

SAME National Office 2024 Budget Proposal

**XC Meeting
December 13, 2023**

Serve to Inspire!

Founded in 1920, SAME provides its 25,000 members with extensive opportunities for training, education, professional development, and collaboration across 100 local Posts and nationally through a robust offering of conferences, workshops, networking events, publications, webinars, and other member-driven programs.

SAME bridges gaps and builds relationships between critical stakeholders to help secure our nation—achieving its mission of leading collaboration by leveraging a membership that includes recent graduates and retired officers, enlisted personnel and NCOs, project managers, corporate executives, academic leaders, public sector professionals, and private sector experts across all engineering and related disciplines.

“I have belonged to many distinguished groups, but none in which I have a greater sense of honor than in the Society of American Military Engineers.” – General of the Army Douglas MacArthur, charter member of SAME

Agenda

- Alignment & Progress
- Budget Assumptions
- Investing in Our People & Culture
- 2024 Operating Budget
- Budget Analysis
- Recommendation
- SAME Net Asset Reserve
- Outlook and Discussion



Alignment & Progress

Society of American Military Engineers
2024 Operating and Capital Expenditures Budget Presentation
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2024 SAME National Office Budget

- Aligned with 2024 National Office Priorities* (**see slide 7*)
 - Increase Connectivity Across Departments
 - Evolve Support to Posts, COIs, Other Groups/Programs
 - Reinforce a Culture of IGE and Leader Development
 - Leverage Engagement of Events to Promote Value Year-Round
 - Embrace and Enable the SAME Foundation to Thrive
- Continues recent standard of Proposed Zero-Based Budget
- Includes New Investments to Support Society Growth
- Built utilizing Martus, a best-in-class budgeting software added in 2023

A Collaborative Budget Preparation Approach



2024 SAME National Office Priorities

Improve Connectivity Across Departments: To optimize our talent as a team, we need to recommit how we as staff communicate initiatives and efforts across the office and with stakeholders to ensure awareness, take advantage of synergies, better integrate, and amplify work being done.

Evolve Support to Posts, COIs, Other Groups/Programs: As we look, strategically, to “operationalize COIs” and grow programs like Camps, Credentialing, and LDP (to name just three), in addition to "support Posts," we need to take a more holistic view of how we resource all activities while also leaning forward technologically (e.g., Higher Logic).

Reinforce a Culture of IGE and Leader Development: Double-down on our mission and what makes SAME unique in the marketplace while looking for more opportunities to highlight impact and success stories that will drive membership growth, participation, and collaboration.

Leverage Engagement of Events to Promote Value Year-Round: Take advantage of the strong demand signal for SAME events and build on their success to better extend the value they derive throughout the year—from education and training to market research and networking (and in doing so, generate more return on the investment of time and resources they require from staff/others).

Embrace and Enable the SAME Foundation to Thrive: For the SAME Foundation to continue growing its brand, fundraising, and programming, and for the Society to benefit from further investments in STEM/leader development given the direct linkage between the two entities, we need to bolster how it helps the Society achieve our mission and identify budget-related areas where it can expand outcomes and offset operational requirements.

Budget Assumptions

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Budget Assumptions – 2024 Activities

2024 Meetings & Conferences

- Transition Workshop & Job Fair
- Europe Tri-Services IGE Workshop
- Capital Week
- JETC
- Small Business Conference

2024 Programs

- Camps (Army, Navy, USAFA, USMC, Jacksonville)
- COIs
- JEOC
- Webinars
- We Must Go To Them (STEM Pathways)
- Leader Development Program

2024 Membership & Post Operations

- Individual Members
- Organization Members
- Corporate Members
- Post Dues
- Post Leaders Workshop

2024 Communications

- The Military Engineer
- Website/Digital
- Newsletters

Sources of Revenue

- Membership Dues
- Meetings & Conferences Income (Registration, Sponsorship, Exhibitor, and Partners)
- Communications Income (Advertising, Royalties, Sponsored Content, Partners, Subscriptions, and Reprints)
- Programs Income (Registration, Grants, and Partners)
- Post Operation Income (Registration and Sponsorship)
- Administrative & Overhead Income (Sales, Interest & Dividends)

