

# Developing Council Budgets and Monitoring Budget Compliance

## **Budget Development Schedule and Vice Presidential Responsibilities**

A budget development schedule will be distributed at the January Board of Directors meeting. Generally, the budget is developed between August and September for presentation to the Budget and Finance Committee and Executive Committee in November or December and to the Board of Directors in January, depending on the meeting schedule.

Each vice president is responsible for developing his or her council's budget for the upcoming year and monitoring budget compliance regularly throughout the year.

## **Vice Presidential Budget Development Process**

Each vice president will develop his or her council's budget between August and September with the sup-

port of the director of public policy and the appropriate policy analyst, and will coordinate it with the executive director and the director of finance and administration. In the case of the Council on Professionalism, the director of professionalism will support the vice president of professionalism. The budget should be developed based on generic income and expense items so that there is a consistent format among councils. Some generic income and expense items may not apply to all councils. Generic income and expense items include:

### INCOME

- ▶ Manual sales
- ▶ Seminar registration fees
- ▶ Webcast income
- ▶ Other

### EXPENSES

- ▶ Senior fellow program (contractual and travel)
- ▶ Seminars (including number planned)
- ▶ Manuals
- ▶ Briefings (including number planned, at estimated average cost)
- ▶ Practice notes (including number planned, at estimated average cost)
- ▶ Printing (including estimated cost and number of monographs, issue briefs, etc.)
- ▶ Postage (special mailings)
- ▶ Delivery
- ▶ Committee meetings (including location, food, audiovisual equipment, etc.)
- ▶ Conference calls (including number of calls at estimated average cost)
- ▶ Temporary help (if current staff resources are insufficient for non-recurring project)
- ▶ Miscellaneous (e.g., travel reimbursement for actuaries in government or academic service)
- ▶ Other

Staff resources should be reviewed for each item in the upcoming budget and, if additional staff is required, the vice president should present a proposal to hire additional staff to the executive director and the President’s Advisory Committee. If additional staff is required, a request will ultimately go to the Board of Directors.

## Cost Estimates

As a reference for budget development purposes, below are examples of typical costs for meetings, Capitol Hill briefings, conference calls, and such public policy publications as issue briefs and monographs.

### MEETINGS AT THE ACADEMY

We encourage chairpersons to use the Academy’s facilities in Washington. The Academy has a large and a small conference room. The large conference room will hold up to 23 people comfortably; the smaller one will hold eight people. The main cost generally associated with having a meeting at the Academy is meals. Many services that you would have to pay for at an outside location (room rental, speakerphone use, a long-distance connection, a projector, etc.) are provided free of charge.

#### Examples of costs

Breakfast (hot or cold)	\$5.50-\$15 per person
Lunch (hot or cold)	\$11.50-\$18.50 per person
Special meal requirements (such as kosher)	\$25-\$50 per person

### MEETINGS AT OUTSIDE FACILITIES

The range of expenses generally incurred for meetings at a non-Academy facility is as follows.

#### Examples of costs

Meeting space	\$250-\$1,500
Flip chart with markers	\$15-\$50
Speakerphone with long-distance line, plus charges	\$50-\$250
Breakfast (coffee, tea included)	\$7.50-\$35 per person
Beverages (juice, soft drinks, etc.)	\$3.00 per bottle
Lunch (hot or cold)	\$18-\$70 per person
Special meal requirements (such as kosher)	\$25-\$45 per person
Projector and screen (AV needs)	\$200-\$1,000
Morning and afternoon refreshment breaks	\$50-\$150

The cost of meetings at outside facilities can vary greatly, depending on the number of attendees and the location. For example, a lunch at a nice hotel in Tampa might be \$25; in New York City, the same lunch would cost \$70. Most facilities add service charges of 10 percent to 35 percent on food and beverage prices, along with applicable taxes. Experience suggests that a small

committee meeting (eight attendees) will generally cost about \$1,000 at an average-cost meeting location. A larger meeting (20 attendees) at an expensive location could easily cost \$5,000 to \$7,500.

