



# November 2021 Management Committee Meeting Notes

Thursday, November 4, 2021  
Marriott Hotel, Baltimore, MD

## **Participants:**

### Management Committee Members:

In-person: Leanne Roulson, Cecil Jennings, Miguel Garcia-Bermudez, Brian Murphy, Patrick Shirey, Jason Olive, Mark Fincel, Brian Nerbonne, , Randy Schultz (Constitutional Consultant, non-voting), Doug Austen (Executive Director, non-voting)

On-line: April Croxton, Lian Guo, Melissa Wuellner, Marybeth Brey, Laurie Earley

Guests: Troy Brandt (on-line)

Emerging Leaders:, Christina Murphy (on-line), Brian Gallagher, Dan Mosier, Kaylyn Zipp

AFS Staff: Dan Cassidy, Drue Winters

## **Minutes of the Meeting:**

1. **Quorum established** by Constitutional Consultant Randy Schultz
2. **Review of agenda** – accepted by unanimous consent.
3. **Review and approval of minutes from the Management Committee** meeting on October 8, 2021 – Accepted without modifications by unanimous consent.
4. **AFS President Introduction**
  - a. Protocols for today’s meeting – the meeting will focus primarily on the FPPC report and recommendations as well as the AFS Procedures update on the first 18 pages dealing with officers, the Governing Board and governance. Covid-19 has allowed us to focus more on strategic direction for AFS which will be the focus of the Governing Board meeting tomorrow (Friday)
  - b. President’s remarks and updates – plan of work update and brief overview of strategic discussions of the GB on Friday
5. **Officer Reports**
  - a. Leanne Roulson – Has focused primarily on the Baltimore meeting and planning for the Management Committee and Governing Board events.
  - b. April Croxton – Diversity Joint Venture and the solicitation of new board members.
  - c. Cecil Jennings – no report
  - d. Miguel Garcia – getting comfortable with the 2<sup>nd</sup> Vice President role and working on the Latin America and Caribbean Fisheries Congress.
  - e. Brian Murphy – Focused the Baltimore meeting and dealing with the many challenges that it has presented.
6. **Executive Directors Report**

- a. The Cvent system has fundamentally failed to meet the needs for the Baltimore meeting. As a result, the AFS Program Committee has been working far beyond reasonable expectations to find ways to work around the system limitations. They have put in place paper copies of the program and developed “old-school” approaches to make the meeting as successful as possible. As a result, AFS is moving to a new platform, X-CD, which is better designed to address our needs.
- b. Upcoming AFS meetings include JASM2022, Spokane (August 2022), the Latin America and Caribbean Conference (May 2023), AFS 2023 Grand Rapids (August 2023), the World Fisheries Conference (Seattle, March 2024), and AFS Honolulu (September 2024). These events are all designed to be either revenue sources or, at the very least, to cover all AFS costs (such as the Latin American and Caribbean Conference).
- c. The hybrid meeting model was discussed and its role in the future of AFS meetings. It was recognized that some form of remote participation is valued and allows participation by many members and others who wouldn’t normally be able to attend. But what constitutes a hybrid meeting is yet to be fully understood. Clearly, there is no single definition and virtually all science societies are still trying to understand how to design an effective and efficient event.

## **7. Background on Investment Committee, the Special Committee on FPPC, and revision of IC to be the new FPPC**

- a. Austen provided background to this section. AFS currently has a standing committee on Investments. But it has become clear that we cannot manage investments in isolation for other aspects of AFS finances. As a result, President Scott Bonar established a special committee on Financial Planning and Procedures. This special committee has been working for about two years and has a full set of recommendations to provide to the Management Committee. The proposal will be for two pathways to be taken. One is for AFS Rules and Procedures that can be addressed immediately while the second path addresses a series of issues that need further refinement and will be brought to the Management Committee over the next several months with proposed final acceptance at the February meeting. Roulson summarized the processes by stating that the MC will address the Procedures issues and also recommend to the Governing Board that it accept the Rules changes for a membership vote.
- b. Report of the Financial Planning and Procedures Committee - Troy Brant (Committee Chair), presented the summarized report **Attachment A**, basics on the financial position of AFS and a review of the key motions. Key points include:
  - i. Possible review of the role of the Audit Committee and possible integration of the Audit Committee into the FPPC.
  - ii. The Investment Committee and the FPPC essentially merged and meets quarterly, receives a financial review by Deputy Director Dan Cassidy,

reviews the investments report by the AXA advisor, and addresses other related issues.

- iii. FPPC provides a high level review of AFS finances and explores programmatic sources of revenue and expense in order to better understand AFS operations. Key goal is to do a first cut program review of all AFS programs in 2022 and then review 1/3 of the programs each year for a three year full review cycle. New programs proposed for AFS should also be subject to development of a business plan that addresses all financial aspects as well as purpose, life cycle, and future reviews to ensure that programs meet originally defined purpose. AFS should also develop a more complete capital budget to address critical needs such as website upgrade, new software systems, etc.
- iv. Obligated Reserve Fund – currently AFS has an Obligated Reserve Fund (ORF) in our investment portfolio. The proposed goal is to build this fund up to be equivalent of about one full year of AFS budget (calculated on a 4-year average), which is currently about \$3.4 million. Once that amount is obtained, any annual appreciation or other gain to the fund would be split (50/50) as funds reinvested in the ORF and funds available to AFS to use for programming or other activities. Question asked is, would this fund be available to be used in the case of emergency or other specific reasons? Answer was that the issue hasn't been fully explored but such an option would be available upon some undefined level of approval.
- v. Motions report – Each of the five proposed motions were summarized in the slides in Attachment A and provided in more detail in Attachment B.
- vi. Committees – It was noted that two committees impacted by the movement of funds (the Publications Oversight Committee and the Continuing Educations Committee) do not currently have chairs. This has been a continual problem for AFS Presidents to fill chairs of the many AFS committees. It was suggested by MC members that AFS needs to do a better job of communicating to members the opportunities for committee involvement. There is a full listing of committees and forms available on the AFS website to volunteer to be a committee member but it is not easily found and not distributed widely and frequently.

c. **Motions and Discussion (Attachment B):**

i. Motion:

In the AFS Rules, replace the current language for the AFS standing Investment Committee with the language below for a standing committee on Financial Planning and Procedures:

FINANCIAL PLANNING & PROCEDURES COMMITTEE: Reviews AFS financial trends and provides recommendations to the Management Committee with the overall goal of ensuring financial sustainability.

Moved by Laurie Earley (no second needed since this originated from a committee report)

Discussion: The proposed language is comparable to what is used for other committee descriptions in the AFS Rules. It was noted that there is no definition of “financial sustainability” but that should be better defined in the AFS Procedures for this committee.

Motion passed with unanimous consent.

ii. Motion 3A:

Transfer all money from the AFS2000 Fund to the Obligated Reserve Fund and close the AFS2000 Fund once funds are transferred.

Moved by Jason Olive

Discussion: What is the background on the AFS2000 Fund? The history is somewhat unclear but this appears to be a fund established by the Governing Board to provide long term support for AFS.

Note: subsequent research of Governing Board reports has found the AFS2000 fund appears to have been established in 1995 as part of the AFS 125<sup>th</sup> anniversary activities. The fund was defined as a “long-term endowment”. A fundraising campaign was developed in 1995 and implemented for several years afterwards to build the AFS 2000 fund. This included such activities as outreach to members, donation by up to 40 AFS units, specific requests to Past Presidents, the society annual meeting raffle proceeds in 1996 being deposited into the AFS2000 fund, and external fundraising. Although intended as an endowment, records do indicate that the fund was used for a variety of purposes. For example, in the 1996-1997 Program of Work, AFS2000 funds were authorized for purchase of office computer equipment. In 1997 the AFS 2000 fund value was \$295,816, but this appeared to be the high point and by 2000 the balance was \$158,235, in 2002 the balance was \$90,233.

Motion passed with unanimous consent.

iii. Motion 3B

Transfer \$750,000 from the Publications Endowment Fund (PEF) to the Obligated Reserve and request that the Publications Overview Committee conduct a full review of the PEF and provide AFS leadership with recommendations for future use of the fund and possible revisions to the funds use as described in the Procedures Manual.

Moved by Brian Murphy.

Discussion: The Publications Overview Committee and AFS staff have agreed with this motion and will initiate discussions on future use of the funds. The POC could explore re-establishment of the small fee attached to each book sale to rebuild the fund, if needed, but it was suggested that \$250,000 remaining in the account provides sufficient opportunity for use.

Motion passed with unanimous consent.

iv. Motion 3C

Request that the Continuing Education Committee review their its possible uses of the Shelby Gerking Continuing Education Program Fund and report back to the Management Committee within six months with recommendations for funds use or for transfer of some or all funds into the Obligated Reserve Fund.

Move by Brian Nerbonne.

Discussion: The Continuing Education Committee currently does not have a chair but this is being addressed and the committee will be tasked with responding to the Management Committee as directed.

Motion passed with unanimous consent

d. FPPC Recommendations on AFS Procedures (Attachment C)

The proposed recommendations for full replacement of the AFS Procedures on financial guidance are being reviewed by staff and AFS leadership. Given the complicated nature of the recommendations, the officers and staff are continuing to review the language and will be working with the Management Committee at their meetings in December and January to refine language with the intent of completing approval at the February Management Committee meeting.

8. **Policy Update (Drue Winters)**

- a. Reconciliation Bill – broad social spending bill that includes key climate activities, civilian climate corps, significant investment in agricultural and other conservation programs. Does not include key emissions reductions measures. This bill is still under critical negotiations in the House. AFS does not have specific positions on the current language but has pushed key approaches broadly.
- b. Waters of the U.S. – Biden Administration is working to develop regulatory approach that will replace the Obama-era rules. US EPA is hosting regional round-tables and seeking expert input.
- c. Recovering America’s Wildlife Act (RAWA) – HR2773 currently has 273 co-sponsors but is receiving some pushback. A serious issue is that the lead House sponsor, Representative Fortenberry, is under federal indictment. The companion Senate bill has 32 co-sponsors and there is a request to have a full hearing on the bill. There are differences between the House and Senate bill in the funding source for the program as well as an undetermined offset. A more significant problem is opposition in the Senate to the suggested lack of RAWA in fully addressing ESA issues.
- d. Climate Ambassadors Program (CAP) and Climate Fellows Program (CFP) – Both programs are well underway with full classes. The CAP effort is over one year into the program and the CFP is several months into their program recently completing

the ABT communication training module.

9. **Financial report and review and proposed AFS 2022 Budget AFS (Attachment D and E)**

*Dan needs to expand upon these notes.*

- a. Assets of AFS are slightly over \$6 million, which is nearly \$1 million more than the same period last year. However, it should be noted that much of this is in restricted funds.
- b. Key points are that the first Paycheck Protection Program loan has been forgiven and AFS has applied for forgiveness of the second loan. Due to cash flow issues, AFS also has utilized \$125,000 of its credit line and will initiate paying back the load shortly after the Baltimore meeting concludes. Also, stock market gains have been a significant source of the AFS current financial position.

Motion: Approval of draft budget for 2022 as presented by AFS Deputy Director Dan Cassidy (**Attachment E**).

Moved by Jason Olive; 2<sup>nd</sup> by Brian Murphy.

Motion passed with unanimous consent.

10. **Annual Meetings Report**

- a. Latin America and Caribbean Fisheries Congress – question was on the language requirements. Presentations will generally be in English but when the presenter is not fluent, at least the PowerPoint materials will be in English to allow the audience to follow the material.
- b. Status of the 2025 meeting – currently this is not established.
  - i. Existing meetings are: Spokane (2022), Grand Rapids (2023), Honolulu (2024), no location (2025), and Columbus, OH (2026)
  - ii. 2025 location discussion: NED advocates for Montreal as the 2025 meeting location. Other options outside of NED were Halifax and Quebec City (as NED options). Other Canadian cities such as Calgary could be explored. In the U.S. options could include Providence, RI, Rochester, NY, and Buffalo, NY.

11. **Completion of business meeting activities:**

- a. Evaluation of the Executive Director has been postponed until early in 2022. The typical preparatory work of asking for Governing Board and staff input has not been completed.
- b. Report of the Constitutional Consultant - Motions for consideration.
  - i. Procedures Manual Revision (**Attachment F**) – This has been part of an ongoing process to fully review and update the AFS Procedures Manual to reflect better business practices and current operational practices. The current section (essentially through pages 1-18) primarily address Officer and Governing Board issues.

- ii. As general guidance for Procedures Manual updates, AFS is working to streamline the document by removing some sections that are highly changeable such as the meetings management section. These will be moved to stand-alone documents in a manner similar to that of the Unit Leaders Guide. Another major section of the Procedures Manual that needs to be revised is the section on Awards. This needs to be standardized and streamlined.
- iii. Motion to adopt the changes moved by Jason Olive; 2<sup>nd</sup> by Patrick Shirey.  
Motion adopted by unanimous consent.

**12. Additional Old Business** – None

**13. New Business** – Potential midyear Governing Board meeting is being considered in conjunction with the Southern Division meeting in January, 2022, in Charleston, SC.

**14. Adjourn** – at 4:54 p.m. ET

# Attachment A – Presentation Materials from the Financial Planning and Procedures Committee



## AFS Financial Planning and Procedures Committee

Troy Brandt, Committee Chair

### AFS Management Committee Meeting

November 4, 2021

Slide Number

### Discussion Topics

- FPPC Membership and Duties
- Financial Glimpse
- Key Recommendations
- Proposed Motions
- Next Steps

# FPPC Members



## Western Division

Troy Brandt  
Bob Hughes  
Tony Siniscal  
Tim Copeland (AC)



## North Central Division

Nathan Lederman



## Northeastern Division

Desmond Kahn  
Mike Celestino



## Southern Division

Martin Hamel

**We're always looking for new members!**

3

# Committee Transition

## Investment Committee

- Work with staff and investment advisor to monitor AFS investment account



## Financial Planning Committee

- Help ensure AFS financial sustainability
- Update Financial Planning Procedures
- Work with staff, MC, Audit Committee
- Investment Committee duties

4

## Financial Glimpse

- **Annual Meeting** – Needs to be a net revenue producer more than one in four years; profit sharing should come from meeting proceeds, incentivize local units to fundraise more, ↑ in 2022 budget
- **Journals & Publications** – Strong and consistent, but...
  - Journals royalty payments declining, additional personnel costs are increasing, ↑ in 2022 budget
  - Books under pressure – inventory write-off (2017), another one due, less demand, ↔ in 2022 budget
- **Policy and Communications** – Big expense, AFS in-tune with DC
- **Membership** – Flat over last 3 years, affiliate members do not contribute, ↓ in 2022 budget
- **Project Management** – Growth area with meeting management and MSCG, ↑ in 2022 budget
- **Professional Development** – Revenue covers 30% of cost
- **Management & General** – AFS has been effective at reducing costs
- **Fundraising** – Personnel costs +69% from 2016-2020, broad fundraising responsibilities

## FPPC Key Recommendations

The following recommendations are strategies that we expect will improve the Society's chances of weathering poor financial and economic conditions and ensure long-term financial sustainability.

