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SAME National Office FY 2021 Budget Midyear Update

Executive Committee Meeting

10:30 AM (EST) – 12:30 PM (EST)

25 Aug 2021



Bottom Line Up Front: *FY 2021 – A Year of Uncertainty and Opportunity*

(From 2021 Budget Brief, Approved by the XC on 6 Dec 2020)

- **Major Assumptions:**
 - COVID will impact operations through 2021; continue COVID policies (pay and hiring freeze, etc); budget expenses as if no COVID (pay raise, bonus, Pres travel, IC grant, SBC stipends).
 - Major National events will be virtual at least through JETC (May 2021).
 - There will not be a second round of PPP available for SAME.
- **FY 2020:** Despite the immediate impact of COVID (total budgeted revenue loss of \$120,000 from Capital Week cancellation in March), we retooled our centennial year and ended the year in the black while delivering all XC approved National Office FY 2020 priorities. We started the year with a \$1.2 million cash position and ended the year with a \$1.2 million cash position.
- **FY 2021:** We anticipate and are ready to manage a year of uncertainty and opportunity by proposing a living budget (not balanced):
 - **Uncertainties:**

• PPP Loan forgiveness	(Risk=payback loan over two years at 1%; \$353,000)	Pending SBA Approval
• Sale of 607 Prince	(Risk=maintain property at \$10,000 per month)	Close Sale 16 Aug
• Sustaining Member support	(Risk=SM willingness, capability; difficult to quantify)	SM Support remains positive
• Virtual events value	(Risk=virtual fatigue; revenue targets)	FMW (\$6000 below budget)
• PPP Loan (2021)	(Contrary to assumption, we took second PPP; \$331,000)	Forgiveness Request in
 - **Opportunities:**

• Sale of 607 Prince	(Invest profit – XC Decision after sale)	“Home Fund” will be created
• Financial Reserves	(Exceed needs – invest in members; establish mgt plan)	EMS, CMS Contracts signed
• Diversify revenue streams	(Increase membership; reduce event financial dependency)	Dues Restructure complete
• COI mgt, Fundraising staff	(Hire via contract – labor: buyer’s market)	Hired Rob and Jeannine
• Spontaneous networking	(underwrite post capability)	
• Leverage Centennial	(Century Book sales; post events; virtual members)	Century Book is in! (marketing)
• Ongoing study: Outsourcing Finance	(Contracted with CLA; Outsource CFO and Controller; inhouse accountant)	On Plan
- **Enterprise Management System (EMS):** we are overdue an overhaul – now is the time to invest excess reserves.
- **COIs** are crucial as a technical resource and opportunity for member continuous engagement. Hire two COI managers now (contract basis).
- **National Office Relocation:** Move is Complete; 607 Sale efforts continue; Review office work strategy after COVID. Hybrid Office Policy in effect.
- We are making progress to fully operationalize the relationship between the SAME BOD and SAME Foundation.
- **Centennial is not over** ... push through 2021. Century Book on schedule for marketing and sale this year; Post Celebration Special TME Edition later.

2021 National Office Priorities to Support Strategic Plan 2025:

FOCUS: Implementation of Post & COI Annual Plans ... operationalizing COIs ... Enterprise Management System ... adapting to the virtual environment.

1. **Implement Strategic Plan 2025:** Support and monitor the execution of Post and COI annual plans; monitor execution of the new Streamer Program; support the operationalizing of COI's as extensions of the National Office to include staff impacts; strengthen IGE impact; implement value enhancements that result from virtual event lessons learned that apply to face to face events; complete the centennial plan, thrive during the pandemic; achieve 6th consecutive unqualified opinion on annual audit.
2. **Plan and Implement Member Management System Improvements:** Develop a comprehensive, integrated management system; leverage SAME reserves to benefit members and SAME for the long term; plan and execute the implementation of the system while maintaining uninterrupted support; evaluate opportunities to increase support to posts (administration, etc).
3. **Support Foundation Fundraising and SAME Program Support:** Vigorously implement the results of the joint SAME BOD and Foundation Board Task Force in order to significantly increase fundraising and program support (operationalize a productive relationship); support all Foundation fundraising campaigns; continue to provide impactful staff support to the Foundation.
4. **Enhance Communications and Marketing effectiveness:** Continue to expand our brand; fully leverage the management system initiative to produce an integrated, leading-edge communications capability; continue to emphasize Post events in TME; complete the centennial book including a robust sales plan.
5. **Complete the National Office Relocation:** complete the sale of the 607 Prince St and determine the best investment of the proceeds from the sale; assess and implement the national office operational concept based on lessons learned from operating virtually during the pandemic.

