

**TO: APA California Board of Directors**

**FROM: Conference Profits Committee**

**DATE: June 16, 2017**

**SUBJECT: 2016 Conference Profits**

***Recommended Action: Approve account transfers and budget adjustments as described in this memo.***

As directed by the Board at our January meeting, the Conference Profits Committee[[1]](#footnote-1) has discussed and agreed on recommendations to the Board. The Committee was charged with providing recommendations on two issues: whether the conference profits distribution formula should be altered in light of the extraordinary profit realized at the Pasadena conference, and how the Chapter should allocate its share of the 2016 conference profits.

**Should the Chapter revise the formula for distribution of conference profits considering the extraordinary profit from the Pasadena conference?** Although the level of profit realized from the Pasadena conference far exceeded anything that was anticipated when the Board adopted a revised conference profit distribution formula last October, the Committee recommends that this formula remain unchanged. Committee members expressed considerable discomfort with changing the formula after the conference and felt that some of the cost saving measures used at the Pasadena conference would also be available to future conferences, creating opportunities to increase future conference profitability.

**How should the Chapter allocate its share of the 2016 conference profits?** The Chapter’s adopted budget assumes a $120,000 conference profit and $72,000 distribution to Sections, for a net to the Chapter of $48,000. That amount is already budgeted to fund Chapter expenses. The actual profit from the 2016 conference was $344,000 and the Chapter’s share (after distribution to the Sections) is $160,096. Thus, the "excess" that the Board can now decide how to allocate is the difference between the actual net income and budgeted net income, or $112,096.

After considering various potential uses for these funds (many of which were discussed at our January Board meeting), the Committee recommends the following allocation:

* $36,096 to the Chapter reserve account
* $21,000 to the Chapter checking account as a cash flow "cushion" to avoid using reserves in situations where National subvention checks arrive late in the quarter (as they have been)
* $15,000 to fully fund the Year 3 conference account, as discussed at previous Board meetings
* $20,000 to one-time Chapter programs, including $10,000 to fund processing and cataloging of the CSUN archives and $10,000 for other one-time expenditures to be approved by the Board, such as website upgrades and/or endowing a CPF scholarship
* $20K for Section support, including $4,800 for one-time grants to Sections ($600 maximum per section), upon request to the Board, and $15,200 available for multi-section initiatives or Chapter-wide initiatives that support Sections through programming, training, marketing or other resources

Note that the first 3 items listed above (deposit to reserves, checking account “cushion” and funding the 3rd conference account) will not increase the expense side of the Chapter budget. These funds will be moved to different accounts, but will remain available for future Chapter expenses, should the Board find the need to do so.

The remaining two items do require an amendment to the Chapter’s adopted budget, which requires approval by majority vote of the Chapter board. The Committee recommends that Board approve the account transfers and budget adjustments as described in this memo.

1. The Committee includes Sande George, Hanson Hom, Kristin Asp, Hing Wong, Ashley Atkinson, Tricia Stevens, Pete Parkinson and Kevin Keller (representing the Pasadena Conference Host Committee) [↑](#footnote-ref-1)