1. Program Planning & Evaluation
2. New Program Business Plans
3. Capital Budgeting
4. Operating Budget
5. Obligated Reserve Fund

## 1. Program Planning & Evaluation

- Inventory all existing programs immediately and have AFS staff and/or program proponents complete evaluation template
- Document program financial results by year-end 2021 and report to Management Committee
- Evaluate 1/3 of programs every three years
- Use financial and program results to monitor performance and make adjustments

7

## 2. New Program Business Plans

- FPPC shall evaluate new program proposals using business plan format
  - Form completed by proponent
  - How does program meet AFS mission, what are the program goals?
  - Identify staff resources, costs, and funding
  - What is the lifetime of the program?
- Proponent presents to MC for vote prior to annual budget development

8

### 3. Capital Budgeting

- 3-year capital budget and replacement reserves schedule
- Major expenditures such as upgrading Society database and website, and maintaining / purchasing other tools
- Similar significant investments of capital for acquiring or replacing assets

9

### 4. Annual Operating Budget

- Determine target revenue, expenses and net assets and budget accordingly
  - We've seen that generating more revenue requires more expenses
- Society's annual financial plan goals
  - Meet member needs, and Society's obligations and mission
- Compare budget proposal averages of prior 4 years
- Include year-end legacy document outlining financial considerations during year

10

## 5. Obligated Reserve Fund

- Rebuild nest egg: 1-year operating budget to provide cushion / income
- 50% of investment income paid out each year once target value is met (interest, dividends, realized gains)
- Obligated Reserve will be funded by consolidating (9/30 values):
  - Unrestricted Funds - \$1.6M
  - Obligated Reserve- \$192k
  - AFS 2000 Fund- \$165k
  - Shelby Gerking CE Fund- current balance \$109k, \$50k contribution?
  - Pubs Endowment Fund- current balance \$1.04 M, \$750k contribution?
  - **Total: ~\$2.757M**
  - 2022 Budget: \$3.717M, 2021 Budget: \$3.406M, 4-yr average \$3.440M<sub>1</sub>

## Proposed Motions (Attachment C1)

- **Recommended Motion 1:** Approve the revised FPPC Rules and Procedures.
  - Removes Investment Committee Rules and Procedures
  - Establishes FPPC Rules and Procedures
  - Staff in support of changes but has requested additional review
  - Postpone motion vote until February 2022 MC Meeting

## Proposed Motions (Attachment C1)

- **Recommended Motion 2:** The Obligated Reserve in the Investment Fund shall be rebuilt over 5 years, **or at a rate approved by the Management Committee**, beginning in **2022** (see Motion 3) to become sufficient to cover 1 year of AFS operations (based on the average of the previous 4 years).
  - Staff requested flexibility in contributing to Obligated Reserve
  - Staff has requested additional review with leadership to assess implications of how the Obligated Reserve is funded and managed
  - Postpone motion vote until February 2022 MC Meeting

13

## Proposed Motions (Attachment C1)

- **Recommended Motion 3:** Transfer all money from the AFS 2000 Fund, the Publications Endowment Fund, and the Shelby Gerking Continuing Education Program Fund to the Obligated Reserve and close all 3 funds.
  - Revisions
    - **(3A):** Transfer all money from the AFS2000 Fund to the Obligated Reserve Fund and **close the AFS2000 Fund once funds are transferred.**
    - **(3B):** Transfer **\$750,000** from the Publications Endowment Fund (PEF) **to the Obligated Reserve.** ~~and~~ **and request that the Publications Overview Committee conduct a full review of the PEF and provide AFS leadership with recommendations for future use of the fund and possible revisions to the funds use as described in the Procedures Manual.**
    - **(3C):** **Request that the Continuing Education Committee review their possible uses of the Shelby Gerking Continuing Education Program Fund and report back to the Management Committee within six months with recommendations for funds use or for transfer of some or all funds into the Obligated Reserve Fund. ~~to the Obligated Reserve and close all 3 funds.~~**

14

## Proposed Motions (Attachment C1)

- **Recommended Motion 4:** The Executive Director shall include contributions to the Obligated Reserve Fund in the annual budget.
  - Staff noted similarity to Motion 2 although Motion 4 requires deliberate line item in Operating Budget
  - Staff noted Motion 4 does not have a time limitation and creates an expectation of a permanent contribution to the Obligated Reserve
  - Postpone motion vote until February 2022 MC Meeting

15

## Proposed Motions (Attachment C3)

- **Recommended Motion 5:** Proposed rule to establish the Financial Planning and Procedures Committee as an AFS Standing Committee. The Financial Planning and Procedures Committee reviews AFS financial trends and provides recommendations to the Management Committee with the overall goal of ensuring the Society's financial sustainability.

16

## Next Steps

- Motion to approve modified Motion 3 and Motion 5.
- Staff, leadership and FPPC review Motions 1, 2, and 4 in more detail. Motion vote during MC meeting February 2022.
- Commence program review.
- Staff and leadership incorporate FPPC Procedures' recommendations during 2022 budget development.
- Critically evaluate new program proposals.
- Continue to review quarterly Investment Account performance.

# Attachment B – Proposed Motions for Financial Planning and Procedures Committee

To: Brian Murphy, *President 2020-2021*

From: AFS Staff

Date: November 2021

Staff have reviewed the Financial Planning and Procedures Committee motion report and have the following comments.

**1. Recommended Motion 1:** Approve the revised Rules & Procedures of the Financial Planning and Procedures Committee (FPPC). This replaces the section in the current Procedures Manual, “Program Planning and Financial Planning” beginning on page 109-119 and 123-126 (not inclusive of the section on Long-Term Giving on pages 120-123)

**Staff Recommendation:** Staff have reviewed the new Procedures Manual language and we support the overall direction of the PM language but recognize that several issues need further exploration and discussion, therefore request this be deferred until the MC meeting in February 2022 while the FPPC, staff and leadership address outstanding issues.

**2. Recommended Motion 2:** The Obligated Reserve in the Investment Fund shall be rebuilt over 5 years, **or at a rate approved by the Management Committee**, beginning in 2022 (see Motion 3) to become sufficient to cover 1 year of AFS operations (based on the average of the previous 4 years).

**Staff Recommendation:** Staff fully supports this recommendation with the modification to allow the Management Committee some flexibility in the time period required to rebuild the Obligated Reserve Fund. However, we also suggest that AFS leadership further consider the specification of the Obligated Reserve target and rebuilding time period. This could be completed for the February MC meeting along with Motion 1.

**3. Recommended Motion 3:**

(3A) Transfer all money from the AFS2000 Fund to the Obligated Reserve Fund and **close the AFS2000 Fund once funds are transferred.**

(3B) Transfer **\$750,000** from the Publications Endowment Fund (PEF) to the Obligated Reserve, **and** request that the Publications Overview Committee conduct a full review of the PEF and provide AFS leadership with recommendations for future use of the fund and possible revisions to the funds use as described in the Procedures Manual.,

(3C) **Request that the Continuing Education Committee review their possible uses of the Shelby Gerking Continuing Education Program Fund and report back to the Management**

Committee within six months with recommendations for funds use or for transfer of some or all funds into the Obligated Reserve Fund. ~~to the Obligated Reserve and close all 3 funds.~~

**4. Recommended Motion 4:** The Executive Director shall include contributions to the Obligated Reserve Fund in the annual budget.

**Staff Recommendation:** This recommendation is substantially similar to recommendation #2 above and also creates an expectation of a permanent contribution to the Obligated Reserve Fund regardless of the status of the Fund. This should receive additional review by AFS leadership and reported back to the MC at their meeting in February 2022.

# Attachment C – Proposed AFS Procedures Replacement Language

## Financial Planning and Procedures Committee

### 1 Introduction

At its 11 September 2020 meeting, the Governing Board established the Financial Planning & Procedures Committee (FPPC) to expand the roles of the Investment Committee. The purpose of the FPPC is to work with AFS staff, the Audit Committee and the AFS Investment Advisor to assess AFS' current and future financial positions and guide AFS leadership on such matters. The FPPC duties include: 1) engage with AFS staff, Investment Advisor and others to provide review, recommendations, and evaluation of AFS finances; 2) develop training for the Management Committee to ensure that members understand and better execute the fiduciary responsibilities; 3) develop more transparent tools for reporting on AFS finances to AFS leadership; 4) help AFS staff assess financial reports; 5) facilitate financial assessments of AFS programs; 6) review new program proposals and strategic plans; and 7) revise the AFS Rules and Procedures as appropriate. Because of its greatly expanded role, the FPPC has fundamentally expanded both the AFS Rules and Procedures documents pertaining to the FPPC. The revised procedures include four major sections: Definitions; Program Planning; Financial Policies; and Investment Objectives and Guidelines.

### 2 Definitions

The following definitions are provided for terms that are used throughout this document. Definitions may be further defined where they are presented in the document.

**Bank line of credit and collateral account** - AFS has a short-term line of credit negotiated with M&T Bank that is available if short-term funding is needed to support AFS operations. As of June 2021, the available credit line was \$500,000. It is secured by a collateral account, a second investment account managed by the AFS investment advisor. The required collateral is currently \$570,000 and is comprised of the same mix of securities as in the Investment Fund.

**Capital Budget** – The Capital Budget is the Society's 'infrastructure' plan for long-term assets such as the Society's website, member database, and planning tools. The costs to create and manage these assets may be amortized over the useful life of the asset.

**Fixed Assets** – Fixed Assets include Current Fixed Assets (office condo, leasehold Improvements, and equipment) and the related borrowing and lease purchases, all included in these Procedures for purposes of policy and management. Responsibility for management of the Fixed Assets is delegated to the Executive Director.

**Investment Advisor** - The Investment Advisor is a paid individual or firm, professionally qualified and licensed to offer financial guidance and trade securities. Typically, this individual is compensated through a management fee as a percentage of account assets.

**Investment Fund** – An investment portfolio managed by a professional Investment Advisor and reviewed quarterly by the FPPC. The investment portfolio is comprised of an Obligated Reserve, Unrestricted Funds and Restricted Funds.

**Obligated Reserve** – The portion of the Investment Fund equivalent to the one-year Operating Budget based on the average Operating Budget over the previous four years. The Obligated Reserve will be maintained as Restricted Fund within the Investment Fund.

**Operating Budget** – The Operating Budget is the Society’s financial plan for the coming calendar year. The Operating Budget reflects anticipated income and expenses associated with Society programs, investments, and other expenditures to support Society members.

**Overhead rate** – The annually calculated AFS overhead rate, approved by the U.S. Government, is used to estimate the value of the Society’s administration costs for managing programs and grants. The overhead rate is typically in the range of 25% to 30%, although the rate may be negotiated on an individual program basis.

**Restricted Funds** – Invested funds owned by AFS units including chapters, divisions, sections, and endowment funds. Restricted Fund moneys are managed as part of the Investment Fund, but the moneys are not accessible to support the AFS Operating Budget.

**Short-term money** – Includes all cash, cash management accounts, and receivables. These are expected to equal or slightly exceed current liabilities plus anticipated needs for cash over 3-4 months.

**Special projects** – A new project proposed by AFS members that is not already approved within the Operating Budget.

**Unrestricted Funds** – Invested funds owned by AFS that are not restricted by fund management requirements. Presently, the value of Unrestricted Funds are those funds in the Investment Fund that exceed the Obligated Reserve value.

### **3 Program Planning**

AFS has four major sources of revenue: membership dues, annual meeting net profits, grants and project management, and publications including journals and books. AFS has eight major expenditure categories including staff salaries and benefits, administration, membership, meetings, policy and communications, grants and project management, professional development and awards, and publications. It is critically important for AFS’ financial health to annually balance the Society’s Operating Budget—i.e., match its proposed and final revenues and expenditures. From 2015 to 2020, AFS relied on withdrawing funds from Unrestricted Funds to balance its annual budget. Unrestricted Funds usage drew down year-end Unrestricted Net Assets from \$3.4M in 2014 to \$685,000 in 2020. AFS must quantify past trends and estimate future financial trends and then respond accordingly to ensure long-term financial stability while meeting member needs and organization goals.

#### **3.1 Budgeting, Program Planning and Evaluation**

AFS supports many programs that provide benefits to Society members. Whereas some programs generate revenue, other programs cost more to maintain than the revenue the programs generate. AFS and the FPPC will institute the following guidelines.

- The Executive Director (ED) shall create a list of all programs and activities for budget tracking and expense allocations. The ED shall provide the program list to FPPC during the annual development of the AFS Operating Budget. The ED shall also provide a record of the last four years of revenue and expenses for each program. This information shall be summarized in an Excel spreadsheet that AFS shall maintain on the FPPC’s Google Drive.
- Every three years, the FPPC shall evaluate one-third of the programs and work with the associated AFS committee, if any, to assess financial performance relative to the program’s goals. The FPPC shall provide narrative comments regarding the programs’ performances.
- The ED shall maintain an inventory of programs and corresponding financial results and provide them to the FPPC and Management Committee. The Management Committee and

the FPPC shall make recommendations to the ED on budget trends and adjustments to meet financial targets. The ED shall act on those recommendations or explain in writing why he/she cannot do so.

### **3.2 New Program/Service Business Plans**

AFS members and committees periodically propose new programs and services that must be overseen by AFS staff. New programs require additional staff time and expenses, thereby affecting the Operating Budget. Proponents propose new programs and services during the annual Operating Budget development process (as opposed to the below Special Project process).

