

**National Communication Association
Proposed Calendar Year 2022 Budget**

	Proposed 2022 Budget	2021 Budget
Operating Revenue		
Membership Dues	\$ 705,750	\$ 630,000
Convention Revenue	878,500	767,000
Royalties	949,000	932,000
Chapter Renewals, Fees & Sales	276,000	268,000
Advertisement Income	112,000	87,000
Editor Stipend Revenue	150,000	140,000
Program Revenue	25,000	25,000
Subscription Sales	13,000	13,000
Contributions	5,000	5,000
Extra Unit Affiliation	7,000	7,000
Other	5,000	5,000
Total Operating Revenue	3,126,250	2,879,000
Operating Expenses		
Salaries & Benefits	1,522,700	1,484,500
Professional Services	379,500	333,500
Advertising	32,000	31,000
Taxes	65,000	61,000
Interest Groups	50,720	50,720
Awards	48,500	28,500
Program Grants & Sponsorships	241,000	261,000
Membership Fees & Merchandise	13,500	16,000
Travel & Meetings	152,000	146,000
Communication & Outreach	17,000	23,000
Food & Beverage	134,000	101,000
Audio & Visual	225,000	150,000
Building Maintenance & Utilities	80,000	50,000
Office Expenses	93,500	88,000
Information Technology	216,500	153,500
Fees	54,200	59,000
Dues & Subscriptions	126,000	149,000
Insurance	40,100	34,600
Editor Stipends	188,000	176,000
Program Expenses	48,000	37,500
Miscellaneous	38,500	34,250
Total Operating Expenses	3,765,720	3,468,070
Change in Net Assets - Operating Surplus/(Loss)	(639,470)	(589,070)
Non-Operating Revenue		
Investment Income	665,000	386,000
Total Non-Operating Revenue	665,000	386,000
Non-Operating Expenses		
Investment Fees	45,000	42,000
Depreciation Expense	92,500	135,000
Total Non-Operating Expenses	137,500	177,000
Change in Net Assets - Non-Operating Surplus/(Loss)	527,500	209,000
Total Revenue	3,791,250	3,265,000
Total Expenses	3,903,220	3,645,070
Change in Net Assets - Surplus/(Loss)	\$ (111,970)	\$ (380,070)

2022 Budget Narrative

Preamble

Pursuant to the NCA Bylaws and NCA's policies and procedures, the National Office prepared the 2022 Budget and this summary of specific budgeted items. In constructing this budget, a several basic principles were followed. First, the 2022 budget and summary (as with the 2021 budget and summary) reflects realistic and informed projections of both revenue and expenses for the coming year; as such, the budget reflects the revenue and expenses that will be incurred by returning to the National Office in full capacity and resuming anticipated in-person convention related costs. However, these costs have been budgeted knowing that there may be future virtual needs at both the convention and Executive Committee Meetings. Secondly, the 2022 budget adheres to very conservative assumptions regarding likely revenues for the association while also working to adjust expenses to accurately reflect anticipated needs and expectations. This principle is especially relevant given the impact of the COVID-19 pandemic on NCA activities and NCA members. Third, this budget was constructed to reflect the association's actual, material operating revenues and expenses, and removes from operating projections items and/or funds that do not factor into the operations, such as investment income, investment fees, and depreciation. This is consistent with prior year's budgeting. Finally, the 2021 budget reflected the impact of the COVID-19 pandemic on the association's activities and members. The 2022 budget assumes that NCA returns to a sense of normalcy.

Revenue

The 2022 budget projects total operating revenue of \$3,126,250; slightly more than the \$2,879,000 projected in 2021 (~ 9% increase).

First, NCA's revenue projections for 2022 do not include projected **investment income**. Anticipated investment revenue for 2022 is \$665,000; which does not figure in to NCA's operations and is shown as a non-operating source of income. This is considerably higher than 2021 projections to bring it more in-line with actuals. NCA's investment income in 2019 and 2020 was \$1,178,078 and \$840,345, respectively, and as of June 30, 2021 we have earned \$1,122,038 in investment income. In consultation with our investment advisors, we have agreed that \$665,000 is a conservative estimate for 2022.

