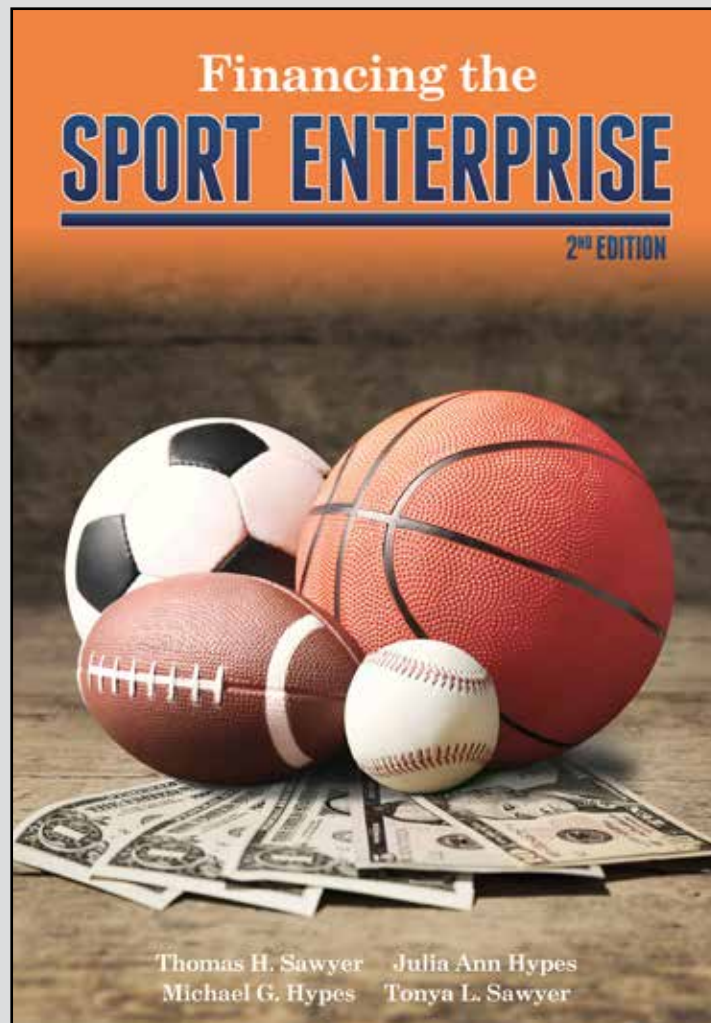


INSTRUCTOR'S GUIDE



SAGAMORE
P U B L I S H I N G

CONTENTS

Authors

Sample Course Syllabus

Sample Course Assignments

Lessons

PART I: FOUNDATIONS OF FINANCING THE SPORT ENTERPRISE

Chapter 1 The ABCs of Economics

Chapter 2 Organizing the Recreation and Sport Organization

Chapter 3 Business Structures

PART II: FINANCIAL ACCOUNTABILITY AND PLANNING

Chapter 4 Budget and Financial Management

Chapter 5 Financial Accountability and Analysis

Chapter 6 Financial Planning

Chapter 7 Purchasing and Inventory Management

PART III: FINANCIAL DEVELOPMENT

Chapter 8 Understanding the Revenue Streams

Chapter 9 Commercial/Corporate Sponsorships

Chapter 10 Licensing and Branding

Chapter 11 The Franchise Game

PART IV: SALES OPERATIONS

Chapter 12 Ticket Sales and Box Office Operations

Chapter 13 Retail and Sales Operations

Chapter 14 Customer Retention: A Key to Financial Stability

Chapter 15 Outsourcing Services

Chapter 16 The ABCs of Marketing

PART V: FUND-RAISING

Chapter 17 Fundamentals of Fund-Raising

Chapter 18 The ABCs of Committees

Chapter 19 Grantsmanship

Chapter 20 Affiliated Fund-Raising Organizations

Chapter 21 Volunteers: The Soldiers in Fund-Raising

PART VI: FINANCIAL CHALLENGES AND RISK MANAGEMENT

Chapter 22 Financial Challenges Facing Recreation and Sport Organizations

Chapter 23 Insurance

Chapter 24 Risk Management and Taxation

Chapter 25 Technology's Impact on Recreation and Sport Organizations

APPENDICES

- A Sample Business Plan
- B Sample Marketing Plan
- C Sample Sponsorship Agreement
- D Sample Licensing Agreement
- E Sample Trademark Licensing Policy
- F Sample Concessions Lease Agreement
- G Sample RFP Food and Beverage Services
- H Sample Articles of Incorporation
- I Sample Constitution
- J Sample Bylaws
- K Sample Standard Rules
- L Donor Growth Plan

AUTHORS

Thomas H. Sawyer, EdD

NAS Fellow, AAHPERD Honor Fellow

Professor Emeritus of Kinesiology, Recreation, and Sport

Indiana State University

Dr. Sawyer is a 45-year veteran of higher education. He began as an instructor of health and physical education, has been a director of recreational sports, department head, department chair, associate athletic director, director of articulation and transfer, director of a college prison education program, executive director of regional education centers, and an interim dean of continuing education and is ending his career, by choice, as a full professor teaching sport management theory to undergraduate and graduate students.

He has written over 193 peer-reviewed articles for notable professional journals, made over 250 states, regional, national, and international presentations, and written 10 professional books and over 32 chapters in other publications.

Further, he has served as a state AHPERD president (Indiana), district vice president (Midwest), association president (AAALF), chaired numerous district and national committees, editor of the Indiana AHPERD journal and newsletter, chaired the *JOPERD* Editorial and Policy Boards, and is a member of the AAHPERD BOG. He has been an AAHPERD member since 1964.

Dr. Sawyer has also been active in the community, serving as a volunteer for the American Red Cross in four communities in four different states since 1964. He has been a first-aid, CPR, and water safety instructor (over 30 years), a chapter board member (off and on for 30 years, chapter chairperson (off and on for eight years), chair of a state consortium (three years), chair of numerous regional committees, and currently serves as chair of the Great Lakes Region, Service Area 5, Resource Council.

Finally, Dr. Sawyer has received numerous awards for his leadership and service to the American Red Cross, YMCA, a regional alcohol and drug consortium, Council on Facilities and Equipment, Indiana AHPERD, American Association for Active Lifestyles and Fitness, American Alliance for Health, Physical Education, Recreation, and Dance, and Indiana State University. Further, he has received Caleb Mills Outstanding Teaching Award, Faculty Distinguished Service Award, and Distinguished Research and Service Award from Indiana State University and the Howard Richardson's Outstanding Teacher/Scholar Award from the School of Health and Human Performance at Indiana State University.

Tonya L. Sawyer, PhD

Compliance Coordinator

Indiana State University

Dr. Sawyer received her Bachelor of Science degree (2003) in Elementary Education from Saint Mary-of-the-Woods College, a Master of Science in Recreation and Sport Management (2009) with a concentration in sport management, and a PhD in Curriculum and Instruction with an emphasis in sport management from Indiana State University. She currently works in the Department of Intercollegiate Athletics as the NCAA Compliance Coordinator. Dr. Sawyer has served as an adjunct faculty member in the Department of Kinesiology, Recreation, and Sport, as well as Athletic Academics. Dr. Sawyer has given over 10 presentations at professional conferences and authored 12 articles found in professional journals concentrating on sport management.

Julia Ann Hypes

Associate Professor
Morehead State University

Dr. Hypes is an associate professor in the School of Business Administration in the College of Business and Public Affairs at Morehead State University in Morehead, Kentucky, where she teaches undergraduate and graduate courses in sport management. Dr. Hypes has held positions as a sports information director and an administrative assistant for athletic facilities, game operations, and budgeting. She serves as the coordinator for the undergraduate internships and as the sport management assessment coordinator. She has presented at the state, regional, national, and international levels. She earned a bachelor of science degree in mass communications from Middle Tennessee State University, a master of sport science from the U.S. Sports Academy, and a PhD in curriculum and instruction from Indiana State University. Dr. Hypes also served as president of the American Association for Physical Activity and Recreation (AAPAR) for 2010-2012.

Michael G. Hypes

Associate Professor
Morehead State University

Dr. Hypes is an associate professor of sport management in the School of Business Administration in the College of Business and Public Affairs at Morehead State University in Morehead, Kentucky, where he teaches graduate and undergraduate courses. He has served as chair for the Council for Facilities and Equipment, vice-president for the Indiana Center for Sport Education, Inc., assistant editor of the Indiana *AHPERD Journal*, assistant editor of the *Journal of Legal Aspects of Sport*, Director of Higher Education for Indiana AHPERD, chair of the *JOPERD* Editorial Board, chair of the AAPAR Publications Committee, Management Division Representative for AAPAR, cabinet member for AAPAR, and various other leadership positions in professional organizations. He has completed numerous presentations and articles for publication at the state, national, and international levels. Dr. Hypes received his bachelor of science and master of arts degrees in physical education from Appalachian State University and a doctor of arts from Middle Tennessee State University.

SAMPLE COURSE SYLLABUS

XYZ UNIVERSITY

COLLEGE OF HEALTH AND HUMAN SERVICES

DEPARTMENT OF SPORT MANAGEMENT

SPMT 334
Sport Finance

SYLLABUS

Course Designer:

Instructor of Record:

Office Hours:

Instructor Biography:

Teaching Philosophy: Education is not to reform students nor amuse them nor make them expert technicians. It is to unsettle their minds, widen their horizons, influence their intellects, stimulate their curiosity, allow them to create freely, and teach them to think logically, if at all possible.

Catalog Description:

This is an applications course designed to assist the students in applying financial theories and methods to the sport industry. The students will be exposed to basic economic principles, financial principles, budgeting methods, revenue streams, financial accountability, and fund-raising.

Learning Objectives:

Upon the successful completion of this course the student will be able to do the following:

- Describe financial management principles
- Discuss financial management in sport organizations public and private nonprofit and for-profit
- Outline how to best organize for financial management
- Discuss the basic elements of micro- and macroeconomics and how they apply to a sport organization
- Develop an operational budget and capital budget
- Discuss revenue management
- Describe expenditure management
- Discuss the basic elements of fund-raising including the role of a booster club

- Describe the process of establishing a nonprofit corporation
- Outline the process of developing a business plan

Course Content:

Topical areas of study include the following:

- Basic elements of micro- and macroeconomics
- Financial management in public, private nonprofit, and commercial sport organizations
- Financial controls—accounting, reporting, and auditing
- Financial planning
- Organizing for efficient financial management
- Revenue management
- Expenditure management
- Budgeting basics
- Budget preparation
- Budget formats
- Budget preparation
- Fund-raising—booster clubs and grantsmanship

Competencies: COSMA

The following are the competencies that each student should leave the course with:

AREA #4

1. The student will be able to construct and implement market research designs including segmentation and targeting.
2. The student will be able to utilize market research in employing marketing strategies.
3. The students will be able to devise a marketing plan utilizing product, price, public relations, promotion, sales, and advertising.
4. The student will know how to acquire and sell broadcasting rights.
5. The student will understand the principles of consumer behavior.
6. The student will develop a plan for public and media sports relations.

OTHER AREAS OF CONCERN

7. The student will understand marketing systems and environment in general.
8. The student will gain knowledge about sports products and services.
9. The student will understand about price and pricing.
10. The student will gain knowledge relating to distribution of products and services.
11. The student will understand the legal aspects of market strategy.
12. The student will have an appreciation for the sport consumer.
13. The student will understand the value of promotional licensing and use of logos.
14. The student will be able to develop a licensing program.
15. The student will understand the function of sports information director and the sport information office.

Required Text:

Sawyer, T. H., Hypes, J. A., Hypes, M. G., & Sawyer, T. L. (2015). *Financing the sport enterprise* (2nd ed.). Urbana, IL: Sagamore Publishing, LLC.

General Course Outline

Week	Topic	Chapters
1	Foundations of Sport Finance	1
2	Foundations of Sport Finance	2-3
3	Financial Accountability and Planning	4-5, 7
4	Financial Accountability and Planning	6 & 8
5	Financial Development	9-10
6	Financial Development	11-13
7	Sales Operations	14-15
8	Sales Operations	16-17
9	ABCs of Marketing	18
10	Fund-Raising	19 & 21
11	Fund-Raising	20, 22-23
12	Insurance and Risk Management	25-26
13	Taxation	26
14	Financial Challenges Facing Sports Organizations	24

How the Course Works:

This course has nine (9) assignments plus four projects. Each assignment or project has a scheduled due date.

Assignments	Due Date	
1	1/23	Lesson 1
2	1/30	Lesson 2
3	2/6	Lesson 3
4	2/13	Lesson 4
5	2/20	Lesson 5
6	2/27	Lesson 6
7	3/6	Team Project #1 Developing a Budget
8	3/20	Lesson 7
9	3/21	Team Project #2 Facility Financing
10	4/3	Lesson 8
11	4/6-10	Team Project #3 (4/10) + Presentations
12	4/13-17	Lesson 9 (4/17) + Presentations
13	4/20-24	Oral Presentations
14	4/27-5/1	Oral Presentations

Late Assignments:

An assignment is considered late at the end of class on the due date. A late assignment will be assessed a 10% deduction from the final grade.

Attendance Policy:

Attendance is expected. However, it is reasonable to assume that students will have good reasons to miss a few classes. Understanding this, each student will be given three free absences. Further, if the student notifies professor in advance of an absence he/she might be granted an excused absence beyond the three free absences. Students with fewer than three absences will be rewarded a 5% increase in the final grade for the semester. Students with greater than three unexcused absences will receive a deduction of 5% in their final grade.

Incomplete Grade Policy:

Under normal circumstances, an incomplete will not be granted. The final grade will be calculated on all lessons completed plus a score of zero for each lesson not completed. Under special circumstances and incomplete could be granted. All incompletes granted will extend for no more than 30 days; however, very few incompletes are extended beyond four weeks. If the course is not completed within the extend timeline a second extension will not be granted. The final grade will be calculated based on all completed and incomplete lessons.

Course Grade Determination:

If you are not satisfied with your grade on any of the assignments, you may resubmit the assignments after corrective modifications have been made. The GREATER the detail in the assignment, the better the grade will be.

The common pitfalls that result in lower lesson and project grades are as follows:

- Lack of detail
- Poor writing
- Lack of documentation
- Poor grammar
- Lack of conclusions
- Spelling errors
- Lack of organization
- Lack of recommendations

Grading Policy

The following grading scale will be used for each lesson:

A	=	Exceptional
B+	=	Above average
B	=	Average
C+	=	Below average
C	=	Poor
D+	=	Very poor
D	=	Extremely poor
F	=	Unacceptable

Academic Honesty Statement:

XYZ University is committed to academic integrity in all its practices. The faculty value intellectual integrity and a high standard of academic conduct. Activities that violate academic integrity undermine the quality and diminish the value of educational achievement.

Cheating on papers, tests, or other academic works is a violation of University rules. No student shall engage in behavior that, in the judgment of the instructor of the class, may be construed as cheating. This may include, but is not limited to, plagiarism or other forms of academic dishonesty such as the acquisition without permission of tests or other academic materials and/or distribution of these materials and other academic work. This includes students who aid and abet as well as those who attempt such behavior.

ADA Statement:

XYZ University seeks to provide effective services and accommodations for qualified individuals with documented disabilities. If you need an accommodation because of a documented disability, you are required to register with Disability Support Services at the beginning of the semester. If you will require assistance during an emergency evacuation, notify your instructor immediately. Look for evacuation procedures posted in your classrooms.

Copyright Statement:

Students shall adhere to the laws governing the use of copyrighted materials. They must insure that their activities comply with fair use and in no way infringe on the copyright or other proprietary rights of others and that the materials used and developed at XYZ University contain nothing unlawful, unethical, or libelous, and do not constitute any violation of any right of privacy.

Right to Revision

The University reserves the right to change any statements, policies, or scheduling as necessary. Students will be informed promptly of any and all changes.

IMPORTANT

If anything is at all unclear about the content of this syllabus, please don't hesitate to contact me. If you encounter problems during the semester, come and see me. Do not wait until the last week of classes!!! Please take advantage of various centers on campus (e.g., Student Academic Services Center, Student Writing Center, Student Counseling Center) that provide assistance to students wishing to enhance their academic performance and/or maintain balance in their life.

SAMPLE COURSE ASSIGNMENTS

XYZ UNIVERSITY

COLLEGE OF HEALTH AND HUMAN SERVICES

DEPARTMENT OF SPORT MANAGEMENT

SPMT 334
Sport Finance

ASSIGNMENTS

Course Designer:

Instructor of Record:

Required Text:

Sawyer, T. H., Hypes, J. A., Hypes, M. G., & Sawyer, T. L. (2015). *Financing the sport enterprise* (2nd ed.). Urbana, IL: Sagamore Publishing, LLC.

How the Course Works:

This course has nine (9) assignments and four projects. Each assignment has a scheduled due date.

Assignments:

Lecture and Reading Assignments: (900 points)

Each student will complete nine (9) lecture and readings assignments. These will be based on the schedule below.

Assignment Due Dates:

An assignment is considered late if it is not received at the end of class on the due date. If the assignment or project is determined to be late a 10% deduction will be taken from the final grade.

Writing Lessons Due Dates ...

Assignments	Due Date	
1	1/23	Lesson 1
2	1/30	Lesson 2
3	2/6	Lesson 3
4	2/13	Lesson 4

5	2/20	Lesson 5
6	2/27	Lesson 6
7	3/6	Team Project #1 Developing a Budget
8	3/20	Lesson 7
9	3/21	Team Project #2 Facility Financing
10	4/3	Lesson 8
11	4/6-10	Team Project #3 (4/10) + Presentations
12	4/13-17	Lesson 9 (4/17) + Presentations
13	4/20-24	Oral Presentations
14	4/27-5/1	Oral Presentations

Cover Page Requirements:

Each assignment must have a cover page that includes the course number and name, assignment number, and student's name, address, phone number, and e-mail address. The assignment will not be accepted without a proper cover page attached.

1. Lecture and Reading Assignments: (900 points)

Each student will complete nine (9) lecture and readings assignments. These will be based on the schedule above. The assignments are listed below:

2. Team Project #1 Developing a budget: (200 points)

- The student will prepare a set of guidelines for the development of a budget for a contrived sport organization, agency, or corporation (e.g., Hannibal Mud Hens, Twain Wild Cats, Metropolitan YMCA, etc.). The organization, agency, or corporation may be modeled loosely on an existing one, but the specific enterprise for which the budget is designed must be original (be creative).
- A budget will be developed using the guidelines including, but not be limited to: income categories, expense categories, justifications required, type of budget to be prepared, budget approval process, budget input, etc.. The budget must be balanced. The student will create a spreadsheet (using Excel®) for the budget including justifications for each line item.
- The student will prepare a PowerPoint® presentation to that could used during the class presentation. All PowerPoint® presentations and Excel spreadsheets will be e-mailed to Dr. Sawyer.

3. Team Project #2 Facility Financing (200 points)

The City of Hannibal and a group of private investors have agreed to redevelop a large portion of downtown. The Mark Twain Entertainment and Sport project will include two hotels, condominium complex, retail stores, movie theater complex with 12 screens, city park, and a minor league baseball complex for the Hannibal Mud Hens (Midwest League Class A). The estimated cost of this project is \$200 million. Your job is to develop a facility financing plan for this project. The hotels will cost approximately \$30 million each, the condominium project nearly \$60 million with over 200 units with one, two, and three bedroom units, retail store spaces \$25 million, infrastructure for the entire project (streets, sidewalks, utilities, etc.) \$10 million, movie complex approaching \$10 million, and a city park nearly \$2 million and \$33 million for the baseball complex. You can use a combination of private and public funding over a 20-year period of time.

The team will prepare a construction finance plan for the above project. Review the sample on Blackboard for the format of the project.

4. Team Project #3 Booster Club Project (200 points)

The Sawyer-Twain College is in the process of developing a new sports program. The College will need funding for the development of sport facilities and to support the overall sport program. The President and Dean of the College desire to develop an Athletic Booster Club to support the new Athletic program. They have hired you to develop the

documents for the new Sawyer-Twain College Bull Dog Athletic Booster Club. This will be a corporation incorporated in Indiana. It will also be a nonprofit 501(c)3 corporation. You will need to prepare all corporate papers (e.g., articles of incorporation, constitution, and by-laws for the club) required by the State of Indiana as well as those for the IRS.

5. Major Project: Oral Presentation (300 points)

Why Should the Mount Saint Thomas College Develop a Sports Program?

Situation

You have been hired as an outside consultant by the Dean of Student Affairs of Mount Saint Thomas College. The Dean has been charged by the President to develop a rationale for the development of a sports program for the college. The Dean has employed you to assist with the development of (1) the rationale for a sports program, (2) the sports program, (3) a funding plan, (4) an implementation timeline, (5) a comparison to two others similar institutions with athletic programs, and (6) the presentation of the rationale, comparisons, and plan to the Board of Trustees.

The team will consist of five members: Mount Saint Thomas College's Dean, A1 Sport Consultants representative, new Mount Saint Thomas College's Athletic Director, College of Saint Mary (Omaha, NE) Athletic Director, and Mount Mary College (Milwaukee, WI) Athletic Director.

Facts about Mount Saint Thomas College

- Founded in 1865
- A female institution
- Liberal arts institution (with teacher education)
- Enrollment: 950
- Tuition: \$24,000
- Large recreation complex (gymnasium, wellness center, aquatics area) with adjoining recreational sports fields
- Residential campus with a strong distance education program with over 1,200 full-time students
- Catholic
- Located south of Chicago

Project

The project has the following components:

1. Sports program rationale
2. Sports program design
3. Financing plan for the sports program
4. Implementation timeline of the proposed sports program
5. Prepare a speech for the board of directors
6. Prepare a PowerPoint™ for the presentation
7. Present the speech (20-25 minutes) to the board of directors

This is a professional presentation; therefore, students will dress the part (i.e., no jeans, running shoes, baseball caps or other head gear, etc.) with females wearing a nice pair of slacks and blouse or skirt and nice top, and males wearing a nice pair of pants, shirt and tie or a nice crew neck with sport coat. Additionally, students will prepare a Powerpoint© presentation to aid in the overall presentation, and a handout (50 copies) to accompany the talk. The presentation should last between 20-25 minutes. Students will send an electronic version of the presentation, handout, and Powerpoint© to Dr. Sawyer at thomas.sawyer@indstate.edu.

The presentation should cover:

1. Why should the college have a sports program? (i.e., value, benefits, need, etc.)
2. Rationale for a sports program
3. Comparison to two other similar institutions with athletic programs
4. Mission of the sports program
5. Vision of the sports program
6. Core values of the sports program
7. Outline of the sports program
8. Financing for the sports program
9. Financial value to the college
10. Implementation timeline for the sports program

The presentation will be graded on content, use of visual aids (Powerpoints©), use of time, and attire.

LESSONS

LESSON 1 FOUNDATIONS OF SPORT FINANCE

Purpose: This lesson has been designed to acquaint the prospective sport manager with the basic foundations of sport finance.

Reading: Textbook, Chapters 1-3, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding the foundations of sport finance. The future sport manager needs to understand basic economic theories and how they apply to the sport industry. Further, the student will gain an understanding how to best organize a sport enterprise for financial success.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. What is economics?
2. What is microeconomics?
3. What is macroeconomics?
4. Explain fully the concept of scarcity.
5. Describe opportunity costs.
6. What are the factors of production?
7. Describe fully the following economic principles:
 - a. The Law of Demand
 - b. The law of Supply
 - c. Equilibrium Pricing
 - d. Third-Party Costs and Benefits
 - e. Law of Diminishing Marginal Utility
 - f. Law of Diminishing Returns
8. What is the Federal Reserve System?
9. What are stocks and bonds?
10. Compare and contrast common and preferred stock.
11. Discuss fully unionism in the U.S.
12. Describe fully the economic impact of venues and events on a city.
13. Explain fully the following organizational structures:
 - a. Functional
 - b. Product
 - c. Territorial
 - d. Customer
 - e. Mixed
14. Clarify what is meant by chain of command.
15. What is meant by delegation?
16. What are the advantages of centralization and decentralization?
17. Differentiate between line and staff units.
18. Discuss fully the various ways a sport enterprise could be organized.
19. What is the role of politics in financial management?

LESSON 2

FINANCIAL ACCOUNTABILITY AND PLANNING

Purpose: This lesson has been designed to acquaint the prospective sport manager with financial accountability and planning

Reading: Textbook, Chapters 4-8, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of financial accountability and planning. The future sport manager needs to understand how to make a sport entity financially accountable to its clients and owners. Further, every sport manager needs to be aware of how to develop a sound financial plan for the sport entity.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. What is accountability?
2. What is financial accountability?
3. Describe fully the difference between a financial statement and financial reporting.
4. What are the components of a financial statement?
5. What is an internal audit?
6. Explain fully how to develop an internal financial audit process.
7. What is an external audit?
8. Develop a strategy for an external audit.
9. What is the role and function of a financial analysis within an organization?
10. Explain fully cash flow and its importance to an organization.
11. What are financial ratios understood within an organization?
12. What is a profit margin?
13. What does return on assets mean?
14. What is the role of financial planning?
15. Identify and explain the environmental factors that affect financial planning.
16. Describe fully short- and long-term financial needs of an organization.
17. Discuss the impact of financial planning on an organization.
18. What is a budget?
19. Identify and discuss the various types of budgets.
20. Describe fully the budget process.
21. Identify and explain fully revenue sources.
22. What are expenditures?
23. What is the role of purchasing?
24. What is important to understand about purchase requisitions?
25. What is a purchase order?
26. Describe fully the bidding process.

LESSON 3

FINANCIAL DEVELOPMENT – PART I

Purpose: This lesson has been designed to acquaint the prospective sport manager with financial development.

Reading: Textbook, Chapters 9-13, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of revenue streams and sponsorships. The future sport manager needs to understand how to develop new revenue sources and sponsorships.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. How can taxes be used to finance sport entities and facilities?
2. Describe fully how tax abatements work in financing sport entities and facilities.
3. Explain fully the use of nontaxable bonds in financing sport entities and facilities.
4. How does a TIF work?
5. Describe fully private funding sources.
6. Explain fully broadcasting rights.
7. What are the essential points of a financial plan?
8. Outline the mechanisms used in financing debt.
9. What is a sponsorship?
10. What is the role of sponsorships?
11. What are the objectives of a sponsorship?
12. Describe fully the various levels of sponsorship.
13. What should a sponsorship agreement include?
14. How can a sponsorship be customized?
15. What are the common benefits of a sponsorship?
16. Explain fully how to price a sponsorship.

LESSON 4 – PART II

FINANCIAL DEVELOPMENT

Purpose: This lesson has been designed to acquaint the prospective sport manager with financial development.

Reading: Textbook, Chapters 9-13, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of licensing and the franchise game. The future sport manager needs to understand how develop a licensing agreement.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. What is licensing?
2. Why is licensing important?
3. What are the components of a licensing agreement?
4. Compare and contrast in-house operations and contracted operations for licensing.
5. Describe the trademark issues.
6. Explain fully black market-counterfeit detection and reduction.
7. What is a sport franchise?
8. Explain fully how a sport franchise gets admitted into a league.
9. Describe fully how a sport franchise relocates from one city to another.
10. What is the role of a sport franchise in the local economy?
11. How does a sport franchise impact the local tax base?

LESSON 5

SALES OPERATIONS

BOX OFFICE AND RETAIL SALES

Purpose: This lesson has been designed to acquaint the prospective sport manager with sales operations.

Reading: Textbook, Chapters 14-15, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of sales operations. The future sport manager needs to understand how the box office and retail sales function.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. Explain fully box office operations.
2. What is the importance of ticket sales or memberships?
3. What is the product of a box office?
4. How does the box office secure tickets for future purchase?
5. Explain fully the various types of tickets.
6. What must be done to prepare a box office for an event?
7. Describe how a box office should be designed.
8. Explain fully the function of the retail operations.
9. Describe the food concession operation.
10. Discuss fully alcohol management at sporting events.
11. What should the sport manager understand about the parking concession?
12. Explain fully the stadium or arena merchandise operations.
13. How should a venue retail store be designed?
14. What makes for an effective store layout?
15. How are retail stores and concession operations staffed?
16. What steps should be taken to keep financial risks at a minimum?

LESSON 6

CUSTOMER/FAN RETENTION, AND OUTSOURCING SERVICES

Purpose: This lesson has been designed to acquaint the prospective sport manager with customer/fan retention and outsourcing services.

Reading: Textbook, Chapters 16-17, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of customer/fan retention and outsourcing services. The future sport manager needs to understand how the retention of the client base affects the bottom line. Finally, it is important for the sport manager to review whether or not services should be outsourced or maintained internally.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. Explain fully how you get know your customer/fan.
2. What is a MVC, MGC, and BZ?
3. How do you reduce BZs?
4. Describe why customers fail to renew their season tickets.
5. How do you maintain a customer service edge?

6. Explain fully how to interact with customers.
7. Why do sport teams lose fans?
8. How can the audience be increased?
9. Describe the best ways to use the Web.
10. What do your employees need to understand about dealing with angry customers?
11. What is outsourcing?
12. Why should a sport manager consider outsourcing?
13. Explain fully the advantages and disadvantages of in-house operations and outsourced operations.
14. Describe the typical types of contracts entered into for outsourcing.

LESSON 7

FUND-RAISING

FUNDAMENTALS OF FUND-RAISING AND TECHNIQUES FOR SUCCESSFUL GRANT SEEKING

Purpose: This lesson has been designed to acquaint the prospective sport manager with fundraising and grant seeking.

Reading: Textbook, Chapters 19 & 21, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of fundraising. The future sport manager needs to understand how grant seeking blends in with fundraising.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. Describe the function and purposes of fund-raising.
2. Outline fully the characteristics of givers.
3. Describe how to establish a direct mail campaign.
4. Explain fully how to develop a case statement.
5. What are the basic elements of a fund-raising program?
6. What are the common models used in fund-raising?
7. What kind of benefits is given to contributors?
8. Describe fully the components of a major planned giving program.
9. What are the values of a committee?
10. Outline fully the common problems with committees.
11. Describe the role of the various types of committees.
12. How is a committee meeting constructed?
13. Discuss fully the process for seeking grants from public and private sources.
14. Explain the various funding sources.
15. Describe fully the various approaches to needs assessment.
16. How would you contract a government funding source?
17. How would you contact a private funding source?

LESSON 8

FUND-RAISING

THE BOOSTER CLUB AND THE ROLE OF VOLUNTEERS

Purpose: This lesson has been designed to acquaint the prospective sport manager with booster clubs and volunteers.

Reading: Textbook, Chapters 20, 22-23, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of booster clubs and volunteers.

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. Why are booster clubs important?
2. What is the role of a booster club?
3. What is the role of the board?
4. What is the role of the elected officers?
5. What is the role of the executive director?
6. Explain fully how to deal with volunteers.
7. What are the typical characteristics of a volunteer?
8. What is the role of a volunteer?
9. Describe how to best recruit volunteers.
10. How can you motivate volunteers?
11. What are the common steps in developing volunteer job descriptions?
12. Describe the volunteer personnel management system.
13. How should volunteers be supervised?
14. How should volunteers be recognized?

LESSON 9

FINANCIAL RISK MANAGEMENT

INSURANCE AND RISK MANAGEMENT

Purpose: This lesson has been designed to acquaint the prospective sport manager with insurance and risk management.

Reading: Textbook, Chapters 24-26, and further information gathered from the Internet.

