

SAME National Office FY 2023 Budget Decision Brief

Executive Committee Meeting

11:00 AM – 1:00 PM (EST)

30 November 2022

Obtain XC approval:

- **SAME National Office FY 2023 Priorities**
- **SAME National Office FY 2023 Budget**
 - Highlight: Integration of SAME Foundation program support
- **National Office Excess Reserve Management Plan**
 - Home Fund Established

Agenda

- National Office FY 2023 Priorities
- FY 2022 Budget Execution
- FY 2023 Budget Proposal
- FY 2023 Excess Reserve Management Plan
- Summary and Recommendations



Note: Back Up slides provide detailed information on budget areas of interest. SAME National Office Staff Directors are prepared to elaborate during the briefing. A current National Office organization chart is also provided at the back of the brief for reference.

FY 2023 National Office Priorities

National Office Standing Priorities

(since 2014)



1. Serve our Regions, Posts and Members
2. Support our National Strategic Plan
3. Strengthen our Brand



Serve "up" and "out"!

Deeds Not Words!"

Build value ... to Strengthen the Foundation of SAME's Brand.

Operationalize COI's ... Deliver IGE Impact

Fully Integrate the EMS ... Easier to be Staff and Members

Support Foundation Fundraising ... Routinize SAME-Foundation Efforts

Stimulate Member Engagement ... Enhance Member Management

“Go-to” organization for:

- ***Commitment to Service***
- ***Collaboration (IGE)***
- ***Leader Development***

Grow Member Engagement to Enhance SAME's Potential

SAME National Office FY 2022 Priorities EOY Assessment

2022 National Office Priorities to Support Strategic Plan 2025:

Mission Essential Tasks: Operationalizing COIs ... Implementing the Enterprise Management System ... Growing Foundation Fundraising.

- Sustain Strategic Plan 2025 Progress:** Sustain support to and evaluation of the execution of Post and COI operations; implement the National Leadership Team engagement Plan; evaluate how to best leverage the benefit of virtual and in-person delivery; continue to develop thought leadership (diversity, equity and inclusion).
Outcome: increase member engagement and impact
- Operationalize COI's:** Build the National Office IGE and Programs Team; expand COI engagement, membership and leadership; implement Special COI Events policy.
Outcomes: expanded and effective IGE, program and COI management; effective stakeholder integration and management within technical COIs; establish technical COIs as portals to expertise.
- Implement the EMS:** Fully implement an integrated system including the AMS, CMS (with App) and Financial Management System legs.
Outcomes: eliminate manual staff labor, increase efficiency of value delivery, serve all levels of SAME; effective outsourced and integrated financial management (including the Foundation)
- Grow Foundation Fundraising and SAME Program Impact:** Routinize the relationship between the Society BOD and the Foundation Board.
Outcomes: clear communications and expectations; effective and transparent BOD procedures for evaluating and communicating requests; effective and transparent procedures for Board evaluation of Society requests and communication of decisions; effective common staff support of the process; effective combined financial management procedures that support fiduciary accountability and return on investments
- Implement the Dues Restructure Decision.** Complete the implementation of the July 2021 BOD dues restructure decision.
Outcomes: treat every member as an individual member (SREP conversion); establish one unique record for each member in our database; more fully recover the cost to serve members; assess the impact of dues changes on: membership, member management and financially.

PROGRESS ON ALL
FRONTS... KEEP GOING!

2023 National Office Priorities to Support Strategic Plan 2025:

1. **Grow IGE Impact:** Enable measurable progress on IGE efforts at national and post levels; continue to mature the EAG and the IGE management system; continue to grow tech COI engagement in support of IGE and grow the membership of technical COIs to increase SAME's technical reach to serve IGE and Post needs.
2. **Fully integrate the EMS:** Leverage the integration of the AMS, CMS, FMS, SAME APP and 3rd party systems to: better inform decision making; increase efficiency and effectiveness of the staff; enable COI and Post leaders (train them to use the system to better communicate and manage the members and stakeholders); and refine business operations.
3. **Operationalize COI's:** Train COI's to effectively use the AMS Community module to grow technical capacity, develop and deliver relevant program content, recruit members, and manage stakeholders; finalize the National Camps program; leverage National LDP projects; grow the Membership COI ability to recruit engaged members; deliver measurable progress on: Service Member Working Group and Construction TF. Implement Special COI Event Policy.
4. **Support the SAME Foundation Board:** Routinize the relationship between the Society BOD and the Foundation Board to better generate and manage resources in support of SAME program delivery and enable the Foundation Board to better manage and grow the corpus.
5. **Stimulate Member Engagement:** Capitalize on the Dues Restructuring Initiative, EMS (treat every member as a valued individual) and our Brand to motivate member engagement and contributions.

**FOCUS ON DELIVERABLES ...
IMPACT**

FY 2022 Budget Execution

Successful despite:

A Year of Unexpected Twists ... direct and indirect impacts ... feeling the same challenges industry and government face:

- ... Tough Replacing staff**
- ... Key Vendors losing key staff**
- ... Cost escalation ... everywhere**
- ... COVID transition**

