



# February 2022 Management Committee Meeting Notes

Friday, February 11, 2022

## Participants:

### Management Committee Members:

In-person: Leanne Roulson, April Croxton, Cecil Jennings, Miguel Garcia Bermudez, Patrick Shirey, Mark Fincel, Brian Nerbonne, Marybeth Brey, Melissa Wuellner, Laurie Earley, Lian Guo, Jason Olive, Randy Schultz (Constitutional Consultant, non-voting), Doug Austen (Executive Director, non-voting)

Guests: Troy Brandt (Chair, Financial Planning and Procedures Committee)

Emerging Leaders: Christina Murphy, Brian Gallagher, Kaylyn Zipp

AFS Staff: Dan Cassidy, Lauren Maza, Drue Winters

## Minutes of the Meeting:

1. **Quorum established** by Constitutional Consultant Randy Schultz at 3:05 p.m. and meeting called to order by Leanne Roulson.
1. **Review of agenda** – Agenda accepted and approved.
2. **Review of January 2022 Management Committee minutes.** Minutes accepted by unanimous consent.
3. **Review of MC meeting date/time** – March Management Committee meeting set for 3:00 p.m. ET on Friday, March 11.
4. **Constitutional Consultant Report** - (Randy Schultz)
  - a. Approval of University of California - Irvine. They have met all requirements, including a faculty advisor, six supporting signatures from the Cal-Nev Chapter, and their bylaws are consistent with AFS Constitution and Rules (**Attachment A**)

Motion to accept UC-Irvine bylaws by Randy Schultz; 2<sup>nd</sup> by Patrick Shirey. Motion pass with unanimous consent.

Randy Schultz will inform chapter that by-laws have been approved. Austen to send formal letter from AFS recognizing their new chapter.

- b. AFS Procedures for Financial Management (**Attachment B and C**)

The revised proposed new AFS Procedures for financial planning as developed by the Financial Planning and Procedures Committee (FPPC) were presented to the MC by Dan

Cassidy and Troy Brandt. This final language resulted from the comments submitted by the MC at the December and January meetings, incorporated into the language by Cassidy and Austen, and with a final review by the FPPC. The final language proposed for adoption is in Attachment B and the presentation by Troy Brandt and Dan Cassidy is in Attachment C.

Motion to accept the FPPC report and the financial language proposed for the Procedures Manual. Moved by Cecil Jennings; 2<sup>nd</sup> by April Croxton.

Discussion: None

Motion approved by unanimous consent.

## 5. President/Officers activities report

- A. Leanne Roulson, President – Focusing on the Spokane AFS meeting planning and the discussion of possible establishment of “theme days” but that is not likely the direction that will be taken. Continuing to work on AFS Procedures Manual updates with particular emphasis on review of Procedures by all AFS committees. Coordinating with the Hutton program and Montana State University to host the 2022 Hutton Summit on the MSU campus.
- B. April Croxton, President Elect – Developing a “Climate and Fisheries” symposium for the Spokane meeting. Hosted the first coordination meeting for the AFS 2023 Grand Rapids meeting. Working with Randy Schultz, Leanne Roulson and others on AFS Procedures Manual revision. Developing support for students from Minority Serving Institutions (MSI) to support travel and registration to attend the Spokane AFS meeting.
- C. Cecil Jennings, First Vice President – Establishing next call for the 2024 Honolulu AFS meeting and development of the Hawaii and Pacific Islands chapter. Participated in the initial meeting of the new Publications Oversight Committee (POC) with Steve Midway as chair.
- D. Miguel Garcia Bermudez, Second Vice President – Attended the AFS Southern Division meeting in Charleston and the celebration of Tom Kwak’s life and career. Continuing to work on and co-chair the Latin American and Caribbean Fisheries Congress (LACFC)

## 6. Executive Director and AFS staff reports

- a. Policy update and key activities (Drue Winters)
  - i. Coordination CASS submission of letter on WOTUS interim rule. The U.S. Supreme Court has accepted a WOTUS related case and Drue will work with pro bono legal team and CASS on amicus brief submission. It is anticipated that the U.S. EPA will complete final rule-making on new WOTUS guidance later in 2022.
  - ii. RAWA – Congressional briefing scheduled for Tuesday, February 15, with four high profile speakers and two members of Congress.
  - iii. Congressional testimony by Austen on Climate Adaptation Science Centers scheduled for February 17.
  - iv. Developing policy symposium on RAWA for JASM
- b. Meeting management services for AFS Units – Austen and Cassidy briefly reviewed the current program agreement (Attachment D) for typical unit services provision primarily focused on meeting support. There has been some lack of knowledge of this agreement and it was asked

that the Divisions share this with their units to ensure that everyone is aware of the agreement and how it supports unit activities.