Instructor Notes: This lesson assists the student in better understanding of insurance and fund-raising

Learning Activities: The following learning exercise is designed to assist the student to understand and make application of the lesson:

1. What are the common insurance coverages available for sports programming?
2. What is an insurance consultant?
3. What is property insurance?
4. What is business/extra expense insurance?
5. What is commercial liability?
6. What is bonding?
7. What is crime insurance?
8. What is employee benefit insurance?
9. How do insurance companies determine insurability?
10. Explain fully self-insurance.
11. How should the sport manager choose the appropriate deductible?
12. What is risk management?
13. What is the function of risk management?
14. What is the role of senior management in the risk management process?
15. Describe the risk management process?
16. What are the typical sources of liability losses?
17. Explain fully the development of a risk management program.

CHAPTERS

PART I

FOUNDATIONS OF FINANCING THE SPORT ENTERPRISE

CHAPTER 1 THE ABCS OF ECONOMICS

Introduction

Once you have registered for this class, purchased this book, and began leafing through its pages, you made a choice that cost you something — your time and money. There were other ways you could have spent your time and money, but the fact that you selected this class and the professor chose to require this book kept you from experiencing those other alternatives at this instant in your life. Even now you must decide whether to continue reading this chapter or put the book aside and do something else. If you are still reading, it is natural to ask — why? Your answer might be that it is raining and there is nothing better to do. Hopefully, it is because you value your time reading this chapter more highly than you value alternatives such as watching TV, playing a computer game, going out on a date, sleeping, or studying for another subject. Otherwise, why would you continue reading as you are? And what about the cost (your time) that you are now incurring as a result of your decision to continue reading? It is a value you place on the most attractive of the many alternatives you now face. It is a cost because it is something that you must forego in order to do what you are doing.

The scenario above describes what is done on a regular basis when one decides how to allocate resources. It is the underlying foundation of financial planning. It is simple economics at work.

Instructional Objective

After reading this chapter the student will be able to do the following:

- Understand the elements of a basic economic challenge
- Answer the question, “What is economics?”
- Explain key economic terms
- Discuss unionism in the United States
- Describe the economic impact of venues and events on a city

Internet Exercises

- Visit the Internet and search for additional information regarding the economic impact of venues and events on cities, counties, and states.
- Visit the Internet to gather additional information regarding unionism in professional sports (e.g., MLB, NBA, NFL, and NHL).
- Visit the Internet for additional information regarding the Federal Reserve System.
- Visit the Internet to gather information related to the stock market and professional franchises that are publicly owned (e.g., Boston Celtics, Green Bay Packers), sporting goods manufacturers (e.g., Nike, Reebok, Spalding), and retailers (e.g., Dick’s Sporting Goods, Nike, Reebok).

Knowledge Mastery Exercises

The following education exercises have been developed to assist the student in mastering the basic economic principles discussed in this chapter:

- What are the elements of a basic economic challenge?
- What is economics?
- What is the economic impact of venues and events on a city or county or state?
- Explain the following economic terms: demand, diminishing margin utility, diminishing returns, equilibrium price, increasing costs, opportunity costs, scarcity, and supply.
- What are the scarce resources?
- What are four key components in economic decision making?
- What are the characteristics of a market economy?
- What are the factors of production?
- What are third-party costs and benefits?
- What are the gross domestic products?
- Describe and compare the four common types of market structures.
- Describe stocks and bonds.
- Explain the function of the stock and bond markets.
- What's so wrong with bartering?
- What are the characteristics for good money?
- What is inflation?
- Describe unionism in the United States and its function.
- What is the Federal Reserve?

Case Study

Economic Impact of Stadiums and Teams: The Case of Minor-League Baseball

Professional sports stadiums are typically built with significant public assistance, despite the fact that they are primarily used by a single, for-profit tenant. Though new stadiums and sports franchises are often a public relations boon—and are touted as helping local businesses—studies have questioned whether they are worth the cost, and researchers have cautioned against boosterism.

A 2011 study published in the *Journal of Sports Economics*, “The Economic Impact of Stadiums and Teams: The Case of Minor League Baseball,” looks at these lower-level professional franchises over the period 1985-2006 and analyzes their effects on per capita community incomes. The researcher, based at the University of San Francisco, examined data from 238 metropolitan areas that hosted minor league teams at seven different levels, from Triple-A to rookie league, and separated out results for two different scenarios: the building of a new stadium; and the introduction of a new team.

The study's findings include the following:

- The presence of certain types of minor league teams and new stadiums may increase income in a community, albeit by modest amounts. Per capita income was raised \$67 by the introduction of a new Triple-A team and \$118 by a High-A team. In addition, building a new Double-A stadium was associated with a \$161 increase in per capita income and a new rookie league stadium was associated with a \$202 increase.
- No significant effect was found for the introduction of a Double-A, Single-A, Low-A, rookie league, or independent league team. Similarly, no significant effect was found for a new Triple-A, High-A, Single-A, Low-A or independent league stadium.
- Overall, there were no significant negative income effects associated with any team or stadium type. In other words, where the measurable impact was not positive, it was neutral and not statistically significant.

The author cautions that “no cost-benefit analysis was conducted, so there is no implication that cities should invest in AA or rookie stadiums.” Indeed, the vast majority of academic research in this area has shown “nonpositive effects” on income, employment, sales tax revenues and spending, the study states. (For a critical review of related literature, see the 2007 University of Maryland study “Stadiums and Arenas: Economic Redevelopment or Economic Redistribution?”)

Also of interest is a 2008 study, “Assessing the Economic Impact of College Football Games on Local Economies,” which found “no statistically significant evidence that college football games in particular contribute positively to a host’s economy.”

Students will read the above case studies and prepare a 1,500-word essay on stadium impact on professional baseball.

Writer: Alex Remington | May 15, 2012

Citation: Agha, Nola. “The Economic Impact of Stadiums and Teams: The Case of Minor League Baseball,” *Journal of Sports Economics*, October 2011, doi: 10.1177/1527002511422939. - See more at: <http://journalistsresource.org/studies/government/municipal/impact-stadiums-teams-case-minor-league-baseball#sthash.qVn9sbW2.dpuf>

CHAPTER 2

ORGANIZING THE RECREATION AND SPORT ORGANIZATION

Introduction

In small enterprises, organization may be informal and change from day to day. Boutiques, small family businesses, and other similar enterprises may not spend much time organizing at all. However, for large, complex enterprises such as a professional sport franchise, athletic shoe and apparel company, or sporting goods manufacturer with larger and more complex objectives, sound organization is a prerequisite for operational effectiveness.

Organizing is the process by which employees and their jobs are related to each other for accomplishing enterprise objectives. It consists of dividing work between groups and individuals and coordinating group and individual activities. Further, organizing involves establishing appropriate managerial authority. Keeping this description in mind, note the following points since each is a crucial aspect of organizing:

- **Goals.** Setting goals creates order out of chaos. Since all enterprises are composed of individuals, they are subject to chaos. Organization is important because it helps clarify enterprise goals as they relate to individual employees and work units.
- **Formal Relationships.** A second aspect of organizing is informing employees of what must be done and how individual jobs relate to each other. Without formal relationships, no one would know who was supposed to do what and how jobs were to be coordinated to achieve an enterprise’s objectives.
- **Stable Relationships.** Effective organization has solid stable relationships. An enterprise cannot claim to be organized if each time an expense voucher is submitted it is routed to a different person in a different department. The result would be chaos. Effective organization requires reasonably long-lasting relationships among jobs even if employees change.
- **Authority.** A final aspect of organizing is establishing appropriate managerial authority over various work units. In the absence of authority, organized action would be impossible. Managers need authority not only to perform their managerial roles but also to direct and coordinate subordinates. In this regard, the formal relationship between a superior and subordinate is solely based on managerial authority.

Before considering three introductory questions, let us first consider how enterprises formalize their structure. If you were to ask the manager of a self-service gas station and convenience store how it is organized, chances are the manager’s response would be phrased in general terms. “The attendants stock the shelves, rotate the dairy products in the freezer, prepare deli sandwiches, ring-up the sales, and keep the store area clean,” the manager might say. As long as the enterprise’s organization is well conceived and clearly communicated to all employees, this may be quite adequate. What is most vital for effective organizing is a thorough understanding by all employees of the formal relationships involved.

Most large and many medium size sporting enterprises formalize their structure through the use of organization charts and organization manuals to achieve this understanding among their employees. The chart portrays an enterprise’s structure graphically while the manual describes it in writing. Organizational charts and manuals are used because it is often difficult to communicate verbally the structural relationships that comprise an enterprise.

Learning Objectives

After reading this chapter the student should be able to do the following:

- Identify a formalized form of departmentalization
- Recount the advantages and disadvantages of a formalized, product, territorial, and customer departmentalization
- Clarify what is meant by “chain of command”
- Distinguish between “delegation” and “decentralization/centralization” as they relate to authority
- Differentiate line units from staff units
- Define the term “unity of command”
- Organize a sport enterprise for financial management
- Design a small business

Internet Exercise

Visit the Internet and search for examples of organizational charts for professional sport franchises (e.g., MLB, NBS, NFL, or NHL), collegiate sport organizations (i.e., NCAA, NAIA, NJCCA, or university structures, or league structures, such as the Big East, Big Ten, Southeast, Atlantic Coast), United States Olympic Committee, interscholastic athletics (i.e., National Federation of High School Activity Associations, state high school athletic or activity associations), sporting goods manufacturers (eg., Nike, Reebok, Spalding, Wilson), or sporting goods retailers (i.e., Dick’s Sporting Goods, Foot Locker, Champs).

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the organizational issues discussed in this chapter:

- What is a goal?
- What is authority?
- What is an organizational chart?
- What should be contained in an organizational manual or handbook?
- Describe the six common structures found in corporate America.
- What are the internal factors influencing structure?
- Describe chain of command, delegation of authority, and line and staff units.
- Outline the advantages of centralization and decentralization.
- What steps would you take to form a small business?
- What is the basic role of politics in financial management?

Case Study

Go to http://www.humankinetics.com/acucustom/sitename/DAM/067/234_Misener_a_case_study_of.pdf

CHAPTER 3 BUSINESS STRUCTURES

Introduction

As enterprises grow in scope and complexity, a point is generally reached when it becomes necessary to seek the assistance of a specialized support staff. Emergence of staff units represents another aspect of a seemingly irresistible trend toward a greater division of labor in a society becoming ever more complex.

A sport enterprise’s ability to secure funds for a particular sport business depends on how the sport enterprise is structured for financial management. Funding alternatives differ depending on the sport business industry segment. Sources of funding differ for not-for-profit sport enterprises, for profit sport businesses, sport stadia and arenas, and park and recreation operations.

Sport managers interested in opening sport enterprises (i.e., bowling alleys, ice or roller skating rinks, miniature golf courses, par three golf courses, skateboard parks, aquatic facilities, health and fitness clubs, etc.) must decide early on the business structure providing the optimal benefits. The type of business structure selected for the sport entity will influence short- and long-term operations. According to Brigham and Ehrhardt (2013), the traditional

business formations include nonprofit, for-profit, sole proprietorship, general partnership, limited partnership, limited liability partnership, limited liability corporation, the S corporation, and the C corporation. This chapter will examine the various business structures mentioned above. However, the sport enterprise developers should consult an attorney before proceeding too far down the road.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Describe the difference between a for-profit and nonprofit business
- Discuss the various types of partnerships and corporations
- Compare the advantages and disadvantages of business structure formations
- Describe how to start a small sport business
- Discuss the role of politics in financial management

Internet Exercise

- Students will search the Internet for information regarding the formation of a small business and the regulations guiding the process.
- Students will search for the policies and procedures guiding the formation of a corporation or partnership in a specific state of their choice.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the business structure issues discussed in this chapter:

- Describe a nonprofit business structure and provide examples of sport businesses that are nonprofit.
- Discuss a for-profit business structure and provide examples of sport businesses that are for-profit.
- What is a sole proprietorship?
- What is a general partnership?
- What is a limited partnership?
- What is a limited liability company?
- What is a limited liability partnership?
- What is a professional limited liability partnership?
- What is an S corporation?
- What is a C corporation?
- What are the advantages of each business structure?
- What are the disadvantages of each business structure?
- What are the steps for starting a small business?
- What are the common questions that need to be answered before starting a new small business?
- What is the role of politics in financial management?

Case Study

Tom and Huck Recreation and Sporting Goods Emporium Development

Problem Statement

Tom Sawyer and Huckleberry Finn have decided to start a retail recreation and sporting goods store in Hannibal, MO along the mighty Mississippi River. They are calling the new establishment the Tom and Huck Recreation and Sporting Goods Emporium. They intend on selling recreation and sport goods to the general public and sport teams. They will carry all items of sporting goods—uniforms, shoes, equipment, and sport supplies for individuals and teams. Further, they will sell hunting and fishing equipment. Finally, they will sell clothing, boots, and shoes.

Discussion

- You have been hired to assist Tom and Huck in developing the best business structure for this small business.
- Your contract requires you to provide a document outlining the steps Tom and Huck need to take to establish their new business in the State of Missouri.

References

Brigham, E. F., & Ehrhardt, M. C. (2013). *Financial management: Theory and practice* (14th ed.). Mason, OH: Thomson/South-Western Cengage Learning.

PART II: FINANCIAL ACCOUNTABILITY AND PLANNING

CHAPTER 4 BUDGET AND FINANCIAL MANAGEMENT

Introduction

Budget helps to aid the planning of actual operations by forcing managers to consider how the conditions might change and what steps should be taken now and by Budget helps to aid the planning of actual operations by forcing managers to consider how the conditions might change and what steps should be taken now and by encouraging managers to consider problems before they arise. It also helps co-ordinate the activities of the organization by compelling managers to examine relationships between their own operation and those of other departments. Other essentials of budget, according to Fried, Shapiro, and Deschriver (2013), Horine and Stotlar (2013), and Sawyer and Judge (2012), include the following:

- Controlling resources
- Communicating plans to various responsibilities center managers
- Motivating managers to strive to achieve budget goals
- Evaluating the performance of managers
- Providing visibility into the company's performance
- Maintaining accountability

Financial management, according to Crompton (2009) and Horine and Stotlar (2013), means the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It includes how to rise the capital, how to allocate it (i.e., capital budgeting). Not only about long-term budgeting but also how to allocate the short-term resources like current assets. It also deals with the dividend policies of the shareholders.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Explain the role of budgeting in managing recreation and sport organizations
- Describe the various budget types as well as the pros and cons of each
- Outline the budget process
- Discuss the staff involvement in the budget development
- Describe the steps in budget preparation
- Outline the various revenue sources
- Identify the steps in safe guarding revenue
- Delineate the common expenditures in the budget
- Comprehend break-even analysis
- Recognize the components of budget preparation for public agencies

Internet Exercise

- Have your students do an Internet search for recreation and/or sport organizations budgets to determine what type of budgets are commonly used by
 - o Private organizations
 - o Public organizations

- Have your students do an Internet search for ways to safe guard revenue sources.
- Have your students do an Internet search to determine the most common types of revenues secured by public recreation and sport organizations and private sport organizations.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the budgeting issues discussed in this chapter:

- What is the role of the budget?
- List the common types of budgets used by recreation and sport organizations.
- Describe, in detail, each of the following budget types:
 - o Line item
 - o Fee based
 - o Program based
 - o Performance based
 - o Planned programming
 - o PPBS
 - o EBS
 - o Zero based
 - o Activity
 - o Function
 - o Unit
 - o Entrepreneurial
 - o Fund
 - o Increment/decrement
 - o Running
 - o Capital
 - o Mission driven, results oriented
- Discuss, in detail, the five common steps used in the budgeting process.
- Explain, in detail, the process of budget preparation.
- Describe the common sources of revenue that recreation and sport organizations are dependent upon to function.
- Identify and describe, in detail, how the recreation and sport organizations can safe guard revenue.
- Delineate and discuss, in detail, the common expenditures found in recreation and sport organization's budgets.
- Discuss, in detail, the break-even analysis.
- Describe, in detail, the components of budget preparation for public agencies.

Case Study

Public Golf Course Funding

Problem Situation

A recreation/sport supervisor who oversees the public golf course is being questioned by the users regarding the fees charged and how the money is used. The golf course generates over \$300,000 annually; however, the expenditures amount to just over \$200,000. The difference is currently used to supplement the city's general recreation/sport fund. Golfers, though, are not happy about the arrangement. They feel they have paid a membership fee and that money should be used only for the golf course. They also pay taxes to take care of the general recreation/sport fund.

The golf course made a net profit of more than \$223,000 last year. The profit was 27% of the operating costs for the golf course. The users feel the profit is too high. They believe that the excess money should be reinvested into the grounds and equipment used to maintain the grounds of the golf course.

However, the city has a philosophy that they fix something only if it is broken. But the golfers think the golf courses needs to be maintained at a much higher level. The city does not believe in preventive maintenance. The director feels they are making money now and can subsidize many programs that cannot stand on their own. However, before

long the city will be forced into paying huge repair bills for the golf course. The users think costly bills could be avoided by paying a few dollars now for regular golf course maintenance.

Discussion Questions

- Should money be designated for one form of recreation/sport be used for another form of recreation/sport?
- Should high profit recreation/sport centers be used to support recreation/sport centers that lose money?
- What is a “reasonable” profit percentage for a golf course?
- What percentage of money should be reinvested into the golf course?
- What must you take into consideration before setting an annual fee?
- Should you look at supply and demand, competition from the private sector, and/or something else?
- Should public recreation/sport agencies seek to make a profit?
- Should public recreation/sport agencies contract golf course management to a private firm that specializes in golf course maintenance?
- Develop pro and con arguments.

Source: The case study has been modified from the one in Arnold, M. L., Heyne, L. A., & Busser, J. A. (2005). *Problem solving: Tools and techniques for the park and recreation administrator* (4th ed.). Champaign, IL: Sagamore Publishing. (pgs. 189–190)

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CHAPTER 5

FINANCIAL ACCOUNTABILITY AND ANALYSIS

Introduction

Employees are responsible for safeguarding and using those organization resources entrusted to them to carry out their assigned duties in accordance with the organization’s goals and objectives as expressed in policies, establishing what should be accomplished and procedures to affect the policies. Goals and objectives can be thought of as being separated into three distinct categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

According to Francois (2014) and Zeitlow, Hankin, and Seider (2007), accountability is the culmination of the organized summarization of transactions representing economic events taking place within various business operating cycles throughout the organization. Employees working in financial areas are therefore responsible for appropriately managing and safeguarding the organization’s assets that contribute to the preparation of reliable financial information.

In addition to specific organization’s policies, certain assertions are generally recognized as being embodied in all summarized financial data up to and including financial statements. Employees contributing to financial reports at any level are therefore making implied representations to all users or potential users of the data concerning the financial information they worked with. Users throughout the organization and outside the organization have a reasonable expectation to rely on the representations made. These representations then become the minimum goals and objectives of the organization regarding financial reports. This chapter will assist the future sport manager in understanding the importance of accountability and how to guarantee financial accountability.

Financial analysis, according to Francois (2014), is designed to aid sport managers through the process of evaluating past and current financial data. This analysis is necessary to evaluate performance and estimate future risks as well as financial potential. By reviewing balance sheets, income statements, and cash flow statements, a manager can

obtain an overview of the financial solvency of the organization and its ability to withstand economic hardship. By properly analyzing revenue and investment potential, along with costs, the manager can better utilize the financial resources of the organization.

This chapter will review accountability issues, basic financial statements, cash flow, and the financial analysis process.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Explain accountability in general and specifically financial accountability
- Describe the role of a financial manager
- Discuss the role of financial analysis
- Define the function of financial reporting
- Recognize standardized financial statements
- Identify common-size statements
- Discuss future financial status of an organization
- Explain financial ratio analysis
- Describe the functioning of an audit

Internet Exercises

- Have your students search the Internet to secure information relating to a financial manager for an in-class or online discussion.
- Have your students search the Internet to secure information related to the value of a financial analysis for an in-class or online discussion.
- Have your students search the Internet to determine what the future holds for an organizations financial status.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the financial accountability issues discussed in this chapter:

- What is accountability?
- What is financial accountability? Why is it important?
- What is internal control?
- Identify and explain the control components?
- What is the role of a financial manager?
- What is the role of financial analysis? Why is it necessary?
- What is financial reporting and why is it necessary?
- What is a balance sheet?
- What is cash flow?
- Describe a common-size financial statement.
- Describe a financial ratio analysis. Why is it important?
- What are short-term solvency measures? How do they difference from long-term solvency measures?
- What is a profit margin?
- What is Return on Assets (ROA)?
- What is Return on Equity (ROE)?
- What are market value measures?
- What is auditing? Why is it necessary?

Case Study

Money or Safety ... Can we have both?

Problem Situation

The financial director of the local recreation/sport organization has the responsibility to ensure that the money from the various programs is used properly based on department or organizational policies. Complaints from the men's and women's softball leagues that the fields need more dirt and the fences need to be fixed. It is clear the fields are in need of ongoing maintenance and improvement. There have been injuries because there are rocks on the fields and the balls are taking bad hops. Further, legs are getting cut from sliding into bases, even with sliding pads or pants. The drainage of the fields is lacking. There are three fields and only one is playable after rain and even that is only sometimes.

It is the policy of the organization that all money coming in from programs must be put into a general fund where money is then distributed to the various programs. However, players who use the fields feel that the money spent to enter the leagues (\$150/team) should be spent on the fields and other related facilities and equipment.

Discussion Questions

- Should the money be divided evenly among the various programs?
- Should the money generated by each program be used for that program only?
- Should the organization hire a seasonal grounds maintenance person with the money generated from the fees?
- Should a field maintenance fund be established?

Source: The case study has been modified from the one in Arnold, M. L., Heyne, L. A., & Busser, J. A. (2005). *Problem solving: Tools and techniques for the park and recreation administrator* (4th ed.). Champaign, IL: Sagamore Publishing. (p.184)

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CHAPTER 6 FINANCIAL PLANNING

Introduction

The goal of financial planning or management is to maximize the current value of the organization. This often is represented as maximizing the current value per share of the existing stock. The financial planner for a sport organization needs to link together the organization's goals and objectives and the short- and long-term financial plan.

Budgets, an integral part of financial planning, are designed to help guide an organization through a financial calendar year, budget cycle, or a fiscal year. Budgets aid an organization in determining what funds are available after fixed costs, routine or annual expenses, and how much money may be available for special projects.

When used as a guide, budgets can aid an organization in utilizing their available funds in the most effective and efficient manner possible. They also help eliminate waste and unnecessary spending practices.

This chapter will review the traditional budgeting process, preparation of budgets, revenues, and expenditures, and the components necessary for sound financial planning and provide the sport manager with the necessary tools for a successful contribution to the financial future of an organization.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Define what financial planning means
- Describe cash planning
- Explain profit planning
- Discuss capital budgeting

- Outline what is met by long-term and short-term planning
- Describe asset management ratios
- Discuss why evaluating the environment is important to financial planning
- Explain how to forecast sales
- Debate financial risk management
- Build a case for financial planning

Internet Exercises

- Have your students search the Internet for examples of financial planning related to a recreation or sport organization that can be used in a class discuss.
- Have your students search the Internet for examples of cash and profit planning to be used in a class discussion.
- Have your students search the Internet for examples of short-term and long-term planning to be used in a class discussion

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the financial planning issues discussed in this chapter:

- What is financial planning?
- Discuss the various components of financial planning.
- What is cash planning?
- What is profit planning,
- What is a margin?
- What is a profit margin?
- What is common equity?
- What is capital budgeting? Why is it important?
- What are the differences and similarities of short-term and long-term planning?
- What is assessment management?
- Why is evaluating the environment important?
- How does one go about forecasting sales?
- Describe financial risk management.
- Discuss how one goes about preparing a financial plan-building the case?

Case Study

Building the Financial Future of the Hannibal River Rats

Problem Situation

In order to become a single A minor league baseball team many things must come together and one of those challenges is to develop a financial plan for the short- and long-term. The organizers must be able to look into the crystal ball and determine how they will survive at least five years or more. No major league team will risk its future players' development to a minor league team that will not be functioning five years down the road. Not only will the minor league need to have a sound financial plan in place, they will also need to have a sound business plan and facilities.

Discussion Questions

- Where will the money come from to sustain the team five years into the future?
- How much money will need to be invested?
- What will the continuing revenue sources be to maintain the club?
- Who will build the case for the club?
- How many investors will be needed over time?
- Who will compose the financial planning team?
- What will be the timeline for the development of the financial plan?

CHAPTER 7

PURCHASING AND INVENTORY CONTROL

Introduction

The purchase of recreation and sports equipment and supplies involves an intricate process that is generally controlled by institutional or organizational policies and regulations. The ultimate goal of the purchasing process is to provide the organization with the best product at the best price. Purchasing may be controlled through a central purchasing office or by independent agencies. Finally, the procurement process provides a means to provide consistency in the selection and purchase of equipment and supplies.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Explain business costs
- Discuss the purchasing process
- Describe the procurement process
- Identify the role of purchasing
- Outline the guidelines for selecting equipment and supplies
- Explain the guidelines for purchasing equipment and supplies
- Describe evaluating equipment before purchasing
- Discuss the bid process
- Outline the writing process for specifications
- Delineate the scheduling of purchases of equipment and supplies

Internet Exercises

- Have your students do a search on the Internet for a treadmill and develop a spread sheet to compare the companies and product. For a large class, pick a variety of cardiovascular equipment to compare and discuss in class.
- Have your students do a search on the Internet for equipment reconditioning companies and compare the costs and services.
- Have your students do a search on the Internet for inventory systems for equipment and supplies for a class discussion regarding equipment and supply inventory.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the purchasing and inventory control issues discussed in this chapter:

- What are the common types of business costs? Identify and explain each type.
- Describe the purchasing process.
- Discuss, in detail, the procurement process.
- What is the role of purchasing?
- Identify the important guidelines regarding selecting equipment and supplies.
- Outline the guidelines for purchasing equipment and supplies.
- What steps should be taken to evaluate equipment before purchasing?
- What is the bidding process? Why is it important?
- What is important to remember when writing specifications for purchase of equipment and/or supplies?
- What do you need to know when scheduling the purchase of equipment and supplies?

Case Study

Equipment and Supply Issues at the Hannibal Health and Wellness center

Problem Situation

The Board of Directors of the Hannibal Health and Wellness Center are very concerned about the continual loss of equipment and supplies at the Center. No one seems to know what equipment the Center has (such as cardiovascular, strength training, basketballs, volleyballs, tennis balls, tennis racquets, racquetball racquets, etc.) or the supplies (such as cloth bath towels, paper towels, cleaning materials, etc.). There seems to be no inventory control, purchasing process, or procurement process. The Center is spending large sums of money on equipment and supplies with no clear record of what the Center has on hand.

Discussion Questions

- Should there be a regular inventory audit?
- Who should be responsible for the inventory?
- Should there be a purchasing process?
- Should there be a procurement process?
- Should there be an inventory control process?
- Should there be a schedule for purchasing equipment and supplies?
- Should there be policies and procedures governing purchasing and inventory control?
- What policies should be developed?
- What procedures should be developed to implement the policies?

PART III: FINANCIAL DEVELOPMENT

CHAPTER 8 UNDERSTANDING THE REVENUE STREAMS

Introduction

Sport entities that are successful year after year have a variety of revenue streams. The good manager understands how to develop new revenue streams, manage the revenue streams, and retain all the revenue streams that have been secured. The revenue is generated through three common sources including public sources, private sources, and joint public and private ventures. This chapter will focus on understanding the revenue streams available to sports managers for - constructing new or renovating old facilities, and operations.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Discuss public revenue streams
- Describe private revenue streams
- Explain broadcast rights
- Discuss the financial team
- Outline financing tools
- Describe managing real estate within Arenas and stadiums
- Define equity

Internet Exercises

- Arena and stadium funding for professional sports has often times has been a sticky issue with the taxpayer. Have your students' research arena and stadium funding to determine what the issues might be and then have a class discussion related to funding professional sport facilities.
- There are a number of sport authorities in the United States that are used as finance tools for the construction of many public sport facilities for communities as well as colleges and university. Have your students research sports authorities and have a class discussion about the advantages and disadvantages of such entities.

- Financing minor league baseball teams is a very interesting proposition indeed. Have your students research how the Fort Wayne Tin Caps and Dayton Dragons were funded and then have a class discussion regarding the financing of a minor league baseball team.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the revenue issues discussed in this chapter:

- Identify and discuss the revenue sources for public recreation and sport organizations.
- What are hard taxes?
- What are soft taxes?
- What is tax abatement?
- Identify and discuss the revenue sources for private recreation and sport organizations?
- Explain joint public and private funding.
- Describe broadcast rights
- What is the role and function of a financial team?
- Who would be on the financial team?
- Identify and discuss the common financing tools.
- What is a bond?
- Outline the common bonds used for financing facilities.
- What is equity?
- What is the role and function of real estate within arenas and stadiums?

Case Study

Financing a the Hannibal Community Fitness, Recreation and Sport Complex

Problem Situation

The citizens of Hannibal, MO want to develop an indoor and outdoor fitness, recreation, and sport complex on 100 acres bordering the Mississippi River. The complex would have a large indoor facility housing indoor soccer fields, basketball courts, volleyball courts, batting cages for baseball and softball, tennis courts, aquatics area, fitness and wellness center, local rooms, spa, running track, and restaurant. The outdoor complex would have baseball, soccer, and softball fields, aquatics area, running/jogging trail, fitness trail, tennis courts, and picnic areas. The estimated cost of such a facility is \$75 million dollars. The community needs to organize to secure the financing to build, operate, and maintain this complex.

Discussion Questions

- Will there be a finance committee?
- Who will be on the finance committee?
- Will this solely be funded with public funds?
- Will this be funded with a combination of private and public funding?
- What funding instruments will be used?
- How long will this project funded?
- Will there be user fees? How much?
- How will this facility be programmed?
- How will this complex be staffed?

CHAPTER 9 COMMERCIAL/CORPORATE SPONSORSHIPS

Introduction

Commercial/corporate sponsorship is a form of advertising in which companies pay to be associated with certain events. When the sponsorship of a nonprofit or charitable event is involved, the sponsorship activity is often referred

to as event marketing or cause marketing. Commercial/corporate sponsorship has been growing rapidly in recent years, faster, in fact, than the growth in overall corporate advertising in the late 1990s.

Most of the sponsors of large events are, of course, large companies. However, part of the increase in corporate sponsorship worldwide is attributable to the number of small- and medium-sized firms that are becoming involved. Not long ago, only large entities could afford to sponsor large events as a way of building goodwill and boosting revenue. But in today's business environment, small companies have embraced sponsorship of everything from local softball and volleyball teams to festivals, fairs, and park cleanups as an effective means of increasing their visibility in their home community. Many of these kinds of sponsorships enable small companies to increase their public profile in a relatively cost-effective manner.

