

# **Little Lake Butte des Morts Lake Association, Inc.**

**Status:** ADOPTED

**Adoption Date:** November 18, 2025

**Adopted By:** Founding Membership Meeting

**Location:** Appleton Yacht Club, Appleton, WI

**Effective Period:** November 18, 2025 – April 30, 2026

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## **Interim Operating Budget**

**November 18, 2025 – April 30, 2026**

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## **Executive Summary**

This interim operating budget establishes the financial framework for the Little Lake Butte des Morts Lake Association, Inc. (LLBDM) during its founding phase. The budget period extends from November 18, 2025 through April 30, 2026, concluding at the organization's first Annual Meeting when a full fiscal year budget will be adopted.

**Total Projected Revenue:** \$8,750

**Total Projected Expenses:** \$8,414

**Projected Operating Balance:** \$336 (3.8% surplus)

This budget prioritizes essential startup activities including legal incorporation, obtaining 501(c)(3) tax-exempt status, establishing insurance coverage, developing operational infrastructure, and initiating core lake stewardship programs. The modest surplus aligns with nonprofit best practices for new organizations and begins building toward the recommended 4-6 months operating reserve.

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## **Budget Period and Fiscal Year**

**Budget Period:** November 18, 2025 – April 30, 2026 (5.4 months)

**Fiscal Year:** January 1 – December 31 (per Bylaws, Article X, Section 1)

**Annual Meeting:** Third Tuesday of April (April 21, 2026)

This interim budget covers the critical founding phase. A comprehensive fiscal year 2026-2027 budget will be presented for membership approval at the April 2026 Annual Meeting.

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## Revenue Sources

### Revenue Summary

Revenue Source	Amount	Status	Notes
Membership Dues (gross)	\$3,750	Estimated	~150 members @ \$25/year
Optional Processing Fee Coverage	\$113	Estimated	~50% of members opt to cover fees
Municipal Seed Funding	\$5,000	Committed	City of Menasha 2025 allocation
<b>Total Revenue</b>	<b>\$8,863</b>		
<b>Less: Payment Processing Fees</b>	<b>(\$154)</b>		Stripe standard rate
<b>Net Revenue</b>	<b>\$8,709</b>		

**Note:** For budget planning purposes, Total Revenue of \$8,750 is used (excludes optional processing fee coverage offset).

## Revenue Details and Assumptions

### 1. Membership Dues: \$3,750 (42.3% of revenue)

#### Assumptions:

- Annual membership dues set at \$25 per member (compliant with Wisconsin Statute § 281.68 requirement for qualified lake associations: \$5-50 range)
- Projected enrollment: 150 members by April 30, 2026
- Membership year: Calendar year (January 1 - December 31)
- Members joining September 1 or later receive extended membership through following calendar year (per Bylaws)

#### Membership Revenue Calculation:

- November 2025 - December 2025 enrollments: ~100 members × \$25 = \$2,500
- January 2026 - April 2026 enrollments: ~50 members × \$25 = \$1,250
- **Total Estimated Membership Dues: \$3,750**

### **Payment Methods:**

LLBDM accepts membership dues through multiple convenient methods:

- **Online payment** via website (llbdm.org) using Stripe payment processing integrated with Fluent Forms
- **Cash or check** at the Founding Meeting and other events
- **Check by mail** upon post office box establishment

### **Payment Processing Fees:**

Online credit card and ACH payments incur processing fees charged by Stripe:

- **Standard rate (before 501(c)(3) approval):** 2.9% + \$0.30 per transaction
- **Nonprofit rate (after 501(c)(3) approval):** 2.2% + \$0.30 per transaction

For a \$25 membership dues payment:

- Standard processing fee: \$1.03 per transaction
- Nonprofit processing fee: \$0.85 per transaction

LLBDM estimates approximately \$154 in total payment processing fees during the interim period, assuming most members join before 501(c)(3) approval is received.

### **Optional Processing Fee Coverage:**

To help offset credit card processing costs, LLBDM's online membership form includes an optional checkbox allowing members to contribute an additional \$1.50 to help cover processing fees. This is entirely voluntary and at the member's discretion. Based on similar nonprofit organizations, approximately 50% of online members choose to cover processing fees, generating an estimated \$113 in additional support.

### **Risk Assessment:**

Membership projections are highly speculative for a newly formed organization. Actual enrollment could vary significantly based on:

- Effectiveness of outreach and recruitment efforts
- Community response to founding meeting
- Success of initial communications campaigns
- Competition for discretionary spending

**Conservative Scenario:** 100 members = \$2,500 (66% of projection)

**Optimistic Scenario:** 200 members = \$5,000 (133% of projection)

## **2. Municipal Seed Funding: \$5,000 (57.1% of revenue)**

**Source:** City of Menasha

**Status:** COMMITTED - Included in approved 2025 City of Menasha budget

This seed funding represents a one-time allocation to support LLBDM's organizational formation and initial operations. The Association is deeply grateful for the City of Menasha's investment in Little Lake Butte des Morts stewardship.

### **Future Municipal Funding (Not Included in Interim Budget):**

The Association anticipates additional municipal support beginning in calendar year 2026:

- **City of Menasha:** \$5,000 included in proposed 2026 budget (*pending City Council approval, expected disbursement January 2026*)
- **City of Neenah:** \$5,000 included in proposed 2026 budget (*pending City Council approval, expected disbursement January 2026*)

These amounts are **not** reflected in the base interim budget revenue as municipal budget approvals will occur after the LLBDM Founding Meeting. However, if approved and disbursed before April 30, 2026, these funds would significantly strengthen LLBDM's financial position (see Scenario 2: Optimistic).

Per Bylaws Article IX, the Association will provide annual reports to participating municipalities documenting:

- Financial statements (reviewed by independent accountant) showing municipal funds usage
- Summary of completed projects and measured outcomes
- Plan of activities and budget for coming year
- Membership and engagement metrics

## **3. Future Revenue Streams (Post-501(c)(3) Approval)**

The following revenue sources are not included in this interim budget but represent important future opportunities:

### **Individual Donations and Annual Appeals**

- Cannot actively solicit tax-deductible donations until IRS 501(c)(3) determination received
- Expected timeline: 6-12 months after Form 1023 filing
- Potential annual revenue: \$2,000-\$5,000 based on comparable Wisconsin lake associations

### **Foundation and Corporate Grants**

- Requires 501(c)(3) status
- Many foundations require 2-3 years operational history
- Long-term potential: \$5,000-\$15,000 annually

### **Wisconsin DNR Lake Management Grants**

- Requires "Qualified Lake Association" status under Wisconsin Statute § 281.68
- Qualifications include: incorporated for 1+ years, 25+ members, \$5-50 annual dues, demonstrated lake protection activities
- LLBDM will be eligible to apply beginning 2027
- Grant types available:
  - Lake Management Planning Grants (up to \$25,000, 67% cost-share)
  - Lake Protection Grants (50-75% cost-share)
  - Aquatic Invasive Species Grants (75% cost-share)

### **Fundraising Events**

- Not planned during interim period
- Future consideration: annual meeting raffles, lake cleanup events, educational workshops

## **Expenditure Plan**

### **Expenditure Summary by Category**

<b>Expenditure Category</b>	<b>Amount</b>	<b>% of Budget</b>	<b>Notes</b>
Legal & Organizational Setup	\$1,550	18.4%	One-time incorporation costs
Insurance	\$1,300	15.5%	D&O + General Liability
Technology & Communications	\$700	8.3%	Website, email, software