**7. Spring Governing Board (GB) meeting date selection**

Possible Spring GB dates are being explored and a Doodle poll will be sent out to evaluate options.

Note – the selected date is 1:00 – 4:00 p.m. ET on Wednesday, April 13

**8. Additional Topics**

- a. General discussion of moving MC and GB membership to two or more years.
  - i. Many AFS Sections have officers on a single year rotation
  - ii. On the Management Committee the Division representatives serve for two years but at-large representatives serve only for a single year.
  - iii. Several members suggested that a two-year term is extremely helpful. The first year is really just learning about the processes and issues and the second year allows for active and more valued participation.
  - iv. One option to consider for Sections would be to have their Vice President also participate on the GB
  
- b. Dan Cassidy reported that the 2<sup>nd</sup> Federal Paycheck Protection Program (PPP) loan has been forgiven. AFS has benefitted greatly from two PPP loans with both being forgiven.

**9. Adjourn – at 4:10 p.m.**

# Attachment A

## Bylaws of the Student Subunit of the California-Nevada Chapter of the American Fisheries Society at UCI

### Article I. Name and Objectives

1. The name of this organization shall be the American Fisheries Society Student Subunit at UCI herein referred to as AFSUCI. The AFSUCI operates under the auspices of the California-Nevada Chapter of the American Fisheries Society.
2. The objectives of the Subunit shall be those of the Society as set forth in Article I of the Constitution. In addition, the Subunit also has the following objective:

The mission of this student Subunit is to inclusively educate and involve both graduate and undergraduate students in the economic, cultural, recreational, and ecological importance of local fisheries and to engage students in aquatic stewardship of local resources and professional development opportunities.

3. All activities of this Subunit shall conform to the Society's Constitution, Rules, and Procedures.

### Article II. Membership

1. The membership of the Subunit shall be composed of University of California, Irvine (UCI) students and alumni of all backgrounds regardless of race, religion, sex, sexual orientation, color, disability, national origin, age, or marital status who are active members of the California-Nevada chapter.
2. Only active members of the Society may vote, hold office, or chair a committee.

### Article III. Officers

1. The officers of the Subunit shall consist of a President, Vice President, and Secretary – Treasurer. The Secretary-Treasurer position may be split into two individual positions: secretary and treasurer, if so desired.
2. All officers must be members in good standing of the Society.
3. Officers shall be elected by a majority of ballots cast and election methods shall be determined by the Executive Committee.
4. Officers shall have one or more academic years left in their degree program upon election to ensure that they can complete the annual requirements of their position before their graduation.
5. Terms of newly elected officers shall change at the final annual meeting (at least four weeks before the end of the Spring quarter of a given year).
6. The Subunit Officers shall serve for a period of one year in each office.

7. Upon a new year, officers may campaign to run as an incumbent for their position (or for other positions) and new candidates may challenge those seats.
8. In the event of a vacated position during a term, the Executive Committee shall appoint a qualified replacement to fill the unexpired term.
9. No elected officer or appointed committee member of the Subunit shall receive any salary or other compensation. Expenses associated with Subunit-related activities may be defrayed from funds available to the Subunit when authorized by the Executive Committee.

#### **Article IV. Duties of Officers**

1. The President shall:
  - a. Preside at all meetings;
  - b. Serve as Chair of the Executive Committee;
  - c. Appoint all committees;
  - d. Coordinate the activities of the Subunit's standing and special committees and serve as liaison between such committees and the Executive Committee;
  - e. Represent the Subunit to the California-Nevada Chapter;
  - f. Conduct official correspondence for the Subunit and present reports of Subunit activities at the annual meeting; and
  - g. Make such appointments and perform other duties and functions as are authorized and necessary.
2. The Vice President shall:
  - a. Serve on the Executive Committee;
  - b. Shall assume the duties of the President in the event of his/her absence or inability to act.
3. The Secretary – Treasurer\* shall:
  - a. Collect and be custodian of any fees or assessments authorized by these bylaws or funds allotted to the Subunit by the Society;
  - b. Disburse funds only as authorized by either the membership or Executive Committee.
  - c. Submit, at the annual Subunit meeting, the year-end report for the previous fiscal year and a comparison of approved versus actual income and expenditures for the current fiscal year.
  - d. Keep the official records of the Subunit.
  - e. Submit minutes of the annual Subunit meeting to the President of the California-Nevada Chapter within 30 days after the annual Subunit meeting;
  - f. Serve on the Executive Committee; and
  - g. Conduct the election.

\*If the Secretary - Treasurer position is split among two positions, Secretary will handle responsibilities D and E and Treasurer will handle responsibilities A, B, and C, respectively. Each shall serve on the Executive Committee and participate in conducting the election.