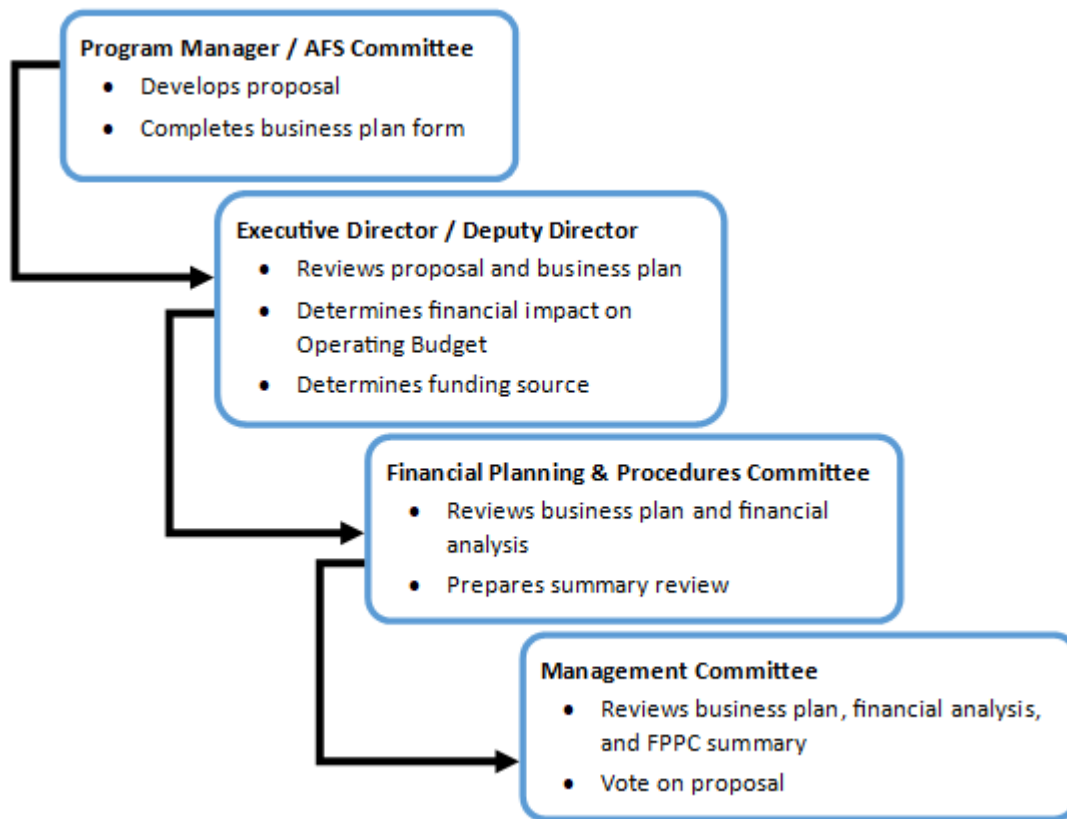
- The FPPC shall evaluate the financial components, business rationale, and resource allocation for each proposed new program and make recommendations to the Management Committee on the reasonableness of the assumptions and the likely financial impact of the new program on the Society's Operating Budget.
- The FPPC shall develop a business plan form, for assessing the financial and operating elements of the new program. The business plan form shall be completed by the new program proponent and submitted to the ED. The ED shall review the business form and provide a review of anticipated effects to existing staff capacity, non-personnel expenses, and the annual Operating Budget. The ED shall provide the review report to the FPPC, which shall comment on the review report. The FPPC review report and comments shall accompany the business plan form and program proposal when motioned to the Management Committee for consideration.

### **3.3 Capital Budgeting**

The ED shall prepare a three-year capital budget and replacement reserves schedule identifying anticipated financial outlays for major expenditures for the Society's database, website and similar significant investments of capital for replacing or acquiring assets.

### **3.4 Program Planning Decision Making Process**

The following section includes the ideal budget and resource allocation decision making process from initial program proposal to the Management Committee's vote on the proposal.



### 3.5 Financial Reporting

Timely, clear, and concise financial reporting is imperative for presenting AFS financial information to the Management Committee and AFS staff, committees, and members. AFS financial reporting includes monthly, quarterly, semi-annual summaries, and the annual audit report. Reporting shall include techniques that plainly present financial results for the current period, as well as for at least a four-year period to capture financial trends. Terms shall be defined and anomalous results shall be clearly explained. The FPPC and the ED shall prepare a financial reporting template for Management Committee meetings. A complementary Excel workbook shall also be developed to efficiently update financial results. Working from templates should provide an efficient and repeatable means for reporting financial results. Reported information should increase in detail and breadth from monthly to the annual audit report.

## 4 Financial Policies

The following sections provide a review of the Society's Operating Budget and Investment Fund.

### 4.1 Operating Budget

The Operating Budget is the Society's financial plan for the coming calendar year. The Operating Budget reflects the anticipated income and expenses associated with the Society's programs, investments, and other expenditures. The Society's financial objectives include managing and providing resources to meet current and future member needs, organization goals, and at a minimum, maintaining a balanced calendar year budget and rebuilding the Society's Obligated Reserves to equal a one-year Operation Budget. A fully funded Obligated Reserve provides a buffer to periods of financial distress and provides another revenue source for the Society.

The annual Operating Budget is based not only on anticipated revenues and expenses for the coming year, but the Operating Budget is also compared to the preceding four-year averages of revenues and expenses. The preceding four years of revenues and expenses capture a range of

economic and market conditions that affect the Society's finances. Additionally, a four-year period includes one rotation of the AFS Annual Meeting through each of the four divisions. Because Annual Meeting net income varies across the four divisions, and Annual Meeting net income is an important revenue item in the Operating Budget, the four-year average is a moderately conservative approach to predicting this important revenue item. The ED's annual work plan that accompanies the Operating Budget shall include narrative explanations for programs and other line items included in the Operating Budget.

The Management Committee and the FPPC shall maintain a legacy document that explains the origin of new programs that have a financial impact on the Society's finances. The legacy document should include a program's initiation date, the purpose and term of the program, and the expected annual and long-term revenues and expenses associated with the program. It is imperative that the Management Committee assess the cost and benefits of each new program especially in the context of the Operating Budget and the Society's existing obligations.

The annual Operating Budget shall be presented to the Management Committee and the FPPC for review and approval during the preceding year's mid-year and annual meetings. Although the mid-year meeting is a Governing Board meeting, Management Committee members also attend the Governing Board meeting and members are to provide draft Operating Budget review as required in the AFS Rules. Modifications to the Operating Budget, based on more recent data or concerns, may be presented to the Management Committee and the FPPC for review and approval in subsequent meetings. If expenditures exceed revenues for one or more years, the FPPC shall engage the Management Committee and ED to immediately revise revenues and expenditures and adjust operations and staff accordingly. The Management Committee is responsible for ensuring that rigorous financial planning is implemented by the ED.

The cost of AFS products and services should, in aggregate, be covered by the revenues accrued from these products and services. Because some AFS products and services do not generate revenue, other programs and services must do so to support the Operating Budget.

#### **4.2 Special Projects**

Special projects are proposed after the Operating Budget has been approved by the Management Committee. Special projects must contribute to the Society's major goals and funding sources must be included with the proposal. The following guidelines are to be observed when considering special projects.

- The Society shall charge the overhead rate covering Headquarters' costs to all funding proposals except when the granting entity has an explicit policy to prohibit paying overhead (in which case AFS shall assess whether direct administrative costs can be included, if the Society wishes to absorb those costs, or if the proposal should be abandoned).
- Special funding can be sought both to expand current approved activities and to initiate new approved activities. Pass-through projects handled on behalf of AFS units or external parties shall include at least an agreed-upon overhead cost.
- Any single project, with projected expenses exceeding \$100,000 must have Management Committee approval. No project shall be undertaken until a written business plan is approved by the ED and the Management Committee.
- The business plan shall include the project's purpose, strategy, location(s), management team, funding sources, year initiated, and duration.
- There shall be at least an annual update on special project finances. This report shall be part of the ED's report to the FPPC and Management Committee.

### 4.3 Financial Relationships with Units

The Society is legally responsible for unit obligations. AFS is currently developing a memorandum of understanding that will outline unit responsibilities for maintaining financial standing. The following core policies will apply to units' financial management.

- Unit Secretary-Treasurers shall send annual financial reports to the ED within 30 days following the unit's annual business meeting.
- All units are required to file an IRS return (Form 990) with a copy sent to the ED.
- Checks issued by AFS shall be cashed by units as soon as possible. If the check is not cashed within 180 days, AFS will stop payment.

### 4.4 Fundraising and Development

The Society has experienced flattened or declining revenues associated with membership dues, publication fees, and annual meeting net income. The Society is expanding its services, such as meeting planning, to other professional organizations to create additional revenue streams for AFS while assisting other like-minded organizations. AFS should continue to expand revenue opportunities to diversify revenue streams and support the Operating Budget and Investment Fund. The AFS Director of Development should be encouraged to pursue relationships with foundations, commercial businesses, and other potential partners. AFS should consider reactivating the Development Committee to support the AFS Director of Development.

### 4.5 Financial Sustainability and Financial Pitfalls

There are numerous financial pitfalls that could impact the Society's solvency. These pitfalls include both external and internal concerns. Although AFS cannot control external concerns, AFS management must be able to react to them as well as to internal shortfalls that affect the Society's financial condition. Appropriate planning, timely financial reporting and review, and expeditious response is necessary to ensure the Society's long-term financial sustainability. The following strategies should be employed to avoid financial pitfalls.

- **Maintain core competency and avoid mission fragmentation** - AFS must hold completely to its defined core mission to preserve and enhance its impact. The more effective AFS becomes, the greater the pressure to become engaged with activities that are peripheral to the core mission. AFS should continually evaluate new initiatives to determine their appropriateness in meeting the AFS mission as well as the financial burden new initiatives place on AFS finances.
- **Fund and maintain the Obligated Reserve** – The Obligated Reserve should be funded and maintained to provide AFS with a financial buffer and recurring revenue source. Withdrawals from Unrestricted Funds over the last five years in response to new programs and to support the Operating Budget, have depleted unrestricted net assets and reduced Unrestricted Fund investments. Annual expenditures and revenues must align to ensure a balanced budget. The ED shall include an expense line item in the Operating Budget to direct revenues to restore the Obligated Reserve. The ED shall direct revenues to the Obligated Reserve until the Obligated Reserve's value is equivalent to the one-year Operating Budget value. This goal should be met by 2027, the equivalent of the 5-year period from 2015 to 2020 when Unrestricted Net Assets were drawn down to support the Operating Budget.
- **Strategic plans** – Developing 5-year strategic plans with actionable goals must include coordinating programs and finances to ensure financial sustainability. Funding sources must

be identified for new programs, or existing programs should be terminated, to ensure sufficient funding is available in the Operating Budget. Monitoring progress against operational and financial goals is an important component for ensuring AFS is functioning effectively and following the strategic plan.

- **Staffing and staff accountability** – Staffing levels and their associated expenses shall be supported by the Operating Budget. Like new programs, new staff need to be supported by the Operating Budget. Staff must account for their time and expenses and accurately assign their time and expenses to appropriate project or administrative codes in the AFS accounting software. The ED should complete quarterly reviews of staff time and performance and respond accordingly. Performance evaluations should include assessment of staff achievement of position responsibilities.
- **Program review** – The ED and Management Committee shall annually review programs to determine if programs are supporting the AFS mission and how the programs are affecting AFS finances. Ineffective or expensive programs that do not sufficiently support the AFS mission shall be discontinued.

## 5 Investment Policies

The following section reviews the AFS Investment Fund and investment policies.

### 5.1 Investment Fund

AFS has maintained an Investment Fund with AXA Advisors (name changed to Equitable Advisors) since 2006. Gretchen Bolton, the Investment Advisor, has managed the account since it was established. The Investment Fund is composed of diversified investments and the account is managed with a moderately aggressive investment objective to provide long-term growth with below average risk.

The Investment Fund currently includes the Investment Fund and the Collateral Account. Although the Collateral Account is maintained as a separate account in support of the AFS line of credit, the Investment Fund and the Collateral Account have similar investments and the accounts are nearly managed as a singular account.

The Investment Fund currently includes monies contributed by AFS as well as AFS units and programs. Moneys that AFS can freely access are referred to as Unrestricted Funds, monies that AFS cannot freely access are referred to as Restricted Funds, which AFS oversees for AFS units and programs. There are three components to the Investment Fund: Obligated Reserve, Unrestricted Funds, and Restricted Funds. The following sections provide additional detail on these components.

#### a. Obligated Reserve

The Obligated Reserve is a component of the Unrestricted Funds within the Investment Fund. The goal for the Obligated Reserve is to increase the Obligated Reserve's value until it is equal to a one-year Operating Budget, which is based on the average Operating Budget over the preceding four years. The Obligated Reserve provides AFS with a financial buffer and serves as a source of stable investment income into the future. Because AFS has drawn down the Unrestricted Funds portion of the Investment Fund to support new and existing programs over the past 5 years, rebuilding the Unrestricted Funds to achieve the Obligated Reserve goal may take 5 years. After the Obligated Reserve achieves a value equivalent to a one-year Operating Budget, the spending policy for the Obligated Reserve shall be based on the accumulation of dividends, interest, redemptions, or realized gains (in sum, the Obligated Reserve's annual income) that generate capital exceeding the one-year Operating Budget. Target payouts from the Obligated Reserve shall be up to 50% of the Obligated Reserve's annual income at the end of the calendar year. The remaining 50% of the

Obligated Reserve's appreciation shall remain in the Investment Fund. Once the Obligated Reserve's target value is achieved, the Obligated Reserve's value should track with the four-year averaged Operating Budget.

#### **b. Unrestricted Funds**

Unrestricted Funds are monies that are available for AFS to spend. Unrestricted Funds may come from excess revenue or contributions that are not constrained by donor requests. Unrestricted Funds are managed by the Investment Advisor as part of the Investment Fund with the remainder comprising AFS' net balance of assets and liabilities. These assets and liabilities are less liquid and include fixed assets, receivables, and prepaid payments, less liabilities.

#### **c. Restricted Funds**

Restricted Funds are monies that are constrained either by donor request, by the contributing entity or were established by the Governing Board. Contributing entities include AFS chapters, sections, divisions, and programs that have entrusted funds to AFS for investment. These funds are managed by the Investment Advisor as part of the Investment Fund. The ED shall provide at least semi-annual reports to unit Treasurers by January and July of each year.

The following programs have monies in the Restricted Funds portion of the Investment Fund.

- Carl R. Sullivan Fisheries Conservation Award Fund supports the annual purchase of the "Sully" award. The principal shall not be invaded.
- Carl R. Sullivan International Endowment & Developing Countries Fund encourages international fisheries activities that support the Society's and the International Fisheries Section's long-term international goals. The principal shall not be invaded.
- J. Frances Allen Scholarship Fund provides at least one \$2,500 scholarship annually to a deserving woman doctoral candidate. The principal shall not be invaded.
- Mote Scientific Foundation Fund. The Fund shall be managed with the goal of being a perpetual award that appreciates from investment gains and additional donations.
- Past Presidents Endowment Fund promotes networking of fisheries professionals throughout the world, particularly younger members, students, emerging leaders, under-represented minorities, professionals in developing nations, and those who bridge nations and cultures. The principal shall not be invaded.
- Publications Endowment Fund. Established in 1987, the purpose of this fund is to support the publication of AFS and unit publications for which outside support is lacking. The Publications Endowment Fund was funded via a \$1 fee on books published before 1987 and a \$2 fee on each book sold for those published after 1987. That charge has since been terminated. The Publications Endowment Fund has been used only four times in at least eight years. The FPPC proposes that the ED move at least \$750K to the Obligated Reserve in 2021, as well as the remainder in 2022 unless the Continuing Education Committee can demonstrate how those funds will be used to support meritorious AFS publications.
- Shelby Gerking Continuing Education Program Fund increases opportunities for professional development for fisheries professionals. Since the Shelby Gerking Continuing Education Program Fund has not been drawn on by AFS in at least six years, the FPPC is proposing to liquidate the fund and move the proceeds to the Obligated Reserve.
- Skinner Memorial Fund provides travel scholarships for students to attend an AFS Annual Meeting. The principal shall not be invaded.