A company can benefit in many ways from sponsorship. The potential benefits, according to Crompton (2014), Sims (2011), and Stotlar (2013), of a sponsorship include the following:

- Enhancing a company's image and visibility
- Differentiating the company from competitors
- Helping develop closer relationships with current and prospective customers
- Showcasing products and services
- Unloading obsolete inventory
- Allowing the company to compete more effectively against bigger firms that have much larger advertising budgets

In addition, tickets to sponsored events can be used as incentives for employees, vendors, and customers and to promote worker loyalty. And proponents say that if sponsorships are well-conceived and strategic, they can boost sales—both long-term and short-term—as they improve the community through the events they support.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Explain sport sponsorship platforms
- Define a sponsorship
- Discuss the benefits of a sponsorship
- Describe the typical sponsorship package
- Outline the various levels of sponsorship
- Explain what is met by a commercial/corporate sponsorship
- Outline the steps to developing a successful sponsorship
- Discuss the commercial/corporate sponsorship agreement provisions
- Describe the components of a commercial/corporate sponsorship agreement
- Explain entitlements or naming rights

Internet exercises

- Have your students research professional sponsorships for a class discussion about the components of the agreement.
- Have your students research collegiate sponsorships for a class discussion about the components of the agreement.
- Have your students research recreation/recreational sport sponsorships for a class discussion about the components of the agreement.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the corporate/commercial sponsorship issues discussed in this chapter:

- Identify and discuss each of the common types of sport sponsorship platforms.
- Why do corporations become involved with sponsorships?
- Define a sponsorship.
- What are the benefits of a sponsorship?
- A typical sponsorship package contains what?
- What are the common levels of sponsorship?

- What competitive threats should one be concerned about?
- What is a commercial/corporate sponsorship?
- What types of commercial/corporate sponsorships exist?
- What options are available for commercial/corporate sponsorships?
- What makes a commercial/corporate sponsorship successful?
- What are the components of a commercial/corporate sponsorship?
- What is an entitlement?
- What is a naming right?

Case Study

Becky Thatcher Community Softball League

Problem Situation

The Becky Thatcher Community Softball League for the past two years has been losing money. The board of directors has discussed increasing the fee for each team but is fearful if they do raise the fees that the number of teams in the league will be reduced. This would compound the financial issues the league faces. It has been suggested that the board consider marketing sponsorships for the league. However, the board does not know what the next steps are to institute a sponsorship program.

Discussion Questions

- Should the board explore employing a consultant?
- What levels of sponsorship should be established?
- What will the sponsorship package consist of?
- What would be the fee schedule look like?
- How would be the length of the sponsorship agreement?
- Who will sell the sponsorships?
- Who will develop the advertising plan?
- Should the board do everything in house or outsource to a professional organization?

References

- Crompton, J. L. (2014). *Sponsorship for sport*. Morgantown, WV: FiT Publishing.
- Sims, B. (2011). *Sport sponsorship*. Southfield, MI: Icon Publishing Limited.
- Stotlar, D. (2014). *Developing successful sport sponsorship plans* (4th ed.). Morgantown, WV: FiT Publishing.

CHAPTER 10

LICENSING AND BRANDING

Introduction

License products are those items of clothing or other products bearing the name or logo of a popular sport organization. The value of licensing to a sport organization has grown by leaps and bounds. It has become a significant revenue stream for most sport organizations.

Licensing has become a very lucrative endeavor for many sport organizations. The use of brand, brand name, brand mark, or trademark in exchange for royalties provides another source of revenue for the organization. Through licensing agreements, the organization's logo can show up on apparel, collectibles, furniture, and novelties to name a few. The organization can also enter into collaborative contracts where teams and leagues act together in the licensing process.

Battersby and Simon (2012) define licensing as a contractual agreement whereby a company may use another company's trademark in exchange for a royalty or fee. Shank and Lyberger (2014) indicate since the emergence of NFL Properties in 1963, licensing has become one of the most prevalent sports product strategies.

Lewis and Dart (2014) and Levine (2014) cite the following four factors as contributing to the growth in sales of licensed products:

- The increasing popularity of American sports and resulting media coverage
- Significant developments in imprinting technology
- The maturation of licensing as an industry
- The financial challenges facing sport managers

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Discuss licensed products
- Explain why licensing is important
- Describe how to recruit licensees
- Outline the licensing application process
- Discuss the need for a licensing program public relations program
- Explain the value of a licensing product promotions program
- Describe the advantages and disadvantages of in-house and outsourced licensing program
- Outline sport licensing operating procedures
- Discuss royalty management
- Describe advanced royalty fees and royalty guarantees
- Explain royalty reports, computation analysis, exemptions, and distribution
- Discuss licensee exclusivity
- Explain trademark issues
- Describe the black market-counterfeit detection and reduction
- Define brand and brand identity
- Discuss the brand experience and image
- Describe brand management and orientation
- Outline brand awareness, appeal, recognition, and franchise
- Discuss brand parity and trust

Internet exercises

- Have your students search the Internet for samples of sport product licenses to be used in a class discussion.
- Have your students search the Internet for samples of licensing agreements to be used in a class discussion.
- Have your students search the Internet for samples of sport brands to be used in a class discussion.
- Have your students search the Internet for samples of a branding process to be used in a class discussion.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the sport licensing/branding issues discussed in this chapter:

- Define licensing.
- Identify the factors contributing to the growth in sales of licensed products.
- List types of recreation and sport products that are commonly licensed.
- Why license?
- Describe the licensee recruitment process.
- What are the common classes of trademarks?
- Describe the licensing program product promotions process.
- Identify and explain the common operating procedures for a licensing program.
- Discuss royalty management for a licensing program.
- Define licensee exclusivity.
- What are the common trademark issues?
- Describe the black market issues related to licensing.
- Define brand and brand identity.
- Discuss all aspects of a branding program.

Case Study

Licensing and Branding the Hannibal River Rats

Problem Situation

The Hannibal River Rats a single “A” Minor League Baseball Team organizing committee is seeking to gain entrance into the Minor League baseball organization. They hotels, condominiums, City park on the river, and retail shopping areas. They are now seeking to secure a Major League baseball team partner. They also need to establish the brand for the new organization as well as a licensing program. What do they need to accomplish to establish the brand and a licensing program?

Discussion Questions

- What steps should be taken to establish the licensing program?
- Should there be a licensing organizing committee?
- Who should be on such a committee?
- What should be licensed?
- Should the licensing program be administered in-house or outsourced?
- What are the Minor League requirements for licensing programs?
- What should the brand be?
- What would be the teams’ logo?
- Should there be a mascot for the team and what should it be?
- How should the brand and licensing program be promoted?

References

- Battersby, G. J., & Simon, D. (2012). *Basics of licensing*. Kent, OH: Kent Press.
- Levine, T. (2014). *Branding*. Buchanan, NY: Emereo Publishing.
- Lewis, R., & Dart, M. (2014). *The new rules of retail* (2nd ed.). NY: Palgrave MacMillan.
- Shank, M. D., & Lyberger M. R. (2014). *Sports marketing: A strategic perspective* (5th ed.). Upper Saddle River, NJ: Prentice-Hall.

CHAPTER 11

THE FRANCHISE GAME

Introduction

Mathews (2011) defines franchising as defined as a tool for marketing goods and services. According to Mathews (2011) and Sherman (2011), the basic features of a typical financial arrangement include the following:

- The franchisor allowing the franchisee to see its name or brand
- The franchisor exercising continuing control over the franchisee
- The franchisor providing assistance to the franchisee
- The franchisee making periodical payments to the franchisor

Mathews (2011) suggests there are advantages and disadvantages associated with franchising. An advantage is it provides an opportunity for the franchisor’s business to grow through the capital and manpower provided by the franchisee. In this manner, the franchisor is able to expand its business in a short period of time. This expansion has been evident through expansion efforts in professional sport.

A major disadvantage of franchising is loss of control over day-to-day operations. There are also financial risks involved in franchising. The franchisee may not be capable of running the business effectively or there may not be sufficient capital to sustain the operation.

Bisio (2011), Mathews (2011), and Sherman (2011) identified important questions that need to be carefully and thoughtfully answered before buying a franchise. These questions include the following:

- Are you willing and able to take on the responsibilities of managing your own business?
- Will you enjoy the franchise?

- Are you willing to completely follow the franchise system?
- Do you have a history of success in dealing and interacting with people?
- Can you afford the franchise?
- Have you carefully studied the legal documents?
- Does the franchise you are considering have a track record of success?
- Are the franchisees generally happy and successful?
- Do you like the franchise's staff with whom you will be working?

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Describe a sport franchise
- Explain how a sport franchise gets admitted into a league
- Outline the role of sport franchise in the local economy
- Discuss how a sport franchise impacts the local taxes

Internet Exercises

- Have your students research how the four major professional sport leagues determine who receives a sport franchises whether it be new or ownership has changed.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the franchise issues discussed in this chapter:

- What is franchising?
- What are the advantages of franchising?
- What are the disadvantages of franchising?
- Identify the questions that should be asked prior to purchasing a franchise.
- What is a sport franchise?
- How does a sport franchise get admitted into a league?
- How does a sport franchise relocate?
- What is the process for purchasing a new or previously owned franchise?
- What is the role of a sport franchise in the local economy?
- How does a sport franchise impact the local taxes?

Case Study

NFL Football for Los Angeles

Problem Situation

The Organizing Committee for an NFL Football for Los Angeles is seeking approval of a franchise from the NFL for the Los Angeles area. The Committee has recruited funding for a football stadium. The Committee has options on land to be purchased for the stadium. The Committee has two, possibly three groups competing to purchase the franchise from the NFL.

Discussion Questions

- What are the requirements for securing a new team within the NFL?
- How much will it cost to purchase a new NFL team franchise?
- What will be the impact of an NFL franchise on the local economy?
- How will the taxes be impacted?
- What is the approval process within the NFL for a new team franchise?
- Could a team relocate to Los Angeles from a smaller market such as Jacksonville, FL?
- What are the advantages to having an NFL team in Los Angeles?
- What are the disadvantages to having an NFL team in Los Angeles?

References

- Bisio, R. (2011). *The educated franchisee*. Minneapolis, MN: Bascom Hill Publishing Company.
- Mathews, J. (2011). *StreetSmart franchising* (2nd ed.). Irvine, CA: Entrepreneur Press.
- Sherman, A. J. (2011). *Franchising and licensing* (4th ed.). New York: American Marketing Association.

PART IV: SALES OPERATIONS

CHAPTER 12 TICKET SALES AND BOX OFFICE OPERATIONS

Introduction

For sport organizations that depend on fan participation to generate revenue, the box office becomes a vital operation. If the box office is not operated efficiently and effectively, it could cause a serious financial dilemma for the organization. The box office is also the point of entry for new and older reliable fans. The impression the box office personnel leave with the customer is like a first impression at a job interview. Return purchases by fans can and will be influenced by the box office staff.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Explain the importance of ticket sales or memberships
- Discuss what the product of a box office is
- Describe the printing process of tickets
- Identify the different types of tickets
- Explain how to prepare the box office for an event
- Discuss the box office design

Internet Exercises

- Have your students do an Internet search for electronic ticket sales organizations and bring their lists to class so a list can be developed for all sellers. Then select a ticket (general admission) for an upcoming event and have them determine who provides the lowest price and highest price for the same ticket to the same event.
- Have your students do an Internet search for designs for box offices and bring to class for a class discussion related to the common characteristics of a box office.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the ticketing and box office issues discussed in this chapter:

- Why are ticket or membership sales important?
- Discuss the primary product of the box office.
- Describe the process used to purchase tickets for an arena or stadium.
- Why are tickets important?
- What is the function of a ticket?
- Why is it more complicated when an organization sells only reserved tickets?
- What are the problems associated with general admission tickets that are not reserved?
- Identify and explain the direct types of tickets.
- Describe what happens pre-event, during the event, after the event.
- Discuss the seating policies and parameters.
- What must be done to prepare the box office for an event?
- Describe the components of a box office.

Case Study

Ticketing for the Annual State High School Basketball Championship Tournament

Problem Situation

The annual state high school basketball championship tournament is fast approaching. The site for the annual event is located in large public assembly facility in the state capital. You are the chairman for the annual event. You are working with the state high school activities association. This year, unlike last year, the basketball tournament will be a class basketball tournament with six classes of schools. In essence there will be six championship tournaments held over one long weekend (Friday evening-Sunday) composed of 12 teams from all over the state. How should the ticket sales be handled for this large complicated event?

Discussion Questions

- What is the crowd capacity?
- What type of tickets will be sold?
 - o General admission
 - o Reserved
 - o Club seats
 - o VIP Suite seats
 - o All Tournament tickets
 - o Press passes
 - o Team passes
 - o Band passes
 - o Other complimentary tickets/passes
- What price range will be used for the various types of tickets?
- How many tickets will be given to each school to sell for each game?
- Who will control the ticket sales?
- When will tickets go on sale?
- When will high schools be required to return unsold tickets?

CHAPTER 13

RETAIL AND SALES OPERATIONS

Introduction

Sales are the lifeblood of any organization as well as sport entities. Sport entities sell advertising, club seats, luxury suites, merchandise, media rights, and signage. The word *sales* or the term *salesperson* often equates to images of hucksters, who are people using persuasion to talk to customers into buying products they might not want at prices they sometimes cannot afford. Sales generate the revenue streams to keep the doors open and the sport entity profitable. The components of sales include salesperson, sales department, sales-oriented organization structure, telemarketing, direct mail, personal selling, customer retention, and lifetime value.

Sport organizations have known for years that retail operations can generate a significant and consistent revenue stream. If the retail operations are run well and selling the right products at competitive prices, they should be turning a handsome profit and saving the clientele money.

The most dramatic change for the food and beverage concession industry came in 1987 with the opening of Joe Robbie stadium. Joe Robbie Stadium started the luxury suites and club seats era. The owners of Joe Robbie Stadium offered its customers a new level of service never before available in a sports facility: waiter and waitress service at their seats and a fully air-conditioned and carpeted private concourse featuring complete buffets from gourmet sandwiches to homemade pasta and freshly carved prime rib. A new level of culinary expertise would now be required of the concessionaire and the concessionaire's skill would be instrumental in the success of the customer's total entertainment experience at the sport's venue.

Gibbs (2012) and Lewis and Dart (2010) suggest the successful retail operations accomplish the following: (1) feature prominent locations that require clientele to pass through the various sites; (2) offer personalized service and competitive pricing; (3) print catalogues for clients to share with friends; (4) merchandise their goods/prod-

ucts (i.e., displaying goods/products in an appealing way); (5) consider themselves retail outlets; (6) sell innovative goods/products; (7) concentrate on apparel, accessories, beverages, and food; (8) stock regularly needed convenience supplies; and (9) sell licensed merchandise.

This chapter has been designed to assist the prospective recreation and sport manager in understanding the importance of sales within the recreation and sport entity. Further, it will provide an introduction to each of these very significant revenue streams for most sport organizations. Finally, the reader will begin to understand the impact and relationship of these three linked marketing tools.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Describe what retail sales are
- Discuss who is a good salesperson
- Outline what are the commonly known to be sport products
- Explain commonly used marketing/sales techniques
- Define telemarketing
- Describe direct mail
- Discuss virtual marketing
- Explain personal selling
- Identify and discuss consumer behavior
- Understand what the customer's lifetime value is
- Discuss customer retention
- Describe retail sales
- Outline concession operations
- Explain alcohol management
- Discuss parking concessions
- Describe mercantile sales
- Outline issues related to retail store design
- Discuss vending machine operations
- Describe staff issues related to retail sales
- Explain financial risk management in retail

Internet Exercises

- Have your students do a search on the Internet to gather retail and concession agreements with either recreational sport or sport venues and bring to class for a discussion of common contract components.
- Have your students do a search on the Internet for parking lot designs for commercial parking lots including security and revenue generation and bring to class for a discussion related to a parking lot concession.
- Have your students do a search on the Internet for pro shop or concession stand designs and bring to class for a discussion related to the development of a pro shop for a nonprofit or for-profit organization.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the retail issues discussed in this chapter:

- What are sales?
- What are the components of selling?
- What are the characteristics of a good salesperson?
- What are the key elements of a successful sales-oriented organizational structure?
- What are the items commonly known to be sport products?
- Identify and discuss the commonly used marketing/sales techniques.
- Describe consumer behavior.
- Identify and discuss the common retail operations found in recreation/sport organizations.
- Why is alcohol management important?
- What are the components of an alcohol management plan?
- What needs to be accomplished to make a parking concession profitable?

- Discuss mercantile operations?
- What are the key components in successful retail store design?
- Identify and explain the most common mistakes made by retailers.
- Why is a vending machine operation important?
- Discuss the staffing of the retail, parking concession, food concession, and mercantile operations?
- Explain financial risk management in retail operations.

Case Study

Concession Operations at the Hannibal Recreation and Sport Complex

Problem Situation

The City of Hannibal, MO is completing the planning of the Tom Sawyer Recreation and Sport Complex that has cost over \$60 million and borders the Mississippi River. It has indoor and outdoor facilities for aquatics, baseball, basketball, football, soccer, softball, tennis, and volleyball. There are also fitness trails for biking, jogging, running, and walking, and a fishing pond. The building committee is beginning the planning for concession operations for the various activity areas. The concessions include food, mercantile (pro shop), and parking. What do they need to plan for?

Discussion Questions

- How many indoor and outdoor food concession stands? What should be included in the design of these spaces? Should restrooms be constructed near the concession areas?
- How many parking areas should there be? How many spaces in each parking area? Should the parking be free? How should the parking be secured? How should the parking areas be landscaped? How should the parking areas be lighted?
- How many pro-shops should there be? How should the shops be designed?
- Should there be sponsorships that are exclusive for the concession areas?
- Who should operate the concessions ... in-house or outsourced?

References

Gibbs, R. J. (2012). *Principles of urban retail planning and development*. Hoboken, NJ: John Wiley and Sons.
 Lewis, R., & Dart, M. (2010). *The new rules of retail: Competing in the world's toughest marketplace*. New York: Palgrave McMillan.

CHAPTER 14

CUSTOMER RETENTION: A KEY TO FINANCIAL STABILITY

Introduction

Retaining current customers is the key to success. Customer retention minimizes the emphasis on securing new customers that must take place to be profitable and establish a stable base that can help attract new customers through referrals. Finally, customer retention maximizes the customer's lifetime value to the organization.

The following offered by Buttle (2008), Kahle and Close (2010), and Liraz (2013) are the factors that affect the retention of ticket-plan purchasers for entertainment and sporting events:

- Customer service
 - o Feeling valued by the organization
 - o Appreciated by the organization
 - o Quality of customer information
 - o Problem resolution
 - o Ease of problem resolution
- Performance of the team
- Satisfaction with seat location
- Demand for tickets in the marketplace
- Satisfaction with beverage and food concessions

- Satisfaction with merchandise and souvenirs
- Enjoyment in attending the games
 - o Game programs
- Satisfaction with the price/value relationship of the purchase
 - o Ease of use of the benefits and amenities included in their purchase
- Convenience factors relating to attending in person
 - o Ease of parking
 - o Expense of parking

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Understand why customers decide not to renew
- Discuss how an organization can gather data from current customers
- Describe issues related to retaining customers
- Explain the costs of recruiting new customers
- Outline staff training to maintain customers
- Discuss strategies for customer retention

Internet exercises

- Have your students search the Internet to determine what the common reasons why customers decide not to renew or return to recreation or sport organizations and have a class discussion to determine what the reasons are and how the reasons can be eliminated.
- Have your students search the Internet to determine what the common reasons are why customers maintain their loyalty to a recreation or sport organization and have a class discussion to determine what the reasons are and how an organization can capitalize on these reasons.
- Have your students search the Internet for the various customer profile systems available for recreation and sport organizations to use to determine customer behavior and have a class discussion about determining the common behavior of an organizations customers.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the retention of customer issues discussed in this chapter:

- Identify the common factors that affect retention of customers either in a recreation and/or sport setting.
- Why do customers decide to renew their memberships or tickets?
- What is the best way to gather information about the organizations' customers?
- What would be the components of a customer survey?
- Identify and explain the strategies used to maintain customer satisfaction.
- Discuss the costs of recruiting new customers.
- Describe the staffing plan for maintain customers.
- Explain the staff development built around customer retention.
- What needs to be accomplished to prepare the staff for customer retention?
- What is met by the phrases "The Customer Comes First" and "The Customer is Always Right"?

Case Study

XYZ Recreation and Sport Center – Reports Major customer Turn-over

Problem Situation

XYZ Recreation and Sport Center has recorded a major loss in membership over the past 18 months. During this time period, the entire staff has turned over, maintenance has declines as the revenue has declined. The Center is no longer member or family friendly. The cost of memberships has increased dramatically as the membership has declined. Members are no longer considered to be important to the Center. The programming for the Center has declined. The Board of Directors is coming close to closing the center and claim bankruptcy.

Discussion Questions

- Should the board consider hiring a consultant to review the center's operations to determine what the issues are and what should be done to save the center?
- Should the center be closed?
- Should there be a meeting with the members to gather information?
- Should there be a committee established for membership input that meets regularly?
- Should the entire staff undergo a major professional development program?
- Should there be a new programming schedule developed?
- Should the fee structure be reviewed and possibly modified?

References

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CHAPTER 15

OUTSOURCING SERVICES

Introduction

Outsourcing is a practice used by different companies to reduce costs by transferring portions of work to outside suppliers rather than completing it internally. It is big business. Successful, efficient, and rapidly growing firms have built their businesses by outsourcing much of their manufacturing operations while retaining core managerial functions to organize their many suppliers. They have relied on outsourcer for innovation and concentrated on the few things they do best in the world.

With the frontiers of innovation moving so rapidly, no one company alone can stay ahead of the rest of the world. Dominant firms have dipped into the knowledge bases of their suppliers to innovate, while entire industries from electronics to automobiles have reorganized in this way. Innovation is particularly rapid in messaging and communications-based collaborative technologies. Like the need for constant innovation, these functions have become an integral aspect of the operations of knowledge-based firms. Many are turning to outsourcers for help in keeping up.

Outsourcing is an effective cost-saving strategy when used properly. It is sometimes more affordable to purchase a good from companies with comparative advantages than it is to produce the good internally. An example of a manufacturing company outsourcing would be Dell buying some of its computer components from another manufacturer in order to save on production costs. Alternatively, businesses may decide to outsource book-keeping duties to independent accounting firms, as it may be cheaper than retaining an in-house accountant.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Describe the nature of outsourcing
- Discuss the importance of outsourcing management
- Explain the required infrastructure
- Outlining what should be outsourced by a recreation or sport organization
- Discuss the advantages and disadvantages of in-house operations or outsourcing operations

Internet Exercises

- Have your students do an Internet search for the common activities that are outsourced by organizations and bring their findings to class for a class discussion.
- Have your students do an Internet search for a sample outsourcing contract, such as a concessionaire agreement, and bring their samples to class to determine the common components of a concessionaire agreement.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the outsourcing issues discussed in this chapter:

- What is outsourcing?
- What is the nature of outsourcing?
- Why should a recreation or sport manager consider outsourcing?
- How should outsourcing be managed?
- What are the common steps in establishing a positive outsourcing agreement?
- What is the required infrastructure for outsourcing?
- Identify and discuss the benefits of outsourcing.
- What activities or operations should the recreation and/or sport manager consider to outsource?
- What are the advantages of outsourcing?
- What are the disadvantages of outsourcing?

Case Study

Should XYZ Recreation and Sport Center Outsource its Concessions?

Problem Situation

The XYZ Recreation and Sport Center Board of Directors are trying to determine whether or not to manage the food and beverage concession in-house or to outsource the service to an outside vendor. Many on the Board see this as a great revenue opportunity and think it would be more profitable if it were operated internally. However, another group feels it would be more profitable and less of a liability to have the operation outsourced to an outside vendor. Yet, another group feels that local service clubs could be offered the opportunity to operate the food and beverage concessions allowing the service organization to make some money for their projects and the Board to make some money as well as support the greater community. How should the board proceed?

Discussion Questions

- Should a consultant be engaged to assist the Board in the decision –making process?
- Should the Board review what other similar organizations are doing with the concessions operation?
- Should exclusive contracts with vendors be considered?
- Will the Board purchase all the necessary equipment for the multiple concession stands?
- If the concession operation is outsourced who will purchase the equipment the Board of or the outside vendor?
- If operated internally how will be staffed—full-time, part-time, seasonal, or a combination?
- What will be sold in the concession stands?
- Where will the beverage and food products be stored?
- Who will be responsible to the Board of Health?
- What are the advantages of outsourcing?
- What are the disadvantages of outsourcing?
- What should be included in the contract(s)?

CHAPTER 16

THE ABCS OF MARKETING

Introduction

Marketing consists of all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants. More simply put in business terms, activities designed to plan, price, promote and distribute products or services to target markets. Further, marketing is a fact of life. There are so many businesses in so many categories, how will you persuade potential customers to come to you?

Shank and Lyberger (2014) define marketing is a total system of interacting business activities designed to plan, price, promote, and distribute programs, products, and services to meet the needs of present and potential custom-

ers. Further, Mullin, Hardy, and Sutton (2014) indicate marketing is comprised of all activities designed to meet the needs and wants of consumers through an exchange process. Sport marketing has developed into two major thrusts: the marketing of products and services directly to consumers (e.g., a professional team, college/university team, fitness club) and marketing of other consumer and industrial products and services (e.g., automotive companies, a beer company, or cola companies) through the use of sport promotions.

Sport consumers are involved in sport through playing, officiating, watching, listening, reading, and collecting (Mullin, et al., 2014). Through the marketing planning process, we will be able to determine how to best meet the variety of consumer needs.

According to Fetchko, Roy, and Clow (2012), advertising is a form of communication that typically attempts to persuade potential customers to purchase or to consume more of a particular brand of product or service. Many advertisements are designed to generate increased consumption of those products and services through the creation and reinforcement of “brand image” and “brand loyalty.” For these purposes, advertisements sometimes embed their persuasive message with factual information. Every major medium is used to deliver these messages, including television, radio, cinema, magazines, newspapers, video games, the Internet, and billboards. Advertising is often placed by an advertising agency on behalf of a company or other organization.

Schwarz, Hunter, and LaFleur (2012) indicates promotions is a catch-all category for any one of a variety of marketing efforts designed to stimulate consumer interest in, awareness of, and purchase of the service, product, or program. Mullin et al. (2014) and Shank and Lyberger (2014) suggest promotion is the vehicle that (1) carries the message about the services, products, and programs; (2) positions them in the market; and (3) develops the appropriate image for the services, products, and programs. Further, they suggest promotions include the following forms of marketing activities: (1) advertising, (2) personal selling (i.e., any face-to-face presentation), (3) publicity, (4) sales promotion (i.e., a wide variety of activities including displays, trade shows, free samples, introductory free classes, coupons, giveaways, and exhibitions), and sponsorships.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Define marketing
- Discuss the strategic marketing strategy
- Identify and describe the basic marketing principles
- Explain the exchange process
- Define a sports product
- Discuss market segmentation
- Define advertising
- Explain pricing strategies
- Discuss promotions
- Describe consumer behavior in sport marketing
- Explain social media and its impact of recreation and sport

Internet Exercises

- Have your students search the Internet to locate examples of marketing plans for recreation and/or sport organizations and bring their findings to class for a class discussion on the development of a marketing plan for a recreation and/or sport organization.
- Have your students search the Internet to locate examples of social media that impacts recreation and sport organizations and bring their findings to class for a class discussion about social media in recreation and sport.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the marketing issues discussed in this chapter:

- What is a recreation or sport consumer?
- What is marketing?
- How do you manage the strategic marketing process?
- Identify and discuss the basic marketing principles.
- Explain the exchange process.

- What is a recreation or sport product?
- Describe market segmentation.
- What is advertising?
- What is the function of advertising?
- How is the advertising budget developed?
- What is in an advertising budget?
- What are the steps to selecting the media for advertising?
- What is the objective of advertising?
- What is media circulation?
- What the requirements of the advertising message?
- How do you decide the time and location of the media buying decision?
- How are advertisements created?
- What is important to consider when selecting an advertising firm?
- Discuss the pricing strategy development?
- Define promotion.
- What is a promotional campaign and how is it developed?
- How do you determine the appropriate promotional mix?
- Define consumer behavior.
- What is the impact of social media on recreation and sport organizations?

Case Study

A Marketing Plan for the Tom Sawyer Recreation and Sport Park

Problem Situation

The Board of Directors of the Tom Sawyer Recreation and Sport Park has been discussing how to best market the soon to be opened park to the public. The Board has a solid business plan that was used to develop the park. The new executive director has been asked to provide some direction in this important matter. The Board is not sure what needs to be accomplished or how long it will take or cost.

Discussion Questions

- Should the Board hire a market company to assist in this task?
- Should the plan include more than advertising?
- What kind of advertising should the Board invest in?
- Who should develop the advertising?
- What media should be involved?
- What is the budget for the marketing activities?
- Should there be a promotional campaign?
- Who should develop the promotional campaign?
- Should brochures be developed?
- Should social media be used to promote the park?
- How should the market be segmented?
- What will be the target population?
- What will be the products?
- How will the various products and services be priced?

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PART V: FUND-RAISING

CHAPTER 17 FUNDAMENTALS OF FUND-RAISING

Introduction

All organizations have the need for additional funds beyond the normal revenue sources (i.e., membership fees, ticket sales, guarantees, post-season opportunities, radio and television contracts, concessions [food, merchandise, and parking], franchising, licensing agreements, sponsorships, etc.). There are, of course, many legitimate and logical reasons why additional funding is needed to support programs, such as program expansion, facility renewal or expansion, inflation, changing priorities, increase in unemployment with markets, and a decrease in the purchasing power of the consumers within the markets. Without successful fund-raising programs, exciting promotions, and an excellent public relations program, the organization could be forced to reduce or eliminate marginal programs and sport teams, layoff personnel, reduce hours of operation, or close facilities. Therefore, it is imperative for sport managers to develop strong programs in fund-raising and promotions. An effective, efficient, and successful fund-raising program will allow the organization to grow and prosper in today's very competitive financial environment.

Heyman (2011) defines fund-raising as the art of soliciting money for charitable organizations, schools, colleges/universities, political parties, and many other worthy projects and organizations. Many organizations define fund-raising as anything that increases revenue, including: concessions, deferred giving, donations, grants, merchandising, licensing, promotions, and sponsorships.

Function and Purpose of a Fund-Raising Program

A well-crafted, thoughtful, and personalized fund-raising program can play an important part of an organization's strategic operating plan. It should be regarded as another effective method of targeting and reaching out to important segments of the organization's market. It is a means of explaining the organization's mission and services. It offers the opportunity to strengthen existing relationships and make new ones. It can generate important income through gifts and bequests—income which will become increasingly important in the face of increasing competition.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Describe a fund-raising program
- Write a case statement
- Discuss the basic elements of a fund-raising program
- Outline basic fund-raising issues
- Identify and explain key components of a fund-raising program
- Describe common models of fund-raising used by organizations
- Organize a fund-raising committee
- Outline the benefits given to contributors
- Describe major and/or planned giving
- Identify and discuss the common committees established and used in fund-raising
- Outline examples for fund-raising events
- Describe fund-raising support groups

Internet Exercises

- Have your students search the Internet for examples of successful fund-raising events and bring their findings to class to discuss the various fund-raising opportunities they have located.
- Have your students search the Internet for examples of fund-raising programs used by youth sport organizations and bring to class to discuss successful fund-raising plans used by youth sport organizations.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the fund-raising issues discussed in this chapter:

- What is a fund-raising program?
- What is the function of fund-raising?
- What information must be gathered regarding an organization before a fund-raising program can be developed?
- What is a case statement?
- What are the main points to be considered when developing a case statement?
- What do reviewers look for in the case statement?
- What are the basic elements of a fund-raising program?
- Describe the guidelines for a fund-raising program.
- Identify and discuss the key fund-raising issues.
- What are the key components of a fund-raising program?
- Identify and describe the common models used in fund-raising models.
- Why are fund-raising committees needed?
- What fund-raising committees should be established?
- What are the benefits to contributors?
- Discuss major gifts and planning for major gifts.
- What are the resources necessary to conduct a successful fund-raising program?
- What are the key components of a major or planned gift fund-raising program?
- Who are the fund-raising support groups?