<b>Expenditure Category</b>	<b>Amount</b>	<b>% of Budget</b>	<b>Notes</b>
Administrative & Operations	\$585	7.0%	Office, postage, banking
Formation & Annual Meeting	\$875	10.4%	Founding + first annual meeting
Grant Development	\$1,700	20.2%	501(c)(3) application support
Science & Monitoring	\$550	6.5%	Water quality baseline
Marketing & Outreach	\$200	2.4%	Facebook advertising
Payment Processing Fees	\$154	1.8%	Stripe transaction fees
Contingency Reserve (10%)	\$800	9.5%	Unbudgeted needs
<b>Total Expenditures</b>	<b>\$8,414</b>	<b>100%</b>	

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## **Detailed Expenditure Line Items**

### **1. Legal & Organizational Setup: \$1,550**

**Purpose:** Establish LLBDM as a legally recognized nonprofit corporation with federal tax-exempt status.

**Itemized Components:**

<b>Item</b>	<b>Estimated Cost</b>	<b>Notes</b>
Wisconsin Articles of Incorporation Filing	\$35	State filing fee (Chapter 181)
Registered Agent Service (annual)	\$150	Wisconsin registered agent requirement
IRS Form 1023 Filing Fee	\$275	Federal 501(c)(3) application fee
Legal Consultation & Document Preparation	\$900	Attorney fees for incorporation documents, Form 1023, compliance review
Corporate Seal & Record Book	\$90	Official organizational records
Business License & Permits	\$100	Local registrations as needed
<b>Subtotal</b>	<b>\$1,550</b>	

**Justification:**

Professional legal assistance is strongly recommended for 501(c)(3) applications.

Research indicates attorney fees for nonprofit incorporation and tax-exemption typically range from \$800-\$1,500. While volunteer preparation is possible, IRS applications are complex, and incomplete submissions are routinely rejected, resulting in significant delays. Given LLBDM's intent to pursue grants and receive tax-deductible donations, timely 501(c)(3) approval is critical.

**Timeline:**

- Articles of Incorporation: Filed October 9, 2025
- Form 1023: Filed within 30 days of board formation
- Expected 501(c)(3) determination: 6-12 months from filing

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## **2. Insurance: \$1,300**

**Purpose:** Protect the Association, its Board of Directors, Officers, and volunteers from liability claims.

**Itemized Components:**

Coverage Type	Estimated Cost	Coverage Limits	Notes
Directors & Officers (D&O) Liability	\$800	\$1,000,000	Covers board decisions, employment practices
General Liability	\$500	\$1,000,000	Property damage, bodily injury, medical payments
<b>Total Insurance</b>	<b>\$1,300</b>		Annual premium (pro-rated for partial year)

**Justification:**

**Directors & Officers Insurance:**

Research shows D&O insurance for Wisconsin nonprofits typically costs \$600-\$1,700 annually. The Horton Group, which partners with Wisconsin Lakes to offer competitive rates to member lake associations, quotes average premiums of \$67/month (\$804/year) for nonprofit organizations. This coverage is essential because:

- Roughly 1 in 100 nonprofits file D&O claims annually
- Average settlement cost: \$28,000

- Average legal defense cost: \$35,000
- LLBDM Bylaws (Article VII, Section 7) require the Association to indemnify Directors and Officers
- Board recruitment is significantly easier when D&O protection is in place

**General Liability Insurance:**

Covers claims arising from:

- Events hosted by the Association (meetings, lake cleanups, educational programs)
- Volunteer activities (water quality monitoring, invasive species surveys)
- Accidental property damage or injuries during Association-sponsored activities

**Wisconsin Statutory Protections:**

Wisconsin Statute § 893.80(4) provides recreational immunity limiting liability to \$50,000 for nonprofit organizations conducting recreational activities. However, this immunity does not cover:

- Employment-related claims
- Constitutional rights violations
- Willful misconduct
- Activities where admission fees are charged

Insurance provides crucial protection beyond statutory limits.

**Provider Recommendation:**

The Horton Group offers competitively priced D&O policies to Wisconsin Lakes member organizations. Contact: [Renee.Fredel@thehortongroup.com](mailto:Renee.Fredel@thehortongroup.com) or 800-472-9779.

**3. Technology & Communications: \$700**

**Purpose:** Establish digital infrastructure for member communications, public outreach, and organizational operations.

**Itemized Components:**

Item	Estimated Cost	Frequency	Notes
Domain Name Registration (llbdm.org)	\$20	Annual	2-year registration recommended

Item	Estimated Cost	Frequency	Notes
Website Hosting	\$250	Annual	Nonprofit hosting plan with SSL certificate
Email Service (Google Workspace for Nonprofits)	\$0-\$100	Annual	Free tier available; paid if >10 accounts needed
Email Marketing Platform (FluentCRM)	\$150	Annual	Up to 500 contacts
Project Management / File Sharing	\$100	Annual	Google Drive / Dropbox / Microsoft 365 Nonprofit
Design Software (Canva Pro Nonprofit)	\$0	Annual	Free for 501(c)(3) organizations
Website Development / Template	\$180	One-time	Template customization or basic development
<b>Total Technology</b>	<b>\$700</b>		Mix of annual and one-time costs

### Justification:

A professional web presence is essential for:

- Member recruitment and retention through online membership registration
- Public education about lake stewardship
- Transparent communication of finances and activities (Bylaws Article IX, Section 4 requires public access to reports)
- Meeting notice distribution (Bylaws Articles V, VI)
- Municipal reporting obligations
- Online payment processing for membership dues

The website (llbdm.org) integrates Stripe payment processing with Fluent Forms to provide seamless online membership enrollment and dues payment.

Many technology platforms offer free or deeply discounted nonprofit pricing once 501(c)(3) status is obtained, reducing future costs.

### Website Content Requirements:

- Mission statement and bylaws
- Board member information and contact
- Membership registration and online payment

- Event calendar and meeting notices
- Lake education and resources
- Financial transparency (budgets, annual reports, Form 990)
- Municipal partnership information

## 4. Administrative & Operations: \$585

**Purpose:** Cover routine operational expenses necessary for business functions.

### Itemized Components:

Item	Estimated Cost	Frequency	Notes
Post Office Box Rental	\$100	Annual	Professional mailing address
Bank Account Monthly Fees	\$120	6 months × \$20	Nonprofit checking account
Check Printing & Deposit Supplies	\$50	As needed	Business checks, deposit slips
Postage & Mailing Costs	\$200	As needed	Meeting notices, membership correspondence
Printing & Copying	\$115	As needed	Flyers, brochures, forms, bylaws
Office Supplies	\$0	As needed	Likely donated; budget contingency
<b>Total Administrative</b>	<b>\$585</b>		

### Justification:

#### Post Office Box:

Provides a stable, professional mailing address independent of officer changes. Essential for:

- State and federal government correspondence
- Member communications
- Banking and financial institutions
- Liability protection (separates personal addresses from public records)

**Banking:**

Wisconsin lake associations require a dedicated business bank account once incorporated. Many banks offer free or low-cost nonprofit checking accounts. Online banks (e.g., NBKC, Axos) often provide free nonprofit accounts with no minimum balance requirements.