#### **Article V. Executive Committee**

1. The Executive Committee of the Subunit shall consist of elected officers and other members as appointed by the President.
2. The Executive Committee is authorized to act on behalf of the Subunit between meetings.
3. A majority of voting Executive Committee members constitutes a quorum. A quorum is required for transactions of official business at an Executive Committee meeting. Executive Committee members can appoint proxies.
4. Each member of the Executive Committee shall have one vote on Executive Committee decisions. In the event of a tie, the President may cast the deciding vote.

## **Article VI. Meetings and Voting**

1. The Subunit shall hold at least one meeting annually at a time and place designated by the Executive Committee. Special meetings may be called by the President with approval of the Executive Committee.
2. A quorum is required for transactions of official business and shall be a 1/3<sup>rd</sup> of the Subunit Subunit membership.
3. Business and voting may be conducted via mail or electronic media if approved by the Executive Committee.
4. Unless otherwise specified in these Bylaws or the Constitution of the Society, meetings are conducted according to the latest edition of Robert's Rules of Order.
5. Decisions at meetings are by simple majority of Active Members voting, except 2/3 majorities are required in special cases such as amending the Bylaws and suspending a Rule. Other less frequently used voting requirements are described in Robert's Rules of Order.

## **Article VII. Subunit Committees**

1. Committees and Chairs of committees, except as listed in Articles IV and V of these Bylaws, shall be appointed and charged by the President. Except for Standing Committees, these Subunit committees shall cease to function upon the discharge of the duties for which they were appointed or with the end of the term of the appointing officer.
2. Standing Committees help the President and the Executive Committee conduct the Subunit's affairs, and the chairs should report their committees' activities, findings, and recommendations at Subunit meetings and interim meetings of the Executive Committee.
3. The Subunit does not have established Standing Committees at the time that these Bylaws are being drafted but new Standing Committees shall be considered for recognition at the AFSUCI annual spring meeting.

## **Article VIII. Dues and Fees**

1. The Executive Committee may establish annual dues subject to approval of the members voting at the Spring meeting.
2. The Executive Committee may assess registration fees for special events to help cover costs.

## **Article IX. Bylaws**

1. The Bylaws are the defining document for the Subunit and take precedence over all other rules and procedures of the Subunit. The Bylaws cannot be suspended and cannot be changed without prior notice to members.

- a. The Bylaws may be amended by a 2/3 majority of Active Members choosing to vote, provided that the proposed amendment(s) are circulated in writing to the membership at least 30 days prior to voting.
- b. In accordance with the Society Constitution, a proposed amendment shall be reviewed by the Society's Constitutional Consultant for conformity with the Constitution, Rules, and Procedures of the Society. The Constitutional Consultant presents the adopted amendment to the Society Management Committee for approval.
- c. Amendments take effect when the Subunit receives written notice of their approval by the Management Committee from the Executive Director.

# Attachment B

## 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 Expense Budget over the previous four years, adjusted for guaranteed, long-term contractual revenues. 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.

**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

3.1 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. 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.

#### 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. 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).

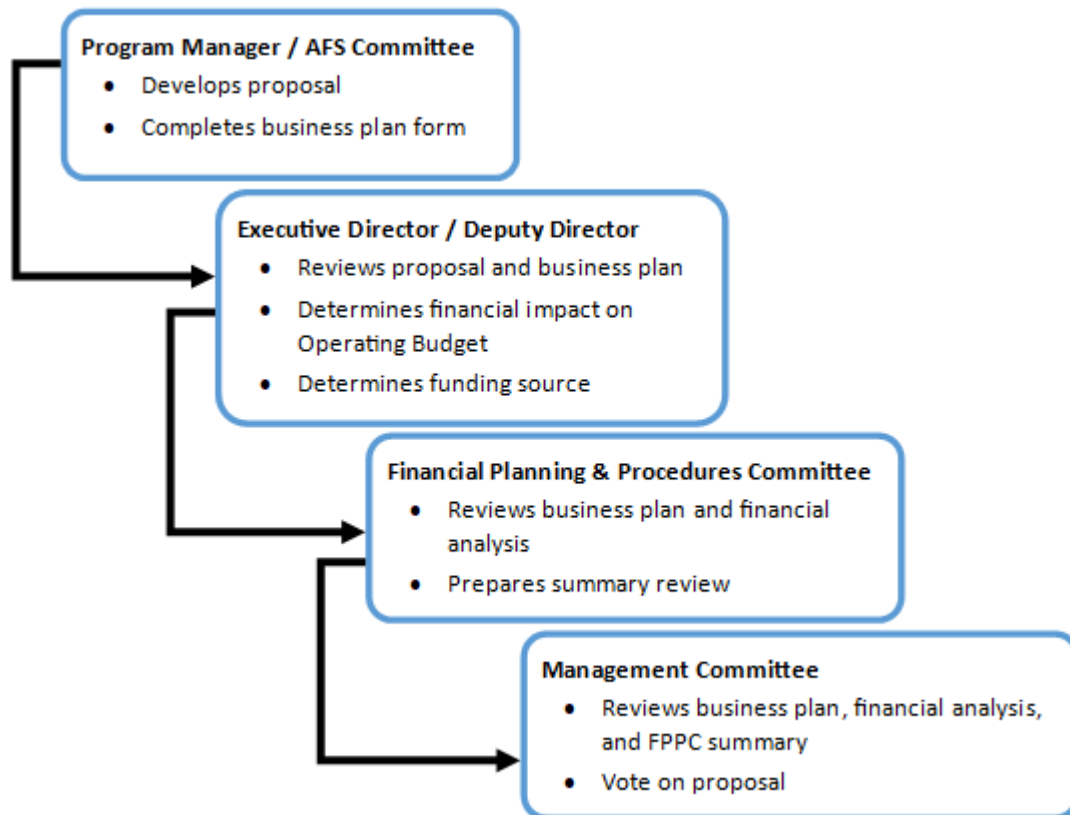
- The FPPC shall evaluate the financial components, business rationale, and resource allocation for each proposed new program and make recommendations to the Management Committee on the reasonableness of the assumptions and the likely financial impact of the new program on the Society's Operating Budget.
- 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 updates, quarterly reviews, 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.