- Snieszko Fund was initially funded by Stanislaus and Julia Snieszko for the benefit of the Fish Health Section. It funds the S.F. Snieszko Distinguished Service Award and student travel and best student paper awards. The principal shall not be invaded.
- Steven Berkeley Fellowship Fund supports the Marine Fisheries Section's Steven Berkeley Marine Conservation Fellowship. The principal shall not be invaded.

Management of unit funds is determined by the units. Units periodically request funds to be used to achieve their individual program missions.

## **5.2 Short-term Money / Bank Credit Line**

The ED is responsible for managing Short-term Money. The amount in this category of funds varies annually and seasonally because AFS revenue is seasonal and concentrated in the November-January time frame (annual dues payment period), and in the months prior to the annual meeting when registration funds can be substantial, whereas AFS operational expenses are more evenly spread throughout the year. This operating cash must be liquid and not subject to significant market (interest rate/duration) risk or credit quality risk.

**Short-term Money** is required to cover liabilities that may arise for prepaid orders, subscriptions, and employee benefits. The types of securities authorized for short-term money include bank accounts (checking, savings, money markets), time deposit accounts (CDs, U.S. Treasury bills and other short-term government paper, commercial paper, and other cash equivalents with an average rating of AA). The ED shall review the operating cash projections and prepare a schedule of Investment Fund deposits or withdrawals in advance of each quarterly FPPC meeting. Transfer of money from the Investment Fund to Short-term Money shall be made only on authorization by the ED. Whenever there appears to be more than a nominal amount above projected requirements in Short-term Money, the excess shall be transferred to the Obligated Reserve if money can be transferred efficiently. If monies cannot be moved efficiently between the Obligated Reserve or Unrestricted Reserve and the Short-term Money account, then the funds should remain in the Short-term Money account.

**Bank Credit Line** is a financial lending instrument and source of short-term resources when Society cash flow is low. The revolving credit line charges a floating rate of Prime + 1% and interest is paid monthly on borrowings. The principal may be paid off at any time and must be fully paid off for a minimum of 30 days each year. The Deputy Director and Executive Director are authorized to request advances and authorize repayments. The bank may demand payment on this Note at any time. The Note is secured by a collateral account and some or all of the collateral may be released in the future contingent on AFS's financial condition improving.

## **5.3 Financial and Investment Objectives**

The financial objective of the Investment Fund is to attain an average annual real total return (net of investment management fees) equal to that of a moderately aggressive benchmark with lower overall risk.

### **a. Investment Management Structure**

The ED, with the advice of the FPPC, is authorized to delegate Investment Fund management to an Investment Advisor who is given discretionary powers under the guidelines provided in this policy and supplemented by instructions from the FPPC. The investment manager shall be appointed by the President and Executive Director with the advice of the FPPC.

The FPPC shall report the performance of the Investment Fund quarterly to the Management Committee.

### **b. Portfolio Composition and Asset Allocation**

To achieve its objectives, the Investment Fund shall be divided into equity and fixed-income components and shall be diversified both by asset class and within asset classes (e.g., within

equities by economic sector, industry, quality, and size and among different sectors of the fixed income market). The purpose of such diversification is to provide reasonable assurance that no single security, class of securities, or specific investment style will have a disproportionate impact on the Investment Fund's aggregate results.

The purpose of the equity component is to provide a total return that will provide for growth in principal and current income to support any desired spending requirements while increasing the purchasing power of the Investment Fund. AFS recognizes that the pursuit of these long-term objectives entails the assumption of market variability and risk. Equities should normally represent approximately 70-80% of the total Investment Fund assets at market value. Although the actual percentage weighting in the equity component will vary with market conditions, asset allocation will be closely monitored whenever levels exceed 80% or fall below 70%. Should the allocation move outside of these ranges, additional funds will be transferred as needed to bring the overall asset mix back within the policy range.

The purpose of the fixed income component is to reduce the overall volatility of the Investment Fund returns and to provide a hedge against the effects of a prolonged economic contraction. The fixed income component should normally represent 20-30% of the total Investment Fund assets at market value, although the actual percentage will fluctuate with market conditions. Should the allocation move below 20% or above 30%, funds will be transferred as needed to bring the overall asset mix back within the policy range.

Additions to principal will be allocated to the investment manager by the FPPC (through the ED) following the general rule that new cash will be used to rebalance the Investment Fund in the direction of the 70-80%/20-30% equity/fixed-income ratio. Rebalancing will be completed periodically in response to market and Investment Fund conditions.

### **c. Performance Objectives**

In addition to the overall objective of a real return of 5% annually over a 5-year rolling period the following performance objectives (net of fees) are expected to be met by the fund and its individual components.

The performance objective for the equity portion of the Investment Fund is to perform similarly to a Moderately Aggressive benchmark selected by the Investment Advisor, or to appropriate sector benchmarks. The performance objective of the fixed income component is to outperform the Barclays Capital Aggregate Bond Index or another benchmark appropriate for fixed-income investments.

### **d. Risk Tolerance**

Risks taken should generally be limited to those expected from market fluctuation in the form of assets employed and ideally be lower than the tracking benchmark. The Investment Advisor maintains a Moderately Aggressive management approach to managing the Investment Fund.

### **e. Monitoring of Objectives and Results**

The FPPC shall quarterly review Investment Fund performance with the Investment Advisor to ensure that performance expectations remain in place.

All objectives and policies are in effect until modified by the Management Committee. If at any time a member of the Governing Board, Management Committee, FPPC, ED or Investment Advisor believes that an established policy or guideline inhibits the performance of the Investment Fund, it is that individual's responsibility to clearly communicate this view to the FPPC Chair, President, and ED.

# Attachment D – Financial Report and Budget Proposal



## AFS Financial Update

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Management Committee Meeting  
November 4, 2021



### Topics

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- September 2021 Financial Report
- 2021 year-end Forecast
- 2022 Budget Proposal
  
- I realized nonprofit structure and financial terms/practices are unique and may be unfamiliar to you.
- I'm available to chat if you ever have any questions or suggestions.
- FYI: there are two webinars on [fisheries.org](https://www.fisheries.org) on AFS governance structure and Financial orientation

## September 2021 YTD Financial Position

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- Assets stand at \$6,087,000
  - Much of the investments are comprised of restricted funds (awards, units)
- Higher by \$1,053,000 from 9/2020
- Financial Position supported by:
  - Program operations achieving ~breakeven
  - Investment account appreciation (don't forget markets swing both ways)
  - PPP Loan #2 \$303,000 received in March 2021
  - Bank credit line advance of \$125,000 August 2021

## September 2021 YTD Financial Results

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- Revenue higher on lower overall expenses
- Excluding gains, net revenue beats 2020
- Investment gains (\$344k), PPP #1 (\$381k) skews results
- Without balanced operations, stock market correction > impact

	2021 Actual	2020 Actual	Difference
Revenue	\$2,807,000	\$1,764,000	\$1,043,000
Expense	\$2,142,000	\$2,189,000	\$47,000
Net Revenue	\$665,000	(\$425,000)	\$1,090,000
Less: (Gains) Loss	(\$725,000)	\$187,000	\$912,000
Operating Net Rev	(\$60,000)	(\$238,000)	(\$177,000)



## 2021 Year-end Projection

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- With results as they stand now and pending PPP Loan2 \$303,000 forgiveness, AFS will end the year with positive net revenue ~\$150,000
- Separately, AFS likely will write off (take a charge to expenses) for additional books inventory, even after the summer book sale on many old titles. Wrote off ~\$200,000 in 2017



## 2022 Budget Development Process

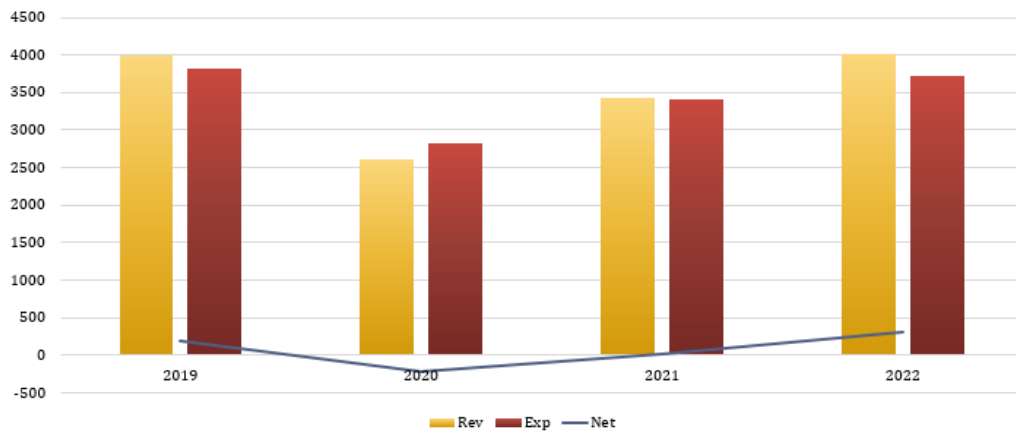
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- Conservative approach – “no stretch goals” except for Books
- With comparative actual financial results for 2020 and 2019
- Apart from JASM mgmt. fee and profit share, agency Co-op and conservation grants, most other programs little to no change
  - Somewhat business as usual ... CE offerings, jobs board, certification, publications
- Meetings budget prepared top-down (Reno), details after Baltimore
- The budget is a tool and reflection of the Society’s goals and activities
  - Other program areas budgeted in slightly more detail, but missing connection to organizational goals (further refine goals in certain areas)

## 2022 Budget Development Process

- Programs that are solely 'staff-time supported' and other activities not clearly reflected in Budget:
  - Policy portfolio, Committee charges, relationships with other Societies, etc.
- Ideally, all programs would have established targets, reasonableness of assumptions as part of a larger operational plan (President's and ED's Plans of Work).
- As examples, spend more time coordinating committee planning determining:
  - Hutton as part of broader strategy in high school student outreach
  - Career development opportunities that helps move more student members to early-career; and early-career to professional
  - Assessing books profitability; Increase publishing to leverage editorial infrastructure (staff, etc)
  - DEI ... What resources are needed for continuing ABC? Which programs should be scaled up/down?
  - and so on ... For consideration as part of GB strategic positioning discussions

## Revenue, Expense and Net 2019 – 2022 Budget





## Key 2022 Budget Assumptions

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- Many unknowns for 2022
  - Covid related impacts on membership, books sales and meeting attendance, federal agency travel
- **\*\* Biggest Changes: JASM 2022 mgmt fee \$250,000 and profit share \$53,000**
- Membership Dues - individual and organization (SPP) members flat
- Publications budget- Slight increase in journals revenue (from Wiley subscription fee increase); Books sales reflect new textbooks, eBooks
- Meeting- Spokane budget prepared top-down, benchmarked against Reno
- **Conservation Grants – 8 Grants extend into 2022 + new Hatchery Book project**



## Key 2022 Budget Assumptions

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- Conservation Grants – will provide \$150,000 of covered staff time and OH
- NOAA Coop – 5-year, \$748,000 agreement
  - Year 2 provides \$159,000 (\$142,000 remaining) of total support (half for Hutton and Meeting, Science Comm., Issues Briefings) with \$36,000 covering staff time and OH
  - Pending support- USGS coop agreement renewal
- Balanced budget without investment gains (though with 1x JASM \$)
- Net revenue = 7% for 2022; 3-5% 2021; (5%) 2020; and 10% 2019



## Key 2022 Budget Assumptions

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### Expense Budget:

- Baseline office administration expenses (equipment leases, internet, IT, utilities, etc not being used)
- Staff costs – 18 FT, 3% COLA (none given in 2021), 6% medical premium increase; lower than 2020 actuals
- Resume officer travel to domestic and international events
- Meeting expenses- to be refined after Baltimore and include a portion of staff time (\$250,000 ... similar to JASM mgmt. fee?)



## 2021 – 2022 Areas to Monitor

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- Cash flow- \$684k PPP funds, \$125k credit line has sustained us and from selling investments; 2022 dues renewal key (in process now)
- Office condo/building sale- potential \$1.5M condo + \$100k OH savings
- Downward trends publications & membership levels / affiliates
- Growing portfolio of MSCG, Agency co-ops, emphasis on external meetings management
- Capital investments – technology infrastructure due for upgrades or lacking
  - Website, iMIS membership database, Governing Board Reporting Tool (GBRT), Learning Management System (LMS), Bookstore (not integrated with iMIS)



## 2021 – 2022 Areas to Monitor

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- HR capacity- Increased program activities coordinated by fewer staff
- Strategy Considerations:
  - Important to link organizational directions and financial planning
  - Difficult to conduct program assessments, if programs don't have defined operational and longer-term goals
  - Develop processes that allow for questioning assumptions (budget and strategic), cultural practices (ex. cost benefit of annual meeting rotation) and risk assessments
- Governance model- insure planning, resource allocation and reviews occur across business lines and program activities, unit collaboration
- Beyond 2022- how does AFS sustain itself without JASM and PPP?



## 2021 – 2022 Areas to Monitor

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### Working with FPPC

- Inventory programs and activities
- Evaluate program financial results
  - Direct costs, staff time allocations, trends, costs not clearly reflected in the financial reports (unit support, journal page charge waivers, activities that require substantial staff time but no corresponding income)
- Assess new procedures implications, obligated reserve and other funds

# Attachment E – Financial Report for September 2021



## American Fisheries Society

Organized in 1870 to Promote the Conservation, Development and Wise Utilization of Fisheries  
425 Barlow Place, Suite 110, Bethesda, Maryland 20814-2199  
301-897-8616 | FAX 301-897-8096 | [www.fisheries.org](http://www.fisheries.org)

Leanne Roulson, Ph.D.  
*President 2021-2022*

Douglas J. Austen, Ph.D.  
*Executive Director*

November 3, 2021

### September 2021 Interim Financial Summary

The September financial position and results remain solid this year buoyed by strong unrealized investment gains (\$344,000) and Paycheck Protection Program (Loan #1 \$381,000) loan forgiveness. Assets stand at \$6,087,000 and higher by \$1,053,000 over this time last year. Total Revenue is \$2,807,000 and \$1,043,000 above last year. Excluding gains, revenue is \$2,082,000 and \$131,000 above last year.

Membership dues are on par with 2020 and the meeting revenue to date, above the 2020 Virtual conference, with more registrations and sponsorships coming in since September. Books sales are 50% lower while journals are marginally higher (reflecting editorial support fee increase). Conservation grants activity is significantly above last year as many were extended from 2020 into 2021 for covid-related reasons, while the jobs board is a bit higher.

Expenses are modestly lower by \$47,000 with the largest favorable variances in membership (awaiting disbursement of rebates), staff costs and board/governance expenses. Conservation grant expense activity is also higher as is Hutton student stipends.<sup>2</sup>

Including gains, total net revenue is a favorable \$664,000 and without gains (\$60,000), and both tracking well ahead of 2020 net revenue.