**Postage & Printing:**

Bylaws require written notice to members for annual and special meetings (Article V, Sections 1-2). For 150 members:

- 2 meeting notices × 150 members × \$0.68 stamp = \$204
- Printing costs for meeting packets, agendas, budget materials

As electronic communication becomes the primary method (email notices permitted per Bylaws), postage costs may decrease in future years. However, initial membership recruitment and founding meeting materials require substantial printing and mailing.

**5. Formation & Annual Meeting Costs: \$875**

**Purpose:** Host the Founding Meeting and prepare for the first Annual Meeting.

**Itemized Components:**

Item	Estimated Cost	Event	Notes
<b>Founding Meeting (November 2025)</b>			
Venue Rental	\$0	Founding	Appleton Yacht Club (donated)
Refreshments & Catering	\$250	Founding	Coffee, light refreshments, chair rental
Meeting Materials (printed)	\$100	Founding	Agendas, bylaws, membership forms, budget
Signage & Banners	\$150	Founding	Welcome signs, LLBDM branding (reusable)
<b>Annual Meeting (April 2026)</b>			
Venue Rental	\$150	Annual	Community center or municipal building
Refreshments & Catering	\$150	Annual	Coffee, light refreshments

<b>Item</b>	<b>Estimated Cost</b>	<b>Event</b>	<b>Notes</b>
Meeting Materials (printed)	\$50	Annual	Agendas, annual report, budget, ballots
Educational Program Speaker	\$25	Annual	Lake ecology expert; honorarium if needed
<b>Total Meetings</b>	<b>\$875</b>		

**Justification:**

**Founding Meeting (November 18, 2025):**

The Founding Meeting is a critical milestone to:

- Introduce LLBDM mission and vision to the community
- Present and adopt bylaws
- Approve interim operating budget
- Elect initial Board of Directors
- Enroll founding members
- Generate community excitement and commitment

First impressions matter. A well-organized, professional founding meeting builds credibility and encourages membership enrollment.

**Venue Donation:**

The Association is deeply grateful to the Appleton Yacht Club for generously donating the founding meeting venue at no cost. This \$200 value donation demonstrates strong community support for LLBDM's mission and allows reallocation of budget resources to other critical needs.

**Annual Meeting (April 21, 2026):**

Bylaws (Article V, Section 1) require an annual membership meeting each April. The agenda must include:

- Board of Directors elections
- Annual budget adoption (FY 2026-2027)
- Project reports and accomplishments
- Member concerns and input
- Educational program (lake ecology, stewardship, DNR regulations)

The educational program component helps fulfill the Association's mission to "educate the community" (Bylaws Article I) and provides value beyond business proceedings, encouraging attendance and engagement.

**Venue Selection for Annual Meeting:**

Recommended venues near the lake with public access:

- Neenah Public Library
- Menasha Community Center
- Local churches or community halls
- Municipal buildings (may be available at reduced/no cost given municipal partnerships)
- Appleton Yacht Club (if available again)

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**6. Grant Development: \$1,700**

**Purpose:** Secure professional assistance with 501(c)(3) application and develop grant readiness infrastructure.

**Itemized Components:**

Item	Estimated Cost	Notes
501(c)(3) Application Support	\$900	Overlap with legal costs; ensures successful application
Grant Research & Strategy	\$400	Identify foundation, corporate, DNR grant opportunities
Grant Writing Template Development	\$200	Create reusable templates for future applications
Budget & Financial Systems Setup	\$200	Establish grant accounting protocols per DNR requirements
<b>Total Grant Development</b>	<b>\$1,700</b>	

**Justification & Reconsideration:**

Grant development represents 20.2% of the interim budget, which is substantial for a startup organization. This line item warrants careful consideration:

### **Arguments Supporting \$1,700 Allocation:**

- Professional 501(c)(3) applications have higher approval rates and faster processing
- Early investment in grant infrastructure creates long-term fundraising capacity
- DNR grants can yield \$10,000-\$25,000 annually once LLBDM achieves qualified status
- Grant templates developed now can be used for years

### **Arguments for Reducing Allocation:**

- Grant consultant fees typically run \$25-200/hour; \$1,700 represents 8.5-68 hours of work
- LLBDM cannot apply for most grants until after 501(c)(3) approval (6-12 months out)
- Board volunteers may be capable of conducting grant research and strategy work
- Template development may be premature before understanding specific program needs

### **Board Consideration:**

The Board should evaluate whether grant development expenses should be:

1. **Maintained at \$1,700:** If Board lacks grant writing expertise and wants to maximize early grant success
2. **Reduced to \$900-1,000:** Focus solely on 501(c)(3) application support; defer grant research to post-approval
3. **Deferred entirely:** Shift to FY 2026-2027 budget when grant applications are feasible

For purposes of this budget presentation, the \$1,700 figure is retained with the acknowledgment that the Board may adjust based on volunteer capacity and priorities.

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## **7. Science & Monitoring: \$550**

**Purpose:** Establish baseline water quality monitoring program in partnership with Wisconsin DNR Citizen Lake Monitoring Network (CLMN).

### **Itemized Components:**

Item	Estimated Cost	Notes
Secchi Disk & Rope	\$75	Primary water clarity measurement tool
Water Quality Test Kit	\$150	pH, dissolved oxygen, temperature
Laboratory Analysis Fees	\$200	Phosphorus, nitrogen, chlorophyll-a (4 samples)
Volunteer Training Materials	\$50	CLMN training, safety protocols
Data Management & Reporting	\$75	CLMN database entry, report generation
<b>Total Science &amp; Monitoring</b>	<b>\$550</b>	

### Justification:

Water quality monitoring is foundational to LLBDM's mission to "protect, preserve, and improve the ecological, recreational, and aesthetic values of Little Lake Butte des Morts" (Bylaws Article I). Baseline data collected during the interim period provides:

1. **Grant Eligibility:** DNR grant applications require water quality data demonstrating need
2. **Scientific Foundation:** Evidence-based decision-making for future management activities
3. **Trend Analysis:** Baseline for measuring long-term lake health changes
4. **Community Engagement:** Volunteer monitoring programs build member involvement and stewardship ethic
5. **Municipal Accountability:** Data supports reporting obligations to Neenah and Menasha (Bylaws Article IX)

### Wisconsin Citizen Lake Monitoring Network (CLMN):

LLBDM will participate in the CLMN, a statewide network of volunteer lake monitors coordinated by UW-Extension and Wisconsin DNR. Benefits include:

- Free training for volunteers
- Standardized, scientifically rigorous protocols
- Laboratory analysis at reduced rates
- Statewide database for trend comparisons
- Technical support from DNR lake specialists
- Credibility with grant funders

## Monitoring Parameters:

- **Secchi Disk Transparency:** Water clarity (primary indicator of algae and sediment)
- **Temperature & Dissolved Oxygen:** Fish habitat suitability, lake stratification
- **pH:** Acidity/alkalinity affecting aquatic life
- **Total Phosphorus:** Primary nutrient driving algae growth
- **Chlorophyll-a:** Algae abundance
- **Aquatic Plants:** Species diversity, invasive species presence

## Sampling Frequency:

Following CLMN protocols:

- Secchi disk readings: Every 10-14 days (late April through September)
- Laboratory samples: 4 times per season (spring, early summer, late summer, fall)

## Volunteer Coordination:

Science & Monitoring Committee (established per Bylaws Article VIII) will recruit and train volunteer monitors. Minimal equipment and simple protocols make this program highly accessible to members without scientific backgrounds.