Sources of Expenses

- Salary and Benefits (Salary, Payroll taxes, Group Insurance, Retirement Contributions)
- Membership-Related Expenses (Advertising and Promotion, Travel Subsidies, Printing and Production, etc.)
- Event-Related Expenses (Catering, Audio Visual, Exhibit Set-up, Registration, printing and Production, Utilities, etc.)
- Communication-Related Expenses (Printing and Production, Sales Commission, Professional Fees, etc.)
- Post Operations-Related Expenses (Catering, Audio Visual, Non-staff Travel, etc.)
- Program-Related Expenses (Program Support, Travel Subsidy, Insurance, etc.)
- Administrative/Overhead Expenses (Rent, Computer Software/Programming, Audit, Taxes, Licenses, Insurance, Consultants, etc.)

Investing in Our People & Culture

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Investing in Our People & Culture

Staff Positions

- 31 Positions (29 Current/2 Vacant) *[Staff also support SAME Foundation]*
- Salary and Benefits Rates are Competitive in the Nonprofit Industry
- Taxes and Benefits Rate = 0.32%

Benefits Include

- Medical, Dental, Vision
- 401K Retirement Plan
- Flexible Spending Account
- Basic Life and AD&D Insurance
- Short-term Disability Insurance
- Long-term Disability Insurance
- Employee Assistance Program

Other Benefits

- Professional Development Opportunities
- Membership/Professional License Dues
- Wellness Reimbursements
- Transportation – Parking & Public Transportation Subsidy

2024 Operating Budget

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2024 Operating Budget Revenues - By Department

Revenue Source	Membership	Communication	Meetings/Events	Programs	Post Operations	Admin/ Overhead	TOTAL
Dues - Individuals	986,335.00	-	-	-	-	-	986,335.00
Dues - Organizations	6,500.00	-	-	-	-	-	6,500.00
Dues - Post Dues Revenue	399,002.00	-	-	-	-	-	399,002.00
Dues - Sustaining Members	1,110,750.00	-	-	-	-	-	1,110,750.00
Dues - Public Agency Members	8,125.00	-	-	-	-	-	8,125.00
Advertising	-	353,267.87	-	-	-	-	353,267.87
Sponsored Content	-	40,000.00	-	-	-	-	40,000.00
Registration	7,500.00	-	4,342,671.00	177,200.00	2,100.00	-	4,529,471.00
Exhibitor Revenue	-	-	2,152,500.00	-	-	-	2,152,500.00
Sponsorship Revenue	-	-	579,000.00	-	3,500.00	-	582,500.00
Partner Revenue	-	380,000.00	771,250.00	10,000.00	-	-	1,161,250.00
Sales	-	-	-	-	-	15,000.00	15,000.00
Subscriptions & Reprints	-	7,500.00	-	-	-	-	7,500.00
Royalties	-	62,000.00	-	-	-	-	62,000.00
Interest & Dividends	-	-	-	-	-	158,628.00	158,628.00
Grant Revenue	-	-	-	234,133.35	-	-	234,133.35
Total Revenue	2,518,212.00	842,767.87	7,845,421.00	421,333.35	5,600.00	173,628.00	11,806,962.22



