

# Memorandum

## rēp Venture Track – Finances Overview



To **rēp** Team  
Location USA  
From Brett Johnson  
Date November 11, 2009  
Subject **Cost of rēp Ventures**

Enc/Att.  
Cc  
Ref Q1 2010 Training Cycle

### Background and Context

While it is true that “God loves a hilarious giver,” stewardship requires that we invest our resources—time and money—wisely. We therefore regularly compare the cost and value for money of **rēp** Ventures to ensure that it is time and money well spent. From a pure cost perspective, when one looks at the total price of a **rēp** Venture it is helpful to know various things:

- the impact that **rēp** has through its leveraged model,
- the hard costs of the Venture, and the soft costs that go into supporting the Venture,
- your financial investment, and
- the contribution made by Venture clients.

This memo is intended to provide you with a framework for understanding the costs and benefits of the Venture you are about to undertake. Bear in mind that some of the costs are estimates, and are therefore subject to change.

### Impact of Your Investment

Your investment in a **rēp** Venture gives the client access to teaching/instruction on kingdom business that they cannot get elsewhere. Every business leader who comes through the **rēp** process then has a direct influence over the staff in their business. We generally find that 10 businesses directly affect thousands of people and indirectly impact many more. In a recent Venture to Jakarta the 9 clients served over 30 million customers... that is more than 10% of the population! The cumulative clients in Jakarta, for example, now serve over 140 million customers. Further, business leaders have daily interaction with their staff, some of them 300 days a year! Their face-time with those in their sphere of influence often far surpasses that of others in traditional ministries.

Moreover, the degree of transformation that takes place in the life of a consultant is momentous. This is most likely the reason that many find it hard to make the decision to go on a Venture; the enemy knows that they will not come back the same. You will find encouraging testimonials on the **rēp** website (<http://www.repurposing.biz/consultant-testimonials/>). We have seen consultants come back from Ventures as changed people and their influence in their own businesses/places of employment is heightened.

### Overview of Venture Related Costs

There are three direct elements of the financing of **rēp** Ventures:

1. *Host country expenses*: these include the conference facilities, local support staff, printing, books and other direct expenses. These are covered mostly by client fees from the host country.

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2. *Traveling expenses:* these are covered by the consultant fees in the sending country, and include the following:
  - Accommodation
  - Meals
  - Car Rental
  - Sightseeing, special events, and Venture-related seminars.
3. *Consultant Training expenses:* This includes all training materials (Consultant manuals, core books, DVDs, booklets, etc) as well as all hospitality and training related administrative support. These expenses are incurred in both the sending & host countries with each location covering its own costs.

Additionally, there are indirect costs and Home Office Expenses associated with rēp training and Venture related activities. Our overall budget for rēp in the USA in recent years has been \$350,000 of which about \$310,000 is a direct “in-and-out” of consultant fees for Ventures. In other words, we do not have a large Home Office overhead that is covered by training fees. There are, however, costs that are separate from the direct Venture costs that are essential to make rēp viable. These include;

- Communications: telephone (we have lots of overseas calls), Internet, postage, etc.
- Printing, collateral, publishing, etc.
- Bookkeeping: processing & receipting of all consultant fundraising payments
- Rent (a contribution towards office costs)
- Functions, meals, hospitality
- Information technology: projectors, hard drives, laptops, speakers, etc.
- Administration: communication, volunteer recruiting, training and organization, materials development and updates, etc.

These types of expenses are covered by a combination of donations to Vine Associates (in support of the rēp Ventures or specific staff) and by income earned by The Institute. Neither Brett nor Lyn draw any income from rēp, and have never done so; their businesses are impacted greatly by the time they dedicate to Ventures. Many other volunteers similarly take time away from income-producing activities to serve together in training consultants, operational roles, and in leading teams. As far as we know, none of them are independently wealthy; they do this because of their calling.