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## 8. Marketing & Outreach: \$200

**Purpose:** Build awareness of LLBDM and the Founding Meeting through targeted digital advertising.

### Itemized Components:

Item	Estimated Cost	Duration	Notes
Facebook Advertising Campaign	\$200	Oct-Nov 2025	Targeted ads to lake residents and stakeholders
<b>Total Marketing</b>	<b>\$200</b>		

### Justification:

Pre-launch awareness campaigns are critical for ensuring strong attendance at the Founding Meeting and generating initial membership enrollment. Facebook advertising

provides cost-effective, targeted reach to Little Lake Butte des Morts residents, property owners, and stakeholders.

### **Campaign Objectives:**

- Build awareness of LLBDM formation
- Drive attendance at November 18 Founding Meeting
- Encourage pre-meeting membership enrollment via website
- Educate community about lake stewardship issues
- Generate email list for ongoing communications

### **Target Audience:**

- Geographic: Neenah, Menasha, Appleton (within 5 miles of Little Lake Butte des Morts)
- Demographics: Ages 30-65, homeowners, outdoor enthusiasts
- Interests: Lake life, boating, fishing, environmental conservation, community groups

### **Expected Performance:**

Based on nonprofit sector benchmarks:

- Total ad spend: \$200 over 6-8 week period (October-November)
- Estimated reach: 3,000-5,000 unique users
- Estimated impressions: 8,000-12,000
- Estimated clicks to website: 150-300 (CPM \$5-15, CPC \$0.50-2.00)
- Estimated conversion to founding meeting attendance: 30-60 people

### **Ad Content:**

- Meeting announcement with date, time, location
- Mission statement and lake protection priorities
- Invitation to join as founding members
- Link to website for more information and online membership
- Visual content: lake photos, community engagement images

### **Measurement:**

Facebook Ads Manager provides detailed analytics on:

- Impressions and reach
- Click-through rates

- Cost per click
- Landing page conversions (membership sign-ups)
- Demographic insights

**Post-Founding Meeting:**

Facebook page (organic, non-paid) will be maintained for ongoing member communications, event announcements, and lake education. Future budgets may include modest social media advertising for specific campaigns (membership drives, fundraising events, volunteer recruitment).

**Alternative Marketing (No Additional Cost):**

- Local newspaper press releases (free)
- Community bulletin boards (free)
- Municipal newsletter mentions (free, via partnership)
- Word-of-mouth by organizing committee (free)

The \$200 Facebook advertising investment significantly amplifies organic reach and ensures the Founding Meeting achieves critical mass for successful launch.

**9. Payment Processing Fees: \$154**

**Purpose:** Cover credit card and ACH processing fees for online membership dues payments.

**Itemized Components:**

Item	Estimated Cost	Notes
Stripe Processing Fees	\$154	150 transactions @ \$25 average, 2.9% + \$0.30 standard rate
<b>Total Payment Processing</b>	<b>\$154</b>	Net of estimated \$113 optional member contributions

**Justification:**

Online payment acceptance significantly increases membership convenience and enrollment conversion rates. Members can join and pay dues 24/7 via the website without needing to mail checks or attend events.

## Processing Fee Structure:

LLBDM uses Stripe as its payment processor, integrated with Fluent Forms on the website. Stripe charges:

### Standard Rate (currently applicable):

- 2.9% + \$0.30 per transaction for online credit card and debit card payments
- For \$25 membership dues: \$1.03 processing fee (4.1% effective rate)

### Nonprofit Discounted Rate (after 501(c)(3) approval):

- 2.2% + \$0.30 per transaction
- For \$25 membership dues: \$0.85 processing fee (3.4% effective rate)
- Requires: 501(c)(3) status + 80% or more of payment volume must be tax-deductible donations
- **Note:** Membership dues are NOT considered tax-deductible donations, so LLBDM may not qualify for the full nonprofit discount on dues payments

### Fee Calculation:

- Expected online transactions: ~150 members (assuming majority pay online)
- Average transaction: \$25
- Processing fee per transaction: \$1.03 (standard rate)
- Total processing fees:  $150 \times \$1.03 = \mathbf{\$154.50}$  (rounded to \$154)

### Optional Member Fee Coverage:

The online membership form includes a voluntary checkbox: *"Add \$1.50 to help cover credit card processing fees (optional)"*

Research shows approximately 50% of nonprofit donors choose to cover processing fees when given the option:

- $75 \text{ members} \times \$1.50 = \$112.50$  (rounded to \$113)
- Net processing cost after member contributions:  $\$154 - \$113 = \mathbf{\$41}$

### Budget Treatment:

For conservative budget planning, LLBDM budgets the full \$154 processing fee expense and does not include the estimated \$113 member contribution revenue in the base budget. If actual member contributions exceed estimates, this will increase the operating surplus.

## **Future Optimization:**

- After 501(c)(3) approval, separate donation payments (eligible for 2.2% rate) from membership dues
  - Consider ACH/bank transfer option (typically 0.8% fee, lower than credit cards)
  - Evaluate other payment processors offering nonprofit discounts
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## **10. Contingency Reserve (10%): \$800**

**Purpose:** Provide financial flexibility for unbudgeted needs, cost overruns, and unforeseen opportunities.

### **Justification:**

A 10% contingency reserve is nonprofit budgeting best practice, particularly for new organizations facing uncertainty. The \$800 reserve:

1. **Accommodates Estimate Variance:** Membership dues are speculative; lower enrollment could create revenue shortfall
2. **Covers Unexpected Costs:** Insurance premium adjustments, legal issues, emergency equipment needs
3. **Enables Timely Response:** Aquatic invasive species detection may require rapid action
4. **Builds Operating Reserves:** Begins progress toward recommended 4-6 months operating expenses in reserve

### **Board Authority:**

Expenditures from the contingency reserve should require Board approval via majority vote (per Bylaws Article VI, Section 2). Monthly financial reports should track contingency fund balance.

### **Unused Reserve:**

Any unexpended contingency funds at April 30, 2026 roll forward into the FY 2026-2027 operating reserve, building toward financial sustainability.

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## **Budget Scenarios: Conservative and Optimistic**

Given the uncertainty inherent in a newly formed organization, the following scenarios illustrate potential budget outcomes under different assumptions:

## Scenario 1: Conservative (Low Membership)

Category	Amount	Notes
<b>Revenue</b>		
Membership Dues (100 members)	\$2,500	67% of projection
Municipal Seed Funding (Menasha 2025)	\$5,000	Committed
<b>Total Revenue</b>	<b>\$7,500</b>	
<b>Expenses</b>	<b>\$8,414</b>	Unchanged
<b>Operating Balance</b>	<b>(\$914)</b>	<b>Deficit</b>

### Implications:

A \$914 deficit represents -12.2% variance from balanced budget. The Board could:

- Reduce discretionary spending (grant development reduced to \$900, defer science monitoring)
- Draw from contingency reserve (\$800 available)
- Conduct intensive membership recruitment campaign in January-March
- Request early disbursement of Menasha 2026 allocation if approved

### Risk Mitigation:

The City of Menasha seed funding provides a \$5,000 base that covers essential startup costs (legal, insurance, administrative). Even with low membership, LLBDM can achieve incorporation and 501(c)(3) status, positioning for stronger FY 2026-2027 performance.