FY 2022 Budget Execution

	Month Ended January Actual	Month Ended February Actual	Month Ended March Actual	Month Ended April Actual	Month Ended May Actual	Month Ended June Actual	Month Ended July Actual	Month Ended August Actual	Month Ended September Actual	Month Ended October Projection	Month Ended November Projection	Month Ended December Projection	Projected Total	Projected Total (less Investments)	Approved Budget	Variance
Change In Net Assets																
Revenue																
Dues	167,394.96	200,662.87	146,996.46	192,991.44	200,785.71	191,538.19	197,830.86	139,883.48	190,496.13	203,144.58	203,144.58	203,144.62	2,238,013.88	2,238,013.88	2,437,735.00	(199,721.12)
Contributions	0.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00	0.00	150.00
Advertising	54,458.49	45,056.56	94,973.04	2,166.00	75,996.82	18,333.00	57,777.07	0.00	50,000.00	0.00	55,000.00	0.00	453,760.98	453,760.98	312,000.00	141,760.98
Conference Registrations and Sponsorships	20,924.00	58,112.75	369,114.50	497.00	1,874,812.16	78,643.25	296,035.25	261,862.80	57,000.00	0.00	3,740,000.00	0.00	6,757,001.71	6,757,001.71	6,557,930.00	199,071.71
Other Income	1,222.06	7,024.35	15,003.95	6,802.23	11,569.64	5,021.29	20,143.95	3,209.28	599.13	3,833.34	3,833.34	3,833.28	82,095.84	82,095.84	46,000.00	36,095.84
Investment Income	(297,795.47)	(161,640.68)	57,002.04	(415,863.06)	18,821.44	(421,126.06)	186,361.35	(226,986.06)	(485,987.58)	0.00	0.00	0.00	(1,747,214.08)	0.00	0.00	0.00
Grants	0.00	0.00	312,500.00	0.00	0.00	0.00	0.00	0.00	0.00	5,166.67	5,166.67	5,166.63	327,999.97	327,999.97	374,500.00	(46,500.03)
Total Revenue	\$ (53,795.96)	\$ 149,215.85	\$ 995,589.99	\$ (213,406.39)	\$ 2,182,135.77	\$ (127,590.33)	\$ 758,148.48	\$ 177,969.50	\$ (187,892.32)	\$ 212,144.59	\$ 4,007,144.59	\$ 212,144.53	8,111,808.30	9,859,022.38	9,728,165.00	130,857.38
Expenditures																
Employee-Related Expenses	254,189.62	204,137.85	226,789.33	244,108.33	265,305.44	242,325.10	234,273.86	286,163.47	263,028.13	273,429.19	277,595.86	277,595.86	3,048,942.04	3,048,942.04	3,204,845.00	(155,902.96)
Professional Fees	19,407.33	33,369.20	7,750.89	70,540.43	63,585.89	45,138.50	29,017.50	25,302.60	51,321.00	27,958.33	14,000.00	14,000.00	401,391.67	401,391.67	269,500.00	131,891.67
Meeting Expenses	1,073.48	6,634.69	60,166.82	171,210.11	1,205,178.89	192,579.62	(33,177.53)	142,087.01	3,041.36	0.00	2,678,000.00	0.00	4,426,794.45	4,426,794.45	4,132,865.00	293,929.45
Other Expenses	104,698.17	161,227.60	138,214.00	165,400.88	263,860.12	169,146.01	112,977.27	98,909.17	216,972.25	162,431.07	162,431.07	162,431.25	1,918,698.86	1,918,698.86	1,949,173.00	(30,474.14)
Total Expenditures	\$ 379,368.60	\$ 405,369.34	\$ 432,921.04	\$ 651,259.75	\$ 1,797,930.34	\$ 649,189.23	\$ 343,091.10	\$ 552,462.25	\$ 534,362.74	\$ 463,818.59	\$ 3,132,026.93	\$ 454,027.11	9,795,827.02	9,795,827.02	9,556,383.00	239,444.02
Total Change In Net Assets	\$ (433,164.56)	\$ (256,153.49)	\$ 562,668.95	\$ (864,666.14)	\$ 384,205.43	\$ (776,779.56)	\$ 415,057.38	\$ (374,492.75)	\$ (722,255.06)	\$ (251,674.00)	\$ 875,117.66	\$ (241,882.58)	(1,684,018.72)	63,195.36	171,782.00	(108,586.64)

Notes: 1. Supporting details up through the September close out were provided to the BOD in Nov.
2. "Net change in assets" includes market performance through September 30, 2022.

EOY Forecast: \$63,195.36

Audit

✓ **Financial Statement** – 7th consecutive unqualified opinion (2015-2021); audit committee (bylaws) process followed.

⚖ **Accounts Receivable**

- Not routinely reconciled
- Corrective Action (adopted): Reconcile monthly; assess collectability
- IMPACT: minor

⚖ **Credit Card not cancelled in timely manner**

- Credit card of former finance manager (Will Hoffman) used by finance 4 months after his departure
- Corrective Action: Cancel credit card (was accomplished in Dec 2021); modify exit process
- IMPACT: none

⚖ **Sale of Century House**

- Settlement Charges (\$104,000) improperly recorded as expense vs offset to gain
- IMPACT: none

⚖ **Post Funds**

- Issue with Omaha Post regarding a withdrawal
- Corrective Action: Reconcile GL with documentation
- IMPACT: none

⚖ **Unused Bank Accounts**

- Close Pen Fed account that has had no activity
- IMPACT: none

STATUS REPORT

Final Audit Report: pending

Taxes: submitted on time; 15 Nov
(\$46k Fed; \$27k State)

Auditor: RFP in Jan 2023 – time to
replace auditor (5 years)

Revenue

✓ Membership

- Individual Dues Restructure implemented 1 Jan 2022: no impact.
- Sustaining Member (SM) dues restructuring implemented 1 July 2022 (concludes 1 July 2023): tracking impact in detail; initial results are favorable.
- Dues Miscalculation: double counted SM revenue (**-\$350k budget impact**).

✓ Advertising and Marketing

- Print advertising again surpassed expectations (some SMs shifted resources).
- Online advertising continues to be an area of opportunity.
- Unexpectedly lost advertising salesperson (Johnny). Outsourced to company with whom we have experience. Will be short term impact on revenue; long term benefits. Just executed contract (running hard to get on board and execute 4Q).

✓ Events

- Raised registration prices 10% in 2021 – first in long while.
- JETC: **-\$100k budget impact** (net profit shortfall). Cost escalation kicks in.
- SBC: **+\$300k budget impact** (net profit surplus) (set records: 4172 registered; 545 booths). Pent up demand?

✓ Non-Dues Revenue

- Job Board was lost opportunity (+\$14,000 in 2021) – paused during EMS transition.

Expenses

✓ People

- Weathered unique labor market: tough recruiting; compensation and remote work demands; generated hire lag but impacted staff workload.
- Rebuilding Finance Team to replace unacceptable outsourcing (CLA impacted by labor market too). Professional fees escalated in 2022 (CLA: \$213k).
- Unfinanced investments: 2% one-time inflation adjustment (\$10k); targeted out of cycle salary increase 1 Oct (\$20k 4Q22; \$80k annual).

✓ Continued Controlling Expenses

- Anticipating best we can future cost escalation (event expenses continued to increase – utilities, labor, etc).
- Anticipated COVID costs (1st half of year; testing; “Hug Me” buttons, etc.), but costs escalated.
- National Office size, quality – highly productive, small staff – sustained teamwork, minimized turbulence.
- Rent office support affordable and predictable. Home Fund established for future rent offset (not required now).