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 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 annual meetings. 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 review revenues and expenditures and evaluate the implications on programs and the operating budget. 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.
- Chapters shall submit an Affiliate Member List to AFS by August 1 in order to receive its prior year's dues rebate.

#### 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. Our goal is to meet the obligated reserve target, over a 7-year period beginning in 2022 and with annual contributions at the discretion of the Management Committee. .
- **Strategic plans** – Developing 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.
- **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. Each Fund shall adhere to the contributor's intentions, define a spending plan, investment approach, and procedures over Fund administration. 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..
- 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..
- J. Frances Allen Scholarship Fund provides at least one \$2,500 scholarship annually to a deserving woman doctoral candidate.
- 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.

- 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.
- Shelby Gerking Continuing Education Program Fund increases opportunities for professional development for fisheries professionals..
- Skinner Memorial Fund provides travel scholarships for students to attend an AFS Annual Meeting.
- 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.
- Steven Berkeley Fellowship Fund supports the Marine Fisheries Section’s Steven Berkeley Marine Conservation Fellowship.

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 Fund 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 C



## AFS MANAGEMENT COMMITTEE FINANCIAL PLANNING

FRIDAY, DECEMBER 17, 2021



### FPPC MEMBERS



#### Western Division

Troy Brandt  
Bob Hughes  
Tony Siniscal



#### North Central Division

Nathan Leder



#### Northeastern Division

Desmond Kahn  
Mike Celestino



#### Southern Division

Martin Hamel

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

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## TODAY'S AGENDA

- **GOAL:** So that the MC is sufficiently knowledgeable to receive and act upon FPPC recommendations in February. What does that mean?
  - Not trying to make MC experts in nonprofit accounting
  - Feel confident about FPPC recommendations are addressing key issues
  - Provide FPPC and staff with questions for clarification
  - Have sufficient understanding of Net Assets and Reserves to inform decision making
- Recall, the plan is to approve new Financial Management Procedures
  - Continuing conversations at January meeting
  - Decision at February 2022 MC meeting



## NOVEMBER RECAP

In November 2021, the MC was presented with Five Motions from the FPPC after its review of AFS procedures and financial position:

**Motion 1:** Approve the revised FPPC Rules (status: **Approved pending memb. vote**) and Procedures (status: **pending**); most of the proposed Procedures language is clear.

**\*\*Motion 2:** The **Obligated Reserve in the Investment Fund** shall be rebuilt over 5 years, or at a rate approved by the MC, beginning in 2022 to become sufficient to cover 1 year of AFS operations (status: **pending**)

## NOVEMBER RECAP

**Motion 3:** Transfer all money from the AFS 2000 Fund, \$750,000 from Publications Endowment Fund, to Obligated Reserve and request CEC review possible uses of Gerking Continuing Education Fund, report back within 6-months (status: [Approved](#))

**Motion 4:** The Executive Director shall include contributions to the Obligated Reserve Fund in the annual budget (status: **pending**)

**Motion 5:** Proposed rule to establish the Financial Planning and Procedures Committee as an AFS Standing Committee (status: [Approved](#))

## FPPC BACKGROUND

- **Financial Planning and Procedures Committee (FPPC) :**
- Special Committee formed in 8/2020; The Investment Committee were handling some duties
- Began work earlier this year to organize committee, review Rules and Procedures
- **Purpose:**
  - To act as a singular body to work with AFS staff in assessing and evaluating the financial position of the Society and provide advice and guidance to the Management Committee, Governing Board and AFS leadership on such matters.
  - This committee will work with the Audit Committee and AFS Investment Advisors to develop and promulgate appropriate financial plans for the Society.
  - FPPC reviews AFS financial trends and provides recommendations to the Management Committee with the overall goal of ensuring the Society's financial sustainability.