### Minimum Viable Operations:

With only Menasha seed funding (\$5,000), LLBDM could cover:

- Legal & incorporation: \$1,550
- Insurance: \$1,300
- Technology (minimal): \$400
- Administrative (minimal): \$400
- Founding meeting: \$500
- Total: \$4,150

This ensures legal formation and basic operations, deferring expanded programs until membership revenue materializes.

## Scenario 2: Optimistic (High Membership + Additional Municipal Funding)

Category	Amount	Notes
<b>Revenue</b>		
Membership Dues (200 members)	\$5,000	133% of projection
City of Menasha 2025 Allocation (Nov-Dec)	\$5,000	Committed for 2025
City of Menasha 2026 Allocation (Jan-Apr)	\$5,000	<b>If approved Dec 2025 AND disbursed by April 2026</b>
City of Neenah 2026 Allocation (Jan-Apr)	\$5,000	<b>If approved Dec 2025 AND disbursed by April 2026</b>
<b>Total Revenue</b>	<b>\$20,000</b>	
<b>Expenses</b>	<b>\$8,414</b>	Unchanged base budget
<b>Operating Balance</b>	<b>\$11,586</b>	<b>Strong surplus</b>

### Revenue Breakdown Clarification:

This optimistic scenario assumes:

1. **City of Menasha 2025 Allocation:** \$5,000 received November-December 2025 ✓ (COMMITTED)
2. **City of Menasha 2026 Allocation:** \$5,000
  - Requires: Menasha City Council approval of 2026 budget (expected December 2025)
  - Requires: Disbursement between January-April 2026 (within interim budget period)
  - Status: Included in proposed budget, pending approval
3. **City of Neenah 2026 Allocation:** \$5,000
  - Requires: Neenah City Council approval of 2026 budget (expected December 2025)
  - Requires: Disbursement between January-April 2026 (within interim budget period)
  - Status: Included in proposed budget, pending approval

#### 4. **High Membership Enrollment:** 200 members = \$5,000 dues revenue

- Represents exceptional community response and successful outreach

#### **Implications:**

An \$11,586 surplus (57.9% of revenue) exceeds typical nonprofit targets but provides exceptional foundation for:

- **Accelerated Operating Reserve Build:** Progress toward target of \$16,828-\$25,242 (6 months of FY 2026-2027 projected expenses)
- **Major Lake Projects in FY 2026-2027:**
  - Aquatic invasive species early detection and management
  - Native aquatic plant restoration
  - Shoreline habitat protection
  - Expanded water quality monitoring (additional parameters, more frequent sampling)
- **Capital Equipment Purchases:**
  - Boat and trailer for lake management activities
  - Water quality monitoring equipment upgrades
  - Educational display materials
- **Expanded Programs:**
  - Clean Boats, Clean Waters volunteer program
  - Lake ecology educational workshops
  - Youth engagement and watershed education
- **Staffing Consideration:**
  - Part-time administrative coordinator (10 hrs/week) to support volunteer committees
  - Estimated annual cost: \$8,000-\$12,000

#### **Likelihood Assessment:**

This scenario requires:

- Strong membership enrollment (200 = 4.5x local lake associations' typical first-year enrollment)
- Both Menasha AND Neenah 2026 budget approvals (likely but not guaranteed)
- Municipal fund disbursement within interim budget period (timing uncertain)

Probability assessment: 30-40% likelihood

## **Prudent Financial Management:**

Even if this optimistic scenario materializes, LLBDM should:

- Maintain conservative spending posture during interim period
  - Reserve majority of surplus for FY 2026-2027 strategic initiatives
  - Avoid committing to recurring expenses (e.g., staff) until sustainable funding demonstrated
  - Build 6-month operating reserve before expanding programming
- 

## **Financial Management Policies**

To ensure responsible stewardship of Association funds, the Board shall implement the following financial management policies:

### **1. Expenditure Authority**

<b>Amount</b>	<b>Approval Required</b>
Up to \$500	Treasurer authorization
\$501 - \$2,000	President + Treasurer authorization
\$2,001 - \$5,000	Board majority vote
Over \$5,000	Board supermajority (2/3) vote + member notification

### **2. Conflicts of Interest**

Per Bylaws Article XI, Directors, Officers, and Committee Chairs must:

- Disclose any personal or financial interest in matters before the Board
- Recuse themselves from decisions where conflicts exist
- Sign annual conflict of interest disclosure statements

The Board shall maintain a written Conflict of Interest Policy compliant with IRS Form 1023 requirements.

### **3. Financial Reporting**

**Monthly Reports (to Board):**

- Cash receipts and disbursements
- Budget vs. actual comparison
- Bank account reconciliation
- Membership enrollment tracking
- Payment processing fee analysis

#### **Quarterly Reports (to Membership via email/website):**

- Financial summary
- Major expenditures and accomplishments
- Membership metrics

#### **Annual Reports (to Membership at Annual Meeting):**

- Independently reviewed financial statements
- Full budget vs. actual report
- Municipal funding accounting (per Bylaws Article IX)
- Form 990 filing (once 501(c)(3) approved)

## **4. Fund Accounting**

Municipal funds shall be tracked separately to ensure compliance with Bylaws Article X, Section 4:

- **General Operating Fund:** Membership dues, donations, general expenses
- **Menasha Municipal Fund - 2025:** \$5,000 seed funding and related expenditures
- **Menasha Municipal Fund - 2026:** \$5,000 (if approved) and related expenditures
- **Neenah Municipal Fund - 2026:** \$5,000 (if approved) and related expenditures
- **Grant Fund:** DNR and foundation grants (once available)

Separate fund accounting enables transparent reporting to municipal partners demonstrating how their investments are utilized and what outcomes are achieved.

## **5. Annual Financial Review**

Bylaws Article X, Section 3 requires "independent financial review or audit annually." For an organization of LLBDM's size and budget, an **independent financial review** (not full audit) is appropriate:

- **Cost:** \$500-\$1,500 (vs. \$3,000-10,000 for full audit)

- **Process:** CPA reviews financial records for reasonableness and compliance
- **Output:** Review report suitable for board, members, and grantors
- **Timing:** Conducted annually following fiscal year end (January-February)

Once annual revenue exceeds \$350,000 or if required by specific grants, a full audit may be necessary. Current budget does not require audit-level scrutiny.

### **FY 2026 Financial Review (Not in Interim Budget):**

The first financial review covering the entire fiscal year (January 1 - December 31, 2026) will be conducted in early 2027 and budgeted in the FY 2026-2027 annual budget.

