

National Communication Association
Proposed Calendar Year 2023 Budget

	Proposed 2023 Budget	2022 Budget	Variance
Operating Revenue			
Membership Dues	\$ 688,750	\$ 705,750	(17,000)
Convention Revenue	945,800	878,500	67,300
Royalties	927,000	949,000	(22,000)
Chapter Renewals, Fees & Sales	276,000	276,000	-
Career Advertisements	144,000	112,000	32,000
Editor Stipend Revenue	150,000	150,000	-
Program Revenue	25,000	25,000	-
Subscription Sales	15,500	13,000	2,500
Contributions	5,000	5,000	-
Extra Unit Affiliation	8,000	7,000	1,000
Other	5,000	5,000	-
Total Operating Revenue	3,190,050	3,126,250	63,800
Operating Expenses			
Salaries & Benefits	1,796,100	1,522,700	273,400
Professional Services	475,200	379,500	95,700
Advertising	32,000	32,000	-
Taxes	65,000	65,000	-
Interest Groups	50,720	50,720	-
Awards	48,500	48,500	-
Program Grants & Sponsorships	261,000	241,000	20,000
Membership Fees & Merchandise	13,500	13,500	-
Travel & Meetings	221,000	152,000	69,000
Communication & Outreach	22,000	17,000	5,000
Food & Beverage	145,000	134,000	11,000
Audio & Visual	225,000	225,000	-
Building Maintenance & Utilities	95,600	80,000	15,600
Office Expenses	123,000	93,500	29,500
Information Technology	159,500	216,500	(57,000)
Fees	54,200	54,200	-
Dues & Subscriptions	141,470	126,000	15,470
Insurance	35,200	40,100	(4,900)
Editor Stipends	184,000	188,000	(4,000)
Program Expenses	34,500	48,000	(13,500)
Depreciation Expense	110,000	92,500	17,500
Miscellaneous	38,500	38,500	-
Total Operating Expenses	4,330,990	3,858,220	472,770
Change in Net Assets - Operating Surplus/(Loss)	(1,140,940)	(731,970)	(408,970)
Investment Reserve Funding			
Strategic Planning Priorities	400,000	-	400,000
Operating Reserve Funding	740,940	731,970	8,970
Total Non-Operating Revenue	1,140,940	731,970	8,970
Total Revenue	4,330,990	3,858,220	
Total Expenses	4,330,990	3,858,220	
Change in Net Assets - Surplus/(Loss)	\$ -	\$ -	-

National Communication Association
Proposed Calendar Year 2023 Budget by Function

	Proposed 2023 Budget	2022 Budget	Variance
Operating Revenue			
Membership Dues	\$ 688,750	\$ 705,750	(17,000)
Convention Revenue	945,800	878,500	67,300
Royalties	927,000	949,000	(22,000)
Chapter Renewals, Fees & Sales	276,000	276,000	-
Career Advertisements	144,000	112,000	32,000
Editor Stipend Revenue	150,000	150,000	-
Program Revenue	25,000	25,000	-
Subscription Sales	15,500	13,000	2,500
Contributions	5,000	5,000	-
Extra Unit Affiliation	8,000	7,000	1,000
Other	5,000	5,000	-
Total Operating Revenue	3,190,050	3,126,250	63,800
Operating Expenses by Department			
General & Administrative	1,199,459	1,083,013	116,446
Executive Office	302,436	235,362	67,074
Academic & Professional Resources	1,008,550	920,030	88,520
Convention	1,088,681	963,867	124,814
External Affairs & Publications	731,864	655,948	75,916
Total Operating Expenses	4,330,990	3,858,220	472,770
Change in Net Assets - Operating Surplus/(Loss)	(1,140,940)	(731,970)	(408,970)
Investment Reserve Funding			
Strategic Planning Priorities	400,000	-	400,000
Operating Reserve Funding	740,940	731,970	8,970
Total Non-Operating Revenue	1,140,940	731,970	8,970
Total Revenue	4,330,990	3,858,220	
Total Expenses	4,330,990	3,858,220	
Change in Net Assets - Surplus/(Loss)	\$ -	\$ -	-

2023 Budget Narrative

Preamble

Pursuant to the NCA Bylaws and NCA's policies and procedures, the National Office prepared the 2023 Budget and this summary of specific budgeted items. In constructing this budget, several basic principles were followed. First, the 2023 budget and summary (as with the 2022 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, fully staffed 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 2023 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. 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, and investment fees. This is consistent with prior year's budgeting. Finally, the 2023 budget shows our Investment Reserve Funding needed to fund the 2023 budget. This is broken out into the Strategic Planning Priorities and Operating Reserve funding. This is labeled differently than in years past but shows how our operating loss is funded by our investments.

Revenue

The 2023 budget projects total operating revenue of \$3,190,050; slightly more than the \$3,126,250 projected in 2022 (~ 2% increase).

First, NCA's revenue projections for 2023 do not include investment income. Investment income is not part of our operations and should not be counted on year to year to sustain operations. Instead we have taken the approach to balance the budget with the funding needed to pull from our investments to sustain operations and achieve strategic planning priorities. The Investment Reserve Funding needed for Strategic Planning Priorities is \$400,000 and to sustain Operations Funding is \$740,940. Operating Funding is only ~ \$9,000 higher than projected needs in 2022 which was \$731,970.