### 2021 Year-end Financial Projection

Year-end 2021 net revenue is projected to be positive by \$150,000 or more, including the anticipated PPP loan#2 forgiveness of \$303,000. Recall, AFS ended 2020 with a loss of \$358,000 and 2019 with a loss of \$126,000 -- both before including investment gains of \$221,000 and \$539,000 respectively.

### 2022 Annual Budget Proposal

The 2022 Budget Proposal is very straight forward this year and shows a notable \$300,500 of net revenue, a 7% return on total revenue and without investment gains. Comparatively, 2020 was a minus 5% and 2019 a positive 10% (both including investment gains).

The largest additions to the budget are: 1) the \$250,000 JASM2022 management fee and \$53,000 for AFS's related meeting profit sharing, 2) \$172,000 of conservation grants overhead reimbursement and 3) Spokane meeting net revenue of \$400,000 (slightly more conservative than a typical western located event). Other program revenues are about the same or marginally higher than last year (except for books).

On the expense side, many programs are close to where they've been the past few years. For example, office administration, communications and development are on par while staff costs are below 2020 levels. Meeting expenses is the next largest line item. Its budget was prepared in summary and will be revisited after Baltimore when staff have time to develop a more thorough budget with proposed registration rates and related fee pricing.

### 12 Key Budget Assumptions:

1. Excludes projected unrealized investment gains
2. Higher allocation of investment income to unrestricted funds
3. Hutton student participation at 30 students
4. Eight active carryover conservation grants and one new project
5. Annual Meeting revenue and expense estimated, for now, based on Reno 2019
6. Membership dues flat
7. Books sales to increase with new offerings and ePubs subscriptions



# American Fisheries Society

Organized in 1870 to Promote the Conservation, Development and Wise Utilization of Fisheries  
425 Barlow Place, Suite 110, Bethesda, Maryland 20814-2199  
301-897-8616 | FAX 301-897-8096 | [www.fisheries.org](http://www.fisheries.org)

Leanne Roulson, Ph.D.  
*President 2021-2022*

Douglas J. Austen, Ph.D.  
*Executive Director*

8. Slight increase in journal revenues from Wiley subscription fee increase
9. Office administration expenses baseline with prior years
10. Staff costs lower than 2020 with 3% cola and modest benefits premium increase
11. Officer resume domestic and international travel; in-person GB meeting early 2022
12. Publications expenses in line with prior years

Capital Additions- there are no provisions for any investment in new software or equipment or upgrades to the AFS website or database. Both the website and database receive modest ongoing modifications, but both systems haven't undergone a full upgrade in five plus years. Additionally, the AFS bookstore is not integrated into the AFS database and AFS lacks learning management system to manage member education programming recordings (in one place for webinars and meeting recordings). AFS is also considering another meeting attendee hub and abstract management provider. Further, the Governing Board Reporting Tool (GBRT) is no longer regularly used and may require additional programming to reactive and align it with new goals. All of these projects will require substantial investment of staff time and capital to review and implement changes/upgrades.

Of course, there are many unknowns and potential risks ahead to consider as there are in any year, even with Covid concerns lingering. 2021 membership renewals have recently begun and it's too early to tell how these might signal for the year ahead. The timing for completing conservation grants is also difficult to predict as is agency travel authorizations and budgets for meeting attendance.

One noteworthy matter-AFS is monitoring the potential sale of the Glascock Office Building or separately, the AFS office suite. AFS has been involved in talks, but has not consented to any agreements, on exploring the sale of the office building. AFS is member of the Condo association board and is obligated to explore bona fide offers. While the discussions haven't reach this point, other tenants are eager to explore selling especially when the sales price of roughly \$300 per square foot (or about \$1.5M for the AFS office suite) looks to be market pricing.

In summary, AFS balanced its 2022 Budget and essentially the JASM management fee and profit-sharing push AFS to strong positive net revenue territory.

American Fisheries Society  
Statement of Financial Position  
As of 9/30/2021

	2021	2020	Variance
<b>ASSETS</b>			
Checking	\$94,482	\$79,150	\$15,332
Accounts Receivable	191,726	62,258	129,468
Allowance of doubtful accounts	(5,149)	(14,170)	9,021
Inventory	231,917	254,477	(22,560)
Prepaid Expenses	86,036	8,864	77,172
Current Assets	<u>599,012</u>	<u>390,579</u>	<u>208,433</u>
Property and Equipment	1,211,915	1,204,663	7,252
Accumulated Depreciation	(853,597)	(813,461)	(40,136)
Net Property and Equipment	<u>358,318</u>	<u>391,202</u>	<u>(32,884)</u>
Long-Term Investments	5,122,438	4,244,440	877,998
Other Assets	7,300	7,300	0
Total Long Term Assets	<u>5,129,738</u>	<u>4,251,740</u>	<u>877,998</u>
<b>TOTAL ASSETS</b>	<u><u>6,087,068</u></u>	<u><u>5,033,521</u></u>	<u><u>1,053,547</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts Payable, Accrued Expenses	267,546	188,556	78,990
Payroll Salary and Taxes	(3,500)	(368)	(3,132)
Loan Payable	428,617	381,012	47,605
Deferred Royalty Revenue	417,857	546,429	(128,572)
Deferred Revenue	55	365	(310)
Other Current Liabilities	0	1	(1)
Subunits Dues Payable	128,469	79,796	48,673
Subunits Books Payable	12,271	(8,703)	20,974
Deferred Membership Dues	6,635	11,120	(4,485)
Deferred Revenue - Other	91,375	76,404	14,971
Total Current Liabilities	<u>1,349,325</u>	<u>1,274,612</u>	<u>74,713</u>
Total Other Liabilities	<u>312,664</u>	<u>262,093</u>	<u>50,571</u>
<b>TOTAL LIABILITIES</b>	<u>1,661,989</u>	<u>1,536,705</u>	<u>125,284</u>
Net Assets - Unrestricted	1,599,622	1,736,512	(136,890)
Net Assets - Temporarily Restricted	2,156,849	2,154,720	2,129
Change in Unrestricted Net Assets - Curr Year	668,608	(394,416)	1,063,024
Total Net Assets - End. Balance	<u>4,425,079</u>	<u>3,496,816</u>	<u>928,263</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$6,087,068</u></u>	<u><u>\$5,033,521</u></u>	<u><u>\$1,053,547</u></u>

**American Fisheries Society**  
**Summary of All Units**  
**For the Nine Months Ending 9/30/2021**

	September - Actual			Year to Date - Actual			Budget		2020 Annual
	2021	2020	Var \$	2021	2020	Var \$	2021 BUDGET	vs YTD Actual	Actual
<b>Revenue</b>									
Administration	(\$177,189)	(\$89,272)	(\$87,917)	\$344,365	(\$124,449)	\$468,814	\$45,000	\$299,365	\$357,921
Web	0	0	0	7,810	4,560	3,250	5,000	2,810	4,560
Continuing Education	0	4,925	(4,925)	2,100	9,075	(6,975)	12,000	(9,900)	9,275
Certification	700	50	650	3,070	3,600	(530)	5,000	(1,930)	4,944
Other Education	0	0	0	0	0	0	8,000	(8,000)	0
Hutton	0	0	0	141,310	37,750	103,560	125,000	16,310	37,750
Multi State Grants	0	0	0	33,904	38,800	(4,896)	163,000	(129,096)	62,961
Grey Literature	26,734	0	26,734	26,734	0	26,734	0	26,734	0
Standard Sampling-Multi-State (Phase 2)	0	0	0	43,177	0	43,177	0	43,177	0
Blue Book	11,935	0	11,935	15,435	0	15,435	0	15,435	0
Web Tool	27,750	0	27,750	27,750	9,250	18,500	0	27,750	9,250
Web Agenda	0	0	0	5,700	0	5,700	0	5,700	0
Other Grants & Contracts	0	0	0	381,012	0	381,012	198,000	183,012	0
Annual Meeting	193,386	113,855	79,531	273,372	257,967	15,405	966,000	(692,628)	292,950
Membership	0	0	0	522,497	523,946	(1,449)	532,000	(9,503)	523,946
Awards	0	0	0	1,351	3,672	(2,322)	3,000	(1,650)	4,096
Mem Other	810	500	310	7,044	11,910	(4,865)	15,000	(7,956)	16,504
Jobs	0	1,850	(1,850)	20,593	18,800	1,793	55,000	(34,407)	28,250
Policy	0	0	0	m	250	500	0	750	250
Advocacy	0	0	0	13,857	0	13,857	0	13,857	0
Books	11,136	11,961	(825)	60,544	116,261	(55,718)	160,000	(99,456)	117,697
Journals	10,714	10,714	0	874,919	852,441	22,478	1,141,000	(266,081)	1,129,658
Fisheries	0	0	0	20	0	20	0	20	50
<b>Total Revenue</b>	<b>105,976</b>	<b>54,583</b>	<b>51,393</b>	<b>2,806,564</b>	<b>1,763,833</b>	<b>1,043,481</b>	<b>3,433,000</b>	<b>(625,686)</b>	<b>2,600,062</b>
<b>Expenses</b>	<b>(259,805)</b>								
Administration	35,487	13,807	(21,680)	224,969	224,302	(667)	319,000	94,031	300,140
Staff Costs	159,062	145,605	(13,457)	1,469,707	1,482,569	12,862	1,793,000	323,293	1,947,319
Technology	2,827	2,576	(251)	33,140	32,046	(1,094)	45,000	11,860	43,267
Communication	998	351	(647)	2,810	1,983	(828)	7,500	4,690	2,503
Web	200	39	(161)	16,722	24,875	8,153	34,500	17,778	32,093
Development	0	0	0	0	0	0	3,500	3,500	0
Continuing Education	2	0	(2)	2	52	50	9,000	8,998	2,052
Certification	0	50	50	381	133	(248)	500	119	171
Other Education	0	0	0	0	0	0	3,000	3,000	0
Board	3,670	48	(3,622)	6,954	23,655	16,701	31,000	24,046	23,698
Hutton	8,953	0	(8,953)	103,341	51,792	(51,548)	101,000	(2,341)	35,562
Multi State Grants	0	0	0	57,366	71,050	13,684	0	(57,366)	80,300
Grey Literature	274	274	0	19,924	1,096	(18,828)	0	(19,924)	11,585
Blue Book	2,813	0	(2,813)	12,685	0	(12,685)	0	(12,685)	0
Web Tool	0	0	0	0	9,250	9,250	0	0	9,250
Web Agenda	0	0	0	5,700	0	(5,700)	0	(5,700)	0
Cornell	0	0	0	0	(1,307)	(1,307)	0	0	(1,307)
Other Grants & Contracts	0	0	0	0	0	0	0	0	244
Annual Meeting	2,580	2,498	(83)	7,393	41,456	34,063	743,000	735,607	74,989
WCF World Council of Fisheries	0	0	0	1,033	1,464	431	0	(1,033)	1,464
Membership	5,934	5,824	(110)	61,798	106,594	44,797	94,000	32,202	90,027
Awards	0	2,337	2,337	1,277	17,303	16,026	4,000	2,723	21,153
Mem Other	0	0	0	746	616	(130)	1,000	254	708
Jobs	990	4,645	3,655	18,089	11,278	(6,811)	12,000	(6,089)	14,479
Units	0	0	0	0	69	69	0	0	69
Policy	0	0	0	2,735	3,058	323	7,000	4,265	3,058
Books	2,722	4,230	1,508	10,472	16,074	5,601	55,000	44,528	33,618
Journals	17,395	14,675	(2,720)	67,543	57,645	(9,897)	133,000	65,457	83,062
Fisheries	3,125	3,750	625	10,639	11,568	929	10,000	(639)	15,383
Other Publications	0	0	0	6,662	0	(6,662)	0	(6,662)	0
<b>Total Expenses</b>	<b>(12,773)</b>	<b>200,709</b>	<b>(46,323)</b>	<b>2,142,088</b>	<b>2,188,621</b>	<b>46,536</b>	<b>3,406,000</b>	<b>1,263,914</b>	<b>2,824,887</b>
<b>Net Change from Operations</b>	<b>118,749</b>	<b>(146,126)</b>	<b>5,070</b>	<b>664,476</b>	<b>(424,788)</b>	<b>1,090,016</b>	<b>27,000</b>	<b>638,228</b>	<b>(224,825)</b>
<b>Non Operating (shown on a net basis)</b>									
<b>Restricted contributions</b>	<b>874</b>	<b>855</b>	<b>19</b>	<b>3,380</b>	<b>30,373</b>	<b>(26,993)</b>	<b>0</b>	<b>3,380</b>	<b>91,108</b>
Total Non Operating	874	855	19	3,380	30,373	(26,993)	0	3,380	91,108
<b>TOTAL NET CHANGE</b>	<b>119,623</b>	<b>(145,271)</b>	<b>5,090</b>	<b>667,856</b>	<b>(394,415)</b>	<b>1,063,024</b>	<b>27,000</b>	<b>641,608</b>	<b>(133,717)</b>
				(2,142,088)	(2,188,621)				

