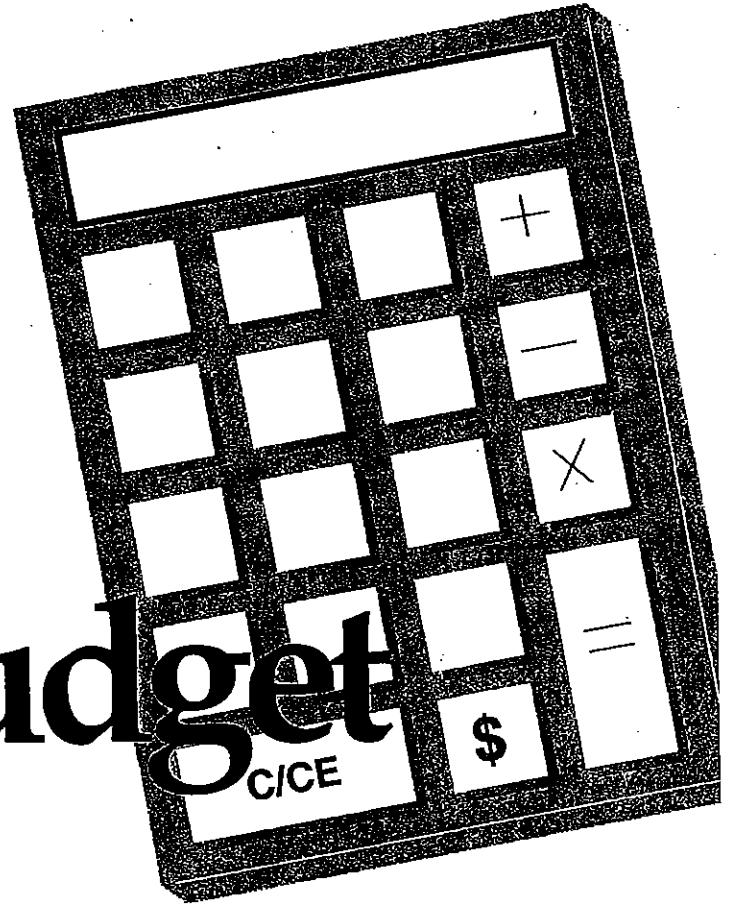


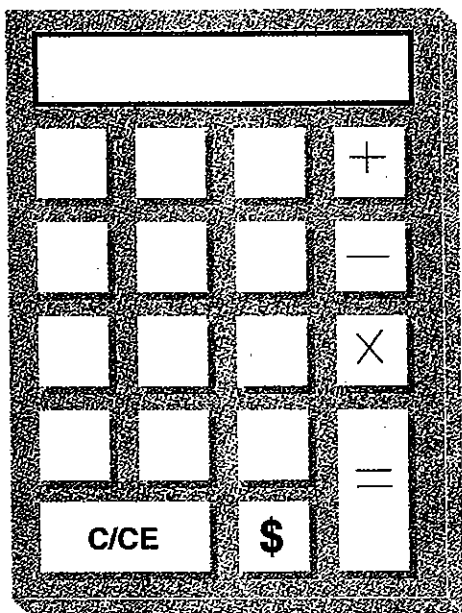
**Democratic  
National  
Committee**

**Campaign  
Training  
Manual**



# Budget





# Budget





# DEMOCRATIC \* NATIONAL \* COMMITTEE

Donald L. Fowler, *National Chair* • Christopher J. Dodd, *General Chair*



Dear Democrat:

The Democratic National Committee is deeply committed to providing our candidates and party workers with the best possible materials, information and technical assistance available. To that end, the Democratic National Committee has produced this new series of Campaign Training Manuals. Each manual focuses on a different aspect of campaigning and the whole series will help you put together an effective strategy and message and a winning campaign organization.

We believe that well trained, dedicated operatives, staff members, and volunteers are key to retaining the White House and winning Democratic majorities in the Congress and at the state and local levels. These manuals, along with the Democratic Campaign Training Academy, will give Democrats the skills needed to win in '96.

We both wish you good luck in your upcoming campaigns!

Cordially yours,

Donald L. Fowler  
National Chairman

Christopher J. Dodd  
General Chairman

## DEDICATION

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People who do the work to build effective campaigns are the unsung heroes and heroines of our democracy. They are the people who make the phone calls, walk door to door, mail the letters, write the papers, and talk to our voters. They are the people who write the campaign plans and raise the funds, who manage the candidate schedule and who recruit the volunteers. They are the people who make sacrifices every day to help the Democratic Party and make this country a better place.

These manuals are dedicated to the memory of two of our most dedicated workers, Paul Tully and Jenifer Klindt.

Paul served as the Political Director of the Democratic National Committee from 1989 - 1992. Prior to that he worked on behalf of Democratic candidates at virtually every level of political office. He had been a fixture on every Presidential campaign for three decades. In 1992, he designed and implemented the Coordinated Campaign that resulted in the election of President Bill Clinton and other Democrats throughout the nation. His wisdom and dedication lives on in the thousands of "organizers" he taught over the years. Much of what is in the pages of this and other manuals comes from Paul Tully. Day in and day out, he demonstrated the qualities that we hold most dear in political life: tireless in his dedication, brilliant in his understanding of strategy, and, above all, committed to the principles of his party and his candidates.

Jenifer embodied those same qualities. For over twenty years, she worked diligently and selflessly to strengthen the voices of working men and women in the political process. As Founder and Executive Director of the Democratic Legislative Campaign Committee, she focused her efforts on the election of Democrats to our nation's state legislatures. She spearheaded the use of new technologies in political campaigns, and masterfully trained a new generation of campaign workers.

Paul and Jenifer were each motivated by a common belief: that justice, opportunity and compassion define what is best not only about the Democratic Party, but about American society, as well. In each and every working day of their lives — lives that ended far too suddenly and far too soon — they demonstrated an uncommon devotion to their work. They inspired their peers, brought victory to their party, and helped to make America a better land for all.

In a democracy, bad government is the handiwork of good people who do not vote. Paul and Jenifer devoted their working lives to enabling good people to cast their ballot. That, they understood, is the only sure route to success for our party and our nation. These training manuals are dedicated to their memory in the hope that others will carry forward the noble cause they so ably advanced.

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# I. Executive Summary

A campaign budget is a financial blueprint of a campaign strategy. It sets to paper all the items and services the campaign plans to buy, the amounts each will cost, when each purchase is planned, and when the bill comes due.

