



## **Chapter Management Awards 2019 Financial Management**

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### **INTRODUCTION**

Our small chapter of International Association of Business Communicators is located in Newfoundland and Labrador – a Canadian island in the North Atlantic and inspiration for the award winning Broadway musical *Come from Away*.

After centuries of making a living and raising families in a harsh ocean environment - a place referred to by many as “The Rock” - we have a work ethic known throughout the world and a culture that embodies the human spirit with warmth, creativity and humility.

It is in this environment - on the rugged rocks of the North Atlantic - that our small chapter thrives – bobbing and weaving with the economy that fluctuates with commodity prices and out-migration of our people who have gained a footing in business, industry and the arts throughout Canada and the world.

Here at home, our dedicated board of directors at IABC NL are helping to advance the profession, create connections, and develop strategic communicators in our province.

We are proud of our approximately 65 members who are the professional communicators at the heart of every organization and shine brightly throughout IABC nationally and internationally.

We continue to learn so much from our IABC colleagues and we are delighted to have the opportunity to present our work through the Chapter Management Awards Program.

This submission describes our approach to financial management.

### **GOALS AND OBJECTIVES**

Our main goals from a financial management perspective are to ensure accountability and transparency to members and to maintain a healthy bank balance.

More specifically, our objectives are to:

- Ensure accountability and transparency of our chapter by developing an annual report and presenting it prior to the annual general meeting to allow enough time for members to review the report and comment on it.
- Utilize Eventbrite platform for event registration which direct deposits into our bank account.
- Diversify the revenue stream by posting at least three job opportunities via email to members.



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### BUDGET

A financial summary for 2017-18 is presented below. Our complete financial statements are included in our annual report (Work Sample 1).

Revenue	2017/2018 Budget	2017/2018 Actual
<b><i>Pinnacle</i></b>		
Award Submissions and Ticket Sales	7,500	6,735
Sponsorship	5,000	3,000
<b>Professional Development &amp; Networking</b>		
Sponsorship	750	750
Ticket sales	5,000	2,570
Meetings (AGM, Board)	-	565
Bursary from CER	2,500	1,000
Job Postings	1,000	600
Membership Rebate	1,800	2,721
<b>Total Gross Revenue</b>	<b>\$ 23,550</b>	<b>\$ 17,941</b>
Expenses	2017/2018 Budget	2017/2018 Actual
Pinnacle Awards	9,000	8,746
Professional Development & Networking	3,000	2,562
Meetings and Conventions	6,000	4,543
Promotion	1,000	300
Web support	1,000	713
Insurance	690	690
Accounting and bank charges		2,461



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Administration	510	354
<b>Total Expenses</b>	<b>\$ 21,200</b>	<b>\$ 20,369</b>
<b>Net Revenue</b>	<b>\$ 2,350</b>	<b>\$ (2,428)</b>
Net Assets, beginning of year	<b>17,672</b>	
Deficiency of revenues over expenditures	<b>(2,428)</b>	
	-	
<b>Net assets, end of year</b>		<b>15,244</b>

### ***IMPLEMENTATION***

### **PROCEDURES**

Each year, the IABC NL chapter has undertaken annual strategic planning to help guide the year ahead, including revisiting our value proposition for our members, providing a relevant professional development program, certification options, and networking opportunities. Our strategic planning has been informed by research undertaken to find out what our members need. We also ensure steps are taken to align with the #IABC1720 strategic framework. Communicators are at the heart of every organization, and we believe the best way to demonstrate this is by planning with IABC's three pillars in mind: advancing the profession, creating connections and developing strategic communicators.

With these pillars in mind, our finance portfolio is overseen by the vice-president/incoming president. This is to ensure our president will have a strong understanding of financial management and workings in all portfolios before leading the Chapter, allowing them to advance our chapter, create meaningful connections within volunteers and members and think strategically when making decisions.

The finance portfolio has implemented and followed a number of procedures to ensure stability, growth and transparency within the Chapter.

