



BUDGETS AND FINANCIAL POLICIES AND INFORMATION

Overview

As *FIRST* has expanded dramatically in recent years it has become necessary to develop an informal “franchise model” for the *FIRST* Robotics Competitions (FRC). One primary driver for this is our absolute insistence that all of our FRC teams experience a consistent, high quality event wherever they compete. This can only be ensured if each event follows a consistent set of guidelines.

This section of the Regional Planning Guide is intended to:

- Further define the roles and responsibilities of the Finance/Budget Coordinator position
- Provide information on items the Regional Planning Committee is responsible for funding
- Provide tools and information useful in accomplishing that task

Roles & Responsibilities

Finance:

FIRST assumes all financial responsibility for the event (*FIRST* is the registered 501(c) (3) public charity), provided that all donations from sponsors for the event are submitted to *FIRST* HQ. If needed, *FIRST* Finance will provide prompt invoices to the sponsors for their donation. Upon receipt of the donation payment, *FIRST*'s Development Office will send the appropriate acknowledgement that also serves as the donor's tax receipt for IRS purposes. These funds will be used to cover the costs of the current year FRC event.

While *FIRST* welcomes major, ‘sole’ sponsors of the FRC Regional events, financial risk can best be mitigated by soliciting numerous “co-sponsors” of the event. This approach has proven successful in economic downturns with the committees being faced with replacing a contributing sponsor or two but not the entire budgeted needs. Having co-sponsors also creates new business partnerships and relationships that in turn can lead to additional technical mentorship, event volunteers, and team growth.

Budget:

The Planning Committee will appoint one member to be its Finance/Budget Coordinator in charge of its budget. An estimated local budget will be developed at the beginning of the season for the current year and submitted by the RD to the VP of Field Operations and entered into MIP for approval. The overall level of the budget, and the details, should be developed between the Planning Committee and the Executive Committee that will have to raise the funds. *FIRST*, unlike other national not-for-profits, does not mark up the services provided or contracted for, nor does it use funds raised locally for the event to cover HQ costs or overhead. *FIRST* does, however, expect the local committees to work with the primary budget goal of covering all “local” costs of their FRC Regional events. The local budget is expected to contain the funding for the regional support provided by *FIRST*, while the Headquarters support is covered through other non-local revenue sources including, but not limited to, the Teams' registration fees.

Actual amounts for prior years and current year-to-date may be viewed using the MIP system. Contact Christine Baker-Terilli, Manager of Financial Reporting if you do not already have access to your region's financial reports through MIP; access to MIP is subject to approval by Roseann Stevens, VP of Field Ops. New regions should use the average costs listed in the “Regional Sponsorship Model for *FIRST* Robotics Competition Season” section of this document as a guide to assist in the development of your local budget.



FIRST Robotics Competition Regional / Non-District Events Financial Responsibility Statement

- By partnering with *FIRST* to host a *FIRST* Robotics Regional event at your university, college or commercial venue, your volunteer committee agrees to secure donations and grants adequate to cover the actual costs, without overhead or markup, for the “local” event expenses. *FIRST* handles all sponsorship receipts and accounts payable disbursements. (*Refer to Regional Sponsorship Model for FIRST Robotics Competition Season included in this section*).
- Fundraising events may only be conducted by *FIRST* Field personnel with advance written approval by the President, VP-Finance, or VP-Field Operations
- Professional solicitors and fundraising counsel are not ordinarily allowed to participate in securing funds for *FIRST* programs or events; they may only be engaged (even if unpaid) with advance written approval by the President, VP-Finance, or VP-Field Operations.
- It is *FIRST*'s expectation that 100% of all donations raised for the *FIRST* FRC Competition will be remitted to the *FIRST* organization headquartered in Manchester, NH. In return, the *FIRST* organization assumes 100% of all financial risks and provides or contracts for all the necessary services including risk management, leading to a demonstrated quality event for all involved. *FIRST* incurs and pays 100% of all associated normal costs. (*Refer to Responsibility Matrix included in this section*).
- Accounting rules require that donations raised for specific *FIRST* FRC Competition events must be recognized as revenue in the year of the event. Event sponsorships cannot be deferred toward a future year, or toward an alternative purpose such as team funding, unless the donor specifies this in writing. Donors making multi-year pledges must specify in writing the amounts, the events and the calendar year(s) being funded. Documentation from the donor is also required in cases where the donor alters the intended use of their contribution to apply it to a future season. E-mail from a donor is acceptable written documentation. Committees and Regional Directors may not designate an alternative use of donor funds.
- If an FRC Regional event produces a surplus of sponsor support in the current year over and above the local event expenses, and if it has accumulated a surplus from the 3 previous years (excluding the current year), the Committee may use the current year surplus (not the previous years' accumulated surplus) in the next season, if the sponsor(s) has restricted the donation(s) to specifically permit this option. The surplus may be used for FRC Team registration fees, or as Regional Sponsorship funds to cover event costs. Surpluses resulting from Federal funds (e.g., NASA) are excluded from the determination of surpluses when applying this policy. Arrangements must be made with the *FIRST* Finance Department by September 15th to use a surplus in any of these ways.



