

IABC/San Diego – 2020 CMA: Financial Management

Summary

IABC San Diego is a financially healthy small chapter with total account balances of \$15,502 at the end of June 2019. We follow rigorous financial budgeting and reporting procedures to ensure the viability of the chapter for the long term.

With the large cash reserve the chapter has in its accounts, generating revenue has not been our primary goal for the last two years – instead we focused on ensuring professional development events at least break even, and we strive to strengthen participation and membership.

2019 Highlights include:

- We secured a new sponsorship for the chapter, resulting in \$1,213 in revenue.
- Overall, event costs were flat this year, which was in alignment with our overall strategy. We spent \$2,110 on events and generated revenue of \$2,259 for the year.
- Our membership dues stayed relatively flat YOY. Membership revenue in 2017/2018 was \$2,680 and in 2018/2019 was \$2,250.
- We spent \$1,600 in travel costs sending delegates to LI and our Regional meeting. This was also in alignment with our overall strategy.
- IABC San Diego has only \$1,585 in base operating costs for each year. (\$550 in Website hosting, \$540 for Constant Contact, \$300 for Survey Monkey, and \$245 a year in PO Box fees.)

Goals & Objectives

Our Financial Management goal for the 2019 was to ensure the chapter generates sufficient funding to meet its strategic plan, membership needs, and future growth, while administering chapter finances in accordance with IABC (National and Chapter) & GAAP.

We outlined several key objectives at the start of 2019, including:

- Ensure total revenue covers expenses
- Secure new business sponsors for the chapter
- Provide budget and funding guidance for events, new deliverables, etc.
- Create monthly reports for board to track revenue and expense data
- Develop, update and communicate procedures as needed
- Complete annual IABC National Financial Statement by February 2019 deadline

Budget & Accounting

- Account Balances as of June 2019: Total \$15,502. Checking: \$11,148 , Savings: \$4,210, Paypal: \$150
- The chapter budget and accounting philosophy incorporates the following:

IABC/San Diego – 2020 CMA: Financial Management

1. Establish a budget at the beginning of the fiscal year, with a goal of providing the chapter with sufficient funding to meet its strategic goals and achieve profitability by year-end.
2. To create the budget, the board first establishes its strategy and the board members translate that strategy into their plans for the fiscal year, taking prior year's results into consideration. From those plans, the Vice President, Finance (VP-Finance) calculates the budget necessary to fund the chapter's plans for the current fiscal year.
3. The budget is presented and approved at the September board meeting.
4. Our goal is that (in most cases) professional development events must at least break even. Member appreciation events may operate at a loss if they are approved by the board and designed to strengthen the chapter.
5. Other expenses are tied to the board members' strategic objectives. This gives board members authority to spend as needed to meet their goals – provided they remain within the pre-approved budget.
6. Board approval must be secured prior to incurring expenditures that exceed the budget or are new expenses.
7. The VP-Finance presents to the board at each monthly meeting and provides a summary report to track the actual vs. budget results.

Financial Reporting

- The VP-Finance prepares and presents a monthly report to the board. The fiscal-year-to-date report includes the following: Profit & Loss, bank account reconciliation, actual to budget variances, and analysis of specific events and membership. Given the strategic plan's focus on overall managing the chapter profitably, the VP-Finance highlights the year-to-date net income. To ensure transparency, the detailed analysis and the monthly bank statements are emailed to the board and posted on the chapter's Google Drive site prior to each monthly board meeting.
- In addition to the overall fiscal year-to-date profit & loss results, the board elects to highlight key financial data at the monthly board meeting, such as comparing current month to prior year's month for profit & loss, event, and membership results. This focused report aids the board's decision-making process.

Reserves

The reserve amount held was set at \$4,200, based on the past year of the average annual operating expenses over the last few years of \$4,900. This ensures the chapter has sufficient cash to handle anticipated regular expenses.

- Setting this reserve level frees up the remaining funds to enhance membership value through enriched professional development, member appreciation events, and website enhancement.