If you tried to build a house without a blueprint, the walls would be uneven, the windows wouldn't match, and you'd be lucky if the structure didn't collapse around you. The same could be said about a campaign without a budget.

All campaigns have limited resources. The most important job of the campaign manager is to allocate resources efficiently and effectively. The campaign budget is a written plan for allocating one of the most scarce resources — money.

The budget is the one place where all elements of your campaign interconnect. When writing a budget, you are forced to put a price tag on each element or activity of your campaign plan. If the overall price of the plan is too high, you may need to adjust the plan. As you work your way through these revisions, the budget is the visual illustration of the campaign's priorities.

The budget is also, in effect, a formal request to your fundraising department. You are communicating how much money you need and when you need it to run a winning campaign — communicating, in essence, that you are counting on the fundraising team to meet these goals or let you know in a timely fashion that the goals can't be met.

The campaign budget is a series of choices you have made, priorities you have set. It is the campaign plan expressed in numbers. With the resources projected to be available, this is your formula for winning.

Of course, the budget is never set in stone. New information sometimes alters campaign strategy, and the budget must be revised accordingly. You may decide to send out one more piece of persuasion mail or purchase paid television advertisements a few days earlier than expected. These decisions will change your budget. But while your budget should be expected to go through many stages, it should never be changed on impulse. Each new campaign plan and budget should reflect your best blueprint for victory, all things reconsidered.

## II. OVERVIEW

### What Does a Budget Look Like?

On the following pages you will find two sample budgets: one for a congressional race, and one for a state legislative campaign.

### Budget Format

As you can see, a campaign budget is a two-dimensional spreadsheet. You list your programs and all the activities and elements that make up each program down the left column, and you list units of time (quarters, months, weeks, days) across the top. All spreadsheet software packages on the market today can assist you in setting up your budget.

While there are many options for how a final budget can look, in this manual, when we refer to a campaign budget, it is a budget consistent with the following rules:

§ Expenses are grouped by department. For example, you will see printing and postage under numerous departments. Each staff member should be listed under its respective department. You may even have travel under more than one department.

§ Each department has a subtotal. The expense subtotals of a program budget allow the campaign manager to identify the costs of each department. For example, to easily monitor what percentage of the budget is being spent on the central headquarters' field organization as opposed to regional field office activities.

§ All expenses will be listed under the appropriate unit of time. In your campaign, that may be quarters, months, weeks or days. As the campaign progresses, the units of time on your budget should become increasingly smaller. (See sample budget on following pages.)

§ Each time unit is broken into two columns: "budget" and "actual." As you begin to spend money, you will need to keep the "actual" column up to date.



## Why Do You Need a Budget?

A seemingly perfect campaign strategy is useless unless the manager can develop a realistic budget that pays for it. A campaign budget serves as a road map for the campaign manager, and provides continuity in times of chaos. In addition, it can serve as an indicator that your campaign is viable. For example, a campaign could have the largest trained staff, the biggest yard signs, and the most in-depth research data. However, if the campaign does not have the money in the bank for the final paid-media push, victory may be elusive. A campaign budget keeps the campaign on track.

A budget helps a campaign manager:

**Spend smart.** All campaigns have limited resources. There is no money to waste. Dollars should not be spent on impulse. Always ask yourself, "was this item budgeted?"

**Stay on track.** When dozens of people realize that the key to winning the election is just one hundred more car-top signs or a few thousand personalized emery boards, the budget will be there to provide the answer. Even if the cash is available, if it has not been budgeted for, it is not in the plan.

**Establish credibility.** Members of your Finance Committee, major donor prospects (including corporate donors if allowed by law), political action committees (PACs), Democratic Party committees and opinion leaders often want to see a version of your budget to help them understand and believe in your strategy. Even consultants you plan to hire may want to see a budget. For these players, a summary of your budget is a prerequisite to establishing your credibility and proving your sophistication. They know that a plan is not a "campaign plan" until it has been tallied up and committed to paper.

**Manage through crises.** It is not the least bit unusual for campaigns to enter into stages of crisis management at any moment. A completed budget process and corresponding documents can be very useful to the campaign in these times.



## SAMPLE BUDGET FOR A STATE LEGISLATIVE RACE (2 pages)

	June	Actual	July	Actual	August	Actual	September	Actual
<b>ADMINISTRATION</b>								
Campaign Manager	\$1,500		\$1,500		\$1,500		\$1,500	
Comptroller	\$800		\$800		\$800		\$800	
Rent/Utilities	\$500		\$500		\$500		\$500	
Furniture/Office Equipment	\$95		\$95		\$95		\$95	
Computer Hardware & Software	\$125		\$0		\$0		\$0	
Phone Install/Deposit	\$300		\$0		\$0		\$0	
Phone/FAX Use	\$100		\$100		\$100		\$100	
Letterhead & Envelopes	\$1,500		\$0		\$0		\$0	
Photocopying	\$150		\$150		\$150		\$150	
Postage/Courier	\$50		\$100		\$100		\$100	
Office Supplies	\$200		\$150		\$100		\$150	
Payroll Taxes/FICA/Health Ins./Soc. Sec.	\$750		\$750		\$750		\$750	
Miscellaneous (Coffee, Volunteer Snacks)	\$15		\$15		\$30		\$30	
SUBTOTAL	\$6,085		\$4,160		\$4,125		\$4,175	
<b>FUNDRAISING</b>								
Finance Director	in-kind		\$0		\$0		\$0	
Printing - Invitations & Invite Envelopes	\$750		\$0		\$0		\$1,000	
Printing - BREs	\$1,000		\$0		\$0		\$500	
Postage -- Meter, Stamps, Bulk	\$500		\$300		\$500		\$700	
Business Reply Account	\$250		\$100		\$100		\$100	
Event Costs	\$0		\$500		\$0		\$250	
SUBTOTAL	\$2,500		\$900		\$600		\$2,550	
<b>MEDIA - Paid</b>								
Persuasion Mail	\$0		\$0		\$0		\$5,000	
Persuasion Mail Consultant Fees/Expenses	\$0		\$0		\$0		\$200	
TV/Radio Production	\$0		\$0		\$0		\$2,000	
TV/Radio Time	\$0		\$0		\$0		\$0	
Time Buyer	\$0		\$0		\$0		\$0	
<b>MEDIA - Earned</b>								
Press Secretary	\$0		\$0		\$0		\$500	
Equipment	\$150		\$0		\$0		\$0	
Newspapers/Publications	\$25		\$25		\$25		\$25	
SUBTOTAL	\$175		\$25		\$25		\$7,725	
<b>FIELD ORGANIZATION</b>								
Field Director	\$0		\$0		\$0		\$500	
Brochures	\$0		\$2,000		\$0		\$0	
Palm Cards	\$0		\$0		\$0		\$0	
Yard Signs	\$0		\$0		\$0		\$0	
Bumper Stickers	\$0		\$500		\$0		\$0	
Voter Lists	\$1,000		\$0		\$0		\$0	
Paid Phonebank	\$0		\$0		\$0		\$0	
Election Day Expenses	\$0		\$0		\$0		\$0	
SUBTOTAL	\$1,000		\$2,500		\$0		\$500	
<b>RESEARCH</b>								
Baseline / Tracking Polls	\$0		\$0		\$0		\$6,000	
Polling Consultant Travel & Expenses	\$0		\$0		\$0		\$150	
Opposition Research	\$1,000		\$0		\$0		\$0	
SUBTOTAL	\$1,000		\$0		\$0		\$6,150	
<b>TOTAL:</b>	<b>\$10,760</b>		<b>\$7,585</b>		<b>\$4,750</b>		<b>\$21,100</b>	