Assessment: ON PLAN

FY 2021 Budget Execution

Statement of Activities Actuals through April Close; Investments as of end of first quarter

	Actuals					Projection							
	January	February	March	April	Year to Date	May	June	July	August	September	October	November	December
REVENUE													
Conferences and Meetings	\$ -	\$ 42,738	\$ 215,001	\$ -	\$ 257,739	\$ 613,002	\$ -	\$ 63,456	\$ -	\$ -	\$ 2,617,100	\$ -	\$ 3,551,297
Dues	\$ 162,194	\$ 165,031	\$ 169,690	\$ 189,043	\$ 685,959	\$ 172,617	\$ 193,933	\$ 121,085	\$ 170,015	\$ 170,015	\$ 170,015	\$ 178,015	\$ 2,031,668
Advertising and Publications Programs	\$ 101,037	\$ 25,928	\$ 113,958	\$ 19,996	\$ 260,919	\$ 131,554	\$ 10,000	\$ 120,083	\$ 10,000	\$ 120,083	\$ 10,000	\$ 120,083	\$ 792,722
	\$ 200	\$ 550	\$ 1,975	\$ 525	\$ 3,250	\$ 10	\$ 975	\$ 32,600	\$ 1,275	\$ 1,275	\$ 1,275	\$ 1,275	\$ 43,210
Post Operations	\$ 285	\$ 2,900(2,450)	\$ -	\$ 75	\$ 810	\$ 10,494	\$ 792	\$ 95	\$ 792	\$ 792	\$ 792	\$ 792	\$ 16,149
Interest and Dividends	\$ 1,362	\$ 1,906	\$ 14,755	\$ 4,317	\$ 22,340	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 142,340
PPP loan	\$ 1	\$ -	\$ 4,825	\$ 790	\$ 5,615	\$ 104,167	\$ 331,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,077
TOTAL REVENUE	\$ 265,079	\$ 239,053	\$ 517,753	\$ 214,746	\$ 1,236,632	\$ 1,046,844	\$ 551,994	\$ 352,319	\$ 197,082	\$ 307,165	\$ 197,082	\$ 2,924,265	\$ 7,018,463
EXPENSES													
Program Services:													
Conferences and Meetings	\$ 832	\$ 3,500	\$ 42,958	\$ 15,088	\$ 62,378	\$ 224,250	\$ -	\$ 55,946	\$ -	\$ -	\$ 1,762,021	\$ -	\$ 2,104,595
Membership Activities	\$ -	\$ 210	\$ -	\$ 2,579	\$ 2,789	\$ 26,411	\$ 26,411	\$ 26,411	\$ 26,411	\$ 26,411	\$ 26,411	\$ 26,411	\$ 214,078
Society Publications and Communications Programs	\$ 8,742	\$ 29,335	\$ 3,410	\$ 30,125	\$ 71,612	\$ 34,250	\$ 1,200	\$ 34,250	\$ 1,200	\$ 34,250	\$ 1,200	\$ 34,250	\$ 213,412
	\$ 200	\$ -	\$ -	\$ 475	\$ 675	\$ 2,250	\$ 1,150	\$ 220,231	\$ 2,250	\$ 2,250	\$ 2,250	\$ 2,250	\$ 235,556
Post Operations	\$ 15,120	\$ 11,808	\$ 11,772	\$ 21,567	\$ 60,267	\$ 25,000	\$ 16,967	\$ 8,000	\$ 25,000	\$ 8,000	\$ 25,000	\$ 8,000	\$ 201,234
Total Program Services	\$ 24,894	\$ 44,852	\$ 58,140	\$ 69,834	\$ 197,721	\$ 312,161	\$ 45,728	\$ 344,838	\$ 54,861	\$ 70,911	\$ 54,861	\$ 1,832,932	\$ 2,968,874
Supporting Services:													
Management and General Fundraising	\$ 276,545	\$ 247,547	\$ 276,800	\$ 325,032	\$ 1,125,925	\$ 341,974	\$ 354,972	\$ 354,972	\$ 350,472	\$ 345,104	\$ 345,104	\$ 345,104	\$ 3,908,734
Total Supporting Services	\$ 276,545	\$ 247,547	\$ 276,800	\$ 325,032	\$ 1,125,925	\$ 341,974	\$ 354,972	\$ 354,972	\$ 350,472	\$ 345,104	\$ 345,104	\$ 345,104	\$ 3,908,734
TOTAL EXPENSES	\$ 301,440	\$ 292,399	\$ 334,940	\$ 394,866	\$ 1,323,645	\$ 654,135	\$ 400,700	\$ 699,811	\$ 405,334	\$ 416,016	\$ 399,966	\$ 2,178,037	\$ 6,877,609
CHANGE IN NET ASSETS FROM OPERATIONS	\$ (36,361)	\$ (53,346)	\$ 182,813 (180,120)	\$ -	\$ 182,813	\$ 392,708	\$ 151,294 (347,492)	\$ (208,252)	\$ (108,851)	\$ (202,884)	\$ -	\$ 746,228 (194,884)	\$ 140,854
Change in Value of Investments	\$ (24,272)	\$ 33,886	\$ 123,171	\$ 223,425	\$ 123,171	\$ 52,491	\$ 73,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,972
NET CHANGE IN NETS ASSETS	\$ (60,633)	\$ (19,460)	\$ 305,984	\$ 43,305	\$ 305,984	\$ 445,200	\$ 225,179 (347,492)	\$ (208,252)	\$ (108,851)	\$ (202,884)	\$ -	\$ 746,228 (194,884)	\$ 613,827
													Less PPP
													\$ 301,327

