

## **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-Regional Operations 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. New regions may contact Christine for average cost guidelines from other regions to assist in developing your local budget. **These financial guidelines will not fit flexible cost events, events with more than one field, or events having significant unique costs. Planning Committees budgeting for non-traditional events must rely on their estimated local budget to determine their financial obligation.**



## FIRST Robotics Competition Regional 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-Development.
- 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-Development.
- It is *FIRST*'s expectation that 100% of all donations raised for the *FIRST* Regional 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* Regional 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 15<sup>th</sup> to use a surplus in any of these ways.



**Regional Sponsorship Responsibility Matrix**

**FIRST Robotics Competition**

All donations made to <i>FIRST</i> HQ * (Donations made payable to <i>FIRST</i> )	<i>FIRST</i> 's	Regional Committee's
Financial Risk	<b>(100%)</b>	None
Audits / Tax Return (990)	X	
Donor Acknowledgments <ul style="list-style-type: none"> <li>• Donor Questions</li> <li>• Donor Requests / Audits</li> <li>• Donations Tax Deductible</li> <li>• Donor Collections (Bad Debt)</li> </ul>	X 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"> <li>• Vendor relationships</li> <li>• Credit References</li> <li>• Payments to Vendors</li> <li>• 1099 Filings</li> <li>• Insurance Coverage(s)</li> </ul>	X X X X X	
All Local Expenses Paid ( <b>see budget</b> )	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**

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 **for a single field traditional event.**

**Production Setup and AV Services/Labor (Average Range \$60,000 - \$90,000)**

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 (Average Range \$0 - \$75,000)**

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 (Average Range \$0 - \$50,000)**

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 (Average Range \$10,000 - \$30,000)**

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 (add \$5,000 if NASA supplies 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** (Average Range \$8,500 - \$50,000)

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** (Average Range \$5,000 - \$66,000)

*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-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.

**Upgrading the 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](http://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  
Contact Tim Maxton (ext. 469) for access to Salesforce Sponsor information  
Contact Monica Nadreau (ext. 415) for information on specific receipts and disbursements.

***See Section 3 for Sponsor Related Information and Guidance***



**Internal Revenue Service**

**Date:** October 23, 2006

US FOUNDATION FOR THE INSPIRATION &  
RECOGNITION SCIENCE & TECHNOLOGY  
200 BEDFORD ST  
MANCHESTER NH 03101-1132

**Department of the Treasury**  
**P. O. Box 2508**  
**Cincinnati, OH 45201**

**Person to Contact:**

Stephanie Broach-Camp 31-04022  
Customer Service Specialist

**Toll Free Telephone Number:**  
877-829-5500

**Federal Identification Number:**  
22-2990908

Dear Sir or Madam:

This is in response to your request of October 23, 2006, regarding your organization's tax-exempt status.

In May 1994 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Janna K. Skufca, Director, TE/GE  
Customer Account Services



### 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:**

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

Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email Address :

\*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: 603.647.5772 (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 October 2006.  
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**