Regional Sponsorship Responsibility Matrix

FIRST Robotics Competition

All donations made to FIRST HQ * (Donations made payable to FIRST)	FIRST's	Regional Committee's
Financial Risk	(100%)	None
Audits / Tax Return (990)	X	
Donor Acknowledgments <ul style="list-style-type: none"> • Donor Questions • Donor Requests / Audits • Donations Tax Deductible • Donor Collections (Bad Debt) 	X X X X	
Accounting / Legal Fees incurred	X	
IRS Audit (If required)/States' filings	X	
Cash Flow for Vendors' Deposits	X	
Vendor Management - Expertise <ul style="list-style-type: none"> • Vendor relationships • Credit References • Payments to Vendors • 1099 Filings • Insurance Coverage(s) 	X X X X X	
All Local Expenses Paid (see budget)	X	
Sales Tax Exemptions (where eligible)	X	
Unexpected costs/variances absorbed	X	
Regional's Contribution to (or draw from) Shared Expenses/Revenue	X	

***FIRST is incorporated in the State of NH (1989) and is a 501 (c) (3) Public Charity EIN # 22-2990908**



Regional Sponsorship Model for FIRST Robotics Competition Season

Working with Regional Executive Advisory Board

Each Regional Committee is responsible for developing local sponsorship to cover the local costs involved in hosting a regional event. Each regional event will have specific costs, which will vary from location to location. An item may cost more and another less due to geographic locations, success of in-kind donations and other factors within the control of local committees.

The Budget/Finance Coordinator of the Regional Planning Committee must establish an estimated local budget for the specific regional event.

Below is an estimated average of the various expenses that the Regional Planning Committee will be responsible for covering with sponsorship donations. Please note that the ranges vary greatly, and are largely dependent on the location and size of your Regional.

Production Setup and AV Services/Labor (Range \$14,000-\$58,000; Average cost \$34,000)

This service is contracted by FIRST Headquarters with a North American contract and includes:

- Main Arena lighting
- High quality public address system
- 9'x12' Front Screen
- Tripod mounted camera with long lens
- Stereo inputs for a DJ rig and CD player
- Public Address system in the Pit area
- Pit power drops for all teams
- Small LCD projector or 20" monitor in the pit area
- Data Display PC with PowerPoint for Awards Ceremonies and Sponsor Recognition

This includes all labor costs for the Production Setup and AV Services at the event and a fully trained AV/Production Manager familiar with FIRST events and requirements. Local labor costs will vary by event.

Venue Rental & Services (Range \$8,000-\$80,000; Average cost \$37,000)

This is an average cost of the rental of the venue and the services provided by the venue. Services include stagehands, custodial (public areas such as hallways, main entrance, etc.), security, EMTs and other required functions. Donated venues can greatly reduce these costs. Venue contracts are negotiated and signed by FIRST Headquarters. Any additional space needs during the event must be handled through the FIRST Event Manager.

Food/Beverages at the Regional (Range \$3,000-\$75,000; Average cost \$22,000)

This is contracted by FIRST Headquarters and includes all food for the event, inclusive of the volunteers, staff, judges and VIPs. It also includes the judges' dinner on Thursday evening and a meal for the Volunteer Meeting. This does not include any food for a Team Social. Catering costs include:

- Quality, healthy food at the most favorable rates
- Inclusive of breakfast, AM breaks, lunches and PM breaks
- Variety of entrees/menu selections including vegetarian
- Beverages consisting of bottled water, tea, coffee and sodas

On-site changes to the food/beverage orders must be made through the FIRST Event Manager.

Local Services, Non-venue Related

(Range \$800-\$24,000; Average cost \$6,000)

These services are contracted by *FIRST* Headquarters and include the following:

- Disc Jockey
- Electrical
- Fire, Police, EMTs (if not provided by the venue)
- Commercial General Liability Insurance for events
- Sponsor Signage, Screens
- Machine Shop
- All other misc. costs, cleaning fields and pits, lifts
- Telephone, ISDN lines

Any additional on-site needs must be handled through the *FIRST* Event Manager.

Rental Items

(Range \$4,000-\$68,000; Average cost \$12,000)

This includes tables, chairs, drapes, linens, team location markers, easels and other materials as needed. These items are contracted by *FIRST* Headquarters on a North American contract. Any additional on-site needs must be handled through the *FIRST* Event Manager.

Regional Office Support

(Range \$5,000-\$77,000; Average cost \$35,000)

FIRST's Regional Support Centers assist in the creation and direct support of the Regional Volunteer Committees. As such, the costs associated with the Regional Support Centers including the Regional Director(s), Regional VP-Field Operations, the assistants and associated variable expenses, are accounted for with the other 'local' cost line items. Listed below is a summary of the various types and areas of support provided.

