



S E T T I N G T H E S T A N D A R D
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2006

Leadership Training

Conference

Houston, Texas

March 4, 2006

SECTION FINANCES

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OBJECTIVES

1. Relate Section financial operations to the ASME Balanced Scorecard
2. Overview of ASME Section financial operations
3. Outline relevant ASME policies & procedures
4. Get feedback on how ASME can better support Sections in financial operations

OUTLINE

- How to decide what you want to do
- Ways to accomplish this (interactive)
- Where to find ASME financial policies and procedures
- Discussion – List of Services Needed to Support Sections

Our Balanced Scorecard has Key Customer Objectives ...

- Offer quality programs and activities that interest members and attract non-members
- Offer opportunities for members and prospective members to gain knowledge that is relevant to their field and will provide them with a competitive advantage
- Make ASME indispensable to engineering students and early career engineers

Our Balanced Scorecard has Key Financial Objectives ...

- Maintain a sound financial base
- Create an entrepreneurial culture
- Ensure the sustained, long-term growth of ASME

Our Balanced Scorecard Objectives ...

- Accountable to two key metrics:
 - Customer Satisfaction
 - Financial Performance

STRATEGIC PLAN

- Establishes a vision
 - Markets or communities to be served
 - What your organization will look like
 - Creates “Best Estimate” Financials
- Describes the major initiatives required
- Identifies investments, risks and uncertainties
- Creates the outcome
- More information on Strategic Planning will be posted with this presentation at
<http://www.asmeconferences.org/ltc06/>

BUSINESS PLAN

- Focuses on a product or service to be provided
- Attains the strategic plan
- Provides the Who, How, When
- Sets entrepreneurial behavior
- More information on creating a Business Plan will be posted with this presentation at <http://www.asmeconferences.org/ltc06/>

BASICS

- **Expenses (Uses for Funds):** What does an ASME Section spend funds for?
- **Income (Sources of Funds):** Where does an ASME Section get its operating funds?

EXPENSES

- Local meetings, tours, conferences, short courses, speakers, and special projects
- Recognition, honors and awards, scholarships
- Support for officers and members to participate in ASME programs
- Newsletters and other communications

INCOME – APPROPRIATION

- Historical way of financing Sections
- One payment
- More members = More money

INCOME – OTHER SOURCES

Revenue – Expense =

Event Fees	Newsletter	<p>What The Section Can Take Home And Use For The Next Project</p>
Technical Conf.	Advertising	
Seminar Charge	Food	
Job Advertising	Honorarium	
Exhibits	Facilities	

INCOME - FUND RAISING

SPONSORSHIP

SOLICITATIONS

GRANTS

ADVERTISEMENTS

LOCAL SUPPORT

USE OF RESOURCES

- Core Team Of Members To Coordinate Event
- Professional Development Course Taught By Local Expert
- Advertising With List Serve, Other Societies And Newspaper
- Facilities Use At Local Colleges And Businesses Are Often Free
- Hotels are Willing to Deal Especially on Off-Days
- Companies May Give Donations To Sponsor Specific Events
- Section Size Does Not Matter

ENTREPRENURIAL SPIRIT

- Not All Events Will Be Successful
- Risk A Little To Gain More
- But Use Budgeting To Mitigate Risks
- Use An Event Plan
- Call A Mentor

IMAGE COUNTS

- Some Events Are Free
 - What Does The Potential Participant Lose If They Do Not Show
 - Price Points Affect Perceived Value
- Advertising
 - Keep It Professional When Asking For Sponsorship From Companies

INCOME - FUND RAISING

- Policies regarding non-ASME sponsorship and solicitations
 - Monies may be solicited for special local activities in accordance with Society Policy P-5.3. (Policy 2.1, Section IV.A.1)
- Advertisements
 - Affects use of non-profit postage rate
 - Regulations regarding online and e-mail ads
- Applying for non-ASME grants