**SAMPLE BUDGET FOR A STATE LEGISLATIVE RACE, continued**

	October Wks 1 & 2	Actual	October Wks 3 & 4	Actual	Nov. Wk 1	Actual	Nov. Wk 2	TOTAL
<b>ADMINISTRATION</b>								
Campaign Manager	\$750		\$750		\$0		\$750	\$8,250
Comptroller	\$400		\$400		\$0		\$400	\$4,400
Rent/Utilities	\$500		\$0		\$250		\$0	\$2,750
Furniture/Office Equipment	\$95		\$0		\$95		\$0	\$570
Computer Hardware & Software	\$0		\$0		\$0		\$0	\$125
Phone Install/Deposit	\$0		\$0		\$0		\$0	\$300
Phone/FAX Use	\$0		\$175		\$0		\$75	\$650
Letterhead & Envelopes	\$0		\$0		\$0		\$0	\$1,500
Photocopying	\$0		\$150		\$0		\$75	\$825
Postage/Courier	\$75		\$75		\$50		\$25	\$575
Office Supplies	\$75		\$75		\$50		\$50	\$850
Payroll Taxes/FICA/Health Ins./Soc. Sec.	\$375		\$375		\$0		\$375	\$4,125
Miscellaneous (Coffee, Volunteer Snacks)	\$25		\$25		\$25		\$25	\$190
<b>SUBTOTAL</b>	<b>\$2,295</b>		<b>\$2,025</b>		<b>\$470</b>		<b>\$1,775</b>	<b>\$25,110</b>
<b>FUNDRAISING</b>								
Finance Director	\$0		\$0		\$0		\$0	\$0
Printing - Invitations & Invite Envelopes	\$600		\$0		\$0		\$0	\$2,350
Printing - BREs	\$0		\$0		\$0		\$0	\$1,500
Postage -- Meter, Stamps, Bulk	\$500		\$500		\$300		\$200	\$3,500
Business Reply Account	\$100		\$100		\$75		\$0	\$825
Event Costs	\$500		\$200		\$0		\$0	\$1,450
<b>SUBTOTAL</b>	<b>\$1,700</b>		<b>\$800</b>		<b>\$375</b>		<b>\$200</b>	<b>\$9,625</b>
<b>MEDIA - Paid</b>								
Persuasion Mail	\$0		\$20,000		\$5,000		\$0	\$30,000
Persuasion Mail Consultant Fees/Expenses	\$1,000		\$1,000		\$1,000		\$0	\$3,200
TV/Radio Production	\$0		\$0		\$0		\$0	\$2,000
TV/Radio Time	\$0		\$5,000		\$9,000		\$4,500	\$18,500
Time Buyer	\$0		\$500		\$1,000		\$500	\$2,000
<b>MEDIA - Earned</b>								
Press Secretary	\$250		\$250		\$0		\$500	\$1,500
Equipment	\$0		\$0		\$0		\$0	\$150
Newspapers/Publications	\$25		\$0		\$15		\$0	\$140
<b>SUBTOTAL</b>	<b>\$1,275</b>		<b>\$26,750</b>		<b>\$16,015</b>		<b>\$5,500</b>	<b>\$57,490</b>
<b>FIELD ORGANIZATION</b>								
Field Director	\$250		\$250		\$0		\$250	\$1,250
Brochures	\$0		\$0		\$0		\$0	\$2,000
Palm Cards	\$0		\$0		\$1,000		\$0	\$1,000
Yard Signs	\$1,000		\$0		\$0		\$0	\$1,000
Bumper Stickers	\$0		\$0		\$0		\$0	\$500
Voter Lists	\$0		\$0		\$0		\$0	\$1,000
Paid Phonebank	\$0		\$200		\$0		\$2,000	\$2,200
Election Day Expenses	\$0		\$0		\$0		\$300	\$300
<b>SUBTOTAL</b>	<b>\$1,250</b>		<b>\$450</b>		<b>\$1,000</b>		<b>\$2,550</b>	<b>\$9,250</b>
<b>RESEARCH</b>								
Baseline / Tracking Polls	\$0		\$0		\$4,000		\$0	\$10,000
Polling Consultant Travel & Expenses	\$0		\$0		\$200		\$0	\$350
Opposition Research	\$0		\$0		\$0		\$0	\$1,000
<b>SUBTOTAL</b>	<b>\$0</b>		<b>\$0</b>		<b>\$4,200</b>		<b>\$0</b>	<b>\$11,350</b>
<b>TOTAL:</b>	<b>\$6,520</b>		<b>\$30,025</b>		<b>\$22,060</b>		<b>\$10,025</b>	<b>\$112,825</b>