Case Study

A Capital Campaign for the Tom Sawyer Recreation and Sport Park

Problem Situation

It has become clear to the Board of Directors of the Tom Sawyer Recreation and Sport Park that it cannot be fully funded by using taxes. The local government has provided a significant amount of funding; but, is unable to provide the total amount needed to complete the project as planned. The Board has a few options to solve the problem—scale the project back and eliminate some program areas, build the project over a 10-year period adding additional program areas each year, or develop a fund-raising program—Tom Sawyer Recreation and Sport Park Capital Campaign. The Board feels the third option needs to be explored in depth.

Discussion Questions

- How much money is needed to complete the project?
- Should the Board develop the fund-raising program on their own?
- Should the Board hiring an outside firm to develop and implement the fund-raising program?
- How should the fund-raising program be developed and managed if done internally?
- What are the key components of a fund-raising program?
- Should a nonprofit foundation be established?
- What fund-raising committees should be formed?
- Who should be involved besides the Board in the Capital Campaign?
- Who should prepare the case statement?
- What grants would be available from state or federal government, foundations in the area, or corporation?
- How would the donor list be developed and managed?
- Should this be an ongoing project after the goal is reached?
- What type of fund-raising activities should be planned?

References

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CHAPTER 18

THE ABCS OF COMMITTEES

Introduction

Almost everyone has a pet cliché about committees. There seems to be no other single form of organization that takes as much derision and abuse; and yet, for all the remarks about the inefficiency and inertia of committees, managers go right ahead appointing them. Perhaps the actions betray the fact that committees are useful. They contribute in ways that would be impossible under any other organizational structure. However, before a committee is appointed, according to Heyman (2011) and Worth (2013), the manager must answer the following questions:

- Is a committee of employees, volunteers, or a combination of the two needed?
- If used in fund-raising, what types of fund-raising efforts should be focused on?
 - Who are some of the people/positions from the community that should be considered for heading up a fund-raising effort(s)?
 - Do these individuals have good contacts with potential donors and/or with granting agencies or with individuals who have a say on who donor or grant recipients will be?

A committee can be one of the most productive tools or least productive that an organization has to work with. Whether you are chairing a committee or are a committee member, you face the challenge of becoming involved in the work the committee was formed to accomplish.

A manager's contribution and participation on the committee will determine its success or failure. If the manager participates, he/she should become involved, and encourage others on the committee to do so, the committee will be successful.

The findings of a committee have a direct impact on the decisions made by the officers and the board of directors of the organization. The energy put into the work on the committee has a direct influence on the direction the organization takes.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Describe the function and role of a committee
- Discuss the reasons for using a committee
- Identify and explain problems with committees
- Outline the common types of committees
- Explain how a committee meeting is constructed
- Describe how a committee size and composition is determined
- Explain the role and responsibilities of a committee chairperson
- Outline the responsibilities of the vice chair, secretary, and treasurer
- Discuss how committee members are selected
- Describe the orientation process for new committee members
- Explain committee actions and how the actions are communicated

Internet Exercises

- Have your students search the Internet for samples of committee agendas and bring to class for a discussion related to developing a committee agenda.
- Have your students search the Internet for samples of committee minutes and bring to class for a discussion related to preparing a set of committee minutes.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the committee issues discussed in this chapter:

- What is a committee?
- Describe a typical committee.
- What are the typical functions of a committee?

- Why do organizations use committees?
- What are the common problems related to committees?
- Identify and discuss the common types of committees.
- How is a committee meeting constructed?
- What is the common committee size?
- Identify the common officers of a committee and describe the roles of each.
- How are committee members chosen?
- What should be done to orient committee members?
- Describe typical actions of a committee.
- How are the results of the committee communicated?

Case Study

Should the Board of Trustees for the Tom Sawyer Recreation and Sport Park have committees?

Problem Situation

The Board of Trustees for the Tom Sawyer Recreation and Sport Park has been in discussions related to gaining a stronger community involvement in the Park. The Board has a membership of 21 including the officers. However, the Board fears that there are key community leaders not involved and they do not want to increase the size of the Board. The Board has talked about establishing a number of key committees that will broaden the community involvement base and reduce the workload of the Board. However, the Board has not yet determined what those committees might be.

Discussion Questions

- How many committees should be developed?
- What type of committees are needed?
 - o Finance
 - o Bylaws
 - o Programming
 - o Human resources
 - o Risk management and safety
 - o Operations
 - o Membership
 - o Etc.
- How many committee members should be part of each committee?
- What officers would be needed for each committee?
 - o Chairperson
 - o Vice chairperson
 - o Secretary
 - o Treasurer
- Should Board members be assigned to each committee as members and liaisons to the Board?
- Should the assigned Board member be the committee chairperson?
- How will the actions of the Committees be reported to the Board?
- Will committee actions be recommendation to the Board?
- What will be the terms for each Committee member?
- What will be the responsibilities of the officers and members?

References

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CHAPTER 19

GRANTSMANSHIP

Introduction

Every organization with a fund-raising plan in place should be seeking private foundation, corporation, and governmental grants to assist in implementing its overall programming efforts. This chapter will outline for the reader how to obtain a grant.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Discuss how to become ready to seek grant support
- Describe how to develop and evaluate proposal ideas
- Explain how to refine the proposal ideas to find more funding resources
- Outline how to complete a needs assessment
- Discuss how to capitalize on differences
- Define an advocate
- Describe the establishment of an advisory committee
- Explain how to locate funding sources
- Outline the characteristics of a government grant
- Discuss how to contact a government funding source
- Describe the strategy regarding asking past reviewers of grants
- Explain how to make an appointment to a granting agency
- Discuss how to build the budget
- Describe how to deal with the decision of public funding source
- Explain how to contact a private funding source

Internet Exercises

- Have your student search the Internet for public grant sources and bring results to class for a class discussion about public grant sources.
- Have your students search the Internet for examples of public grant proposals and bring results to class for a class discussion about the development and writing of public grants.
- Have your student search the Internet for private grant sources and bring results to class for a class discussion about private grant sources.
- Have your students search the Internet for examples of private grant proposals and bring results to class for a class discussion about the development and writing of private grants.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the grantsmanship issues discussed in this chapter:

- How does an organization become ready to seek grant support from private or public?
- How does an organization develop and evaluate proposal ideas?
- How does an organization refine proposal ideas to find more funding sources?
- How does an organization develop and implement a needs assessment?
- How does an organization go about capitalizing on differences?
- What is an advocate?
- How is an advisory committee organized?
- Where does one go to determine what funding sources are available?
- What are the characteristics of a private and public (government) grant?
- How does an organization contact a government funding source?
- What questions should the organization ask past reviewers?
- What steps should be taken to arrange an appointment with a funding source?

- How is the budget developed?
- How does the organization deal with the decision of a public funding source?

Case Study

Board of Trustees of the Tom Sawyer Recreation and Sport Park – Grant Seeking

Problem Situation

The Board of Directors of the Tom Sawyer Recreation and Sport Park realize that the total cost of the construction of the park will not totally public funds (taxes for bond issue) and will need additional funding sources to complete the finance package and begin construction. The Board has established a nonprofit foundation to seek additional funds from individual donors and corporation. The next step is the gain additional funding through public and private grants. The Board is ready to begin this step; but, are somewhat at a loss how to begin the process.

Discussion Questions

- Should the Board itself get into this funding process?
- Should the process be tasked to a standing committee for fund-raising?
- Should the Board consider an outside consulting firm for this task?
- What type of government grant is available?
- What type of private funding source is available?
- How much money is needed?
- Will the Board seek multiple grants for different aspects of the project?
- How will the Board contact the various funding sources?

CHAPTER 20

AFFILIATED FUND-RAISING ORGANIZATIONS

Introduction

An affiliated fund-raising organization (AFO) (i.e., athletic booster club, youth soccer booster club, park and recreation foundation, etc.) is a separate legal entity that serves as a nonprofit or governmental organization for fund-raising. Although it does not exist to make a profit, the AFOs are required to generate sufficient resources to cover its operational costs and create reserves for the future. In order to accomplish this, the AFO looks to volunteers as its lifeblood. Volunteers dedicate their time to raise money to support the recreation and/or sporting organization.

According to Leonard (2012), Kelley (2012), and Saunders (2013), 14 trends have been identified that will affect profit and nonprofit organizations in the 21st century, including (1) leadership's role, (2) value-return on investment, (3) responsiveness, (4) technology use, (5) change loops (actions that result from other actions), (6) revenue sources, (7) generational issues, (8) workforce, (9) outsourcing and co-sourcing, (10) governance, (11) competition and alliances, (12) consolidation and mergers, (13) globalization, and (14) image building.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Describe what an AFO is
- Explain how an AFO works
- Describe how the AFO organization is formed and structured
- Outline AFO policies and procedures
- Explain the AFO executive's role and function
- Describe the role of other officers and organization members

Internet Exercises

- Have your students search the Internet for examples of Affiliated Fund-Raising Organizations (e.g., Booster Clubs) and bring results to class for a class discussion on Affiliated Fund-Raising Organizations.

- Have your students search the Internet for examples of constitutions and bylaws for Affiliated Fund-Raising Organizations and bring results to class for a class discussion on the common components of constitutions and bylaws of an Affiliated Fund-Raising Organization.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the Affiliated Fund-Raising Organization issues discussed in this chapter:

- What is an AFO?
- How does an AFO work?
- How is an AFO organized and structured?
- What are the common policies and procedures established for an AFO?
- What is the role and function of the Executive Director of the AFO?
- What are the characteristics of a good director?
- What are the role and functions of the membership of an AFO?

Case Study

Board of Trustees of the Tom Sawyer Recreation and Sport Park – Friends of the Park Association

Problem Situation

The Board of Directors of the Tom Sawyer Recreation and Sport Park realize that the total cost of the construction of the park will not totally public funds (taxes for bond issue) and will need additional funding sources to complete the finance package and begin construction. The Board has established a nonprofit foundation to seek additional funds from individual donors and corporation. Further, the Board has begun the process of gaining additional funding through public and private grants. The Board is ready to begin the next step to develop a nonprofit educational association to assist in funding the park. However, they are not exactly sure how to proceed with this final fund-raising step.

Discussion Questions

- Who should develop and establish the “Friends of the Park Association”?
- How should the organization structured?
- What is the purpose and function of the Association?
- Who would be the members of the Association?
- What is the role and function of the membership?
- Who should director the Association? A Board? An Executive Director?

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CHAPTER 21

VOLUNTEERS: THE SOLDIERS IN FUND-RAISING

Introduction

Prior to 1970, relatively little was known about the scope and size of the volunteer sector. Since then, several major national surveys have provided information useful in drawing a profile of the volunteer corps in America. In youth, interscholastic, and intercollegiate sports, volunteers are very important to the successful operations of these programs. The volunteers are often ticket sellers, ticket takers, ushers, swimming and track and field officials, youth

sports coaches, and fundraisers. If volunteers failed to be involved in these programs, these programs would not exist. Nonprofit youth organizations would never be able to employ adequate numbers of paid personnel to operate the various youth sports programs. This chapter will outline everything the sports manager will need to know about volunteers and how to manage the volunteer corps.

Before beginning to understand what a manager should put into place regarding the management of volunteers, it is important to understand the characteristics of volunteers. Further, the manager needs to consider the characteristics below when dealing with volunteers. These characteristics have been identified including, according to Connors (2011), Lotich (2012), and Sawyer and Judge (2012):

- The 25% rule = 25% of the volunteers will do nearly all that is asked of them.
- The 20% rule = refers to those individuals who are truly effective, who are the real producers and “result-getters.”
- Volunteers have feelings, so make them feel valuable and wanted, treat them with respect, and provide them with special privileges to reward them for their contributions.
- Volunteers have needs and wants. Satisfy them.
- Volunteers have suggestions. Seek their input.
- Volunteers have specific interests. Provide options and alternatives for them.
- Volunteers have specific competencies. Recognize these skills and do not attempt to place square pegs in round holes.
- Volunteers are individuals working with other individuals. Encourage them to work as a team, not as competing individuals.
- Volunteers are not (usually) professionals within the organization or profession. Treat them with a special understanding and empathy.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Explain the role of volunteers
- Discuss the recruiting process for volunteers
- Describe the job descriptions for volunteers
- Outlining the strategies for motivating volunteers
- Explain how to retain volunteers
- Discuss how to best educate the volunteers
- Describe the orientation and training programs for volunteers
- Outline the volunteer personnel management system
- Explain how to best supervise volunteers
- Describe how to work with difficult volunteers
- Discuss how to recognize volunteers

Internet Exercises

- Have your students search the Internet for examples of volunteer recruitment plans and bring results to class for a class discussion on how to recruit volunteers for an organization.
- Have your students search the Internet for examples of volunteer evaluation systems and bring results to class for a class discussion on how volunteers should be evaluated.
- Have your students search the Internet for examples of volunteer recognition programs and bring results to class for a class discussion on how to develop a volunteer recognition program for volunteers in an organization.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the volunteer issues discussed in this chapter:

- What is the role of volunteers?
- How do you recruit volunteers?
- How should job descriptions be developed for volunteers?
- How do you motivate volunteers?

- What is the best way to educate volunteers?
- Describe the orientation and training program for volunteers.
- Discuss the volunteer personnel management system.
- What is the best way to supervise volunteers?
- What is the best way to work with difficult volunteers?
- How should volunteers be recognized?

Case Study

Volunteer Management

Problem Situation

The Board of Directors of the Tom Sawyer Recreation and Sport Park are beginning to organize the programming for the park. The Board does not have enough money to pay a large number of employees; therefore, there is a need for volunteers to assist in supervising the park and its programs. The Board needs to recruit volunteers, manage and supervise volunteers, recognize volunteers for their efforts, and develop a volunteer. How should the board develop its volunteer management system?

Discussion Questions

- What will be the role and function of the volunteers?
- What type of volunteer management system will be needed?
- How will the volunteers be recruited?
- Will the volunteers be in uniforms?
- Will the volunteers have any benefits (e.g., free entrance into the park when not working)?
- Will there be job descriptions for the volunteers?
- How will the organization motivate volunteers?
- What will be done to retain the volunteers?
- Will there be an orientation program for the volunteers?
- Will there be a training program for the volunteers?
- How will volunteers be recognized and how often?

References

- Connors, T. D. (2011). *The volunteer management handbook* (2nd ed.). Hoboken, NJ: John Wiley and Sons.
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PART VI: FINANCIAL CHALLENGES AND RISK MANAGEMENT

CHAPTER 22

FINANCIAL CHALLENGES FACING RECREATION AND SPORT ORGANIZATIONS

Introduction

Recreation and sports are a cultural force in the United States and many other countries worldwide. They are special events for bringing people together, a means by which people relate to each other. These events are a source of large amount of perceived economic benefits to cities, high schools, and institutions of higher education. It is not surprising that people place a great value on amateur and professional sports, and that strong public support for hometown teams at all levels of competition prevails.

It is interesting that during a recession, people who have less discretionary income still decide to support sports. Sports in general have not seen the major down turns other areas of the economy have experienced. However, the

future financial stability of sports is threatened by a number of thorny issues impacting that stability. These issues include, but are not limited to: player salaries and income taxes, increased communication technology, sport gambling, intercollegiate conference alignment, franchise relocation, tax status of professional leagues and the NCAA, and arena and/or stadium subsidization.

Recreation organizations, public and nonprofit, in the present economy have not been as fortunate as sport. These organizations have been impacted by the following:

- Loss of property tax dollars
- Companies not willing to pay for as many membership fees for employees joining a public recreation organization, a nonprofit organization (e.g., YMCAs or YWCAs) nor a for-profit organization (e.g., health and fitness clubs)
- Increased involvement by the general population in sedentary activities and less participation in active sports (e.g., golf, tennis, and youth sports, such as baseball, basketball, soccer, softball, and volleyball).

Instructional Objectives

After reading this chapter the student will be able to discuss the following:

- o Player salaries and income taxes
- o Salary caps
- o Luxury taxes
- o Revenue sharing
- o Increased communication technology
- o Sports gambling
- o Intercollegiate conference alignment
- o Franchise relocation
- o Tax status professional leagues and the NCAA
- o Arena/stadium subsidization
- o Reduction in property taxes
- o Impact of Affordable Care Act and wellness program

Internet Exercises

- Have your students do further research on the Internet regarding any two of the following and bring results to class for a class discussion related to these topics:
 - o Player salaries and income taxes
 - o Salary caps
 - o Luxury taxes
 - o Revenue sharing
 - o Increased communication technology
 - o Sports gambling
 - o Intercollegiate conference alignment
 - o Franchise relocation
 - o Tax status professional leagues and the NCAA
 - o Arena/stadium subsidization
 - o Reduction in property taxes
 - o Impact of Affordable Care Act and wellness program

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering of the financial challenges discussed in this chapter:

- Pick any two of the following issues and update what is happening today:
 - o Player salaries and income taxes
 - o Salary caps
 - o Luxury taxes
 - o Revenue sharing
 - o Increased communication technology
 - o Sports gambling

- o Intercollegiate conference alignment
- o Franchise relocation
- o Tax status professional leagues and the NCAA
- o Arena/stadium subsidization
- o Reduction in property taxes
- o Impact of Affordable Care Act and wellness program

Case Study

Pick any one of the following issues and prepare a case study related to the topic area:

- o Player salaries and income taxes
- o Salary caps
- o Luxury taxes
- o Revenue sharing
- o Increased communication technology
- o Sports gambling
- o Intercollegiate conference alignment
- o Franchise relocation
- o Tax status professional leagues and the NCAA
- o Arena/stadium subsidization
- o Reduction in property taxes
- o Impact of Affordable Care Act and wellness program

CHAPTER 23 INSURANCE

Introduction

Are you worried that bad weather will cancel the event you have spent days planning for, or that the star athlete will suffer a career-ending injury, or a patron will slip on a spilled soft drink or ice on the sidewalk and break a leg? Today's litigious environment and tight budgets mean managers and owners must take a closer look at insurance and risk management strategies. Dorfman and Cather (2012), Rejda (2010) and Rejda and McNamara (2013) indicate that in the past 15 years, there has been a dramatic increase in the number of companies specializing in insurance for the fitness, physical activity, recreation, and sport industries.

According to Dorfman and Cather (2012), Rejda (2010) and Rejda and McNamara (2013), the sport management professional should be prepared to cover injuries arising from other areas of possible liability, including (1) building (e.g., fire, lightning, explosion, windstorm, or hail, smoke, aircraft or vehicles striking the property, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse [i.e., Florida, Montana], volcanic action, flood, mud slides [i.e., California], and tornado or hurricane) and premises; (2) motor vehicles (e.g., medical expenses for driver and passengers, lost income and services for driver and passengers, damage to automobile(s), additional property damaged [nearby structures, telephone poles, guard rails, road signage, etc.], ambulance expense, funeral expense, investigation expense, legal expense, and overhead of automobile insurers); (3) activities (i.e., from incidents due to the nature of the activity engaged in); (4) employee conduct (e.g., negligent acts of employees, employee dishonesty, forgery, theft, computer fraud, and extortion); (5) business general liability caused by employees, users, or spectators (e.g., direct liability [premises and operations, and products liability], vicarious liability (i.e., indirect liability), and contractual liability; (6) bonds for performance and financial security (i.e., surety bonds guarantee performance and fidelity bonds protect employers from loss caused by dishonest acts of employees); and (7) fringes for employees covered by federal law (e.g., Social Security Act, Employee Retirement Income Security Act of 1974 [ERISA], Internal Revenue Code [IRe], The Civil Rights Act of 1964 [as amended in 1970, 1972, 1978], Age Discrimination in Employment ACT of 1967 [as amended in 1986], Retirement Equity Act of 1984 [REA], Consolidated Omnibus Budget Reconciliation Act of 1986 [COBRA], Tax Reform Act of 1986, Health Maintenance Organization ACT [HMO], and the Civil Rights Restoration Act of 1987 [1988]).

Instructional Objectives

After reading this chapter, the student should understand how to do the following:

- Develop an insurance program for recreation and sport operations and programs
- Select an insurance consultant
- Describe insurance coverages
- Select an insurance company or companies
- Insurance companies determine insurability
- Determine the cost of premiums
- Select a deductible

Internet Exercises

- Visit the Internet searching for insurance providers specializing in sporting venue or event liability.
- Visit the Internet searching for information dealing with property damage.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the basic insurance issues discussed in this chapter:

- Outline the various types of coverages available for sports programming.
- What is the role of an insurance consultant?
- What is property insurance?
- What is business income/extra expense insurance?
- What is commercial liability insurance?
- What is machinery and equipment insurance?
- What is employment practices liability insurance?
- Why would a sporting manufacture need special liability insurance?
- Why would a sporting organization need to buy insurance bonds?
- What is crime insurance?
- Outline the types of insurance used to provide employee benefits.
- What does an insurer review before entering into an insurance contract?
- What determines the cost of insurance premiums?
- What should the sport manager consider before securing insurance?
- How should the sport manager choose the appropriate deductible?
- What is meant by self-insurance?
- What should a sport manager ask a prospective insurer?

Case Study

Insuring Tom Sawyer Recreation and Sport Park

Problem Situation

The Board of Trustees for the Tom Sawyer Recreation and Sport Park are concerned about protecting the park and its staff. One of the Board members is a commercial insurance agent. He is able to give some advice but not able to suggest the companies to be contacted do to conflict of interest on his part. The Board is concerned specifically about the following types of insurance – property coverage, business income, commercial liability, machinery and equipment coverage, employee practice liability, special liability, bonding, crime insurance, and/or employee benefits. How should they proceed?

Discussion Questions

- Should the Board establish an insurance committee?
- Should the Board hire an insurance consultant to work with the Insurance Board?
- How should the consultant be selected?

- Should there be insurance for recreation and sports programming?
- What type of insurance coverage should the Board purchase for the Park?
- Which of the following insurance coverages are needed?
 - o property coverage
 - o business income
 - o commercial liability
 - o machinery and equipment coverage
 - o employee practice liability
 - o special liability
 - o bonding
 - o crime insurance
 - o employee benefits
- What employee benefits should be provided?
- What insurance company should be selected? Should there be one or multiple companies?
- What about self-insurance?
- What other insurance should be considered?
 - o recreation and sports liability and accident medical insurance
 - o play-practice coverage
 - o transportation insurance,
 - o catastrophic injury coverage (to costs beyond \$25,000 up to \$1 million or more
 - o dependent care insurance
 - o food and beverage insurance
 - o spectator liability and medical insurance
 - o automobile insurance
 - o event cancellation insurance
 - o special events liability
 - o weather and non-appearance insurance
- What deductible should be chosen for each coverage?

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- Retirement Equity Act of 1984 [REA], Pub.L. 98-397, 29 U.S.C. § 1055, 1984.
- Social Security Act, Pub.L. 89-97, 79 Stat. 286, 1965
- Tax Reform Act of 1986, Pub.L. 99-514, 100 Stat. 2085, 1986.

CHAPTER 24

RISK MANAGEMENT AND TAXATION

Introduction

Risk management is the logical development and implementation of a plan to deal with chance losses. The risk management process encourages managers to place loss exposure in a broad perspective in which insurance is just one of several alternative solutions. The broadness of the risk management responsibility is seen in the fact that many companies view their employee benefit plans, including their group life and health insurance and pension plans, as part of their risk management program.

The risk management process begins when somebody asks, “What kinds of events can damage my business, and how much damage can be done?” After identifying and measuring the exposures to loss, the next logical question is, “What actions should I take to deal with these problems?” After the decisions are made and implemented, the risk manager will probably ask, “Did I make the right decisions? Did my choices prove to be too expensive? Have circumstances in my business changed sufficiently so that past decisions no longer apply?”

Learning Objectives

After reading this chapter the student should be able to do the following:

- Explain risk management and its relationship to other management functions
- Describe the steps in the risk management process
- Explain the main risk management tools for dealing with potential loss

Internet Exercise

Visit the Internet for additional information regarding risk management in general, and specifically financial risk management.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the risk management and taxation issues discussed in this chapter:

- What is the function of risk management?
- What is the role of management in the risk management process?
- What is risk management?
- Outline the typical risk management problems a sport organization could face.
- How does the risk manager categorize loss exposure?
- What are the components or elements of a risk management program?
- What are the potential methods for dealing with potential losses?
- What are the five most common financial risks?

Case Study

Liability Concerns for the Tom Sawyer Recreation and Sport Park

Problem Situation

The Board of Trustees of the Tom Sawyer Recreation and Sport Park is deeply concerned about possible litigation caused by injuries from participating in Park programs. The attorney on the Board has raised the level of consciousness in regards to litigation in personal injury cases. He has showed the Board examples of lawsuits against similar facilities across the United States. The Board in its discussions has talked about risk management and how to best reduce risks at the Park. What should the Board’s next steps be as it moves forward in planning to protect the Park, Park users, and Park employees?

Discussion Questions

- Should the Board request from its insurance company to have a risk management audit completed?
- Should the Board establish a risk management committee?

- Should the Board appoint a risk manager for the Park?
- Should the Board require a risk management plan be developed and implemented?
- What should be in the risk management plan?
- Should the Board require an annual risk management audit to be completed assessing risks and loss potential?

CHAPTER 25

TECHNOLOGY'S IMPACT ON RECREATION AND SPORT ORGANIZATIONS

Introduction

Innovation and change are given elements in the growth of recreation and sport revenues. Technology has opened many opportunities for innovation and change. Recreation and sport organizations have quickly adapted to take advantage of the many technological advances in society. Technological innovation is often perceived to be a source competitive advantage. However, the professional sport industry in the United States is rather unique in that teams support each other strategically, also known as League Think. One team's financial success benefits another and filters down the line to assist intercollegiate, interscholastic, and recreational sport programs. It is natural for private, for-profit sport organizations, and nonprofit recreation and sport organizations to want to capitalize financially on technology before others. Collectively all recreation and sport organizations have benefited financially through the expanding opportunities presented through the Internet and connectivity of mobile devices such as smart phones.

Technology impacts have been noticed through the creation of new sport industries such as fantasy sports or secondary ticket markets. There are examples how sport firms manage their relationships with customers through social media or increase efficiency through ticketing software. Further, the growth of television networks directly related to sport has grown considerably since the launch of the Big Ten Network in 2007. While these examples do not cover the full spectrum of technological influences on sport marketing and finance, it provides a foundation that exemplifies how impactful technology can be on recreation and sport finance.

Instructional Objectives

After reading this chapter the student will be able to do the following:

- Explain the impact if information technology on finance and marketing
- Describe the impact of the Internet
- Discuss the impact of email on marketing
- Outline the impact of digital signage
- Explain the impact of social media
- Describe the common platforms for social media marketing
- Discuss the impact of mobile marketing
- Outline the impact of accounting software
- Explain customer relationship management databases
- Describe the impact of technology on sport organizations

Internet Exercises

- Have your students search the Internet to find additional social media platforms that can impact recreation and sport marketing and bring results to class for a class discussion on the impact of social media on recreation and sport marketing.

Knowledge Mastery Exercise

The following education exercises have been developed to assist the student in mastering the technology impact issues discussed in this chapter:

- What is the Internet?
- What is the impact of the Internet on recreation and sport finance and marketing?
- What is email marketing?
- What is the impact of Email marketing on recreation and sport finance and marketing?
- What is the impact of digital signage?
- What is social media?

- Identify and explain the common platforms for social media marketing.
- What is mobile marketing?
- What is the impact of the mobile marketing on recreation and sport finance and marketing?
- What is a customer relationship management database? What is it used for?
- Identify and discuss the impact of various technologies on sport organizations.

Case Study

Technology's Impact on Tom Sawyer Recreation and Sport Park

Problem Situation

The Board of Trustees for the Tom Sawyer Recreation and Sport Park understand that technology is moving very fast and they need to keep up with the changes. The use of social media in marketing programs is no longer a luxury it is a must. Social media is changing rapidly as well. It is not enough to have just a Website. The Board is struggling to decide the best pathway to take in order to stay up with the technology changes and make the Park marketable to the younger generations.

Discussion Questions

- Should the Board hire a technology consultant?
- Should there be a technology plan developed?
- How should the Website be developed?
- What should be included on the Website?
- How can the Internet be used in marketing programs and services in and outside the park?
- Should the Board take advantage of email marketing?
- Should the Board become involved in mobile marketing?
- How should the Board take advantage of social media and its overall marketing plan?
- Should the Board become involved with digital signage?

APPENDIX A

SAMPLE BUSINESS PLAN

Robert E. Lee YMCA of Lexington, VA
(Modified from <http://www.bplans.com/samples/sba.php>)

Note: The “bplans” website has hundreds of examples of various types of business plans for many different type of businesses. The sample plan below is a modified “bplans” document for a fictitious YMCA.

Twenty-five percent of Lexington Metro youth participated in organized sports last year, compared with 85 to 90% in the suburbs, according to a recent State University report entitled Richmond’s Youth Sport Need Assessment. Currently, there are 40,000 children in the Richmond Metro area between the ages of 6 to 14. In contrast to the metro area, the suburbs have a full array of youth sports with strong financial support. This late start for urban children, especially urban girls, in organized sports robs them of the opportunity for physical activity, coaching, being part of a team, learning skills, and substantial time away from “negative recreation” (drugs, violence or sexual activities).

Clinical studies also show that sports and recreation programs can help youth establish lifelong, healthy, physical activity patterns. Regular physical activity can ward off life-threatening diseases; reduce feelings of depression and anxiety; help control weight and obesity; and build and maintain healthy bones, muscles, and joints, according to the President’s Council on Physical Fitness.

The children in the city’s core must have the opportunity for a successful start in education and sport regardless of age, race, gender, family composition, income or community. In response to this significant disparity, YouthSports will be created to provide the sports program necessary for Lexington children to have equal opportunity for organized sports.

Thanks to a three-year matching grant from The John Ford Stevenson Foundation (JFSF), YouthSports and several corporate partners plan to utilize organized sports and physical activity programs to promote healthy development in youth.

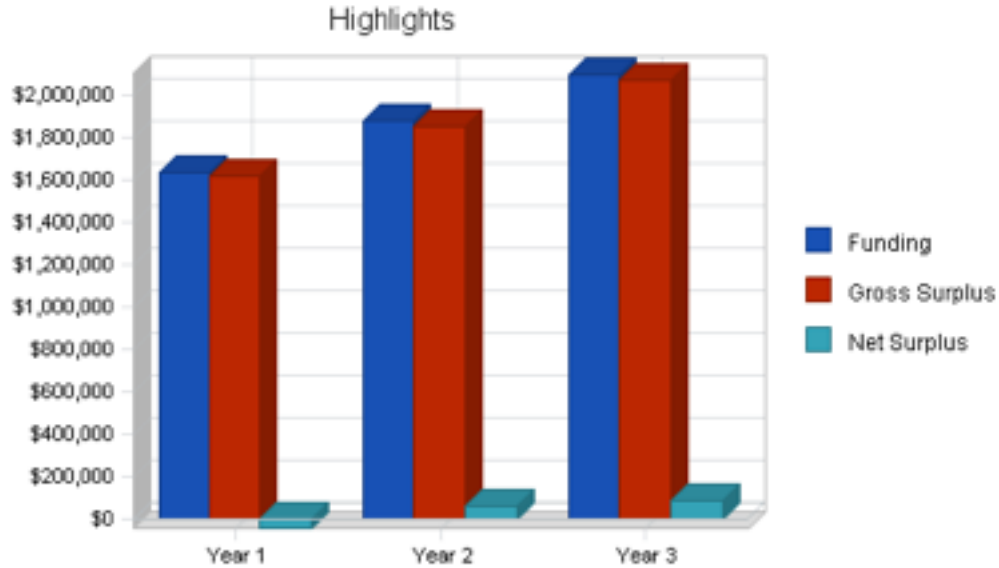
The JFSF, based in San Francisco, CA, is the nation’s largest philanthropy devoted exclusively to health and health care. It concentrates its grantmaking in three goal areas: to assure that all Americans have access to basic health care at reasonable cost; to improve care and support for people with chronic health conditions; and to reduce the personal, social and economic harm caused by substance abuse; tobacco, alcohol, and illicit drugs.

