



2011 - 2012 Budget Summary Narrative

Income:

Category:	Description:	Assumptions and Strategy:
40: Education Income	Classroom and online education revenue, including the SR/WA study session; IRWA Sponsored courses; certification and designation programs; book sales and Facilitators' Clinic.	Education income will increase by 4% next year, based on actual data from our chapters regarding their member centric education plans. Revenue from professional development programs may decrease, even as we continue to promote our Professional Career Path of certifications and designations and the URA Certification, because of the previous surge in SR/WA candidacies. Classroom income was calculated on the 414 classes planned, with an average class size of 14. Course pricing will remain at 2008-2009 levels and we will initiate segmented course marketing, promoting specific classes to those who need them for certification purposes. Online education income will continue to increase, as we offer a balanced program of 19 IRWA Online courses and add 4 additional online offerings. IRWA Sponsored Course Income will increase, based on new and growing relationships with existing agencies and staff will monitor chapter course offerings and fill in with on-site courses, when necessary, to meet member education needs.
41: Advertising Income	Income from <i>Right of Way Magazine</i> advertising.	Income will decrease slightly from year's budget, although overall <i>Right of Way Magazine</i> is considered an important member benefit and advertisers are loyal and consistent in their support. Marketing to non advertising Right of Way companies will continue to be a priority, with the goal of recapturing lapsed advertisers from previous years as the focus.
43: Investment Income	Surplus revenue, invested primarily in Certificates of Deposit, with a small stake in equities.	Income will decrease slightly, based on actual long term investment rates.
44: Membership Income	Revenue from new and renewing members, agencies and affiliates, plus application and late fees.	We anticipate that income will increase from last year's budgeted amount, based on a scheduled \$10 dues increase. Active Regular Members dues will be \$205 and Active Senior Members dues will be \$220 in the fall 2011 campaign. On December 31, 2010, our total membership stood at 10,219, pending the planned reduction on non-renewing members whom we will attempt to recapture before June 30, 2011.
45: Merchandise Sales	Income from the sale of IRWA branded merchandise.	Income will decrease, as fewer members buy IRWA branded items. Income from IRWA wearables does not impact this budget line item.
46: Other Income	Contribution, magazine subscription, royalty and miscellaneous income.	Small revenue line will remain flat, since most magazine subscriptions are acquired through membership.

47: Seminars & Conferences	Revenue from International Conference, Federal Agency Update and Young Professionals events.	The Seattle, Washington International Conference should be well attended, with up to 1,000 participants and \$60,000+ in sponsorship. Registration rates for this premier conference will be increased for the first time in many years. Income for the Federal Agency Update will increase as the event expands in 2012 as a World Congress of Real Estate and invites participation from 5-10 countries in Latin America, Asia and Europe. A Young Professionals event will also take place as a revenue neutral activity.
Expense:		
50: Cost of Goods Sold	Inventory of IRWA branded items.	Expense will be roughly the same as the income for IRWA branded items.
55: Education Expenses	Expenses related to producing and shipping all material for classroom courses and the expenses related to Appraisal Quality Board filings for appraisal and valuation courses; class size incentives to chapters; course development and revision costs that exceed foundation funding or are not reimbursed by our foundations; facilitator Clinic expenses; course facilitator material; IRWA designation and certification program expense; education marketing expense and online education honorarium and licenses from the Business Training Library.	Education expenses will increase as we develop new courses, based on the needs of our members and revise our existing classroom and online curriculum.
597: Building Operation	Bank interest, building depreciation and building operations for the IRWA headquarters building.	Building operation costs will increase, reflecting actual expenses and depreciation.
60: Payroll & Benefits	Payroll, benefits and pension expenses for 22 full-time staff.	Expenses reflect an overall increase of 2.6%
70: Other Seminars and Conferences	All expenses related to the production and execution of the Annual Education Conference, to be held in Atlanta, GA and the Federal Agency Update in Washington, D.C.	Expenses will increase, reflecting the actual costs of producing our International Education Conference, World Congress of Real Estate and Young Professionals event.
74: Travel- Regions	Travel expense related to the business activities of 10 regions and Region Governance, which includes the direct expenses for meetings of the Governing Council and committee chairs in conjunction with FAU and Annual Conference, including meals and hotel costs.	Costs will be kept equal to this fiscal year for region travel.

75: Travel- Education Committees	Travel expense related to business activities of 9 Education and Industry Committees and special committee projects. Each committee meets once in conjunction with the Annual Education Conference. Additional meetings are as needed, within the approved budget.	Costs will be kept equal to this fiscal year for committee travel.
76: Travel- Service Committees	Travel expense for 4 service committees. Each committee meets once in conjunction with the Annual Education Conference. Additional meetings are as needed, within the approved budget.	Costs will be kept equal to this fiscal year for committee travel.
77: Travel- Other	Travel expense for representatives to meetings of allied organizations, the Leadership Institute Team and chapter 50th anniversary celebrations.	Expense will decrease slightly, reflecting the actual cost of IRWA participation in allied organizations and the IRWA Leadership Institute.
78: Travel- International Governing Council	Travel expense for International Governing Council meetings and member attendance at spring region forums, committees to which members are assigned, annual conference and other travel, approved by the president. Chapter celebrations covers the cost of attending new chapter meetings.	Expense will continue to decrease, as leadership travels less and more strategically.
79: Travel- Staff	Travel expense for IEC meetings, EVP or assigned staff attendance at forums as needed, committees to which staff are assigned, chapter visits and other expense not specifically noted above.	Expense will continue to decrease, as staff travels less and more strategically.
80: Administrative Expenses	All costs related to providing facilities, infrastructure and support services for our volunteer/staff network, as it conducts the business of the Association.	Overall costs will increase, for IRWA Marketing, the actual cost of the Leadership Institute (in equal partnership with our two foundation partners) and the addition of video conferencing and new office furniture and equipment depreciation.
88: Income Taxes	Federal and State income taxes related to Association activities.	No expenses anticipated.
Other Income:		
48: Pipeline Committee Revenue	Voluntary dues and other sources of revenue collected by the Pipeline Committee.	Income anticipated to be equal to this year.
4090: Brochure Income Pass Through	Charges to chapters for cost of printing and mailing of course marketing material.	Income anticipated to be equal to this year.
4095: Facilitator Income Pass Through	Charges to chapters for reimbursement of facilitator fees for chapter based courses.	Income anticipated to be equal to this year.

Other Expense:

72-6470: Pipeline Committee Expenses	Expenses incurred by the Pipeline Committee.	Expenses anticipated to be equal to this year.
8200: Brochure Expense Pass Through	Expenses paid to vendor for course brochures and mailings.	Expenses anticipated to be equal to this year.
8400: Facilitator Expense Pass Through	Fees paid by IRWA to facilitators for courses conducted on behalf of chapters.	Expenses anticipated to be equal to this year.