Second, a large source of NCA's operating revenue comes from **membership dues**. A significant factor that typically influences membership levels is the location of NCA's annual convention, and NCA's budgets have usually forecasted quite conservatively to account for location-specific attributes and historical patterns. For 2022, NCA has projected dues income of \$705,750, a conservative estimate based on prior years budgeted amount. From 2016-2019 (four fiscal years), NCA averaged \$709,055 in membership dues revenue. 2020 is excluded from this projection since a 50% discount was applied to all membership levels due to the pandemic. This was in hopes to retain NCA member during this difficult time. The National Office conservatively budgeted NCA membership dues revenue for 2022 at \$705,750. This takes into account a review of the 2021 active members and assumes membership will remain constant.

Third, NCA generates income from our **student organizations** through membership fees, chapter renewals, and merchandise sales. The 2022 budget forecasts revenue of \$276,000, slightly up from the \$268,000 projected for 2021.

Fourth, the 2022 budget assumes an increase in miscellaneous revenue. Specifically, for **career advertisements** (e.g., the NCA Career Center, CRTNET, and *Spectra*), revenue has been increasing since the end of 2020, and we are projecting to earn \$112,000 in 2021 therefore the anticipated budget for 2022 has been increased to \$112,000 from the 2021 budget of \$87,000. For 2022, we expect to earn a similar amount as in 2021 in the Program, Subscriptions Sales, Contributions, Extra Unit Affiliation and Other revenue categories.

Fifth, much of NCA’s **convention revenue** comes from registration fees. Conservatively, the 2021 budget anticipates a return to a fully in-person convention in November but assumed there may be a decline in attendance as a function of the COVID-19 pandemic and its lingering effects. As well as the fact that the location of the 2021 convention is in Seattle, presumed less desirable. Thus NCA projected a significantly reduced level of convention revenue for 2021 of \$767,000. In 2022, with the convention in New Orleans, we are making an assumption attendance will return to pre-pandemic levels such as at Salt Lake (2018) and Baltimore (2019). The 2022 budget projection is \$878,500 in convention revenue, a 15% increase from 2021.

Sixth, the majority of NCA’s revenue related to **publications** comes from journal royalties from Taylor & Francis and from EBSCO. In addition, NCA receives considerable support from Taylor & Francis for its editor stipends; roughly 80 percent of the editor stipends are supported by T&F. In all, NCA projects revenue from publications for 2022 to be \$1,099,000.

Revenue Category	2021 Budget	2022 Budget
Membership Dues	\$630,000	\$705,750
Student Organizations	\$268,000	\$276,000
Convention	\$767,000	\$878,500
Publications	\$1,072,000	\$1,099,000
Miscellaneous Revenue	\$142,000	\$167,000
Total	\$2,879,000	\$3,126,250

Expenses

The 2022 budget projects total operating expenses of \$3,765,720; approximately a 9 percent increase from 2021 projection of \$3,468,070. Notably, this increase is predominantly due to increased costs for the 2022 Convention for IT, AV and Food & Beverage; additional costs for having in-person Leadership and Executive Committee meetings; and additional general and administrative costs for building maintenance, legal and IT.

General & Administrative Expenses

NCA is projecting 2022 general and administrative expenses to be \$2,223,900. Expenses in this category for 2021 were projected at \$2,048,250 (~9 percent increase).

As is the case for most service-oriented organizations (e.g., membership associations, learned societies), NCA's largest expense in this category is **compensation, benefits, and taxes**. Compensation includes salaries for full-time staff members. The 2022 budget includes a salary increase pool for the staff consistent with cost of living adjustment as specified in NCA's financial policies and potentially for a modest merit-based increase or bonus. Some benefits, including retirement contributions and FICA, are tied directly to salaries. Other benefits cost the same amount for everyone or differ across individuals based on variables other than salary. These include health, dental, and life insurances. NCA is projecting 2022 expenses of \$1,522,700 for compensation, benefits, and taxes; in 2021, NCA projected expenses of \$1,484,500 in this category (~3 percent increase).