Schools and health care centers will host sport registration. The JFSF renewable matching grant is based on the concept that local funding sources have the clearest understanding of their communities’ needs. With matching contributions from local partners, the project will receive substantial funding.

Collaborating partners include the following:

- BlueCross/BlueShield
- Mayor Linda Hargrove and the City of Richmond
- Parks & Recreation Department
- Lexington Unified School District
- Templex Corporation
- A.I. Kaufman and Sons
- PriceRight Supermarkets
- Avion Computers
- Rider Corporation

With this base of support, YouthSports will raise additional money from program sponsors and fund-raising campaigns.



1.1 Objectives

- To increase participation in youth sports and recreation programs in the Lexington Metro area.
- To increase youth access to health care and healthy development.

1.2 Mission

The mission of YouthSports is to create a youth sport program in the Lexington Metro area increasing both sport participation rates and healthy development of the area’s youth.

1.3 Keys to Success

- Utilizing the school system to promote the sports program and recruiting team coaches.
- Minimize field maintenance and facility costs with the school and city park systems.

- Maintaining the City Council’s support to provide scholarship funds for needy youth who want to participate in sports.
- Recruiting more corporate support for the sports program.
- Maintaining a high approval rate with the area’s parents and youth.

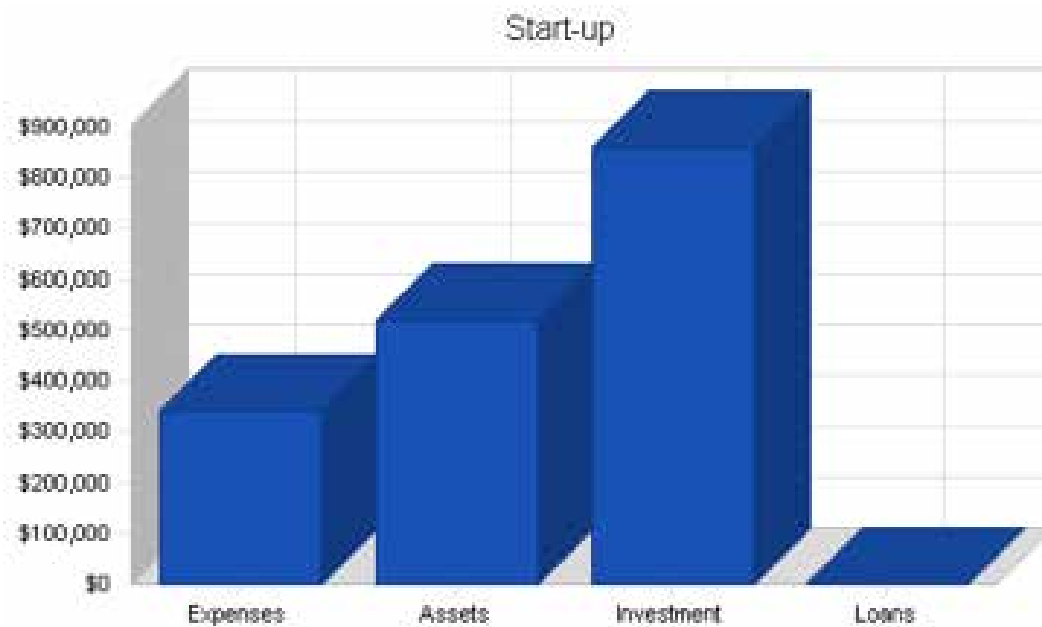
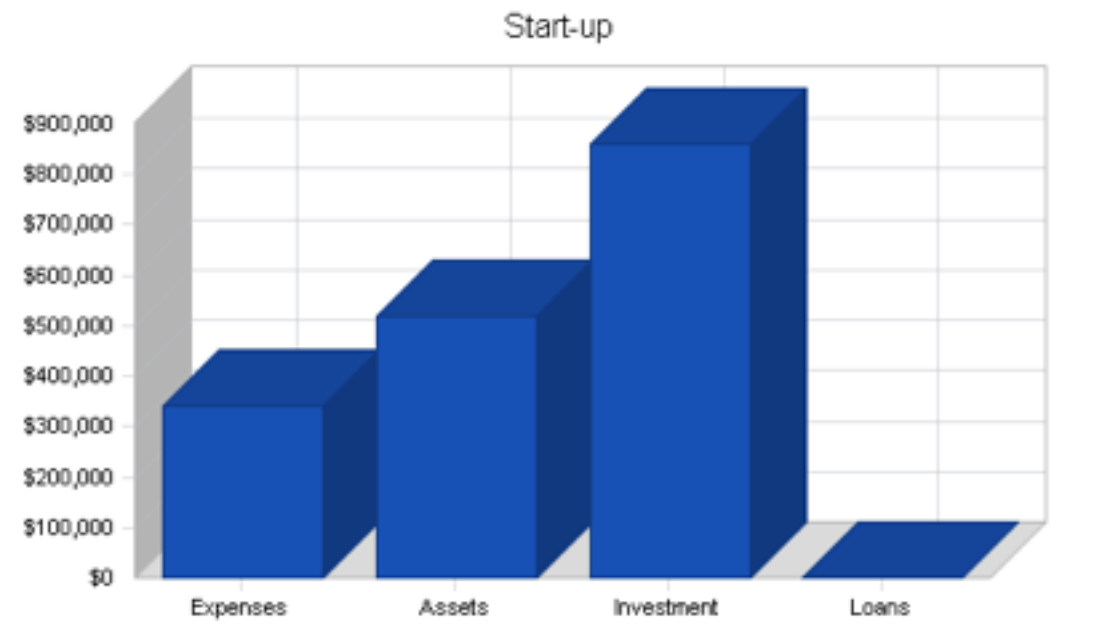
Organization Summary

YouthSports will be a private, nonprofit, youth sports program serving children, aged 6-14, in the Lexington Metro area. The focus of the program is to promote youth sport participation, promote healthy development in youth, and increase youth access to health care.

YouthSports has rented office space near the city cent park system. Outdoor sports will be played on public school and park property. Indoor sports will be played in public school gyms.

2.1 Start-up Summary

Start-up costs and initial financing are shown on the following tables and chart.



<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$342,000
Start-up Assets to Fund	\$518,000
Total Funding Required	\$860,000
Assets	
Non-cash Assets from Start-up	\$250,000
Cash Requirements from Start-up	\$268,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$268,000
Total Assets	\$518,000
Liabilities and Capital	
Liabilities	

Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
JFSF	\$430,000
Blue Shield/Blue Cross	\$100,000
Templex Corporation	\$25,000
A.I. Kaufman and Sons	\$25,000
PriceRight Supermarkets	\$80,000
Avion Computers	\$50,000
The Lexington Mail	\$50,000
Rockbridge National Bank	\$50,000
Rider Corporation	\$50,000
Other	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$860,000
Loss at Start-up (Start-up Expenses)	(\$342,000)
Total Capital	\$518,000
Total Capital and Liabilities	\$518,000
Total Funding	\$860,000
Start-up Requirements	
Start-up Expenses	
Legal	\$5,000
Stationery etc.	\$5,000
Brochures	\$20,000
Promotion	\$100,000
Insurance	\$10,000
Rent	\$2,000
Research and Development	\$0
Sport Equipment	\$100,000
Office Equipment/Software	\$100,000
Other	\$0
Total Start-up Expenses	\$342,000
Start-up Assets	
Cash Required	\$268,000
Other Current Assets	\$50,000
Long-term Assets	\$200,000
Total Assets	\$518,000
Total Requirements	\$860,000

2.2 Services

YouthSports will offer the following sports during the year:

Flag Football, August-November
1st/2nd Grade Basketball, October-December
3rd-8th Grade Basketball, December-March
Spring Soccer, March-May
T-Ball/Softball/Baseball, May-July

3.1 Market Analysis Summary

There are 10,000 children in the Lexington Metro area between six to 14 years of age. The age group percentages break down as follows:

50% - Ages 6-8
30% - Ages 9-11
20% - Ages 12-14

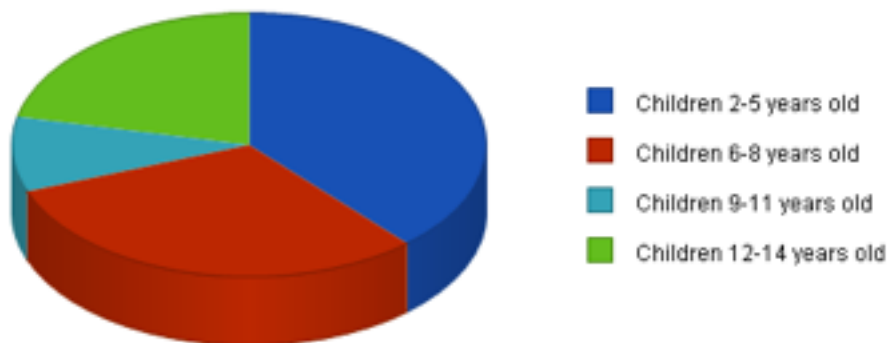
Currently, only 10% of 6- to 11-year-olds in the Lexington Metro area participate in organized sports. More importantly, only 5% of girls in that age group are involved in sports. The current age break down provides YouthSports with an excellent opportunity to impact half of our target group at the youngest ages. This will have a tremendous impact on the success of the program over the next five years.

It is also important to note that there are over 25,000 children in the Lexington Metro area between the ages of two to five. These children will be entering the YouthSports program within the next three years.

4.1 Market Segmentation

The 2-5 and 6-8 age groups represent over 70% of the children that YouthSports will serve over the next three years. It is critical that the program is prepared to manage the influx of these young children.

Market Analysis (Pie)



<i>Market Analysis</i>							
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Children 2-5 years old	8%	25,000	27,000	29,160	31,493	34,012	8.00%
Children 6-8 years old	10%	20,000	22,000	24,200	26,620	29,282	10.00%
Children 9-11 years old	10%	6,000	6,600	7,260	7,986	8,785	10.00%
Children 12-14 years old	8%	14,000	15,120	16,330	17,636	19,047	8.00%
Total	8.81%	65,000	70,720	76,950	83,735	91,126	8.81%

Strategy and Implementation Summary

It is critical that YouthSports takes a proactive strategy in promoting its program in the community as well as creating a strong fund-raising program. To accomplish these goals, YouthSports will have two groups overseeing the program's growth and development. The first will be a 12-member Program Services Group comprising of community members. This group will provide oversight of the program's service delivery to the community and will also be responsible for building community support for YouthSports. The second group will be a 10-member Finance Group that will have Richmond business representation. The Finance Group will have oversight over the program's fiscal operation and fund-raising activities.

The next step will be to recruit the volunteer coaches and facility supervisors for each season and use this group to promote the program at local schools. Coaches and facility supervisors will be recruited by using the community churches and civic organizations. In addition, the Lexington/Buena Vista/Rockbridge County Police Departments are initiating a new program to recruit volunteer youth coaches from their own ranks. YouthSports is also working with the Community Service Program of State University to recruit college students as coaches. They will receive three university credits hours for their participation with YouthSports.

Mobilizing a coaching/supervision base will provide YouthSports the people power necessary to get its message to the entire community.

Sign-up for the program will be simplified by providing participation forms at each school and at the larger community markets. At each location, there will be a collection kiosk where the forms can be dropped off.

5.1 Competitive Edge

YouthSports' competitive edge is twofold. One is the support of the community's public resources to build a successful sports program that will have a positive impact on the attitude and health of the area's children.

The school district has committed to strongly pushing the sports program. Each of the area's elementary and middle schools will choose a school team name. The name will then be used by the school teams. Sport participation will be promoted in the classroom and volunteer coaches will be allowed to visit classrooms and speak to the children. The city park system has been pivotal in obtaining sports equipment for the program at a discounted rate, saving the program a large expense.

The program's second advantage is the support of businesses to have a real impact on the metro youth. The revitalization of the Lexington's urban center can only be built upon the improved quality of life of metro residents. The current demographics, with the majority of metro children under the age of six, provide a unique opportunity to have a dynamic impact on the area's youth. Lexington businesses are lining up to become sport sponsors and school team sponsors.

5.2 Fund-Raising Strategy

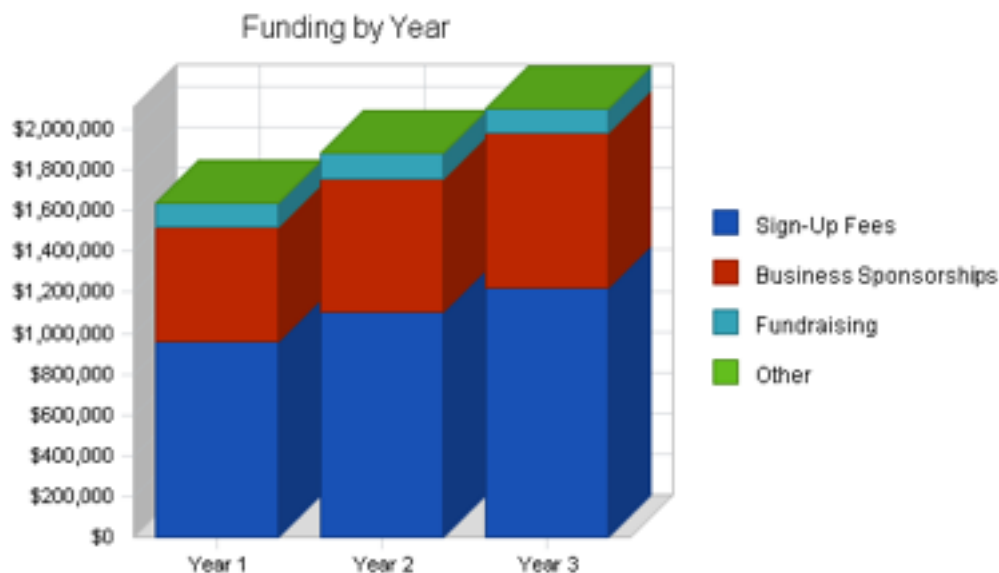
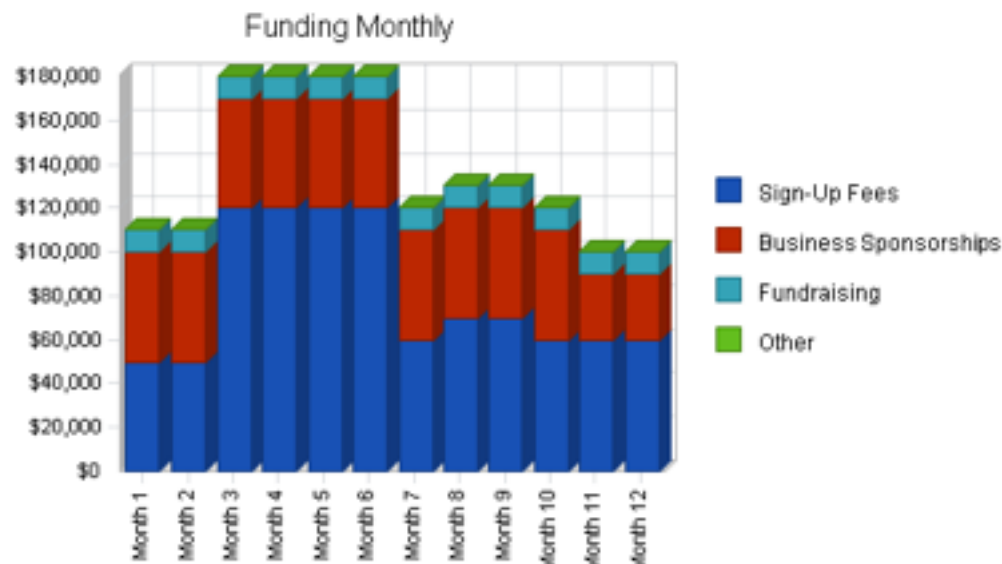
YouthSports will be directing its fund-raising program at two groups. One will be the metro area parents, the other will be Lexington's businesses. Being successful with both groups is key to the program's future.

Metro Area Parents: The program's expectations is that sign-up fees will pay for only 30% of operating cost but the fee is crucial for several reasons. First, without a sense of ownership in the program the community will not support the program over time. Second, a monetary commitment to the program creates an expectation of services that will push the program to become more responsive to the community needs. The third reason, and the most important, is that the fee is an organizing tool to recruit volunteers who will commit to work a number of hours for the program as part of a child scholarship agreement.

Richmond Businesses: Local businesses can become sponsors of YouthSports sport seasons (like PriceRight can sponsor the Flag Football Season), school teams, or sport tournaments. With the sponsorship will come the opportunity to have the company name on field/facility banners, team uniforms, and YouthSports mass mailings. YouthSports will also have four high-profile fundraisers each year.

5.2.1 Funding Forecast

The following is the funding forecast for three years.



<i>Funding Forecast</i>			
	Year 1	Year 2	Year 3
Funding			
Sign-Up Fees	\$960,000	\$1,100,000	\$1,220,000
Business Sponsorships	\$560,000	\$660,000	\$760,000
Fund-raising	\$120,000	\$120,000	\$120,000
Other	\$0	\$0	\$0
Total Funding	\$1,640,000	\$1,880,000	\$2,100,000
Direct Cost of Funding	Year 1	Year 2	Year 3
Sign-Up Fees	\$0	\$0	\$0
Business Sponsorships	\$12,000	\$15,000	\$18,000
Fund-raising	\$12,000	\$12,000	\$12,000
Other	\$0	\$0	\$0
Subtotal Cost of Funding	\$24,000	\$27,000	\$30,000

Management Summary

YouthSports will establish a team to manage the day-to-day operation of the program.

6.1 Personnel Plan

The program team will have the following positions:

Director
Assistant Director
Volunteer Coordinator
Sponsorship/Fundraising Developer
Facility Coordinator
Coordinator of Game Officials
Area Supervisors (3)
Office Manager
Clerical Staff (2)

<i>Personnel Plan</i>			
	Year 1	Year 2	Year 3
Director	\$36,000	\$39,000	\$42,000
Assistant Director	\$31,200	\$34,000	\$37,000
Volunteer Coordinator	\$30,000	\$33,000	\$36,000
Sponsorship/Fund-raising Developer	\$33,600	\$37,000	\$40,000
Facility Coordinator	\$30,000	\$33,000	\$36,000
Coordinator of Game Officials	\$28,800	\$31,000	\$34,000
Area Supervisors (3)	\$72,000	\$80,000	\$90,000
Office Manager	\$30,000	\$33,000	\$36,000
Clerical Staff (2)	\$38,400	\$41,000	\$44,000
Total People	12	12	12
Total Payroll	\$330,000	\$361,000	\$395,000

Financial Plan

The following is the Financial Plan for YouthSports for three years.

7.1 Break-Even Analysis

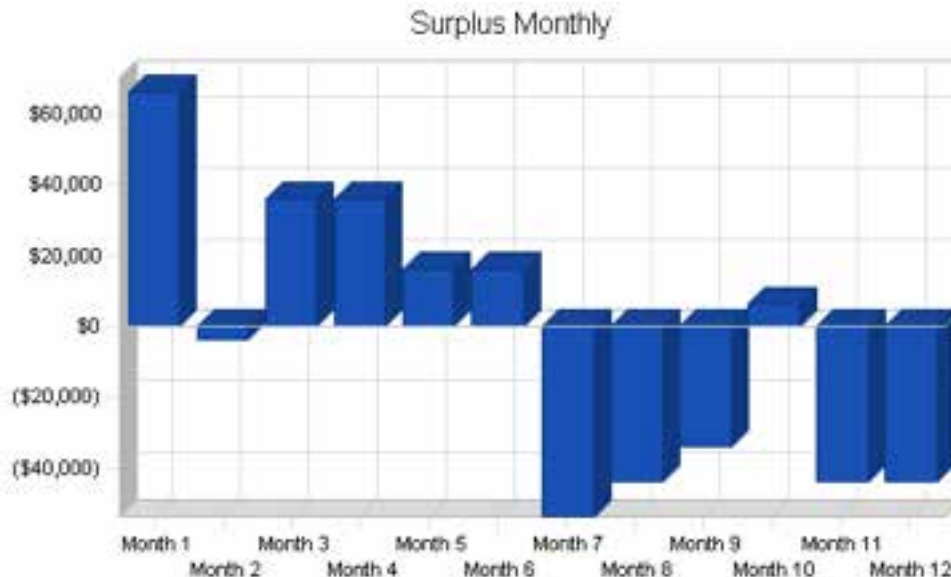
The following table and chart show the Break-Even Analysis for YouthSports.



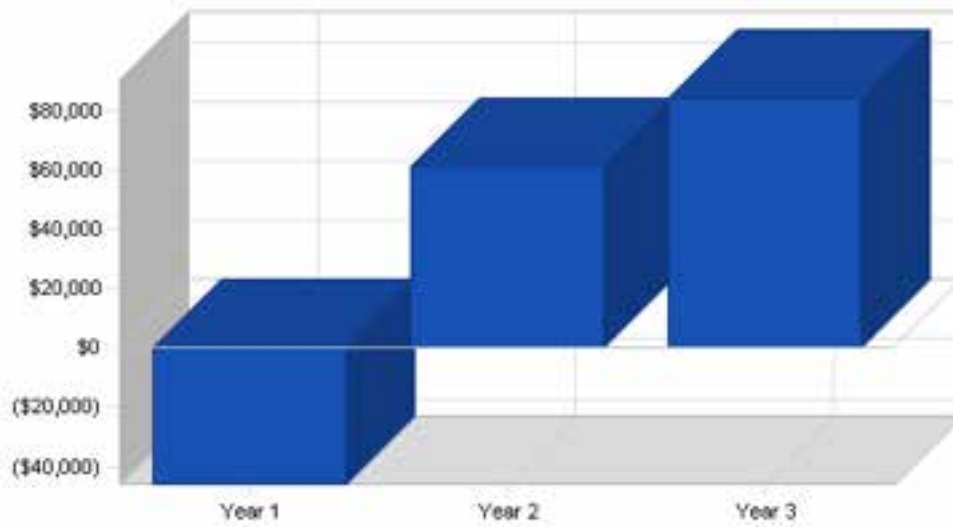
<i>Break-Even Analysis</i>	
Monthly Revenue Break-Even	\$140,548
Assumptions:	
Average Percent Variable Cost	1%
Estimated Monthly Fixed Cost	\$138,492

7.2 Projected Surplus or Deficit

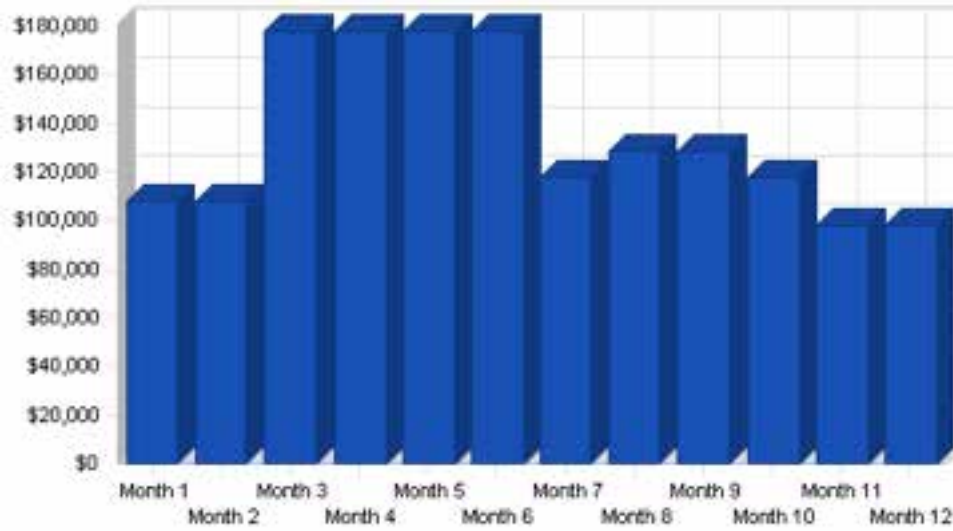
The following is the Surplus or Deficit of the program's operation for three years.



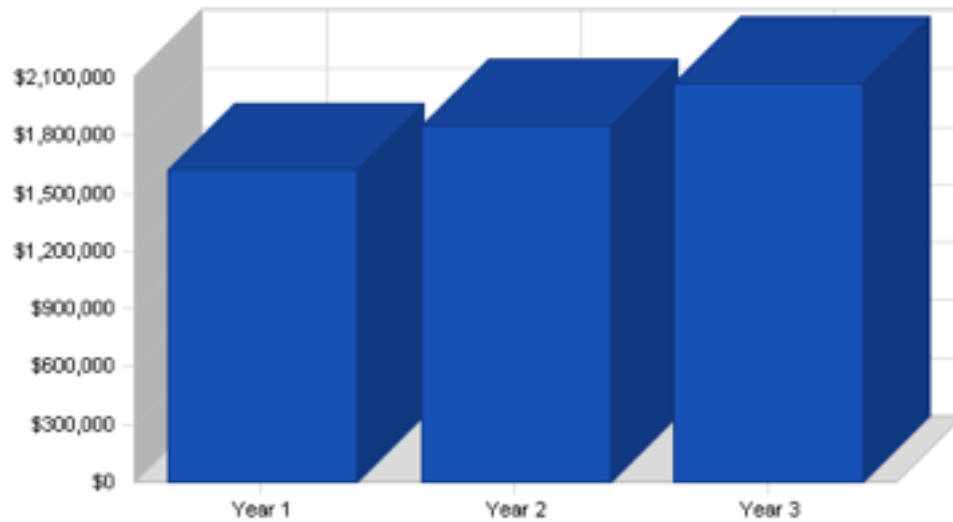
Surplus Yearly



Gross Surplus Monthly



Gross Surplus Yearly



<i>Surplus and Deficit</i>			
	Year 1	Year 2	Year 3
Funding	\$1,640,000	\$1,880,000	\$2,100,000
Direct Cost	\$24,000	\$27,000	\$30,000
Other Production Expenses	\$0	\$0	\$0
Total Direct Cost	\$24,000	\$27,000	\$30,000
Gross Surplus	\$1,616,000	\$1,853,000	\$2,070,000
Gross Surplus %	98.54%	98.56%	98.57%
Expenses			
Payroll	\$330,000	\$361,000	\$395,000
Sales and Marketing and Other Expenses	\$1,196,000	\$1,290,000	\$1,445,000
Depreciation	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0
Utilities	\$2,400	\$2,400	\$2,400
Insurance	\$60,000	\$60,000	\$60,000
Rent	\$24,000	\$24,000	\$24,000
Payroll Taxes	\$49,500	\$54,150	\$59,250
Other	\$0	\$0	\$0
Total Operating Expenses	\$1,661,900	\$1,791,550	\$1,985,650
Surplus Before Interest and Taxes	(\$45,900)	\$61,450	\$84,350
EBITDA	(\$45,900)	\$61,450	\$84,350
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0
Net Surplus	(\$45,900)	\$61,450	\$84,350
Net Surplus/Funding	-2.80%	3.27%	4.02%

7.3 Projected Cash Flow

The following is the Projected Cash Flow of the program's operation for three years.

<i>Pro Forma Cash Flow</i>			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Funding	\$1,640,000	\$1,880,000	\$2,100,000
Subtotal Cash from Operations	\$1,640,000	\$1,880,000	\$2,100,000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0

New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$1,640,000	\$1,880,000	\$2,100,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$330,000	\$361,000	\$395,000
Bill Payments	\$1,243,453	\$1,450,199	\$1,607,245
Subtotal Spent on Operations	\$1,573,453	\$1,811,199	\$2,002,245
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$1,573,453	\$1,811,199	\$2,002,245
Net Cash Flow	\$66,548	\$68,801	\$97,755
Cash Balance	\$334,547	\$403,349	\$501,104

7.4 Projected Balance Sheet

The following is the Projected Balance Sheet of the program's operation for three years.

<i>Pro Forma Balance Sheet</i>			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$334,547	\$403,349	\$501,104
Other Current Assets	\$50,000	\$50,000	\$50,000
Total Current Assets	\$384,547	\$453,349	\$551,104
Long-term Assets			
Long-term Assets	\$200,000	\$200,000	\$200,000
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$200,000	\$200,000	\$200,000
Total Assets	\$584,547	\$653,349	\$751,104
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$112,448	\$119,799	\$133,204
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$112,448	\$119,799	\$133,204
Long-term Liabilities	\$0	\$0	\$0

Total Liabilities	\$112,448	\$119,799	\$133,204
Paid-in Capital	\$860,000	\$860,000	\$860,000
Accumulated Surplus/Deficit	(\$342,000)	(\$387,900)	(\$326,450)
Surplus/Deficit	(\$45,900)	\$61,450	\$84,350
Total Capital	\$472,100	\$533,550	\$617,900
Total Liabilities and Capital	\$584,548	\$653,349	\$751,104
Net Worth	\$472,100	\$533,550	\$617,900

7.5 Standard Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) code 7999, Amusement and Recreation, are shown for comparison.

Ratio Analysis				
	Year 1	Year 2	Year 3	Industry Profile
Funding Growth	0.00%	14.63%	11.70%	4.07%
Percent of Total Assets				
Other Current Assets	8.55%	7.65%	6.66%	33.94%
Total Current Assets	65.79%	69.39%	73.37%	42.54%
Long-term Assets	34.21%	30.61%	26.63%	57.46%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	19.24%	18.34%	17.73%	24.50%
Long-term Liabilities	0.00%	0.00%	0.00%	23.36%
Total Liabilities	19.24%	18.34%	17.73%	47.86%
Net Worth	80.76%	81.66%	82.27%	52.14%
Percent of Funding				
Funding	100.00%	100.00%	100.00%	100.00%
Gross Surplus	98.54%	98.56%	98.57%	100.00%
Selling, General & Administrative Expenses	101.34%	95.30%	94.55%	68.43%
Advertising Expenses	2.20%	2.13%	2.14%	3.66%
Surplus Before Interest and Taxes	-2.80%	3.27%	4.02%	2.96%
Main Ratios				
Current	3.42	3.78	4.14	1.13
Quick	3.42	3.78	4.14	0.70
Total Debt to Total Assets	19.24%	18.34%	17.73%	56.09%
Pre-tax Return on Net Worth	-9.72%	11.52%	13.65%	4.33%
Pre-tax Return on Assets	-7.85%	9.41%	11.23%	9.87%
Additional Ratios	Year 1	Year 2	Year 3	
Net Surplus Margin	-2.80%	3.27%	4.02%	n.a
Return on Equity	-9.72%	11.52%	13.65%	n.a
Activity Ratios				
Accounts Payable Turnover	12.06	12.17	12.17	n.a
Payment Days	27	29	28	n.a
Total Asset Turnover	2.81	2.88	2.80	n.a

Debt Ratios				
Debt to Net Worth	0.24	0.22	0.22	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	\$272,100	\$333,550	\$417,900	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Funding	0.36	0.35	0.36	n.a
Current Debt/Total Assets	19%	18%	18%	n.a
Acid Test	3.42	3.78	4.14	n.a
Funding/Net Worth	3.47	3.52	3.40	n.a
Dividend Payout	0.00	0.00	0.00	n.a

APPENDIX B

SAMPLE MARKETING PLAN

Sports for Fun

(Modified from http://www.bplans.com/marketing_strategy_business_plan)

Note: The “bplans” website has hundreds of examples of various types of marketing strategy business plans for many different type of businesses. The sample plan below is a modified “bplans” document for a fictitious organization providing youth sports programs.

