



## Financial Management: Work Plan

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### Acronyms & Definitions

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Associations Plus (A+)	Associations Plus is the management company hired by IABC/Calgary to provide administrative support for our chapter.
BOX	<a href="http://www.box.com">www.box.com</a> is a code-protected digital repository our chapter uses for its board and portfolio documents. This ensures all board members have instant access to information and templates.
Executive Team	IABC/Calgary has an executive team comprising the Vice President, President, and Past President. Collectively, they are the chapter's Executive Team.
Cheques	This is the correct Canadian spelling. The American spelling is 'checks'.
GST	Goods and Service Tax is a Canadian value-added tax that is levied on most goods and services that are sold for domestic consumption. Proceeds of the tax are directed to the federal government.

### Work Plan

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#### Chapter Overview

The International Association of Business Communicators, Calgary Chapter (IABC/Calgary) is Calgary and area's largest communications professional organization. We boast approximately 530 members representing the sectors of government, corporate, education, non-profit, creative agency, and independent consultants at all stages of their careers, i.e. from student to senior communicators. Our members are mostly in Calgary, while some are based in surrounding area. This means we are communicating to a diverse membership.

IABC/Calgary's Mission is to engage current and prospective professional communicators in a community committed to the highest standards of professional excellence. Our five Chapter Goals are:

1. Exceptional member value through a mix of responsive events, services and forums
2. Continuous member growth and retention
3. Engaged and motivated volunteers through proactive recruitment and recognition
4. Sustainable and well-managed chapter
5. Excellence in communication outreach as a thought leader to support and promote the profession

Starting in 2015 and continuing into 2016 and beyond, our community has faced challenges with a significant downturn in the economy, specifically in the oil and gas industry, that has negatively impacted practically everyone we know. A large number of members have experienced challenges at work as a result of budget cuts, staff reductions and job losses.

IABC/Calgary has at the same time been preparing for an upcoming organizational milestone. Prior to joining IABC, the Calgary chapter was a standalone communications organization and in 2017 IABC/Calgary will be celebrating 50 years of supporting communicators in Calgary. To help set IABC/Calgary up for a strong celebration, the board and many of our more than 70 volunteers worked this past year to strategically celebrate our significant milestone. This inspired us to look at new ways to engage our members both among themselves and in the community.



Our chapter reports, and is accountable, to both the IABC Canada West Region Board and directly to IABC's head office. Our chapter operates in the Province of Alberta (Canada), where it collects and pays goods and service tax (GST) and prepares an annual Financial Statement that is audited or reviewed each year by a Certified Public Accountant (CPA).

A Notice to Reader is much cheaper, so our board has set up a three year rotation strategy as follows:

2013	Review
2014	Notice to Reader
2015	Notice to Reader
2016	Review

*Notice to Reader* means an accountant compiles the financial statements; but no assurance is given that the financial statements are complete or accurate. The accountant just uses the figures as provided and puts them into a standard financial statement format, i.e. a balance sheet and income statement. As you will see in our attached Financial Statements, this has already been done and this year's statements are currently at the Accountant's office for their approval.

A *Review* is when an accountant goes to enough effort for them to be assured that the financial statements are plausible, i.e. they check for internal consistencies, analyze account balances, and ask for explanations for anything that seems unusual. This is more expensive than a notice to reader but it increases confidence that the financial statements accurately reflect the past year's accounting transactions.

### **Financial Stewardship**

IABC/Calgary's board has worked over the years to ensure robust financial stewardship. Approximately eight years ago, the board voted to hire a local firm, Associations Plus (A+), that specializes in managing the administration for associations; including bookkeeping services, bank deposits, expense payments, monthly financial and bank statements, bank account reconciliation, year-end financial statements (ready for review), and event registrations (including an online event registration and payment process). By paying for professional administrative services, our Finance Director is not overwhelmed with handling minutia and it means our Executive Team can focus on governing the chapter.

### **The Finance Director's roles are:**

- Ensures the chapter is operated in a fiscally responsible manner, including providing monthly financial statements and advising the board on the state of the chapter's finances.
- Acts as board's liaison with chapter's bookkeeper service and is responsible for ensuring bookkeeping support is accurate, effective and timely.
- Working with the chapter bookkeeper, prepares an annual financial statement for audit or review as necessary, and for presentation to members at the chapter's year-end event or annual general meeting, if applicable.
- Oversees the development and approval, at the start of the board year, of financial and administrative chapter budgets.
- Reviews, updates and tracks chapter's three-year financial plan.
- Maintains chapter's bank account and investments records, and ensures that all cheques are countersigned by appropriate chapter officers.
- Follows up and collects on all outstanding accounts/invoices for the chapter.
- Works with the chapter's Past President to ensure the chapter's year-end reconciliation efforts go smoothly.



