

2010 - 2011 Budget Summary Narrative (Updated 3/5/10)



Income:

Category:	Description:	Assumptions and Strategy:
40: Education Income	Classroom and online education revenue, including the SR/WA study session; IRWA Sponsored courses; certification and designation programs; book sales, BTL seminars and Facilitators' Clinic.	Overall, Education income will decrease slightly from last year. Revenue from professional development programs will increase, as we introduce our Five Step Professional Career Path of certifications and designations and gain momentum with our URA Certification. Classroom income was calculated on the actual course schedule developed by our chapters and regions for next fiscal year and will decrease, with up to 433 courses planned, but an average class size of 17. Course pricing will remain at 2008-2009 levels and emphasis will be placed on increased course marketing and promoting available classes, both inside and outside the association. Online education income will increase, as we continue our partnership with the Business Training Library, with a focused offering of BTL courses for member recertification and continuing education and the expansion of IRWA Online courses to 20 core courses. IRWA Sponsored Course Income will remain constant and staff will monitor chapter course offerings and fill in with contract courses, when necessary, to meet member demand.
41: Advertising Income	Income from <i>Right of Way Magazine</i> advertising.	Income will increase over last year's budget, making it equal to this year's actual income. <i>Right of Way Magazine</i> is an important member benefit and advertisers are loyal and consistent in their support. Marketing to non advertising Right of Way companies has also been effective and we are realizing new support as a result.
43: Investment Income	Surplus revenue, invested primarily in Certificates of Deposit, with a small stake in equities.	Income will decrease next year, due to lower interest rates and less income to invest from education programming and meetings and events.
44: Membership Income	Revenue from new and renewing members, agencies and affiliates, plus application and late fees.	We anticipate that income will increase from last year's budgeted amount, despite down-sizing within agencies and Right of Way companies. At the end of December 2009, we had approximately 9,000 members. Our target for next year is 9,540 members. These assumptions are based on a more focused retention campaign and the implementation of a new member acquisition campaign in the spring. Membership dues will remain at the 2009-2010 rates of \$195 for Active Regular Members and \$210 for Active Senior Members, respectively.
45: Merchandise Sales	Income from the sale of IRWA branded merchandise.	Income will increase slightly, as we transition to high quality wearables, relaunching our online store with Lands End. We will continue to offer preferred vendors for pins, plaques and other IRWA logoed material.
46: Other Income	Contribution, magazine subscription, royalty and miscellaneous income.	Small revenue line will remain flat, since most magazine subscriptions are acquired through membership.

47: Seminars & Conferences	Revenue from International Conference and our Federal Agency Update.	The Atlanta, Georgia International Conference should be well attended, with strong participation from regions 4, 5 and 6 and as we focus more energy on our premier conference. We anticipate up to 900 participants and \$60,000+ in sponsorship. Income for the Federal Agency Update will decrease as this event is refocused as a smaller meeting of agency and federal grantees. We anticipate fewer participants and will solicit 2-3 sponsors to help offset the costs of the day-and-a-half meeting, without education sessions. Complete budgets have been developed for both our International Conference and the Federal Agency Update. We will also continue leadership development programming at both events.
Expense:		
50: Cost of Goods Sold	Inventory of items in the online merchandise store.	Expense will be less than last year actual, as strategy shifts to wearables.
55: Education Expenses	Expenses related to producing and shipping all material for 400+ classroom courses and the expenses related to Appraisal Quality Board filings for appraisal and valuation courses; class size incentives to chapters; course development and revision costs that exceed foundation funding or are not reimbursed by our foundations; facilitator Clinic expenses; course facilitator material; IRWA designation and certification program expense; education marketing expense and online education honorarium and licenses from the Business Training Library.	We anticipate a decrease in overall costs, due to smaller classroom size as well as offering smaller course packages to our chapters. We have outsourced to an online vendor for both the 7 and 15 hour USPAP courses, making the course competitive with others in the marketplace. We are positioning for electronic delivery of facilitator manuals, to further reduce costs and the shipment of redundant material. We expect an increase in class incentive payouts to chapters, as more members and non-members choose online coursework. A major course revision program will launch next fiscal year, driving up course revision expenses as material is updated and rewritten.
597: Building Operation	Bank interest, building depreciation and building operations for the IRWA headquarters building.	This is a new line item reflecting the purchase of a headquarters building in the South Bay of Los Angeles County.
60: Payroll & Benefits	Payroll, benefits and pension expenses for 22 full-time staff.	Expenses reflect an increase in payroll and a 28% increase in healthcare benefits for staff in 2011.
70: Other Seminars and Conferences	All expenses related to the production and execution of the Annual Education Conference, to be held in Atlanta, GA and the Federal Agency Update in Washington, D.C.	Strong decrease in expense related to reformatting the Federal Agency Update and moving it to the Washington, D.C. Area, conducting the meeting in a public space, with no significant room block or catering contract.