## Travel Reimbursement Procedures

The Academy does not normally pay for the travel expenses incurred by members attending committee meetings but under limited circumstances requests for reimbursement of travel expenses may be considered. Such expenses will be paid from the travel budget of the appropriate council and require the approval of the relevant Academy officer as well as the Secretary-Treasurer as stated in the volunteer travel policy approved by the Executive Committee in 2004. Travel expense forms and the policy can be obtained from the committee staff liaison or Director of Finance and Administration.

Limited circumstances would include:

- 1** Members who are employed by the government or an educational institution are eligible to request a travel reimbursement.
- 2** A member whose attendance, in person, at a specific meeting is considered “critical,” and who is either retired or whose employer is unable to pay the expenses, is eligible to request a travel reimbursement.
- 3** A reimbursement should be granted only for reasonable travel and lodging expenses. The 2008 IRS standard mileage rate of 50.5 cents per mile is used for mileage reimbursement.

As a general rule, the Academy will not reimburse volunteers for their expenses. However, under limited circumstances, expenses may be reimbursed. Specific limitations and procedures are summarized below.

Specific procedures are summarized below.

### TRANSPORTATION EXPENSES

- ▶ Air or rail travel will be reimbursed up to the standard coach class fare for flights of less than seven hours duration. Business travel greater than seven hours elapsed time, next class above coach fare will be reimbursed.
- ▶ Limousine or taxi service from home to the airport closest to the individual’s location prior to the flight. Alternatively airport parking will be reimbursed.
- ▶ Limousine or taxi transfer from the destination airport

to destination accommodation. A rental car may be substituted if it is lower in cost.

- ▶ Incidental transportation at destination.
- ▶ Use of personal automobile at current IRS standard mileage rate. A rental car may be substituted if it is lower in cost.

### MEALS

- ▶ Breakfast, lunch, and dinner not provided as a part of the function attended.

### LODGING

- ▶ Lodging at or near location of function as required to accommodate start and finish times of function.
- ▶ Standard room expense will be reimbursed.
- ▶ Telephone or internet expense for Academy related calls or internet use.
- ▶ Business support services (copies, fax, etc.).
- ▶ Spa and recreation expenses will not be reimbursed.

### OTHER EXPENSES

- ▶ International telecommunication expenses.
- ▶ Extraordinary expenses (such as significant number of copies or unique production costs).

### Approvals

- ▶ The Secretary-Treasurer will approve expense submissions.
- ▶ Any category of expenses not expressly described above should be pre-approved by the Secretary-Treasurer.

A travel expense report form must be completed for all travel reimbursements with original receipts attached for expenses over \$75. (See airline ticket documentation section below.). Travel expense reports should be submitted to the Secretary-Treasurer for approval as quickly as practicable. Target dates for expense submissions are the 7th of April, July, October, and January for the previous quarter’s expenses in order that financial reports are accurate. The Secretary-Treasurer will forward approved expenses to the Director of Finance for reimbursement. Each expense must include: date expense was incurred; the place expense was incurred; description of expenses; and cost of each expense. Description of expenses should be thorough and include both the business purpose and business relationship that explains why the expense was incurred as indicated:

## TRAVEL EXPENSES

The business purpose must include the reason for travel or the business benefit gained or expected to be gained. Business relationship is not applicable.

## TRANSPORTATION EXPENSES

The business purpose must include reason for expense. Business relationship is not applicable.

## MEALS

The business purpose must include the reason for the business benefit gained or expected to be gained or the nature of the business discussion or activity. (Business purposes such as: improve relationship with other organization or out of town meal is sufficient.) The business relationship must include the names of individuals attending the meal and their title or position with the exception of Academy committees and task forces. The name of the committee or task force and the number of members present is sufficient, individual names of committee members or task force members are not required.

## AIRLINE TICKET PURCHASES

An official receipt must be submitted with the travel expense form.

Advance airline ticket purchases via the internet: The required documentation for flights paid for in advance is a confirmation number which can be printed off of the internet. The confirmation number indicates your credit card has been charged for the purchase, the price of the flight, and the flight number. After the tickets are used an official receipt which is available at the airline check-in must be attached to the travel expense form.

The Academy will provide reimbursement via check to the individual after travel expense form is approved by the Secretary-Treasurer.