✓ Continued Investing in the Society

- PLW; Stipends; programs; RVP and NLT engagement.
- Programs Staff now built and getting stronger – major investment in support to IGE delivery and operationalizing COIs; webinar development and delivery growing.
- Liquidated EMS expenditures (\$200k of \$1M) – see Excess Reserve Management Plan (slide 22).
- Hired two (one more pending) staff generalists (one for each programs, events, communications).

✓ Continued Investing in Major Events - Increased financial return = increased value

- Continued to invest in Big Marker and other IT refinements to support virtual delivery (post support too).
- Continued increasing program quality and education (Call For Presentation process key).

Investment

✓ Joint Investment Committee

- Joint SAME (reserves) and Foundation (corpus) Investment Committee still working well; updated and managing to Investment Policy Guidance (IPG).
- Great succession planning: (1 Jan 2022): Melissa Smith joined, Candice Hamilton and Mark Zanardi departed; Ash Walden just joined committee. Joe O’Brien is stellar.
- Disciplined Quarterly reviews are conducted with the investment advisors (Fiducient and RBC).
- Home Fund established: Century House sale proceeds (\$2.07M) transferred to RBC; IC providing oversight of investment of funds – see Excess Reserve Management Plan (slide 22).

✓ Investing in new Enterprise Management System (EMS)

- Significant progress on EMS – fully integrated system the main objective. See Excess Reserve Management Plan (slide 22) for financial details.
 - AMS: Went live on 31 Aug 2022.
 - CMS: Website framework delivered by Results Direct. All websites active (built bridge between CV and Results Direct) as web pages are rebuilt in house.
 - FMS: All financial systems implemented (Sage Intacct; Bill.com, Tallie).

✓ Investing in People - Quality National Staff produces significant value

- Maintaining quality office space (rent began Jan 2021); sustained Hybrid Office Operating Policy.
- Sustaining top notch benefits (1.34 burden); equipment, morale, training support; continued outsourcing quality, professional HR and EAP support.
- Sustained annual salary increase and bonus. Implemented 2021 Compensation Market Study.
- Paid 2% one-time inflation adjustment (\$10k).
- Conducted several Retention assessment sessions concluding with out of cycle targeted salary adjustment on 1 Oct (\$80k annual cost).

Risk

✓ Managed Risks Well

- **Membership Dues Restructuring:** Identifying impacts (e.g. many SMs directing individuals to join individually, then expense dues; creating revenue lag).
- **Unpredictable Labor Market:** Sustained National Office Staff through transitory year ... inflation adjustment, pay for performance system, teamwork; Low turnover but tough time replacing folks – outsourced advertising instead of replacing Johnny (advertising sales).
- **Finance Outsourcing:** Rebuilding in house team; strict management of transition from CLA.
- **EMS:** On budget; on plan with AMS “Go Live” and CMS framework delivery; Finance systems in place; Training and systems integration are the focus to maximize ROI.
- **SBC:** sustained USACE support for running SBC by maintaining strong ties to USACE (Chief; Small Business Chief and staff)
- **Economy:** Effective Investment Committee – mitigating market downturn through close management, IPS revisions; Home Fund established.

FY 2023 Budget Proposal

Ready for Anything:

Anticipating ever changing environment ... calls for even more flexibility ... built on foundation of long-standing commitment to PEOPLE:

- ... Invest in People (staff and volunteers)
- ... Conservative revenue
- ... Control expenses
- ... Contingency built in
- ... Leverage EMS
- ... AR's

FY 2023 Budget Objectives

- **Revenue:**
 - Drive AR's hard (invoices, dues).
 - Exercise EMS reserve authority – recover remainder of EMS expenditures (\$800k).
 - Aggressively follow up on SBC participation (pent up demand) to attract repeat participation in all FY23 events.
 - Leverage Foundation support for major programs. Continue to mature SAME-SAMEF relationship. Demonstrate ROI by providing SAMEF feedback to fuel their fundraising efforts; engenders trust for future support.
 - Complete implementation of the SM Dues Restructuring Initiative – assess impact.
 - Activate new job board.
- **Expenses:**
 - Continue to monitor impact of inflation and labor market on staff; continue to invest in people.
 - Continue strict management of expenses; no inflation adjustment planned; sustain annual salary raise and bonus opportunities (Pay for Performance).
 - Fully integrate EMS; train Posts and COIs; increase staff productivity (eliminate manual labor); launch SAME APP (member focus).
 - Reduce professional fees (FM outsourcing); manage advertising contract with Profitable Association, Inc. (PAI) closely.
 - Continue to grow program investments in SAME.
 - Sustain national event approach (in-person, tape sessions, no virtual participation during event). Hybrid too expensive; no ROI.
 - Assess allocation of labor (major staff investments): fully implement staff time analysis (SAMEF, etc).

- **Society Investments:**
 - Sustain Joint SAME-Foundation Investment Committee performance. Succeed chair.
 - Continue to closely assess investment manager performance given recent IPG adjustments and Home Fund establishment.
 - Foundation: fully support fundraising campaigns, implementation of the new SAMEF Financial Framework (corpus management), and the process for supporting and evaluating the impact of SAME Program Support.
 - International Committee dissolution: monitor support for overseas posts (sunset \$10k IC grant). Support ECW in 2023 (plan for budget neutral).
 - Support State Department request to plan and execute Industry event for OBO and OSDBU.
 - Continue support for volunteer leader engagement (**NLT**: \$19,800; **RVP**: \$32,300)
- **Risk Management:**
 - Monitor and mitigate impacts of inflation and labor market on staff (sustain high performing staff).
 - Monitor and mitigate to extent possible inflationary trends on events.
 - Monitor and account for Dues Restructuring Initiative impacts (SM dues implementation).
 - Continue to grow IGE impact and SAME's roll in leading collaboration to set SAME apart to attract engaged members.
 - Replace auditor (RFP in January) – change after 5 years. (Marcum: serious delays; cost escalated to \$69k).
 - Revenue diversification (still too event dependent) – let 2023 Dues Restructure, EMS support for Ars play out to reassess at EOY.

FY 2023 Balanced Budget Overview

Operational Budget only – no market predictions.