### ***Professional Services:***

Our Chapter contracts Fred Earle Accounting for professional accounting services to support the Finance portfolio. The vice-president is responsible for all chapter financial management on a



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month-to-month basis, engaging the firm for larger submissions such as the IABC International annual return as well as the end of year financials for the Annual Report (**Work Sample 1**).

In previous years, in addition to professional services, Sage 50, a basic simply accounting program, was purchased to be utilized by the vice-president. The licencing fee was reviewed for the program again this year and it was decided that it was no longer required. Rather, a master document (**Work Sample 2**) was created to capture monthly financial updates, which would be discussed and reviewed at monthly board meetings. This practice also ensures monthly bank reconciliation.

### *Budgeting and accounting:*

The chapter's financial management strategy includes budgeting, accounting and monthly banking procedures. Each year we diligently review our finances to ensure best practices and efficiencies are being maintained.

Setting the budget early in the business year involves consultation with the full board and takes into account the annual plans of each individual portfolio. This ensures we have a coordinated annual plan with solid financial oversight. The board is therefore able to make informed and responsible decisions throughout the course of the year with full consideration to the financial impact of activities and the overall financial well-being of the chapter.

The budget is developed using previous annual reports, financial statements and goals identified in our annual strategic planning exercise.

The vice-president of finance works closely with the board to ensure the budget is as accurate as possible, accounting for recurring expenses as well as other planned programs and services. The budget is approved by the board and helps guide our work throughout the year.

The vice-president of finance is responsible for ensuring the chapter finances are running smoothly, including tracking expenses against the annual budget, making all bank deposits, paying expenses, preparing invoices (**Work Sample 3**) and reviewing monthly bank statements. In addition, the vice-president of finance is responsible for finding efficiencies and making recommendations that improve the financial health of the chapter and deliver value for membership.

While we have implemented the "lazy leader" philosophy into most portfolios, we believe that a strong oversight role must remain for the financial portfolio in terms of accountability and record keeping. However, we have taken some steps to spread the workload, such as using google drive



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to collect expense forms, having templates that can be used if needed by members for invoices, and using Eventbrite to collect funds for events, which is then deposited directly into the bank.

### *Sources and uses of income:*

In addition to membership rebates, IABC NL's primary sources of revenue include our annual Pinnacle Awards program and professional development events. The chapter's professional development program is operated on a break-even budgeting approach and typically generates modest profits.

The Pinnacle Awards is the chapter's annual premiere event and recognizes the best in the communications profession in Newfoundland and Labrador. The substantial costs of organizing the Pinnacles are offset by ticket sales, sponsorships, and award entry fees. This year the chapter invested \$1,500 in Awards Force, a new platform to manage award entries which is also used for the Silver Leaf and Gold Quill awards programs.

An additional revenue generator for the chapter is our job posting service, whereby employers avail of the chapter to help advertise and promote position openings to our membership. This year, we looked to increase revenue into the chapter through this exclusive member only service that helps advance our profession and build connections with the business community. We were pleased to distribute eight postings, exceeding our goal of three.

### *Banking procedures:*

Maintaining accurate, reliable and accountable finances on a monthly basis is a priority of IABC NL. As such, the vice-president of finance is provided with online access to monitor account activity and transactions. On the board, three members are assigned signing authority with the bank, with two signatures required on cheques. We track cheques and deposits manually, and ensure they are recorded through our online budgeting documents.

### *Policy for reserve:*

The board ensures a solid cash position is maintained, keeping at least the amount of the largest anticipated expense in the chapter's bank account. This year, we were able to keep in line with this practice again thanks to careful budgeting, even though we did not meet our revenue budget due to an unexpected vacancy in our professional development role.

### *Expense claims:*



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Reimbursement of Chapter-related expenses incurred by board members requires proof of payment (i.e. receipt) and completion of an expense reimbursement form (**Work Sample 4**) which provides detail and justification of the expense. All expense claims are submitted on a timely basis to the vice-president of finance who then processes the reimbursement payment with a cheque.

### *Value for money:*

Whenever an expenditure on goods or services is required, the board obtains price quotes from multiple suppliers in order to achieve best value for money. We often look for in-kind contributions and partnership arrangements where it makes sense for the Chapter.