INCOME – NEW INITIATIVES

- ASME Development Fund (Policy P-2.3)
- ASME Foundation Grants (Policy P-2.11)
- Strategic Priorities Grant Fund (New this year)
- More information available at
 - <http://www.asme.org/Governance/Volunteer/Funding>
- Paper on Section Revenue Generation
- Community of Practice
 - <http://cop.asme.org/COP/SectionRevenueGeneration/>

K & C PROJECT TEAMS

- Section Dues Project Team
 - Reported to K&C Board of Directors,
October 11, 2005
- Merit-based Funding Project Team

Section Dues Project Team Recommendations

- Separate Unit Dues not be adopted for ASME.
- K&C implement a new program, to provide merit-based funding for all units of ASME.
 - Funding/financial support to be awarded to Units that are providing programs, activities, and other initiatives in support of their members.
 - These financial awards are to be based on Unit performance criteria to be established.
 - Funds required for this new program are to be obtained from current dues.

Merit-Based Funding Project Team Charge

- Implement a new program to provide funds from dues for an objective, merit-based Unit funding program (for Sections, Technical Divisions, and Affinity Communities).
- Units would be provided funds based on programs and activities conducted by the Unit, as suggested by Michael Molnar*.

* CMA Section Appropriations Improvement Task Force, 17 June 2003

Merit-Based Funding Project Team Timeline

- Initial project team kick-off meeting in January 2006
- Preliminary recommendations to the K&C BoD in March 2006 at LTC
- Final recommendations in May 2006
- Implement for the 07 budget and program year

GUIDANCE

- Section financial operations must follow ASME Policy and support the strategic objectives of ASME's Balanced Scorecard

OPERATING FUNDS

- Money kept separately in banks or other recognized financial institutions (distinct from Custodian Funds which are maintained by the treasurer of the Society)
- The names and addresses of the financial institutions must be reported in July, to the Committee on Finance and Investment. (Policy P-2.1 General, Section C.)

SECTION FUNDS

- Monies from General Fund are disbursed by appropriations in accordance with Society Policy P-2.8.
- Appropriations received from the ASME General Fund must be accounted for separately from monies derived from local activities. (Policy 2.1, Section IV.A.3) (Currently, no section allocations in '07 budget.)

FINANCIAL REPORT

An Annual Financial Report is a U.S. Internal Revenue Service (IRS) requirement and must always be submitted.

The Three Parts:

- ASME Appropriations
- Unit-Generated Income
- Expenditures



ANNUAL FINANCIAL REPORT

DUE by

September 1st for preceding fiscal year ending June 30!
(Policy 2.1, Section IV.A.2)

FORM available from:

http://districts.asme.org/leadershiptoolbox/budget_finc_forms.html

Excel version can be submitted online

ANNUAL FINANCIAL REPORT
Program Year: July 1, 2004 to June 30, 2005

Revenue Allocation _____ Interest _____ Professional Development _____ Program/Events _____ Advertising _____ Other 1. _____ 2. _____ 3. _____ Subtotal _____	Assets as of July 1, 2004 Bank balance _____ other account _____ other account _____ Other cash _____ Total assets as of July 1, 2004 _____ Current Fiscal Year Revenue _____ Current Fiscal Year Expenditures _____ Surplus/Deficit _____ Current Assets _____ Assets as of June 30, 2005 Current Bank Balance _____ other account _____ other account _____ Other cash _____ TOTAL ASSETS AS OF JUNE 30, 2005 _____ If Current Assets does not equal Total Assets as of June 30, 2005, please explain _____
Expenditures Telephone _____ Postage _____ Supplies _____ Program/Meeting Expenses _____ Printed Matter/Reproduction _____ Student Section Assistance _____ Miscellaneous _____ Subtotal _____	

Please fill in the following

Bank Name(s) _____	_____
Bank Account Number(s) _____	_____
REGION NUMBER: _____	SECTION CODE: _____
SECTION NAME: _____	_____

If financial information is reported for sub-units, please list sub-units below and indicate if allocations should be sent to the Treasurer of the Section or the sub-unit. If you need to add information for more sub-units please attach an additional sheet.

