

NASDCTEc/NCTEF Finance and Audit Committee

MINUTES

CONFERENCE CALL

June 12, 2014

3 p.m. – 4 p.m.

Attendees: Rod Duckworth, Tim Hodges, Lee Burket, Bernadette Howard, Mike Mulvihill, Marie Barry, JoAnne Honeycutt

Staff: Kimberly Green, Karen Hornberger, Kate Blosveren

Welcome: Duckworth welcomed the Finance and Audit Committee and thanked them for joining the call.

Budget Overview: Green thanked Karen and Kate for their assistance in doing research and pulling together the recommendations for the budget. Green reviewed the balance sheet and shared the big picture and health of each organization. She stated the Association has \$2.2 million in investments not including A/R and checking while the Foundation only has \$228,000 in investments and the Microsoft funds, temporarily restricted net assets, of \$110,000. We have about \$200,000 in recent revenue on the Foundation side but we still need to do the payroll reconciliation for the second ½ of fiscal year. The Achieving Excellence Institute/National Career Clusters Institute looks pretty good in terms of revenue and we are confident that we will have no hotel attrition. Even with the lower than projected participation and sponsorships, we will result in a net revenue of at least \$100,000. This is more than we predicted in the FY14 budget.

Proposed NCTEF Budgets: Green stated that because of the decision to eliminate the Institute in 2015 and the fact that the collaboration with ACTE will not begin until November/December 2015, there is a significant loss in revenue for NCTEF in FY15. Depending on the outcome of this fiscal year, this is probably the last fiscal year where staff would be comfortable relying upon reserves to balance the NCTEF budget. Given the critical income situation, staff recommends continuing product sales for another year. This recommendation would rescind the Board vote in Spring 2014.

The staff is proposing a new operational allocation between NASDCTEc and NCTEF. Previously the split was 25/75 and then the last two fiscal years it was 33/67. We are proposing a new split of 15/85 based on projected staff time allocations between the two organizations. NCTEF will have significantly less staff time given the elimination of the Institute. Additionally, the decision to eliminate the Institute will likely result in some staff changes.

Proposed NASDCTEc Budget: Green shared that the Association will retain the full costs of the awards program, estimated at \$18,000 and align that program with the Spring Meeting. Other changes that will impact the proposed budget include moving the communication budget into the main budget as a line item rather than a separate campaign budget. This budget was approved by the Board and we are still drawing down from the approved \$750,000 budget. We still have \$468,000 left in campaign budget and will keep track of the expenses as they are being used. Staff maturation means that additional benefits begin to accrue as well as the related cost

of benefits increasing. The proposed operational allocation between the NCTEF and NASDCTEc means that the Association will be taking on a larger burden of these expenses. Green noted that we are fully staffed with 7 employees and one part time temporary administrative position. Once this fiscal year is over, we are looking at some shifts in staffing to better reflect the proposed work for FY15. This will mean reducing meeting planning duties and shifting to some duties to a less senior administrative position.

Reserve Withdrawals: Green stated that each proposal requires a reserve withdrawal to fund projects (CCTC on NCTEF side; communication work on the NASDCTEc side) and to support overall organizational operations. Reserve withdrawals total \$232,692 out of \$1,113,454.90 which equals about 21%.

- \$80,000 is project based as well as new work.
- \$125,000 due to loss of CCI Revenue

Green recommends closing out FY14 financials and seeing what the “profit” is, then doing a budget modification for a bonus pool for the staff. We need to reward staff who have helped with the success in FY14. Additionally, Green noted that the proposed budgets are not ‘austere’ as we did not eliminate every expense to bring the budgets into balance. Instead, we trimmed where appropriate and recommend this year be viewed as a bridge year where we put in place the partnership with ACTE, some fundraising activities and the Board-approved taskforces that may have implication on revenue sources and membership.

Committee Discussion and Feedback: The overall consensus of the Committee is that the staff did a good job with the budgets and cut where possible without hurting the work and momentum of the organization. Staff was asked to share more about the fundraising plans. Green and Blosveren are developing a fund raising plan to propose to the Board in the fall. Grants are more project based and not for operational expenses. It is an exploratory effort that will hopefully result in a solid plan.