## SAMPLE BUDGET FOR A CONGRESSIONAL RACE

	June	July	August	September	October Wks 1 & 2	October Wks 3 & 4	November	TOTAL
<b>ADMINISTRATION</b>								
Campaign Manager	\$3,500	\$3,500	\$3,500	\$3,500	\$1,750	\$1,750	\$1,750	\$19,250
Office Manager/Volunteer Coordinator	\$1,200	\$1,200	\$1,200	\$1,200	\$600	\$600	\$3,000	\$9,000
Comptroller	\$1,500	\$1,500	\$1,500	\$1,500	\$750	\$750	\$750	\$8,250
Scheduler	\$1,500	\$1,500	\$1,500	\$1,500	\$750	\$750	\$375	\$7,875
Rent/Utilities	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$0	\$500	\$5,500
FAX / XEROX Machine	\$300	\$300	\$300	\$300	\$300	\$0	\$300	\$1,800
Computer Hardware/Software - In-Kind	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Phone Install/Deposit	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
Phone/FAX Use	\$400	\$800	\$1,000	\$1,000	\$1,300	\$0	\$1,200	\$5,700
Letterhead & Envelopes & Remits	\$2,500	\$0	\$0	\$0	\$500	\$0	\$0	\$3,000
Photocopying	\$200	\$200	\$200	\$350	\$200	\$200	\$200	\$1,550
Postage/Courier	\$200	\$250	\$250	\$250	\$125	\$125	\$50	\$1,250
Office Supplies	\$100	\$100	\$100	\$100	\$75	\$75	\$50	\$600
Payroll Taxes/FICA/Health Ins./SS								\$0
Candidate Travel/Expenses, inc. cellular	\$300	\$400	\$400	\$400	\$200	\$200	\$100	\$2,000
Miscellaneous	\$100	\$100	\$100	\$100	\$50	\$50	\$25	\$525
<b>SUBTOTAL</b>	<b>\$14,300</b>	<b>\$10,850</b>	<b>\$11,050</b>	<b>\$11,200</b>	<b>\$7,600</b>	<b>\$4,500</b>	<b>\$8,300</b>	<b>\$67,800</b>
<b>FUNDRAISING</b>								
Finance Director	\$3,000	\$3,000	\$3,000	\$3,000	\$1,500	\$1,500	\$750	\$15,750
Fundraising Staff	\$0	\$0	\$1,000	\$2,500	\$2,000	\$2,000	\$1,000	\$8,500
Printing - Invitations	\$500	\$1,000	\$1,000	\$1,000	\$500	\$0	\$0	\$4,000
Postage (thank yous)	\$150	\$200	\$200	\$200	\$150	\$150	\$200	\$1,250
Event Costs	\$0	\$500	\$1,500	\$1,500	\$500	\$0	\$0	\$4,000
Direct Mail (prospects & resolicit)	\$750	\$1,000	\$1,000	\$1,000	\$500	\$500	\$0	\$4,750
<b>SUBTOTAL</b>	<b>\$4,400</b>	<b>\$5,700</b>	<b>\$7,700</b>	<b>\$9,200</b>	<b>\$5,150</b>	<b>\$4,150</b>	<b>\$1,950</b>	<b>\$38,250</b>
<b>MEDIA - Paid</b>								
TV/Radio Production	\$0	\$0	\$0	\$15,000	\$10,000	\$5,000	\$0	\$30,000
TV/Radio Time	\$0	\$0	\$0	\$0	\$25,000	\$160,000	\$115,000	\$300,000
Media Consultant Fee & Expenses	\$0	\$7,000	\$0	\$7,000	\$0	\$0	\$0	\$14,000
Persuasion Mail	\$0	\$0	\$0	\$0	\$0	\$83,500	\$0	\$83,500
Persuasion Mail Consultant Fees/Expenses	\$0	\$3,500	\$3,500	\$3,500	\$0	\$0	\$0	\$10,500
<b>MEDIA - Earned</b>								\$0
Press Secretary	\$0	\$1,500	\$1,500	\$1,500	\$750	\$750	\$375	\$6,375
Equipment (fax modem, tape recorder)	\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$600
Newspapers/Publications	\$100	\$100	\$100	\$100	\$100	\$0	\$25	\$525
<b>SUBTOTAL</b>	<b>\$100</b>	<b>\$12,700</b>	<b>\$5,100</b>	<b>\$27,100</b>	<b>\$35,850</b>	<b>\$249,250</b>	<b>\$115,400</b>	<b>\$445,500</b>
<b>FIELD ORGANIZATION</b>								
Field Director	\$0	\$0	\$1,500	\$1,500	\$750	\$750	\$375	\$4,875
Field Staff	\$0	\$0	\$0	\$0	\$500	\$500	\$250	\$1,250
Palm Cards / Walk Brochure	\$0	\$8,000	\$0	\$0	\$2,000	\$0	\$0	\$10,000
Yard Signs	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$5,000
Voter Lists	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$3,000
Paid Phonebank (coordinated campaign)								\$0
Election Day Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$5,000
<b>SUBTOTAL</b>	<b>\$0</b>	<b>\$11,000</b>	<b>\$1,500</b>	<b>\$6,500</b>	<b>\$3,250</b>	<b>\$1,250</b>	<b>\$5,625</b>	<b>\$29,125</b>
<b>RESEARCH</b>								
Polls (Baseline, Tracking)	\$0	\$16,000	\$0	\$0	\$8,000	\$0	\$0	\$24,000
Focus Groups	\$0	\$0	\$0	\$8,000	\$0	\$0	\$0	\$8,000
Polling Consultant Fee & Expenses	\$0	\$750	\$750	\$750	\$750	\$0	\$0	\$3,000
Research (candidate & opponent)	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Targeting Data (in-kind)	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$2,500
<b>SUBTOTAL</b>	<b>\$20,000</b>	<b>\$19,250</b>	<b>\$750</b>	<b>\$8,750</b>	<b>\$8,750</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,500</b>
<b>TOTAL:</b>	<b>\$35,700</b>	<b>\$56,400</b>	<b>\$23,000</b>	<b>\$59,650</b>	<b>\$59,050</b>	<b>\$257,600</b>	<b>\$128,525</b>	<b>\$619,925</b>



## The Budget and the Campaign Plan

Let's say the campaign plan is an automobile. The campaign budget is like the steering wheel: you could try to drive a car without a steering wheel, but who knows where it will go?

The campaign plan and the budget are dependent on each other. Changes in the campaign plan will almost always be reflected by changes in the campaign budget. While the campaign is a combination of all the campaign's strategies and tactics — those that cost money and those that don't — the budget summarizes those items and activities in the campaign plan which cost money. As the campaign progresses, the plan and the budget need to be coordinated every step of the way.

For example, say the campaign plan calls for a certain piece of literature to be delivered to a targeted universe of voters. The plan initially called for those pieces to be delivered by mail. When the plan changes so the piece will be dropped by volunteers (therefore saving the campaign money), the budget must change accordingly.

It is important to note that the majority of your fundraising activity needs to take place before the final six to eight weeks of the campaign. During that crucial last two months you will spend the majority of the money you have labored to raise. Your campaign plan must reflect this budgetary reality.