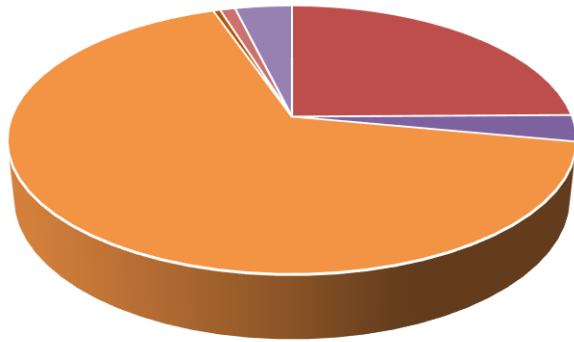
	Actual 2020	Actual 2021	Projected 2022	Proposed 2023
Revenue:				
Membership	2,047,102	2,087,644	2,238,014	2,445,016
Communicatons	714,000	776,784	453,761	818,100
Meetings and Events	1,269,000	3,427,812	6,757,002	6,977,287
Post Operations	28,000	11,500	-	8,100
Programs	8,000	59,642	-	374,300
Other Income	665,000	108,974	82,245	-
Interest and Dividends	147,000	165,516	-	-
Grant	-	-	328,000	-
Total Revenue	4,878,102	6,637,872	9,859,022	10,622,803
Expenses:				
Membership	16,000	15,798	208,260	247,611
Communications	207,000	219,219	230,195	391,888
Meetings and Events	527,000	1,987,837	4,426,794	4,824,899
Post Operations	209,000	186,125	167,903	216,949
Programs	7,000	51,067	307,551	477,340
General and Administrative	3,236,000	4,293,558	4,455,124	4,463,226
Total Expenses	4,202,000	6,753,604	9,795,827	10,621,913
Change in Net Assets from Operations	676,102	(115,732)	63,195	890

Overview:

- **Refine financial management procedures with new in-house team and EMS.**
- **Conservative Revenue projections based on trends and 2022 experience.**
- **Continue to manage expenses closely.**
- **Track uncertainties and their impacts as we execute.**
- **Established practice of Quarterly Management Reviews focuses on EOY forecast and midyear adjustments to achieve budget.**

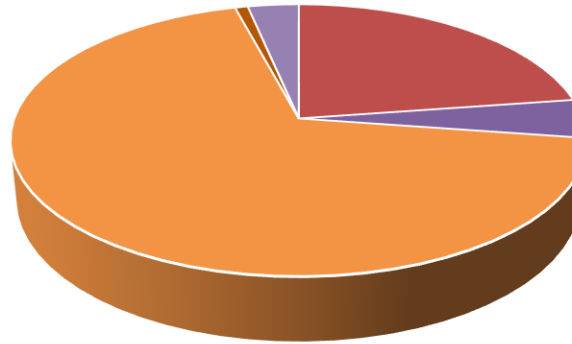
FY 2023 Revenue By Source

2022 Budget
 \$9,828,165



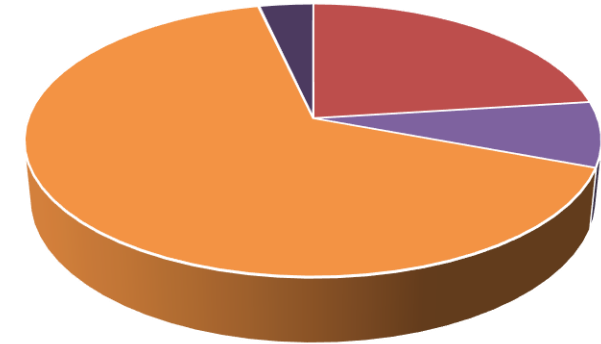
- Membership 24.80%
- Communicatons 3.17%
- Meetings and Events 66.73%
- Post Operations 0.00%
- Programs 0.00%
- Other Income 0.47%
- Interest and Dividends 1.02%
- Grant 3.81%

2022 Projection
 \$9,859,022



- Membership 22.70%
- Communicatons 4.60%
- Meetings and Events 68.54%
- Post Operations 0.00%
- Programs 0.00%
- Other Income 0.83%
- Interest and Dividends 0.00%
- Grant 3.33%

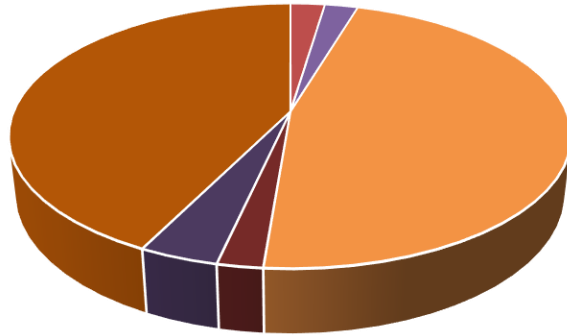
Proposed 2023 Budget
 \$10,622,803



- Membership 23.02%
- Communicatons 7.70%
- Meetings and Events 65.68%
- Post Operations 0.08%
- Programs 3.52%
- Other Income 0.00%

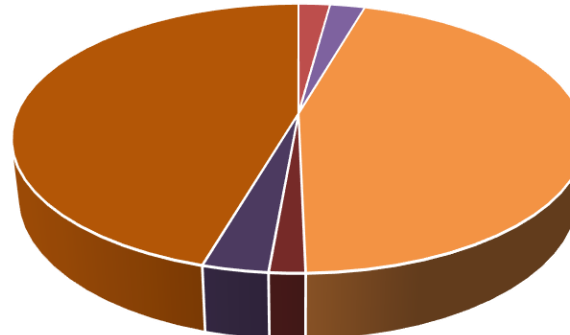
FY 2023 Expenses by Functional Area

2022 Budget
 \$9,556,383



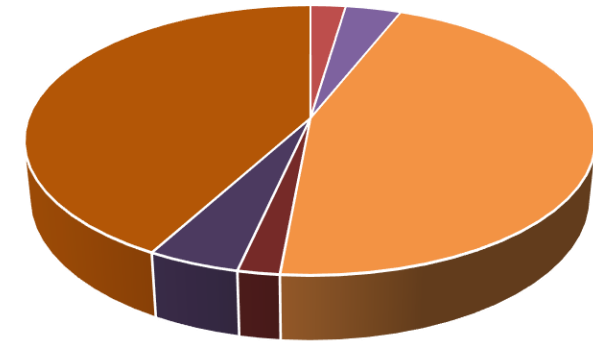
- Membership 2.36%
- Communicatons 2.27%
- Meetings and Events 46.65%
- Post Operations 2.22%
- Programs 3.86%
- General and Administrative 42.64%