IABC/San Diego – 2020 CMA: Financial Management

- The reserve is retained in a separate interest-bearing money marketing account, with the balance remaining in the general checking account.

Revenue & Expenses

Revenue for the year was essentially flat. For the period of July 2018 to June 2019, revenue was \$5,723 and total expenses were \$6,150 for a net of -\$427. A comparison to previous years is below and reflect the shift in strategy. With the large cash reserve the chapter has in its accounts, generating revenue from events was no longer the goal – instead we focused on strengthening participation and membership.

7/18 - 6/19	7/17 - 6/18	7/16 - 6/17	7/15 - 6/16	7/14 - 6/15	7/13 - 6/14	7/12 - 6/13	7/11-6/12
(427.29)	(\$996)	\$1,096	\$1,456	(\$1,171)	\$578	\$1,594	\$1,458

For the period of July 2017 – June 2018, the chapter generated revenue from these sources:

- Revenue was \$5,723**
 - 39% - Member dues (up from 35% the previous year)
 - 40% - Professional Development fees
 - 21% - Sponsorships (up from 8% the previous year)
- Expenses were \$6,150**
 - 34% - Professional Development program (food, online payment processing fees, etc.)
 - 5% - Meetings
 - 7% - Awards (COTY)
 - 8% - Website/web-hosting
 - 25% - Travel to conferences
 - 7% - Membership recruitment, appreciation activities and office expenses
 - 9% - Publications and newsletters
- Additional Comments:**
 - Program/Event Fees** – To streamline payment processing and reduce the intake and processing of cash and checks, the chapter continued to process enrollment and payment through Eventbrite. For walk-ins, the board either accepts a cash/check payment.
 - Company Sponsorships** - Given the chapter’s strategic direction, we pursue sponsorships to help cover the costs of the enhanced programs.
 - In-Kind Space Donation**- The chapter leveraged the corporate space of members to host professional developments at no charge. In addition to benefiting our bottom line, this also provided the opportunity for IABC-San Diego to introduce our members to the leading organizations they work for.

IABC/San Diego – 2020 CMA: Financial Management

Ongoing Financial Procedures

- **Accounting & Reconciliation** – Financial aspects of the chapter are organized and maintained by the VP-Finance, who facilitates payments for chapter professional development meetings via cash, check, or credit card. Monies are automatically transferred from Eventbrite into the chapter bank account.

Likewise, the VP-Finance reconciles and/or facilitates all other deposits (chapter dues, etc.) and expenses. These records are stored in an online system and are reported monthly to the board.

All other necessary expenses are handled on a vendor billing and/or reimbursement basis. Board members are reimbursed for expenses previously approved by the board, and through the completion of an expense reimbursement (a.k.a. check request) form accompanied by the original receipt or invoice.

The VP-Finance maintains a chapter debit card for ease of payment and expense processing. The card debits the chapter's checking account and the VP-Finance receives an email notification whenever the card is used. For security purposes, only the VP-Finance has the physical card. To expedite online expense processing, the President, VP-Programming & Events, and Director of Professional Development have access to the number. The latter two handle the monthly Professional Development events (e.g., room rentals, caterers, etc.). The VP-Finance then confirms the debit transactions against each event's budget.

- **Cancellation Policy** – To defray the costs associated with people registering for, but not attending or paying for Professional Development events, the chapter implemented a cancellation policy. Refunds are only available for cancellations made more than 24-hours prior to the event, and no-shows are billed in full.
- **Analysis of Event ROI** – The chapter tracks the attendance, revenue and expenses of each event, calculating their individual ROI. This analysis helps the chapter easily identify the event types, topics and locations that best meet the needs of our members and achieve our strategic goals, while also allowing for quick program adjustments.
- **Reduced Paper/Increased Online Transactions** – The chapter continues to reduce paper transactions and increase online transactions through email, debit card use, and Eventbrite. With the success of Eventbrite, we no longer use PayPal, retaining it just for ad hoc needs.
- **Board Member Education** – The VP-Finance regularly addresses financial issues and recommendations during the monthly Board meetings. As new expenses are proposed, the VP-Finance provides the financial backdrop (impact to the budget, cash flow, expenses, future needs, etc.) to help the board's decision making. The VP-Finance also helps the board incorporate administrative costs into their selection of participant event fees (such as including the Eventbrite online processing fees so the event nets a positive return).