***A**s the campaign progresses, the plan and the budget need to be coordinated every step of the way.*

## **III. Preparing a Campaign Budget**

### **Necessary Resources**

When you're ready to write the first draft of your campaign budget, what do you need? The following list will guide you through the process:

**1. A FRANK ASSESSMENT OF YOUR CAMPAIGN'S FUNDRAISING POTENTIAL.**

There is no sense writing a budget you can't afford. Research your candidate's history of past fundraising activities, consult with your finance director and then create three estimates (high, medium and low) of the financial resources likely to be available to the campaign.

**2. A COPY OF YOUR CAMPAIGN PLAN.**

The budget must reflect the campaign plan. For each activity listed in the plan, you will need to decide how much you plan to spend and when you want it spent.

**3. DETAILED PROJECTED BUDGETS FROM EACH DEPARTMENT OF THE CAMPAIGN.**

Where you have hired staff, they will need to submit estimated budgets for their projected programs. Where you haven't, you will need to make the estimates for yourself.

**4. DETAILED PROJECTED BUDGETS FROM EACH CAMPAIGN CONSULTANT.**

If you have not yet hired consultants, collect the best estimates you can. For example, call local printers, graphic designers, mail vendors, television and radio stations — or contact other individuals who have worked on a campaign in your area.

**5. A COPY OF APPROPRIATE CAMPAIGN FUNDRAISING AND SPENDING LAWS.**

If your campaign is a federal race, you can get the information from the Federal Election Commission. For a state or local race, contact your local board of elections office.

**6. AN ACCOUNTING SOFTWARE PACKAGE.**

There are numerous computer software products designed specifically to link your expenditures, financial contributions and compliance reporting activities together. Shop around and find an affordable package that works for you and your campaign.



## Participants In the Budget Process

The campaign manager is ultimately responsible for the budget. However, depending upon the size of your campaign, there are at least three other individuals who should be included early in the preparation stages. They are:

### THE CANDIDATE

The candidate clearly has the most at stake in any race. Therefore, he or she needs to be consulted early in the budget process. Key areas need to be discussed, for instance:

- ✗ Past campaign activities and their costs.
- ✗ Available personal resources.
- ✗ Willingness to operate with a debt.

### THE FINANCE DIRECTOR

One challenge commonly faced by campaigns is having the necessary financial resources in the bank when the bills come due. By including the finance director in the early stages of budgeting, you are giving him or her a greater understanding of the strategy behind each expense item and its payment schedule. This lays the groundwork for a workable cashflow operation.

*The budget is a highly confidential document. Limit access to those who need to know.*

### THE COMPTROLLER

The position of comptroller is essential in every campaign — this is the person who essentially “owns” the budget. While small campaigns may not have a single staff person devoted to this role, the role nevertheless needs to be filled. In the early stages of preparing the budget, the comptroller (or person who will be filling this role) should be prepared to give estimated prices for various elements of the campaign plan.

Input on the budget is helpful. However, one must always remember that the budget reflects your campaign plan. It is a highly confidential document. Limit access to those who need to know.

## Guidelines

Every campaign is different, and budgets for statewide campaigns are clearly more complex than those of small local races. It is important to note that much of the field operation of a campaign can be paid for out of the Coordinated Campaign, if in fact that there are joint field operations with other campaigns. So field operations may be a much more substantial part of your campaign activity, but it may not be reflected as that substantial a part of your individual campaign budget.

However, there are some basic guidelines for allocation of resources that can keep you on target:

Administration:	10% - 20%
Fundraising:	10% - 15%
Media:	50% - 70%
Field Organization:	5% - 10%
Research:	5% - 15%

As you begin to work through the initial draft of your campaign budget, you may want to set up a worksheet for specific campaign activities. For example, within your field organization budget, you might find it helpful to create a separate "materials" budget. (See Appendix A.) In addition, you may want to refer to a sample price list in the preliminary stages of preparing your budget. (See Appendix B.) However, keep in mind that prices change rapidly and every race is different. Do your own research.

Furthermore, your campaign may be in a position to benefit from the Democratic state party Coordinated Campaign activities. It is designed by the statewide candidates and is reflective of the general election strategy of the party nominees. Coordinated Campaigns allow campaigns at all levels to pool their resources and perform basic organizational tasks - such as voter registration and absentee ballots - that benefit all Democratic candidates in the general election.

Your campaign should be prepared to review all Coordinated Campaign activities and your budget should reflect these opportunities. Contact your state party executive director for more information.

Finally, remember that the majority of the money raised in your campaign will need to be allocated toward those activities that communicate the message of the campaign directly to the voters. Resources are often interchangeable. You may find that volunteers can be substituted for an activity you initially budgeted money for. (See Appendix C.) Most campaigns must be in a position to do everything they can to maximize the percentage of resources to be spent on paid advertising: television, radio and direct mail.



## Budget Categories

Following the guidelines outlined above, you are ready to begin developing your budget. Review your plan, step by step. Be specific. All of your expenses should be able to fall under one of the categories outlined. For instance, you may decide to separate all office overhead costs by each division as shown below. On the other hand, you may decide to categorize all photocopying and phone bills under administration. Remember, this is just a menu to help you. Obviously your campaign budget will not include all these items.