## PROCEDURES OVERVIEW – 2/2022

- In Summary, these Procedures include:
  - Definition of Terms and Funds
  - Guidance on Program Planning, Evaluation and Operating - Capital Budgeting
  - Financial Planning Decision Model, Reporting needs, Strategic Plans with Actionable Goals
  - Policies on Budgeting, Special Projects, Unit financial coordination, Financial Sustainability
  - Policies on Obligated Reserve Fund (ORF), Unrestricted Funds, Restricted Award Funds
  - Cash, Short-term investments and Borrowing
  - Investment Policies and external Financial Advisor

## PROCEDURES IMPLEMENTATION – 2/2022

- The Procedures provide AFS with opportunities to enhance its financial management, reporting and analyses in support of organization Strategic Positioning
- As such, novel tools and processes will be needed for implementation
- Staff will work closely with the FPPC developing these resources for program assessments, business planning and financial reporting in 2022, for review by MC
- This structure will allow the MC to rely on the FPPC for financial guidance freeing up time for considering other Society business.

## MOTION TO ADOPT NEW PROCEDURES – 2/2022

- Based on input and contributions from the FPPC, Officers, Staff and MC it is proposed:
  - **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.

Note: this language is from the FPPC Committee Report Nov 2021

## OBLIGATED RESERVE

- An actual AFS Fund, held in the investment account, created a few decades ago through development efforts
- Eventually used in part to acquire new software
- It and the AFS 2000 Fund, have grown through investment gains + income, but gone dormant over the past 5++ years

## KEY QUESTIONS WE'LL WANT TO ADDRESS

- What should be AFS's definition of the Obligated Reserve?
- What is an appropriate Target Balance (capitalization level) for Obligated Reserve?
- How quickly should AFS seek to build its Balance to reach this Target?
- What considerations are important in developing a Target Balance?
- How and when will the Obligated Reserve be used?
- Should there be more than one Fund?
- But first ...

## LIONS, TIGERS AND RESERVES, OH MY!

Net Assets vs Reserves?

Is there a difference?

Let's go ask the accounting Wizard!



# NONPROFIT NET ASSETS

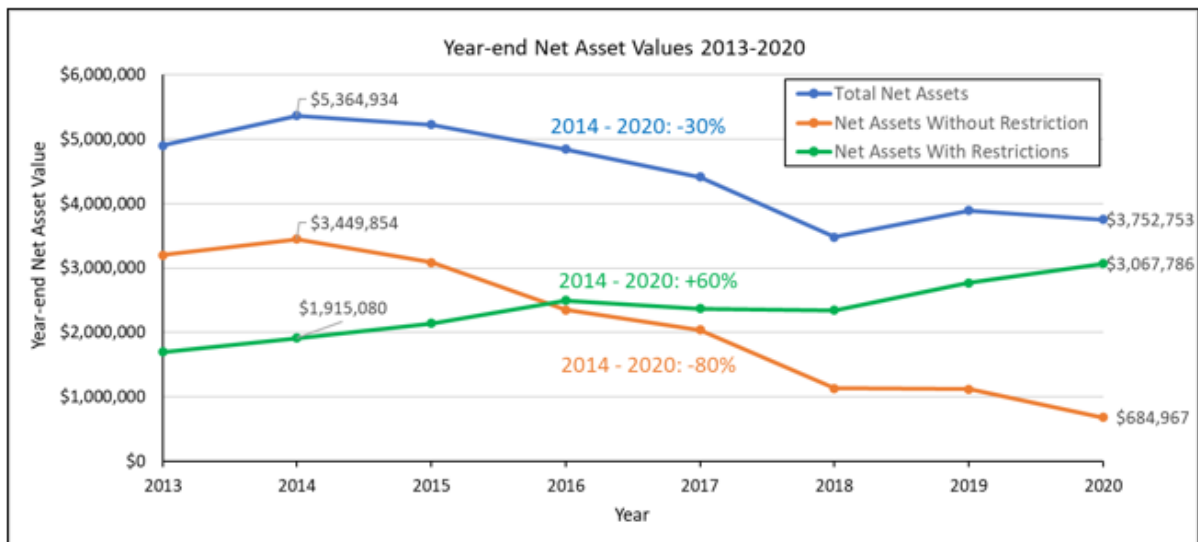
## What are Net Assets?