## Goals and Objectives

As mentioned on the first page of this Work Plan, each board portfolio uses the board's set of goals that are used to steer our three-year Strategic Plan (which is reviewed and updated each year during the summer months) and corresponding objectives and measures that are most relevant to each portfolio. The Finance portfolio's most relevant goal is: **to have a sustainable and well-managed chapter**

The main Objective set to achieve this Goal is: **continuous improvement in Board processes and procedures by reviewing expenses and requests for budget increases.**

### Measurable Targets

The overarching measurable targets for every portfolio on the board are:

1. IABC/Calgary members remain satisfied with their membership  
*Our 2016 member survey reported over 80 percent satisfaction rate in 2016, up from 75 percent in 2014.*
2. Members rate "proud to be a member, IABC/Calgary is doing a great job" with more satisfaction with a target of moving the percentage of members who agree with that statement from 45 percent in 2014 to 50 percent in 2016.
3. At least 70 percent of IABC/Calgary board members rate their experience as a board member as 'satisfactory' or above.

For the Finance Portfolio, *measurement* means setting actions that are directly aligned with each objective, identifying what volunteer and other resources are needed and which (if any) of the other board portfolios are partners, i.e. are, or can potentially be, impacted by the action, and setting target measurements such as a milestone date. Please review the Finance Portfolio's Strategic Plan, which is copied into an Appendix to this report, to see how we apply these goals, objectives, and measurable targets.

## Challenges Encountered

Notwithstanding a planned deficit, the board decided this was not the year to increase professional development event fees for members, non-members, or students in an effort to retain previous years' attendance numbers. However, the dramatic economic downturn in Alberta that started in mid-2015 and continued through 2016 has significantly and negatively impacted Calgary in particular. We experienced a significant drop of more than 25 percent in attendance numbers, even though the average fee for social and PD events was kept the same as the previous several years, i.e. \$35 for members to attend social events and up to \$85 for Professional Development events. Non-members are charged ten to twenty percent more and students are charged enough to cover costs, or a bit less than cost.

Another income generating portfolio for the chapter is Careers, which manages the fee for service [Job Board](#). As with the reduction with people attending events, the job board placements were also negatively impacted (totalling just \$12,375) compared to the previous year's income of \$15,675 in 2015 and \$20,150 in 2014.

FY 2015-2016	# of Postings	Income	FY 2015-2016	# of Postings	Income
July	7	\$ 500	January	5	\$ 700
August	8	\$ 1,100	February	12	\$ 1,875
September	10	\$ 1,225	March	8	\$ 1,125
October	3	\$ 1,150	April	4	\$ 675
November	3	\$ 550	May	9	\$ 1,175
December	4	\$ 500	June	10	\$ 1,800
					<b>\$12,375</b>



## Financial Administration

The chapter first hired A+ in Calgary in February 2007 to provide administrative, financial management, event registration, and online career job posting services.

This past year, we realised A+ was providing more extensive services than for which they were being paid and that the contract had not been reviewed since our initial agreement. Therefore, the Executive Team and Finance Director worked with the A+ team to update the joint Statement of Contract Agreement with A+ in May 2016, to come into effect on July 1, 2016. The revised agreement was carefully reviewed by the Executive Team and Finance Director in consultation with the A+ manager and staff. It was a good opportunity to make some timely changes, including eliminating the chapter's (now rarely used) telephone line and saving \$52 each month.

The parties mutually agreed that a fair compensation for the services provided by A+ (which includes a staff member attending each chapter board meeting) is calculated to be \$1,460 per month, with Event registration and careers job board services including a per item charge and signed a new contract that came into effect on July 1, 2016. *A copy of the contract is included with this package.*

## Finance Policies & Procedures

- **Banking:** the chapter's account is held at a central, downtown, TD Bank branch in Calgary. Each year, the authorized signatures for the bank account are updated to be the current executive team (Vice President, President, and Past President) and the Finance Director.
- **Credit Card:** the chapter policy is to hold the liability for payments made for the chapter, i.e. this means that whenever possible, we use the chapter's credit card to cover the cost of booking and paying for member events. This means the chapter assumes full liability for all events and not whoever has to use their own credit card to secure a booking. It also means that the chapter benefits by accumulating travel points that are based on card usage. These points will be used next year to offset travel costs for members of the chapter's executive team to travel to the Leadership Institute taking place February 2017 in Dallas.

The credit card is secured at the A+ offices and the process to use the card is similar to our expense process, i.e. a Credit Card Use Form must be completed and approved by an authorized signatory: a member of the executive team. Usually, this is the executive with whom the board member regularly meets. But in their absence another member of the executive team can authorise use of the credit card for appropriate purposes. Once the charge has been approved, the Finance Director contacts A+ to make a purchase through the use of the credit card.

