

M.R.A.

MOTORCYCLE RIDERS ASSOCIATION
P.O. Box 64, Collins St.,
Vic. 3000

M.R.A. AUSTRALIA

FINANCES-- A Proposal.

When the M.R.A. National Body has been set up, we will need to have some way of financing it. This has to be done in a profit making way, as the National Body can become a financial burden on M.R.A. Branches, especially the branches with low memberships. Set out below are three methods of financing a National Body.

PROPOSAL 1

All membership fees (\$10.00) will be paid directly to the National Body. An income of approximately \$150,000.00 per annum. With this income the National Body can purchase stock on a yearly order from producers in the State that has the cheapest quote, i.e. M.R.A. Victoria pays \$3.30 per T-shirt on orders over 50. If we order 10,000 per year to be delivered at a rate of 1000 per month. The cost could be as low as \$2.50 per shirt. This stock purchased at a lower price and sent to the branches at that price will mean a bigger profit margin for the whole association. The National Body can print the newsletters at no cost to the branches and distribute same. It can run membership listings on its own computer and even have terminals in all main branches, again at no cost to the branches. Money that is not being used at the time can be invested on short term money market, giving the National Body a way of increasing its income, the current rate of interest on the short term market is approximately 25%. Branches can not and never will be able to earn an income through investments due to the small amounts of finance they have. At best, M.R.A. Victoria may be able to invest \$5,000, the yearly return on that will be \$675.00. If the National Body invests a minimum of \$20,000 (which is quite possible) the return will be \$4,800 per annum. An increase of 611% on profit making abilities.

Branches that require funds to operate and cannot make the appropriate income through sale of stock etc. will be able to put a submission to the National Body for funds. At the end of each financial year the National Body will return a percentage of its income to all State branches which in turn the branches can pass part of their income to their registers.

On that income M.R.A. Australia will supply all printing, computer services, computer terminals and stationery at no cost to all branches. It will pay all costs for the National conferences, such as fare for delegates, accommodations etc. The percentage return at the end of the financial year will be in proportion to the amount of members at the branches.

Let those who ride decide.

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PROPOSAL 2

The National Body will receive a percentage of the membership fees (i.e. \$2.00 out of \$10.00) which means an annual income of \$30,000.00. This income will not be sufficient to run the National Body as the M.R.A. Victoria, Head Office expenditure averaged \$60,000 per annum over 5 years. To supplement this deficiency the National Body will have to purchase stock and sell it at a small increase. It will have to charge the branches and registers for services such as printing and distribution of the newsletter, running the membership listings etc. Also because of the percentage of membership fees paid into the National Body, some of the branches will be disadvantaged due to the fact that W.A. fees are \$10.00 at this time, so they will actually lose \$2.00 on each membership. Victoria membership is \$8.00 at present so they will gain nothing. The only states that will profit from this is the States with a membership of \$5.00.

PROPOSAL 3

The National Body can be financed by asking the branches to pay a specific amount into it, such as \$5,000.00 per year from the 6 branches. Making the total income of \$30,000.00 per annum, again not near enough for the proper operation of the National Body. The rest of the income can only be supplemented by the resale of stock at a profit etc.

I have been an accountant now for 10 years, in that period of time I have learnt the ways of making money work for you. To my belief the only way the M.R.A. can continue to grow is by following the first proposal. The only way for you and your members to be sure of my proposal is to actually speak to an accountant or a business man. Anyone that has no knowledge of business, accounting or book-keeping is only fooling himself by saying that he knows better.

Lewis W. Bordon,

M.R.A. Victoria-Treasurer.

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