

**COLLEGE & UNIVERSITY PROFESSIONAL
ASSOCIATION FOR HUMAN RESOURCES
BUDGET & FINANCE COMMITTEE**

FIRST DRAFT OF MINUTES

The meeting was convened Thursday, March 5, 2015 at 8:23 am CDT in Nashville, TN.

Members present: Jane Federowicz, Linda Lulli, Barb Carroll, Peter Barnes, Chris Byrd, Andy Brantley, Rob Shomaker, Glee Wilson

Introduction

Jane began the meeting with a welcome and a brief overview of our conservative budgeting method. Andy reviewed the 2014-15 projection portion of the budget memo.

2014-15 Projection

The January projection for the current year was presented for comparison to the original budget and previous year actuals. The latest projection is for a return to reserves of \$620,834 for both national office and regions. This is \$173,743 greater than the October projection of \$447,091. Glee reviewed the reasons for the major differences between the latest projection and the original budgeted return to reserves of \$193,633 (beginning on page 18).

Using the online dashboard, current region registration numbers were discussed in comparison to prior years. Rob reviewed the most recent survey sales graph and calculation of the projected survey sales for 2014-15.

Jane asked for comments on the projection before proceeding.

3 year average expense calculation and multi-year forecast

Rob began by sharing the 3 year average expense calculation chart that was presented to the B&F Committee in 2012. This spreadsheet and chart forecasted that expenses would exceed revenues in FY2013-2014. It was at that time that the B&F Committee began putting procedures in place to evaluate revenue streams on an annual basis. The changes made at that time are evident in the current 3 year forecast which goes out to 2020 (beginning on page 9).

As the updated forecast was shared during the January committee call, Rob noted that it had been updated to include the most recent projection. He then reminded the group that the goal was to keep the expense and revenue lines parallel with one another – not widely diverging apart or together but to keep revenue growing at roughly the same pace as expenses. This is the guiding document that begins each budget process.

Financial Planning and Budget policy and procedure changes

Andy discussed the current policy and the logic behind the proposed changes (beginning on page 11). The current policy and procedure include legacy language that is no longer applicable to the way that CUPA-HR operates. There is no longer a need to separate national and regional budgets no make the budgeting and allocation process harder than it needs to be. In many cases we are moving funds from the national budgets to the region budget to then move them back into the national budget. As such, the following changes were proposed:

- No longer continue with both national and regional budgets but instead have one budget for the whole of CUPA-HR.

- Fund region operations (i.e. board meetings and member engagement) from the governance budget as this is where all other meeting/travel funds are allocated. Each region will receive \$25K for both their meetings and member engagement.
- Eliminate charge backs to the regions for ALP chapter participants as there is no need.
- Move region learning delivery events to the Conference & Events cost center (still detailed separately by region). These events are currently included in a separate section of the budget. This is another example that emphasizes how we have made our work more cumbersome and time-consuming.
- Change future region face-to-face learning delivery event budgets to include the travel costs of the chair and chair-elect.
- Gain shares are unnecessary and rarely used. If a region board has a project that needs additional funds, the board can request funds with the budget presentation or throughout the year (same procedure as requesting gain share funds).
- The national treasurer will periodically review region expenditures. Any unusual expenditures must be approved in advance by the national treasurer.

There were two changes proposed to the policy as written:

- Section 2B2 Learning Delivery Events hosted by the Region (page 12) – second paragraph – substitute “event” for “conference”.
- Section 2C4 Managing Region Revenues and Expenses (page 13) – change “Any request other than normal reimbursements” to “Any request beyond budgeted reimbursements”.

MOTION - Barb Carroll moved and Linda Lulli seconded a motion to approve the proposed Financial Planning and Budget policy and procedures with the changes proposed and that it be sent to the full board for approval.

The motion passed with one nay vote to one section of the policy.

2015-16 Proposed Budget

Andy presented the portion of the Budget Highlights memo relating to the 2015-16 budget which includes a return to reserves of \$291,703. This budget was prepared using data driven decision making including the aforementioned three year average expense calculation and a review of historical trends. Salaries and fringes include an estimated 3% salary increase effective July 1 and an estimated 15% increase in health care insurance costs effective December 1. The budget includes no new positions, but it does include funding for Chip Sizemore to work 25 hours per week through February 2016 while a new Director of Research is onboarded.

As the budget detail was reviewed, Rob Shomaker noted that on page 116 the capital purchase of laptops under Information Systems was calculated at 5 years instead of 3. This correction will be made before presenting the budget to the full board.

The Conference & Events cost center includes the region learning events. Due to site selection and contracting it is difficult to have detailed budgets prepared at the time of our budget cycle. As such, we have incorporated 3 year averages for revenues and expenses (beginning on page 170). These will be adjusted during the first projection of the 2015-16 fiscal year.

As part of the region event expense discussion, the committee reviewed national office staff time and expenses that are and are not charged to the region events. For the past five years, a flat amount of \$52,940 has been charged to the region events to capture part of the national office staff time connected to the

events. In actuality, this is less than half of the actual cost. Had the entire cost been charged against the 2014 region events, the return would have been just 6.52% or \$53,769. The committee agreed that this needs to be a topic for the national board meeting.

The proposed budget increases the current time allocation of \$52,940 to \$63,590 (page 211). This is 50% of the actual salaries and fringes that we project will be charged to region events during the 2014-15 fiscal year.

There was no further discussion regarding the 2015-2016 proposed budget. Jane then asked for a motion to approve the budget.

MOTION – Barb Carroll moved and Peter Barnes seconded a motion to approve the 2015-2016 proposed budget with the one noted change to depreciation and that it be sent to the full board for approval.

The motion passed unanimously.

Closing

Jane thanked Andy, Rob and Glee for their hard work in developing and presenting the budget. The national board call to discuss the budget will be on March 19, 2015 at 3:00 pm EDT. Budget information will be posted at least one week prior to the call and will not include detail of the cost centers.

The meeting was adjourned at 4:41 pm CDT.

Next scheduled call

The date of the next call is April 22, 2015 3:00 pm EDT.