

Page: Entry Information
Chapter CAI-IL
Chapter Size Extra Large (1201+)
Category Chapter Operations and Sustainability
Program Name Financial Planning & Controls
Each question is worth 20 points and will be scored using the following rubric: (1-5) Poor Didn't effectively answer the question (6-1) Fair Answered the question (11-15) Good Answered the question with more detail (16-20) Excellent Went above and beyond with proven results and visible data
Describe the program and why it fits the category. (20pts) The Illinois chapter has implemented many financial planning components and controls which helped us come through the 2nd year of the pandemic without falling too far behind financially. 1. In 2019, the chapter created a 5-year income and expense projection plan to help with budgeting and chapter planning. In this plan, we even planned for a recession year which we did refer to during the pandemic. (see Analysis_5yr_IncomeAndExpenseProjection_2019) File 1 2. The chapter goes through an extensive budgeting process each year and in 2021 aggressively budgeted for a nearly \$250,000 loss so we could be prepared for worst case scenario. Committees were asked to plan for a 20%-30% reduction in revenue and a corresponding reduction in expenses. Committees were also asked to plan 2 budget scenarios, the first assuming the Chapter would be able to conduct programs in-person or hybrid, and a second budget was planned assuming that all programs would happen virtually. Planning for various scenarios enabled the Chapter to be well prepared for the uncertainties due to the pandemic. Many years of rigid budgeting and analysis built up chapter reserves which allowed us to budget for such a large loss. (see Budget_Chapter_2021_Final) File 2 3. The chapter Finance Manager conducts in-depth analyses of all chapter events, programs, and activities which the Finance Committee reviews on a monthly basis. This allows us to know exactly where we stand financially and provides the ability to make adjustments and corrections throughout the year to sustain the chapter over time. (see Report_Magazine_Winter_2021) File 3 4. In 2021 the Finance Manager added a cash budget analysis to the monthly financials packet reviewed by the Finance Committee and the Board. The analysis involved anticipating the cash inflows and outflows on a monthly basis based on the planned Chapter budget. The budgeted cash figures were then compared to actual cash on a monthly basis. This allowed the Chapter to anticipate cash needs on a monthly basis and to project when a transfer from the Reserve funds would be necessary. (see Budget_Cash_Monthly_2021_11) File 5 5. The Chapter took advantage of several pandemic small business relief programs made available by the Federal government including deferring payment of the employer portion of social security taxes and applying for a PPP loan. The Chapter was approved for an \$80,000 PPP loan (which was forgiven) which covered approximately 3 months of payroll expenses and the deferral of the employer portion of social security taxes saved the Chapter approximately \$15,000 in expense. This helped the Chapter with cash flow in a difficult year.

How did this program meet the mission and vision of the chapters and CAI as a whole? (20pts)

CAI-IL Vision

CAI-IL is the premier organization inspiring community association excellence through best business practices, professionalism, effective leadership, and responsible citizenship by connecting homeowners, community managers, and business partners.

CAI-IL Mission

The mission of CAI-IL is to provide education, legislative advocacy, and professional service resources to achieve excellence in community associations.

The chapter cannot fulfill any part of its mission if it is not financially strong. By planning, building, and sustaining the backbone of the chapter, we have been able to continue serving our members and fulfilling the vision and mission of the chapter.

In addition, one of the Chapter's strategic goals is

Organization -conduct all activities of CAI-IL in a responsive, effective, and efficient manner. Responsible financial planning allows the Chapter to continue to be responsive to members needs even during a difficult year. Continuously analyzing revenue and expenses helps the Chapter plan and conduct programs and events in the most effective and efficient manner.

What was the impact on the chapter and its members after completing the program? (Growth of membership, financially, public awareness, membership value, better chapter/member relationship, chapter operations, etc.) (20pts)

The thorough planning, budgeting, and analysis has improved chapter operations and enhanced the financial strength of the chapter. During the past two years when chapters have had to cancel events, refocus priorities, update sponsor benefits, and more, the IL chapter has been able to sustain a strong financial position.

This financial stability has allowed us to maintain staffing and even offer salary increases, continue fulfilling member needs, and optimistically plan for the future of the chapter.

Because our financial planning and controls sustained our bank balance, we are able to take \$250,000 in 2022 and invest it in higher yield bonds which will bring the chapter more interest.

Please provide quantifiable data supporting the rationale for success. (20pts)

Although the chapter ended up with a net loss of \$43,706 in 2021, this was \$203,526 better than the projected loss of \$247,232. (see Report_YearEnd_2021) File 4

The fact that the chapter was able to confidently budget for a nearly \$250,000 loss without needing to shut down operations, lay off staff, or take out loans speaks volumes to the financial planning and budgeting that led up to 2021.

Additionally, the continual program and event analysis, course correcting, and financial discussions led the chapter to incur only a minor loss, not the large budgeted loss that was projected.

The chapter was able to hold major events such as the golf outing, summer social, winter gala, and many education sessions, even if attendance wasn't as expected because we had the ability to incur a loss if necessary. This helped us continue to meet member needs and has rebuilt member confidence and sponsorship support in 2022.

Based on the results, will the program be a regular part of the chapter's programs in the future and why?

Yes, we will continue planning, budgeting, analyzing, and controlling finances with a sharp eye. The chapter's Finance Manager has begun the next round of 5-year projections so we can continue sustaining the chapter and enhancing its financial strength.

The Chapter is also implementing a financial and KPI reporting software which will enable the Chapter to better visualize financial data and other KPI's such as membership figures. The software will enable the Chapter to compare actuals to not only the current budget but also to historical data from the past 5 years. This will enable the Board to analyze and understand trends, and to better plan for the future.

Supporting documents including flyers, postcards, pictures, videos etc. can be uploaded below. While they aren't required for your submission we certainly encourage it.

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