Other **general and administrative expenses** include building maintenance (e.g., utilities, janitorial services, alarm monitoring), technology (e.g., phone, Internet, technical maintenance fees, computer supplies), real estate taxes, credit card and other professional fees, legal, accounting and design services, organizational insurance, travel, training, and general office expenses. NCA is projecting expenses of \$701,200 for other general and administrative costs and functions; in 2021, NCA projected expenses of \$563,750 in this category (~24 percent increase).

Executive Office Expenses

NCA is projecting 2022 executive office expenses to be \$144,000. Expenses in this category for 2021 were projected at \$92,500 (~56 percent increase).

The major categories of expenses in this area are for **meetings and events** and **governance/National Office travel**. In 2021, NCA held the February Leadership retreat virtually but planned to have an in-person executive committee meeting in August resulting in a lower 2021 budget for both meeting/event and travel costs. However, in 2022 NCA plans to have the Leadership Retreat and August Executive Committee meeting in person resulting in additional costs. NCA also plans to resume all planned National Office Travel. To support both governance meetings and events as well as National Office and governance travel, NCA is projecting expenses for 2022 to be \$108,000, a significant increase from only \$35,500 budgeted for 2021.

Other **governance** expenses include dues for partner advocacy organizations and sponsorships of other meetings and events, officer initiative funds, etc. These expenses are projected to be \$36,000 for 2022.

Academic/Professional Resources

NCA is projecting 2022 academic/professional resources expenses to be \$463,220. Expenses in this category for 2021 were projected at \$442,720 (~5 percent increase).

NCA's largest expense for academic/professional resources is from **grant-making**, including grants for the annual NCA Doctoral Honors Seminar, the NCA Institute for Faculty Development (the "Hope" conference), Student Caucus Travel Grants, Advancing the Discipline Grants, research cultivation grants and the Alta Argumentation conference. For 2021, the budget projected \$259,000 for grant-making; for 2022, the budget projects \$239,000 (~8 percent decrease). This decrease is accounted for by the \$20,000 grant for the Chairs Summer Institute which takes place every other year, hence the reduction.

Increases in the Academic & Professional Resources portion of the budget comes from additions in **Travel**, and **Public Programs** as we are resuming staff travel and in-person programming in 2022. We also have an increase in **Awards** of \$20,000 for the award selection and nomination software in order to convert the manual process into an online platform.

Convention

NCA is projecting 2022 annual convention expenses to be \$644,100. Expenses in this category for 2021 were projected at \$585,600 (~10 percent increase).

The largest **convention** expense is for AV services which is included in the site charges. Food and beverage is used for several events including, among others, the welcome reception, the convention planners' meetings, the International Scholars' Reception, and the Diversity Council reception. Professional services expense includes a meeting planning consultant, a photographer, a sign language interpreter, temporary personnel, movers, webinar services, on-site IT support and other small items. The budget increase from 2021 to 2022 is mostly due to New Orleans not having a convention center and NCA's inability to capitalize on hotel rebates as in the past. Additionally, there are increased food and beverage costs for our current contracted hotels, and additional IT costs to support virtual meetings elements of the convention.

External Affairs & Publications

NCA is projecting 2022 external affairs and publications expenses to be \$290,500. Expenses in this category for 2021 were projected at \$299,000 (~3 percent decrease).

The largest external affairs and publications-related expense is **editor stipends** for its eleven journals. NCA also incurs production and distribution costs for membership communication and outreach, and subscriptions (the cost of providing members with access to journals, both electronic and print). Expenses of **video production** are also included in this category.

Expense Category	2021 Budget	2022 Budget
General & Administrative Expense (e.g., compensation; office expenses; professional fees and services)	\$2,048,250	\$2,223,900
Executive Office (e.g., governance; meetings & events; travel)	\$92,500	\$144,000
Academic & Professional Resources (e.g., program grants; student organizations; public programs)	\$442,720	\$463,220
Convention	\$585,600	\$644,100
External Affairs & Publications (e.g., <i>Spectra</i> ; video production; editor stipends)	\$299,000	\$290,500
Total	\$3,468,070	\$3,765,720