### ADMINISTRATION

- |  |   |
|--|---|
| <input type="checkbox"/> Campaign Manager Salary             | <input type="checkbox"/> Office Manager Salary            |
| <input type="checkbox"/> Comptroller Salary                  | <input type="checkbox"/> Scheduler Salary                 |
| <input type="checkbox"/> Speechwriter Salary                 | <input type="checkbox"/> Database Manager Salary          |
| <input type="checkbox"/> Data Entry Staff Salary             | <input type="checkbox"/> Computer Consultant              |
| <input type="checkbox"/> Administrative Staff Expenses       | <input type="checkbox"/> Administrative Staff Travel      |
| <input type="checkbox"/> Candidate Expenses                  | <input type="checkbox"/> Candidate Travel                 |
| <input type="checkbox"/> Legal Fees                          | <input type="checkbox"/> Rent                             |
| <input type="checkbox"/> Utilities                           | <input type="checkbox"/> Office Insurance                 |
| <input type="checkbox"/> Parking                             | <input type="checkbox"/> Furniture                        |
| <input type="checkbox"/> Petty Cash                          | <input type="checkbox"/> Phone Equipment                  |
| <input type="checkbox"/> Phone Installation                  | <input type="checkbox"/> Phone Deposits                   |
| <input type="checkbox"/> Phone Bill:                         |   |
| <input type="checkbox"/> Local                               | <input type="checkbox"/> Long Distance                    |
| <input type="checkbox"/> Cellular                            | <input type="checkbox"/> Car Phone                        |
| <input type="checkbox"/> Beeper Costs                        | <input type="checkbox"/> Office Supplies                  |
| <input type="checkbox"/> Computer Supplies                   | <input type="checkbox"/> Computer Hardware                |
| <input type="checkbox"/> Computer Software                   | <input type="checkbox"/> Computer "On-line" costs         |
| <input type="checkbox"/> Copier Rental & Maintenance         | <input type="checkbox"/> Photocopy Fees                   |
| <input type="checkbox"/> Fax Machine                         | <input type="checkbox"/> Outside Broadcast Faxing Service |
| <input type="checkbox"/> Postage Meter Rental                |   |
| Postage: <input type="checkbox"/> Metered                    | <input type="checkbox"/> Stamps                           |
| <input type="checkbox"/> Bulk Mail Account                   | <input type="checkbox"/> Business Reply Account           |
| <input type="checkbox"/> Business Reply Account Setup Fees   | <input type="checkbox"/> Bulk Mail Account Setup Fees     |
| <input type="checkbox"/> Bank Charges (checks, process fees) | <input type="checkbox"/> Overnight Mail                   |
| <input type="checkbox"/> Messenger Service                   |   |
| Printing: General Office Use                                 |   |
| <input type="checkbox"/> Letterhead                          | <input type="checkbox"/> Envelopes                        |
| <input type="checkbox"/> Other                               |   |
| <input type="checkbox"/> Graphic Design Fees                 | <input type="checkbox"/> Health Insurance: All Staff      |
| <input type="checkbox"/> Payroll Taxes: All Staff            | <input type="checkbox"/> Workers' Compensation: All Staff |
| <input type="checkbox"/> Office Maintenance                  | <input type="checkbox"/> Miscellaneous                    |



## FUNDRAISING

- Finance Director Salary
- Fundraising Staff Salaries
- Fundraising Staff Expenses
- Fundraising Staff Travel
- Fundraising Postage
- Fundraising Printing
- Fundraising Photocopying

### Event Costs:

- Printing
- Graphics
- Catering
- Postage
- Facility Rentals
- Sound System Rentals
- Entertainment

### Direct Mail Costs:

- Consultant Fees
- Printing
- Production
- Postage
- Rental of Fundraising Lists
- Lock Box Fee

### Telemarketing:

- Consultant Fees
- Program Fees
- In-Kind Contributions

(All in-kind contributions must be reported as both a source of income and as an expenditure for financial reports. Remember, individuals are donating a product or service that you would ordinarily have to pay for. Furthermore, the donated dollars have already been spent, and your records have to accurately reflect this activity.)

- Refund Contributions



**MEDIA**

**PAID:**

- \_\_\_ Media Consultant Fees
- \_\_\_ Media Consultant Expenses
- \_\_\_ Media Consultant Travel
- \_\_\_ Persuasion Mail Consultant Fees
- \_\_\_ Persuasion Mail Consultant Expenses
- \_\_\_ Persuasion Mail Consultant Travel
- \_\_\_ TV Production
- \_\_\_ TV Time
- \_\_\_ Radio Production
- \_\_\_ Radio Time
- \_\_\_ Time Buyer
- \_\_\_ Print Ads
- \_\_\_ Persuasion Mail

**EARNED:**

- \_\_\_ Press Secretary Salary
- \_\_\_ Press Department Staff Salaries
- \_\_\_ Press Department Staff Expenses
- \_\_\_ Press Department Staff Travel
- \_\_\_ Press Department Postage
- \_\_\_ Press Department Printing
- \_\_\_ Press Department Photocopying
- \_\_\_ Newspaper Subscriptions
- \_\_\_ Newspaper Clipping Service
- \_\_\_ Press Fax Machine
- \_\_\_ Outside Broadcast Faxing Service
- \_\_\_ Video Releases
- \_\_\_ Satellite Feeds
- \_\_\_ Tape Recorder and Microphone
- \_\_\_ TV (or TV rental)
- \_\_\_ VCR (or VCR rental)

## FIELD ORGANIZATION

- Political Director Salary
  - Field Director Salary
  - Volunteer Coordinator Salary
  - Field Staff Salaries
- Constituency Organizers
- Labor Coordinator
  - Student Coordinator
  - Seniors Coordinator
  - Field Organization Training
  - Field Organization Expenses
  - Field Organization Travel
  - Field Organization Postage
  - Field Organization Printing
  - Field Organization Photocopying

### Field Office(s):

- Rent
- Utilities
- Postage
- Supplies
- Equipment Rental
  - Copiers
  - Computer
  - Fax Machine
  - Postage Machine
  - Phone Equipment
  - Phone Installation
  - Phone Deposit
- Phone Bills:
  - Local
  - Long Distance

### Field Organization Events

- Announcement
- Debate Parties
- Caucus/Convention
- Primary Night
- Election Night

### Field Paraphernalia

- Buttons
- Bumper stickers
- Yard Signs
- Window Signs
- Brochures
- Palm Cards
- Pole signs
- Lapel Stickers
- Banners

### Field Activities

- Voter registration
- Early Vote Project
- Absentee ballots
- Field Phonebanks
- Phonebank Consultant

### Voter Lists

- Phone Lists
- Walk Lists
- Cards
- Get-Out-The-Vote



## RESEARCH

- \_\_\_ Research Director Salary
- \_\_\_ Issues Director Salary
- \_\_\_ Research Consultant Fee
- \_\_\_ Research Staff Salaries
- \_\_\_ Research Staff Expenses
- \_\_\_ Research Staff Travel
- \_\_\_ Research Postage
- \_\_\_ Research Printing
- \_\_\_ Research Photocopying
- \_\_\_ Periodicals
- \_\_\_ Targeting Data
- \_\_\_ Polling Consultant Fee
- \_\_\_ Polling Consultant Expenses
- \_\_\_ Polling Consultant Travel
- \_\_\_ Polls
  - \_\_\_ Baseline
  - \_\_\_ Tracking
- \_\_\_ Focus Groups
- \_\_\_ Lexis/Nexis Service

## Budget Do's and Don'ts

**DO** consider every expense in your campaign plan. Try to picture the activity taking place, so that you envision all the hidden costs in each step.

**DO** save copies of your calculations. After you calculate an expense and place the figure into the budget, save the "basis" for the figure, for example, how many units, cost per unit. As you research you may find out information that will change your calculations and it will be helpful to know what you based your numbers upon.