Purchases made on the Credit Card are usually larger purchases such as booking venues, travel, and accommodation. These purchases can be made over the phone or online by the A+ manager, who has a signed credit card agreement with the chapter. The Credit Card is not intended to be carried around by any board director. In fact, the credit card is held in a locked safe at the A+ offices

- **Travel policy:** our chapter adheres to IABC Canada West Region's Travel Policy.
- **Expense reimbursements:** all expense claims must be submitted to the relevant board director, who will complete the expense claim form and attain its approval by their executive link. Two authorized signatures are required on all expense reimbursement cheques. The cheques are prepared by A+ and then signed by the signatories before being given to the claimant.

## Financial Reports: annual submission to IABC

Each year, when they have been returned from the Accountant, we submit the chapter's Financial Statements to IABC.



## Board member involvement

Board directors contribute to the development of the annual operating budget and must adhere to the board finance policy, guidelines and processes. Directors can add all budget needs into their strategic plans and are expected to educate their volunteers about the board's expenses policy, guidelines and processes.

Each June, the new board attends a Board Strategic Planning. One session each year is led by the Finance Director, who provides an overview of the board's fiscal responsibilities as well as how to include budget requests in their strategic plans, the importance of them tracking and managing their budget items, how and when to use the Credit Card, where to find financial forms, such as expense forms in the Box, and how to submit their expense claims (including eligibility criteria).

Board members are encouraged to review the chapter's financial statements that are posted in BOX and to also review the previous year's budget to understand what to include (or choose not to include) in the current year's budget for their portfolio. These documents and this process assists with budget planning and with each board member's understanding of the chapter's financial position.

Each September, once the budget has been presented to the board and voted in a motion for approval, the final budget is posted on BOX and all board members were reminded to regularly check with the budget to ensure they are spending funds appropriately. Each month, every Board Director's Portfolio Report includes a section that asks if their part of the budget is on track and if not to explain why.

Board members also have monthly check-in meetings with their executive leader link (every portfolio member reports to one of the three: Vice President, President and Past President) and that state of the budget is discussed at these meetings

## Challenges: unexpected expenses

The Finance Director was unexpectedly absent for health reasons and, therefore, unable to work on the Budget in August/September, so the 2016-2017 Executive Team spent a Saturday evening in mid-September reviewing the budget and actuals so it could be presented for approval at the October board meeting (it was approved).

We calculated that this past year the chapter went over budget. Essentially, this deficit was incurred due to lower than budgeted revenue from events and careers and the extraordinary (budgeted) expenses of building our new chapter website (cost \$5,000) and our biennial member survey (cost \$5,000). However, notwithstanding poor financial results from our usual revenue generating portfolios (i.e. Careers for Job Postings and Professional Development Events) and indicators of the same for the rest of the year the executive team decided to proceed with the budgeted expenses as the membership survey informs us of member views and trends that help us drive strategic priorities that are most relevant to our members and with the recently updated international IABC brand, it was important for our chapter to launch our own, complementary brand with a new website (which was long overdue). Our chapter is in the lucky position of being able to make such a decision (i.e. to allow a deficit) due to the chapter's retained capital of more than \$50,000.

We also encountered the following unexpected (not in the budget), expenses that negatively impacted this year's budget actuals:

1. **Insurance for events:** in March/April, it came to the executive team's attention (and then verified by the Canada West Region Board) that chapters were no longer covered by a blanket events insurance policy held by IABC. We scrambled to rectify this issue before hosting both a CMP exam at a local university (which required proof of insurance coverage) and a professional development event that was about to take place. Intact Insurance was paid for this additional coverage and the board's peace of mind. This insurance is in addition to Board Liability insurance that was already in place and budgeted in the amount of \$750. Total insurance expenses for the past year rose to \$1,186, i.e. a variance of -\$436.



2. **Website security:** a security breach on our new website left the chapter unexpectedly vulnerable in November 2015. There were also a few IT ‘patches’ that were needed to ensure the website’s security. The breach was beyond the control of our website hosts and needed to be fixed as quickly as possible; and the other fixes caused our website designers to incur a lot of extra work but they charged us comparatively small amounts to make the changes.

Account	Budget 2016	YTD 2016	June	May	April	March	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul
5150 Website Hosting & Support		625.51	35.90	35.90	35.90	35.90	73.40	110.90	35.90	148.88	112.83			

The Executive Team agreed that the additional costs for these two issues were worth paying to ensure our new this year website was re-protected as soon as possible.

## Budget process

Each year, every board portfolio prepares a three-year strategic plan, which includes budget estimates, after the annual strategic planning session each June. The finance director collects all the budget information, puts together a draft chapter budget which is reviewed by the finance director, vice-president, president and past president. Projected expenses and revenues are compared with actuals from the previous year and then assessed according to the chapter’s overarching strategic plan and each portfolio’s plans.