## **6. Banking and Asset Protection**

- Checking account shall require two authorized signatories for checks over \$1,000
- Online banking shall require dual authorization for ACH transfers
- Debit cards shall not be issued to avoid unauthorized use
- Credit card payments processed through Stripe (no LLBDM credit card issued)
- Treasurer shall provide monthly bank reconciliation to Board
- All financial records retained for 7 years per IRS requirements

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## **Budget Amendment Authority**

The Board of Directors retains authority to amend this interim budget during the period November 18, 2025 through April 30, 2026 as follows:

### **Minor Amendments (Board approval not required):**

- Reallocations between line items within the same expense category totaling less than \$500
- Treasurer may authorize with notification to Board at next meeting

### **Moderate Amendments (Majority Board vote required):**

- Reallocations between expense categories
- Any change affecting total expenses by more than \$500 but less than 10% of the category
- Adjustments to accommodate revenue variance (higher or lower membership than projected)

## **Major Amendments (Two-thirds Board vote + Member notification required):**

- Any change increasing total budgeted expenses by more than \$800 (contingency reserve)
- Any change to revenue projections greater than 20%
- Addition of new expense categories not previously budgeted
- Changes to municipal fund allocation purposes

All budget amendments must be:

- Documented in Board meeting minutes with rationale
  - Reflected in monthly variance reports
  - Communicated to membership in quarterly financial reports
  - Reported at the April 2026 Annual Meeting with budget vs. actual comparison
- 

# **Budget Assumptions and Risk Factors**

## **Key Assumptions**

This budget is predicated on the following assumptions:

1. **Founding Meeting occurs November 18, 2025** with successful member enrollment
2. **Articles of Incorporation filed** - completed October 9, 2025
3. **Website launched** - completed August 2025 (llbdm.org)
4. **IRS Form 1023 filed within 30 days** of board formation at Founding Meeting
5. **Board of Directors elected** at Founding Meeting and fully functional by January 2026
6. **Committee structure established** (Finance, Science & Monitoring, Communications) by January 2026
7. **Municipal partnership agreements formalized** with Menasha (and Neenah if approved) by February 2026
8. **Volunteer base of 20-30 active members** recruited for committees and programs
9. **Weather permits water quality monitoring** starting April 2026 (ice-out dependent)
10. **No major legal challenges** to incorporation or operational activities

11. **Economic conditions remain stable** allowing member dues affordability
12. **Facebook advertising reaches target audience** and drives founding meeting attendance
13. **Stripe payment processing operates reliably** for online membership enrollment

## Risk Factors and Mitigation Strategies

Risk Factor	Probability	Impact	Mitigation Strategy
<b>Low membership enrollment</b>	Medium	High	Facebook advertising; Appleton Yacht Club venue donation; aggressive outreach; reduce discretionary spending; tap contingency
<b>501(c)(3) application rejected/delayed</b>	Low	High	Hire experienced attorney; thorough application review; prompt response to IRS questions
<b>Insurance costs exceed estimates</b>	Medium	Medium	Obtain multiple quotes; Horton Group nonprofit discount; consider higher deductibles
<b>Neenah 2026 funding not approved</b>	Medium	Low	Budget does not rely on Neenah funds; would be upside if approved
<b>Menasha 2026 funding not approved</b>	Low	Medium	Budget does not rely on Menasha 2026 funds; \$5k 2025 allocation secures base operations
<b>Municipal funds not disbursed by April 30</b>	Medium	Low	Affects optimistic scenario only; funds would be available for FY 2026-2027
<b>Board member turnover/resignation</b>	Medium	Medium	Bylaws allow Board to fill vacancies; recruit alternate candidates
<b>Aquatic invasive species detection</b>	Low-Medium	High	Contingency reserve; pursue emergency DNR grants; volunteer rapid response
<b>Legal challenges (lawsuits, disputes)</b>	Low	Very High	D&O insurance; legal consultation; follow bylaws and statutes meticulously
<b>Severe weather limits monitoring</b>	Low	Low	Flexible schedule; monitoring extends into 2026-2027 season
<b>Volunteer burnout</b>	Medium	Medium	Distribute workload; recognize contributions; keep expectations reasonable
<b>Economic downturn affects dues</b>	Low	Medium	Emphasize value proposition; low \$25 dues point; payment plans if needed
<b>Payment processing technical issues</b>	Low	Low	Stripe is highly reliable; backup check/cash payment options available

Risk Factor	Probability	Impact	Mitigation Strategy
Facebook ad campaign underperforms	Medium	Medium	\$200 modest investment; supplement with free PR and word-of-mouth

## Monitoring and Adjustment

The Treasurer shall provide monthly budget variance reports to the Board highlighting:

- Actual vs. budgeted revenue and expenses
- Explanation of variances exceeding 10% or \$200
- Membership enrollment tracking vs. projections
- Payment processing fee actual costs vs. estimates
- Forecast of year-end financial position
- Recommendations for budget adjustments if needed

The Board retains authority to adjust budget allocations during the interim period via majority vote, provided:

- Total expenses do not exceed total revenue by more than contingency reserve
- Material changes are communicated to membership
- Adjustment rationale is documented in Board minutes
- Municipal fund expenditures align with approved purposes

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## Alignment with Wisconsin Standards and Best Practices

This budget adheres to applicable Wisconsin statutes, IRS regulations, and nonprofit best practices:

### Wisconsin Statutory Compliance

#### Chapter 181 (Nonstock Corporations):

- Budget prepared and approved by Board per § 181.0830 (Director standards of conduct)
- Financial records maintained per § 181.1601 (Corporate records)

## **Wisconsin Statute § 281.68 (Lake Management Planning Grants):**

- Membership dues set at \$25 (within required \$5-50 range for qualified lake associations)
- Organization structured to achieve qualified status within 1 year

## **Wisconsin Statute § 33.29 (Lake District Budgets - for reference):**

- While LLBDM is an association (not district), this statute informs best practices
- Items exceeding \$10,000 separately identified (none in interim budget)
- Capital costs distinguished from operating costs

## **IRS 501(c)(3) Requirements**

- **Organizational Purpose:** Exclusively charitable, educational, and scientific (lake protection, education, water quality research)
- **No Private Inurement:** No assets benefit officers or members (Bylaws Article II)
- **Operational Test:** Activities further exempt purposes (lake stewardship programs)
- **Dissolution Clause:** Assets distributed to 501(c)(3) organizations upon dissolution (Bylaws Article XIII)

## **Nonprofit Budget Best Practices**

### **American Institute of CPAs (AICPA) Nonprofit Standards:**

- ✓ Functional expense reporting (programs vs. management/fundraising)
- ✓ Budget vs. actual comparisons
- ✓ Adequate reserves and contingency planning
- ✓ Board oversight and approval

### **Charity Navigator / BBB Wise Giving Alliance:**

- ✓ At least 65-70% of expenses support mission programs (LLBDM: ~47% in startup year, will increase as programs grow)
- ✓ Administrative costs under 35% (LLBDM: ~31%)
- ✓ Fundraising costs under 35% (LLBDM: grant development + marketing ~23%, will decrease as 501(c)(3) matures)
- ✓ Operating reserve target: 4-6 months expenses (building toward)

### **Wisconsin Lakes Partnership Guidance:**

- ✓ Insurance coverage (D&O + General Liability)
  - ✓ Budget transparency and member approval
  - ✓ Municipal partnership agreements and reporting
  - ✓ Science-based lake management approach
  - ✓ Volunteer engagement and training
- 

## **Timeline and Milestones - Anticipated**

### **Prior to Founding Meeting**

- **Aug, 2025:** Website launch (llbdm.org)
- **Oct, 2025:** Filed Articles of Incorporation with Wisconsin Department of Financial Institutions
- **Nov, 2025:** Open bank account
- **Oct 1-Nov 17, 2025:** Facebook advertising campaign for awareness and founding meeting promotion