2022 Projection
 \$9,798,827



- Membership 2.13%
- Communicatons 2.35%
- Meetings and Events 45.19%
- Post Operations 1.71%
- Programs 3.14%
- General and Administrative 45.48%

Proposed 2023 Budget
 \$10,683,050



- Membership 2.32%
- Communicatons 3.67%
- Meetings and Events 45.34%
- Post Operations 2.03%
- Programs 4.87%
- General and Administrative 41.78%

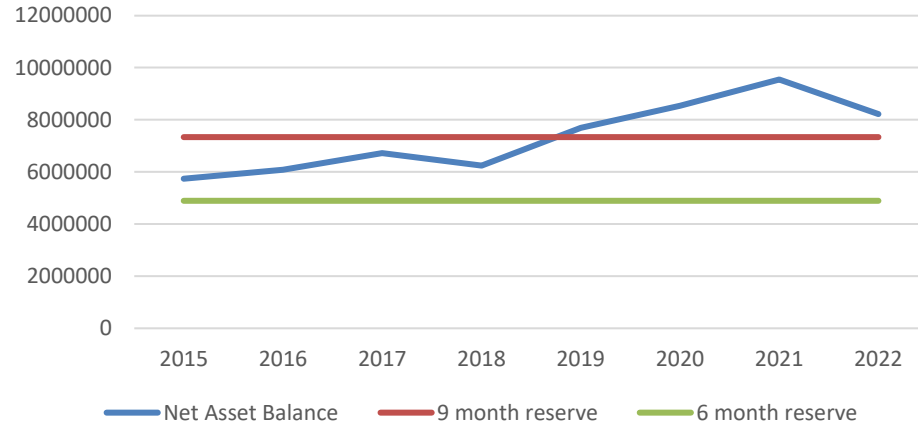
FY 2023 Excess Reserve Management Plan

Excess Reserves

Reserve Management Plan Concept:

- Conduct an annual review of financial reserves to identify *excess reserves*
- Consider potential use of excess reserves to invest in the Society

Net Asset (Unrestricted Reserve) Balance (Sept 2022) w/ Home Fund



- **Total Reserves: = 8,223,745 (30 Sept)**
- **Home Fund = \$2,070,000** (being invested over next year)
- **Operational Reserves = \$6,153,745**
- **Target Reserve = 6 months of FY 2022 Expense Budget = \$4,885,994** (Never go Below)
- **Excess Reserve = Reserve + Projected Net change in assets (FY22) + Projected Net Change in Assets (FY23) – Target Reserve**
- **Excess Reserve = \$6,153,745 + 63,195 + 890 - \$4,885,994 = \$1,331,836**
- **Excess Reserve Less EMS = \$1,331,836 - \$800,000 = \$531,836**
- **Growing Reserves:** Continue policy: invest excess operational funds at year end; reinvest dividends; use Home Fund only if necessary (reinvest otherwise).

Investments:

Summary:	Start Value	3QTR	YTD	End Value
RBC (SAME):	\$3,036,798	-5.97%	-20.31%	\$2,880,265
Fiducient (SAME):	\$3,593,872	-6.38%	-21.21%	\$3,273,480
Fiducient (Foundation):	\$3,152,076	-5.72%	-20.01%	\$2,971,714

Home Fund activated – see Back Up slide (slide 27)

3QTR Post Funds Reports sent to Posts – see Back Up slide (slide 28)

EMS Investment: see Back Up slide (slide 33)

\$1,096,560 cost to complete (by EOY 2022)

Investment Committee liquidating first \$200k of \$1M reserve authority (\$100k complete)

FY 2023 Excess Reserve Utilization Plan (Proposed):

- Liquidate remaining \$800k authority (EMS 2020)
- No new opportunities to utilize excess reserves.
- No plan to utilize Home Fund in FY 2023.

Summary:

FY 2022 was a successful year despite market and labor uncertainties and unexpected results from major events.

Significant progress was made on all National Office Priorities; FY 2023 Priorities sustain momentum by focusing deliverables.

The SAME National Office FY 2023 Priorities and Balanced Budget will contribute significantly to SAME's short- and long-term impact.

Recommend XC Approval:

- **National Office FY 2023 Priorities and Budget** (we will confirm 2022 execution after Year End Close Out in January).
NOTE: The FY 2023 Priorities are the basis for the National Office disciplined performance management system. All performance plans are developed and approved by 31 Jan.
- **FY 2023 Excess Reserve Utilization Plan:** Given market conditions and Investment Committee ongoing actions to consider shifting from stock market to Treasury Bills:
 - Liquidate remaining \$800k authority (EMS 2020) to support cash flow heading into new year.
 - No new opportunities to utilize excess reserves.
 - No plan to utilize Home Fund in FY 2023 (rental abatement programmed).

<u>Area of Interest</u>	<u>Slides</u>
Home Fund	27
Post Funds	28
EMS	29-33
CMS	34
Dues Restructuring	35-39
Program Investments Foundation Support	40-44
National Office Organization Chart	45

SAME Home Fund Investment Policy Guidance

- **Home Fund Purpose:** Funds targeted to be used for supporting acquisition, sustainment, and operation of physical facilities for the SAME National Office.
- **Operating Fund Purpose:** SAME's primary investment objectives for its operating reserves funds are to preserve the financial stability of the association, protect its assets, and provide supplemental cash to meet the needs of SAME's general operations.
- **Objectives**
 1. Moderate 2.5% annual return target or better
 2. 2.5% annual dividend that may be reinvested if not needed for operation
 3. Purchasing power preservation
 4. Long-term capital growth
 5. Maximize returns in keeping with other objectives
- **Risk Mitigation**
 1. Low return target
 2. Known Investment Advisor (RBC)
 3. Target allocations
 4. Dollar-cost averaging approach to investing the \$2,070,000.00

<u>Asset Class</u>	<u>Target</u>	<u>Minimum</u>		<u>Maximum</u>
Equity	40%	25%	to	55%
Alternatives	30%	15%	to	45%
Fixed Income	30%	15%	to	45%
Cash & Equivalents	0%	0%	to	10%