EXECUTIVE SUMMARY

Sports for Fun is a tax-exempt nonprofit organization that provides the community with a complete youth sports program. Sports for Fun offer participants from kindergarten to high school positive learning and team experiences along with the opportunity to create life-long memories.

Sports for Fun continues to be the premier provider of youth sports experiences, and seeks to make this experience affordable and available for all interested participants. This is done through a series of successful fund-raising activities, the role of the Fund-Raising Foundation, and a solid financial approach to managing these resources. Sports for Fun now serve more than 24,000 participants in seven sports throughout the Jackson County area with additional youth participating on an out-of-district basis. Ongoing efforts are in place to continue to improve the quality and integrity of the program. The success of these efforts has been documented through studies that confirm the positive perception of the program within the Jackson County area.

Major challenges face Sports for Fun for the future. These include the uncertainties brought on by property tax changes, facility and capital requirements, the impact of alternative programs, and volunteer training and educational needs, to name a few. The Board of Directors, staff, and volunteers continue to work toward providing a quality experience in the most effective and efficient manner possible with optimism for the future of this exceptional organization.

SITUATION ANALYSIS

The need for youth sports programs is validated and magnified by information that attributes long-term value to participants in these programs. Numerous studies document the direct value of youth participation in sports. These studies indicate a direct correlation demonstrating that involvement in sports results in reducing the potential to become involved in drugs, sex, crime, and gang-related behaviors. Research indicates the economic, social and personal value of “investing” in the lives of children in a positive and constructive manner avoids the social and penal system costs that may later result. To meet this need, Sports for Fun offers an experience that serves as a personal “sports reference” for participants throughout their lives. These important benefits continue to validate the Sports for Fun concept.

Market Summary

Sports for Fun provide valuable team and social experiences for the increasing population of public, private, and home-schooled youth. Sports for Fun offer young people the opportunity to participate in a variety of team sports throughout the calendar year. Beginning in kindergarten, these experiences provide a source of recreation and simultaneously improve athletic skills, health and fitness as they offer experiences in teamwork, sportsmanship, fair play, cooperation and leadership. Increased self confidence is just one of the many intangible benefits this program offers.



Market Demographics

Market Geographics. Sports for Fun serves the Jackson County area with a total population in excess of 170,000 people. With a majority of participants from Medford, the program also has participation from surrounding communities, including Central Point, Jacksonville, White City, and Ashland.

Market Demographics. An estimated 45% of households in this area contain children under the age of 18. Each of these households averages 2.1 children. Therefore, an estimated 39,000 children under the age of 18 are potential Sports for Fun participants. This number is determined annually from grade school enrollment within the areas served. Past data indicates that the highest level of participation occurs after Grade 2. Participation begins to drop in the middle school years, with a significant reduction in participation at Grade 9. A total of 59% of the participants are male and 41% female. Boys dominate football and girls dominate volleyball. These percentages constantly change due to trends in choice of sports, other alternatives offered in the market place, and other factors impacting participation and availability of these experiences.

Market Psychographics. One of the most typical profiles of families interested in this type of program can be described by the following:

- The parent/guardian works full time in a traditional “8 to 5” schedule.
- They have more than one child living at home.
- They are relatively active in their child’s life, but feel they have limited time.
- They value the physical and social experience their child receives more than actual sports and skill-development aspects of the experience.

Market Behaviors. Sports for Fun continues to enjoy a positive perception within the community. Studies report solid support of the concept and purpose of the organization and an awareness of the problems inherent in a program that involves thousands of volunteers. Based on research conducted in April of 1997, more than 86% of the population in Jackson County area has some awareness of Sports for Fun. Most people report they are familiar with Sports for Fun through knowing a young person who has participated in a Sports for Fun program. Individual awareness levels are highest among adults in the 25-54 age range, and business owners and managers have a 93% awareness level. More than 82% of this group considers our program to have a positive influence on youth and a potential deterrent to violence and other anti-social behavior. This is one of the primary reasons people continue to support this program.

<i>Market Analysis</i>							
		2001	2002	2003	2004	2005	
Potential Customers	Growth						CAGR
Public School Students	6%	1,947	2,064	2,188	2,319	2,458	6.00%
Private School Students	9%	388	423	461	502	547	8.97%
Home School Students	17%	107	125	146	171	200	16.93%
Total	7.03%	2,442	2,612	2,795	2,992	3,205	7.03%

Market Needs

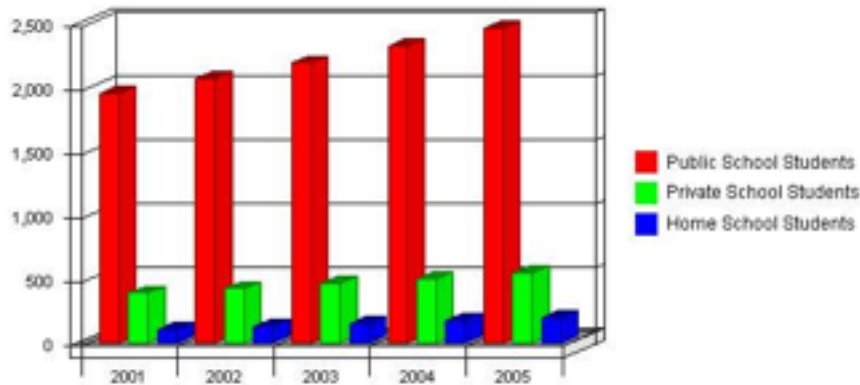
The initial reasons for Sports for Fun remain constant. School-sponsored sports programs are severely limited in terms of age and range of events. Based on the April 1997 study, 59% of the people in the Jackson County area surveyed believe the public school system fails to meet their sports experience expectations. Driven by economics, most notably with the passage of state legislation limiting school funding, many sports programs have not survived increasing economic pressures on the public school system. Property tax modifications may further impede the public school system's ability to offer any more than the most basic classroom experiences.

Sports for Fun seek to serve all interested children from kindergarten through high school regardless of what the school they attend offers. There are absolutely no expectations regarding skill or experience, only the desire to participate. The Sports for Fun program is orchestrated to make this experience as accessible and affordable as possible to this audience.

Market Trends

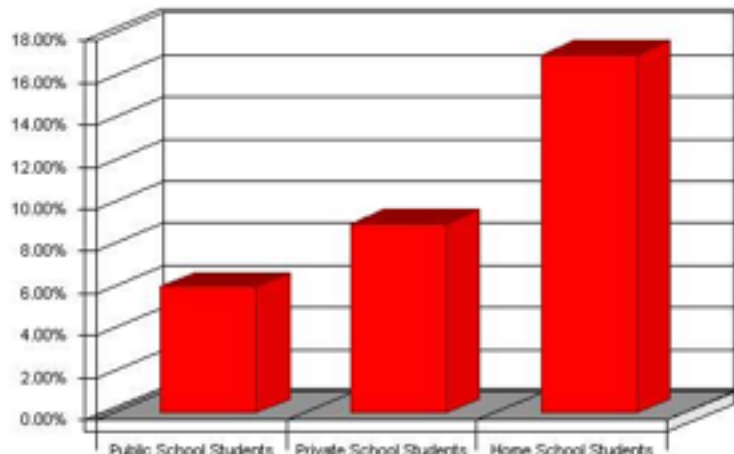
The significant market trends are as follows:

- Diminishing financial support at all grade levels from public schools to facilitate sports activities for students.
- Increasing demands from children and their families to offer sports experiences at early ages, beginning at kindergarten.
- Heightened awareness of the positive correlation with involvement in sports and reduced potential for involvement in violent activities.
- Increasing interest from corporations to sponsor and support these types of community activities when they receive attribution for this involvement.



Market Growth

The program has experienced an average annual participation growth rate of 6% for the past five years. This is indicative of the growing needs of the market we serve. Based on school attendance projections, we expect to experience increased participation growth between 9% and 11% annually over the next three years. The most dramatic growth is expected in the soccer programs, which have an equal mix of boys and girls, with relatively static participation expected in most other sports. These trends are monitored, and to the degree possible, used to help predict future program demands.



SWOT Analysis

The following outlines the most significant strengths and weaknesses internal to Sports for Fun, and the opportunities and threats that exist in our environment. Our objective is to leverage our strengths to take advantage of the opportunities our market presents, develop those areas that are weaknesses, and devise contingency plans to address threats if those should become a reality.

Strengths

The following outlines key strengths of the organization:

- **Program Reputation.** Sports for Fun is considered to be the premier choice for youth sports related experiences. There is now a generation of participants that send their children to participate in the program.
- **Donor Base.** We have developed a stable and loyal donor base from both private and corporate sources.
- **Facilities Relationships.** We depend on access to athletic facilities including gyms, soccer fields, football fields, softball and baseball fields. Close relationships and reciprocal maintenance agreements with public and private schools and church facilities are an invaluable asset to the organization.
- **The Internet.** Our website, www.SportsforFun.com, promises to be a significant technological solution for Sports for Fun in the area of registration, communication, and information delivery. The website has demonstrated the ability to provide more extensive and current information at reduced costs. We can reduce the need for printed materials, voice mail communication equipment, and staff payroll time. It has also allowed us to reallocate volunteer hours to better serve our program.

Weaknesses

Capital Requirements. Sports for Fun continues to make impressive improvements in the management of financial resources. Additional funds are needed to maintain the quality of the experiences offered and meet future program demands. The Fund-raising Foundation's strategy is to provide significant financial resources for Sports for Fun. The future depends on these resources in addition to revenues from participants and traditional fund-raising events.

Facilities. Our need for facilities is growing beyond what is now available. This is one of the most urgent challenges facing Sports for Fun. This essential component is threatened from several aspects. Increasing program needs, combined with recent restrictions and fees for the use of public school facilities, is an issue. Indoor facilities are virtually at capacity for basketball and volleyball games and tournaments. They are insufficient to support flexible and convenient practice schedules. Outdoor facilities are adequate, but the increasing demands of soccer present concerns in this area as well. New and innovative alternatives must be explored and implemented to provide additional facilities to support the demands of the program. One alternative is to form "alliances" with public facilities to take on the management and maintenance of these facilities in exchange for scheduled use. Other potential options may include establishing relationships with private schools, churches and other institutions with available gym space. For example, successful experiences have occurred where Sports for Fun has taken the lead in the development and maintenance of outdoor fields on property owned by other not-for-profit organizations.

Training and Education for Coaches and Officials - Individuals often have their first coaching experience with Sports for Fun. This presents the need to adequately train these individuals to enable them to better understand Sports for Fun' philosophy, their responsibilities, potential liability issues, and appropriate behavior with participants. A more positive experience for participants, coaches and officials with an increased awareness of responsibilities are some of the goals. The resource demands of this training effort are tremendous.

Staff Challenges and Attrition. The Sports for Fun staff experiences tremendous pressure due to workloads, dealing with parents, and addressing the issues of the program. These factors, combined with concerns regarding compensation, have resulted in undesirable turnover in important positions.

Opportunities

Sports for Fun compete for resources in a community with a high number of nonprofit organizations per capita. Numerous organizations target personal and corporate dollars to augment other revenue sources. Based on this challenge, Sports for Fun must continue to demonstrate that it successfully offers a meaningful experience to participants, with short and long-term benefits, in a manner that effectively meets community needs. The following summarizes potential opportunities:

- Geographic Serving Area Issues. Sports for Fun continues to be a precedent-setting organization that attracts attention from surrounding communities. Decisions regarding the serving area will impact financial requirements and potentially open new revenue opportunities. This growth strategy must be managed and orchestrated in a manner that will add strength to the program.
- Soccer Interest. Soccer is the single fastest growing sport in terms of participation. With some participation trade-offs with boy's football, this increasing interest in soccer is the most predominant reason for program growth and has added a more even balance to gender participation. There is an increasing demand for indoor soccer programs.
- Program Expansion. Program expansion also requires consideration and evaluation. This may include adding sports to the current venue or looking at offering these sports to older age groups, potentially including adult sports programs.
- Community Education. Sports for Fun must continue to tell its story to the community it serves. This message is one that reinforces the philosophy and the purpose for its existence. A well-informed community may effectively ensure public facilities are available for use based on reasonable expectations placed on Sports for Fun.

Threats

The major challenges Sports for Fun currently face include the following:

- Property Tax Changes. The impact of property tax modifications on the public school systems, their support of sports programs, and their willingness to provide their facilities for use by Sports for Fun has not been determined. The precise ramifications of this measure may not be known for months, but all potential outcomes must be considered as plans are made for the coming year.
- Alternative Programs. The increasing impact from other programs, ranging from organization-sponsored to club sports, poses a threat to a segment of Sports for Fun' market. These organizations target the highly skilled and committed players and coaches and are eroding the depth and breadth of Sports for Fun' participant and coach resources.
- Legal and Liability Issues. Sports for Fun continues to be exposed to liability issues in many aspects of the experience it provides. The potential concerns range from health and safety issues to various forms of verbal or physical abuse. In an increasingly litigious society, there is always potential for legal action.
- The "Elite/Advanced" Sports Dilemma. Providing competitive environments for athletes with higher skill levels who seek to be in an intentionally competitive arena is in question. The threat of not offering this option is that these athletes may be drawn away from Sports for Fun by alternative programs. Some of the most highly trained and experienced coaches can also be attracted to these other programs. This issue challenges some of Sports for Fun' most basic philosophies.

Alternative Providers

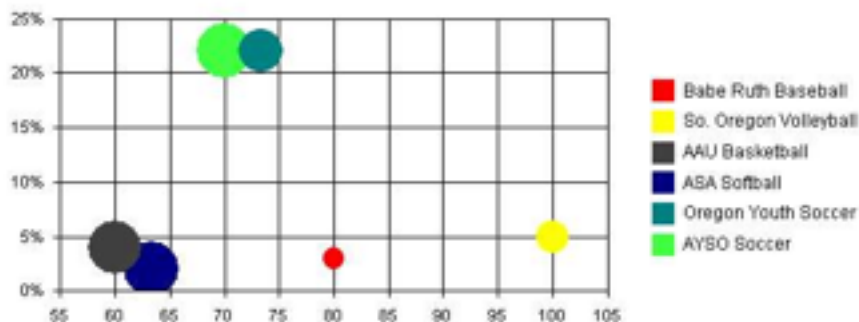
A number of other programs offer youth sports experiences. None of these programs offers the extensive range of experiences or infrastructure of Sports for Fun. Some programs do, however, offer specific attributes some participants and parents find attractive. This is particularly true for those who seek a higher level of competition and competitive screening of participants.

These alternatives programs include the following:

- Babe Ruth Baseball/American Legion Baseball
- Eastern Indiana Volleyball
- Rogue Valley Athletic Club Volleyball
- AAU Basketball
- Boys/Girls Club Basketball
- ASA Softball
- Vigo County Youth Youth Soccer
- AYSO Soccer
- Terre Haute Gymnastics Academy

Other programs are also available through schools and other organizations. Although some variables are now in place, there are questions regarding the future of indoor soccer organizations.

Sports for Fun possess a commanding percentage of the total market share. This is based on the estimated number of participants compared to participation levels in other programs, both public and private. This share percentage drops in high school due to increased competition from other organizations as well as in-school programs offered through the public school system.



<i>Growth and Share</i>			
Competitor	Price	Growth Rate	Market Share
Babe Ruth Baseball	\$120	3%	2%
So. Oregon Volleyball	\$150	5%	3%
AAU Basketball	\$90	4%	5%
ASA Softball	\$95	2%	5%
Oregon Youth Soccer	\$110	22%	4%
AYSO Soccer	\$105	22%	5%
Average	\$111.67	9.67%	4.00%
Total	\$670.00	58.00%	24.00%

Service Offering

Sports for Fun is a tax-exempt, nonprofit organization dedicated to presenting sports opportunities that are an integral part of each participant’s learning experience. This is done with the belief that every child should be able to participate in the program of his or her choice regardless of race, religion, creed, sex, ability, or financial status. This spirit is fostered in an environment where everyone has a chance to play and learn, regardless of skill. Sports for Fun’s long-term goal is to give its participants positive life-long memories of their youth sports experience.

The “Sports for Fun experience” is designed to offer the following to each participant:

- Recreation through participation in organized team sports.
- The opportunity to learn and experience a variety of sports.
- A means to improve athletic skills.
- A means to learn teamwork, sportsmanship, and fair play.
- A source of fun and enjoyment to enrich their lives.
- An opportunity to enhance their health and fitness.

The parents and guardians of the participants also realize benefits. They are able to offer their children a positive, well-supervised experience as they learn the skills described above that does not necessarily require their time.

Keys to Success

- Expand into new areas within Jackson County that desire access to Sports for Fun activities.
- Leverage the growth offered by the increasing interest in soccer in the fall and spring programs.
- Identify additional facilities to support future growth and offer greater flexibility in scheduling.
- Continue to develop the donor base and corporate contributions that add to the financial resources of the participant fees.

Critical Issues

Our strengths are impressive. Our weaknesses are identified and have potential solutions. Sports for Fun could be described as in a “speculative” situation. We are presented with numerous opportunities and also have threats that present a level of risk. However, we have a chance to experience large returns on our efforts if we can continue to capture the largest market share and are not negatively impacted by the alternative programs in our market. We are well positioned in the market. We have the ability to continue to offer the greatest value and we take advantage of our economies of scale.

The critical issues include the following:

- Continuing to offer programs that are perceived to be positive, enriching, and affordable compared to the alternatives in our area.
- Attract participants on a return basis throughout their kindergarten through their high-school years.
- Be perceived by public, private, and home schooling providers as a valuable resource that complements the academic experiences they offer.
- Sports for Fun strives to be the premier provider of sports experiences for children in the areas served. Programs are in place to simultaneously serve the needs of out-of-district participants in a manner that is positive for these participants and enhances revenue streams for Sports for Fun with minimal additional costs.

The marketing strategy attempts to successfully communicate the unique value the program offers participants. This strategy redirects the focus from the “cost” issue to the benefits that participants and their guardians experience from involvement in the program. The marketing strategy will continue to identify the needs of the market and communicate with this audience in the most effective and positive manner possible.

Ongoing efforts continually attempt to understand how Sports for Fun can maintain the quality and integrity of the program within the finite financial resources of participants and the community of donors and supporters. This challenge is increasing. As costs continue to increase in a number of areas, the demands and expectations of the participants and their parents do as well. Sports for Fun is constantly working to improve the program through improvements and changes in its structure and implementation. Quality and efficiency are just two goals of these changes.

The growth strategy is based on continued attention to the quality of the experience in conjunction with identifying opportunities to expand the participation of the programs where possible. Recent changes in key areas such as the facilities used for events present ominous challenges for all aspects of the program.

Mission

Sports for Fun is dedicated to providing all youth with the highest quality education and team experience through sports participation. Participants are treated with respect through the opportunity to experience growth in the areas of interacting with others, teamwork, sportsmanship, fair play, and skill development. The goal is to create a positive environment that fosters improved self-confidence and self-esteem through experiences in sports activities.

Marketing Objectives

- The objective is to provide this valuable experience to as many children as possible in a positive and supportive manner. A positive, constructive and meaningful experience is the sought-after result of the Sports for Fun experience. This experience may assist individuals to better understand the necessary skills that life demands and empower them to realize the choices and options available to them.
- Provide a positive experience to 27,500 youth through the academic year 1999-2000 and enable their parent/guardian to appreciate the value of this experience for their child.
- Accomplish our program goals within the allocated budget of \$1,510,000. Expand the program to two new schools within our serving area by August, prior to the 2000-2001 academic year.

Financial Objectives

- Raise a minimum of \$575,000 through non-participation fees from sources including donations, contributions, special events, gifts-in-kind, and grants.
- Increase corporate donations and contributions to exceed 12% of the total revenues.
- Accomplish our program goals within the allocated 1999-2000 budget of \$1,510,000.

Target Markets

The target market for Sports for Fun continues to be youth between the ages of 5 and 18 who have some interest in participating in competitive sports. This may be their first organized sports experience, and Sports for Fun strives to make it the most positive and successful experience possible. Another area of the target market focuses on addressing the growing interest and demands for outdoor and indoor soccer.

Positioning

Sports for Fun offers a unique experience for children who want to have an enjoyable sports experience. All youth between the ages of 5 and 18 can participate in one or more sports throughout the year. Their participation is not dependent upon their previous experience, skill level, or athletic ability. Everyone can play. The breadth, depth and overall quality of the sports experience we offer cannot be matched within our market. We work with parents and guardians to add to their child's sports experiences. Sports for Fun exist to create a cherished childhood memory for each participant.

Strategy Pyramid

Sports for Fun focuses on achieving success in these four basic areas with the resources available to our program:

- Equal opportunity to participate, regardless of skill level
- A wholesome, positive, safe, and value-oriented atmosphere in which participants learn teamwork, sportsmanship and interactive skills
- An acceptable outlet for youthful energy
- A broad variety of sports experiences to further develop self-esteem and personal confidence

STRATEGY #1 Program Expansion

Tactic #1-A School expansion

Program 1-A New school campaign

Program 1-B Jacksonville campaign

Tactic #1-B "All4Soccer"

Program 2-A School presentations

Program 2-B Free soccer clinics

Program 2-C Participation in high school regional soccer play-offs

Program 2-D Special needs scholarship program

STRATEGY #2 Fund-raising

Tactic #2-A Corporate donor base

Program 1-A "Taking Care of Donors" Committee

Program 1-B Corporate contact program

Tactic #2-B Special Events

Program 2-A Taste of Medford to add spring event

Program 2-B Grant application program focus

FINANCIALS

Sports for Fun is committed to balancing its operating budget and operating on a solid financial foundation. These efforts are based on a mixture of fund-raising, charitable gifting, tournaments, and fees. Just as revenues are tracked, internal expenses are closely monitored. The goal of Sports for Fun is to continue to provide a quality youth sports experience at an affordable cost. This is a tremendous challenge, due to the size of the program, unpredictable costs in areas such as facilities, and uncertainties in participant revenues.

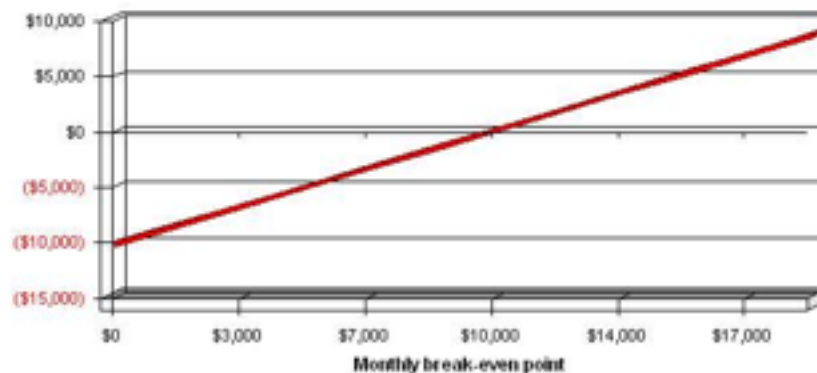
Sports for Fun is intentionally emphasizing the need to reduce reliance on fee-based revenues and look toward contributions from other sources, particularly businesses, to support the program. This approach will enable the program to realize the objective of keeping fees affordable while continuing to offer a quality program for all participants.

Sports for Fun has an independent auditor’s report conducted annually that includes financial statements and additional information. The following information is based on the 1997 and 1998 Independent Auditor’s Report. The following summarizes key facts regarding the financial status of Sports for Fun and its 1998 results:

- Revenues in 1998 totaled \$1,732,658.
- A total of 65% of those revenues are from Participation Fees, Donations and Contributions, Special Events, and Gifts-in-Kind.
- Supervision Grants account for a combined 34%.
- Expenses for 1998 were \$366 over revenues.
- “People-related” expenditures represent 47% of expenditures.
- Non-program operations account for 9% of the total expenditures.

Break-Even Analysis

Our break-even analysis is based on the ongoing overhead costs we incur to keep the doors of Sports for Fun open. Fixed costs including the building lease, payroll, utilities, and marketing costs are an estimated \$10,250. This number level is due to our dependence on volunteers to run our program. Our assumptions on the average unit revenue are based on the average participant fee. The result of this analysis offers general insight regarding the number of average participants we must have involved in the program each month.



Break-even point = where line intersects with 0

<i>Break-Even Analysis</i>	
Monthly Revenue Break-Even	\$10,257
Assumptions:	
Average Percent Variable Cost	6%
Estimated Monthly Fixed Cost	\$10,250

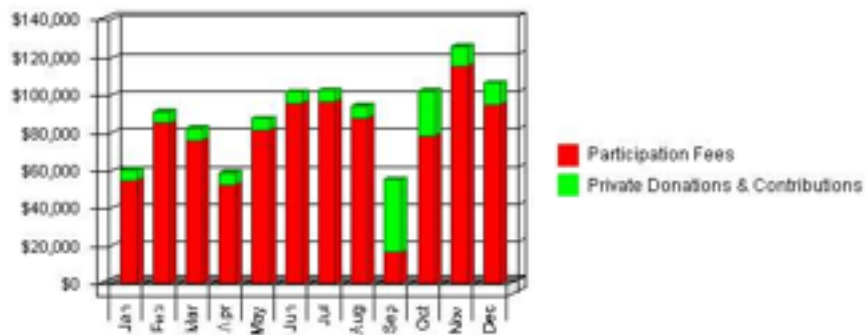
Funding Forecast

Monthly revenues for the 2000 calendar year will fluctuate based on the seasonality of the sports offered and the projected level of participation in each sport. The forecasted revenues range from a dramatic low of \$16,535 in September as schools are getting started, to a high of \$115,360 in November with the Fall Soccer, Tackle Football, and Volleyball seasons overlapping.

- Donor Drive. The Donor Drive effort depends on the commitment of key volunteers to raise funds through corporate and individual contributors throughout the area. This includes leveraging the resources of corporate sponsors and initiating an Adopt-A-School Scholarship Fund Sponsors program where businesses are partnered with specific schools. Sponsors and Donors are recognized in numerous ways for the valuable role they play in the organization.

- A Taste of Medford. Sports for Fun has created a culinary tradition with the fund-raising event, "A Taste of Medford." Restaurants from throughout the area come together to offer a taste of their menu, and businesses and individuals pay admission to sample their cuisine throughout the evening. Since its inception, this highly publicized event has become an annual highlight and a financial success for more than a decade. This is due to continued public appeal, corporate sponsorships, and experienced volunteer leadership.
- Value Checks. Since 1993, Sports for Fun T-ball, baseball, and softball participants have sold these sought-after coupon books. The relationship with and support of numerous businesses throughout the area also provide an effective promotional medium for marketing efforts.
- Grants. Sports for Fun continues to identify grants on a national and local basis that complement the goals and efforts of the program. Grant sources have included the U.S. Department of Housing & Urban Development, Recreational Activities Valuing Education and Sports (RAVES), and the Willard Family Foundation.

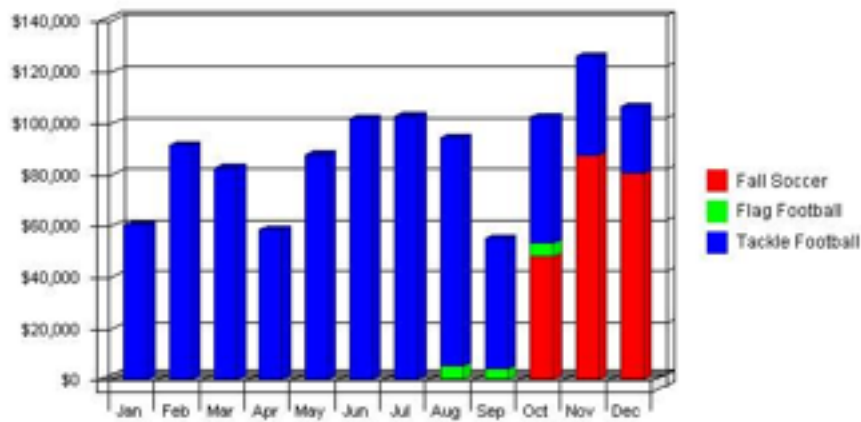
Work continues to expand the impact of the Sports for Fun Foundation. The recent adoption of by-laws further recognizes and empowers this entity. The Foundation will establish relationships with key individuals and organizations that desire to provide significant financial support to Sports for Fun on an ongoing basis. The long-term objective is to provide financial stability to support program quality and expansion and reduce dependence on program fees. Costs associated with facilities are just one example of the need for these resources in addition to the other revenue sources for the program.



<i>Funding Forecast</i>					
	2001	2002	2003	2004	2005
Funding					
Participation Fees	\$935,000	\$938,500	\$948,000	\$983,000	\$995,000
Private Donations & Contributions	\$131,500	\$138,000	\$144,000	\$148,000	\$157,000
Total Funding	\$1,066,500	\$1,076,500	\$1,092,000	\$1,131,000	\$1,152,000
Direct Cost of Funding	2001	2002	2003	2004	2005
Grants	\$50,000	\$60,000	\$60,000	\$75,000	\$80,000
Private Donations & Contributions	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000
Subtotal Cost of Funding	\$65,000	\$77,500	\$80,000	\$97,500	\$105,000

Funding by Participant Fees

The following summarizes the projected revenue from participant fees on a monthly basis for the upcoming year. Note the variance based on sports season and overlapping sports.



<i>Funding by: Participant Fees</i>					
	2001	2002	2003	2004	2005
Funding					
Fall Soccer	\$215,920	\$360,000	\$380,000	\$400,000	\$425,000
Flag Football	\$14,253	\$24,000	\$24,500	\$25,000	\$26,000
Tackle Football	\$836,327	\$692,500	\$687,500	\$706,000	\$701,000
Total	\$1,066,500	\$1,076,500	\$1,092,000	\$1,131,000	\$1,152,000
Average	\$355,500	\$358,833	\$364,000	\$377,000	\$384,000

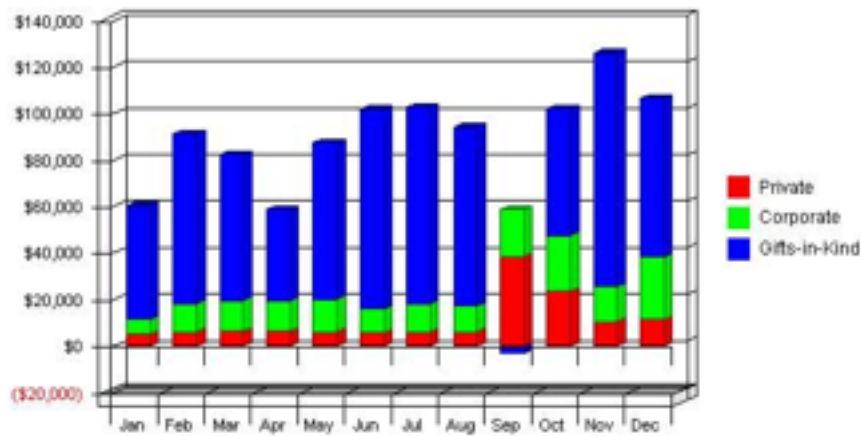
Funding by Fund-Raising Events

Our fund-raising events are a critical component to our revenue base, particularly in relation to the “Taste of Oregon” and “Value checks” efforts.

