

**INTERNATIONAL TEST AND EVALUATION ASSOCIATION**  
**Board of Directors Meeting**  
Via Conference Call  
28 Mar 2020 + 4:30 pm ET / 3:30 CT / 1:30 pm PT



ATTACHMENT XX.X  
OFFICER /  
COMMITTEE CHAIR/  
RVP/CHAPTER PRESIDENT  
REPORT TEMPLATE

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Committee: Ways and Means  
Person Reporting: Eileen Bjorkman  
Date Submitted: 26 March 2020

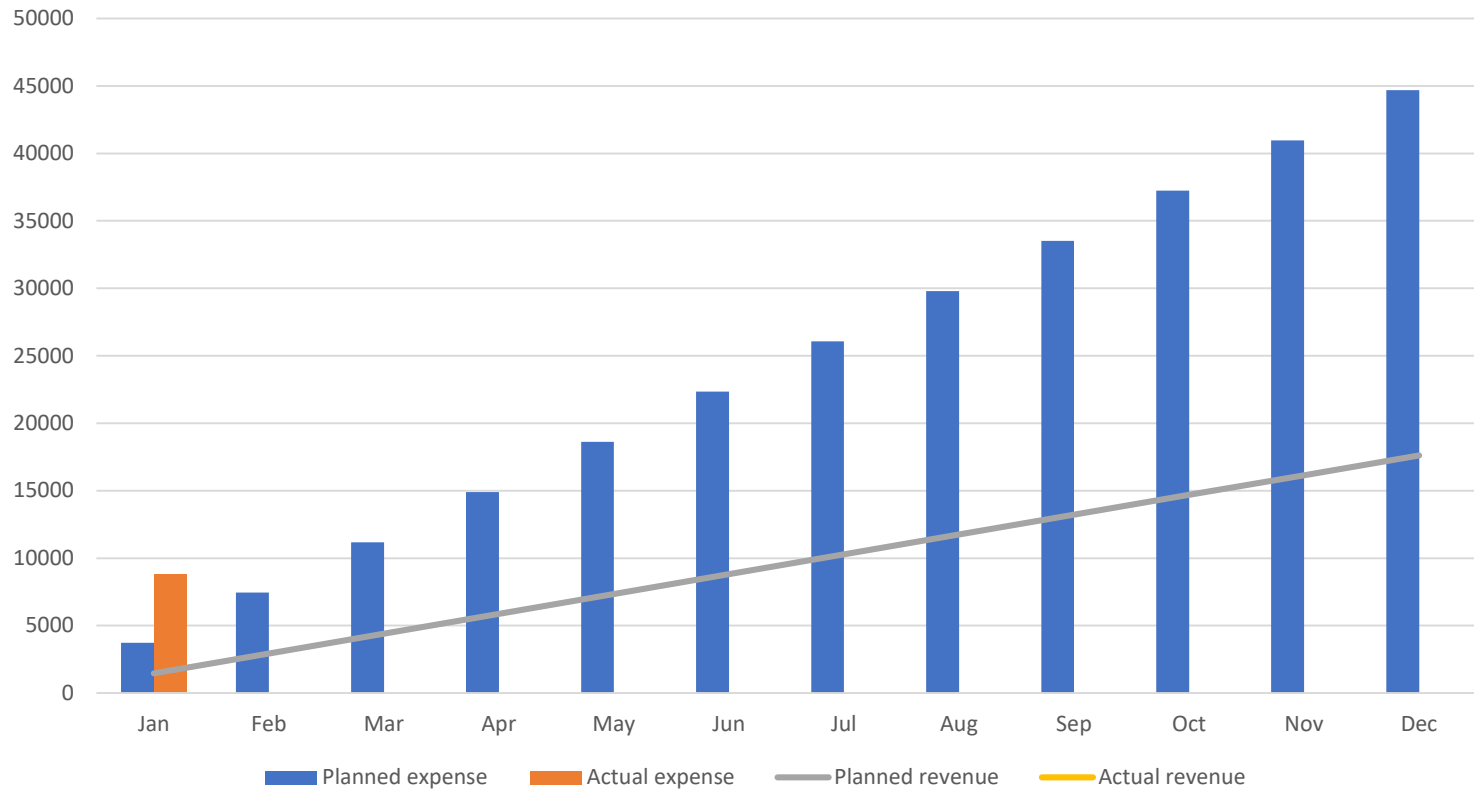
Attending by phone

# Information Only Items

- Deficiencies in current financial documents:
  - Don't track trends
  - Text is difficult to interpret
- Future financial reports will use charts in addition to text (see example next slide)

# Example Financial Slide (One for Each Cost Center)

## Journal Cost Center



# Information Only Items

- Contracted with two accounting services
- Similar companies: Small, specialize in nonprofits, located in Virginia
- Renner:
  - \$6,500 for accounting services to adjust 2019 books to accrual basis and general new financial statements
  - \$2,000 to prepare Form 990
- Quist:
  - Hourly fee of \$90/hour (accounting) or \$150/hour (tax services) to prepare monthly financial reports

# Discussion Items

- Merrill-Lynch account does not have enough long-term investments, as required by ITEA investment policy
- 2020 estimated investment income is \$495 on a nearly \$170K portfolio
- Current policy dictates:
  - Operating reserve – cash equivalents
  - Capital reserve – long-term, currently have about 90% of the portfolio in one bond fund
  - Education reserve – long-term, all funds currently cash equivalents
- Education reserve allocation should be:
  - Large cap stocks – 25%
  - Bonds (fixed income) – 55%
  - Cash equivalents – 20%
- Recommend we periodically review market conditions and set goals for cash reserves required to get back into the market

# Action Items (1/4)

- ACTION 111119-02: Ways and Means Committee to propose a formalized process for the run-up revenue, expense, and net income budgeting for ITEA events. James to send out definition of “direct expenses.”
- “Hosting an ITEA Event” updated and distributed to event chairs.
- Recommend closure.

# Action Items (2/4)

- ACTION 121018-04: Ways and Means Committee to work with Corporate Member Representatives to revise and rationalize any proposed dues and fees increases, especially those affecting Corporate Members.
- Original proposal rejected by corporate members
- Need updated proposal that addresses concerns:
  - Calculation of corporation size
  - Dues increases versus value; i.e., value proposition
  - Comparison to like organizations such as SETP and SFTE
- No new proposal provided as of 26 Mar

# Action Items (3/4)

- ACTION 032519-04: Ways and Means Committee to vet impact of DEPS MOU change of net income split for the DET&E/SoS Workshop from 35% DEPS / 65% ITEA (35% ITEA Chapters 65% ITEA) to 50% DEPS / 50% ITEA (35% ITEA Chapters 65% ITEA)
- Minimal impact
- Recommend acceptance of new split for 2021
- Recommend closure



# Action Items (4/4)

- ACTION 051419-04: Ways and Means Committee to propose Bylaws Change relating to the annual audit requirement in Article XI, Section 4.
- “The Association’s accounts shall be audited in accordance with generally accepted accounting principles at the end of every fiscal year, and at such other times as the Board may direct. The audited annual statement shall be made available to the members.”
- \$20,000 budgeted in 2020 for an audit and independent CPA to file IRS Form 990 and VA-500
- Will likely spend funds on normal accounting services this year
- Audit will likely slip to 2021 (on 2020 books)