Post Funds Status

Post	Contribution	31 Dec 2021 Balance	30 Sep 2022 Balance	Value Change YTD
Houston	\$225.0k	\$299.7k	\$239.7k	-\$60.0k
Hampton Roads	\$459.5k	\$520.1k	\$416.1k	-\$104.0k
Omaha	\$560.0k	\$682.8k	\$595.8k	-\$87.0k
Tampa Bay	\$250k	\$302.8k	\$240.5k	-\$47.6k
NOVA	\$108.4k	\$144.4k	\$115.5k	-\$28.9k
Orange County	\$100.0k	\$101.5k	\$ 81.2k	-\$20.3k
Huntsville	\$ 80.0k	\$ 95.8k	\$ 76.6k	-\$19.2k
Narragansett Bay	\$ 39.0k	\$ 51.9k	\$ 41.5k	-\$10.4k
Panama City	\$ 30.0k	\$ 37.8k	\$ 22.0k	-\$15.8k
Mid-Maryland	\$ 30.0k	\$ 36.7k	\$ 29.3k	-\$ 7.4k
Central Virginia	\$ 20.0k	\$ 17.9k	\$ 16.9k	-\$ 1.0k

Major FY 2023 Implementation Milestones (DRAFT)

<u>Scope</u>	<u>Responsible</u>	<u>Start</u>	<u>Complete</u>
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1. Accounting	Sai Newton-Tryer	1Q23	2Q23
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Our new Finance Team has had Nimble basic training. The first step will be a full 6-hr Nimble accounting training for Natasha, Directors, and the Finance Team. Intacct, Bill.com, Tallie training as required.

EMS deliverables: Integrate finance systems in the EMS; desk top continuity books; develop dashboards; train selected members (Foundation, Post, etc.); draft Finance Policy and Procedures.

2. Foundation	Sai Newton-Tryer	1Q23	1Q23
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The current Foundation Donation portal does not meet our needs.

EMS Deliverables: Fully define the functional requirements of the donation portal; discourage use of Online Guest Checkout; create dedicated confirmation page with Foundation logo; create “Thank You” template for donations with Foundation logo; work with the Foundation Board to completely define requirements then implement to their satisfaction.

Major FY 2023 Implementation Milestones

<u>Scope</u>	<u>Responsible</u>	<u>Start</u>	<u>Complete</u>
3. Membership	Jill Murphy	1Q23	3Q23

Processing IM and SM membership applications and renewals is a vital business process. Natasha and Katja have been leading the charge to learn Nimble, issue invoices, write procedures, and transition this important business operation.

EMS Deliverables: Establish detailed, written procedures that result in timely and complete membership processing; develop and implement dashboards and reports to support membership management at national and Post level; resolve processing of large company invoices. Lead the development of the member portal to ensure all essential functionalities and integrations (Open Water, eShow, YM Careers, etc.) are accomplished.

4. COI's	COI Managers	1Q23	4Q23
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COI's are critical extensions of the National Office. COI managers must first learn the member portal functionalities of Nimble that support COI's then train COI's to leverage those functionalities.

EMS Deliverables: This Community Portal is currently in development hence COI Managers will work with Nimble to verify COI functional requirements to support development; test and implement the portal. Then: learn how to use all functionalities of the portal; train COI leaders.

Major FY 2023 Implementation Milestones

<u>Scope</u>	<u>Responsible</u>	<u>Start</u>	<u>Complete</u>
5. Post Portal	Kelly Wilkins	1Q23	3Q23

SAME is a Society of vibrant Posts that support the national direction.

EMS Deliverables: The Post Portal is currently in development hence Kelly will work with Nimble to verify Post functional requirements to support development; test and implement the portal. Then: learn how to use all functionalities of the portal (how to give post leaders access, how to communicate, etc.); train post leaders and members.

6. Post Webpages	Justin Collins	1Q23	2Q23
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SAME members foremost engage with the Society through their local Post. Ensuring that members, and, especially, prospective members, can find local events and activities, main contact persons, and additional information on other programming and benefits is important.

EMS Deliverables: The Post Webpage template is close to being completed but held up due to resourcing capacity on the part of the vendor. SAME staff is waiting until the template is finalized before beginning to prevent re-work later on. A migration schedule and content audit has already been conducted. The Post Webpage template will be used across all Posts that SAME National hosts, and then content migrated over from the Post's existing website (Posts have been informed that SAME National will use its discretion liberally with what to bring over to the new platform; existing information will be available after the transition for a period, in case a Post wants to access it/bring it over). Training of Post webmasters is budgeted for and will be conducted after sites are constructed. SAME staff is using analytics to drive which Posts will be migrated first; those that keep their sites up to date and are most engaged will be migrated first.

Major FY 2023 Implementation Milestones

<u>Scope</u>	<u>Responsible</u>	<u>Start</u>	<u>Complete</u>
7. SAME Mobile APP	Stephen Karl	1Q23	4Q23

SAME understands the need to adopt available technologies and motivate members to pull information from the Society, not just have it pushed to them. A 365 mobile APP complements existing communications tools by making it easier to be a member, receive information and interact with their membership.

EMS Deliverables: The SAME Mobile APP is contracted for already and paid up for three years. It is being considered a pilot effort to evaluate interest in a 365 APP, which will be tracked over time to gauge adoption and engagement. A kick-off call with the vendor (same vendor for CMS) will be held in late November; that meeting will determine next steps, but development will likely begin in early 2023 and will take several months to fully operationalize given that #6 above is the higher priority.

EMS Replacement Costs

Financial Status:

Item \$	Paid 2021	Paid 2022	Forecast Due 2022	Totals	Notes
EMS Consultant (Wes Trochlil)	\$118,750	\$0	\$0	\$118,750	Fully paid
AMS (NimbleUser)	\$245,552	\$107,038	\$355,510	\$708,100	Incl Lic thru Mar'24
CMS (Results Direct)	\$85,500	\$73,500	\$65,500	\$224,500	Incl Lic thru Mar'24
Application Software (Open Water)	\$18,650	\$6,500	\$0	\$25,150	Incl Lic thru Jul '23
FMS					Lic fees paid (op funds)
	\$468,452	\$187,038	\$421,010	\$1,096,560	

Reserve Authority (NTE: \$1M) exhausted. System costs now budgeted.

New Implementation expense: consulting services of Nimble expert (Geoff Williams).

Implementation Notes:

AMS: Staff Training was 11,12 Aug; Go Live was 31 Aug; FY 2023 = training Posts and COIs and system integration.