<i>Funding by: Fund-Raising Events</i>					
	2001	2002	2003	2004	2005
Funding					
A Taste of Oregon	\$85,000	\$96,000	\$102,000	\$115,000	\$124,000
Value Checks	\$136,500	\$142,000	\$150,000	\$160,000	\$170,000
Other	\$845,000	\$838,500	\$840,000	\$856,000	\$858,000
Total	\$1,066,500	\$1,076,500	\$1,092,000	\$1,131,000	\$1,152,000
Average	\$355,500	\$358,833	\$364,000	\$377,000	\$384,000

Funding by Donations

Donations from private and corporate sources are one of the most stable and predictable sources of income. Our objective is to increase corporate contributions. Gifts-in-kind offset program costs, such as when sports equipment is donated, and goods are also supplied for the various auction events held.

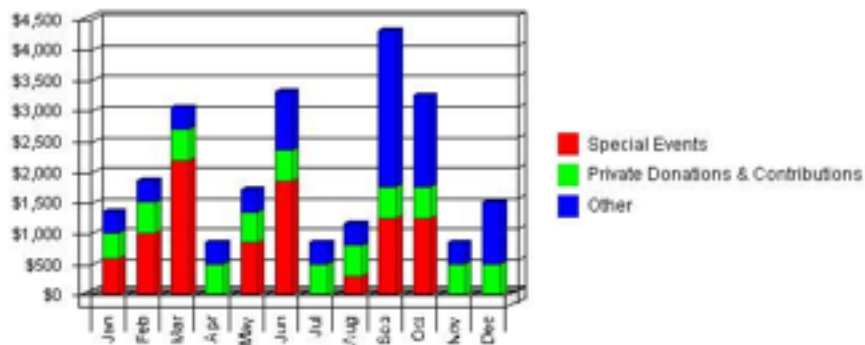


Funding by: Donations

	2001	2002	2003	2004	2005
Funding					
Private	\$131,200	\$134,000	\$136,000	\$138,000	\$140,000
Corporate	\$177,000	\$280,000	\$310,000	\$330,000	\$350,000
Gifts-in-Kind	\$758,300	\$662,500	\$646,000	\$663,000	\$662,000
Total	\$1,066,500	\$1,076,500	\$1,092,000	\$1,131,000	\$1,152,000
Average	\$355,500	\$358,833	\$364,000	\$377,000	\$384,000

Expense Forecast

Our expense budget is based on maximizing the return from our marketing and promotion efforts. We must closely monitor this return to determine what events are generating the most revenue based on the actual dollar investment. Another resource we consider is the number of volunteer hours required, based on a “ceiling” of hours, that we have access to each year from our volunteer base.

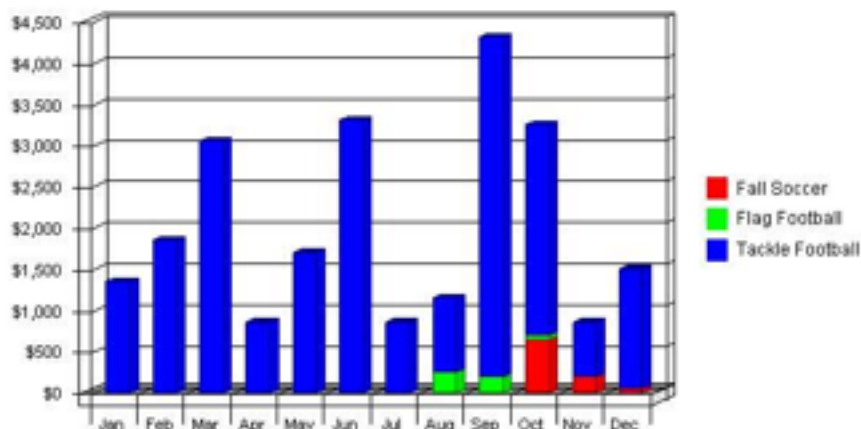


Marketing Expense Budget

	2001	2002	2003	2004	2005
Special Events	\$9,300	\$14,800	\$15,500	\$17,500	\$18,800
Private Donations & Contributions	\$5,900	\$6,200	\$7,400	\$8,000	\$8,500
Other	\$8,810	\$12,000	\$12,500	\$13,000	\$14,000
	-----	-----	-----	-----	-----
Total Funding and Marketing Expenses	\$24,010	\$33,000	\$35,400	\$38,500	\$41,300
Percent of Funding	2.25%	3.07%	3.24%	3.40%	3.59%

Expense by Program

Program expenses are contained due to volunteer hours. It is clear that Sports for Fun is a volunteer-driven organization. The work of volunteers is an integral part of Sports for Fun. For example, 1998's programs consisted of 2,045 teams with an estimated 4,230 head and assistant coaches volunteering an estimated 300,000 hours. Based on the April 1997 study by Anderson Research, Sports for Fun enjoys a positive perception among the coaches involved in the program. The number of teams and coaches is greater for 1999 and the perceptions are anticipated to be as positive. Sports for Fun could not survive without this invaluable and committed resource. Annual recognition programs, awards, and events are designed to acknowledge the irreplaceable roles these volunteers play.



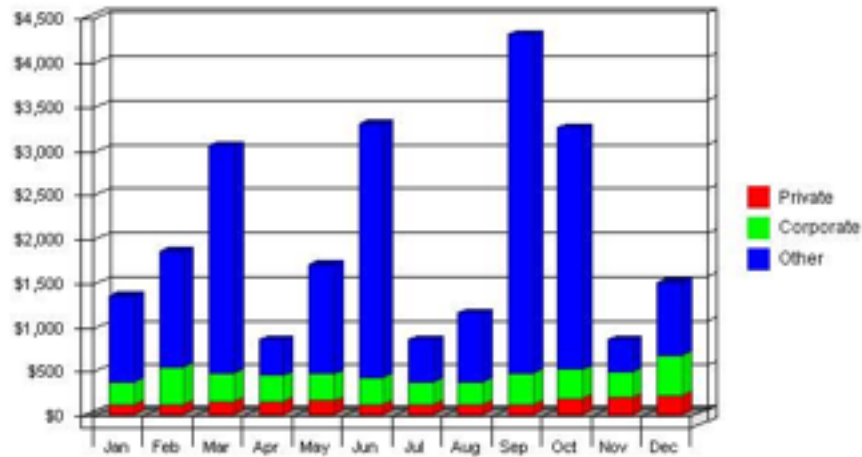
<i>Expenses by Program</i>					
	2001	2002	2003	2004	2005
Expenses					
Fall Soccer	\$900	\$1,000	\$1,200	\$1,350	\$1,500
Flag Football	\$500	\$600	\$800	\$900	\$1,250
Tackle Football	\$22,610	\$31,400	\$33,400	\$36,250	\$38,550
Total	\$24,010	\$33,000	\$35,400	\$38,500	\$41,300
Average	\$8,003	\$11,000	\$11,800	\$12,833	\$13,767

Expense by Administrative

Administrative expenses are based on supporting our staff, along with temporary employees that are brought on to meet seasonal demands.

Expense by Fund-Raising

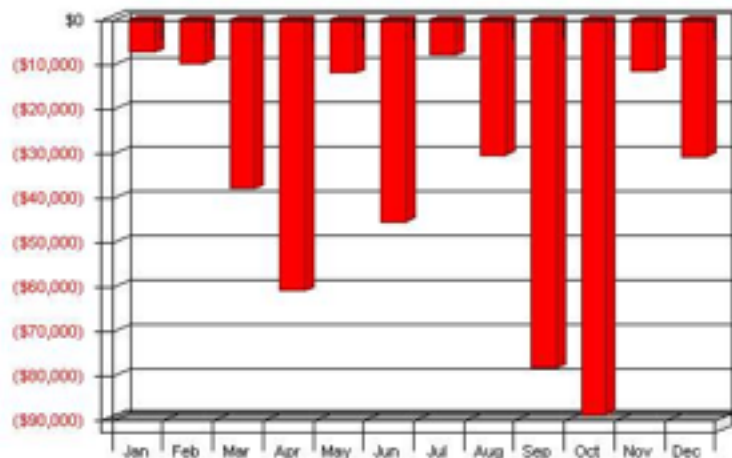
Fund-raising expenses relate to costs incurred to identify, communicate, and receive donations from private and corporate donors.



<i>Expenses by Fund-Raising</i>					
	2001	2002	2003	2004	2005
Expenses					
Private	\$1,790	\$1,900	\$2,150	\$2,300	\$2,450
Corporate	\$3,800	\$4,000	\$4,250	\$4,500	\$4,700
Other	\$18,420	\$27,100	\$29,000	\$31,700	\$34,150
Total	\$24,010	\$33,000	\$35,400	\$38,500	\$41,300
Average	\$8,003	\$11,000	\$11,800	\$12,833	\$13,767

Contribution Margin

Based on past performance, our fund-raising efforts are realistic. We enjoyed a \$20,000 surplus last year and hope to have a similar experience in the year ahead. The challenges will be to develop greater revenue streams from corporate sponsors and to become proportionately less dependent on participation fees. This is expected to offer a more stable source of revenue for the future and reduce the efforts to secure these funds. We expect our special-event fund-raising activities and individual contributions to remain relatively constant as a percent of total revenues. The involvement of the Board of Directors and the formation of the foundation committee will be critical to our success in this area.



<i>Contribution Margin</i>					
	2001	2002	2003	2004	2005
Funding	\$1,066,500	\$1,076,500	\$1,092,000	\$1,131,000	\$1,152,000
Direct Cost	\$65,000	\$77,500	\$80,000	\$97,500	\$105,000
Other Variable Costs of Sales	\$1,400,500	\$1,530,000	\$1,578,000	\$1,655,000	\$1,718,000
	-----	-----	-----	-----	-----
Total Direct Cost	\$1,465,500	\$1,607,500	\$1,658,000	\$1,752,500	\$1,823,000
Gross Surplus	(\$399,000)	(\$531,000)	(\$566,000)	(\$621,500)	(\$671,000)
Gross Surplus %	-37.41%	-49.33%	-51.83%	-54.95%	-58.25%
Marketing Expense Budget	2001	2002	2003	2004	2005
Special Events	\$9,300	\$14,800	\$15,500	\$17,500	\$18,800
Private Donations & Contributions	\$5,900	\$6,200	\$7,400	\$8,000	\$8,500
Other	\$8,810	\$12,000	\$12,500	\$13,000	\$14,000
	-----	-----	-----	-----	-----
Total Funding and Marketing Expenses	\$24,010	\$33,000	\$35,400	\$38,500	\$41,300
Percent of Funding	2.25%	3.07%	3.24%	3.40%	3.59%
Contribution Margin	(\$423,010)	(\$564,000)	(\$601,400)	(\$660,000)	(\$712,300)
Contribution Margin / Funding	-39.66%	-52.39%	-55.07%	-58.36%	-61.83%

CONTROLS

The purpose of the Sports for Fun marketing plan is to serve as a guide to the staff, the Board of Directors, and the volunteers to continue to improve the organization and its ability to serve the youth of Jackson County. We must take action to accomplish our goals. Failing to implement even one of the programs could be devastating to our success.

Implementation

The following chart and table identify the key marketing programs. Dates and budgets are specified, and the "Chairpeople" are informed of the programs. We will track plan-vs.-actual results for each of these programs and evaluate them at our quarterly Board of Directors meetings. If necessary, the programs will be revised if we discover they are not accomplishing the intended goal.

<i>Milestones</i>					
Advertising	Start Date	End Date	Budget	Manager	Department
Individual Donar Drive	1/4/2000	4/1/2000	\$3,750	Tamarra	Marketing
A Taste of Oregon	4/4/2000	6/23/2000	\$18,500	Tamarra	Marketing
Value Checks	9/5/2000	12/1/2000	\$9,500	Chris	Programs
Grant Proposal - USDHUD	1/5/2000	2/15/2000	\$625	Cindy	Staff
Corporate Drive	5/1/2000	11/1/2000	\$2,100	Jan	Executive
Grant Proposal - Willard Foundation	7/5/2000	8/4/2000	\$625	Cindy	Staff
Program Development	6/19/2000	7/31/2000	\$550	Rob	Programs
Promotional Scholarships	8/1/2000	8/31/2000	\$300	Rob	Programs
End-of-Year Campaign	12/1/2000	12/31/2000	\$450	Tamarra	Marketing
Other	12/1/2000	12/1/2000	\$0	N/A	N/A

Total Advertising Budget			\$36,400		
PR	Start Date	End Date	Budget	Manager	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total PR Budget			\$0		
Direct Marketing	Start Date	End Date	Budget	Manager	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Direct Marketing Budget			\$0		
Web Development	Start Date	End Date	Budget	Manager	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Web Development Budget			\$0		
Other	Start Date	End Date	Budget	Manager	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Other Budget			\$0		
Totals			\$36,400		

Marketing Organization

Our marketing organization consists of one paid staff person, Tamarra McNeil. Tamarra interfaces with the Board of Directors and the Marketing Committee to coordinate our marketing efforts. Tamarra has key responsibilities in marketing implementation. It is also Tamarra's goal to provide direction and encouragement to those that take on specific marketing responsibilities. She attends all Board of Directors' meetings to report status and progress and she chairs the monthly meetings of the Marketing Committee.

Contingency Planning

The following lists, in order of probability beginning with the highest potential for change that will impact this marketing plan, the future of Sports for Fun:

- Major philosophy shift regarding the use of public and/or private school facilities.
- The rapid growth of one of the alternative programs that significantly reduces our market share and our ability to operate one or more of our programs.
- Legal action due to injury or negligence that causes severe financial damage to the organization.

APPENDIX C

SAMPLE SPONSORSHIP AGREEMENT

This Sponsorship Agreement (“Agreement”) is made and entered into on February 17, 2012 (“Effective Date”), by and between Tickets.com, Inc., a Delaware corporation, located at 4061 Glencoe Ave., Marina del Rey, CA 90292 (“Tickets”) and MP3.com, Inc., having an address at P.O. Box 910091, San Diego, CA 92191-0091 (“MP3.com”). MP3.com owns and operates the website located at www.mp3.com (the “Website”).

1. **Form of Sponsorship.** During the term of this Agreement, Tickets shall be MP3.com’s exclusive partner/source for sports, entertainment, and travel tickets, and MP3.com shall include a Tickets Portal on the “Music” page and the “Pop,” “Rock” and “Alternative” genre pages on the Website. A “Portal” is defined as a web graphic with the dimensions not to exceed 125 x 125 pixels and 20Kb in size. The content of the Portal shall be supplied by Tickets and shall conform with reasonable technical and content specifications supplied by MP3.com.
2. **Impressions.** MP3.com agrees to deliver a guaranteed minimum of 3,000,000 Impressions per month for the term of this Agreement. An “Impression” is defined as the display of the Tickets Portal to a user on one of the above referenced pages.
3. **Sponsor Fees.** Tickets agrees to pay MP3.com, during the term of this Agreement, as follows:
 - (i) \$[***] payable on the Effective Date;
 - (ii) \$[***] payable on or before one month subsequent to the Effective Date;
 - (iii) \$[***] payable on or before two months subsequent to the Effective Date;
 - (iv) \$[***] payable on or before three months subsequent to the Effective Date;
 - (v) \$[***] payable on or before four months subsequent to the Effective Date;
 - (vi) \$[***] payable on or before five months subsequent to the Effective Date. Any late payments under this Agreement will be assessed a service fee of one and one-half percent (1.5%) per month, to the extent allowed by law.
4. **Term and Termination.** This Agreement shall commence on the Effective Date and shall remain in full force and effect until one (1) year subsequent to the Effective Date, provided however, that Tickets may terminate this Agreement for any reason upon thirty (30) days’ notice to MP3.com at any time prior to the expiration of sixty (60) days subsequent to the Effective Date. Furthermore, for a thirty (30) day period, beginning thirty (30) days prior to the first anniversary of this Agreement, Tickets shall have the right to renew the Agreement for another year with Sponsor Fees that do not exceed a [***] percent increase over the existing Sponsor Fees. Any payments which have accrued prior to the date of termination shall remain due and payable. Sections 6, 7, and 8 shall survive termination of this agreement.
5. **Measurement.** Upon request, Tickets shall have access to pertinent statistics related to Impressions covering the period of this contract. Tickets agrees to accept MP3.com’s measurement of Impressions (the “Count”) according to MP3.com’s logs and other tracking devices and/or software MP3.com may use, provided however, that Tickets shall have the right to audit MP3.com’s records in this regard. If Tickets reasonably disputes the Count pursuant to this Agreement, then Tickets shall have the right to select the independent auditor of its choice to conduct an audit of MP3.com’s records (the “Audit”). The Audit will be conducted in such a way so as not to interfere to any material extent with MP3.com’s operations. If, for any applicable period, the independent auditor determines that MP3.com overstated the Count by more than five percent (5%), then MP3.com shall pay the cost of the Audit and shall refund Tickets the difference between the amount originally paid and the amount which should have been paid, or MP3.com shall credit the appropriate amount of Impressions to Tickets’ account.

6. **Representations and Warranties.** Each party is solely responsible for any legal liability arising out of or relating to the content of its site and any material to which users can link through the sites. Each party represents and warrants that its sites will not: (i) infringe upon any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy; (ii) violate any law, statute, ordinance or regulation, including without limitation any laws regarding unfair competition, antidiscrimination or false advertising; (iii) be pornographic or obscene; (iv) be defamatory or trade libelous; or (v) contain viruses or other harmful programming routines. Each party agrees to defend, indemnify and hold harmless the other and its shareholders, directors, officers, agents and employees for any and all losses, costs, liabilities or expenses (including without limitation reasonable attorneys' and expert witnesses' fees) incurred or arising from: (a) any breach of the foregoing representations or warranties; (b) any claim arising from the sale or license of either party's goods or services; or (c) any other act, omission or representation by either party. Either party may participate in the defense of itself at its option and expense.
7. **No Consequential Damages.** Except for claims arising under section 6, in no event will either party be liable for any special, indirect, incidental or consequential damages.
8. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to conflict of law principles thereof. Any claim arising out of or related to this Agreement must be brought exclusively in the state or federal courts located in San Diego County, California, and each party hereby consent to the jurisdiction thereof. In any action to enforce this Agreement the prevailing party will be entitled to costs and attorneys' fees. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior discussions, documents, agreements and prior course of dealing, and shall not be effective until signed by both parties. This Agreement may not be assigned by Tickets without MP3.com's written consent, which shall be promptly granted or denied and not unreasonably withheld, except that Tickets may assign this Agreement without MP3.com's consent if another entity acquires substantially all the assets of Tickets. The parties to this Agreement are independent contractors, and no agency, partnership, joint venture or employee-employer relationship is created by this Agreement. MP3.com intends to, and does, bind its successors and assigns to the terms of this Agreement.

/s/

 Representative of MP3.com

/s/

 Representative of Tickets.com, Inc.

/s/

 Printed Name & Position

/s/

 Printed Name & Position

 Date

 Date

APPENDIX D

SAMPLE LICENSING AGREEMENT

MEMORANDUM OF AGREEMENT

1. **Form of Player Contracts.** Attached as Exhibit A is Topps's present form of agreement with Baseball Personnel ("Player Contract"). Topps agrees in the future, until January 31, 2012, to use only Exhibit B (attached) as the form of its licensing contracts with Baseball Personnel, and Exhibit C (attached) as its form of Extension Agreement, except to the extent it is signing Non-Major Leaguers pursuant to that certain Agreement between Topps and MLBPA dated November 19, 2011.
2. **Amendment of Present Player Contracts.** Topps agrees to amend its present contracts with Baseball Personnel for the rights involved in Exhibits A or B, beginning with the baseball season of 2013, in accordance with the form attached hereto as Exhibit B. Each of Topps's present contracts with Baseball Personnel in the form of Exhibit A shall be deemed to be amended to conform to the provisions of Exhibit B without the necessity of either party executing a new contract. The rights of any Baseball Personnel who have signed a contract with the form of Exhibit A who thereafter refuse to sign a contract with the form of Exhibit B or an extension in the form of Exhibit C will continue to be governed by the contract in the form of Exhibit A until that contract expires.
3. **Standstill Agreement.** The Major League Baseball Players Association agrees that it will not interfere with Topps's contracts with Baseball Personnel, its procurement of such contracts, or its extensions or renewals of such contracts at any time prior to January 31, 2012, provided that Topps does not enter into, extend or renew contracts other than in the form of Exhibit B and Exhibit C, and does not seek to extend or renew contracts so as to place players under contract for more than four (4) future baseball seasons.
4. **Duration of Player Contracts.** The Player Contracts, as well as the Extension Agreements and this Agreement, refer at various places to a prohibition on Topps placing players under contract for more than four (4) future baseball seasons. The parties anticipate that, in accordance with past practice, Topps will be signing contracts and extension agreements with players at various times during the year. It is the parties' mutual understanding that, if such a document is signed during a baseball season, the baseball season then in progress will not be counted as one of the four "future" years for purpose of interpreting this language. The effect of these interpretations will be to permit Topps to sign contracts and extension agreements with players during the season for one year longer than if, in accordance with Topps's normal practice, they had signed during the immediately preceding spring training. For players signed in season, four "future" baseball seasons will be interpreted to mean the season currently in progress plus four seasons into the future. As an example, a player's original Topps contract expires at the end of 2013 season. During the 2012 season, he signs an extension agreement with Topps. The extension agreement can permissibly extend the player's contract for two additional future seasons (2013 and 2014), whereas if he had signed the extension in spring training it would be for only one season (2012).
5. **Posters and Similar Items.** Paragraph 1 of the Player Contract grants to Topps the right to use multiple players' pictures in sheets which contain groups of images. What is contemplated here is that Topps shall have the right to publish proof sheets of its picture card items, and products similar in format, but not posters, team photographs or other products which have been designed specifically to take advantage of this grant of rights. In other words, the language is designed as a convenient adjunct to the grant of rights for picture cards, not as an entirely separate grant of rights.

6. Paragraph 2(d) of the Player Contract. This paragraph contains various restrictions upon Topps' ability to use the rights granted in paragraph 1. It is understood between the parties that paragraph 2(d) is not in itself a vehicle for the grant of any rights whatsoever to Topps and Does not expand Topps's rights granted in paragraph 1 by virtue of any negative implication.
7. Unsigned Players. There are at present in the Major Leagues a handful of players who have never signed agreements with Topps, and there may in the future be similar players. This letter will confirm that the MLBPA does not and will not contend, while its agreement with Topps is in force, that its Commercial Authorization Agreements prevent Topps from attempting to enter into contractual arrangements with such players. By the same token, of course, the MLBPA does not in any regard warrant that those players will sign contracts with Topps (but, as provided in Section 3 above, it will not interfere with Topps's efforts to sign them).
8. Coaches and Managers. It is the intention of both parties to continue past practice with regard to coaches and managers. There are some such individuals who are not members of the MLBPA and do not participate in the MLBPA's group licensing program. As in the past, upon request, the MLBPA will identify those individuals to Topps, and Topps will make separate arrangements with them, if it desires, concerning the use of their pictures and any payments to be made to them therefore.
9. Power of Arbitrators. It is expressly understood that the choice of New York law to govern the Player Contracts means that the parties intend to be governed by the arbitration provisions of the New York Civil Practice Law and Rules, Article 75, as they may be in force at the time of arbitration. This law, among other things, confers subpoena power on an arbitrator.
10. Royalty Reports. Topps shall furnish the MLBPA with interim royalty reports three (3) times a year (June 15, September 15, December 15) plus a final report on February 1. Interim report dates coincide with interim payments except that the June 15 report may be made 15 days after the June 1 payment. Royalty reports will be in form mutually acceptable to MLBPA and Topps, which shall generally conform to Exhibit D attached hereto. The June 15 and February 1 reports will include:
 - a. Names of players entitled to payment for the period in question under paragraphs 4(b)(i) and (ii) of Player Contracts, as extended;
 - b. Termination dates of Player Contracts;
 - c. Direct payments due to or earned by players under paragraphs 4(b)(i) and (ii) of Players Contracts;
 - d. Gross sales of licensed product broken down by product and country of sale;
 - e. Returns;
 - f. Discounts and allowances made to customers;
 - g. Net sales;
 - h. Net royalties accrued; and
 - i. Royalty or guaranty payments made to the MLBPA. The September 15 and December 15 reports may be limited to items 4 through 8.
11. Audit Reports. Topps shall make available to the MLBPA's certified public accountant whatever books and records are reasonably necessary to perform the audit. The certified public accountant, in turn, will hold confidential all information he receives except to the extent of reporting to the MLBPA on whether or not, in his professional judgment, Topps has made the payments it is required to make and verifying (or not) compliance with the terms of the Player Contracts and the Agreement.

If the MLBPA's certified public accountant determines that Topps has failed to make any required payments, and Topps disputes that determination, the MLBPA's officers and Executive Board will be entitled to have access to complete audit information, subject to the duty of confidentiality contained in Paragraph 6 (a) of the Player Contract.

The MLBPA may and shall inform its player-members about the royalties paid by Topps as that information is provided to the MLBPA by Topps or in the report of its certified public accountant.

12. Promotional Commitment. [Information subject to request for confidential treatment.]

MAJOR LEAGUE BASEBALL PLAYERS ASSOCIATION

By: _____

Date: _____

THE TOPPS COMPANY, INC.

By: _____

Date: _____

APPENDIX E

SAMPLE TRADEMARK LICENSING POLICY

Nottingham University Trademark Licensing Policy

SUMMARY

Nottingham University owns and controls its name(s) and other marks, logos, insignias, seal, designs and symbols (hereafter, “marks” or “trademarks”) that have become associated with the University. Examples of NU’s trademarks are NU, the stylized N and NU, the N-Cat head design, the Nottingham official seal, the name Nottingham and Nottingham Wildcats, Purple Pride.

The primary purpose of the Nottingham University licensing program is to protect the integrity of the University’s identifying marks. The Licensing Program also serves Nottingham University by:

- Ensuring that products bearing NU’s marks are of good quality;
- Ensuring that each licensed use reflects positively on the University, and
- Generating revenues for the University.

The purpose of this policy statement is to provide guidance on permissible use, as well as restrictions on the use, of the University’s names and marks, and to clarify responsibility for granting permission and licenses required. Any individual, organization or company wishing to use Nottingham’s marks must be licensed and shall be regulated by the Nottingham University Trademark Licensing Office.

Licensing Requirements

A license is required for any individual, organization, or company wishing to reproduce Nottingham University’s name or trademarks for a commercial or non-commercial venture. The trademarks of Nottingham University may not be incorporated into the name or mark of any commercial company. Permission is required for the name or marks of the University to be incorporated into the name or mark of any organization. A license is not required for advertisements promoting the sale of licensed products. Such advertisements, however, shall not imply any relationship other than that of licensor/licensee and should include the licensing label which identifies officially licensed goods.

Merchants may be allowed to use the University’s name in newspaper advertisements that welcome or congratulate students provided the copy does not contain either an implied or explicit endorsement connecting the University with the advertiser, its products, or its services. Additionally, there must be no violation of National Collegiate Athletic Association regulations. Licensees and merchants must obtain approval for each use of the University’s name and marks on a per product, per design basis.

University Schools, Departments, and Affiliated Organizations

University schools, departments, and affiliated organizations may not assign, sublicense, or modify the name Nottingham or Nottingham University or any marks of the University. All products which University schools, departments, or affiliates wish to have produced bearing the name and marks of the University are regulated by the Trademark Licensing program.

Athletic Department Official Sponsors

Nottingham University Athletic Department official sponsors may use the University’s name and marks in conjunction with the sponsor’s name and marks when accompanied by the term “Official Athletic Sponsor” according to the contract terms reached between the Athletic Department and the sponsor.

All items produced with the term “Official Athletic Sponsor” on promotional items to be given away by a for profit or not-for-profit third party entity must be produced by a licensed company.

In the case of a promotional item that is sold or redeemed with proof of purchase certificate, a royalty fee payable to the Trademark Licensing Office will apply.

Unacceptable Products/Services

Nottingham University will not approve the use of its name or marks to promote the following products: tobacco, controlled substances, sexually oriented products, religious products, bathroom articles, or games of chance. In addition, the University will not approve the use of its name or marks with text or graphics that are judged to be sexually suggestive; denigrate any group, including another college or university; or infringe on the rights of other trademark owners. The University will not license products that do not meet minimum standards of quality and/or good taste or are judged to be dangerous or carry high product liability risks.

Advertising in Publications

Nottingham University and University affiliated organizations that accept commercial advertising for their publications and programs will screen all advertisers for compliance with the University’s Trademark Licensing Program. Advertising, from non-licensed manufacturers of trademarked products or advertisements using NU’s marks without a license, will not be accepted for publication.

Compliance Program

The Trademark Licensing Office will maintain a compliance program in the local area. National compliance will be handled by the University’s licensing agent.

Royalties and Fees

The University assesses royalties on net, wholesale sales. Royalties will be charged for promotional and/or advertising licenses. Royalties generated by the licensing program are transferred to the University’s General Fund.

Royalty Exemptions

University schools, departments, students and affiliated groups that order items imprinted with NU’s name and marks may be exempt from paying royalties if:

- The items will be used for internal University purposes,
- Will be given away at no charge or,
- Will be sold for University-related fund raising
- To become eligible for the royalty exemption, contact the Trademark Licensing Office stating how the item will be used and the name of the company the item will be purchased from.

Please note that only licensed manufacturers may reproduce the University’s name and marks. If the company you have chosen is not licensed, the Trademark Licensing Office will recommend a licensed company or license the company of your choice on a special, limited-term basis.

Trademark Licensing Office

University Services has been designated as the division responsible for the administration of the Nottingham University Trademark Licensing Program. The Trademark Licensing Office maintains the official inventory of the University; approves and registers new marks; and maintains a list of licensees authorized to manufacture and distribute goods bearing the marks of the University.

The Trademark Licensing Program serves to:

- Protect and control the use of the University name and marks;
- Promote the image of the University to the public, as well as to the University community; and
- Establish a cooperative relationship with licensees.

The Program provides the University with a formal means to protect the use of its marks, and to ensure that the University shares in the benefits derived from commercial use of its marks.

Definitions

- Trademark means a word or device associated with a person, company, association, or business.
- Registered mark means a trademark that has been registered with the Federal government at the U. S. Patent and Trademark Office. Federal registration provides additional protection against the remedies for trademark infringement.
- Infringement means unauthorized use of a trademark that belongs to another, or use of a trademark so similar to that of another as to cause the likelihood of confusion in the minds of the public as to the source affiliation or sponsorship of the product or service.
- Licensor means one who contracts to allow another (licensee) to use licensor's property (trademark) in exchange for payment, usually royalty as a percent of sales.
- License Agreement means royalty bearing contract between licensor (NU) and a manufacturer or manufacturer's representative who is licensed to produce specific products bearing one or more of the Licensor's trademarks.

