**Financial Summit Minutes – April 6, 2017 at CVCC (Lynchburg, VA)**

**Goal:** Create an awareness of VASFAA’s fiscal reality. Determine our priorities. Understand our fiduciary responsibility to make sound fiscal decisions that will ensure the longevity and viability of our Association.

In Attendance: Chad Sartini, Biz Daniels, Patrice Johnson, Mike O’Grady, Melissa Shepherd, Debra Johnson, Heidi Hunter-Goldsworthy, John Brandt, Vern Fairchilds, Michael Farris, and Brad Scaggs

CALL TO ORDER - 1:20PM

1. Deficit-Spending Mode
   1. **High-Level Categorization of Expenses into: Conference, Member Benefits, Committees, Operating Fees, Travel**
   2. **High-Level Categorization of Income into: Conference Registration, Membership Dues, VERP Interest, Vendor Support, and Asset Liquidation**
   3. **We are liquidating assets to quickly, we have 22-27 years left**
   4. **Conference Funding is contingent on both registration and vendor support**
   5. **Travel has become our second largest expenditure**
   6. **Member benefits and Committees are not getting the necessary attention**

DISCUSSION: Discussion involved showing charts of categorized expenses and making the points above. Then those present were walked through a PowerPoint Presentation which highlighted that the rate at which assets are being liquidated is not sustainable. The myths of VASFAA having plenty of funds and the Conference being self-sustaining were debunked. There was discussion about the fact that the Conference is paid by both registrations and vendor support; registrations will likely never pay for the conference. This is for a variety of reasons, but a big component is food and beverage which requires mandatory tax and gratuities in excess of 20%. Therefore, as registrations go up costs do as well.

1. Solution: Hybrid Approach – Reduce Expenses and Generate Revenue
   1. **Reduce budget by 5% next year which reduces expenses ~$3500**
      1. Target the Transition Retreat
      2. President/President Elect Travel
   2. **Increase Membership dues $5 but recruit membership aggressively and advertise benefits through the Membership Committee** 
      1. Based on 360 members this would create **$1800** in additional revenue
   3. **How many times can we do this????**
   4. **This leaves us ~$2100 short** 
      1. increased members, increased attendance at paying events, or increase conference cost
      2. Has the $275 conference fee been universally adopted, or is this one-time? If so, then we are ½ way there.

DISCUSSION: After discussing the fiscal realities we face, options and a recommended solution were mentioned. The options include increasing revenue or decreasing expenses. A variety of options were discussed for reducing expenses including reducing or eliminating travel of some Board members. Also, ideas for increasing revenue were discussed including those suggested by the B&F Committee above. Other ideas discussed included a Financial Aid workshop for Admissions counselors at a cost to the counselors; creating a track for business office folks at the Conference; Associate Memberships for non-FA college staff; partnerships with VACRAO; technical tracks at non-Conference and Conference; charging a small retiree membership fee; and Institutional Memberships versus individual memberships. It was also noted that membership drives have been successful in the past and that current membership is low.

Some in attendance were uncomfortable with reductions in travel and how that might relate to an overall 5% budget reduction. The B&F Committee pointed out why travel was targeted for reduction – it is nearly ¼ of the budget.

1. Responsible Budgeting
   1. **Adopt a “back in” approach to Budget creation:**
      1. Identify Conference Expenses/Income (use historical # of attendees and vendors)
      2. Identify Expenses that directly benefit Membership/VERP Interest Income support (historical and projected)
      3. Earmark VERP to support membership benefits only, not as an income supplement.
      4. Review necessary Operating Expenses
      5. Review Membership that would be required at current fee to support
   2. **Identify a Budget Work Session prior to Transition**
      1. Bring New Board and Old B&F Committee together in-person in May
   3. **Transition Meeting** 
      1. Vote on Budget
      2. Charge to Committee Chair to be good stewards/stay within bounds of budget

DISCUSSION: Brad outlined his vision for next year’s budget creation with help from Vern. It was noted that any action the Board takes on membership fees must be done before the May budget workshop for planning purposes. Vern also asked that the Board consider to things for his planning purposes – what income is needed from VERP and whether Buddy Awards should be limited to a fixed amount rather than based on earnings.

The Board was unanimously supportive of Brad’s approach of waiting until after the Conference to identify next year’s Board and conduct a Budget workshop with them and the old B&F Committee to create the 2018 budget. Once created, the draft will go to the Board for vote at the transition meeting and Committee Chair will be charged with adhering to their budgets.

Biz indicating that in addition to the membership fees and VERP income forecasts requested by Brad and Vern – two additional items will help with Budget creation this year. The Conference site has been secured for 2 years, so that expense will be known. Additionally, she plans to reach out to all Committee Chairs and request that they submit goals and budget requests.

1. Why this is the best Solution?

**It makes VASFAA financially solvent and less dependent on Fluid Income streams from vendors while allowing VASFAA to “promote the professional growth of its members, and provides information about financial aid resources available to attain postsecondary education goals.”**

DISCUSSION: The mission of VASFAA was pointed out and aligning our resources with that mission was suggested. Little time was spent on this topic as most agreed that something must be done.

1. Review Current Budget

DISCUSSION: A line item walk through of the current budget was completed with Melissa and Debra. Updated figures on membership, conference registration, non-conference registration, and Vendor support was discussed. It quickly became apparent that numbers are way below projections with the exception of Vendor support. As of the meeting the numbers are below:

**Membership** (projected 360): 313

**Conference Registration** (projected 135 full; 10 day rates): 94 full paid, 19 comps, 4 day rates paid, 2 Life Member (comps), and 29 registrations unpaid

**Vendor Support** ($14,200 projected): $31,500 paid

**Platinum ($2000):** 4

**Gold ($1250):** 8

**Silver ($1000):** 9

**General ($500):** 1

The Profit and Loss Statement was discussed as an accurate reflection of payments as of 4/5/17. After revisiting the actual income versus the budget discussion picked back up about how to solve our shortfall and future challenges. There was talk of disconnecting from SASFAA commitments, hill visits, etc, but the Board seemed to agree that in this uncertain times in Washington, DC it is good to remain connected and to advocate on the behalf of our students and programs.

Finally, the Board went into session to vote to resolve the lack of a transfer of Treasurer-managed VERP to the Funds Manager for investment. To see more on this motion and its outcome please review the Board Minutes of 4/6/17.

At the conclusion of the meeting Brad and Vern reiterated their need for Board action to be able to prioritize the budget and investments for the Board’s needs.

CLOSE AT – 4:35PM