



Budgeting Guidance for Leagues

LWVUS is providing this budget guidance in recognition that the implementation of ChapterSpot represents a significant departure from the way the League has traditionally done business and could potentially pose short-term challenges, especially during the transition period. While this document provides general budgeting guidance, its advice is limited in practice by differences in size, expertise, and capacity at any given League. This guidance is based on what we know right now and is subject to change as we continue to determine how member behavior aligns with projections.

Please note that this guidance is specifically meant for the upcoming fiscal year, which will include a period of time on both the old system and the new system. Updated guidance will be provided next year focusing only on budgeting under the new system.

Revenue

Member Dues

Your methods for projecting dues revenue should be unchanged up to and including January 2025. Launch of the new system is scheduled for the end of that month, so any member dues that would have been expected to have been received prior to that time in any usual year should still be budgeted for.

For Leagues that currently have all their members renew on the same date annually, if that date is before the launch of the new system, dues revenue should be budgeted as it would be in any other year.

For Leagues that currently have all their members renew on the same date annually, if that date is after the launch of the new system, it is recommended to budget to receive 20% of the amount typically received. This reflects the split that local Leagues will receive under the new system. Please remember to take into consideration that under the new system credit card fees will be split at the same percentage as dues. If you currently have a large percentage of members paying dues with credit cards, this will save you on credit card fees, while if the majority of your members currently use checks, this will be an additional expense to consider if some of those members move to paying by credit card.

For Leagues that currently have their members renew on a rolling basis, this should mean that approximately the same number of members will be expected to join per month as joined in the same month the previous year (with the usual considerations for how this year may be different, such as if your League has higher join rates during a presidential election year).

For the months included in the budget that occur after January 2025, it is recommended to budget to receive 20% of the amount typically received in those months.

It is projected that most Leagues will receive higher member dues than they currently do with the \$75 recommended dues amount, but to be conservative, Leagues are encouraged to assume for the first year that members will, on average, continue to join at the current base amount.



For example, let's say I'm a treasurer for a sample League that has 100 members. My League already uses rolling renewal, and members tend to join at an even rate throughout the year, so we typically expect around 8 new or renewing members per month. Our dues are \$65 and our fiscal year runs from July through June.

For each month from July 2024 through January 2025, I'm going to budget to receive \$520 in dues payments (\$65 dues x 8 members). For February 2025 through June 2025, I'm going to budget to receive \$104 per month in dues payments (\$65 dues x 8 members x 20%). In total for the year, I'm going to budget for \$4160 in dues revenue (\$520 per month x 7 months plus \$104 per month x 5 months).

Donations

We expect that impacts on donation revenue are likely to vary from League to League. Because membership dues will be split regardless of the amount, Leagues that currently receive significant funds from higher membership tiers or additional donations at the time of joining may need to adjust budgeting expectations. This will partially depend on the success of the collective effort to communicate this change to members.

Under the pay-what-you-can model, a higher dues payment is no longer dues plus a donation to the local League. Because a member can choose their dues amount, any amount they choose to pay as dues when they join or renew will be split among local, state, and national. The success of the pay-what-you-can model relies on a portion of members paying higher than recommended dues to allow for those who may pay less. This is part of the effort to include a broader base of members, such as those who previously have not joined for financial reasons.

For members who are accustomed to making one payment that is both dues and a donation to their local League, this will be a change, but one that all levels of League can help to facilitate. LWVUS is committed to making it clear to members when joining or renewing where their dues will be going. Local and state Leagues should communicate to their members that dues and donations will be separate and unrelated transactions. This distinction will be made clear on the applicable pages, but proactive communication from League leaders is likely to help avoid any confusion.

LWVUS is also committed to providing tools to help Leagues collect donations. As always, all donations to the local Leagues, through the donate buttons on local League websites, checks written at events, bequests, local League fundraisers, etc., will be 100% retained by the local Leagues. The only change is that the moment of joining and paying dues is no longer a tool for collecting donations, though LWVUS is working with ChapterSpot to include an option to contribute as near as possible to the time of joining.