CMS: Results Direct delivered website framework on 31 August; In-House web page development thru March 2023 and APP rollout in 2023.

FMS: Intacct, Bill.com (invoice) and Tallie (expense) all operational; full integration with Nimble, eShow, etc in 2023.

Good News Story:

Nimble AMS automatically flags memberships when they expire CV did not!

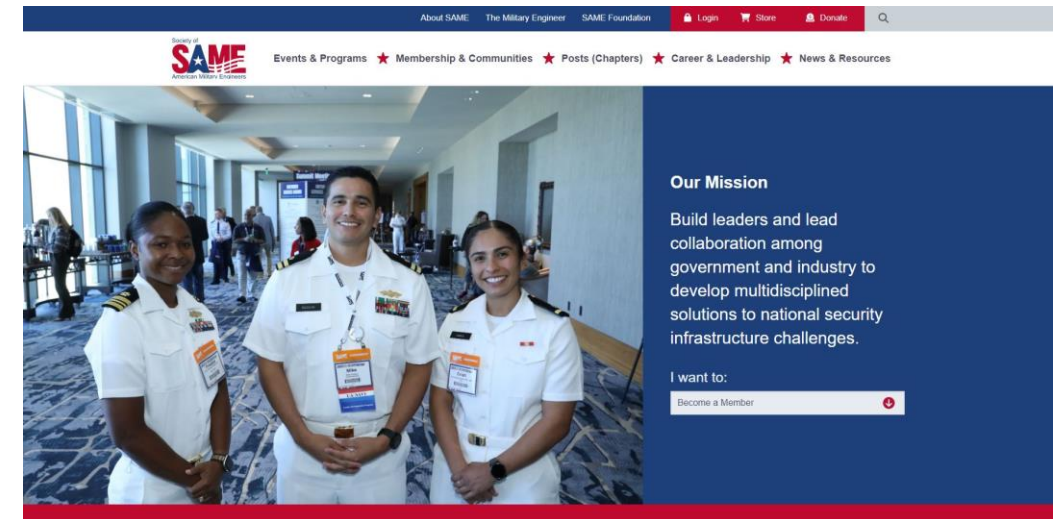
Benefits:

- manual process of identifying and following up expired memberships is gone!

- timely follow-up = revenue

New Website Launched Sept. 1, 2022 – Operational but a Work in Progress

- Process was highly compressed due to alignment with Nimble launch
- “Open for Business” was the priority guidance
- Most national webpages are built; some auditing of old pages continues, mostly COIs, to ensure relevant information is brought over.
- Future will NOT be a repeat of the past; pages will stay more standardized to preserve SAME’s brand.
- Integration with Nimble for SSO and other usability tools is ongoing; process held up at times due mainly to staffing/capacity challenges with vendors.
- Integration with Open Water, YM Careers, and other 3rd-party programs we have contracted for is currently not a high priority. Expected to be done by Full Operating Capability (fall 2023).
- Existing classic.same.org will remain functional until all content is brought over and all Posts are migrated.



SAME Post Webpages – Next Top Priority

- Waiting on finalized template from vendor; better than starting and having to re-work after.
- Analytics will drive which Posts are migrated in which order: those with most users and top engagement will be handled first. Total of ~80.
- SAME National has been transparent with Posts. Not all content will be brought over from their old sited; liberal discretion will be used to make content decisions.

SAME Mobile App – 2023 Focus Area; FOC not expected until Fall.

- ‘365’ app will allow members to access SAME website and other content via a smartphone app. Kick-off call with vendor for late November.
- Initial meeting will start to determine schedule; unlikely anything begins until during Q123, as this does not need to be rushed.
- Initial 3-year pilot effort has been fully paid for already as part of EMS investment.

Dues Restructuring Initiative:

Approved by the BOD: June 2021

Individual Member (IM) Implementation: 1 Jan 2022 (*no issues*)

Sustaining Member (SM) Implementation: 1 July 2022 thru 30 June 2023

- 1500 SMs; 85% small companies
- Annual turnover experience: drop 200 and add 200
- Tracking Monthly forecast of impact (members and revenue) vs actual
- Robust and personal engagement with SMs (telephonic, webinar, etc.)

Summary:

- **SAME Brand is strong** – external forces (market, social, etc.) having little impact (so far) on membership renewal
- **Dues Restructuring Initiative facilitated EMS development** (member management - one record for every member)
- **Detailed tracking** will provide opportunity to develop trends and forecast ultimate impact
- All members have a 60-day grace period to renew before they are dropped.
- SM Renewal percentage (68%) for time period is typical

Month ->	July					Aug				
# Empl	Total Potential		OLD dues	Actual		Total Potential		OLD dues	Actual	
	Qty	100% \$\$		Renew #	Renew \$	Qty	100% \$\$		Renew #	Renew \$
1-10	31	\$13,140	\$9,605	22	\$9,225	40	\$15,810	\$12,380	21	\$8,400
11-50	35	\$28,295	\$24,045	30	\$23,730	52	\$43,605	\$34,750	35	\$29,010
51-100	15	\$22,755	\$17,880	13	\$19,865	15	\$21,365	\$15,615	12	\$14,375
101-500	17	\$33,960	\$24,560	15	\$22,560	29	\$70,131	\$48,800	16	\$37,980
501-1,000	6	\$11,900	\$24,560	4	\$8,710	9	\$29,565	\$19,590	6	\$20,890
1001-5,000	2	\$7,010	\$3,600	2	\$6,330	4	\$13,825	\$7,450	3	\$4,700
5,001 +	3	\$31,365	\$20,780	3	\$28,675	1	\$23,685	\$21,680	1	\$21,680
Total #	109	\$148,425	\$125,030	89	\$119,095	150	\$217,986	\$160,265	94	\$137,035

All companies with August renewal dates were invoiced from Nimble the week of October 3, so renewals are still coming in. Aggressive follow-up is now in action