The Committee concurred with the overall approach of the budgets including the new allocation of operational costs between organizations, the creation of the bonus pool, and the investment in fundraising. The Committee thanked the staff for the judiciousness with which the budgets were developed.

Duckworth thanked the staff and appreciated the level of detail and care that went into the budget. He asked if anyone had any further questions. With no further questions, Duckworth asked for a vote to move the proposed budgets as presented to the full Board for approval.

MOTION: Approve the FY 15 NASDCTEc and NCTF budget as proposed and advance to the full Board for approval. Mulvihill; Barry.
MOTION ADOPTED.

PROPOSED NASDCTEC FY15 BUDGET

INCOME	Approved	Actual as of	Actual to	Proposed	Comparison	Explanatory Notes/Budget Justification
	FY14	5/31/2014	Budget	FY15	FY14 to FY15	
			92% of fiscal year		Budget #s	
State Memberships	\$484,631.10	\$494,254.00	102%	\$491,897.65	\$7,266.55	FY14 - Virgin Islands, Puerto Rico and 50% of California still outstanding. Expect to collect California. FY15: Based on 95% of invoiced dues, less Puerto Rico and Virgin Islands
Associate & Org. Memberships	\$38,272.25	\$43,775.00	114%	\$36,290.00	-\$1,982.25	FY15 proposed dues reflect 95% of invoiced dues, which were based on letters of intent. There were several retirements and 3 organizational members that did not submit renewals.
Conference Registrations	\$99,000.00	\$144,520.10	146%	\$130,500.00	\$31,500.00	FY14: 143 for fall meeting; 170 for spring. FY15 includes conservative target registration for fall at 135 and spring 155.
Conference Sponsorships	\$25,000.00	\$57,000.00	228%	\$45,600.00	\$20,600.00	FY14 was an amazing year. FY15 reflects 80% of FY14 actuals.
Interest/Dividend	\$60,000.00	\$42,525.22	71%	\$50,400.00	-\$9,600.00	FY14 investments through 4/30/15. FY15 based on current year projections of about \$4200 per month and continued positive market conditions.
Contract approved increases/bonus	\$32,800.00	\$0.00	0%	\$0.00	-\$32,800.00	FY14 contracted bonus not yet determined. Salary increase covered by base salary due to staff turnover. FY15 this line item is not needed.
Other income	\$10,000.00	\$5,702.53	57%	\$8,000.00	-\$2,000.00	FY14 was an estimate for speaking fees and honorarium. Did not meet goal but did secure an unexpected contract. FY15 reflects the balance of this contract, as well as reduced projected speaking fees.
Approved funds for Alignment study	\$41,750.00	\$41,515.00	99%	\$0.00	-\$41,750.00	
Reserve withdrawal				\$121,920.00		FY15: This is needed largely due to the shift in NASDCTEC absorbing additional costs by converting from a 25/75 cost sharing to a 15/85 cost sharing (rent, staff time, benefits, insurance, phone, accounting are all impacted). New project-based work for taskforces and vision summit consultants.
Reserve fund withdraw - Communications campaign support	n/a	n/a	n/a	\$42,325.00		Formerly communications campaign was under a separate budget. We decided to integrate into this budget, as the function is a mainstream priority rather than a "project." Still operating off of pre-approved campaign budget of \$750,000. See supporting spreadsheet.
TOTAL REVENUES	\$791,453.35	\$829,291.85	105%	\$926,932.65	\$135,479.30	
EXPENSES						
Allocated Expenses to Specific Projects						
Speakers	\$3,500.00	\$425.05	12%	\$2,500.00	-\$1,000.00	FY14: all speakers donated their time only one needed reimbursement for travel. FY15: Estimate includes facilitators for fall meeting.
Meals (Hotels/Catering)	\$40,000.00	\$55,179.46	138%	\$58,000.00	\$18,000.00	FY14: based on actual expenditures and increased registrations. FY15: Projections reflect contracted food and beverage minimums for hotels and conservative increase for increased attendance to Spring and Fall Meetings.
Travel/Lodging	\$18,950.00	\$16,337.22	86%	\$22,350.00	\$3,400.00	FY15: see supporting spreadsheet.
Awards/Gifts	\$2,125.00	\$1,335.03	339%	\$22,050.00	\$19,925.00	FY15: Includes gavel, assumes 4 award winners and gift for officers Amount modified based on actual estimates. Also includes the Excellence in CTE awards to be shifted to spring meeting.
Audio Visual	\$5,000.00	\$7,195.22	27%	\$7,500.00	\$2,500.00	FY15: Based on projections and AV fee schedules from hotels.
Printing/Copying	\$2,000.00	\$1,711.01	86%	\$2,866.60	\$866.60	FY15 printing budget includes per page copier charges for presentations, GR work, member services, conferences. Adding \$1000 for campaign-related printing that was formerly part of communications budget.