74: Travel- Regions	Travel expense related to the business activities of 10 regions and Region Governance, which includes the direct expenses for meetings of the Governing Council and committee chairs in conjunction with FAU and Annual Conference, including meals and hotel costs.	Costs will be kept equal to this fiscal year for committee travel. Region Governance is reduced as costs shift to the International Governing Council.
75: Travel- Education Committees	Travel expense related to business activities of 9 Education and Industry Committees and special committee projects. Each committee meets once in conjunction with the Federal Agency Update and again at Annual Education Conference.	Costs will be kept equal to this fiscal year for committee travel.
76: Travel- Service Committees	Travel expense for 4 service committees. Each committee meets once in conjunction with the Federal Agency Update and again at Annual Education Conference, with the exception of the IPDC, which meets as needed.	Costs will be kept equal to this fiscal year for committee travel.
77: Travel- Other	Travel expense for representatives to meetings of allied organizations, the Leadership Institute Team and chapter 50th anniversary celebrations.	Expense will decrease, reflecting the completion of the work of the 75th Anniversary Task Force and fewer chapter 50th anniversaries.
78: Travel- International Governing Council	Travel expense for International Governing Council meetings and member attendance at spring region forums, committees to which members are assigned, annual conference and other travel, approved by the president. Chapter celebrations covers the cost of attending new chapter meetings.	Expense will decrease slightly, as we shift to three International Governing Council meetings, with IEC meetings taking place via teleconference or in conjunction with travel to IGC meetings. IEC members will attend their home region forums and regularly scheduled committee meetings to which they are assigned. IEC members will also attend the Annual Education Conference.
79: Travel- Staff	Travel expense for IEC meetings, EVP or assigned staff attendance at spring region forums as needed, committees to which staff are assigned, chapter visits and other expense not specifically noted above.	Expense will be held flat with this year, with the Senior Management Team participating in three IGC meetings. Other staff participation in region and chapter meetings will be based on the business purpose driving that travel.
80: Administrative Expenses	All costs related to providing facilities, infrastructure and support services for our volunteer/staff network, as it conducts the business of the Association.	Overall costs will decrease, though strong budget controls and the shift of office rent to Building Operations. IRWA marketing will increase, as we begin to promote our certifications and the SR/WA.
88: Income Taxes	Federal and State income taxes related to Association activities.	No expenses anticipated.

Other Income:		
48: Pipeline Committee Revenue	Voluntary dues and other sources of revenue collected by the Pipeline Committee.	Income anticipated to be equal to this year.
4090: Brochure Income Pass Through	Charges to chapters for cost of printing and mailing of course marketing material.	Income anticipated to be equal to this year.
4095: Facilitator Income Pass Through	Charges to chapters for reimbursement of facilitator fees for chapter based courses.	Income anticipated to be equal to this year.
Other Expense:		
72-6470: Pipeline Committee Expenses	Expenses incurred by the Pipeline Committee.	Expenses anticipated to be equal to this year.
8200: Brochure Expense Pass Through	Expenses paid to vendor for course brochures and mailings.	Expenses anticipated to be equal to this year.
8400: Facilitator Expense Pass Through	Fees paid by IRWA to facilitators for courses conducted on behalf of chapters.	Expenses anticipated to be equal to this year.