Name of Unit	Mail Check to:	Unit Type
_____	<input type="checkbox"/> SECTION <input type="checkbox"/> SUB-UNIT	<input type="checkbox"/> Subsection <input type="checkbox"/> Group <input type="checkbox"/> Tech. Chapter
_____		<input type="checkbox"/> Tech. Chapter
_____		<input type="checkbox"/> Tech. Chapter

TREASURER SIGNATURE (& E-MAIL ADDRESS) _____

AUDITOR SIGNATURES (& E-MAIL ADDRESSES) _____

Please send report to ASME Unit Support
On the Web: Unit Support page at <http://asme.org/leadershiptoolbox>; pdf form also available; email address: unitsupport@asme.org
BY mail: For those without electronic capabilities forms can be returned to Jessica Albert, ASME, Three Park Avenue, New York NY 10018-5880

SECTION FUNDS

Different Rules for sections with:

- no money other than from ASME appropriations or receipts or expenditures less than \$15,000
- receipts or expenditures totaling \$15,000 or more
- total annual expenditures of \$100,000 or more

UNIT OPERATIONS BUDGET

DUE by:

September 1st for preceding fiscal year!

FORM available from:

http://districts.asme.org/leadershiptoolbox/budget_finc_forms.html

Excel version can be submitted online

UNIT OPERATIONS BUDGET				
Fact Year Summary and This Year's Plan				
Program Year: July 1, 2004 - June 30, 2005				
	Budgeted	PAST YEAR Actual	Variance*	THIS YEAR Estimate
Telephone				
Section Administration				
Other _____				
Subtotal				
Postage & Mailing Expenses				
Section Administration				
Members/Meeting Notices				
Other _____				
Subtotal				
Stationery & Supplies				
Section Administration				
Other _____				
Subtotal				
Program/Meeting Expenses				
Executive Committee				
Program Committee				
Programs & Events				
Travel				
Alumni/Alumni				
Professional Development/Conferences				
Special/Meeting Expenses				
Other _____				
Subtotal				
Printed Matter/Reproduction				
Section Administration				
Members/Meeting Notices				
Other _____				
Subtotal				
Student Section Assistance				
Student Aid				
Student Awards/Scholarships				
Other _____				
Subtotal				
Miscellaneous				
Payments to Local Engineering Org.				
Other _____				
Other _____				
Subtotal				
Total Expenditures				
Revenue				

Other _____				
Total Revenue				
REGION NUMBER: _____ SECTION CODE: _____				
SECTION NAME: _____				
If appropriate, please indicate: <input type="checkbox"/> Subsection <input type="checkbox"/> Group <input type="checkbox"/> Tech. Chapter				
Sub-unit name: _____				

Actual section allocations are determined by a formula approved by the Resource Allocation Committee of the Council on Member Affairs at the beginning of each fiscal year.
*Variance equals the difference between the Budgeted and Actual amounts for the previous year.

DETAILS

<http://districts.asme.org/leadershiptoolbox/>

★ Go here for the forms

★ Go here for the manual (ML-13 Treasurers Manual)

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Back Forward Stop Refresh Home Search Favorites Print Mail News RSS Groups

Address <http://districts.asme.org/leadershiptoolbox/>

ASME HOME SEARCH JOIN SHOP HELP

LOCAL LEADERSHIP TOOLBOX

- Forms & Instructions
- Program Information
- Manuals
- Policies
- General Information
- Staff Contacts

Unit Support
New York Office
Three Park Avenue
New York, NY
10016-5990
(212) 591-7445
unitsupport@asme.org

QUESTIONS/DISCUSSION

- Feedback on needs for ASME support for sections in financial operations

THANK YOU and HAVE FUN !!!



- Make participation worthwhile and rewarding
- Don't forget that we are mostly a volunteer Society



Merit-Based Funding Project Team Scope of Work

The scope will **NOT** include the following:

- Merit-Based Funding for Student Sections
- Funding or programs intended for rejuvenation of inactive Units of ASME
- Funding or programs intended as seed money for development of new Units of ASME