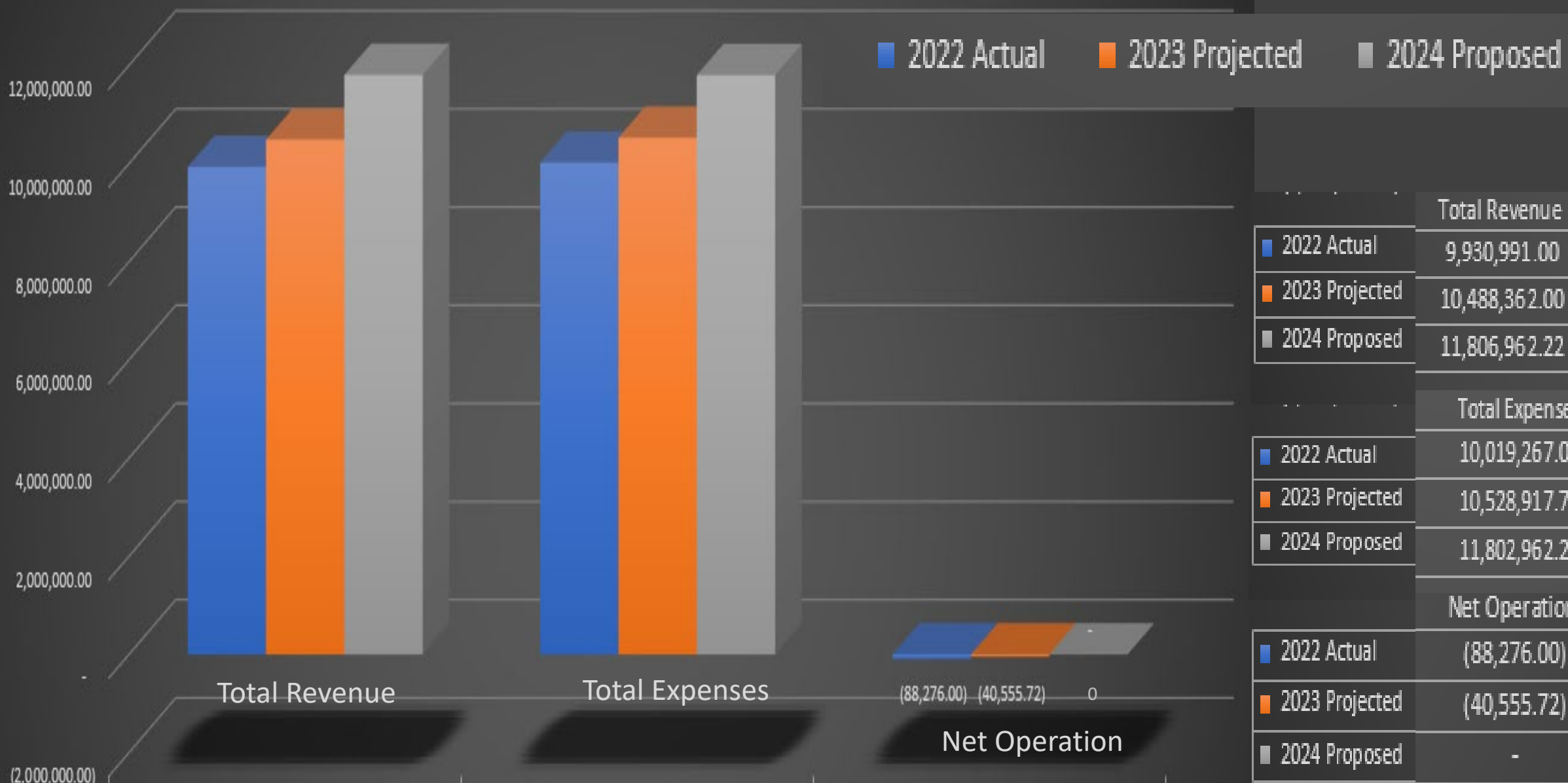
2024 Operating Budget Expenses - By Department