**American Fisheries Society  
2022 Budget with Comparative Years**

	2022	Year to Date - Actual			2021	2020	2019	2018	2022 Budget Assumptions / Comments
	Budget	Aug-21	Aug-20	Var \$	Budget	Actual	Actual		
<b>Revenue</b>									
Investment Income and Gains	39,000	\$521,554	(\$35,177)	\$556,731	\$45,000	\$357,921	\$699,811	Larger unrestricted; omits unrealized gains	
Web	5,000	6,310	4,560	1,750	5,000	4,560	5,820	Unit website support fees	
Continuing Education	18,000	2,100	4,150	(2,050)	12,000	9,275	32,865		
Certification	4,000	2,370	3,550	(1,180)	5,000	4,944	5,150		
Other Education	4,000	0	0	0	8,000	0	0	Support / advertising for Webinars	
Hutton	160,000	141,310	37,750	103,560	125,000	37,750	-20,000	30 students and in-person VT event	
Multi State Grants	172,000	33,904	38,800	(4,896)	163,000	62,961	68,182	Portfolio of projects	
Standard Sampling (Phase 2)	-	43,177	0	43,177	0	0	0		
Blue Book	-	3,500	0	3,500	0	0	0		
Web Tool	-	0	9,250	(9,250)	0	9,250	0		
Web Agenda	-	5,700	0	5,700	0	0	0		
Other Grants & Contracts	353,000	381,012	0	381,012	198,000	0	22,818	JASM fee \$250k & profit share \$53k; \$88k Coop	
Annual Meeting	1,300,000	79,492	144,112	(64,620)	966,000	292,950	1,246,326	Top-line estimates; net \$400,000 b4 staff time/OH	
Membership	523,000	522,497	523,946	(1,449)	532,000	523,946	551,943	Same as 2021 individuals lower, institutions higher	
Awards	15,000	1,351	3,672	(2,322)	3,000	4,096	3,112	Reflecting Berkeley restricted fund transfer	
Mem Other	9,500	6,234	11,410	(5,175)	15,000	16,504	31,382	general contributions and misc product sales	
Jobs	30,000	20,593	16,950	3,643	55,000	28,250	47,282	Anticipating modest growth as orgs adopt new platform	
Policy	-	750	250	500	0	250	0		
Advocacy	-	13,857	0	13,857	0	0	14,641		
Books	157,000	43,800	104,300	(60,501)	160,000	117,697	155,939	Reflects new textbook sales + \$40k eBooks subscriptions	
Journals	1,228,000	864,205	841,727	22,478	1,141,000	1,129,658	1,137,506	Reflects Wiley subscription price increase	
Fisheries	-	20	0	20	0	50	105		
<b>Total Revenue</b>	<b>4,017,500</b>	<b>2,693,736</b>	<b>1,709,250</b>	<b>984,485</b>	<b>3,433,000</b>	<b>2,600,062</b>	<b>4,002,790</b>		
<b>Expenses</b>									
Administration	296,000	185,782	210,495	24,713	319,000	300,140	349,182	baseline office expenses	
Staff Costs	1,938,000	1,310,645	1,336,964	26,319	1,793,000	1,947,319	2,108,897	18 FT staff; 3% COLA; ~6% increase medical prems	
Technology	45,000	30,313	29,470	(843)	45,000	43,267	45,276	baseline	
Communication	8,000	1,812	1,632	(181)	7,500	2,503	2,605	Logo implementation costs	
Web	30,000	16,522	24,836	8,314	34,500	32,093	39,385	web contractor	
Development	3,000	0	0	0	3,500	0	3,221		
Continuing Education	11,000	0	52	52	9,000	2,052	18,263		
Certification	500	381	83	(298)	500	171	125		
Other Education	2,000	0	0	0	3,000	0	2,149	Webinars	
Board	31,000	3,284	23,608	20,323	31,000	23,698	44,266	Resume more office travel; winter in-person GB mtg	
Hutton	126,000	94,388	51,792	(42,586)	101,000	35,562	110,140	30 students plus in-person VT event	
Multi State Grants	-	57,366	71,050	13,684	0	80,300	63,952	only OH recapture is budgeted; omits passthrough costs	
Grey Literature	-	19,650	822	(18,828)	0	11,585	0		
Blue Book	-	9,872	0	(9,872)	0	0	0		
Web Tool	-	0	9,250	9,250	0	9,250	0		
Web Agenda	-	5,700	0	(5,700)	0	0	0		
Cornell	-	0	(1,307)	(1,307)	0	(1,307)	9,576		
Other Grants & Contracts	-	0	0	0	0	244	12,235		
Annual Meeting	900,000	4,793	38,959	34,166	743,000	74,989	635,710	Top-line estimates; net \$400,000 b4 staff time/OH	
WCF World Council of Fisheries	-	1,033	1,464	431	0	1,464	0		
Membership	115,000	55,864	100,770	44,907	94,000	90,027	107,683	Technical support and licenses	
Awards	16,000	1,277	14,966	13,689	4,000	21,153	16,624		
Mem Other	1,000	746	616	(130)	1,000	708	873		
Jobs	16,000	16,164	6,633	(9,531)	12,000	14,479	13,948	Monthly platform fee + PT support	
Units	-	0	69	69	0	69	0		
Policy	7,000	2,735	3,058	323	7,000	3,058	6,270		
Books	56,500	7,750	11,843	4,094	55,000	33,618	98,445	Primarily editors	
Journals	100,000	50,048	42,970	(7,078)	133,000	83,062	117,874	Primarily editors	
Fisheries	15,000	7,514	7,818	304	10,000	15,383	9,134	Primarily editors	
Other Publications	-	6,662	0	(6,662)	0	0	0		
<b>Total Expenses</b>	<b>3,717,000</b>	<b>1,890,301</b>	<b>1,987,913</b>	<b>97,614</b>	<b>3,406,000</b>	<b>2,824,887</b>	<b>3,815,833</b>		
<b>Net Change from Operations</b>	<b>300,500</b>	<b>803,435</b>	<b>(278,663)</b>	<b>1,082,098</b>	<b>27,000</b>	<b>(224,825)</b>	<b>186,957</b>		
<b>Non Operating (shown net basis)</b>									
Restricted contributions	-	2,506	29,518	(27,012)	0	91,108	224,481	Award contributions reported when received	
Total Non Operating	-	2,506	29,518	(27,012)	0	91,108	224,481		
<b>TOTAL NET CHANGE</b>	<b>300,500</b>	<b>805,941</b>	<b>(249,145)</b>	<b>1,055,087</b>	<b>27,000</b>	<b>(133,717)</b>	<b>411,438</b>		
<b>Net Revenue Percentage</b>	<b>7%</b>	<b>30%</b>	<b>-15%</b>	<b>1%</b>	<b>-5%</b>	<b>10%</b>			

## Attachment F

# AMERICAN FISHERIES SOCIETY PROCEDURES



Adopted by the Governing Board of the American Fisheries Society

October 30, 2006

*Last updated May 1, 2019*

## PREFACE

Procedures are the lowest level of formal documentation of AFS operations. The Constitution and Rules are higher and they are described in the Constitution. Procedures are intended to remind AFS volunteers and staff of what to do and how to do it.

This was a major revision. The last “procedural manual” was published in 1992. Since then there have been many changes and the manual was not revised to keep up. The Constitution and Rules have been revised and substantial changes were made in governance such as the creation of the Management Committee. This committee hopes that Procedure updates will be a routine part of Governing Board and Committee business. The new document will only be available electronically so revisions can be made easily.

The old Procedural Manual included a mix of general information and procedures. This revision attempted to remove the general information from procedures. A “Unit Survival Manual” also exists that includes a wide range of information. The information removed from the old Procedural Manual is going to be added to the Unit Survival Manual (USM). Concurrently an update will be made to the USM.

Respectfully Submitted,

Special Committee on Society Procedures. Dirk Miller, Chair, Ira Adelman, Mary Fabrizio, Carolina Franco, Fred Harris, Joe Margraf, Gus Rassam, and Gwen White

September 10, 2005 (original revision)

Updates based on Governing Board approvals on:

September 14, 2006 (Lake Placid)  
March 10, 2007 (Atlanta)  
September 1, 2007 (San Francisco)  
March 8, 2008 (Annapolis)  
August 16, 2008 (Ottawa)  
March 7, 2009 (Bethesda)  
August 29, 2009 (Nashville)  
September 3, 2011 (Seattle)  
August 18, 2012 (Minneapolis/St. Paul)  
March 2, 2013 (Bethesda)  
September 7, 2013 (Little Rock)

Updates based on Management Committee (and in some cases Governing board) approvals through:

August 29, 2016 (John Boreman, Constitutional Consultant)  
July 1, 2017 (John Boreman, Constitutional Consultant)  
August 15, 2017 (John Boreman, Constitutional Consultant)  
August 29, 2018 (John Boreman, Constitutional Consultant)  
May 1, 2019 (John Boreman, Constitutional Consultant)

## Table of Contents

<b>SOCIETY OFFICERS</b>	1
General Responsibilities of All Officers	1
Travel Policy Procedures for Society Officers	3
Executive Director Succession Plan	6
Performance Evaluation of the Executive Officer	8
Purpose	10
Composition and Meetings	10
Governing Board Meeting Agenda	12
Responsibilities of Governing Board Members	12
Management Committee	13
Conflict of Interest Policy and Procedures	15
Conflict of Interest – Disclosure Form	18
Guidelines for Preparation of Reports to the Governing Board	19
Format for Governing Board Reports	20
Example Midyear Report to the Governing Board	22
Procedures for Electronic Voting	24
<b>DIVISIONS</b>	28
Purposes	28
Officers and Duties	28
Standing Committees	30
<b>SECTIONS</b>	31
Purposes	31
Officers and Duties	32
Standing Committees	33
<b>CHAPTERS AND OTHER UNITS</b>	33
Purposes	34
Officers and Duties	35
Standing Committees	36
<b>STANDING AND SPECIAL COMMITTEES</b>	37
Responsibilities of Committee Chairs	38
Responsibilities of Committee Members	41
Purposes, Composition, and Duties of Standing Committees	42
Arrangements Committee	42
Audit Committee	43
Awards Committee	44
Board of Appeals	45
Board of Professional Certification	46
Communications Committee	48
Constitutional Consultant	49
Continuing Education Committee	50
Electronic Services Advisory Board	51
Endangered Species Committee	52
Ethics and Professional Conduct Committee	53
Fellows Selection Committee	54

Liaisons	54
Investment Committee	55
Meeting Oversight Committee	55
Membership Committee	56
Names of Aquatic Invertebrates Committee	57
Names of Fishes Committee	58
<b>Error! Hyperlink reference not valid.</b>	59
Nominating Committee	59
<b>Error! Hyperlink reference not valid.</b>	61
Past Presidents' Advisory Council	62
Program Committee	62
Publications Award Committee (See also Awards section of Procedures)	63
Publications Overview Committee	65
Raffle Committee	71
Resource Policy Committee	71
<b>Error! Hyperlink reference not valid.</b>	72
Vote Auditor	73
SOCIETY AWARDS	75
OPERATIONAL POLICIES AND PROCEDURES	87
Procedures for Submitting, Considering, and Implementing Resolutions	90
Society Advocacy and Unit Procedures	91
Lobbying Information and Guidelines	94
Publications Policies	95
A. Comprehensive Publications Policy	95
B. Publications Policy-Symposium Series	98
C. Recruitment, Review, and Retention of Editors	99
Continuing Education Courses	101
Topic-Oriented Meetings (TOMs)	102
Topic Oriented Hill Seminars	105
Meeting Support	107
PROGRAM PLANNING AND FINANCIAL PLANNING	109
A. Definitions	109
B. Financial Policies	109
C. Possible Financial Pitfalls	112
Investment Objectives and Guidelines	112
Planned Giving Program	120
New Initiatives	123
Disaster Relief	127
Fisheries Conservation Foundation	131
ANNUAL MEETING GUIDELINES	134
Foreword	134
Bidding for an Annual Meeting	134
Tips for Successful Submissions	134
Remuneration	135
Suggested Timeline	135
Two Years Out	135

Year Before The Meeting	135
Year Of The Meeting	139
Annual Meeting Structure And Organization	146
Local Arrangements	147
Accommodations Subcommittee	150
Audio Visual Aids Subcommittee	152
Registration Subcommittee	153
Budget and Finance Subcommittee	154
Fundraising Subcommittee	155
Social Activities, & Entertainment Subcommittee	156
Program Committee	156
Printing Subcommittee	159
Publicity Subcommittee	160
Trade Show Subcommittee	162
Tours, Transportation, and Information Subcommittee	163
Welcome and Protocol Subcommittee	164
Signs Subcommittee	<b>Error! Bookmark not defined.</b>
Raffle Subcommittee	<b>Error! Bookmark not defined.</b>
Guidelines and Suggestions For Promoting Diversity At AFS Conferences and Meetings	165
Levels of Support – American Fisheries Society Annual Meeting	169
Appendix I – Sample Conflict of Interest Waiver and Memorandum of Understanding for Service of a Federal Employee as an AFS Officer	171
Appendix II – Updated Education Requirements for Professional Certification	182

## **SOCIETY OFFICERS**

Leadership of the American Fisheries Society is vested in its six officers. These include five (non-salaried) officers elected by society-wide voting and a sixth (salaried) officer, the Executive Director, chosen by the Governing Board. The five elected offices are Second Vice-President, First Vice-President, President-Elect, President, and Immediate Past President.

Officers generally serve the Society for five years, moving progressively through the hierarchy of officer positions. This structure assures a continuity of leadership and assures that each person understands the full operation of the Society before taking the most important office of AFS President.

Offices of Immediate Past-President and AFS President are filled automatically by the current AFS President and President-Elect, respectively. Offices of President-Elect, First Vice-President, and Second Vice-President are filled by a ballot election each year. Generally,, the ballot lists only the current First Vice-President as candidate for President-Elect and only the current Second Vice-President as candidate for First Vice-President. Candidates for Second Vice-President are chosen in one of two ways, through the Nominating Committee (which operates each year) or through petition.

If necessary,, a memorandum of understanding must be signed between the government agency of the AFS officer and AFS. For more information on MOU's please contact the AFS Executive Director and work with your agency ethics or human resources officer.

### **General Responsibilities of All Officers**

The specific descriptions of officers' duties, on the following pages and in the following chapters, emphasize the required operational duties. The most important responsibility, however, is to provide leadership to the Society and the profession. During the five years an elected officer serves, this person must be a trustworthy, objective, and effective representative of the profession. As a representative for the members, each Society officer must represent the worldwide concerns of fisheries professionals. They must use their knowledge and experience to direct the profession in ways that will have long-term beneficial influence for the resources and people important to our Society.

All officers are members of the Governing Board and are expected to attend all meetings and represent Society-level concerns. They must be thoroughly familiar with the Constitution, Rules, Procedures, and other programs and policies of the Society. Additionally, they must understand fully the financial and operating status of the Society in order to explain these aspects to members.

Society officers, along with unit officers, are a major conduit for expression of member concerns to the Governing Board and the Society staff. As such, they must communicate broadly with members of all backgrounds and professional employment. They must seek opportunities to meet with Society members and listen to their interests and concerns.

Elected officers are fully engaged on a daily basis with AFS affairs and as such, they bring Society-level perspectives and insights to the mix of Division and Section perspectives on the Management Committee and the Governing Board. The elected officer hierarchy serves to enhance the networking, relationship building, and understanding of each officer through participation as members of the Management Committee, the Governing Board, and the membership at large.

Although a time commitment has never been assigned to these responsibilities, it is expected that Society officers will reduce their involvement in other professional activities to a low level, including their participation in AFS unit activities. Furthermore, it is recommended that Society officers discuss the implications of their officer role on their workload with their employer each year. Ideally, an employer will consider AFS officer responsibilities as a component of their work and coordinate ancillary or short-notice work assignments as fully as possible.

The time spent is not without reward, and like many volunteer positions, being an AFS officer is an experience that can expand one's circle of professional and personal relationships, lead to a broader understanding of the fisheries field, and be incredibly fulfilling. AFS officers often get to engage with a much wider variety of AFS members as invited guests at Division and international meetings, as regular contributors to Fisheries magazine, and in the work necessary to keep AFS functioning. The 5-year term as an officer presents opportunities to both influence how AFS works and be influenced and impressed by the breadth and depth of our members' knowledge and contributions to fish and fisheries science.