Planning Support

- Assist with organizing regional committees and volunteer networks (identification, enlisting, training, recognition)
- Assist with regional event (*FIRST* Robotics Competition) and tournament (*FIRST* LEGO League and *FIRST* Tech Challenge) planning
- Assist with budget planning
- Assist with quality control planning

Support of Sponsor and Team Recruitment Activities

- Identification of prospective event and team sponsors
- Best practice sharing (proposal templates, etc.)
- Leveraging existing *FIRST* networks among sponsors, professional associations, universities, etc.
- Coordinating team demonstrations and recruitment events

Capacity Building Activities

- Best practice sharing (fundraising, PR, engaging community partners, etc.)
- Providing off-season activity templates

Leverage *FIRST* Infrastructure

- Marketing support
- Evaluation / outcomes materials
- Event support
- Scholarships
- Off-Season Events
- Main point of contact from/to Committee and *FIRST* Headquarters.



Adding Extras to an Event

Once the basic costs of the event are covered, the Regional Planning Committee, which has additional firm sponsorship commitments, may consider upgrading the event in the following areas. These upgrades may include:

- Adding a Team Social at approximately \$800 per team. This includes food and appropriate entertainment (Note that Show Ready Events is not under contract to manage Team Socials.)
- Adding items unique to the event, such as Committee shirts, videos, give-aways
- Upgrade catering to provide an upscale menu for the judges
- Upgrade the VIP function to provide a sit-down meal and presentations

FIRST can recognize and provide receipts for tax purposes only to those sponsors whose donations are sent to *FIRST HQ*. It should again be noted that *FIRST* does not charge any administrative fees or overhead on donations received. 100% of event sponsor donations are used to pay for event costs. *FIRST* requests that sponsorship donations be paid prior to or during the month of your Regional event in order to provide necessary working capital. *FIRST* disburses a significant amount of cash to pay event expenses well in advance of most events.

Services Provided by *FIRST* Finance Department:

- On-line event financial statements throughout the season
- Invoices for Sponsorships, when required or requested
- Processing of IRS tax forms (W-9, 1099) for event vendors
- Annual audits of financial transactions by an outside CPA firm.

Please Note: *FIRST's* most recent Audited Financial Statements (AFS) and Annual Report are available as PDF Documents via www.usfirst.org in the "About *FIRST*" section. These are the latest. When new AFS become available, they will be posted. Please download a copy if needed. Address any questions with regard to the AFS to *FIRST's* Vice President-Finance 800-871-8326 ext. 436.

Regional Event Financial Information

Contact Christine Baker-Terilli (ext. 468) for access to MIP Regional Financial Statements
Contact Pam Trunca (ext. 479) for access to MICROIX Purchase Ordering System

See Section 3 for Sponsor Related Information and Guidance



REQUEST FOR INVOICE

*REQUESTED BY: _____ *DATE: _____

*AMOUNT: \$ _____

*SPONSOR / DONOR

*REASON FOR INVOICE:

*DATE REQUIRED: _____ *MAIL INVOICE YES NO

INVOICE NO: _____ *EMAIL INVOICE YES NO

INVOICE DATE: _____

GL NO.: _____

PROVIDE FOLLOWING:

1. Address to send Invoice to: (If different from above)

Attention: _____

2. *Email Address : _____

3. Documentation from Donor agreeing to donation – stating \$ amount. Acceptable forms of documentation – email or letter from donor or this document signed.

*Required fields

FIRST FINANCE

Sept. 2008



Credit - Billing Information for FIRST

FIRST (*For Inspiration and Recognition of Science & Technology*)

**200 Bedford Street
Manchester, NH 03101-1103
Phone: 603.666.3906
Fax: 603.666.3907 (General)
Finance Fax: 603.206.2079 (Finance)
Web: www.usfirst.org**

FIRST is a not-for-profit 501(c) (3) public charity.
FIRST is incorporated in the State of New Hampshire.
Exempt status still in effect per our IRS Letter dated January 2011.
FIRST was established in 1989.
Federal Taxpayer ID Number **22-2990908 (FEIN #)**

Dun & Bradstreet Account: 8900/630355-9
D-U-N-S #: 82-677-5082

Citizens Bank
Commercial Credit
One Citizens Plaza
Providence, RI 02903
401.734-5239
Checking Account #3300281484

Crown Trophy
1 Alice Avenue
Hooksett, NH 03106

Curtis 1000
36 Holly Drive
Newington, CT 06111
800-332-0444

Cone LLC
855 Boylston Street
Boston, MA 02116
617-227-2111

Payment Terms:
Net 30 from shipment or service date.
Exceptions need FIRST Finance review
C.O.D. needs prior approval.
No cash payments made. No exceptions

New Vendor Requirements:
All new FIRST vendors need to submit
an IRS Form W9 prior to initial payment.
The form is available from FIRST or
via the IRS's web at www.irs.gov

Billing Information:

**Please, ALL original invoices to:
FIRST
Attention: Accounts Payable
200 Bedford Street
Manchester, NH 03101**

Requests for Financial Information:

**All inquires to:
FIRST
Attention: FIRST Finance
200 Bedford Street
Manchester, NH 03101**

FIRST Finance Sept. 2008