

FINANCIAL REPORTING

One of the more tedious responsibilities of chapter leadership may be the financial reporting aspect. However, Chapter's that create a budget and plan are certainly ahead of the game and benefit from the time invested in planning.

HSMAI has tried over the past few years to develop a "model" financial statement for the Chapter's referral. This section includes our first attempt at this important Chapter tool.

Few annual statements were available for the composite needed. However, we are submitting these to you with the anticipation that you will use the blank copies behind the actual "models" and begin using them for your record keeping.

HSMAI requires at least one annual financial accounting from each chapter per year. The end-of-the-year financial statement.

Financial Models

The following financial models are broken into three segments:

- Chapters up to 50 Members
- Chapters from 51 to 100 Members
- Chapters with more than 100 Members

Each model uses the same breakdowns although larger chapters do have a much more expanded chart of accounting.

Each model identifies at the top of the page, the average number of members representing the figures.

The figures represent year-end statements from 1997 and 1998. The dues rebate at that time was \$65 per member. Next year's models will exhibit the impact of the increased chapter funding of \$90 per member.

As expected, the smaller size chapters are more heavily dependent upon dues revenue as a percentage of their Total Revenue. We will refer to the three groups as Small, Medium and Large for the purpose of this analysis.

Please Note: The Membership Dues Rebate figure will never equal the \$65 per member number shown because of student and faculty memberships.

Dues Revenue: Small 26+%
 Med 13+%
 Large 12+%

Other Income: Small 29+%
 Med 49+%
 Large 60+%

The laws of relativity show up clearly here. More members generate more income. The direct correlation should remain constant in future models.

Direct Expenses: Small 83+%
 Med 54+%
 Large 69+%

Profit/Loss: Small 39+%
 Med <1.89%>
 Large <6.43%>

Both the medium and large chapters experienced a loss in the operating year used. Fortunately for them, they each had a considerable reserve to fund the loss.

SUMMARY:

A financial model can be very useful to the chapters. We must receive more year-end statements in order to present a more solid basis for analysis and recommendations. Please use this statement to develop an annual report if you are not doing so at this time.