



Strategic Budgeting & Financial Stability: Lodge and Hall Budgets, P&L, Investments

Steven L. Yeffa
Grand Treasurer

2026 Leadership Retreats



Agenda & Take Aways

Lodge/Hall Budget

- Understand the lodge/hall budget timeline
- Understand the lodge/hall sources of income and expenses
- Understand how your lodge/hall prepare its budget
- Understand customs/needs of the lodge/hall

Budget Agenda

- Lodge/Hall Fiscal Year begins on January 1st & ends on December 31st
 - For financial reporting and budgeting purposes
- Timeline: Preparation, Review & Approval
- High Level Revenue & Expenses

Budget Timeline

- Ideally, the 2027 operating budget process begins Q1 2026
- Lodge Budget responsibility lies with the Senior Warden (Master)
- Hall Operating and Capital Budget responsibility lies with the President of the Hall
- Typically, the Senior Warden (Master) solicits budget input from the Master, Secretary, and Treasurer (Q1 - Q3)
- Draft Budget and Assumptions are provided in October/November for the ensuing masonic year (Q4)

Budget Timeline - continued

- Lodge's 2027 Operating Budget presented to members at the January 2027 stated meeting for approval and adoption (Required per CMC)
- Hall's 2027 Operating and Capital Budgets presented to board for approval during the January 2027 board mtng
- Hall 's Capital Budget is a multi-year capital plan, so it should be refreshed annually

Lodge Income Sources

- Income sources (2 categories):
 1. Primary Sources
 - ✦ Dues (Annual Membership)
 - ✦ Fees (Degree, Out of State Affiliation, etc...)
 - ✦ Life Membership Distributions
 - ✦ Investment Distributions

Lodge Income Sources

2. Other Sources

- ✦ Gifts & Bequests
- ✦ Income from donor restricted gifts and trusts
- ✦ Transfer from Hall Association
- ✦ Contributions
- ✦ Other Revenue (Events, etc...)

Lodge Expenditures

Lodge funds shall not be used/expended without the express consent of the Lodge, even though included in a Lodge budget, except for the following –

- Dispensed by the Charity Committee
- Due/payable to Grand Lodge e.g. per capita
- To pay the taxes or other charges of local, State or Federal governmental agencies, or
- Return of dues under section 809.350 of the CMC

Lodge Expenditures

PROHIBITED EXPENDITURES (CMC 809.530)

A lodge may not:

- Use/expend lodge funds for alcoholic beverages;
- Divide its monies, property or other assets with its members, even those withdrawing to form a new lodge or with the new lodge thus formed;
- Divide its funds with an existing lodge by way of a contribution;
- Invest lodge funds in its life membership fund, other than to purchase a life membership for its retiring master; or
- Use any of its funds to subsidize, directly or indirectly, any organizations except Masonic Youth Orders or as otherwise provided in the CMC.

Lodge Expenses

Four Expense Categories:

1. Required and necessary expenditures (CMC 809.540)
2. Discretionary expenditures (CMC 809.550)
3. Social and fraternal expenditures (CMC 809.560)
4. Budget reserve for contingency

Tips for Any Budget Creation

- Start with a set of assumptions
- Use a standard budget template (Excel)
- Track budget progress in different versions
- Always present a balanced budget

Hall Operating and Capital Budget

- Operating Budget
 - 1 year
- Capital Budget
 - Multi-Year Capital plan

Hall Types and Revenue Sources

Hall Type	Revenue Source	Financial Impact on Halls During economic downturn and recovery period
Small 1 or 2 story building with lodge room & small dining room only	Lodge revenue only	No to Minimal revenue loss
Small 1 or 2 story building with lodge room & small dining room only	Fraternal (lodge and masonic affiliates)	Minimal revenue loss
Medium size building	Fraternal and single use events revenue	Minimal to Moderate revenue loss
Mid to Large size building with lodge room (2 nd floor) and commercial space (ground level)	Fraternal and commercial leases revenue	Minimal to Significant revenue loss
Large size building with lodge room (2 nd floor) and commercial space (ground level)	Fraternal revenue, commercial leases , and single use events revenue	Minimal to Significant revenue loss