Expense Source	Membership	Communication	Meetings & Events	Programs	Post Operations	Admin/Overhead	TOTAL
Salaries & Wages	248,626.68	260,223.72	616,150.44	502,937.16	104,137.80	1,136,714.64	2,868,790.44
Bonus						120,000.00	120,000.00
Payroll Taxes	18,905.05	19,907.16	46,332.42	32,714.25	7,929.30	80,222.09	206,010.27
Insurance - Group Health	56,673.60	47,500.68	86,951.76	51,919.44	15,093.12	148,724.88	406,863.48
Retirement Contribution	12,177.48	13,011.12	30,807.48	21,496.68	5,206.92	52,321.80	135,021.48
Other Employment - Related Exp		2,000.00				42,210.00	44,210.00
Employee Training						100,000.00	100,000.00
Dues, Memberships & Publications		4,000.00		700.00		6,095.00	10,795.00
Staff Travel & Incidental Expenses	10,000.00		150,618.00	17,499.69	11,500.00	47,500.00	237,117.69
Temporary Help		5,000.00	129,548.69			5,000.00	139,548.69
Accounting / Audit						48,000.00	48,000.00
Legal				5,000.00		1,000.00	6,000.00
Sales Commissions		91,365.06	50,000.00				141,365.06
Speakers / Honorarium			100,000.00	12,000.00			112,000.00
Non-staff Travel & Incidental Expenses			39,213.00	3,300.00	74,150.00	18,000.00	134,663.00
Other Professional Fees / Consultants		47,600.00		20,001.00		116,124.00	183,725.00
Travel Subsidy	55,000.00		4,840.00	148,991.00	2,500.00	31,050.00	242,381.00
Facilities Rental			(52,432.00)		(875.00)		(53,307.00)
Catering	7,000.00		2,758,603.00	18,130.00	106,500.00	18,050.00	2,908,283.00
Audio Visual	2,500.00		704,361.00	1,132.00	17,500.00	21,352.00	746,845.00
Exhibit Costs			573,225.00				573,225.00
Registration Costs			174,309.00		450.00		174,759.00
Group Transportation			13,000.00				13,000.00
Entertainment			36,500.00				36,500.00
Other Meeting Costs			128,250.00	19,350.00	1,250.00	2,400.00	151,250.00
Printing & Production	16,500.00	144,000.00	30,800.00		2,000.00	2,000.00	195,300.00
Postage & Delivery	5,000.00	73,000.00	3,850.00		1,300.00	8,240.04	91,390.04
Advertising & Promotional	99,000.00	4,000.00	22,500.00	15,000.00	1,000.00	1,625.00	143,125.00
Medals, Awards Hardware	5,940.00			11,664.96	2,800.00		20,404.96
Equipment Rental, Repairs & Maintenance						8,221.00	8,221.00
Utilitites			175,000.00		4,000.00	9,624.00	188,624.00
Telecommunications				588.96		9,380.00	9,968.96
Computer Programming & Expense		13,000.00		2,150.00		350,000.04	365,150.04
Office Supplies	500.00		1,000.00	540.00		32,800.00	34,840.00
Other Office Expense						2,400.00	2,400.00
Insurance			32,500.00	15,001.00		35,712.00	83,213.00
Lease Expense						189,192.00	189,192.00
Bank & Credit Card Fees	62,770.00	17,737.50	169,924.00	8,840.00		4,000.00	263,271.50
Program Support				208,684.35			208,684.35
Taxes & Licences						136,750.00	136,750.00
Depreciation & Amortization						179,172.00	179,172.00
Miscellaneous Expense				209.34			209.34
Total Expenses	600,592.81	742,345.24	6,025,851.79	1,117,849.83	356,442.14	2,963,880.49	11,806,962.30

Budget Analysis

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Budget Analysis



Budget Analysis: Actual 2022, Projected 2023, and Proposed 2024

Revenue Analysis

- Total projected 2024 revenue increased by 37% compared to total actual 2022 revenue.
- Total projected 2024 revenue increased by 12% compared to total projected 2023 revenue.
- The increase in revenue is attributed to increased event participation (registration, booths, sponsorships); and an increase in Foundation grants to Programs.

Expense Analysis

- Total projected 2024 expenses increased by 17% compared to total actual 2022 expenses.
- Total projected 2024 expenses increased by 11% compared to total projected 2023 expenses.
- The increase in expenses are attributed to inflation; a 3% increase in salaries, and increased cost of benefits (19% medical and 9% increase in dental and vision).
- Net operating loss decreased from 2022 to 2024, which is projected to be a surplus in 2023.

BLUF

- **Based upon SBC performance, we project a \$184K net surplus in 2023.**

Recommendation

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2024 Budget Recommended for Approval

Zero-based budget proposed for 2024, in line with recent SAME standard.

Sources of Revenue	Amount
Membership Income	2,518,212.00
Meetings & Events Income (Registration, Sponsorship, Exhibitor, and Partners)	7,845,421.00
Communication Income (Advertising, Royalties, Partners, Sponsored Content, Subscriptions and Reprints)	842,768.00
Post Operation Income (Registration and Sponsorship)	5,600.00
Program Income (Grant & Partner)	421,333.00
Admin/Overhead Income (Sales, Interest & Dividends)	173,628.00
	11,806,962
Sources of Expenses	Amount
Salary and Benefits (Salary, Payroll Taxes, Group Insurance, Retirement Contributions)	3,736,686.00
Membership-Related Expenses (Advertising and Promotion, Travel Subsidy, Printing and Production, etc.)	264,210.00
Event-Related Expenses (Catering, Audio Visual, Exhibit Set-up, Registration, Printing and Production, Utilities, etc.)	5,245,609.00
Communication-Related Expenses (Printing and Production, Sales Commission, Professional Fees, etc.)	401,702.56
Post-Operation-Related Expenses (Catering, Audio Visual, Non-staff Travel, etc.)	224,075.00
Program-Related Expenses (Program Support, Travel Subsidy, Insurance, etc.)	508,782.30
Admin/Overhead Expenses (Rent, Computer Software/Programming, Audit, Taxes and Licenses, Insurance, Consultants,	1,425,897.00
	11,806,962
NET OPERATING	-