**DO** estimate. There will be many numbers that you just don't feel confident about. Make an educated estimate, and mark it as such. Keep a list of items you need to research and numbers you need to verify. As you get more accurate numbers, recalculate your budget.

**DO** set aside money for your media buy. Consider setting up a separate "media account," that is used solely for paid media activities and earns you interest.

**DON'T** assume that the budget from another campaign will suffice for your current campaign. Every election is different. Think for yourself.

**DON'T** lump expenses together on the same budget line. It's good to remind yourself of all the costs you will have to face within every campaign program.

**DON'T** assume that when you budget a particular expense that it is also when you need to pay for that expense. Your budget should reflect when checks must be written, cashed and disbursed.

**DON'T** plan to end with a deficit. Be fair to the individuals and businesses that trust your campaign to pay its bills. Plan to pay them what you agreed to pay when you agreed to pay.

**DON'T** rush. The budget is crucial, so take your time and do it right.



## Planning For Contingencies

You finally finished your budget — but wait, you're not through. Hopefully, your campaign team will work night and day to raise the contributions necessary to fund your planned budget. What if you're a bit short? Or what if you actually raise more money than expected? To plan for these contingencies, you have to design a low and a high budget.

In preparing a low budget, you need to ask what is the very minimum you need to spend on each campaign program (or which programs could be cut altogether), and still win. Create this budget and save it. If you discover that you need to cut the budget, this document will come in handy.

If extra money comes your way, it is likely everyone in the campaign will have a scheme for using the windfall. Be thoughtful. Prepare a high budget now so that you will use extra money as carefully as you used the planned-for money.

## IV. Making Your Budget Work for You

### The Budget as a Living Document

Once you have designed the initial campaign budget, you will need to use it — week by week, day by day, hour by hour. Don't let it sit on the shelf.

Every day you learn something new about your expenses — your opponent has placed an early TV buy — your consultants suggest a targeting change based upon new research — your volunteers are eating pizza at an alarming rate.

The budget needs to reflect your new decisions.

But remember: budget decisions cause tension. You may have to cut a program or activity that a member of your senior staff or finance committee feels is vital. Offering a private arena to hear from those who are affected can often help morale and prevent them airing their grievances publicly.

### Monitoring Cash Flow

It is the responsibility of the campaign manager to compare expected and actual income, expected and actual bills due, and reconcile them with the campaign budget. With each new piece of information, the budget should be updated and reviewed. Early in the campaign, the campaign manager, finance director and budget staff should begin meeting weekly to discuss the budget. At these weekly budget meetings, the budget team should review the documents listed below. (In the final stretch of the campaign, these meetings will take place daily.)

*The finance director must be prepared to provide daily and weekly fundraising projections at each budget meeting.*

#### UPDATED FUNDRAISING PROJECTIONS

Accurate fundraising projections are essential for budget discussions. The finance director must be prepared to provide daily and weekly fundraising projections at each budgetary meeting. Both hard and soft pledges should be reviewed.



## **CASH FLOW REPORT**

The difference between expenses and contributions period by period is your cash flow. The cash flow informs the campaign manager of how much money is available to be spent. A daily and/or weekly cash flow report must be generated by the budget operation of the campaign and reviewed at the budget meetings. (See Appendix D & E for sample weekly cash flow reports.)

## **OUTSTANDING BILLS**

Controlling costs internally is a key element to any budget. At the weekly budget meetings, your comptroller should present all outstanding bills. Your campaign should establish and implement a strict check request and reimbursement procedure. (See Appendix F for sample check request form.)

## **UPDATED BUDGET**

As projected expenses become actual expenses, the budget should be updated to show what you actually spent. For example, when you receive a \$117.65 phone bill for June and you pay that bill, the budget column for June will still read \$100.00, but the actual column of your budget will read "\$117.65." At the end of the month, you will have two totals to look at, the budget column and the actual column.

## **Staffing the Budget Operation**

The campaign manager has the overall responsibility to create, analyze, revise and implement the budget. That means they have to fully understand where all the money is coming from and where it is going at all times. However, they cannot do this in a vacuum. Below is a suggested budget operation. In smaller races, some of these positions would be combined. In larger races, the staff size would be expanded.

- ✓ **Finance Director:** responsible for raising the money, overseeing all fundraising expenses, and providing candid, skillful estimates of projected income.
- ✓ **Comptroller:** responsible for receiving and prioritizing the campaign's bills and consulting with the campaign manager to determine a payment schedule. Oversees bank deposits, posting, reporting and generating all expense reports. In charge of processing expenditure and reimbursement requests.
- ✓ **Treasurer:** responsible for reviewing and signing the financial reports filed with the Federal Election Commission, or the state or local board of elections office.



## Compliance Activities

Compliance procedures present not only a responsibility for the budget staff but an opportunity for the overall campaign. Campaign finance disclosure reports tell the world how much money you have raised and from whom, and how much money you have spent and where.

The first step you must take is to research the campaign finance disclosure laws that apply to your race. Check federal, state and local laws. (Most election boards will send you a copy of all relevant election laws when your campaign committee is filed.) Read and understand them. Don't be afraid to get advice from an experienced lawyer and accountant who specialize in the law of campaign finance.

The second step of compliance procedures is to design all campaign accounting systems in accordance with these laws. You will want to set up an organized record-keeping operation that includes detailed check request and reimbursement systems. The fundraising team, comptroller and treasurer should be responsible for understanding and implementing compliance procedures throughout the campaign.

Organize the campaign's financial information strategically. For example, the laws in your particular state for reporting contributions may be limited to those contributions over a certain dollar figure. However, you may want to show the grassroots support for your candidate — you may therefore decide to include every single contributor when filing your report.

Finally one of the most effective ways to deliver the message of a winning campaign is to file a financial disclosure report with a strong cash on hand balance. However, this is not done in a vacuum 48 hours before the report is due. You begin your compliance strategy on day one of your budgeting process.

*One of the most effective ways to deliver the message of a winning campaign is to file a financial disclosure report with a strong cash on hand balance.*



## **V. Conclusion**

A campaign budget is nothing less than the campaign plan expressed in terms of dollars and cents. Reduced to paper in columns that rigorously match functions to costs, the budget reflects your campaign priorities, charts the path to funding these priorities, and tells you where on this path you are every day to Election Day.

But the budget you begin on the first serious day of your campaign will look very different each day. The budget is a living document. New demands on your spending for the priorities you have already chosen, simultaneous important projects looking for the same dollar, new priorities that arise, and the ebb and flow of money — all compete for attention as a campaign heats up.