### *Protecting our assets – insurance coverage:*

IABC NL carries an annual Directors and Officers Liability insurance policy, which mitigates potential financial risk to the chapter.

## **TRANSPARENCY**

### *Annual Report:*

Each year, our Chapter releases an annual report to our members to provide information on the work completed, as well as the Chapter's financial standing. The annual report is always distributed to members before our annual general meeting to provide adequate time for review. Our annual general meeting then provides members with an open forum to ask questions, express concerns and provide input. This year our annual meeting took place in September 2018 and was well-attended (**Work Sample 5**). Members are then given the opportunity to move to approve the annual report. At the Annual General Meeting, we are also given an additional opportunity to share IABC's vision of communicators at the heart of every organization, and demonstrate how our fiscal strategy supports the three pillars of the #IABC1720.

Following the meeting, our annual report was posted on the homepage and the about section of the website.

### *Online event registration and payment:*

We use Eventbrite for online event registration and payment. This has resulted not only in administrative ease for the chapter and ease of booking and payment for attendees, but it has also improved our cash flow and recoveries by encouraging advance payment and thereby



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cutting down on the need for invoicing post-event. Attendees also enjoy the convenience of paying by credit card.

### *Keeping the board and members informed:*

Board members are updated at each monthly meeting with a financial report. A final report of chapter financials, which has been reviewed by the accountant, is presented to members at the annual general meeting.

### *Policy for signing authority:*

To ensure integrity and professionalism, it is the chapter's practice to register three individuals with signing authority for expenditures, with any two required to sign off on a single item.

### *Training for board members:*

Representatives in charge of overseeing finances receive appropriate orientation and support prior to taking on that responsibility. The chapter's vice-president is responsible for finances each year. This ensures there is always a senior officer dedicated to finances, and also that there is continuity of that knowledge as the vice-president moves to the president's position the following year. Each incoming vice-president meets with the predecessor to receive orientation and can avail of their experience and support throughout the year. Templates and guides are also shared through the Board's Google Drive.

## **MEMBER VALUE**

Members are at the heart of everything we do and this includes making financial decisions. We take providing opportunities for members to grow and develop very seriously, and always balance this goal with conscientious fiscal management.

As discussed above, quotes for event venues and other services are always sought ahead of decision-making. We also provide our members with special rates to attend Chapter event. Members can also enter their work for our annual Pinnacle Awards at a discounted rate.

Utilizing Eventbrite has also been beneficial for our chapter and it provides our members with easy payment options, however, if a member requests to be invoiced instead, this is always arranged with another payment option.



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While the job ad service is available and a revenue stream for our chapter, whereby members and businesses to advertise a communications-related position, we ensure that this service is available to members only, advising on social media channels for members to 'check their inbox for a great opportunity'.

### **RESULTS**

- Successfully released the 2017-18 annual report in September 2018 and held an annual meeting to discuss its contents.
- Communicated the new annual report through two separate emails, as well as on social media and the website.
- All Chapter Events collected revenue through Eventbrite.
- Exceeded our goal of three job postings, with eight distributed to members. Revenue from job postings for this fiscal year was \$600.
- IABC NL's financial position at end of the fiscal year, June 30, 2018 remained very strong with net assets of \$15,244.
- In 2018, expenses decreased to \$20,369 compared to \$22,113 in 2017. In 2018, revenues also decreased to \$17,941 from \$19,270 in 2017 due to challenges within our Professional Development portfolio. However, thanks to our procedures around a healthy reserve, the chapter remains in good financial standing and has recruited a new director and support role to ensure a healthy professional development revenue in 2018-19.
- This year we also paid in full accounting services provided over a three year period from Fred Earle Chartered Professional Accountants, causing a large administration expense.

### **WORK SAMPLES**

- Work Sample 1: IABC NL's 2017-18 Annual Report
- Work Sample 2: Monthly Financial Records - Master Document
- Work Sample 3: IABC NL Invoice Template
- Work Sample 4: IABC NL Expense Reimbursement Form Template
- Work Sample 5: Sharing the Annual Report through Email and the Website