The other thing to note is that we do not have a fundraising machine that mysteriously finds money for us. A business is also a faith walk, and this is as true for The Institute and the businesses of our rēp / Institute family as it is for any other business. We are happy to deploy our resources towards the Ventures which, at best, are low-income-producing, and are more often just at break even.

### Your Financial Investment

The consultant fees are presently \$3,500 of which \$1,500 is for Training, and the remaining \$2,000 is for the Venture expenses in the host country (accommodation, transport, meals, etc.). Please note that the total Venture cost of \$2,000 *excludes any flight costs* to South Africa/ Indonesia/ India etc. You may pay for your flights, or use frequent flyer miles. Be sure to get appropriate travel insurance.

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Your application fee of \$250 is non-refundable. If you apply and opt out, then this will not be returned to you. In addition, if for some reason you discontinue training at any stage during the cycle your fees will be pro-rated based on time elapsed and meals consumed. Also, if you drop training, the Consultant Manual, Applied Learning DVD, and Training DVD need to be returned to us as these are proprietary materials.

### Other Financial Investments

The clients also pay a fee to participate in the Venture and this generally varies by location and size of the business. Our goal is to cover the cost of the hotel/conference facility, the meals during the day when clients are with us, and the cost of client materials. Where there is a gain from a Venture, it goes towards future running costs of rēp for a particular location. Client fees vary from \$650 to \$3,500 depending on the location. Our experience has taught us that clients are more committed to implementation when they pay a fee.

### Timeline for payments

Please adhere to the payment timeline outlined below, otherwise rēp will end up having to cover certain costs and paying interest.

<b>Payments:</b>	<b>Due by:</b>
\$250	Upon application
# 1: \$750	February 1, 2010
# 2: \$1,000	March 1, 2010
# 3: \$1,500	April 1, 2010

If you anticipate having difficulty meeting this schedule, please let Annie know ([annieg@inst.net](mailto:annieg@inst.net)). We will notify you on a routine basis when you receive contributions from supporters, and will advise you of the net situation as of each payment date. Given the tight schedule, we recommend that you send out your prayer support/fundraising letters *as soon as possible*. Should you be receiving matching funds from corporate foundations, you are still responsible for meeting the above deadlines, and we will reimburse you when the foundations make their payments if this is after the above dates. Please note, in order to cover the costs of bookkeeping & receipting we apply a 3% administration fee to all donations.

### What happens if you raise excess funds?

In order for donations to be tax deductible the receipting organization has to have complete discretion over the funds. If you raise excess funds we will do one of three things:

1. Reimburse you up to the amount of your airfare provided you give us the original receipt.
2. Allow you to designate your excess to fellow travelers in the same training cycle.
3. Hold the funds for your next trip PROVIDED that it takes place in the same calendar year.

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Any funds not used will be transferred to the general fund on December 15 of the calendar year.

### Fundraising

We require that you send out a prayer support and fundraising letter, a template of which will be sent to you via email with your letter of acceptance (welcome letter). Whether or not you choose to pay mostly for your Venture with your own funds, we strongly encourage that you raise about 25% of your total Venture costs through fundraising. We have found that the involvement of friends/colleagues/family in supporting a team member through prayer and finances has been very beneficial to all parties.

Below are ways in which past team members have received funds. Please see our website for further details: <http://www.repurposing.biz/contribute/>.

- Checks (made payable to **Vine Associates** and sent to 3777 Fujiyama Way, Redding, CA 96001)
- Stock contributions are often the most tax advantageous if the current value is higher than the cost basis of the stock
- Company Matching
- PayPal (please note PayPal assesses a 5% fee on all transactions)
- Fundraising dinners, special events.

### Tax treatment of the Venture

We do not purport to offer tax advice, but Don Smith, one of our past consultants, has pointed out that it may be more tax advantageous to write off the expenses of the trip and itemize expenses including your mileage to training, etc. (If you are flying in for training, are a meticulous record keeper, or have a long commute to **rēp** events, for example, you may wish to go this route.) Please advise us as soon as possible if you are going this route and we will send you Don's document.

We look forward to having you on the team!

Kind regards,

Brett Johnson