

**2016  
Leadership  
Institute**

*Get answers to your financial  
questions.*

**Financially  
Connected.**



International Association  
of Business Communicators



2015 IABC Sources of Revenue ..... 3

2015 IABC Investments..... 4

How to develop a budget to achieve chapter goals..... 5

Reserves: do you need them and how much? ..... 6

Key dates for IABC financial reports ..... 7



Ginger



Brook

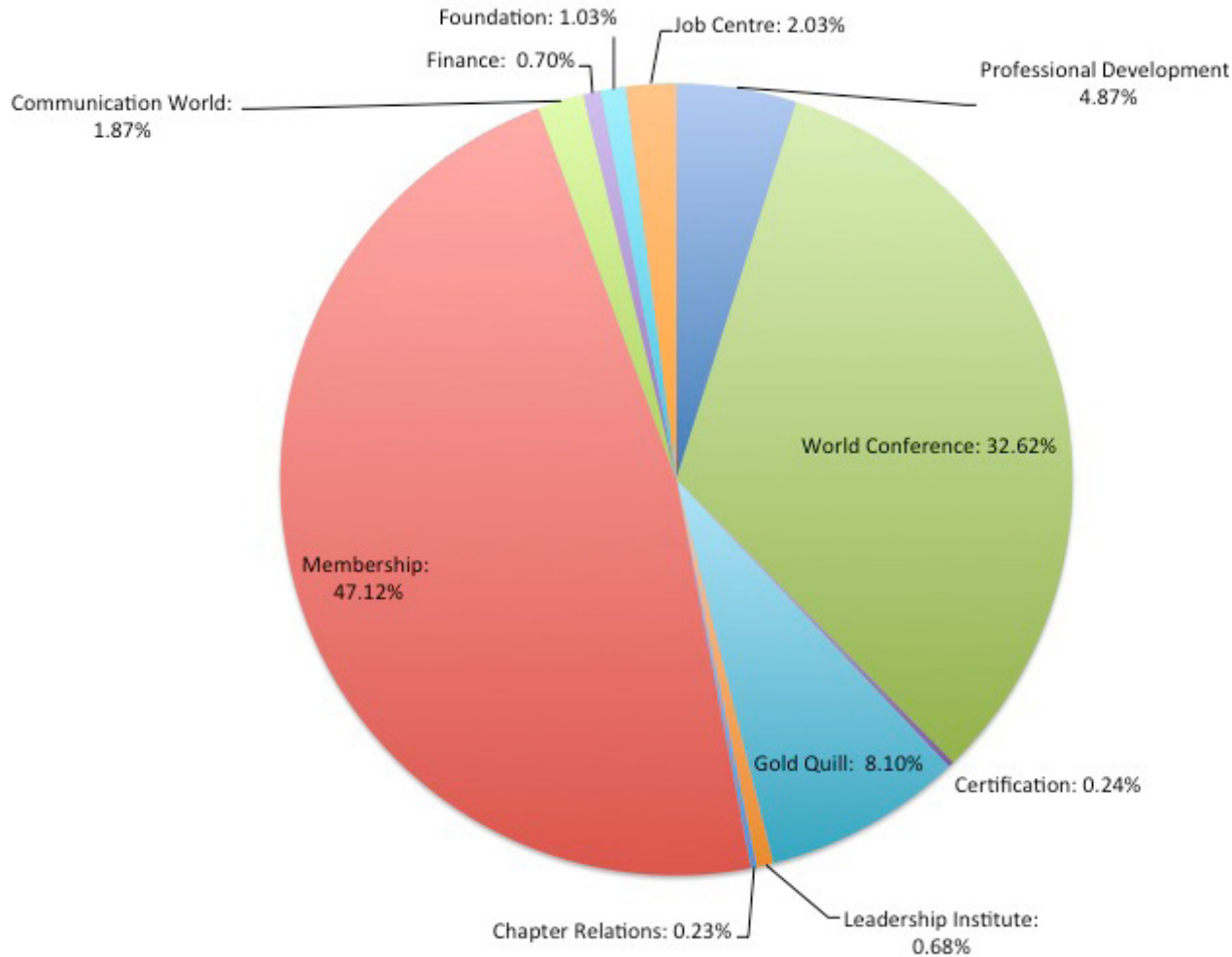
**Contact information:**

Ginger D Homan, ABC, IABC Secretary/Treasurer | [ginger@ziacommunications.com](mailto:ginger@ziacommunications.com) | 918.619.3756  
Brook Yciano, IABC Director of Finance | [byciano@iabc.com](mailto:byciano@iabc.com)