Each officer has specific responsibilities, as described in Article III C of the Constitution and elsewhere in these Procedures. Specific responsibilities of individual officers include:

### **President**

1. Makes appointments, including standing committees, as authorized by the Constitution;
2. Establish and appoint special committees and consultants as required;
3. Implements their POW - (work out details of language)
4. Exercise responsibilities arising from actions of the Society and the Governing Board;
5. Chairs all Society, Governing Board, and Management Committee meetings;
6. Provides direction to the Executive Director when the Governing Board is not in session;
7. Contributes commentary for inclusion in Fisheries on a schedule to be developed with Fisheries editor with a minimum of at least quarterly submissions;
8. Advises and consults with the Executive Director in the preparation of reports of Society activities and status to the Governing Board for the mid-year and annual meetings of the Governing Board, and to the Society for the annual meeting;
9. Contributes to the annual Society Meeting by planning the Plenary Session, overseeing Local Arrangements and Program committees, working with Society staff; advancing the theme for meeting; and coordinating attendance of officers at various meetings;
10. Collaborates with the President-elect in development of Governing Board retreat held in conjunction with the annual Society meeting; and
11. Oversees the evaluation of the Executive Director and negotiates the contract of the Executive Director.
12. Guides strategic direction of the society and ensure that accountability measures are reviewed

### **President-elect**

1. Assumes the duties of the President when that officer is temporarily or permanently unable to act;
2. Serves as a voting member of the Governing Board and Management Committee;
3. Serves on the Arrangements Committee and Program Committee for the annual Society meeting in the year of their presidency;
4. Prepares a draft POW to be submitted to the GB for discussion at its mid-year meeting.
4. Serves as an Officer liaison to the following committees:

- (1) Carl R. Sullivan Fishery Conservation Award Committee;
- (2) Distinguished Service Award Committee;
  
- (4) Resource Policy Committee;
- (5) Serves and representative to Consortium of Aquatic Science Societies (CASS)
- (66) Electronic Services Advisory Board;
- (77) Publications Overview Committee;
- 5. Participates in routine communications regarding Society business conducted by the President and Executive Director.

### **First Vice-president**

- 1. Assumes the duties of the President-elect when that officer is temporarily unable to act and serve;
- 2. Serves as a voting member of the Governing Board and Management Committee;
- 3. Works to form the Local Arrangements Committee for the annual Society meeting in the year of their presidency;
- 4. Serves as backup representative to CASS
- 5. Serves as an Officer liaison to the following committees:
  - (1) Awards Committee;
  
  - ;
  - (4) Ethics and Professional Conduct Committee;

### **Second Vice-president**

- 1. Assumes the duties of the First Vice-president when that officer is temporarily unable to act and serve;
- 2. Serves as a voting member of the Governing Board and Management Committee;
- 3. ;Works with AFS staff and hosting chapter and Division to initiate discussions about annual meeting for the year of presidency.
- 4. Serves as Officer liaison to the following committees:
  - (1) Membership Committee;
  - (2) Board of Appeals;
  - (3) Meritorious Service Award Committee.

### **Immediate Past-president**

- 1. Serves as a voting member of the Governing Board and Management Committee;
- 2. Conducts annual Executive Director evaluation and interviews of Society staff;
- 3. Serves on the following committees:
  - (5) Nominating Committee
- (4) Liaison for the ELMAs at the annual meeting if the ELMA chair cannot attend
- 5. Responsible for organization of Leading at all Levels

### **Travel Policy Procedures for Society Officers**

There is an expectation that Society Officers will participate in key events that are central to the function of the Society. It is also expected that Officers will use funding available to them from employers or other entities, if available, before requesting Society funds for covering travel expenses associated with the events. However, there are cases where an Officer cannot justify using funds other than those provided by the Society to cover travel costs. For example, one of the roles of the President is to represent the Society at a number of international meetings; these costs need to be covered by the Society and the host society.

Annual travel planning process: Each Officer will submit a proposed travel plan by November 30 for the next calendar year. The plan will specify event, location, dates, and estimated travel costs for which Society funds will be requested. Travel costs allowed will not exceed those under the federal system. The Executive Director will compile all requests and work with the Officers to accommodate the requests.

Other considerations in Society travel planning include:

1. Travel by the Society President associated with the annual meeting at which s/he will preside will be included in the annual meeting budget.
2. For the annual meetings, it is anticipated that most Officers can cover most or some of the expenses of attending the regular meeting. Exceptions will be Officers who do not have other funding (e.g., those retired or for whom their employer has denied support).
3. The Society will fund transportation, meal reimbursement, and other incidental expenses to the international and Division meetings for the President, but the host Division and international society will fund lodging and registration.
- 4.
5. Other meetings will be considered in light of the overall travel budget with preference given to those that either provide partial support or are determined by the Society President to add the greatest value to the advancement of the Society mission.

Expected travel: The following meetings/events are defined as part of the core expectation for participation by the Officers. Additional meetings are considered as per guidance above.

President: Annual meeting, mid-year meeting (if held), Officer retreat, Division meetings, and international meetings to be coordinated with the President Elect (e.g., Australian Society for Fish Biology, China Society of Fisheries, Korean Society of Fisheries and Aquatic Science, Japanese Society of Fisheries Science, Fisheries Society of the British Isles, Brazilian Society of Ichthyology in odd-numbered years).

Immediate Past-president: Annual meeting, Officer retreat, mid-year meeting (if held), and face-to-face Society staff interviews. If possible, the Immediate Past-president will conduct the staff interviews during the fall meeting in Bethesda. S/he may represent the Society at meetings if the President is unable to do so.

President-elect, First Vice-president and Second Vice-president: Annual meeting, Officer retreat, mid-year meeting (if held). These Officers may represent the Society at meetings if the President is unable to do so.

Incoming Second Vice-president: Annual meeting at which s/he will assume office.



## Executive Director Succession Plan

### Background

The American Fisheries Society employs an Executive Director who serves as the Secretary and Treasurer of the Society, and manages the Society's daily activities, implements Society policies and advances Society objectives as set forth in the Constitution, Rules,, and Procedures, and in Governing Board directives. The AFS Governing Board establishes the base salary, other compensation, and duties of the Executive Director, whereas the Executive Director establishes the base salaries and other compensation for other Society staff (AFS Constitution and Rules, September 1, 2009).

Refer to the AFS Strategic Plan for a summary of other issues in the current environment that also may affect AFS leadership in the future.

### Succession Planning (adapted from Wolfred 2008, with excerpts as noted)

Succession planning is a risk-management practice that is critical to ensuring the viability of an organization such as AFS. A governing board can be both energized and reassured by succession planning, which provides the opportunity for high-level strategy development. Many nonprofit organizations are led by executives who are Baby Boomers, and the next generation of leaders may have new ideas and ways of conducting business for organizations. The leaders from the Generation X and Generation Y that will most likely take over leadership positions may seek to restructure the role of executive director to fit the lifestyle of those generations that seek a healthy balance between work life and personal life, and that work toward shared or collaborative leadership.

There are three approaches to succession planning: 1) strategic leader development, 2) emergency succession planning, and 3) departure-defined succession planning. *Strategic leader development*, which should be an ongoing effort for all professionals, focuses on and defines the strategic vision of an organization, identifies leadership and management needed to carry out the vision, and recruits and maintains individuals who have or want to develop those skills. *Emergency succession planning* is used when an executive director or other leader has an unplanned departure. *Departure-defined succession* planning is used when a long-term leader announces his or her departure two or more years in advance. This type of planning identifies the organization's goals for the future, determines the information or tools needed to achieve those goals, and devotes attention to building capacity of the organization to sustain funding and programs for the future.

Departure-defined succession planning is recommended for organizations with long-tenured executive directors with definite departure dates. At least 18 months of preparation are required prior to the scheduled departure. The goal of this planning effort is to build leadership strength and help facilitate a successful search for new leadership by assessing the organization's traits, resources and their status. The departing executive director should consider questions about his legacy, future career plans, and personal finances. The departing executive director's final two leadership tasks are the "leadership of letting go" and the "leadership of preparing the way." An organization also must let go of its executive director, offering a full and generous goodbye. A critical first step is to conduct a "sustainability audit," which is a survey of administrative operations and resource relationships. This audit identifies key points of organizational vulnerability that could inhibit organization functioning. High-risk situations are when the executive director has taken on "whatever needs to be done," which results in the equivalent of the executive performing

more than one job and replacing him or her being nearly impossible. This situation may require an administrative restructuring, which could include the creation of a new management position to assume some of the functions of the current executive. The organization should look at how leadership can be cooperatively shared throughout the organization to reduce dependency on the executive and take advantage of staff development opportunities. The successor will thrive if he or she inherits a doable job description with a competent team that shares management and leadership responsibilities. To accomplish succession planning, a special committee should be appointed and act on behalf of the Governing Board to provide oversight of the succession planning process and craft a succession plan for the board to review and approve.

Wolfred recommends that when creating a succession plan for a long-term executive, an organization should consider the following activities, which address the critical elements that will facilitate the success of the next executive director. Wolfred's list of "The Nuts and Bolts of Departure-Defined Succession Planning" is the following:

1. Deal with personal and professional barriers for the departing ED, for example:
  - Future employability concerns;
  - Inadequate retirement savings;
  - Unfinished business in the current job; and/or
  - Loss of identity and status attached to current job.
2. Set the departure date after discussion and in agreement with the departing ED.
3. Form a Succession Planning Committee.
4. Prepare a communications plan (how soon to tell whom and by what means).
5. Identify organizational vulnerabilities via a "sustainability audit."
6. Design and implement strategies to address the vulnerabilities.
7. Identify the organization's broad strategic directions three to five years out.
8. Solidify the management team in light of organizational vulnerabilities and skills demanded by the strategic directions.
9. Build the Board's leadership abilities.
10. Back-up key executive relationships.
11. Put organizational finances in order.
12. Build organizational financial reserves and secure multi-year program funding.
13. Agree on the parameters of the ED's emeritus role, if one is set up.
14. Help set the executive search strategy; i.e., decide whether or not to use an executive recruiter.

### **Succession Readiness Checklist**

Wolfred states that, "When the following conditions are in place, an organization can expect a relatively smooth transition to new leadership whenever it might occur. An organization might determine which elements below are lacking in its current operations and then create a 'succession plan' or 'capacity building plan' that prescribes activities and timelines for filling the gaps. The organization is then ready for leadership transitions, foreseen or unforeseen." Wolfred's succession readiness checklist is:

- A strategic plan is in place with goals and objectives for the near term (up to three years), including objectives for leadership talent development.
- The board evaluates the executive director annually on general performance and achievement of strategic goals.

- The board, based on its annual self-evaluation, is satisfactorily performing its major governance jobs—financial oversight, executive support and oversight, policy development, and strategic planning.
- The executive’s direct reports, based on annual evaluations, are judged as solidly skilled for their positions.
- The top management cohort, as a high performing team:
  - Has a solid team culture in place in which members support one another and can reach decisions as a group efficiently and harmoniously;
  - Shares leadership of the organization with the executive in having significant input to all major organization decisions;
  - Can lead the organization in the absence of the executive; and
  - Has authority to make and carry out decisions within their respective areas of responsibility.
- Another staff person or officer shares important external relationships (major donors, funders, community leaders) maintained by the executive.
- A financial reserve is in place with a minimum of one-year operating capital.
- Financial systems meet industry standards. Financial reports are up to date and provide the data needed by the board and senior managers responsible for the organization’s financial strength and viability.
- Operational manuals exist for key administrative systems and are easily accessible and up to date.
- Top program staff have documented their key activities in writing and have identified another staff person who can carry their duties in an emergency.

## References and Resources

Wolfred, T. 2008. Building leaderful organizations: succession planning for nonprofits. Executive Transition Monograph Series, Volume 6. The Annie E. Casey Foundation, Baltimore, Maryland.

## Performance Evaluation of the Executive Officer

**Purpose:** This document serves as an outline for the process to be followed to complete the annual performance evaluation of the AFS Executive Director.

According to the wording of the current contract, the Society’s five elected officers will review the performance of the Executive Director each year at the Society’s annual meeting. This evaluation will be based on performance criteria and goals provided in writing to the Executive Director at the beginning of the period under review. The performance grades are:

- *Exceeds expectations:* exceeds expectations in all job elements.
- *Proficient:* meets all (may exceed in some) job elements.
- *Developing Proficient:* Meets expectations in most job elements, but has room for improvement in specific elements (addressed in evaluation)
- *Unsatisfactory:* fails to meet one or more of the job elements without acceptable reason.

The AFS President will lead the annual performance evaluation with participation of all elected officers. The process will have several elements of documentation:

- a. Self-evaluation of Plan of Work performance by the Executive Director (Due three-to-four weeks before Annual Meeting).

- b. Summary of strengths and weaknesses of staff management by office department heads (conducted and compiled by the Past President).
- c. Evaluation of Plan of Work performance by individual Governing Board members (AFS President will send a memo to Governing Board requesting comments submitted to the AFS President in advance, and reminding the Governing Board about the opportunity to provide comments at the in camera session of the annual Governing Board meeting).

The AFS President will collect evaluations and comments three-to-four weeks before the Annual Meeting and submit a summary to the elected officers to review before the annual meeting. At the annual meeting, the officers will assemble for a formal discussion of the evaluation, and prepare a summary evaluation and recommendation of performance grade. Additional comments from Governing Board members will be solicited at an in camera session of the Governing Board, and the AFS President will summarize the evaluation and recommendations of the officers. Following discussion and additional feedback, the AFS President will share the summary evaluation and recommendation with the Executive Director, and a written summary will be placed in the Executive Director's personnel file.

In all years, the AFS President will also lead a brief mid-term evaluation of the Executive Director with participation of the elected officers during the mid-term meeting of the Society. At this time, the Governing Board will be allowed to comment on performance of the Executive Director at an *in camera* session held during the mid-term meeting. This information will be summarized by the AFS President and conveyed to the Executive Director to aid in defining items needing mid-term correction or in recognizing outstanding achievements.

## **Executive Director Salary Determination**

**Purpose:** This document serves as an outline for the process to be followed to complete the salary negotiation with the AFS Executive Director.

The performance of the Executive Director will be reviewed each year by the Society's five (5) elected Officers during the Society's annual meeting. This evaluation will be based on performance criteria and goals provided in writing by the Executive Director and agreed to by the Society's Officers at the beginning of the period under review. Performance will generally be judged on the following job elements:

- Effectively manage the Society's daily activities, business operations and staff appointments as the Society's Business Manager;
- Accurately maintain the Society's official records and communications as the Society's Secretary;
- Exhibit a high degree of fiduciary responsibility in managing the Society's financial status and resources in the Executive's role as the Society's Treasurer;
- Engage in and promote responsible and timely communication and information transfer among units, the membership, staff and other Society sponsored entities;
- Provide leadership in achievement of the Society's strategic direction according to existing Strategic Plans.

Yearly performance grades are evaluated as follows:

- *Exceptional*: exceeds expectation in all job elements involving the business, management, and leadership of the Society.
- *Proficient*: meets expectations in all job elements with exceptional performance in at least some aspects.
- *Fully Satisfactory*: meets expectations in all job elements.
- *Unsatisfactory*: failure to meet one or more of the job elements without acceptable reason; six months will be allowed to improve performance, and failure to do so will result in cancellation of the Contract Agreement.

The salary of the Executive for each calendar year of the Contract Agreement will depend on the annual performance review by elected Officers, and the percentage cost-of-living adjustments (COLA) awarded to U.S. Federal executive employees in the Washington, D.C., area for that calendar year. A discretionary yearly salary increase may be awarded, based on performance relative to the Executive's Annual Plan of Work. The new annual salary is calculated by applying the discretionary merit increase first, then the appropriate Washington, D.C., COLA (which includes the locality differential).