Net Assets are Assets minus Liabilities or more simply the accumulated operating results of the organization.

- In other words, if AFS converted all of its investments, receivables, property and other assets into Cash, and then paid off all of its liabilities, the remaining balance is Net Assets.

As the following chart shows, Net Assets vary from year to year, based on program operating results (net income), changes in the investment portfolio and from financing activities (borrowings and repayments of loans).

## NET ASSET BALANCES 2013 - 2020



## NET ASSETS TERMS

- **“Without Donor Restrictions” – Unrestricted Assets or Funds**
  - Net assets **not subject** to donor-imposed stipulations.
  - Portion existing in investment account funds
  - Net of all Unrestricted Assets and Liabilities (majority of AFS operations)
  
- **“With Donor Restrictions” – Restricted Assets or Funds**
  - Net assets **subject** to donor-imposed stipulations.
  - Donors may stipulate how the funds are to be used or provide a timeline for use.
  - If restrictions lapse, assets are released from restrictions
  - Maintained in investment account

## NET ASSETS 2020 AND 2019

NET ASSETS		
Without donor restrictions:		
Available for operations	354,628	815,176
Board designated	<u>330,339</u>	<u>305,150</u>
Total Without Donor Restrictions	684,967	1,120,326
With donor restrictions	<u>3,067,786</u>	<u>2,769,860</u>
Total Net Assets	<u>3,752,753</u>	<u>3,890,186</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,658,691</u></b>	<b><u>\$ 5,487,377</u></b>

\*\* Per 2020 Audit Report

## NET ASSETS WITH DONOR RESTRICTIONS

### NOTE H – NET ASSETS WITH DONOR RESTRICTIONS – continued

As of December 31, 2020						
Fund Name	Membership Services	Outreach and Communications	Professional Development	Annual Meeting	Journals & Publications	Totals
Past Presidents	\$ 54,490	\$ -	\$ -	\$ -	\$ -	\$ 54,490
Snieszko Fund	83,642	-	-	-	-	83,642
Sully Fund	-	9,835	-	-	-	9,835
Hutton Fund	-	185,542	-	-	-	185,542
National Park Foundation	-	15,143	-	-	-	15,143
CRS/International	-	364,193	-	-	-	364,193
Joan Duffy	-	420	-	-	-	420
Shelby Gerkin	-	-	100,831	-	-	100,831
J Francis Allen	-	-	308,445	-	-	308,445
Publications	-	-	-	-	1,009,477	1,009,477
Steve Berkeley	-	-	-	-	418,157	418,157
Skinner Fund	-	-	-	466,465	-	466,465
Mott Foundation	50,000	-	-	-	-	50,000
World Council of Fisheries	-	1,146	-	-	-	1,146
<b>Total Funds</b>	<b>\$188,132</b>	<b>\$ 576,279</b>	<b>\$ 409,276</b>	<b>\$466,465</b>	<b>\$1,427,634</b>	<b>\$ 3,067,786</b>

## NONPROFIT RESERVES

### What are Reserves?

- The National Council for Non-Profits defines “Reserves” as:
  - the portion of “Unrestricted Net Assets” that nonprofits maintain and/or formally designate or “Reserve” for use in emergencies to sustain financial operations in the unanticipated event of significant unbudgeted increase in operating expenses and/or losses in operating revenues.
  - “Unrestricted Net Assets” is a required line item in the balance sheets of financial statements prepared in according to Generally Accepted Accounting Principles (GAAP) and IRS Forms 990 of nonprofit organizations.



## NONPROFIT RESERVES

- “Reserves” (really Net Assets) for nonprofit organizations are a result of accumulated earnings over a period of time or excess earnings which are not used for annual operations but rather a portion of which is ‘put aside’ for particular purposes.
- Sometimes “Reserves” and “Net Assets” are used interchangeably.
- Let’s agree that “Reserves” are part of Net Assets but Net Assets are not part of “Reserves”

## NONPROFIT RESERVES

- Keep in mind that Reserves are not an accounting requirement nor are they a required line item in a nonprofit’s financial reports.
- They are merely a procedural position designating Net Assets for specific purposes or to insure financial sustainability. Nonprofits may designate or undesignate Unrestricted Net Assets as they feel appropriate.
- The term Designated Net Assets, is appropriate and one used in the financial statements

## TYPES OF RESERVES (“DESIGNATIONS”)

- **Repair and replacement of fixed assets:** to maintain and preserve productive long term assets.
- **Unexpected external problems:** to protect and stabilize the nonprofit in case of unexpected, often external, problems. This is the classic rainy-day fund, or operating reserve
- **Invest for the future:** to prepare for and respond to long term changes in organizational strategy or in the community or market.
  - “Opportunity Reserves” allows a nonprofit to invest in program redesign or to pilot an expansion, seed fund an innovation, test out new marketing or development ideas, or bring on staff capacity that will pay off in the future.