IABC Chapter Leaders group on LinkedIn: [www.linkedin.com/groups/5068578](http://www.linkedin.com/groups/5068578)

IABC Leader Center: [www.iabc.com/leader-centre/](http://www.iabc.com/leader-centre/)

# 2015 IABC Sources of Revenue



## Examples of how these departments generate revenues

Professional Development: Online Workshops

World Conference

- Conference registration
- Sponsorships
- Exhibitors

Certification

- Application fee
- Exam fee
- Renewal fee

Gold Quill:

- Award entries
- Sponsorships
- Gala event
- Award duplicates

Chapter Relations:

- Awards Sentry

Membership: Dues

Communications World:

- Sponsorships
- Ad Sales

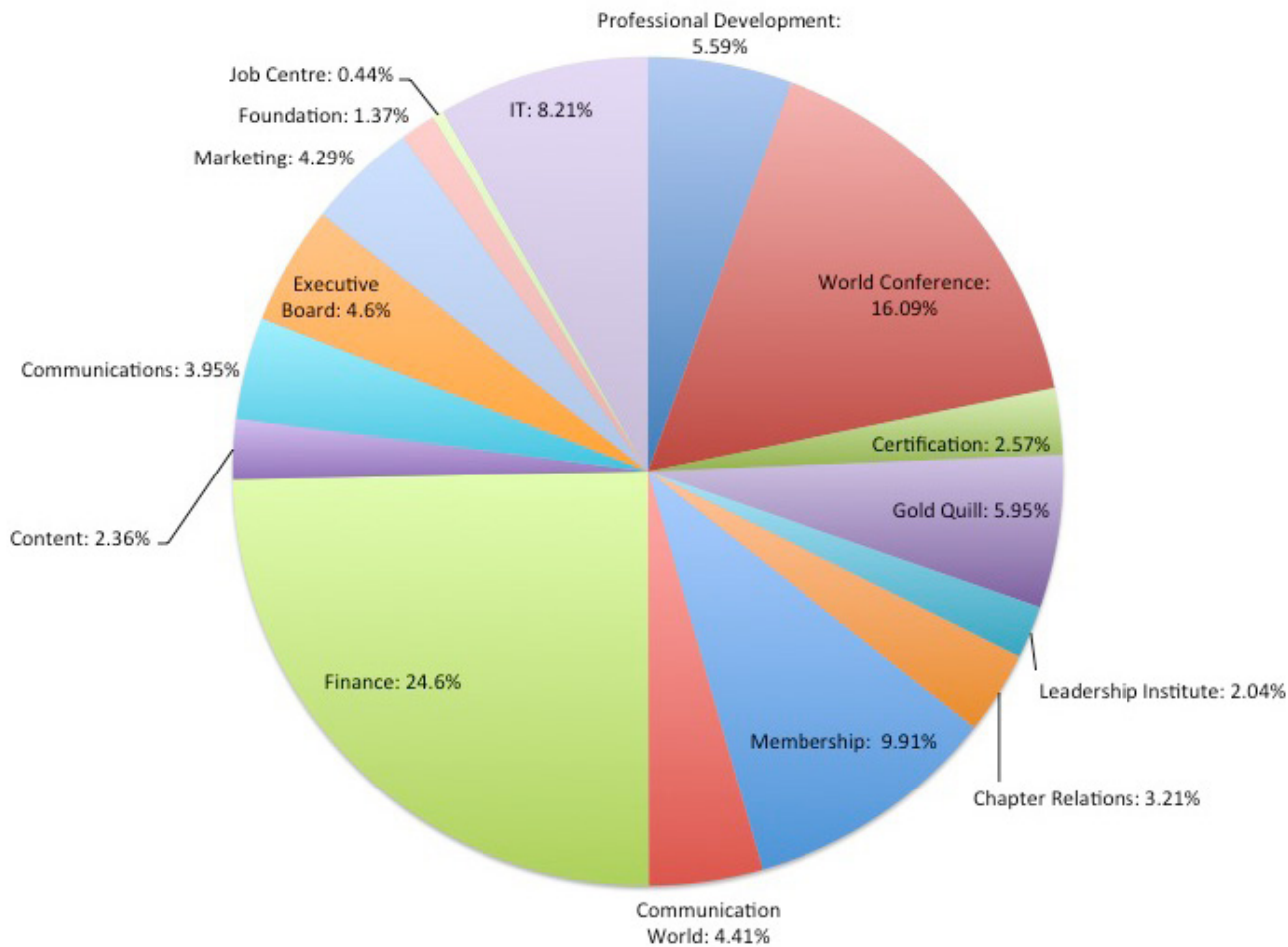
Finance:

- Ad sales
- Investments

Foundation: Luncheon

Job Centre: Job listings

# 2015 IABC Investment in Members



Examples of investments made:  
(Salaries and overhead distributed proportionally among all groups)

## Professional Development:

- Speakers
- Software

## World Conference:

- Facilities, food, beverage
- Speakers
- Meeting Production

## Certification

- Development of tests
- Giving exams

## Gold Quill:

- Judging
- Banquet
- Awards

## Chapter Relations:

- Scholarships
- COR meetings
- CMA

## Membership:

- Bank fees
- Postage
- Outside services

## Finance:

- Attorney & Auditor
- Depreciation
- Staff training

## Executive Board:

- ED travel
- Board travel subsidy
- Insurance

## IT:

- Software
- Consulting

# How to develop a budget to achieve chapter goals

- **Establish chapter goals and any strategic initiatives**
- **Commit to annual budget planning**
  - Forecast chapter needs
  - Set realistic financial targets
- **Budget income before expenses**
- **Budget decisions are driven by mission priorities and fiscal accountability**
  - Are you budgeting to support the areas you want to grow?
  - If you are implementing programs that are not high mission priorities, do they at least contribute substantially to the financial support of your chapter?
  - Do you need to:
    - Eliminate unprofitable PD activities?
    - Reduce number of events?
    - Are break-even events okay?
- **Determine what tool you will use to track finances**
- **Board accountability for budget approval and management**
  - Make financial management part of on-boarding of new board
  - Monthly reporting



# Reserves: do you need them and how much?

Reserves  
can offset  
unexpected  
expenses  
and revenue  
shortfalls.

- **Determine your risk:**
  - Is your market experiencing a volatile period or significant change?
  - What is your revenue diversification?
  - Does your chapter have high swings in cash flow?
  - Are you experiencing increased competition?
  - Is your chapter experiencing significant change?
- **How much?**
  - IABC recommends an **Operating Reserve Fund** equivalent to a minimum of three months (25 percent) to four months (33 percent) of the current-year budgeted expenses.
  - Many associations keep 50 percent of current annual operating expenses, but most chapters do not have payroll, rent or equipment to pay for
  - A **Special Project Fund** can be set up to save for special member events or new offerings
- **Invest in members and programs to support them**



# Key dates for IABC financial reports

- **Monthly reports to your board**
  - **Budget template on Leader Centre** (Library/Finance/Tools)
  - **Tips on reading financial statements** (Library/Finance/Tools)
- **Annual reporting to HQ: due February 15**
  - **Financial Statement**
    - Include: revenue, expense, beginning of year and end of year cash balances
    - Template: Leader Centre/Library/Finance/Annual Docs
  - **Consent Form (Leader Centre/Library/Finance/Annual Docs)**
    - Consent form for U.S. Chapters and Regions
    - Consent Form for Chapters and Regions outside of U.S.
  - **PDF of bank statement for December of the year you are submitting**
- **Additional U.S. requirements:**
  - **State returns:** Requirements vary with each state
  - **U.S. sales tax exemption:** This varies state by state. IABC is a 501(c)(6) organization and is not automatically exempt from state sales tax. Consult with your local state sales tax authority for this exemption.
- **Additional requirements for chapters outside U.S.:**
  - Work with your region to determine if there are additional tax laws you need to take into consideration.

## Leader Centre

Visit the **Leader Centre** for information, tools, tips and templates to help run your chapter finance. Login and go to the Library, under Finance, you will find:

Chapter & Region Finance Guide  
Tools for VPs of Finance  
Annual Documents

[www.iabc.com/leader-centre/library/finance/](http://www.iabc.com/leader-centre/library/finance/)