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 2023, NCA has projected dues income of \$688,750, a conservative estimate based on prior years budgeted amount. From 2017-2021 (four fiscal years), NCA averaged \$677,308 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 members during this difficult time. This takes into account a review of the 2022 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 2023 budget forecasts revenue of \$276,000, the same projected budget for 2022. Based on our current revenue trends for our LPH and SCH honor society dues we are on pace to hit our \$276,000 revenue budget for 2022 and expect a similar result in the following year.

Fourth, the 2023 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 2021, and we are projecting to earn \$144,000 in 2022 therefore the anticipated budget for 2023 has been increased to \$144,000 from the 2022 budget of \$112,000. For 2023, we expect to earn a similar amount as in 2022 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 2023 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 recent legal decisions related to reproductive rights and guns. These effects were felt at our 2021 Convention in Seattle. In 2023, with the convention in the National Harbor of Maryland we are making an assumption attendance will return to pre-pandemic levels such as in Dallas (2017), Salt Lake (2018) and Baltimore (2019). The 2023 budget projection is \$945,800 in convention revenue, a 7% increase from 2022. The Convention revenue also includes an inflationary increase to the Convention Registration Fees for attendees of the convention.

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 \$1,077,000.

Revenue Category	2022 Budget	2023 Budget
Membership Dues	\$705,750	\$688,750
Student Organizations	\$276,000	\$276,000
Convention	\$878,500	\$945,800
Publications	\$1,099,000	\$1,077,000
Miscellaneous Revenue	\$167,000	\$202,500
Total	\$3,126,250	\$3,190,050

Expenses

The 2023 budget projects total operating expenses of \$4,330,990; approximately a 12 percent increase from 2022 projection of \$3,858,220. Notably, this increase is predominantly due to the addition of two new senior level positions for the Director of Membership and the Director of IDEA not previously budgeted for and a full time Director of Communications. These are accounted for in the Salaries & Benefits line item. As well as budgeting for fully outsourcing to Marcum LLP the Human Resource and Finance function of the organization and additional costs related to COVID vaccination verification for the 2023 Convention accounted for in the professional services line. We will also have an additional \$20,000 in Program Grants & Sponsorships for the Chairs Summer Institute that takes place every other year and additional costs for in-person Leadership and Executive Committee meetings; and additional general and administrative costs for building maintenance, office supplies, and depreciation.

Salaries & Benefits

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 13 full-time staff members. The 2023 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 2023 **Salaries & Benefit** expenses of \$1,796,100 for compensation, benefits, and taxes; in 2022, NCA projected expenses of \$1,522,700 in this category (~15 percent increase). This increase is predominately due to the addition of the Director of Membership and the Director of IDEA positions and budgeting for a full time Director of Communications which was formally a part time position.

Please note that Salaries & Benefits are spread amongst all the departments based on level of effort in each functional area (G&A, Executive Office, Convention, APR and EAP). While the Executive Director's time is spread amongst all functional areas, some staff are budgeted to their home department as a majority of their time is spent there but each employee assists with the Convention for example.

General & Administrative Expenses

NCA is projecting 2023 general and administrative expenses to be \$1,199,459. Expenses in this category for 2022 were projected at \$1,083,013 (~11 percent increase).

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,

human resources and design services, organizational insurance, training, and general office expenses.

Executive Office Expenses

NCA is projecting 2023 executive office expenses to be \$302,436. Expenses in this category for 2022 were projected at \$235,362 (~28 percent increase).

The major categories of expenses in this area are for **meetings and events** and **governance/National Office travel**. In 2023, NCA plans to have the February Leadership Retreat and August Executive Committee meetings and 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 2023 to be \$137,500, an increase from \$108,000 budgeted for 2022. This increase is primarily due to the 2023 Leadership Retreat funding additional committees and working group to attend and participate.

Other **governance** expenses include dues for partner advocacy organizations and sponsorships of other meetings and events, officer initiative funds, and organizational dues. These expenses are projected to be \$57,170 for 2023.

Academic/Professional Resources

NCA is projecting 2023 academic/professional resources expenses to be \$1,008,550. Expenses in this category for 2022 were projected at \$920,030 (~10 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, Chairs Summer Institute and the Alta Argumentation conference. For 2022, the budget projected \$239,000 for grant-making; for 2023, the budget projects \$259,000 (~8 percent increase). This increase is accounted for by the \$20,000 grant for the Chairs Summer Institute which takes place every other year.

Academic & Professional Resources expenses include the interest group individual budgets, council meeting costs, travel for staff members to attend regionals, CIDD expenses and public programs which will held virtually moving forward.

Convention

NCA is projecting 2023 annual convention expenses to be \$1,088,681. Expenses in this category for 2022 were projected at \$963,867 (~13 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, COVID vaccination verification and other small items. The budget increase from 2022 to 2023 is mostly due to additional funding for comping a one night stay at the hotels for members of the Legislative Assembly and COVID vaccination verification.

External Affairs & Publications

NCA is projecting 2023 external affairs and publications expenses to be \$731,864. Expenses in this category for 2022 were projected at \$655,948 (~12 percent increase).

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	2022 Budget	2023 Budget
General & Administrative Expense (e.g., compensation; office expenses; professional fees and services)	\$1,083,013	\$1,199,459
Executive Office (e.g., governance; meetings & events; travel)	\$235,362	\$302,436
Academic & Professional Resources (e.g., program grants; student organizations; public programs)	\$920,030	\$1,008,550
Convention	\$963,867	\$1,088,681
External Affairs & Publications (e.g., <i>Spectra</i> ; video production; editor stipends)	\$655,948	\$731,864
Total	\$3,858,220	\$4,330,990