Label Awareness

Faculty, staff, students, and friends of Nottingham University are asked to cooperate with the licensing program by purchasing only from manufacturers who have been licensed by the University.

Nottingham University requires that anyone manufacturing products bearing its marks or logos become a licensee. Licensees manufacturing a Nottingham product must attach a label or tag to the product to let the consumer know that the product is an officially-licensed item.

Buyers should look for the label when purchasing Nottingham products.

Be sure that the item you purchase is as authentic as your support for Nottingham University.

Correct Use of Marks and Colors

The Trademark Licensing Office is responsible for considering the use of Nottingham University marks on products, including the appropriateness of the use of University marks as well as the quality of products, legal liabilities, production, and distribution. Before the University's name or mark is reproduced, whether the imprinted item is for internal use or for resale, the product and the associated artwork must be approved by the Trademark Licensing Office.

The following rules shall be used in determining the correct use of University marks and colors:

Nottingham University Seal and Signature

Nottingham University's official seal and signature is a single unit; the two elements of the seal and the words "Nottingham University" are always to be present together.

Neither the name Nottingham, Nottingham University, nor any design may be imposed on the seal. No other marks may be used with the University seal. The NU seal must be used on a solid background. The seal must be white, purple, grey or black. Exceptions must be approved on a case-by-case basis by the Trademark Office. The wording must be very readable with maximum color contrast.

The typeface used in the seal and the signature is a version of Goudy that has been altered slightly for improved reproduction and legibility at all sizes.

Nottingham University "N"

When used alone, and not as part of the word Nottingham, the University's stylized, registered "N" must be used. No other "N" will be approved by Nottingham University.

The University's stylized, registered "N" should be white, purple, or black. Exceptions must be approved on a case-by-case basis by the Trademark Office. The "N" must be very readable with maximum color contrast. Grey accent is acceptable.

Wildcat Logos

The N-Cathead must be used as a unit. The name Nottingham or Nottingham University, Nottingham Wildcats, or Wildcats may be used with the N-Cathead.

Clothing and Manufacturer's Logos

Manufacturer's logos will be limited to one inch (1") square. Exceptions must be approved on a case-by-case basis by the Trademark Office. No more than two manufacturer's logos may be placed on any item of clothing. No more than one manufacturer's logo may appear on the front side of the clothing. No more than one manufacturer's logo may appear on the back side of the clothing.

Color Use

Purple: PMS 267

Grey: PMS 408

White

Black

Exceptions must be approved on a case-by-case basis by the Trademark Office.

PMS:Pantone Matching System

Use of University marks by the news media for informational purposes is not subject to Trademark Licensing. Schedule cards and photographs of campus scenes are not subject to licensing unless they feature the University's name or marks and are exploited commercially. These items will be reviewed on a case-by-case basis.

Trademark Licensing Services

The Trademark Licensing Office has camera-ready artwork, a list of retailers that carry NU imprinted products, and a list of licensed manufacturers. If a school or department would like to use a non-licensed manufacturer to produce an item as a give-a-way or for internal use, the Licensing office will grant the company a short-term license.

Licensing Agents

Nottingham University has joined a consortium with other universities throughout the country to bring about consistency in the American marketplace for officially-licensed collegiate products. The Collegiate Licensing Company helps administer this group. The objectives of the group are:

- To ensure that the names and logos of the participating universities are protected;
- To ensure that alumni, students, and supporters can easily recognize authorized merchandise; and
- To guarantee that the quality standards of products offered remain high.

Outside the United States, Crossland Organizations, Inc. assists with the coordination of Nottingham University's Trademark Licensing program. In coordination with both the The Collegiate Licensing Company and Crossland Organizations, the University also offers a direct licensing agreement.

The services of The Collegiate Licensing Company and Crossland Organizations include:

- Knowing potential licensees (suppliers and manufacturers).
- Providing licensing information to potential licensees.
- Executing the licensing agreement with licensees.
- Notifying retail outlets about the licensing program and recruiting their vendors.
- Finding potential licensees from other schools and markets.
- Attending manufacturers' trade shows.
- Contacting local retailers to get their support.
- Mailing lists of current licensees to retail buyers.

- Assisting in promotions, with internal audiences (faculty, staff, students and alumni) and the general public; and helping with press releases and public presentations.
- Searching for infringers.
- Establishing a series of “Cease” letters, which end with the intent to file suit.
- Having “Officially Licensed Collegiate Product” labels or tags placed on licensed goods which are for sale.
- Ensuring timely payments by licensees.
- Conducting on-site audits of licensees.

Licensed Manufacturers

Nottingham University requires that all persons, companies and manufacturers who wish to reproduce the University’s marks sign a non-exclusive license agreement. The Trademark Licensing Office maintains a list of manufacturers by type of product they are licensed to imprint with the University’s name and registered marks.

APPENDIX F

SAMPLE CONCESSION LEASE AGREEMENT

A Concession Lease Agreement covers many areas. It contains definitions, terms of agreement, operational condition, special conditions, legal requirements. Each part of the Concession Lease Agreement is important to your operation and the success of your concession. Be sure you know what will be required before you bid on any concession, and be sure you will be able to meet the obligations if you commit to it. In order to give you some idea of what you will find in a Concession Lease Agreement, we are providing the following general information that we hope will help you decide on whether or not the operation of a Bureau of State Park concession should be in your future.

Length of the Concession Lease Agreement

A Concession Lease Agreement is generally awarded for a maximum period of 10 annual terms. In a few instances, agreements have been awarded for a lesser number of terms. This is based on circumstances as determined by the Bureau of State Parks that warrants a shorter period of award. These agreements can be awarded directly by the Bureau of State Parks.

Depending on the type of concession operation and if substantial capital development (permanent improvements or development that become the property of the Bureau at the termination of the agreement) is required by the concessionaire that will exceed at least \$100,000, it is possible to award up to a 35-year agreement, if approval is granted by the Governor's Office.

Rental Payments

There are generally three different types of rental payments received from concessions: 1) Annual Lump Sum Payment only, 2) Annual Lump Sum Payment + 5% of the annual adjusted gross receipts, and 3) Annual Lump Sum Payment + 7% of the annual adjusted gross receipts.

Selecting which of the above listed methods is used is determined by the Bureau of State Parks prior to the solicitation of competitive bids and is based on the financial history of the involved concession.

Rental payments are required on a time schedule that is contained in the concession lease agreement. It may differ based on the type of concession operation and/or the operating season.

Consumer Price Index (CPI) and Increases to Rental Payments

Concession Lease Agreements that contain an Annual Lump Sum Payment of \$500 or more are usually subject to a CPI increase at the beginning of each two year term the agreement is in effect.

The CPI increase is not applicable to Annual Lump Sum Payments of less than \$500.

The CPI increase is not applicable to the payment of any required percentage of the annual adjusted gross receipts.

Pouring Rights

In 1999, the Bureau of State Parks designated "soft drink" products of The COCA-COLA Company of America as the official "soft drinks" of the Pennsylvania State Park System.

The Bureau now requires a Concessionaire who is awarded a new concession agreement to provide the public only those "soft drink" products available from The COCA-COLA Company of America.

Concessions that operate under agreements that existed prior to the official designation agreement may not contain the pouring rights clause. Many of these concessionaires have voluntarily switched to providing COCA-COLA

products. If an addendum to an older concession agreement is processed, the pouring rights clause is added and becomes a part of the concession agreement.

The Bureau may periodically designate a different soft drink company and, as a result a concessionaire would be required to change product lines.

Leased Premises

Each Concession Lease Agreement specifies the area of the park that is designated as the leased premises. A concessionaire is only permitted to operate and conduct business under the terms and conditions of the Concession Lease Agreement in the facilities or areas specified.

Maintenance of Leased Premises

The Concession Lease Agreement will specify the type of maintenance work to be done and whether it is required to be completed by the concessionaire or the park maintenance staff.

This can range from daily litter pick-up to grass mowing, to building repairs, etc. Some Concession Lease Agreements require the concessionaire to undertake all maintenance on their leased premises while others may allow for maintenance of certain items by both concessionaire and park staff.

Required Submittals

Each concessionaire, based on the terms and conditions of the Concession Lease Agreement is required to submit certain payments, forms, financial statements, and other items on a timely basis. Failure to submit any of the required items in a timely fashion can result in the concessionaire being assessed liquidated damages for failure to comply with the agreement.

- Rental Payment - The rental payment is required by specified dates, as listed in the Concession Lease Agreement. Failure to do so can not only result in the assessing of liquidated damages, but an interest charge of 18% will also be imposed on late payments.
- Annual Financial Statement - Each concession operation is required to submit an Annual
- Concession Financial Statement - (#6000-FM-SP0024), or any revisions thereof, by the due date listed in their agreement. This provides the Bureau of State Parks with a financial statement of the concessionaire's operating season.
- Liability Insurance Policy - Concession Lease Agreements usually require the concessionaire to carry specified amounts of liability insurance with the Bureau of State Parks listed as a certificate holder and additional insured.
- Fire Insurance Policy - If a building or buildings are leased to the concessionaire as a part of the concession operation, the concessionaire may be required to provide fire insurance in an amount equivalent to the replacement cost of the building, as determined by the Bureau of State Parks.
- Performance Guarantee - A performance guarantee equal to the annual lump sum rental payment or an amount established by the Bureau of State Parks is required for most

Concession Lease Agreements.

Should the concessionaire fail to provide the concession services agreed to or meet the conditions of the agreement, and it results in the termination of the agreement, the performance guarantee will be liquidated and used to finance the process necessary to secure another concessionaire or to repair or replace facilities that may have been neglected by the terminated concessionaire.

Other Documents or Payments as required by the Specific Concession Lease Agreement - It is the concessionaire's responsibility to meet all due dates and deadlines for submitting the required information, reports, and payments. The involved park staff is not required to send notices or reminders that items are due.

Concession Lease Termination

If a concessionaire wishes to terminate an existing agreement, they may do so by notifying the Bureau of State Parks, in writing, according to the time frame listed in their Concession Lease Agreement.

The Bureau of State Parks will not terminate a Concession Lease Agreement unless: 1) it becomes necessary due to the continued lack of concessionaire's compliance with the agreement terms and conditions; 2) it becomes necessary to close park facilities for safety or economic reasons; or 3) there are unforeseen circumstances that dictate a closure.

If the Bureau requires closure and the concessionaire is not able to operate for most or all of a season, it has been the Bureau of State Parks' policy to extend the existing agreement for an additional year, if acceptable to the concessionaire.

Pricing

A concessionaire may charge prices and rates that are reasonable and fair. A copy of all prices and rates must be submitted annually to the involved park office. The Bureau of State Parks must approve all charges, prior to opening each season.

Non-exclusive Rights

A concessionaire does not have exclusive rights to all concession operations within a particular state park, but rather, only to the specific operation at the specific location as described in the Concession Lease Agreement.

Concession Operation

A concessionaire is required to operate at specific times and on specific days as listed in the Concession Lease Agreement.

Any early closure or reduction in operating days or hours must be approved by the Park Manager.

If a concessionaire wishes to operate on additional days or additional hours, approval must also be requested from the local Park Manager.

Americans with Disabilities Act

Each Concession Lease Agreement contains a clause that requires the concessionaire to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG). Any service-oriented concession, such as watercraft rental, would be required to provide access to watercraft and watercraft capable of serving disabled visitors that wish to rent a watercraft.

APPENDIX G

SAMPLE REQUEST FOR PROPOSAL FOR FOOD AND BEVERAGE SERVICES FOR THE GOLF CLUB AT GLEN MAURY PARK

(With Permission, City of Buena Vista, Virginia, Department of Recreation and Parks.)

I. PURPOSE

The City of Buena Vista is requesting proposals to provide Food and Beverage (including alcohol) Concession Services at The Golf Club at Glen Maury.

Proposer will not be allowed to submit proposals after the closing date of this Request for Proposals. The City shall evaluate all proposals as to what is in the "City's Best Interest."

II. DESCRIPTION OF FACILITIES AND EQUIPMENT

The Golf Club at Glen Maury is located within the City of Buena Vista and owned by the City of Buena Vista. This is an 18 hole, championship golf course with practice facility. The course was designed by Rick Jacobson and is currently being built by Wadsworth Golf Construction Company with a scheduled opening date of summer 2004. The course is operated as a public, daily fee golf course and is open year-round. It is estimated that there will be 20,000 golfers the first year, increasing up to 30,000 golfers in the first three years.

Plans for a clubhouse are currently being designed. The clubhouse with the current design contemplates three different food and beverage outlets. The City is requesting bidder for Food and Beverage Services to bid on any of the following outlets:

- A. Snack Bar - Counter Service - Snack Bar with at least 20 seats, Including appropriately sized kitchen and all necessary equipment. Open from 7:00 a.m. to 6:00 p.m.
- B. Club Dining - (including A above) - Sit down restaurant experience; with waiter service, serving lunch and casual dinner at minimum dining during the eight month golf season.
- C. Banquet Pavilion (including A & B above) - Outdoor enclosed Banquet Tent (no HVAC) which would seat at least 180 people and would be serviced by Club Dining/Snack Bar Kitchen.

III. SUBMITTALS

Proposer shall submit proposal to include the following:

- 1. That the Proposer is qualified and eligible to secure an Alcohol Beverage Commission (ABC) License under applicable laws and regulations and applicable permits for such services.
- 2. Proposer will pay to the City and proposed annual incremental increases for the operation of The Golf Club at Glen Maury Food and Beverage Concessions for Snack Bar; Snack Bar/Club Dining; Banquet Pavilion/Snack Bar/Dining Club Dining.
- 3. The Proposer must provide a Cash-Flow analysis. An analysis of the Proposer's ability to provide sufficient revenue to recapture the Proposer's investment cover operating expenses, service any other debt, yield adequate return and profit to manage the golf course concessions operations.

4. Business Resume. A resume including business activities of the Proposer's major business should be submitted. A statement should be provided given the Proposer's experience in food concession services. In the event that the Proposer has provided such golf course food and beverage and concession services on a contractual basis to a public agency or to a private entity, the Proposer shall submit the name, address and phone number of such clientele, and a brief description of the services provided and other pertinent data. Further, the Proposer must identify any such contracts within the last five (5) years, that have been cancelled or not renewed. Failure to provide this information shall be cause for disqualification of the proposal.
5. Proposed Menu Price List. Proposer shall provide sample menu for established prices for the three (3) options outlined.
6. Sample of menu of existing food service operations.

IV. TERM OF AGREEMENT

The term of Agreement may be for one two-year term with three optional one (1) year extensions, at the discretion of the City.

The proposed starting date to begin operations is June 1, 2004. Although lease payment will not begin until course is open.

V. SCOPE OF WORK

Proposer is to insure continuous sanitary conditions and safe and proper food handling measures are taken so as to protect workers and patrons.

Proposer is to insure that buildings, including restrooms and common space, but excluding golf pvd-shop, are cleaned no less than daily and more frequently if use is heavy.

Proposer is to insure interior and exterior walls of the food preparation areas shall be kept clean and sanitary.

Proposer is to insure the walls and equipment shall be cleaned when soiled and sanitized at the close of each business day.

Proposer is to operate concessions at the course in accordance with local, state, and federal laws; and to obtain necessary permits to allow lawful operations.

Proposer shall make every reasonable effort to provide the safest operation possible.

Proposer to maintain a dress code for concession employees (approved by the City Manager) insures that the staff is courteous and have an excellent professional attitude toward the public to insure the best possible public relations for the City of Buena Vista.

All signs in clubhouse should be neatly prepared and of a professional caliber.

Clubhouse public utilities including but not limited to gas, oil, telephone, fuel, electricity, and any other services furnished to the leased premises, unless otherwise specified will be paid by the City.

The Proposer shall provide and arrange for the collection and removal of all garbage, litter, and trash collected within leased premises at his/her expense.

The proposer shall provide complimentary lunch for the Director of Golf Operations and Superintendent of Greens.

VI. ACTIVITIES AND HOURS OF OPERATION AT THE COURSE

The Proposer will have exclusive concessionaire rights on the golf course and the clubhouse facilities.

The hours of operation shall be:

- A. Clubhouse from 7:00 a.m. - 6:00 p.m. (April to October).
- B. Club Dining Services 11:00 a.m. - 9:00 p.m. (April - October). from April to October.
- C. Pavilion/Banquet - based upon demand.

VII. INSURANCE

- A. The successful Proposer shall carry the required amounts of insurance Specified below throughout the contract period and submit a Certificate of Insurance certifying this and naming the City of Buena Vista as an additional insured:

- B. General Liability
 - \$1,000,000 Combined Single Limit- Bodily Injured and Property Damage Including Liquor Liability
 - \$3,000,000 Aggregate

- C. Workers Compensation
 - Statutory

- D. Automobile Liability
 - \$1,000,000 Combined Single Limit

- E. Hold Harmless - Indemnification:

Proposer shall assume the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Proposer, its agents or employees under or in connection with this contract or the performance or failure to perform any work required by this contract. Proposer shall save harmless and indemnify City and its agents, volunteers, servants, employees and officers from and against any and all claims, losses or expenses, including but not limited to attorney’s fees, which either or both of them may suffer, pay or incur as the result of claims or suits due to, arising out of or in connection with any and all such damage, real or alleged. Proposer shall, upon written demand by city, assure and defend at Proposer sole expense any and all such suits or defense of claims.

Fire Insurance - The Proposer must provide fire coverage insurance on the Proposer owned contents and equipment at its own cost.

APPENDIX H

SAMPLE CORPORATE PAPERS FOR SAWYER-TWAIN COLLEGE BOOSTER CLUB SAMPLE ARTICLES OF INCORPORATION

Sawyer-Twain College
Bull Dog Athletic Boosters Club



SAMPLE ARTICLES OF INCORPORATION

Article I.

Name

The name of our corporation is the Sawyer-Twain College Bull Dog Athletic Booster Club Incorporated.

Article II.

Contact Information

Sawyer-Twain College Athletics, 420 N. 1st Street, Terre Haute, Indiana. 47805

Article III.

Purpose (Object)

The object of the Sawyer Twain College Athletic Booster Club is to provide our programs with superior financial and physical resources. This includes maintaining and improving the athletic facilities at Sawyer-Twain College, supporting and recognizing the efforts of our teams and athletes, as well as providing additional opportunities to our teams and athletes.

Article IV.

Membership

Members of the Sawyer-Twain College Bull Dog Athletic Booster Club receive a membership card and decal, issues to the Sawyer-Twain Bull Dog Newsletter, and invitations to special events such as dinners and ceremonies. There are five different membership levels available so anyone can support the Bull Dogs.

Article V

Officers

In our organization we have a president, vice-president, secretary, and treasurer.

Article VI

Board of Directors

The Board of Directors for the Sawyer-Twain College Bull Dog Athletic Booster Club are elected.

Article VII

Committees

The Sawyer-Twain College Bull Dog Athletic Booster Club has many committees in the organization. These include standing committees, select committees, and committee of the whole.

Article VIII

Meetings

We will hold an annual meeting every year, as well as have regular meetings which will occur on the second Tuesday of each month at 6:30 pm, unless there is a holiday or a conflicting issue, then the meeting may be postponed or scheduled at a later time.

Article IX

Parliamentary Authority

For parliamentary authority we will follow Roberts Rules of Order.

Article X

Amendments

Sawyer-Twain College Bull Dog Athletic Booster Club may, at any time, amend its Articles of Incorporation without limitation so long as the articles as amended would have been authorized by this article as original articles, by complying with the provisions of this chapter.

Article XI

Dissolution

Upon dissolution of the corporation, the directors shall, after paying or making provision for the payment of all the liabilities of the corporation, distribute all the assets of the corporation to the Sawyer-Twain Athletic program. If it is non-existent, all assets will be distributed to Sawyer-Twain College administration.

APPENDIX I

SAMPLE CORPORATE PAPERS FOR SAWYER-TWAIN COLLEGE BOOSTER CLUB

Sample Constitution

Sawyer-Twain College
Bull Dog Athletic Boosters Club



SAMPLE CONSTITUTION

ARTICLE I – DUTIES

Section 1. The **President** shall:

- A. Have general supervision of the Club and preside over all meetings when present.
- B. Preserve order and insist on proper decorum when the Club meetings are in session.
- C. Execute any and all contracts the Executive Council may authorize.
- D. Be ex-official member of all Club committees.
- E. Have the power, with the approval of the Club, to appoint all Chairpersons and majority of all committees.
- F. Have the power to call special meetings as provided in Article IV of the Constitution.
- G. Convey to their successor all unfinished business and property of the Club.

Section 2. The **Vice-President** shall:

- A. Assume the duties and responsibilities of the President in the event of the President's absence.
- B. Be the custodian of the Constitution, By-laws, and Standard Rules of the Club.
- C. Appoint, with the approval of the Club, the minority of all committees.

Section 3. The **Secretary** shall:

- A. Be responsible for recording the proceedings of this Club, and shall submit the same for approval at meetings of the Club.
- B. Be the custodian of all records of the Club, except financial and membership.
- C. Send and properly receive all correspondence of the Club.
- D. Perform any such other duties as are usual and incidental to the Office of Secretary.
- E. Upon expiration of their term of office, turn over to their successor, all records, books, documents and supplies or equipment belonging to this Club, that was in their custody.

Section 4. The **Treasurer** shall:

- A. Receive all revenues of this Club and deposit them in the Club's account(s) at a financial institution approved by the Executive Council.
- B. Be responsible for prompt payment of all the authorized debts of this Club.
- C. All checks must require any two signatures of the four officers.
- D. Be the custodian of all financial records of the Club and make a report of the same, for approval, at meetings of the Club.
- E. Perform such other duties as are usual and incidental to the office of Treasurer.
- F. Upon expiration of their term of office, turns over all finances and records belonging to the Club, to their successor, after an audit by the Executive Council.

Section 5. Standing Committee Chairperson(s): (Membership, Publicity, Volunteer Coordinator)

- A. The Membership Chairperson and Committee are responsible for signing up new members and keeping the membership roster current. The Chairperson of the Membership Committee shall perform duties as assigned by the President.
- B. The Publicity Chairperson and Committee are responsible for dissemination of information or promotional material as a means of gaining public attention or support.
- C. The Volunteer Coordinator recruits Event Captains to coordinate Booster events. Event Captains solicit and organizes volunteers to work events.
- D. The Chairperson shall keep the President aware of their Club activities by giving a regular report at each meeting, and when requested by the President.

Section 6. Executive Council

- A. The Executive Council shall be responsible for all actions of this when Membership meetings are not in session.
- B. The Executive Council shall determine which officer will co-sign all vouchers with the Treasurer.
- C. The Executive Council shall authorize an appropriate financial institution(s) for the Clubs funds.
- D. They shall audit the Treasurers finances and records upon expiration of the Treasurers term(s) of office.
- E. They shall be responsible for the fulfillment of the aforementioned duties of all the officers.

Section 7. Members

- A. No member may assume any duties, collect, receive or transfer any funds, or act in, or under, the name of this Club, without having been duly assigned and/or entitled to such action.
- B. Under no circumstances shall a non-member be permitted to do any of the above, without having been duly assigned and/or entitled to such action.

ARTICLE II – DUES

Section 1. The annual dues of the Club shall be \$10.00 FALL AND SPRING year.

Section 2. Dues shall be payable through the Membership Chairperson who will forward the dues to the Treasurer for proper disposition.

Section 3. Membership Chairperson shall compile a membership list. List shall be made available to all members.

Section 4. Members shall pay their annual dues no later than the end of each semester. Dues should be paid in advance, anytime from August to December in the Fall and January to May in the Spring.

ARTICLE III - VOTING PROCEDURES

Section 1. Motions made at a meeting shall follow parliamentary procedure.

Section 2. Motions to hold a secret ballot of the members present shall supersede any regular motion. A motion for a secret ballot of member's present needs to be passed by a majority of those members present.

Section 3. A motion by any member for a vote of the entire membership shall supersede any other vote and will also require being passed by a majority of those members present. If passed, the Secretary shall mail such motion(s) to all members for their vote and specify a date by which this vote must be returned.

Section 4. All requests for Booster funds other than Booster Club projects i.e., supplies, sweat suits, etc., shall be made by filling out request forms available from the Athletic Director or Athletic Booster President and presented IN PERSON at a regular Boosters meeting. Emergency requests will necessitate an emergency meeting of Executive Council members.

Section 5. Presentations for fund raising, or request for funds or support of this Club shall first be presented to the President for review by the Executive Council, (and appropriate Committee if any), before such presentation is given to the membership.

Section 6. All attempts shall be made to evenly distribute support from this Club to schools with like grade levels.

ARTICLE IV - ORDER OF BUSINESS

Section 1. The Order of Business at any meeting of the Club shall consist of the following:

- A. Reading of the Minutes
- B. Financial Reports
- C. Communications
- D. Report from Executive Council Members
- E. Report from Committees
- F. Unfinished Business
- G. New Business
- H. Adjournment

ARTICLE V - STANDARD RULES

Section 1. There shall be a written set of rules, to be known as Standard Rules, available to each member of this Club.

Section 2. Together with these Constitution and By-Laws, the Standard Rules will govern this Club and its members.

ARTICLE VI – PARLIAMENTARY

Section 1. Except as provided in these Constitution and By-Laws, “Roberts Rules of Order, Revised”, shall govern the conduct and deliberations of the meetings of this Club.

ARTICLE VII - AMENDMENTS

Section 1. Any alterations or amendments to the Constitution, By-Laws, and Standard Rules shall be made by a majority vote of those members present at any regular meeting of this Club.

Section 2. Any proposed amendment must be presented in writing to the Secretary for review by the Executive Council, (and Constitution and By-Laws Committee if one exists), after being read for the first time to those members present at the meeting which they are presented.

Section 3. The Executive Council must present any such proposed amendment for a vote of those members present at the next regular meeting.

Section 4. All changes to the Constitution and By-Laws or Standard Rules shall be dated and recorded by the Secretary and inserted in its appropriate place.

Section 5. Each member shall be entitled to a copy of the Constitution, By-Laws, Standard Rules, and any changes thereafter

APPENDIX J

SAMPLE CORPORATE PAPERS FOR SAWYER-TWAIN COLLEGE BOOSTER CLUB SAMPLE BY-LAWS

Sawyer-Twain College
Bull Dog Athletic Boosters Club



SAMPLE BY-LAWS

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APPENDIX K

SAMPLE CORPORATE PAPERS FOR SAWYER-TWAIN COLLEGE BOOSTER CLUB SAMPLE STANDARD RULES

Sawyer-Twain College
Bull Dog Athletic Boosters Club



STANDARD RULES

1. No person, except those scheduled to work an event, will be allowed in the Club's work areas. Exceptions may be allowed by contacting the event's Team Captain, who may permit additional members in these work areas to work, if the Captain sees a need.
2. Food items subject to spoilage shall not be kept for the next event. The event Team Captain may determine an appropriate time such item(s) may be sold at the current event at an amount lesser than the scheduled price. At the conclusion of the current event, the Team Captain may dispose of such items as they see fit.
3. Members assigned to work events should arrive at the proper designated time. If they are unable to attend, they should notify the President and/or event Team Captain of their absence as soon as possible.
4. Members are encouraged to let the event Team Captain and/or the President know of their presence at an event should they be needed to assist in the Clubs activities.
5. Due to the limited space in the Club's working areas, non-workers at an event shall not use these working areas to store their clothing or personal items. Should the need arise for security of a valuable item, the event Team Captain may grant permission.
6. Members shall use the proper designated storage areas for their personal belongings.
7. There is no smoking, use of alcohol, or use of drugs allowed in the Booster booths at the schools or football fields.
8. Members must attend three meetings and work six events in a year (three each semester) to qualify for the discounted annual family athletic pass. Each spouse working at event counts as two individuals working. However, both spouses attending a meeting count as one meeting.
9. Club members driving their personal vehicle on Club business (getting supplies, etc.) shall be reimbursed by the club for accumulated mileage at the current rate as Sawyer-Twain College pays for employee personal vehicle usage.

APPENDIX I

DONOR GROWTH PLAN

(Compliments of the American National Red Cross, Washington, D.C.)

DONOR GROWTH PLAN

Name of Donor: _____

Date: _____

Part I - Donor Profile:

Please look up this Donor in Salesforce to complete this

Donor Information

Name:

Address:

Type of Donor: (corporate, foundation, individual)

Current relationship: (current, prior, prospective donor)

Red Cross Relationships

Lead Relationship Manager:

Other Key Red Cross Relationships:

Donor History and Current Red Cross Relationships

(History of financial giving, blood drives, PHSS training enrollees, volunteerism, etc. Describe all current contacts and activities within ARC across all lines of business)

Donor Contacts/Donor Influences:

Who are your contact opportunities to connect with this donor? (i.e. Board Member, Contacts within a company)

Part II – Donor Relationship Strategy

CONTACT MAP

(Note: The small upper boxes identify functional areas/departments outside your current penetration and provide names and contact information as part of our growth planning. For an individual donor, these boxes also can be used to fill in “Spheres of Influence” for the current individual donor.

↓	↓	↓	↓	↓	↓

(Add the names of “spheres of influence” you know AND those you don’t know)

Relationship – FITS: (What is working when it comes to effectively influencing this donor?)	Relationship – GAPS: (What is not working when it comes to effectively influencing this donor?)
Work – Leverage Points (Example – You have done great work in one area with this Donor but the Donor’s “spheres of influence” may not know be aware of it?)	Work – Issues/Risks (Has something gone wrong that needs to be addressed? How can you turn this problem into an opportunity?)

Competitive Analysis:

What other charitable interests or organizations do they support, and at what level?

Red Cross Strengths/Weaknesses:

(Specific to this donor)

Red Cross Strategy and Value Proposition:

(Describe your value proposition—a statement of intent to deliver a measurable result that the donor views as a critical outcome for their involvement with the Red Cross. Why should the donor partner with Red Cross? How does Red Cross help the donor further its philanthropic goals?)

Red Cross Engagement Strategy:

(List the objectives you want to set that specifically address helping the donor to achieve its philanthropic goals.)

(Identify the objectives for all lines of business and timeframes (Blood Services, PHSS, Disaster/Chapter, International and SAF).

(Identify the opportunities, targets and strategies that you will pursue with this donor.

	Opportunities	Targets	Strategies	Donor Decision Maker/Influencer
Blood Services				
PHSS (Preparedness Health & Safety Services)				
Disaster/Chapter				
International				
SAF (Services to Armed Forces)				
General Red Cross & Other (i.e. supply chain management)				
Engagement (Workplace Giving, Cause Marketing, Employee Engagement)				

Top Funding Opportunities:

1. Opportunity and estimated gift \$:

Why does this donor make for a good prospect for this funding opportunity?

For corporations, will employee engagement, employee giving and/or consumer fundraising be incorporated into your ask?

Activity	Responsibility	Deadline

2. Opportunity and estimated gift \$:

Why does this donor make for a good prospect for this funding opportunity?

For corporations, will employee engagement, employee giving and/or consumer fundraising be incorporated into your ask?

Activity	Responsibility	Deadline

3. Opportunity and estimated gift \$:

Why does this donor make for a good prospect for this funding opportunity?

For corporations, will employee engagement, employee giving and/or consumer fundraising be incorporated into your ask?

Activity	Responsibility	Deadline

ACTION PLAN

In order to be most effective with executing this Donor Growth Plan, here are three things I am going to continue, start, and stop doing to be most successful with this donor.

Overlay to Salesforce, where possible.

Continue	Start	Stop