As of 11-18-2022

Month ->	September					October				
# Empl	Total Potential		OLD dues	Actual		Total Potential		OLD dues	Actual	
	Qty	100% \$\$		Renew #	Renew \$	Qty	100% \$\$		Renew #	Renew \$
1-10	24	\$8,040	\$7,800	12	\$4,335	28	\$9,500	\$8,300	11	\$4,245
11-50	39	\$29,745	\$25,350	21	\$15,830	35	\$27,845	\$27,095	9	\$7,295
51-100	17	\$18,295	\$15,735	8	\$8,965	18	\$23,860	\$18,270	6	\$6,840
101-500	20	\$25,640	\$21,450	10	\$14,395	15	\$30,295	\$25,751	5	\$10,165
501-1,000	2	\$2,685	\$2,160	1	\$1,450	4	\$17,490	\$14,867	1	\$1,595
1001-5,000	4	\$26,315	\$12,570	3	\$18,055	7	\$39,490	\$26,000	1	\$1,595
5,001 +	5	\$29,835	\$18,270	4	\$9,982	1	\$34,705	\$18,000	0	\$0
Total #	111	\$140,555	\$103,335	59	\$ 73,012.00	108	\$183,185	\$138,282	33	\$31,735

All companies with September renewal dates were invoiced from Nimble the week of October 3, so September renewals are still coming in and are not technically late since they were not billed on time. October renewal invoices were sent the week of October 10, so October renewals are still coming in. Aggressive follow-up is now in action

As of 11-18-2022

Month ->	November					December				
# Empl	Total Potential		OLD dues	Actual		Total Potential		OLD dues	Actual	
	Qty	100% \$\$		Renew #	Renew \$	Qty	100% \$\$		Renew #	Renew \$
1-10	34	\$11,705	\$10,250	0	\$0	23	\$7,970	\$6,925	0	\$0
11-50	38	\$32,865	\$30,195	0	\$0	53	\$42,030	\$38,225	0	\$0
51-100	13	\$31,585	\$13,815	0	\$0	13	\$18,825	\$15,090	0	\$0
101-500	12	\$20,240	\$24,420	0	\$0	26	\$57,015	\$43,710	0	\$0
501-1,000	3	\$11,585	\$7,490	0	\$0	7	\$20,050	\$14,470	0	\$0
1001-5,000	6	\$69,520	\$34,630	0	\$0	11	\$61,545	\$39,230	0	\$0
5,001 +	3	\$12,850	\$9,720	0	\$0	3	\$21,615	\$17,000	0	\$0
Total #	109	\$190,350	\$130,520			136	\$229,050	\$174,650		

November renewal dates were invoiced from Nimble the week of November 7.

December renewals will be invoiced immediately after Thanksgiving.

As of 11-18-2022

	Qty All Companies	100% of new dues	Total OLD dues	Actuals as of 11-18-2022
July – December	723	\$1,109,551	\$832,082	\$357,147

- Late implementation, learning curve, and problems with new database caused late distribution of renewal invoices. Aggressive catch-up now in place.
- Many companies are no longer including individuals on corporate invoices; the above schedules do not reflect that – revenue comes in on individual member schedule.
- 54 new corporate members since September 1

FY 2023 Program Investments

Program	2023	
	Investment	Focus
Leader Development	\$ 127,000	Integrate UPIC Projects with wider Society needs
STEM Camps	\$ 45,000	Establish National Camps program
Student Chapters	\$ 30,000	Strategic workshop
<i>We Must Go To Them</i> STEM Grant	\$ 32,000	Implementation of 2022 plans
Joint Engineer Operability Course	\$ 14,000	Continued warfighter support
Credentiailling	\$ 8,500	Deployment of revised program
TOTAL:	\$ 256,500	

COI Managers enable effective execution of these programs ... we are off and running.

SAME Foundation Support of Program Investments

Requested:

Priority	Program	FY'22 Support		FY'23 Request / Reauthorization	Notes
		Authorization	Expended		
1	Leader Development	\$ 100,000	\$ 100,000	\$ 125,000	
2	STEM Camp Mentor Support	\$ 60,000	\$ 6,439	\$ 25,000	
3	<i>We Must Go To Them</i> Support	\$ 22,000	\$ 4,000	\$ 43,000	***
4	STEM Camp Cost Support	\$ -	\$ -	\$ 15,000	
TOTAL:		\$ 182,000	\$ 110,439	\$ 208,000	

*** Includes \$18,000 rollover from FY2022 authorization and \$25,000 in FY2023 funding

Authorized:

Priority	Program	FY'23 Aauthorization	Notes
1	Leader Development	\$ 125,000	
2	STEM Camp Mentor Support	\$ 25,000	
3	<i>We Must Go To Them</i> Support	\$ 32,000	***
4	STEM Camp Cost Support	\$ -	
TOTAL:		\$ 182,000	

*** Includes \$18,000 rollover from FY2022 authorization and \$14,000 in FY2023 funding

- **STEM Camp Support**

 - Strategic Plan 2025 Alignment:

 - Goal 4: Enrich the STEM Pipeline for the Nation

 - Goal 3: Develop Leaders for the Profession

- FY2023 funding request and utilization of funds:

 - \$25,000; Provides for Mentor expenses associated with SAME STEM Camp mentoring activities.

 - Inclusive of an additional request of \$2,500 earmarked to support Young Professional Camp Mentors selected by the Young Professionals COI.

- FY2022 spending:

 - Total authorized expenditures (SAME Foundation): \$60,000

 - Total actual expenditures: \$6,439

- **Alaska Native/American Native STEM Program**

 - Strategic Plan 2025 Alignment:

 - Goal 4: Enrich the STEM Pipeline for the Nation
Diversity, Equity & Inclusion (DEI) Action Plan

- FY2023 funding request (reauthorization) and utilization of funds:

 - \$43,000: Provides funding to maintain current outreach and education efforts with American Indian/Alaska Native communities.

 - \$18,000; reauthorization of unused FY2022 authorization (\$22,000)

 - \$25,000; additional FY2023 authorization

- FY2022 spending:

 - Total authorized expenditures: \$22,000

 - Total actual expenditures: \$4,000

 - Unused authorization: \$18,000

- **STEM CAMP Tuition Support**

- Strategic Plan 2025 Alignment:

- Goal 3: Develop Leaders for the Profession

- Diversity, Equity & Inclusion (DEI) Action Plan

- FY2023 funding request and utilization of funds:

- Funding Request: \$15,000;

- \$50 Tuition offset/camper to absorb some of the additional costs affecting all camps due to inflation;

- Minimize the need to increase tuition for the FY 2023 Camp season

- FY2022 spending and impact report: N/A

National Office Organization

Effective 16 Nov 2022