Communications (telephone/communications)	\$6,372.00	\$3,715.57	58%	\$8,465.00	\$2,093.00	Budget category reconfigured for FY15. Now includes webhosting, telephone, cell phone, mi fi for travel/conferences and additional money to prepay for our conference calls. See supporting spreadsheet.
Postage/Overnight	\$550.00	\$387.40	70%	\$475.00	-\$75.00	FY15: based on FY14 actuals
Supplies	\$2,100.00	\$1,299.13	62%	\$2,350.00	\$250.00	FY15 based on FY14 totals (which are closer to \$2000 as of 6/11/14) plus additional funds for video editing software.
Education/Training	\$2,500.00	\$1,300.00	52%	\$3,500.00	\$1,000.00	FY15: increased based on staff size
Subscriptions/Dues (publications and subscriptions)	\$8,769.79	\$6,912.70	79%	\$9,518.00	\$748.21	FY15: see supporting spreadsheet.
Bank Charges -CC FEES	\$3,500.00	\$3,262.14	93%	\$3,600.00	\$100.00	FY15: based on FY14 actuals
Contractors (consultants)	\$11,800.00	\$2,138.95	18%	\$24,000.00	\$12,200.00	FY15: see supporting spreadsheet.
Alignment Study	\$41,750.00	\$41,515.00	99%	n/a		
Subtotal - Specific Projects	\$148,916.79	\$142,713.88	96%	\$167,174.60	\$18,257.81	
General & Administrative Expenses						
Salaries	\$392,255.35	\$311,151.35	79%	\$455,224.47	\$62,969.12	FY14 reflects salary sharing with NCTEF, however January - June salary has been wholly absorbed by NASDCTEc. This will be reconciled as of June 30, 2014 and NCTEF will reimburse. FY15: see supporting spreadsheet.
Bonuses	\$15,200.00	\$2,000.00	13%	\$0.00	-\$15,200.00	FY14 contracted bonuses not provided yet. Will need to carry forward for FY15. Recommend FY15 bonus pool be established out of "profits" FY14, which will be determined after the close out of the FY14 books and require a budget modification in fall 2014.
Full employee benefits	\$90,825.82	\$91,063.73	100%	\$115,354.70	\$24,528.88	FY14 reflects benefits sharing with NCTEF, however January - June benefits have been wholly absorbed by NASDCTEc. This will be reconciled as of June 30, 2014 and NCTEF will reimburse. FY15: see supporting spreadsheet.
Rent	\$87,000.00	\$76,638.31	88%	\$111,628.00	\$24,628.00	FY14: Includes rent through May 2014. FY15: reflects lease commitments.
Office Maintenance				\$2,175.00	\$2,175.00	FY15: painting and one-time office maintenance
Licenses/Fees	\$2,675.00	\$2,470.81	92%	\$2,600.00	-\$75.00	FY15: Includes annual retirement plan filing fee (which increased for the fiscal year) and annual corporation fee.
Office Supplies	\$750.00	\$612.16	82%	\$1,025.00	\$275.00	FY 15: Based upon Actuals plus some additional supplies due to increased staff size, as well as replenishment of banking supplies.
Communications	\$250.00	\$204.31	82%	\$250.00	\$0.00	FY 15: Based upon FY14 actuals.
Postage/Overnight	\$300.00	\$159.90	53%	\$216.88	-\$83.12	FY15: monthly stamps.com fee plus additional \$25 in postage.
Printing/Copying	\$25.00	\$0.00	0%	\$25.00	\$0.00	FY15: Maintained Budget
Equipment & Furniture	\$5,150.00	\$3,377.39	66%	\$5,969.00	\$819.00	FY15: Includes copier lease, pass thru taxes and networking agreement for copier, camera for communications work, 2 new computers and mi fi card for use when traveling. Also includes funds for replacement of 2 office chairs.
Bank Charges	\$300.00	\$270.00	90%	\$325.00	\$25.00	FY15: Based on actuals for FY14 on average \$27 per month.
Merrill Lynch Charges	\$26,000.00	\$29,123.34	112%	\$30,000.00	\$4,000.00	FY14 includes all quarterly fees. Fees are based on amount of funds invested, thus the over-budget expenses. FY15: based on average fees in FY14.
Accounting	\$32,000.00	\$24,359.00	76%	\$28,908.00	-\$3,092.00	FY14 includes fees through April 30, 2014. FY15: see supporting spreadsheet.
Legal	\$1,350.00	\$487.50	36%	\$550.00	-\$800.00	FY15 based on regular annual reviews of organizational documents and filings.
Insurance - Directors	\$3,912.00	\$3,758.59	96%	\$4,757.00	\$845.00	FY15: see supporting spreadsheet.
Liaison & Meetings	\$600.00	\$386.10	64%	\$750.00	\$150.00	FY15 based on FY14 totals. These are staff functions, increased due to staff size.
Total G & A Expenses	\$658,593.17	\$546,062.49	83%	\$759,758.05	\$101,164.88	
Total Project Expenses	\$148,916.79	\$142,713.88	96%	\$167,174.60	\$18,257.81	
TOTAL EXPENSES	\$807,509.96	\$688,776.37	85%	\$926,932.65	\$119,422.69	
INCOME LESS EXPENSES	-\$16,056.61	\$140,515.48		\$0.00		

