

Underlying Principles of FVFS Monetary Projects

At a special workshop for FVFS Executive Committee members, six broad "Underlying Principles" were identified to guide responsible, long-term, sustainable policy regarding FVFS funds.

Here is a summary of the *Discussion Paper* that resulted. Your comments are welcome through the FVFS Secretary, Susan Davidson: secretary@fvfs.org.au

1

What We Ain't

The Federation is not a business.

It is not a small business. It is not a medium sized business. It is not a big business. It is not any kind of business. The money it has is not private profit. It never was and never will be.

The Federation is not a department or arm or agency of government.

The money it has was not extracted through the power of taxation. It was raised by voluntary means.

When we look at the principles that should guide the use of the Federation's funds we need to be careful *not* to apply rules and principles that rightly belong to business or to government enterprises but are *inappropriate* for independent, non-profit, volunteer-run organizations such as ours.

The FVFS was set up to serve its members and to serve a Cause. Its members are Film Societies. Its Cause is the Film Society Movement.

Film Societies who join the Federation are assumed to be interested in benefiting themselves. And benefiting all fellow members. And in the advancement of the Movement -- including the promotion of film art, culture and education.

2

Other People's Money

Money! It's the most controversial stuff on the planet.

The New Testament (1 Timothy 6:10) does not say, as many claim, that "money is the root of all evil".

What it actually warns against is (in the original Greek) *φιλαργυρία* (philargyria) which is often loosely translated as "love of money" but more accurately means something between *avarice* ("obsession with money") and *covetousness* ("excessively and culpably desirous of *the possessions of another*")

An obsession with spending **other people's money** -- to spend it for the sake of spending it -- is itself a form of avarice and covetousness -- of *φιλαργυρία* (philargyria).

"Money ... is a frozen form of productive energy," wrote one philosopher.

It is the result of human efforts: Specific individuals doing specific things are the origin of specific amounts of money.

To treat money frivolously is to treat human effort callously.

All the more so, when we are frivolous with **other people's money**.

3

Respect the Source

Regarding FVFS funds, it's important to ask: *Where did the money come from?*

Different portions of our current funds have come from different types of sources.

Where possible and relevant, it's important to try to identify each broad type of source. Why?

Because the source of the funds may determine what is an appropriate or inappropriate use of those funds.

If, for instance, \$20,000 was raised by volunteers to pay off debts and to keep the rest aside for a rainy day -- in other words in the event of a crisis or emergency, it would probably be inappropriate to spend it, say, on marketing.

In the same way, it is also important to identify sources of **savings** and the motives and intentions of those who have helped bring about those savings.

So, respect the source: of **funds** and of **savings**.

Underlying Principles of Monetary Projects

4

Learn (thoughtfully) from History

For the kind of organisation we are, the FVFS has a long history.

From 1949 until the present we have all the experiences and experiments, and all the combined human wisdom and human foolishness that 64 years of operation makes available ... and from which -- if we are wise -- we can learn. But to which we should not be dogmatically bound.

It's important that we make a point of learning from past experiences while at the same time being cautious not to be trapped by those past experiences.

5

We Always Need All Three Kinds of Monetary Ideas

The Federation **always** welcomes and seeks ideas in **all three** of these areas:

1. **Spending** money on worthwhile things, and
2. **Saving** money (i.e. cutting costs), and
3. **Raising** money.

Even while we keep the door open for those who might propose worthwhile *spending* ideas, we can and should still be inviting ideas and initiatives on *saving* money and on *raising* money.

We should not ever be focused on just one of these kinds of monetary ideas.

5a

The Reinforcement Effect

In fact these 3 monetary areas all *reinforce* each other.

For example: The more ideas on how money can be saved, the more money there is available for spending, and the more careful we'll be when evaluating spending proposals since the "*saving* money" mentality that is fostered is extra scrupulous in evaluating *spending* proposals.

For example: Coming up with ideas for raising money is a great way to develop creative thinking and a sense of community and collective achievement. And people who have put work into raising funds, tend to be more careful about not squandering those funds.

5b

Spending: The self-funded way

Ian Davidson: "At all times one objective of the FVFS should be to ensure that any project undertaken should be self-funded and not be a drain on resources."

A project that gets back what it spends is better than one that doesn't.

5c

"What I will do" (The Championed Project)

John Turner: "the common denominator (of successful projects) was usually energetic input from one or two individuals."

A project that is energetically driven by an individual is more likely to be successful and more likely to get funded than one without such a champion.

Conversely, an otherwise excellent idea proposed for "others" to carry out is less likely to be supported by the Committee.

6

Beware

6a

Spending money to play the hero

Politicians do this all the time. They're Big Shots. They take **Other People's Money**. Spend it. Make themselves look good for a while. And by the time things go bad, they've moved on and the mess has become someone else's problem.

The FVFS needs to avoid (like the plague) supporting projects that make us look good, make us look like we're "doing something" but in the end amount to nothing.

It's better to be accused of spending too little, than to be guilty of squandering our funds and thereby diminishing what can be done in the future.

6b

Being under the thumb of the rule of thumb

There are all sorts of "rules of thumb" that people may put forward about how organisations should be run. These are based on how "everyone else" does things.

Even if there is a generally established or widely accepted way of doing things, we are not bound to it unless it applies to us and makes sense to us. There is nothing wrong with questioning such established rules and practices and not accepting them if they don't make sense or don't apply.

Next issue we'll present some historic examples of successful FVFS monetary projects that illustrate many of these principles.