Leading Indicators (weekly review; details not included, trend vs budget below):

- Advertising: 
- Membership Sustaining: 
- Individual: 
- National Events: 

Summary

- **The SAME National Office FY 2021 budget and priorities are on plan:**
 - **FY 2020 Annual Independent Audit – draft report – UNQUALIFIED Opinion (out brief scheduled)**
 - **Forecast year end net positive (operations).**
 - Without recognizing PPP #2 revenue
 - **Maintaining strong cash position and cashflow management – have not liquidated any of XC granted authority to use reserves:**
 - \$1 million – EMS (just beginning payments)
 - \$150,000.00 - Hire COI Managers
 - \$250,000.00 - Centennial
 - **Investments continue to show positive gains.**
 - Investment Committee on track; managers performing well
 - **Managing anticipated uncertainties (no surprises or budget impacts):**
 - *PPP loan #1 forgiveness pending with SBA*
 - *Sale of Century House scheduled for 16 August*
 - *Net from sale will be about \$2,078,000.00 (pending final settlement figures; goal was to net over \$2M)*
 - *Avoid costs associated with maintaining 607 Prince (c. \$40,000 for rest of FY)*
 - *Sustaining Member Support remains strong; Individual Membership lagging*
 - *BOD approved membership business rules and dues changes*
 - *Participation in VJETC strong, lagged for FMW (vaccine impact); SBC will be in person with virtual opportunities (Hybrid) – strong sales so far*
 - **Leveraging opportunities:**
 - Received PPP #2 (\$331,000) – forgiveness request submitted to lender
 - Establishing “Home Fund” (proceeds from sale of Century House) – Investment Committee developing options
 - Commissioned Finance Outsourcing Study (CLA contract) – Will Hoffman departing; system expertise (EMS)
 - Established Hybrid Office Work Policy
 - Hired IGE and Program Director (Rob Biedermann) – IGE National Program Management now a reality
 - Hired COI Manager (Jeannine Finton)
 - Century Book is complete – now marketing to try to recoup production costs (not planned)

IGE Program Management

Prepared for the SAME Executive Committee

August 25, 2021

IGE Program Management provides a
deliberate, consistent, repeatable, & transparent
process to manage national-level IGE efforts
ensuring we deliver impact and maximize use of
available resources in the service of our National
Security

IGE Program Management Outcomes

- Drive accountability to deliver intended impacts and contributions to the Strategic Plan
- Provide clear delineation of roles, responsibilities and process
- Recognize and support Post, Region and COI local IGE efforts
- Identify top national priorities serving a wider impact
- Mobilize resources to enable collaboration:
 - SAME Members
 - SAME National Office Staff
 - SAME Partners and other stakeholders
 - External resources (academic, etc) as required
- Measure and communicate: celebrate impact, support recruiting and retention, share perspectives