Contractors

	Proposed FY 15	Notes
Webhosting	\$2,000	
Graphic design	\$11,000	formerly covered by communications budget; covers design and layout of organizational and campaign assets
Vision summit	\$3,000	beginning planning for 2015 summit
Website updates	\$3,000	formerly covered by communications budget
Taskforce	\$2,500	support for Board-approved taskforces, benchmarking studies
Campaign assets (video)	\$2,500	new product/asset development for campaign
Total	\$24,000	

Dues/Subscriptions

	FY14 Budget	FY14 Actuals	Proposed FY 15	Notes
Quickbooks	\$226.15	\$226.15	\$227.00	
ACTE	\$500.00	\$500.00	\$500.00	
NAPE	\$100.00	\$100.00	\$100.00	
AERA	\$150.00	\$0.00	\$0.00	Cancel due to staff change
Education Week	\$85.00	\$35.00	\$84.94	weekly printed paper
Education Daily	\$1,300.00	\$1,300.00	\$0.00	Staff indicated this was not as valuable of a resource as the past.
Dr. Backup	\$575.64	\$527.67	\$575.64	
Survey Monkey	\$225.00	\$200.00	\$225.00	Formerly part of the communications budget.
Basecamp	\$1,188.00	\$1,188.00	\$1,188.00	
CEF	\$3,150.00	\$3,000.00	\$3,150.00	
Constant Contact	\$275.00	\$231.00	\$672.00	Formerly part of the communications budget. Increase due to projected increased communications activity
ASAE	\$295.00	\$0.00	\$295.00	
NCAC	\$250.00	\$100.00	\$250.00	
Advertising for staff	\$450.00	\$70.00	\$200.00	
Stock photos			\$250.00	Formerly part of the communications budget.
PR Newswire		\$779.00	\$1,800.00	Formerly part of communications budget. Shifting to integrate into main budget as this is a mainstream function. Also increased amount based on project activity in FY15.
Total	\$8,769.79	\$7,477.82	\$9,517.58	

Travel

	FY14 Budget	FY 14 Actuals	Proposed FY15	Notes
Board	\$1,500.00	\$6,672.81	\$7,000.00	FY 14: Over budget due to unbudgeted Board retreat, reimbursements for ACTE Board meeting and the joint ACTE Executive Committee meeting. FY15 based on FY14 actuals.
Fall	\$3,545.00	\$1,057.50	\$2,940.00	Includes estimated travel for 7 staff members based on hotel contract/concessions
Spring	\$5,120.00	\$1,532.47	\$1,800.00	Includes estimated travel for 7 staff members; budget does not include any fees for staff rooms as they are usually comped based on contracted concessions.
Member Services	\$8,750.00	\$7,680.43	\$10,310.00	Keeping budget the same for this fiscal year. Includes remote employee travel to office.
Total	\$18,915.00	\$16,943.21	\$22,050.00	

