproducing Machine: The need for a photo reproducing machine (dry copier) increases with the increased client load and the need to reproduce documents pertaining to active cases for distribution.

- c. Addressograph: An addressograph can be leased in conjunction with the postage meter which we now have, for a very moderate increase which is indicated in the budget. On a monthly basis, the ICBO office addresses and mails approximately 500 pieces of mail. This represents a great deal of time spent on the part of the clerical staff. Inasmuch as this mail does not all go out at one time during the month, it is impossible to get volunteer help whenever the need arises.
- d. Dictating Equipment: Dictating equipment would also greatly reduce the time spent by the office staff in preparing memos and reports. The dictating equipment would preclude the necessity for two more secretary-typists. (In the current budget request we are only requesting one (1) more secretary-typist.) The professional staff could dictate at night and on week-ends when no clerical staff is available.
- e. Adding Machine: An adding machine will be necessary for use by the staff consultant (CPA) who is requested in the budget.
- 5. Office Supplies
Self-explanatory
- 6. Printing and Outside Duplicating and Mailing
Included in this item are the following:
 - a. Photography: The Public Relations Committee has requested that there be a budget allocation for photographing major events so that we may submit these photos to various newspapers and periodicals with our news releases.
 - b. Advertising: The Public Relations Committee has also requested that we make appropriations for running advertisements in a few well-chosen souvenir programs and brochures which are published by local organizations on the occasion of conferences, meetings and dances.
- 7. Communications
Self-explanatory
- 8. Travel and Related Expenses
This item in the budget request includes
 - a. Mileage Allowance: A mileage allowance of 10¢ a mile for all travel by private vehicle undertaken by staff members in the interest of ICBO business.
 - b. Tolls and Parking: Any tolls and parking expenses which are incurred in carrying out ICBO business.
 - c. Public Transportation: Expenses incurred when carrying out ICBO business.
- 9. Contingency
represents 10 percent of the total budget exclusive of the contingency fund itself. Normally, this may be considered an excessive amount for contingency. However, in a new and growing organization, there should be a built-in cushion for the expansion of current programs and initiation of new programs which may not be anticipated at the time of budget drafting.

B. PROGRAM OPERATIONS

1. Services to Businessmen

a. Management Counseling & Banking and Credit (1) Salaries:

- (a) Associate Director (Management): The primary focus of the ICBO has been the management counseling and banking and credit functions. It is anticipated that this will continue to be the case. With the increased client load it becomes obvious that an additional professional staff member is needed.

Part 4 of 4

shown on the organizational chart represents the maximum hiring salary for this person. However, it may be possible to bring the staff person in as a Consultant and Banking Coordinator at a somewhat lesser salary. It is requested that this person be added to the staff as soon as possible.

- (b) Staff Consultant (CPA): One of the problems which we continually encounter is that clients lack sufficient and comprehensive financial records. Inasmuch as this is one of the keys to good business management, we frequently have to assign one of our consultants who is an accountant to straighten out records and establish books before any other consulting can be done. The accountants often indicate that the job will take several weeks because they cannot take time from their own business commitments in order to complete the task faster. This in turn delays any other consultant function or approach to financial institutions on the client's behalf. Therefore, a staff accountant becomes quite necessary in order for the ICBO to serve its clients efficiently and expeditiously. It is proposed that this staff member be added on or about April 1, 1967 (during the second quarter of the calendar year).

N.B.: It is anticipated that the current Administrative Assistant and Bookkeeper will resign sometime between July and September 1967 because of her husband's professional relocation. At that time the staff accountant will take over her bookkeeping function and then we would be able to replace her with an executive secretary and office manager at a salary less than that of the incumbent.

- (c) Secretary-Typist: This additional staff person would be needed to absorb the increased clerical load generated by the expanded programs, activities, client load and staff. It is proposed that she be added to the staff on or about April 1, 1967 (during the second quarter of the calendar year).

- (2) Employee Benefits
represent 15 percent of the gross salaries

- (3) Communications
Additional telephones would be required for the additional staff persons.

- (4) Travel Expenses
This item covers the cost of the travel of the staff consultants to and from various clients' places of business in order to work on their books on location.

- b. Seminar and Panel Discussions (and Workshops):
All items listed under this heading are self-explanatory.

2. Services to Students

a. Speakers' Bureau

It is anticipated that the Speakers' Bureau will be developed in the very near future and will be functioning within the first quarter of the calendar year. All items listed here are self-explanatory.

b. Business-in-Action Clubs

It is anticipated that this program will not be functioning until September 1967 (fourth quarter of the calendar year). However, it is necessary that some funds be allocated in order to develop this program between now and September 1967. The items listed under this budget heading are self-explanatory.

3. Other Services

a. Loan Guarantee on Capital Risk Fund

Only preliminary investigations have been made up to this point concerning the development of such a fund. However, most consultants both management and banking clearly vouch for the desirability and the need for the establishment of such a fund. Several ICBO members have expressed the desire to work on this project. Therefore, budget requests are being made for the support of its development. It is anticipated that it will take about one year to establish the fund, but expenses will be incurred during this developmental period.

- b. Any other services which the ICBO may desire to develop during this budget period can be covered by the contingency fund which is indicated under the General Administration heading.