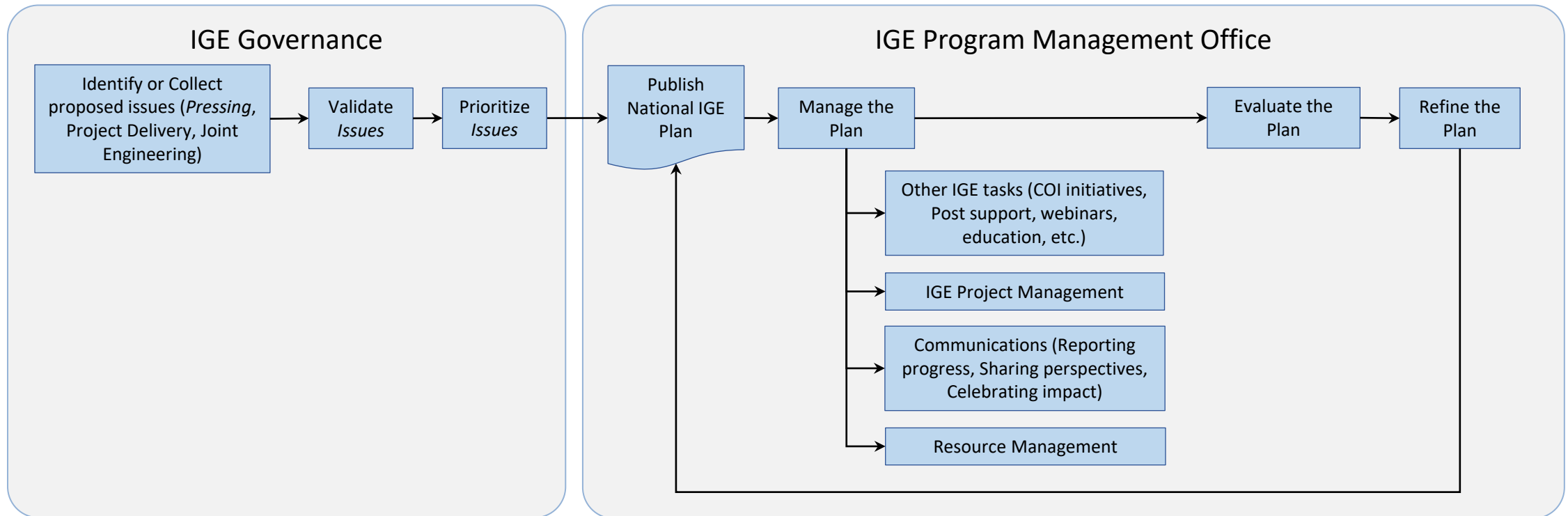
IGE Program Management Plan Development Major Milestones

Phase I: Governance	Target
Project Management Matrix (Workload Management)	3 QTR 21
Executive Committee Role (Determine Priorities)	3 QTR 21
Executive Advisory Group (EAG) Role (Government Perspective & Needs)	4 QTR 21
Industry Role (Industry Perspective & Needs)	4 QTR 21
Operationalize COIs (Expand technical member support for XC Priorities, Stakeholder management)	2 QTR 22

IGE Program Management Plan Development Major Milestones

Phase II: Management	Target
National Industry-Government Engagement Plan (NIGEP)	
Responsibilities	3 QTR 21
Collection, Identification of Issues (Pressing, Project Delivery, Joint Engineering)	3 QTR 21
Selecting Priority Issues	3 QTR 21
Determining Impact, Task Organizing, Assignment	4 QTR 21
Project Management	4 QTR 21
Metrics (measuring impact)	4 QTR 21
Other IGE Programs (COI initiatives, Post support, webinars, education, etc.)	4 QTR 21
Communications (Reporting progress, Sharing perspectives, Celebrating impact)	4 QTR 21
Resource Strategy	4 QTR 21

Overall National IGE Program Management



XC: First Steps

- Develop Governance Input for IGE Management Process:
 - National IGE Tracking document (IGE Matrix)
 - National IGE *Pressing Issue* proposal criteria and format
 - National IGE *Pressing Issue* validation criteria
 - National IGE *Project* prioritization process
- Evaluate current slate of National IGE *Issues* and *Projects*