Insurance

	FY14 Budget	FY14 Actuals	Proposed FY 15	Notes
Key Person	\$414.20	\$435.26	\$444.00	FY15 based on projected premiums.
Directors/Officers Liability	\$1,780.00	\$1,678.00	\$2,204.05	FY14 full premium was \$2517. FY15: Expense shared between organizations. 15% charged to NCTEF based on estimated staff effort. FY15 includes a 3% projected CPI increase.
Business policy	\$1,550.00	\$1,478.00	\$1,941.40	FY14 full premium was \$2217. FY15: Expense shared between organizations. 15% charged to NCTEF based on estimated staff effort. FY15 includes a 3% projected CPI increase.
ERISA bond	\$167.33	\$167.33	\$167.34	Final installment of three year bond prepaid total of \$502.
Total	\$3,911.53	\$3,758.59	\$4,756.79	

Accounting

	FY 14 Budget	FY14 Actuals	Proposed FY 15	Notes
Audit	\$8,000.00	\$8,000.00	\$10,200.00	Based on contract.
Payroll Fee	\$2,559.40	\$1,584.00	\$2,200.00	FY15 estimate includes 7 staff members and quarterly/annual fees. Sharing 1/3 of fee with NCTEF
Monthly/Quarterly Acct	\$8,700.00	\$5,662.50	\$7,285.00	FY14 includes expenses through April 30, 2014. FY15 reflects same # of hours for this category. Accountant fee increased, which is the main cause of the increase.
990 Preparation, Audit, 1099s, Personal Property Tax	\$12,500.00	\$9,112.50	\$9,222.50	FY15 reflects same # of hours as FY14 for 990, audit, 1099 and Personal Property Tax. Accountant fee increased, which is the main cause of the increase.
Total	\$31,759.40	\$24,359.00	\$28,907.50	

Salary and benefits

	FY14 Budget	FY15 - NASDCTEc portion	FY15 - NCTEF portion	Difference between FY14 and FY15	Notes
Total Salary	\$561,013.95	\$455,224.47	\$71,958.46	-\$33,831.02	Reflects significant redistribution of staff time given elimination of the Institute. Also, given hiring of more junior staff allowed for reduction in salaries.
Total Benefits	\$126,698.37	\$115,354.70	\$17,623.60	\$6,279.93	Benefits includes payroll taxes, per recommendation of accountant. Also includes projected increases due to staff tenure and projected increased in health care costs.
Total:	\$687,712.32	\$570,579.17	\$89,582.06	-\$27,551.09	

Telecommunications				
	Full Amount	NASDCTEc FY15	NCTEF FY15	Notes
Web Hosting	\$2,200.00	\$1,495.00	\$705.00	\$1800 pre paid and split 25/75; balance of \$400 to be paid in FY15 split 15/85
Blog hosting	\$130.00	\$130.00	\$0.00	Prepaid for FY15. Member service so charged to NASDCTEc fully.
Windstream - Phone Service	\$4,800.00	\$4,080.00	\$720.00	15/85 split
AVAYA Phone Warranty	\$576.00	\$489.60	\$86.40	15/85 split
Verizon Cell phone	\$1,200.00	\$1,020.00	\$180.00	15/85 split
Webinar platform	\$211.39	\$158.54	\$52.85	Prepaid for FY15. member service. Charged at 1/4 to NCTEF; 3/4 to NASDCTEc (prior split).
Mi Fi	\$240.00	\$204.00	\$36.00	15/85 split
Conference calls	\$1,000.00	\$850.00	\$150.00	15/85 split
Network Solutions	\$36.99	\$36.99	\$0.00	URL registration that was pre-paid multiple years.
	\$10,394.38	\$8,464.13	\$1,930.25	

Communications Campaign (multi year expenses)