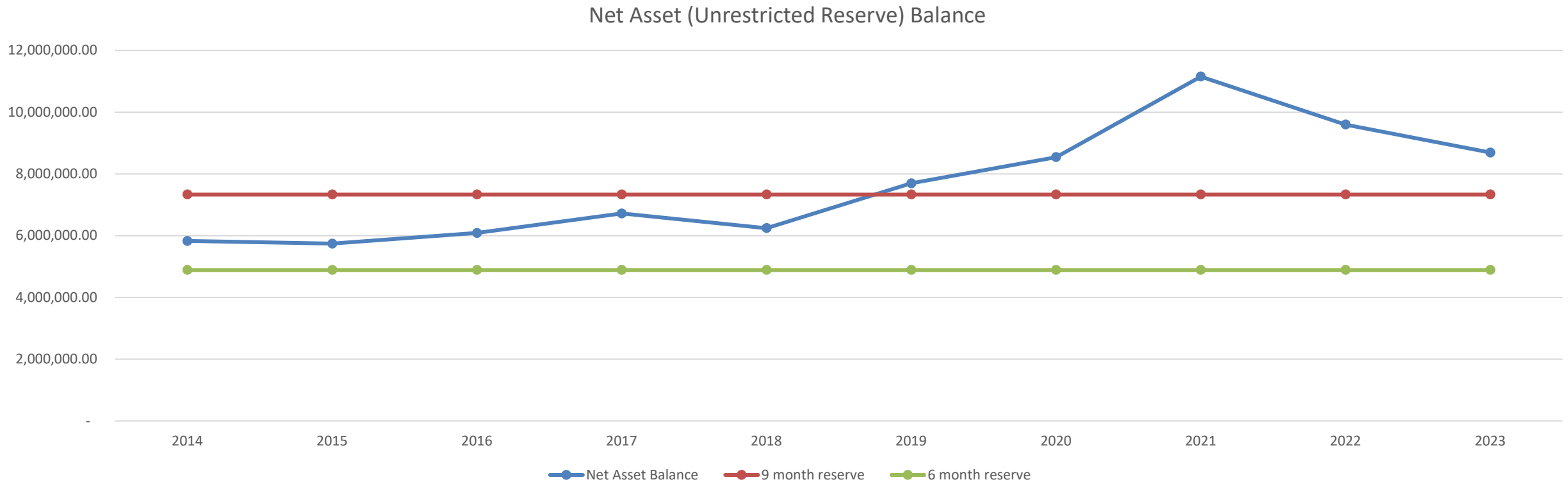


Backup Slides

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SAME Net Asset Reserves

SAME's current unrestricted reserve balance is \$7.8M, which exceeds the nine-month industry standard of \$7.5M. However, the balance has been going down beginning in 2022, due to both withdrawals (to invest in the EMS) and from negative overall market performance.



Way Ahead Considerations

- The only way to increase the unrestricted reserve balance is to have a surplus budget and positive actual performance.
 - Balance against the need to invest in the Society and to retain qualified professional staff.
- Need additional and/or new revenue sources for the coming years. This underscores a continued need for strategic planning and creative thinking.
 - Maturation of the SAME Foundation and its investments in Society programs is an opportunity.
- Membership Dues Review will be put forth yearly, as previously authorized.
- Costs will continue to rise in the future; it is important to monitor membership and participation prices to ensure the organization is positioned to adjust accordingly.

2024 Budget Development Conclusions

- 2024 budget development was a team effort: good collaboration among directors, managers, XD, and board treasurer.
- We cut expenses to the maximum. It would be difficult to make further expense cuts without negatively impacting the services provided and programs offered.
- Decisions made where to generate revenue were based on sound analysis of demand as well as accounting for hard fixed costs
- The zero-based budget proposed covers programs, events, and operational activities for 2024.
- Discussion of strategy around SAME Reserves will continue.
- SAME's actual performance is improving from 2022 and forward.