## SETTING RESERVE TARGETS STEM FROM PLANNING



## RESERVES HISTORY

- While it's unclear where the term Reserves originated, in the nonprofit community an "Operating Reserve" is commonly used to refer to the amount of unrestricted cash on hand and available to sustain an organization, and nonprofit Boards usually specify a target of maintaining several months of operating cash as a percentage of budget, also called an "Operating Reserve Ratio".
- Perhaps the convention of referring these funds as "Reserves" is a function of early nonprofits operating mainly on a cash basis, before adopting accrual accounting.
- In any event, the current definitions and proper accounting terms are:
  - Net Assets with Donor Restrictions
  - Net Assets without Donor Restrictions

## SIMPLE EXAMPLE

### "Franny the Fisheries Biologist"

Asset	Value	Loan	Net Equity
Home	\$500,000	\$300,000	\$200,000
Vehicle	\$15,000	\$10,000	\$5,000
Savings acct	<u>\$100,000</u>	<u>\$0</u>	<u>\$100,000</u>
Totals	\$615,000	\$310,000	\$305,000

Franny's Net Assets = \$305,000 and these may be "allocated" by her for travel, emergencies and replacing her car in a few years. However, only \$100,000 of this amount is held in Cash.

Her "Reserves" (Emergency Funds component) might be \$60,000 or let's say \$5,000/month to cover one year of her living expenses (mortgage, car payment, utilities, food, etc)

Of course, she may also have access to credit cards, HELOC and an employer retirement plan she can borrow against, if needed.

## UNRESTRICTED NET ASSETS BALANCE PROJECTION

Unrestricted Net Asset Balance		
9/30/21		
Fund Name	Balances	Comments
Pubs Endowment Fund	\$750,000	
Obligated reserve	\$192,921	
AFS 2000 fund	\$165,485	
Gerking	\$109,472	This amount is total balance, but likely leave a portion for the committee TBD
Hutton (75%)	\$147,392	Estimate of accumulated OH funds/gains to recognize as unrestricted income
DJV	\$16,411	Reclass to unrestricted income
<b>Totals</b>	<b>\$1,410,436</b>	
Unrestricted net assets, Dec 2020	\$354,628	
Revised unrestricted before		
<b>Total Unrestricted</b>	<b>\$1,765,064</b>	
2021 Operating Net Revenue	\$TBD	
2021 Expense Budget	\$3,400,000	
<b>Unrestricted % of Budget</b>	<b>52%</b>	

## ESTABLISHING A RESERVE TARGET

- The long-standing question facing every Nonprofit is “How to set a Reserve Target, Ratio or Formula”
- The Greater Washington Society of CPAs suggests the Reserves (Net Assets) rule of thumb is a minimum of 25% or three months of the annual operating expense budget.
- Many organizations hold higher levels or strive to increase that target to six months or more.



## ESTABLISHING A RESERVE TARGET

- There is no one formula or ratio that applies to all organizations and each nonprofit needs to establish targets that best meet its needs.
- Organizations should be diligent in reviewing such targets periodically in light of changing conditions and new developments to ascertain whether the funds properly reflect the organization's expected needs and business risks.

## ESTABLISHING A RESERVE TARGET

- For example, overly restricting Net Assets reduces an organizations ability to respond to opportunities, under restricting and an organization's financial position may be compromised at least in the short term.
  - Along these lines, nonprofits should consider other short-term funding vehicles such as bank credit lines, collateralized loans or lending from other sources.



## ESTABLISHING A RESERVE TARGET

- For example, the level of funds set aside by an organization depends on many factors including
  - reliability of revenue sources, industry and environmental factors and plans or potential new programs in the future.
- AFS has potential capital upgrades for website and iMIS database (\$ TBD but likely in the \$100,000's) as well as the possibility of selling the office condo (very rough quote of \$1.3M after fees) resulting in lower operating costs.
  - How do these and other changes affect financial management?
- Plus, refinement of AFS's strategic positioning may require or create added resources.

## ESTABLISHING A RESERVE TARGET

- Periodically assessing organizational strategy and conducting operational planning, will help AFS assess risks / opportunities, identify resource requirements and new funds generation to help set overall Net Assets and Obligated Reserve targets



## NEXT STEPS

- Staff will work the FPPC on the proposed Financial Management procedures
- **\*\*Motion 2:** The **Obligated Reserve in the Investment Fund** shall be rebuilt over 5 years, or at a rate approved by the MC, beginning in 2022 to become sufficient to cover 1 year of AFS operations (status: **pending**)
- and bring back recommendations on the procedures document and further guidance on the Obligated Reserve in terms of definition, use (s), and operational considerations.