NOTE: Total budget approved for campaign was \$750,000

5100 Consultants	\$247,713.26	David & Associates contract for branding, spring meeting presentation/roll out and web site redesign, graphic designer, new video, branding best practices work, building customizable state templates
5110 Postage and Delivery	\$2,208.88	Mailing of tubes to membership about web site, shipment of vision papers and brochures to presentations
5120 Telephone/Communication	\$2,709.09	Conference calls, Communications Committee, portion of cell phone and office line related to communications work
5130 Supplies	\$2,225.33	Signage, banner, toner for color printing
5140 Travel/Lodging	\$11,576.17	This is staff travel to give presentations and for Dean to come to the MD office to work on branding strategy and web site redesign.
5190 Printing and Copying	\$11,485.56	Second printing of vision papers, CTE brochures, CTE posters, CTE folder, business cards
5210 Awards/Gifts	\$101.95	Thank you for voice over on video (did not charge a fee)
5220 Publications and Subscriptions	\$2,693.67	Constant Contact subscription for newsletter (multiple years); Survey Monkey
5300 Legal	\$1,287.79	Trademark of logo
5240 Banking Fees	\$359.74	Credit card processing for vision paper, CTE brochures and CTE posters - reimbursement of expenses
TOTAL:	\$282,361.44	
Additional expenses not charged against project; just an FYI		
Staff salaries and benefits - based on % of	\$222,990.60	Multi-year total thorough December 31, 2013
Rent - based on % of time	\$46,186.35	Multi-year total thorough May 31, 2014
	\$269,176.95	

PROPOSED NCTEF FY15 Budget							
Income	Approved Budget	Actual through 5/31/2014	Actual to budget 92% of fiscal year	Proposed FY15	Comparison FY14 to FY15	Explanatory Notes/Budget Justification	
NOCTI	\$1,500.00	\$609.14	41%	\$750.00	\$ (750.00)	FY14 YTD includes three quarters, not likely to make target; FY15 based on more conservative projections.	
Product Sales	\$40,000.00	\$36,701.22	92%	\$30,000.00	\$ (10,000.00)	FY14 includes book revenue share. FY15 reflects conservative estimate. Generally sales produce and 2/3 profit compared to costs.	
Institute	\$210,750.00	\$190,304.88	90%	n/a		FY14 includes \$15,125 in pre-session revenue moved to workshop revenue. No revenue will be derived from the ACTE/ partnership on the Vision/Career Clusters Institute as the next event - November 2015 - is in the next fiscal year.	
Institute sponsorships	\$25,000.00	\$19,000.00	76%	n/a		No revenue will be derived from the ACTE/ partnership on the Vision/Career Clusters Institute as the next event - November 2015 - is in the next fiscal year.	
Interest/Dividend	\$13,000.00	\$8,509.99	65%	\$10,000.00	\$ (3,000.00)	FY14 interest recorded through April 30, 2014. FY15 is a conservative estimate given limited projected revenue and withdrawal from reserves for FY15.	
Workshop Revenue	\$25,000.00	\$7,383.17	30%	\$27,500.00	\$ 2,500.00	FY14: If add pre-session revenue plus workshop revenue, total after revenue share was taken into consideration was just shy of \$15,000. This was the basis for the FY15 estimate plus additional revenue from 2- full day or 4 1/2 day preessions at the 2014 ACTE vision conference	
CCTC- from reserves	\$86,000.00	\$80,986.16	94%	\$38,400.00	\$ (47,600.00)	FY14. There is one more potential contract const for \$3390 associated with updating the database with the results of the industry alignment study. Final project costs will be less than budgeted. FY15: Proposed budget for CCTC/CCSS crosswalk project to be funded from reserves.	
Reserve withdrawal to balance budget	\$157,660.37	\$0.00	0%	\$72,372.31	\$ (85,288.06)		
Other income	n/a	\$2,250.02		\$7,500.00	\$ 5,249.98	FY14: unexpected contract work. FY15 reflects balance of current contracts. This comparison is between the FY14 actual given no funds were budgeted in this category.	
Total	\$558,910.37	\$345,744.58	62%	\$186,522.31	\$ (372,388.06)		
Expenses - Specific Projects							
Institute							
2013 Institute expenses	\$750.00	-\$61.90	-8%	n/a		FY14: amount is negative due to pre-session reimbursement of fees paid for by NCTEF in FY13. These offset the expenses in current FY.	
2013 Institute pre-session revenue share	\$2,500.00	\$3,440.00	138%	n/a			
2013 hotel attrition	\$46,485.48	\$43,458.90	93%	n/a			
2014 Institute expenses	\$135,475.00	\$17,593.84	13%	\$500.00	\$ 0.00	FY15 These are the post-event charges associated with payments, etc. Since there will not be any pre-session management fees to offset charges the charges will be slightly higher.	
2014 Institute pre-session revenue share				\$3,000.00		FY15: This the revenue share of the CP Effect workshops/preessions with CORD.	
CC Leadership Taskforce				\$3,000.00		This proposal reflects costs to conduct the pilot of the states serving as Career Cluster conveners or leaders in FY15.	
Shipping fees - product sales	\$1,500.00	\$1,805.86	120%	\$1,600.00	\$ 100.00	FY15 calculated at 5% of product sales plus a additional 100 to accommodate postage increases.	
Credit card fees - product sales	\$750.00	\$785.32	105%	\$600.00	\$ (150.00)	FY15 calculated at 2% of product sales.	
Art, printing and copying	\$25,000.00	\$6,266.50	25%	\$7,500.00	\$ (17,500.00)	FY15 reflects reprinting costs for products as inventory is depleted. No new product development projected.	
Direct staff and benefits	\$210,231.33	\$70,794.82	34%	\$89,582.06	\$ (120,649.27)	FY15 see supporting spreadsheet.	
Board expenses	\$5,500.00	\$4,648.70	85%	\$5,000.00	\$ (500.00)	Includes \$4500 for travel as approved by Board policy; \$500 for additional expenses to include related calls, Board meetings, etc.	
CCTC	\$86,000.00	\$80,986.16	94%	\$38,400.00	\$ (47,600.00)	CCTC/CCSS alignment project	
Fundraising and grant development				\$15,000.00		FY15: Proposed effort to invest in fundraising to support NCTEF activities and operational costs.	