IGE Pressing Issue Proposal Criteria and Format

- Electronic submission, similar to webinar request
- Required information:
 - Submitter information
 - Willingness to champion (commitment statement and proposed Project Manager)
 - Issue description, scope of proposed project
 - Impact: advocacy or education
 - Contribution to the 2025 Strategic Plan
 - Involved or requested parties, proposed team members (industry, government, academic, SAME COI, etc.)
 - Issue development to date (attach white papers, minutes of workshops, etc.)
 - Required resolution date (if applicable)
 - Endorsement by one: EAG Member, BOD Member, COI Chair or Post President
 - Industry, Government, or both

IGE Pressing Issue Validation Criteria

- Submission complete?
- DIRECTLY advances at least one of the five objectives of the 2025 Strategic Plan?
- SAME uniquely positioned to impact at a national level or other association(s) addressing or better positioned?
- Lobbying effort or lobbying dependent?
- National-level issue or city/county/state issue?
- Primary Federal Government stakeholders/decision-makers at the Departmental level?

IGE *Project* Prioritization Process

- Necessary when resources are limited
- All XC Members score each issues:
 - 5 = best
 - 1 = worst
 - Considers XC member diversity, viewpoint, expertise, knowledge
- Criteria:
 - National Security Impact / Benefit
 - Government Impact / Benefit
 - Industry Impact / Benefit
 - EAG Priority

Prioritizing Process (example XC Member scoring)

XC Member A						
Pending Projects	Source	Criteria				
		National Security Impact / Benefit	Government Impact / Benefit	Industry Impact / Benefit	EAG Priority	TOTAL
Energy Resilience (CG)	EAG, COI	4	4	3	4	15
Small Business Size Business Standards	COI	3	4	3	2	12
Per- & Polyfluoroalkyl Substances (PFAS) (OSD)	EAG	3	4	4	3	14
Cyber Security in the Built Environment (CG)	EAG, COI	5	5	5	4	19
Climate Change (OSD)	EAG	5	5	5	4	19
Government Training (Business accumen, procurement, etc.) (OSD)	EAG	2	4	5	3	14
XC Member B						
Pending Projects	Source	Criteria				
		National Security Impact / Benefit	Government Impact / Benefit	Industry Impact / Benefit	EAG Priority	TOTAL
Energy Resilience (CG)	EAG, COI	5	5	3	3	16
Small Business Size Business Standards	COI	4	4	5	1	14
Per- & Polyfluoroalkyl Substances (PFAS) (OSD)	EAG	2	4	3	2	11
Cyber Security in the Built Environment (CG)	EAG, COI	5	5	5	3	18
Climate Change (OSD)	EAG	5	5	5	4	19
Government Training (Business accumen, procurement, etc.) (OSD)	EAG	2	2	5	3	12

Prioritizing Process (example Scoring Summary)

Pending Projects	XC Member						Order of Merit
	A	B	C	D	Etc.	TOTAL	
Climate Change (OSD)	19	19				19.0	1
Cyber Security in the Built Environment (CG)	19	18				18.5	2
Energy Resilience (CG)	15	16				15.5	3
Small Business Size Business Standards	12	14				13.0	4 (T)
Government Training (Business accumen, procurement, etc.) (OSD)	14	12				13.0	4 (T)
Per- & Polyfluoroalkyl Substances (PFAS) (OSD)	14	11				12.5	5

- Produces an Order of Merit List (OML)
- Applies if resources are limited

Responsibilities

- **XC**
 - Execute IGE Governance Tasks
- **XC Champion**
 - Ensures XC's intent is clearly communicated, met
 - Removes obstacles
 - Holds IGE PM accountable for progress, impact
 - Note: XC Project Champion – opportunity for future National Leader Development
- **IGE Project Manager**
 - Team leader, manages the project effort
 - Accountable for progress, impact
 - Leads collaboration between executing entities
 - Often *Pressing Issue* Initiator
- **IGE Program Manager**
 - Manage collection, validation and prioritization process
 - Reporting to XC
 - Support projects as necessary

XC: First Steps

- Develop Governance Input for IGE Management Process:
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