It is likely that some donors who have previously contributed at the time of joining will continue to do so, while others will make these donations directly to the local League. To account for this, your League should estimate the percentage of these donors who are likely to prioritize giving directly to the local League and will understand that to do so they will need to make their gift apart from increasing their membership dues amount. Some considerations when making this estimate may include:



- 1) The percentage of members that are actively and regularly tapped into League internal business versus the percentage that tends to engage less frequently or is exclusively focused on volunteering, etc.
- 2) The percentage of members that are likely to join online on their own versus the percentage that may be given support by a League leader (e.g. filling out a form/check or joining online while at a meeting).
- 3) The percentage of members who are primarily interested in work done at the local level.

The next step is to take the estimated percentage of members who make additional donations at joining who are expected to continue to do so and multiply it by the average additional donation. 20% of this amount should be added to the dues revenue line item – as explained above, this is no longer a donation but part of member dues.

The estimated percentage of members who will make these donations distinct from their dues payment should be multiplied by the average additional donation and included in the budget as part of Contributions (or similar).

Let's say half of my League's 100 members typically choose to donate above the set dues rate for an average of \$60 extra. I estimate that in my League, about half of those 50 members will choose to make that donation separately to go exclusively to my local League, and half will incorporate the additional amount as part of their dues rate.

For the 25 members who I predict will add an average of \$60 each to their dues, I will add \$300 to the \$4160 I budgeted above in dues revenue (25 members x \$60 x 20%). For the 25 members who I predict will continue to make those donations but make them separate from dues, I will include \$1500 in the budget for donations (25 members x \$60).

Expenses

Per-Member Payment

LWVUS will send a Per-Member Payment (PMP) FY25 invoice in August 2024 to each League based on their membership on 1/31/24, as usual, so Leagues should budget for this as they normally would.

In August of 2025, Leagues will receive their final PMP invoices for FY26. These will cover any members who joined between 2/1/24 and launch of ChapterSpot in 2025. Since continuing to pay PMP for a final year when the dues model has changed may cause cash flow issues for some Leagues, this final PMP payment will have an extended deadline beyond the end of FY26. (This does not apply to Leagues using the ClubExpress Funds Connector who have already switched to payments in real-time.)

To clarify this timeline, under the current system, members who join in the year leading up to the member count date (January 31st) are included on the invoice the following year. Under the new system, a portion of member dues is allocated to LWVUS and the state League in real-time, so there will be a



period of overlap between when Leagues are still paying for members of the previous year while a portion of dues from new and renewing members is being split out at the time of payment.

In the example League, I will receive a national PMP invoice for \$3200 in August 2024. My League uses cash accounting, so I budget for each quarterly payment I make to LWVUS separately in months when I expect to send them. My state League charges \$16 per primary member, and I pay that when it arrives in July 2024, so in total for PMP, I budget \$4800 (\$1600 to my state in July, \$800 to LWVUS in August, \$800 to LWVUS in November, \$800 to LWVUS in February, and \$800 to LWVUS in May). In particular, I note that the final payment will be made after launch, so I won't be able to count on the same amount of Q4 dues revenue that the League has gotten in the past to make the final payment.

Tools

LWVUS will cover the cost of ChapterSpot websites and mass-email tools. For Leagues that choose to replace their current website and mass-email tools with those provided by ChapterSpot, these expenses can eventually be removed from the budget, but it is advisable to continue to budget for them for now.

Shortfall Mitigation

LWVUS is committed to making Leagues whole for the first two years after launch. This will be calculated based on a League's base year – the amount the League would have retained in member dues given the current number of members paying the basic dues rate (not higher dues tiers). Payments from LWVUS to make up the difference between the base year and what the League took in will be made after the year has ended, so they will not factor into the budget in question.

Additional Considerations for State Leagues

Beginning at the end of January 2025, 47% of new and renewing member dues will be sent to state Leagues. To determine the revenue, as with local Leagues, it is recommended that states budget based on current members paying the current dues rates of the local Leagues. States should have received spreadsheets listing dues and member amounts per local League in their state, but if your state has not, please reach out to membership@lww.org.

Additionally, state Leagues will need to consider if their timelines around state PMP will match those of national PMP. LWVUS will send state member counts to state Leagues shortly after launch, so state Leagues will be operating with the same numbers as LWVUS.