Subtotal for Specific Projects	\$514,191.81	\$229,718.20	45%	\$149,182.06	\$ (365,009.75)	Expenses reduced significantly given elimination of Institute and cascading impact on other related expenses, ability for NCTEF to pay for basic operational costs.
General CC/Administrative Expenses						
Rent	\$43,106.18	\$38,259.09	89%	\$19,700.00	\$ (23,406.18)	FY14 includes rent through May 31, 2014. FY15 is based on NCTEF paying for 15% of leased space.
Travel	\$7,500.00	\$457.30	6%	\$500.00	\$ (7,000.00)	FY15 based on FY14 actuals.
Communications	\$4,700.00	\$2,350.19	50%	\$1,930.25	\$ (2,769.75)	FY15 see supporting spreadsheet.
Postage	\$135.00	\$65.71	49%	\$75.00	\$ (60.00)	FY15 based on FY14 actuals.
Supplies	\$300.00	\$214.99	72%	\$275.00	\$ (25.00)	FY15: Includes \$350 for banking supplies - checks and deposit slips, as well as additional limited supplies. Banking supplies to be split across 2 fiscal years.
Equipment	\$705.96	\$679.11	96%	\$410.00	\$ (295.96)	Given the budget situation, not recommending any equipment additions for FY15. FY15 fees reflect 15% share of copier and networking expenses.
Printing and Copying	\$500.00	\$72.11	14%	\$100.00	\$ (400.00)	FY15: Include internal printing for meetings, presentations, correspondence, etc. Not product development.
Legal	\$275.00	\$1,137.50	414%	\$350.00	\$ 75.00	FY14 included review of bylaws and engagement of attorney related to Microsoft letter and hotel attrition. FY15 does not anticipate any additional legal activity, so budget reduced to reflect annual filing and document review.
Licenses/Fees	\$500.00	\$441.62	88%	\$450.00	\$ (50.00)	Annual license fees for non profit status.
Insurance	\$1,665.00	\$1,578.00	95%	\$732.00	\$ (933.00)	This includes the directors and officers' liability and business insurance.
Accounting and banking	\$20,337.60	\$12,813.65	63%	\$8,068.00	\$ (12,269.60)	See spreadsheet for FY15 estimates.
Banking fees - investments	\$8,100.00	\$5,098.18	63%	\$4,750.00	\$ (3,350.00)	FY14 includes all quarterly fees and is complete for the fiscal year. FY15 based on FY14 actuals.
Total G & A expenses	\$44,718.56	\$63,167.45	141%	\$37,340.25	\$ (7,378.31)	
Total project expenses	\$514,191.81	\$229,718.20	45%	\$149,182.06	\$ (365,009.75)	
TOTAL EXPENSES	\$558,910.37	\$292,885.65	52%	\$186,522.31	\$ (372,388.06)	
INCOME LESS EXPENSES	\$0.00	\$52,858.93		\$0.00		