If you budget carefully, monitoring and adjusting the budget to maintain a constant and real picture of your campaign, the budget can act as a firewall against decisions made amidst the heat of the campaign and become the most important strategic tool you have.

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## ***VI. Appendix***



**APPENDIX A — DRAFT SAMPLE MATERIALS BUDGET**

DATE: \_\_\_\_\_

**COUNTS**  
**(High/Medium/Low)**

**ESTIMATED COSTS**

**1. Literature: Campaign Brochure**

- a. Central office
- b. Four regional areas
- c. Special Events
- d. Bi-lingual English/Spanish

Subtotal:

**2. Buttons & Bumper stickers**

- a. Central office
- b. Four regional areas
- c. Special events

Subtotal:

**3. Window Signs**

- a. Central office
- b. 4 regional areas
- c. Special events

Subtotal:

**4. Yard Signs**

- a. Central office
- b. Four regional areas
- c. Special events

Subtotal:

**5. Materials for County Fairs and State Fair**

- a. Campaign brochure
- b. Buttons
- c. Bumper stickers
- d. Window signs
- e. Yard signs
- f. Lapel stickers
- g. Banners

Subtotal:

**6. GOTV Materials**

- a. Palm cards
- b. Pole signs
- c. Volunteer instructions
- d. Doorhangers
- e. Reminder slips
- f. GOTV postcards

Subtotal:

**TOTAL:**

**APPENDIX B — SAMPLE PRICE LIST**

When reviewing the following price list you should keep two things in mind:

1. All costs in any campaign depend on many variables. For example: type of campaign (incumbent vs challenger), primary election vs. general election, and geographic makeup of the race (legislative, congressional, statewide).

2. Remember, free is better than cheap! Try to get services and equipment donated.

**ITEM**

**COST**

**ADMINISTRATION**

Campaign Manager	\$1,500 - \$5,000 per month
Office Manager/Volunteer Coordinator	\$ 800 - \$2,000 per month
Comptroller	\$1,500 - \$3,000 per month
Scheduler	\$ 800 - \$2,000 per month
Computer Consultant	\$ 500 - \$1,500 per month
Rent	\$10 - \$15 per square foot per month
Utilities	\$200 per month
Furniture rental:	\$250 per month per office
Fax Machine Rental	\$95 per month
Copier Rental	\$186 per month, and 2.2 cents per copy
Computer Hardware rental:	\$100 per week
Computer Software	\$50 - \$2,500
Phone Install	\$55 per line
Phone Deposit	\$500 - \$800 per line
Phone Bill	Campaign Specific
Letterhead	\$.05 per piece
Envelopes	\$.07 per piece
1st Class Postage	\$.32 per piece (1st ounce)
Bulk Rate Postage	\$.15 - \$.25 per piece
Overnight Mail	\$9 - \$22 per piece
Courier	\$5.50 - \$25.50 (depending on distance)
Office Supplies	\$100 - \$200 per month
Payroll Taxes/FICA/Health Ins./Soc. Sec.	25% of your total payroll
Candidate Travel/Expenses	\$ 200 - \$1000 per month
Staff Travel/Expenses	Campaign Specific



**ITEM****COST****FUNDRAISING**

Finance Director	\$1,500 - \$3,000 per month
Fundraising Staff	\$ 800 - \$1,600 per month
Printing - Invitations	\$.05 per piece
Printing - Envelopes	\$.07 per piece
Printing - Reply Cards	\$.05 per piece
Printing - Return Envelopes	\$.07 per piece
Business Reply Postage	\$.45 per piece
Event Costs	Campaign Specific
Direct Mail Consultant	\$2,000 - \$15,000 per race
Direct Mail Production	Campaign Specific

**MEDIA - PAID**

TV Production	\$3,000 - \$10,000 for 30 sec. spot
Radio Production	\$2,000 - \$4,100 (30-60 sec. spots)
TV/Radio Time	Campaign Specific
Time Buyer	8 - 15% of cost time bought
Media Consultant Fee/Expenses	\$20,000 - \$60,000 per race
Persuasion Mail	\$.35-.60 per piece (including postage)
Persuasion Mail Consultant Fee/Expenses	\$10,000 - \$30,000 per race

**MEDIA - EARNED**

Press Secretary	\$1,000 - \$3,000 per month
Broadcast Fax Service	\$.10 - \$.35 per page per individual
Tape Feed Equipment	\$500 (one-time)
TV Rental	\$55 per month
VCR Rental	\$45 per month
Newspaper Clipping Service	\$35 per month

**ITEM****COST****FIELD ORGANIZATION**

Field Director	\$1,000 - \$3,000 per month
Field Staff	\$1,000 - \$2,500 per month
Brochures/Palm Cards	\$.10 - \$.15 per piece
Yard Signs	\$.60 per sign
Bumper Stickers	\$.30 per sticker
Voter lists (Phone & Walk)	\$15 - \$25 per 1,000 voters
Paid Phonebank	\$.70 - \$2.00 per call
Election Day Expenses	Campaign Specific
Banner	\$100 - \$250 per banner

**RESEARCH**

Research Director	\$1,000 - \$3,000 per month
Baseline Poll	\$10,000 - \$18,000 per poll
Tracking Poll	\$5,000 - \$8,000 per tracker
Focus Groups	\$4,000 - \$6,000 per group
Polling Consultant Fee & Expenses	\$1,000 - \$5,000 per month
Opposition Research	\$5,000 - \$15,000 per candidate
Targeting Data	\$3,000 - \$5,000
Newspapers/Publications	\$15 - \$25 per month



**ACTIVITY: CONTACTING 10,000 REGISTERED VOTERS BY TELEPHONE.**

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Assumptions:

1. Paid phoner earns \$5.00 per hour.
2. Space for a phone bank costs \$400 per month.
3. Phones cost \$100 per month.
4. Registered voter list costs \$25 per 1,000 voters.
5. Full-time supervisor earns \$1,200 per month.
6. Paid phoner works 7 hours of an 8 hour shift.
7. Volunteers in a phone bank work 6 hours of an 8 hour shift.
8. Paid phoner in a phone bank completes 15 calls per hour.
9. Volunteer in a phone bank completes 15 calls per hour.
10. Volunteer at home completes 12 calls per hour.
11. Paid supervisor will spend 15 days preparing for calling.
12. Volunteer supervisor will spend 24 days preparing for calling.
13. Volunteers require refreshments and parking.
14. You have one month to complete the calls.