The Governing Board reviews and approves the annual budget, which includes the Executive Director's salary in the single budget line-item for personnel salaries (i.e., the Executive Director's salary is not provided separately).

## **GOVERNING BOARD**

### **Purpose**

The Governing Board is the ultimate authority for the operation of the Society. It is the equivalent of a board of directors, deciding strategic direction and policy for the Society, authorizing its operations, hiring its Executive Director, and reviewing and approving the annual budget as recommended by the Management Committee and reviews Society business matters that need membership approval

### **Composition and Meetings**

The Governing Board consists of voting and nonvoting members. Voting members are the five elected Society officers, Presidents and Presidents-Elect of the four Divisions, and Presidents of all Sections with at least 50 members at the end of the previous calendar year. Non-voting members are Presidents of Sections with fewer than 50 members, the President of the Student Subsection of the Education Section, Presidents of Chapters, the Constitutional Consultant, and the Society's Executive Director.

The Governing Board normally meets at three different times and two locations each year. The two fall meetings occur in conjunction with the Society's annual meeting. They normally consist of a one-day meeting before the Society's annual meeting and a shorter meeting at the end of the annual meeting; the latter (designated as the Incoming Governing Board Meeting) includes newly elected officers, new Division Presidents and Presidents-Elect, new Section Presidents, and other representatives. The third meeting is intended as a midyear meeting occurring one day in the spring at a location determined by the AFS President in consultation with the Executive Director. In addition, the Governing Board holds two conference calls in the interim between these meetings to receive updates on society activities and address any issues that need Governing Board approval or input between the annual meeting and the midyear meeting.

The Society's President chairs meetings of the Governing Board. Each meeting is operated from an agenda prepared jointly by the Executive Director and the AFS President. The latest edition of Robert's Rules of Order is the formal guideline for conduct of the meetings.

Meetings are open to the Society's members, who may observe and participate in the discussions as guests recognized by the chair. Guests may not vote or introduce agenda items. The Governing Board may go into a closed (*in camera*) session (i.e., attended only by the Officers, Division and Section representatives, and the Constitutional Consultant) at any time to discuss personnel matters, but the chair must document and announce results of the closed session immediately after its conclusion. The Constitutional Consultant attends *in camera* sessions to provide advice on parliamentary procedure.

Member and nonmember parliamentary rights are summarized as follows:

**Executive Director** - non-voting member, makes reports, cannot make motions, and does not attend *in camera* sessions due to possibility of personnel reviews being conducted.

**Constitutional Consultant** - non-voting member, can raise agenda items but cannot make motions, and attends *in camera* sessions for parliamentary assistance. As an Active Member, the Constitutional Consultant can make motions in the Society Annual Business Meeting.

**Officers, Division Presidents and Presidents-Elect** - voting member, can raise agenda items and make motions, and attends *in camera* sessions.

**Section Presidents** – voting member if the section has at least 50 active members, can raise agenda items and make motions regardless of section size, and attends *in camera* sessions.

**Chapter Presidents** - non-voting member, can raise and discuss agenda items as Governing Board members, cannot make motions, and does not attend *in camera* sessions. Chapters do not vote because they are represented on the board by two voting members from their Division.

**President of the Student and Early Career Professionals Subsection of the Education Section** - non-voting member, can raise and discuss agenda items as Governing Board members, cannot make motions, and does not attend *in camera* sessions.

**Guests** - nonmembers, nonvoting, cannot raise agenda items or make motions, do not attend *in camera* sessions, and can speak only if recognized by the Chair.

**Committee Chairs** - give reports, can make a motion only if also a member of the Governing Board (in a dual role). No second is needed regardless of Governing Board membership unless it is a committee of one person.

## **Governing Board Meeting Agenda**

Governing Board meetings normally cover a specified set of agenda items in addition to old and new business. The following agenda items normally occur:

1. Call to order by the AFS President
2. AFS President's remarks
3. Determination of a quorum
4. Introduction of guests and visitors
5. Executive Director's report
6. Division reports
7. Section reports
8. Standing Committee reports
9. Special Committee reports
10. Auditor's report (spring only)
11. Other business

## **Responsibilities of Governing Board Members**

The Governing members have a dual responsibility of representing their constituents (i.e., the Chapter, Division, or Section members that elected them) and representing the Society as a whole. This is a sensitive role that requires a long-term image of what AFS and the fisheries profession can and should be. The importance of this group and each member, voting and nonvoting, cannot be overemphasized. The Governing Board's focus is on issues involving strategic policy and planning, and matters affecting the AFS Constitution and Rules.

Each member of the Governing Board (other than Chapter Presidents) has the following specific responsibilities:

1. Attend the two fall meetings (second meeting being the Incoming Governing Board Meeting immediately following Annual Business Meeting) and the spring meeting of the committee, without financial compensation from AFS.
2. If attendance is impossible, appoint an alternate. The alternate must be appointed as stated in Article IV, paragraph 1.C of the Constitution.
3. Read the agenda and accompanying documents thoroughly before arriving at the meeting, noting areas of special interest for discussion.
4. If appropriate, prepare a report of the unit represented according to the guidelines described elsewhere in these Procedures and, if asked, orally summarize the report at the meeting.
5. Confer with unit officers, Governing Board, and members to determine their opinions regarding agenda items so that discussion and voting will be as representative of the membership as possible.

6. Submit additional agenda items to the AFS President and Executive Director before or as soon as the call for reports is received (Month). All suggested agenda items must be accompanied by background materials and be prepared approximately in the form described elsewhere in the Procedures.
7. At the Governing Board meeting, assure that important information concerning an agenda item is heard, but that redundancy is eliminated. It is counterproductive for each person to speak on each item or for any item to be acted on without full discussion.
8. Review the latest edition of Robert's Rules of Order, which is the basis for Governing Board operation. Expect to be ruled out-of-order for failing to follow these rules.
9. Recognize that a motion and second are needed before a topic can be discussed. Extended exploratory discussions are not permissible and, more importantly, are not practical as part of an extensive agenda.
10. Remain attentive while the Committee is in session. Expect to be reprimanded by the chair for disruptive or discourteous behavior.
11. Report the results of Governing Board actions to the unit's members and especially to those persons (e.g., committee chairs) directly affected by those actions.

## **Management Committee**

The Management Committee functions as an Executive Committee of the Governing Board, monitoring society activities to ensure that policies and plans approved by the Governing Board are implemented appropriately and guiding the Executive Director in these endeavors. The Management Committee also acts as the fiduciary for the Society and, as such, works with staff, the Financial Planning and Procedures Committee, the Audit Committee, and others as appropriate, to monitor AFS finances, recommend budgets for submission to the Governing Board for approval, and provide guidance on financial matters outside those approved through the annual budget process. The Management Committee meets monthly and handles general oversight of Society operations, including budget approval; Executive Director activities and, through him/her, staff activities; society-wide meetings; communications with membership, external partners, and government entities; and matters related to and affecting Society Procedures. The Management Committee reports to the Governing Board on all decisions; however, the Governing Board, with majority approval, retains the ability to discuss any of these decisions.

The Management Committee comprises the following:

- AFS President (chair), President-elect, First Vice-President, Second Vice-President, and Immediate Past-president.
- The Presidents of two Divisions and Presidents-elect of the two alternative Divisions. The Presidents-elect remain on the Committee through their presidential year, usually attending four Management Committee meetings before rotating off the committee. In the event an appointed Division officer moves from President-elect to President during the course of the year, the officer will retain her/his appointment to the Management Committee. This ensures continuity of membership on the committee. Typically, the Presidents-elect of the Southern Division and Northeast Division begin their service at the incoming meeting in even-numbered years, while the Presidents-elect of the Western and North Central Divisions begin their service in odd-numbered years.

- Four Division or Section members on the Governing Board (voting or not) elected at large by the Governing Board as voting members of the Management Committee; and
- Executive Director, Constitutional Consultant, and such others as the AFS President may appoint (nonvoting on the Governing Board and Management Committee).

Due to the frequency of Management Committee meetings and the potential number of topics addressed and issues resolved at each meeting, continuity is an important aspect of efficient committee functioning. Therefore, no proxies are permitted for cases in which a committee member cannot participate in a meeting.

### **Responsibilities of Management Committee Members**

While the Division representatives serve as a function of their office, appointees from sections are elected to this committee with the confidence of their colleagues on the Governing Board. As such, they are selected as individuals and are not automatically replaced by their successor if section officers change during the year. Appointees from sections have full voting privileges on Management Committee affairs, whether or not their section has a vote on the Governing Board.

The Management Committee communicates monthly via conference calls (as needed) at a time determined by the AFS President (e.g., the third Tuesday of the month, 1:00 pm Eastern Time) to discuss issues and through email as necessary. The AFS President will confirm scheduling of the calls (or cancel as appropriate), and establish call agendas. Members of the Management Committee should submit agenda items no later than 10 days before a scheduled call. Agendas should be approved by the AFS President and provided by the Executive Director to the Management Committee no later than one week prior to the call. Management Committee members also meet to conduct business during the mid-year meeting, typically held in early March, and at the annual meeting of the Society. These meetings are generally held on the Thursday afternoon before the Governing Board retreat (Friday) and the Governing Board meeting (Saturday). In the absence of a Governing Board retreat, the Committee meets on Friday afternoon. The minutes from all Management Committee meetings will be shared with the Governing Board.

During the monthly meetings, the Management Committee reviews the Executive Director's proposed budget, approves routine motions, and makes recommendations for Governing Board approval when appropriate. In-depth reviews of AFS finances are undertaken quarterly. The budget review includes such things as: detailed consideration of the Executive Director's proposed changes to dues, fees, and other charges for AFS services; any proposals with financial implications; a review of the status of the Reserve Fund; and guidance on the funding of New Initiatives.

The Management Committee, together with the Executive Director and the AFS Financial Planning and Procedures Committee (FPPC), are responsible for ensuring the implementation of policy and guidelines in the Statement of Investment Policy and Objectives, which governs the management of AFS' Long-Term Investments. The Management Committee may recommend modification of the objectives and policies of this Statement and, if necessary, seek approval by the Governing Board.

The Management Committee reviews and recommends the President-elect's Plan of Work for approval by the Governing Board.

## Conflict of Interest Policy and Procedures

The purpose of the following policy and procedures is to prevent the personal interests of the American Fisheries Society (AFS) officers, board members, or staff from interfering with the performance of their duties in AFS, or resulting in personal financial, professional, or political gain on the part of such persons at the expense of AFS or its members, supporters, and other stakeholders.

### Definitions

1. **Conflict of Interest** (also Conflict) means a conflict, or the perception or appearance of a conflict, between the personal private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members, officers, and board members of AFS.
2. **Board** means the AFS Governing Board.
3. **Officer** means an elected or appointed officer of AFS.
4. **Staff Member or Employee (including adjunct staff)** means a person who receives all or part of her/his income from payments made by AFS.

### Policy

It is the policy of AFS that the Board, officers,, and employees are expected to avoid any actual or apparent conflict between their own personal interests and the interests of the Society. A conflict of interest can arise when a Board member, officer, or employee participates in decisions, takes actions, or has personal interests that may interfere with his or her objective and effective performance of work for the organization. For example, Governing Board Members officers,, and employees are expected to avoid actual or apparent conflict in dealings with members, suppliers, customers, competitors, government agencies, and other third parties.

### Procedures

1. Full disclosure, by notice in writing, shall be made by the interested parties to the Management Committee of the Board in all cases where conflicts of interest may exist, including but not limited to the following:
  - a. An officer or board member is related to another officer, board member,, or staff member by blood, marriage or domestic partnership.
  - b. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.

- c. A board member, an organization in which the board member has an interest, or a staff member of such organization, stands to benefit from an AFS-related transaction or receives payment from AFS for any subcontract for goods or services other than as part of her/his regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
2. Following full disclosure of a possible conflict of interest or of any condition listed in item 1 above, the AFS Management Committee shall determine whether a conflict of interest exists and, if so, the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect the best interests of AFS. Both votes shall be by a majority vote ~~without counting~~ excluding the vote of any interested director, even if the disinterested directors are less than a quorum, provided that at least one consenting director is disinterested. Any actions taken shall be reflected in the official minutes of the Management Committee and Board.
3. A Board member who is formally considering employment with AFS must take a temporary leave of absence from the Board until the position is filled. [This procedure also applies in the case of a relative of a Board member by blood, marriage, or domestic partnership seeking employment with AFS.] Such a leave will be taken within the Board member's elected term, which will not be extended because of the leave. A Board member who is formally considering employment with AFS [or is related to an individual seeking employment] must submit a written request for a temporary leave of absence to the Executive Director of AFS, c/o the AFS headquarters office, indicating the time period of the leave. The Executive Director will inform the AFS President of such a request. The President will bring the request to the Management Committee for action. The request, and any actions taken, shall be reflected in the official minutes of the Management Committee and Board.
4. An interested Board member, officer, or staff member shall not participate in any discussion or debate of the Management Committee or Governing Board, or of any committee or subcommittee thereof, in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present Board or committee member.
5. Anyone in a position to make decisions about spending AFS resources (i.e., transactions such as purchases or contracts) – who also stands to benefit from that decision – has a duty to disclose that conflict as soon as it arises (or becomes apparent); s/he should not participate in any final decisions on the action.
6. A copy of this policy shall be given to all Board members and staff members upon ~~its adoption and/or upon~~ commencement of such person's relationship with AFS ~~or at the official adoption of stated policy~~. Each Board member, officer and staff member shall sign and date the Conflict of Interest Disclosure Form upon its promulgation and/or at the beginning of her/his term of service or employment, and once each year thereafter. Failure to sign does not nullify the policy.

This policy must be shared and a completed disclosure form must be filed annually by all specified parties. If during the course of the Board member's, officer's, or employee's term of office or

employment there is a change in circumstances that may be a potential conflict of interest, the person is required to notify the President and Executive Director of those circumstances within 10 days ~~in order~~ to allow the procedures for evaluating the conflict of interest to be exercised.

*Document based on materials provided by the National Council of Nonprofit Associations*

## Conflict of Interest – Disclosure Form

This form must be filed annually by all specified parties as identified in the above AFS Conflict of Interest Policy Statement (approved by the AFS Governing Board on *DATE*). Please complete the shaded blocks below, print and sign the form, and return it to AFS headquarters as indicated below.

- I have no conflict of interest to report
- I have the following conflict of interest to report (please specify-form box will expand as necessary):

By affixing my signature, I certify my understanding of the implications of this policy.

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Signature

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Full Name

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Date

Completed form to be returned to AFS headquarters at:

American Fisheries Society  
Attn: Dan Cassidy  
5410 Grosvenor Lane, Suite 110  
Bethesda, MD 20814  
dcassidy@fisheries.org

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*Document based on materials provided by the National Council of Nonprofit Associations*