Hall Income Sources

Income sources:

1. Primary Sources

- ✦ Rent from Lodge(s)
- ✦ Rent from other masonic orgs (Concordant Bodies)
- ✦ Rent from Non-Masonic Orgs/Commercial Tenants
- ✦ Rent from One-Time (Single Use) Events

2. Other Sources

- ✦ Rent from Parking Lot
- ✦ Transfer from Owner Lodge
- ✦ Other Miscellaneous Revenue

Hall Expenses

- Payrolls (Hall employees)
- Admin Expenses
 - Property Management Fees
 - Tax filing fees
 - Payroll processing fees
- Property Tax
- Property & Liability Insurance Premiums
- Utilities
- Outsourced Services
 - Janitorial Services
 - Guard Services
 - Landscaping Services
 - Pest Control

Hall Expenses (Continued)

- Other Building Expenses
 - Fire Extinguisher inspections
 - Burglar alarm monitoring service
 - Telephone/Internet Service
 - Elevator Services contract
- Budget Reserve for Contingency
- Revenue net Expense = Operating Surplus/Deficit
- If Hall has a year end operating surplus,
 - Transfer Fund to Lodge (dividend from Operations)

Maintenance and Capital Plans

- The hall association's primary responsibility is to protect the assets of the lodge and ensure the building is kept in good/operable condition
 - Safety/Security
 - Public image & improved membership experience
 - Attract more rentals = revenue
- Develop annual maintenance plan
- Develop multi-year capital plan

Capital Expense Approval

- Capital Projects < \$25,000
 - Lodge and Hall approval only
- Capital Projects > \$25,000*
 - + Grand Lodge Masonic Properties Committee
- Capital Projects > \$100,000*
 - + Grand Lodge Executive Committee
- City/County approval, where applicable

Three-Year Capital Plan - Example

Task/Year	Priority Level	2026	2027	2028	Total 3-year spending
Replace Roof with 20-yr warranty	1	\$50,000*			\$50,000
LED Lighting fixtures (interior & exterior)	1	\$10,000			\$10,000
Replace kitchen appliances	2		\$15,000		\$15,000
Bathroom remodel (upgrade fixtures, toilets, faucets, etc.)	2		\$25,000*		\$25,000
Replace A/C units	1	\$25,000			\$25,000
Solar Panel Installation – with 20-year warranty	3			\$40,000*	\$40,000
Replace carpet in lodge room and common areas	2		\$25,000*		\$25,000
Re-surface/re-stripe parking lot	3			\$35,000*	\$35,000
Total capital expense by year		\$85,000	\$65,000	\$75,000	<u>\$225,000</u>
* Requires MPC approval					

Five Year Capital Improvements Plan

Task/Year	Priority Level	2026	2027	2028	2029	2030	Total 5-year spending
Roof							
HVAC System							
Furniture & Fixtures							
Lighting							
Flooring							
Kitchen &/or Restroom Renovations							
Interior &/or exterior Paint							
Plumbing &/or electrical							
Parking lot repaving							
Solar Panel Installation							
Total capital expense by year							

Summary

- Plan ahead
- Keep the two (lodge/Hall) Budgets separate
- Grand View for Accounting
 - enter your approved annual budget in the system
 - spread budget by month
 - relevant when generating actual to budget variance reports
- Treasurer should not be passive in the business operation of a lodge/hall

Summary

- Appropriate internal/external reporting is critical
- Coordinate/Fully Cooperate with the Audit Committee
- If you need assistance:
 - a. Refer to the CMC
 - b. Solicit input from Other Officers (Past and Present)
 - c. Contact the Grand Treasurer or the CFO



