

SACSA Financial Guidelines

The 2014-2015 Executive Council developed these guidelines to promote the long-term financial viability and sustainability of the Association.

GUIDING PRINCIPLES

The following principles should guide the work of the Executive Council when considering its responsibilities to ensure the long-term financial viability and sustainability of the Association:

- The Executive Council, under the leadership of the President, must provide oversight of all financial matters, including the expectations outlined below to generate revenue and allocate funds appropriately.
- The Executive Council must promote and maintain a culture of financial responsibility and accountability for all Association programs, services, and activities.
- The Executive Council must maintain a balanced budget, with planned annual expenses not to exceed planned annual revenue.
- Special attention should be given to the annual conference budget and the annual revenue targets of the Sponsors/Exhibitors area. All Executive Council members are expected to engage in the work of identifying, cultivating, and promoting SACSA's Sponsors/Exhibitors.
- The Executive Council should look to the Executive Director to provide important historical context and future implications for all financial decisions impacting the Association.

ANNUAL OPERATING BUDGET

Each year, the Executive Council should approve a balanced budget that considers revenue from the following sources: Annual Conference, Membership Dues, Sponsors/Exhibitors, and Carry-forward from Prior Fiscal Year. Given the unpredictability of other revenue sources, any expected net revenue from MMI, NPI, or other sources should not be considered when developing the annual budget.

- Annual Conference: The Executive Council should project the Annual Conference to generate a net profit of at least \$20,000.
- Membership Dues: Revenue from membership dues should be calculated based on prevailing membership dues rates and the expected number of members in the upcoming year (based on membership type).
- Sponsors/Exhibitors: Revenue in this category should only consider cash contributions that sponsors/exhibitors will make to the association. In-kind contributions should not be considered Sponsors/Exhibitors revenue; instead, in-kind contributions lower conference expenses and increase revenue generated through the annual conference. Executive Councils must make generating revenue from Sponsors/Exhibitors a priority and should generally budget for and strive to achieve a minimum annual 5% increase over the prior year.

- Carry-forward from Prior Fiscal Year: Generally, this amount should equal the net profit generated by the prior year annual conference AND the amount actually collected from the sponsor/exhibitors in the prior fiscal year (not to include in-kind donations).

CERTIFICATES OF DEPOSIT (CDs)

The Association holds CDs for the purpose of ensuring funds are available in the catastrophic event that the annual conference must be cancelled or significantly scaled down due to unforeseen circumstances (like September 11, 2001). In situations like these, the Association may incur major financial penalties due to contractual agreements with conference sites (not filling the room block, having to meet food minimums, etc.) and the journal publisher. As one of the safest forms of investment, CDs allow the Association to protect these assets and ensure they are available if needed.

Executive Councils should examine annual conference contracts to determine the maximum financial penalty that the Association could incur in the event of a catastrophic event as outlined above. Every effort should be made during Time & Place decisions (conference) and contract negotiations (conference and journal publisher) to minimize these financial penalties and ensure that the maximum financial penalty in a given year does not exceed the total amount of money in the Association's CDs.

INVESTMENT FUNDS

The recent growth of the Association's assets has allowed the leadership to consider diversified investment opportunities. The investment funds are above and beyond the annual operating funds and the contingency funds in the CDs. Funds in this category are invested through a licensed broker and in consultation with a financial advisor. The goal of these investment funds is to maximize growth and promote the financial sustainability of the Association. The Executive Director should monitor these investments on an annual basis, with Executive Council oversight.

Each year, the Executive Council should consider shifting any surplus from the prior year (actual funds collected that exceed actual funds spent) from the Association's operating account to the Association's investment accounts.

If an Executive Council determines the need to access these investment funds to support a particular program, service, or initiative of the Association, the amount drawn from the investment fund should not exceed the actual amount of growth that the investment fund achieved in the prior calendar year. For example, if the investment fund balance grew by \$2,000 in the prior calendar year, the Executive Council could choose to spend no more than \$2,000 in the following year. In years when the prior year investment fund balance is negative, the Executive Council should not consider using the investment funds to support the Association's programs, services, or initiatives unless deemed absolutely necessary.

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