### **November 2025**

- **Nov 18:** Founding Meeting at Appleton Yacht Club - Budget presentation and approval
- **Nov 18:** Board of Directors election
- **Nov 18-30:** Initial membership enrollment (founding members)

### **December 2025**

- **Dec 20:** File IRS Form 1023 (501(c)(3) application)
- **Dec 31:** Secure insurance policies (D&O, General Liability)
- **Dec 31:** Menasha and Neenah City Council budget approvals (expected)
- **Ongoing:** Member recruitment campaign

### **January 2026**

- **Jan 6:** First Board meeting - Officer elections, committee appointments
- **Jan 15:** Establish committee structure and chairs
- **Jan 31:** Formalize municipal partnership agreements with Menasha (and Neenah if 2026 budget approved)

- **Ongoing:** Grant research and strategy development

## **February 2026**

- **Feb 28:** Science & Monitoring Committee trains volunteers (CLMN protocols)
- **Ongoing:** Annual meeting planning

## **March 2026**

- **Mar 1:** Submit annual report to City of Menasha (per Bylaws Article IX)
- **Mar 15:** Draft FY 2026-2027 budget for Board review
- **Mar 21:** Annual meeting notice distributed to members (30 days advance per Bylaws)

## **April 2026**

- **Apr 1:** Begin water quality monitoring (ice-out dependent)
- **Apr 10:** FY 2026-2027 budget approved by Board
- **Apr 21:** Annual Meeting - Budget adoption, Board elections, annual report
- **Apr 30:** Interim budget period ends
- **Apr 30:** Financial close and preparation for independent financial review

## **Post-Interim Period**

- **May-Jun 2026:** Expected IRS 501(c)(3) determination (6-12 months from filing)
- **Jan 2027:** Become eligible to apply for DNR Lake Management Grants (1+ year incorporated)

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## **Transition to Fiscal Year 2026-2027 Budget**

The FY 2026-2027 annual budget (May 1, 2026 - April 30, 2027 **OR** January 1, 2026 - December 31, 2026 per Bylaws fiscal year) will reflect LLBDM's transition from startup phase to operational maturity.

**Note:** The Board will need to clarify at the First Annual Meeting whether the fiscal year is:

- **Calendar year** (January 1 - December 31) per Bylaws Article X, Section 1, **OR**
- **Hybrid year** with interim budget Nov 2025-Apr 2026 followed by May-Dec 2026, then calendar year ongoing

For planning purposes, this section assumes fiscal year 2026-2027 refers to the full calendar year 2027.

## **Expected Changes from Interim Budget**

### **Revenue Increases:**

- Membership growth to 200-300 members = \$5,000-7,500 dues revenue
- City of Menasha continued funding = \$5,000-10,000
- City of Neenah funding (if approved) = \$5,000
- Individual donations post-501(c)(3) = \$2,000-5,000
- **Projected FY 2026-2027 Revenue: \$17,000-27,500**

### **Expense Reductions:**

- Legal & organizational setup (one-time): \$0
- Grant development (reduced post-501(c)(3)): \$500
- Facebook advertising (startup phase): \$0 (or minimal for specific campaigns)

### **Expense Increases:**

- Science & monitoring (full season, expanded parameters): \$2,000-3,000
- Educational programs and workshops: \$1,000-2,000
- Communications (newsletter, annual report, materials): \$1,000-1,500
- Aquatic invasive species early detection and response: \$2,000-5,000
- Equipment purchases: \$1,000-3,000
- Financial review (first full fiscal year): \$500-800

### **New Expense Categories:**

- Clean Boats, Clean Waters program: \$1,000-2,000
- Membership events and lake cleanups: \$500-1,000
- Professional development (conferences, training): \$500-1,000
- Part-time administrative support (if revenue supports): \$0-8,000

### **Projected FY 2026-2027 Expenses: \$14,000-22,000**

The Treasurer and Finance Committee will develop the FY 2026-2027 budget for Board review in March 2026 and membership approval at the April 2026 Annual Meeting.

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# Conclusion

This Interim Operating Budget establishes a solid financial foundation for the Little Lake Butte des Morts Lake Association during its critical founding phase. With careful stewardship of the City of Menasha's seed funding and anticipated membership dues, LLBDM will achieve:

- ✓ **Legal Recognition:** Incorporation under Wisconsin Chapter 181 and IRS 501(c)(3) tax-exempt status
- ✓ **Risk Protection:** Comprehensive insurance coverage for Board, volunteers, and activities
- ✓ **Operational Infrastructure:** Technology, communications, online payment systems, and administrative capacity
- ✓ **Scientific Foundation:** Baseline water quality monitoring to inform management decisions
- ✓ **Community Awareness:** Facebook advertising campaign and professional founding meeting
- ✓ **Member Engagement:** Convenient online membership enrollment and multiple payment options
- ✓ **Grant Readiness:** Infrastructure and documentation to pursue state and foundation funding
- ✓ **Financial Sustainability:** Begin building operating reserves toward 4-6 months expenses

The \$336 projected surplus (3.8% of revenue) aligns with nonprofit best practices for new organizations, balancing ambitious programming with financial prudence. As LLBDM grows its membership, secures 501(c)(3) status, and establishes a track record of successful programs, future budgets will reflect expanded capacity to protect and restore Little Lake Butte des Morts.

The Board of Directors is committed to transparent financial management, regular reporting to the membership, and accountable stewardship of all funds entrusted to the Association. Through collective effort and shared resources, LLBDM will ensure that Little Lake Butte des Morts remains a healthy, vibrant ecosystem for current and future generations.

## Special Thanks:

- **Appleton Yacht Club** for generously donating the founding meeting venue
- **City of Menasha** for seed funding support and partnership

- **Organizing Committee members** for countless volunteer hours building LLBDM's foundation
- **Early supporters and founding members** whose commitment makes this vision possible

## Appendices

### Appendix A: Membership Dues Calculation

Month	Projected New Members	Cumulative Members	Monthly Revenue	Cumulative Revenue
Nov 2025	50	50	\$1,250	\$1,250
Dec 2025	50	100	\$1,250	\$2,500
Jan 2026	15	115	\$375	\$2,875
Feb 2026	15	130	\$375	\$3,250
Mar 2026	10	140	\$250	\$3,500
Apr 2026	10	150	\$250	\$3,750
<b>Total</b>	<b>150</b>	<b>150</b>		<b>\$3,750</b>

#### Membership Enrollment Assumptions:

- Heavier enrollment in Nov-Dec following founding meeting and Facebook advertising
- Tapering enrollment Jan-Apr as initial enthusiasm moderates
- Renewed push in Mar-Apr before annual meeting

### Appendix B: Payment Processing Fee Calculation

Scenario	Amount	Notes
<b>Revenue Subject to Fees</b>		
Membership dues (online)	\$3,750	Assumes 100% online payment (conservative)

Scenario	Amount	Notes
Processing rate	2.9%	Stripe standard rate (before 501c3)
Percentage-based fee	\$108.75	$\$3,750 \times 2.9\%$
Fixed fee per transaction	\$0.30	Per transaction
Number of transactions	150	One per member
Fixed fees total	\$45.00	$150 \times \$0.30$
<b>Total Processing Fees</b>	\$153.75	Rounded to \$154
<b>Optional Member Contributions</b>		
Member contribution option	\$1.50	Per transaction (voluntary)
Estimated opt-in rate	50%	Based on nonprofit sector research
Members opting in	75	$50\% \times 150$
<b>Total Member Contributions</b>	\$112.50	Rounded to \$113
<b>Net Processing Cost</b>	\$41.25	$\$154 \text{ fees} - \$113 \text{ contributions (if 50\% opt in)}$

### After 501(c)(3) Approval (Future):

- Stripe nonprofit rate: 2.2% + \$0.30
- $\$3,750 \times 2.2\% = \$82.50 + (150 \times \$0.30) = \$45 = \mathbf{\$127.50 \text{ total}}$
- **Savings:** \$26.25 annually vs. standard rate

**Note:** Membership dues may not qualify for nonprofit rate as they are not tax-deductible donations. LLBDM will verify eligibility with Stripe after 501(c)(3) approval.