Lodge investment programs

Steven L. Yeffa
Grand Treasurer

2026 Lodge Leadership Summits



Masons
of California

Lodge Investments Overview



- Options available to lodges for the investment of assets
- How to take advantage of these programs
- Asset performance
- How to access your funds

Options for Lodge Investments

- Grand Lodge Life Investment Program
- Grand Lodge General Investment Program
- Investment Committee or Board of Trustees Direct Investment Management

GL Life Membership Investment Program

- Available to all lodges regardless of fund size.
- Grand Treasurer, with the assistance of the GL Investment committee is responsible for investment decisions.
- Minimum objective is to cover the distribution program (4%) + Inflation (CPI).
- Life Membership Program is Invested in the TIAA Kaspick Growth/Income Fund.
- Current balances:
 - 2/28/26 \$4.481 million 73 lodges
 - 2/28/25 \$3.534 million 66 lodges

Grand Lodge

Life Membership Investment Program

TIAA Kaspick Growth/Income Investment Performance as of 12/31/2025

	<u>Growth/Income Fund</u>	<u>CPI</u>	<u>4% dist. + CPI</u>
One Year	13.2%	2.7%	6.7%
Three Years	10.8%	3.0%	7.0%
Five Years	5.0%	4.5%	8.5%
Ten Years	6.4%	3.2%	7.2%

Grand Lodge

General Investment Program

- Available to all lodges.
- Grand Treasurer, under the advice of the GL investment committee responsible for all investment decisions.
- Minimum objective is to cover the distribution percent (4.00%) + CPI
- Lodge General Investment Program is invested in the Grand Lodge ETF Investment Mix.
- Current balances:
 - 2/28/26 \$43.458 million 47 lodges
 - 2/28/25 \$30.816 million 39 lodges

GL General Investment Program-Continued

Grand Lodged Investment Mix

	Grand Lodge <u>Inv. Mix</u>	Grand Lodge <u>ETF Inv. Mix</u>	CMC <u>Mix</u>
❖ Cash	2%	0%	8%
❖ Equities	54%	77%	80%
❖ Fixed Income	22%	23%	12%
❖ Alternative Investments	10%	0%	0%
❖ Private Markets	12%		

GL General Investment Program

Historical Investment Performance as of 12/31/2025

	<u>Grand Lodge Inv. Mix</u>	<u>Grand Lodge Equity/Fixed</u>	<u>Grand Lodge ETF Inv. Mix</u>	<u>CPI</u>	<u>4.0% Dist. + CPI</u>
One Year	13.0%	14.6%	19.6%	2.7%	6.7%
Three Years	12.0%	13.8%	16.5%	3.0%	7.0%
Five Years	7.0%	7.0%	8.0%	4.5%	8.5%
Ten Years	8.1%	9.2%	9.4%	3.2%	7.2%

CMC Process

Utilizing GL Investment Programs

- The secretary must note in the minutes a notice of the proposed action when made.
- This action will have no effect until approved by the grand master.
- When submitting for approval the secretary must forward a certificate, under seal, showing that the law has been complied with.

CMC Process

Utilizing GL Investment Programs

- A lodge may choose to participate in either the Life Membership or General Investment Program by taking such action at a stated meeting by a two thirds vote of the members present.
- Such proposal must be presented, in writing, at a preceding stated meeting.
- A written notice must be given to each lodge member setting forth the text of the proposed action and the date of the meeting when a vote will be taken.

Distribution of Funds

- Quarterly statements are available on iMember 2.0 – Lodge File Vault
- 4% distribution per year is permitted
- Requests for cash are sent to the Grand Lodge team

Contact Information

- Steven L. Yeffa
(925) 580-9759
syeffa@freemason.org
- Carol Hunter
(415) 292-9109
carolhunter@freemason.org
- Linh Pham
(415) 292-9121
lpham@freemason.org



Questions



Answers