## CONFERENCE CALL EXPENSES

Conference calls are an alternative method for a committee to conduct its business. The cost of conference calls arranged through the Academy is 29 cents per minute, per person, plus a 4.6 percent fee. The cost of a one-hour call by 10 people would be approximately \$182.

## CAPITOL HILL BRIEFINGS

Most of the Academy's Capitol Hill briefings have sponsorship by a member of Congress, which allows the

briefings to be held in the Capitol or in a House or Senate office building. Some costs are associated with these meetings, such as refreshments, equipment rental fees, marketing, and other logistical needs.

## EXAMPLES OF COSTS

Refreshments	\$9-\$15 per person
Rental of AV equipment	\$150-\$300
Marketing	\$1,000-\$1,500

These prices assume the use of an outside caterer provided by the Academy. Please note that, depending on the facility and/or for security reasons, the use of outside caterers may not be allowed.

## Publications

The following is provided as a guide to budgeting for the printing of policy publications. Because distribution costs vary widely, depending on class of mail, the size of the piece, the weight of inserts, etc., they are not included below.

## ISSUE BRIEFS: PRESS RUNS ARE GENERALLY 1,500.

Number of pages	Approx. cost
8	\$1,100
12	\$1,300

## MONOGRAPHS: PRESS RUNS VARY, SO THE TABLE BELOW OFFERS A RANGE OF NUMBERS OF PAGES AND PRESS RUNS.

Press run	Number of pages	Approx. cost
500	12	\$1,600
800	40	\$2,400
1500	32	\$3,000

## Vice Presidential Budget Monitoring Responsibilities

Each vice president is responsible for monitoring budget compliance throughout the year and developing year-end projections for inclusion in the quarterly secretary-treasurer's reports. The vice presidents, directors, and policy analysts will be provided with monthly financial reports to monitor budget compliance.

In April, July, and October, each vice president, working with the appropriate director and policy analyst, will review year-to-date expenditures and projects planned

for the remainder of the year to project year-end expenses and comment on progress to date for inclusion in the quarterly secretary-treasurer's report. The director of public policy's role is to oversee all areas of practice and determine if funds need to be reallocated among practice council budgets to fulfill strategic goals. If funds cannot be reallocated among the councils, the vice president must request additional funding from the Executive Committee.

## Summary of Specific Budget Responsibilities

### VICE PRESIDENTS

- 1 Develop budgets to carry out strategic objectives.
- 2 Participate in the budget development process and approve their practice councils' budgets prior to presentation to the Budget and Finance Committee, Executive Committee, and Board of Directors. The vice president should be able to explain the budget components and the strategic issue each addresses.
- 3 Develop year-end projections and comment on progress to date, with staff support, on a quarterly basis for inclusion in the secretary-treasurer's quarterly reports.

### PUBLIC POLICY AND PROFESSIONALISM DIRECTORS

- 1 In coordination with the executive director, provide guidance and support to the vice presidents and policy analysts in developing their portions of the Academy budget.
- 2 Provide the executive director and the director of finance and administration year-end projections

approved by the vice president, including explanations of variances from budget for inclusion in the quarterly secretary-treasurer's report.

- 3 Review the aggregate practice council year-end projections for budget compliance. They report to the executive director if a reallocation of budgeted funds among councils is necessary, or if additional funds need to be requested from the Executive Committee, or if some projects will be deferred or cancelled.

### DIRECTOR OF FINANCE AND ADMINISTRATION

- 1 Provides each vice president, the directors, and each policy analyst with monthly financial reports for monitoring budget compliance.
- 2 Includes approved practice council budget requests in the Academy budget.
- 3 Includes approved practice council year-end projections in quarterly secretary-treasurer's reports.
- 4 Includes appropriate comments/explanations on progress to date in the notes to the quarterly financial statements.

### POLICY ANALYSTS

- 1 Provide support (including average costs for expense items) to vice presidents in developing budgets.
- 2 Monitor budget compliance, with the director of public policy and vice presidents, and discuss with vice presidents monthly.
- 3 Approve and code invoices to the appropriate generic expense account.