## Appendix C: Facebook Advertising Campaign Details

Campaign Element	Details
<b>Budget</b>	\$200 total
<b>Duration</b>	6-8 weeks (October 1 - November 17, 2025)
<b>Daily Spend</b>	~\$4-5/day
<b>Geographic Target</b>	5-mile radius of Little Lake Butte des Morts
<b>Cities</b>	Neenah, Menasha, Appleton
<b>Age Range</b>	30-65
<b>Interests</b>	Lakes, boating, fishing, conservation
<b>Objective</b>	Event awareness (Founding Meeting)

Campaign Element	Details
Primary CTA	"Learn More" (link to website)
Secondary CTA	"Join as Founding Member" (membership form)

### Expected Performance Metrics:

- Reach: 3,000-5,000 unique users
- Impressions: 8,000-12,000
- Clicks: 150-300
- Cost per click: \$0.67-\$1.33
- Website conversions: 30-60 (membership sign-ups or RSVP)

### Ad Creative:

- Image: High-quality photo of Little Lake Butte des Morts (sunrise/sunset)
- Headline: "Protect Our Lake: Join LLBDM"
- Body copy: "We're forming a lake association to preserve Little Lake Butte des Morts. Join us at the Founding Meeting Nov 18 and become a founding member!"
- Call-to-action button: "Learn More"

### Measurement:

- Facebook Ads Manager analytics
- Website Google Analytics for landing page traffic
- Membership form submissions tracked
- Founding meeting attendance compared to ad spend

## Appendix D: Budget Variance Tracking Template

*Provided to Treasurer for monthly reporting to Board*

Line Item	Budgeted	Actual	Variance \$	Variance %	Explanation
Membership Dues	\$3,750				
Member Fee Contributions	\$0				
Municipal Funding	\$5,000				
Legal & Org Setup	\$1,550				
Insurance	\$1,300				

Line Item	Budgeted	Actual	Variance \$	Variance %	Explanation
Technology	\$700				
Administrative	\$585				
Meetings	\$875				
Grant Development	\$1,700				
Science & Monitoring	\$550				
Marketing & Outreach	\$200				
Payment Processing	\$154				
Contingency	\$800				
<b>Total</b>	<b>\$8,750/8,414</b>				

## Appendix E: Insurance Coverage Checklist

When securing insurance quotes, ensure policies include:

### Directors & Officers Liability:

- Coverage limit: \$1,000,000 minimum
- Entity coverage (Association itself)
- Employment practices liability
- Defense costs outside policy limits (if possible)
- No exclusion for environmental claims
- All board members named as insured
- Tail coverage for past board members

### General Liability:

- Coverage limit: \$1,000,000 per occurrence
- \$2,000,000 aggregate (if affordable)
- Bodily injury and property damage
- Medical payments
- Personal and advertising injury
- Products and completed operations
- Volunteer coverage
- Coverage for rented premises (meeting venues)
- Watercraft liability (if Association owns boats)

**Recommended Provider:**

The Horton Group - Wisconsin Lakes partner offering nonprofit discounts

**Appendix F: Grant Opportunities Timeline**

*When LLBDM becomes eligible (post-501(c)(3) and/or qualified lake association status)*

<b>Grant Program</b>	<b>Eligibility Date</b>	<b>Application Deadline</b>	<b>Funding Range</b>
Wisconsin DNR Lake Planning Grant	Jan 2027 (after 1 year incorporation)	February annually	\$5,000-\$25,000
Wisconsin DNR Lake Protection Grant	Jan 2027	February annually	\$10,000-50,000
Wisconsin DNR AIS Control Grant	Jan 2027	April/October	\$5,000-100,000
Fox Cities Visitor and Convention Bureau	Upon 501(c)(3)	Varies	Varies
Community Foundation Fox Valley	Upon 501(c)(3)	Rolling	\$500-5,000
Walmart Community Grants	Upon 501(c)(3)	Rolling	\$250-5,000
Bass Pro Shops Conservation Grants	Upon 501(c)(3)	March annually	\$500-2,000

*Grant application preparation should begin 6 months before deadlines*

**Appendix G: Financial Review vs. Audit Comparison**

<b>Factor</b>	<b>Financial Review</b>	<b>Full Audit</b>
<b>Cost</b>	\$500-1,500	\$3,000-10,000+
<b>Scope</b>	Limited procedures, analytical review	Comprehensive examination
<b>Assurance Level</b>	Limited assurance	Reasonable assurance
<b>CPA Opinion</b>	"Nothing came to attention indicating material misstatements"	"Financial statements present fairly in all material respects"
<b>Required When</b>	Bylaws requirement, grant applications	Revenue >\$350k, major grants
<b>Appropriate for LLBDM?</b>	<b>Yes - interim and first 3-5 years</b>	Future consideration as budget grows

# Appendix H: Recommended Financial Policies to Develop

The Board should adopt written policies during the interim period covering:

1. **Conflict of Interest Policy** (required for 501(c)(3))
2. **Whistleblower Policy** (protects reporters of financial wrongdoing)
3. **Document Retention and Destruction Policy** (defines record-keeping - 7 years financial, permanent incorporation documents)
4. **Investment Policy** (governs how reserves are invested)
5. **Gift Acceptance Policy** (what donations can be accepted, naming opportunities, restricted gifts)
6. **Expense Reimbursement Policy** (volunteer mileage, supplies, meals at \$0.67/mile IRS rate)
7. **Check Signing Authority** (dual signature requirements over \$1,000)
8. **Online Payment Security Policy** (Stripe PCI compliance, data protection)

*Sample policies available from Wisconsin Lakes and BoardSource*

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## Approval and Adoption

This Interim Operating Budget for the Little Lake Butte des Morts Lake Association, Inc. covering November 18, 2025 through April 30, 2026 is presented for approval at the Founding Meeting.

**Prepared by:** Christopher Rand, Organizing Committee Secretary

**Reviewed by:** Organizing Committee

**Date Prepared:** November 2025


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### ADOPTION:

This budget was presented to the membership of Little Lake Butte des Morts Lake Association, Inc. at the Founding Meeting held on November 18, 2025.

Upon motion duly made, seconded, and carried by majority vote of members present, this Interim Operating Budget is hereby approved and adopted.

**Date of Adoption:** November 18, 2025

**Secretary Signature:** 

**Printed Name:** Christopher Rand

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*Little Lake Butte des Morts Lake Association, Inc.*  
*Protecting Our Lake, Building Our Community*  
[www.llbdm.org](http://www.llbdm.org)