Results

IABC/San Diego – 2020 CMA: Financial Management

Goals and Objectives	Results for July 2017-June 2018
<ul style="list-style-type: none"> • Ensure total revenue covers expenses 	<ul style="list-style-type: none"> • For the period of July 2018 to June 2019, revenue was \$5,723 and total expenses were \$6,150 for a net of -\$427.
<ul style="list-style-type: none"> • Secure new business sponsors for the chapter 	<ul style="list-style-type: none"> • New sponsor was secured through outreach and we increased sponsorships overall to 21% - up 8% from the prior year.
<ul style="list-style-type: none"> • Provide budget and funding guidance for events, new deliverables, etc. 	<ul style="list-style-type: none"> • VP-Finance provided detailed analysis of events and funding guidance for ticket prices to ensure maximum member benefit and use of resources.
<ul style="list-style-type: none"> • Create monthly reports for board to track revenue and expense data 	<ul style="list-style-type: none"> • VP-Finance provided monthly reports and insights to the board members on the expenses and revenue each month.
<ul style="list-style-type: none"> • Develop, update and communicate procedures as needed 	<ul style="list-style-type: none"> • All procedures for check requests and finance reporting were documented in the chapter's Google Drive folder.
<ul style="list-style-type: none"> • Complete annual IABC National Financial Statement by February 2019 deadline 	<ul style="list-style-type: none"> • Financial statement was compiled and submitted. This is a detailed process for our chapter because we must report on calendar year financials, but track and budget for a July – June board term. VP-Finance created and documented new spreadsheets this year that make the process more streamlined and efficient.

Exhibit 1A) Internal Reporting Documents:

Check Request Form



Check Request Form

Date _____ Amount \$ _____

Payable to _____

Reason _____

Invoice _____ *Please attach*

Submitted by _____

Please mail check to address indicated

For Finance Use Only			
Check #		Date	

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IABC/San Diego – 2020 CMA: Financial Management

Exhibit 2A) Internal Reporting Documents:

Activities Checklist for a typical IABC-VP of Finance month

Pre-Board Meeting

- Prepare board report after month-end (see board report sample)
- Run financial reports for the current Fiscal Year to Date (see samples)
 - o Actual Revenue / Expense by Category & Bank Account Balances
 - o Actual vs. Budget by Revenue / Expense
 - o Project / Event Analysis of ROI
 - o Other reports as needed or requested
- Submit all reports to President and post on Google Drive by the day before the board meeting.

Board Meeting

- Review board meeting documents sent by President prior to board meeting
- Attend board meeting

Professional Development Events

- Receives update from PD Team of any walk-in attendees and either provides cash/check payment for deposit to VP-Finance or enters payment into EventBrite before download
- Following the event, review attendance results and revenue on EventBrite
- Review Chase online account statement to confirm both the transfer of revenue from EventBrite and the cost of Professional Development lunch paid via chapter debit card

Other Activities

- Visit the chapter's physical P.O. mailbox and distribute material as needed
- Process invoices and check requests as received
- Confirm withdrawals upon receipt of Chase's email notice that the expense was valid
- Deposit checks received into Chase account
- Review Chase online account statement to confirm revenue and expenses are accurate and valid and to note any uncleared checks for follow-up