# Attachment D – Typical AFS Unit Services Agreement

## AFS Unit Services Agreement for Meeting Contracting Services (Rev Apr 2019)

The meetings industry consists of a broad range of organizers, suppliers and facilities engaged in the development and delivery of meetings, conferences, exhibitions and related events. To assist Units with navigating this sometimes confusing and complex business, AFS offers fee-for-service professional meeting contracting and advisory services.

AFS has a long history of negotiating competitive hotel meeting agreements for both itself and for its Units. Staff have developed strong relationships with regional and national hotel representatives and numerous service providers. These relationships and knowledge about how the meetings industry works save AFS tens of thousands of dollars per year in meeting expenses and can help Units obtain competitive room rates, hotel concessions and contractor discounts. Typical concessions include complimentary room nights or upgrades, reduced meeting room rental fees, discounts on meeting services such as audio-visual and reduced pricing on food and beverages.

AFS staff providing meeting contracting support are:

- Shawn Johnston, AFS Meetings Manager. Shawn manages dozens of meeting proposals each year and he is the primary point of contact for Units. His ability to secure highly competitive hotel pricing and concessions are well known throughout the Society. His strong negotiation skills have helped AFS save money and deliver well-run events
- Daniel Cassidy, AFS Deputy Director. Daniel has 30 years of association management experience including oversight of meetings ranging in size from several hundred to over 5,000 attendees. He brings strong financial, contract review and risk management experience.

Please complete the following information to retain AFS for meeting contracting services.

**Unit Name:** \_\_\_\_\_  
**Unit Contact person:** \_\_\_\_\_  
**(Email and telephone):** \_\_\_\_\_

A Request for Information (RFI) template draft will be forwarded to the above contact to provide AFS Headquarters with the details of your meeting. The purpose of the template is to describe the event (including preferred meeting dates or time of the year, peak room nights and reservation pattern, number of meeting rooms requested, program schedule with food & beverage functions and any other related needs).

### TERMS AND CONDITIONS

#### Services

1. AFS serves in a consultative capacity and provides meeting contracting, negotiation and advisory services to the Unit.
2. AFS provides these services from its office in Bethesda, MD. The Unit may request to have a staff member attend an in-person meeting or hotel site visit at its own cost.
3. AFS will request proposals from up to ten properties depending on the meeting location and available hotels reasonably able to accommodate the event. AFS will prepare a summary of proposal responses for review by the local planning committee. Once the committee prioritizes its top three property choices, AFS will undertake another round of negotiations and reach “best and final” stage for the committee’s final selection.

4. AFS agrees to provide contracting services for the following meeting components:

- a. Hotel room rates  Yes
- b. Hotel services (describe)  Yes \_\_\_\_\_
- c. Meeting space  Yes
- d. Meal functions  Yes
- e. Other (describe)  Yes \_\_\_\_\_

**Responsibilities**

- 1. Management and administration of the actual meeting and its various components are the responsibility of the Unit.
- 2. The Unit meeting planning team retains final approval over hotel and vendor selection and associated agreements. One or more of the Unit officers shall be the signors on all contracts.
- 3. The financial and legal liability for the event and its success rests solely with the Unit. AFS assumes no responsibility over registrations, meeting logistics, vendor performance, hotel facilities and quality of services from any service provider. AFS’s responsibilities as defined in this agreement end once meeting contracting is completed and the hotel contract is countersigned by the hotel or one-year from the date of this agreement, whichever comes first.

**Service Fees**

- 1. As part of the negotiations for sleeping rooms, AFS will build a rebate into the nightly room charge. This arrangement is common practice in the meetings industry and typically represents a marketing fee hotels usually pay. The hotel pays these rebates directly to AFS HQ to offset staff cost at no cost to the Unit . The Unit keeps all concessions AFS negotiates on its behalf.
- 2. There is a \$250 deposit and a minimum fee of \$750 regardless of the size of the meeting.
- 3. The rebates will be paid to AFS to help cover its costs.

**Other Terms**

- 1. Services requested for meetings scheduled fewer than 18 months in advance may not always receive the best pricing and requested meeting dates. AFS desires to work with Divisions, Chapters, and Sections scheduling meetings at least 18 months in advance and preferably longer.
- 2. This agreement represents the entire agreement between AFS and the Unit and may be amended by mutual written agreement and acceptance of both parties or terminated at any time and without penalty upon written notice from one party to the other.
- 3. Due to the time frame of the AFS Annual Meeting, AFS requests that meeting organizers avoid the time frame of June to the conclusion of the AFS meeting so the necessary time can be devoted to your meeting needs and allow enough time for the RFI and RFP process to be completed by the competing properties.

**Unit Representative:**

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Name	Title	Date
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**AFS Representative:**

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Name	Title	Dat
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