Accounting

	FY 14 Budget	FY14 Actuals 5/31/2014	Proposed FY 15	Notes
Audit	\$4,000.00	\$4,000.00	\$1,800.00	FY15 NCTEF charged 15% of contracted audit fees.
Payroll Fee	\$1,260.60	\$0.00	\$189.00	FY14 budget proposed NCTEF reimburse 1/3 of payroll fees. This will be done at year-end. FY15 NCTEF charged 15% of fees.
Monthly/Quarterly Acct	\$5,550.00	\$3,000.00	\$2,247.50	FY14 expenses through April 30, 2015. FY15 reflects projected reduced fees due to lower activity level in NCTEF.
990, audit, 1099 and PPT(combined)	\$9,300.00	\$5,587.50	\$3,603.75	FY14 expenses through April 30. FY15 reflects projected reduced fees due to lower activity level in NCTEF.
Quickbooks fee	\$227.00	\$226.15	\$227.00	FY14 expense was included in supplies. FY15 - Moved to accounting to more accurately reflect fee.
Total	\$20,337.60	\$12,813.65	\$8,067.25	

Insurance

	FY14 Actuals	FY15 Proposed	Notes
Directors/Officers Liability	\$839.00	\$377.55	FY15: Expense shared between organizations. 15% charged to NCTEF based on estimated staff effort. FY15 includes a 3% projected CPI increase.
Business policy	\$739.00	\$332.55	FY15: Expense shared between organizations. 15% charged to NCTEF based on estimated staff effort. FY15 includes a 3% projected CPI increase.
Total	\$1,578.00	\$710.10	

Salary and benefits

	FY14 Budget	FY15 - NASDCTEc portion	FY15 - NCTEF portion	Difference between FY14 and FY15	Notes
Total Salary	\$561,013.95	\$455,224.47	\$71,958.46	-\$33,831.02	Reflects significant redistribution of staff time given elimination of the Institute. Also, given hiring of more junior staff allowed for reduction in salaries.
Total Benefits	\$126,698.37	\$115,354.70	\$17,623.60	\$6,279.93	Benefits includes payroll taxes, per recommendation of accountant. Also includes projected increases due to staff tenure and projected increased in health care costs.
Total:	\$687,712.32	\$570,579.17	\$89,582.06	-\$27,551.09	

Telecommunications				
	Full Amount	NASDCTEc FY15	NCTEF FY15	Notes
Web Hosting	\$2,200.00	\$1,495.00	\$705.00	\$1800 pre paid and split 25/75; balance of \$400 to be paid in FY15 split 15/85
Blog hosting	\$130.00	\$130.00	\$0.00	Prepaid for FY15. Member service so charged to NASDCTEc fully.
Windstream - Phone Service	\$4,800.00	\$4,080.00	\$720.00	15/85 split
AVAYA Phone Warranty	\$576.00	\$489.60	\$86.40	15/85 split
Verizon Cell phone	\$1,200.00	\$1,020.00	\$180.00	15/85 split
Webinar platform	\$211.39	\$158.54	\$52.85	Prepaid for FY15. member service. Charged at 1/4 to NCTEF; 3/4 to NASDCTEc (prior split).
Mi Fi	\$240.00	\$204.00	\$36.00	15/85 split
Conference calls	\$1,000.00	\$850.00	\$150.00	15/85 split
Network Solutions	\$36.99	\$36.99	\$0.00	URL registration that was pre-paid mulple years.
	\$10,394.38	\$8,464.13	\$1,930.25	