IABC/San Diego – 2020 CMA: Financial Management

Exhibit B) Actuals and Budget for July 2018 - June 2019

IABC-San Diego Board Actual vs Budget | July 2018 - June 2019

Revenue	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	7/18 - 6/19 To Date
Expenses	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	
Dues					\$ (165.72)						0.00
Meetings (Local, Regl, Natl)											(294.41)
Awards					\$ (217.97)	\$ (146.54)				(\$427.75)	(427.75)
PD/Seminars (Events)							(\$314.15)		(\$963.10)		(2,110.81)
Speakers' Fee & Expenses											0.00
Printing											0.00
Postage & Delivery											0.00
Donation to IABC Foundation											0.00
Travel			\$ (714.70)				(\$892.14)				(1,606.84)
Bank Charges											0.00
Publications/Newsletters	\$ (90.00)	\$ (45.00)	\$ (45.00)	\$ (45.00)	\$ (45.00)	\$ (45.00)		(\$90.00)	(\$45.00)	(\$45.00)	(540.00)
Office expenses									(\$245.00)		(245.00)
Equipment & Computer Charge											0.00
Software/Online Account Fees									(\$300.00)		(300.00)
Website/Web-Hosting	\$ (500.00)										(500.00)
Grants/Scholarships											0.00
Insurance International											0.00
Other Member Recruit/Recog											(52.00)
Other Marketing	\$ (14.92)	\$ (23.56)	\$ (13.00)	\$ (7.94)							(73.72)
Other Accreditation											0.00
Other World Conference											0.00
Total	\$ -	\$ (604.92)	\$ (783.26)	\$ (275.97)	\$ (365.20)	\$ (45.00)	\$ (1,206.29)	\$ (90.00)	\$ (1,553.10)	\$ (472.75)	(6,150.53)
Net Profit/Loss	\$ 255.03	\$ 1,088.57	\$ (638.23)	\$ 384.07	\$ (245.16)	\$ 5.03	\$ (191.26)	\$ (89.96)	\$ (478.06)	\$ (472.72)	(427.29)

	September	October	November	December	January	February	March	April	May	June	
Fund Balances as of Month End											
Cash in money market account	\$ 4,210.24	\$ 4,210.28	\$ 4,210.31	\$ 4,210.35	\$ 4,210.39	\$ 4,210.42	\$ 4,210.45	\$ 4,210.49	\$ 4,210.53	\$ 4,210.56	
Cash in checking account	\$11,730.39	\$11,605.47	\$10,967.21	\$12,569.07	\$12,323.87	\$12,328.87	\$ 12,137.58	\$ 12,047.58	\$ 11,569.48	\$ 11,141.73	
Cash in PayPal account	\$ 154.38	\$ 1,367.83	\$ 1,367.83	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	
Total	\$16,095.01	\$17,183.58	\$16,545.35	\$16,929.42	\$16,684.26	\$16,689.29	\$ 16,498.03	\$ 16,408.07	\$ 15,930.01	\$ 15,502.29	15,902.68
Fund Balances as of Month Start											
Cash in money market account	\$ 4,210.17	\$ 4,210.24	\$ 4,210.28	\$ 4,210.31	\$ 4,210.35	\$ 4,210.39	\$ 4,210.42	\$ 4,210.45	\$ 4,210.49	\$ 4,210.53	
Cash in checking account	\$11,475.39	\$11,730.39	\$11,605.47	\$10,967.21	\$12,569.07	\$12,323.87	\$ 12,328.87	\$ 12,137.58	\$ 12,047.58	\$ 11,569.48	
Cash in PayPal account	\$ 154.38	\$ 154.38	\$ 1,367.83	\$ 1,367.83	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	
Total	\$15,839.94	\$16,095.01	\$17,183.58	\$16,545.35	\$16,929.42	\$16,684.26	\$ 16,689.29	\$ 16,498.03	\$ 16,408.07	\$ 15,930.01	
Change in Fund Balances	\$ 255.07	\$ 1,088.57	\$ (638.23)	\$ 384.07	\$ (245.16)	\$ 5.03	\$ (191.26)	\$ (89.96)	\$ (478.06)	\$ (427.72)	

