



2012 - 2013 Budget Summary Narrative (Finalized on 5/8/12)

Income:

Category:	Description:	Assumptions and Strategy:
40: Education Income	Classroom and online education revenue, including the SR/WA study session; IRWA Sponsored courses; certification and designation programs; book sales, BTL seminars and Facilitators' Clinic.	Classroom education will remain constant this fiscal year, in keeping with the schedule established by our chapters, with approximately 400 classes offered and a class average of 15. IRWA's 900 series has been revised and is being relaunched along with C215 for the oil and gas industry. Course pricing will remain at 2008-2009 levels and emphasis will continue to be placed on increased course marketing and promoting available classes, both inside and outside the association. Online education income will continue to increase, as we bring C100 and C900 online in 2012, along with two Canadian offerings. IRWA's strategy is to provide core courses online and then build new intermediate and advanced classroom based programming, in response to the changing demographics of the association. IRWA Sponsored Course Income will also increase, in response to demand from agencies and local governments.
41: Advertising Income	Income from <i>Right of Way Magazine</i> advertising.	Income will increase over last year's budget, as current advertisers renew and new advertisers come on board. <i>Right of Way Magazine</i> is an important member benefit and advertisers are loyal and consistent in their support.
43: Investment Income	Surplus revenue, invested primarily in Certificates of Deposit, with a small stake in equities.	Income will decrease, with lower interest rates on investments.
44: Membership Income	Revenue from new and renewing members, agencies and affiliates, plus application and late fees.	Income will decrease from last year's budgeted amount, as we establish goals more in keeping with the slowly recovering economy. Membership dues were increased in 2012 and will remain constant at the rate of \$205 for Active Regular Members and \$220 for Active Senior Members.
45: Merchandise Sales	Income from the sale of IRWA branded merchandise.	Income will remain constant as most sales are managed directly through the online store with Lands End. We will continue to offer preferred vendors for pins, plaques and other IRWA logoed material.
46: Other Income	Magazine subscription, royalty and miscellaneous income.	Small revenue line will remain flat, since most magazine subscriptions are acquired through membership.
47: Seminars & Conferences	Revenue from International Conference, the Young Professionals Event and our Federal Agency Update.	The Charleston, West Virginia International Conference should be well attended, with strong participation from regions 4, 5 and 6 and as we focus more energy on our premier conference. We anticipate 800 or more participants and up to \$80,000 in sponsorship. The Young Professionals event will be in its third year of development and will take place in conjunction with the annual conference. Income for the Federal Agency Update will decrease, now that the event is a one day meeting hosted for our federal partners.

Expense:		
50: Cost of Goods Sold	Inventory of items in the online merchandise store.	Expense will remain constant with the current year amount.
55: Education Expenses	Expenses related to producing and shipping all material for 400+ classroom courses and the expenses related to Appraisal Quality Board filings for appraisal and valuation courses; class size incentives to chapters; course development and revision costs that exceed foundation funding or are not reimbursed by our foundations; facilitator Clinic expenses; course facilitator material; IRWA designation and certification program expense; education marketing expense and online education honorarium and licenses from the Business Training Library.	Costs will decrease slightly, as the result of amortizing new course development over a multi-year period.
597: Building Operation	Bank interest, building depreciation and building operations for the IRWA headquarters building.	Costs will increase slightly, as the owner's association makes improvements to the land and exterior lighting.
60: Payroll & Benefits	Payroll, benefits and pension expenses for 20 full-time staff.	Expenses reflect a 3.4% merit pool and a slight increase in healthcare benefits for staff in 2012-2013.
70: Other Seminars and Conferences	All expenses related to the production and execution of the Annual Education Conference, to be held in Charleston, WV and the Federal Agency Update in Washington, D.C.	Decrease in expense related to reducing FAU to a one day meeting and conducting the Young Professionals Event in conjunction with Annual Conference.
74: Travel- Regions	Travel expense related to the business activities of 10 regions and Region Governance, which includes the direct expenses for meetings of the Governing Council and committee chairs and Annual Conference, including meals and hotel costs.	Costs will be on par with this fiscal year.
75: Travel- Education Committees	Travel expense related to business activities of 9 Education and Industry Committees and special committee projects. Each committee meets once in conjunction with the Federal Agency Update and again at Annual Education Conference.	Costs will be on par with this fiscal year.
76: Travel- Service Committees	Travel expense for 4 service committees. Each committee meets in conjunction with the IGC and again at Annual Education Conference, with the exception of the IPDC, which meets as needed.	Costs will decrease from this fiscal year.
77: Travel- Other	Travel expense for representatives to meetings of allied organizations, the Leadership Institute Team and chapter celebrations.	Costs will be on par with this fiscal year.

78: Travel- International Governing Council	Travel expense for International Governing Council meetings and member attendance at spring region forums, committees to which members are assigned, annual conference and other travel, approved by the president. Chapter celebrations covers the cost of attending new chapter meetings.	Costs will increase slightly with the formal budgeting of an IEC Strategic Planning retreat in July.
79: Travel- Staff	Travel expense for IEC meetings, EVP or assigned staff attendance at spring region forums as needed, committees to which staff are assigned, chapter visits and other expense not specifically noted above.	Costs will increase slightly, reflecting Business Development Officer travel for region forums and chapter visits.
80: Administrative Expenses	All costs related to providing facilities, infrastructure and support services for our volunteer/staff network, as it conducts the business of the Association.	Overall costs will increase as the capital expense of course revisions, Leadership Development programs, a credentialing module for members and other IRWA programming with a multi-year shelf life are created.
88: Income Taxes	Federal and State income taxes related to Association activities.	No expenses anticipated.
Other Income:		
48: Pipeline Committee Revenue	Voluntary dues and other sources of revenue collected by the Pipeline Committee.	Income anticipated to be equal to this year.
4090: Brochure Income Pass Through	Charges to chapters for cost of printing and mailing of course marketing material.	Income anticipated to be equal to this year.
4095: Facilitator Income Pass Through	Charges to chapters for reimbursement of facilitator fees for chapter based courses.	Income anticipated to be equal to this year.
Other Expense:		
72-6470: Pipeline Committee Expenses	Expenses incurred by the Pipeline Committee.	Expenses anticipated to be equal to this year.
8200: Brochure Expense Pass Through	Expenses paid to vendor for course brochures and mailings.	Expenses anticipated to be equal to this year.
8400: Facilitator Expense Pass Through	Fees paid by IRWA to facilitators for courses conducted on behalf of chapters.	Expenses anticipated to be equal to this year.