Next, the budget is revised by the Finance Director and re-posted in BOX along with an email message to all board members to requesting they review the updated budget and speak with their Executive Links about any concerns they may have. This was particularly significant this year as not all budget requests could be approved this year to ensure the chapter has a balanced budget. As of November 2016, there have been no significant issues with these reduced numbers.

The budget is usually approved (or approved with changes) at the September board meeting each year. However, as the Finance Director was on sick leave, the budget was presented at the October board meeting.

This process has several benefits: it allows directors to influence revenues and expenses, saves the directors’ time and allows them to focus on the strategic priorities of their portfolio and keeps budget preparation in the hands of the experts (i.e. finance director).

The budget usually passes quickly at the board meeting as it has already been posted on BOX and all board members have been notified via email that they are expected to review the revised budget before attending the next board meeting.

## Financial Statements

Please see the attachments for a copy of our chapter’s 2015-2016 Financial Report.

## Income Sources

For a number of years, IABC/Calgary has purposefully not increased its chapter member fees; charging the lowest member fee of all chapters in Western Canada, i.e. \$25 per member and \$7 per student member. This served us well during years of economic prosperity in Calgary where many members and non-members would attend events and were willing to pay for more costly workshops that helped the chapter earn sufficient income to cover its costs. However, this past year caused us to re-visit this decision and considering a membership fee increase for 2017. The board will vote on this before the end of 2016.

## Managing Expenses

**Tracking and submitting expenses:** Throughout the year, board members approve all invoicing and expense claims for their portfolio, checking against their budget. Any and all expenses incurred by committee members must be approved by the appropriate director prior to being submitted for payment. This measure is in place so each portfolio is accountable for financial activity in their budget area.



**Cheques process:** IABC/Calgary has one cheque run a month, which keeps costs down with A+. Every cheque requires two signatures, by any two of the President, Past President, vice-president and the Finance Director. Expense cheques for one of the signatories must be signed by two other signatories, i.e. individuals cannot sign cheques that are made out to them.

Expenses beyond the budget: Board approval is required for expenses that exceed 10 percent of chapter funds and not covered in the operating budget.

Expenses less than 10 percent of chapter funds and not covered in the operating budget, require approval by the portfolio's Executive link.

Expenses are approved by the portfolio director and then sent to their executive lead for approval. Once approved, the Finance Director submits the expense claim to the A+ bookkeeper. Original documents and full back-up is required to ensure proper internal controls.

Each month, the Finance Director sends all expenses to the chapter bookkeeper; who tracks all expenses and revenues, pays invoices within 30 days, invoices for new revenue, and sends out any collection notices on overdue payments. The bookkeeper's services are part of the A+ monthly fee.

Bad Debts have practically been eliminated by using the A+ online registration and payment system.

### **Informed members: financial status updates**

- Information on the chapter's financial statements are included in every Member Survey
- Once the Financial Statements have been approved by the Accountant, the Past President prepares and shares a brief Annual Report to members that includes highlights from the most recent Financial Statements.

### **Timeline - Annual Milestones**

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May/June	Financial training/onboarding for board members
July	Year end: bookkeeper closes the books. Finance Director records in the budget all actual amounts for the previous year.
August/September	Each Portfolio budget for the new year (starting July 1) is due at same time as their Strategic Plans. Finance director prepares new budget and reviews with Executive Team to finalize.
August/September	President, Past President, Vice President and Finance Director meet to go line by line through proposed budgets from each Portfolio Director and compare with their Strategic Plans.
September	Propose budget to board. Vote to pass. Update budget and make available to board.
October/November	Financial Review – close of previous year Complete year-end report with Book keeper. Send for review to certified accountant. Presentation to members once complete.
January	Year-end report for IABC International Complete report with Book keeper Financial Reconciliation for mid-year report Presentation of finances – six month check in at board meeting
June	Close out the year



## Measurable Outcomes

The key indicator for measurable outcomes for our chapter's financial management is a review of our annual budget and any variances. As mentioned in this review, this past year incurred a deficit. However, when the Executive Team and Finance Director reviewed the books, it quickly became clear that having clear and accurate bookkeeping helped us see where the additional expenses were incurred and where the lower than expected income sources meant that this current year we needed to tighten our belts and sharpen our pencils. A number of portfolios' requested budgets were reduced to better manage lower income projections. So far, we have managed to stay on budget and the board completely understand why the executive team is scrutinizing their expenses, requesting budgets be presented for every event and project before it takes place and insisting on a 'break even' mentality.

To us, these are our financial measures and indicators that drive everything else that the chapter is doing.

Respectfully submitted,

*Sheila Carruthers*

Sheila Carruthers  
Past President, IABC/Calgary  
December 2016