

2024 CAFII Budget
In \$ Cdn

Agenda Item 4 c
December 5/23 Board Meeting

	2022 Actuals	YTD Sep 2023	2023 Budget	2023 Forecast	CAFII 2024 Budget	Alternative Budget per Discussion	Growth % (2024 Base Case vs 2023 Forecast)	Comment/Rationale
Revenue								
Member and Associate Dues	991,653	\$714,823	\$929,964	\$953,097	\$916,342	\$916,342		No Member Dues increase; Loss of Valeyo as a Member; increase in Associate Dues from \$4800 to \$5,000 (first increase since 2011)
Interest	2,579	\$16,358	\$5,500	\$22,831	\$15,000	\$15,000		Surplus cash invested in short-term GICs (e.g. 100 days)
Miscellaneous (One time event fees)	12,511	\$380		\$380	\$0			Extra, non-complimentary seats purchased for Annual Members and Associates Luncheon
TOTAL REVENUE	1,006,743	\$731,561	\$935,464	\$976,308	\$931,342	\$931,342	-5%	
EXPENSE								
Office Costs								
CAFII Staff Salaries and Benefits					\$406,267	\$406,267	0%	3 staff members in 2024; includes 4% increase over 2023, but pro-rated for new hires (August 2023 start)
Managing Matters Contractual Fees	507,904	\$451,230	\$538,784	\$637,578	\$127,648	\$127,648	-80%	2.0% contractual increase over 2023
New Hire for 6 months	7,684	\$9,605	\$15,368	\$13,684	\$11,526	\$11,526	-16%	6 webinars @ \$1700 each with HST
Managing Matters Webinar Fees	15,187	\$11,801	\$16,402	\$15,902	\$17,000	\$17,000	7%	~ 8% increase on 2023 Actual amount--audit firm said this increase is coming
Audit Fees	6,275	\$5,515	\$6,902	\$7,681	\$8,500	\$8,500	11%	~10% on 2023 Actual amount, as per advice from insurance broker Prolink
Insurance	7,990	\$8,958	\$8,810	\$11,422	\$11,500	\$11,500	1%	No increase in this item for annual subscriptions/fees for CG Technologies support; Constant Contact; Soda PDF Premium; Zoom; Survey Monkey; and MSTEams Virtual Platform
Member Communication and Technology Tools	5,935	\$4,221	\$5,789	\$5,824	\$6,000	\$6,000	3%	No increase over forecast- Includes Office Telephone landline (\$56.50 per month), Conference Calls facility (\$47.46 per month) & Staff members' home office internet and mobile phone charges
Telephone/Fax/Internet	60	\$73	\$86	\$125	\$200	\$200	60%	33% Increase on 2023 Forecast amount- Occasional Cheque Mailings and Ad Hoc Mailings
Postage/Courier	7,898	\$2,204	\$10,751	\$3,267	\$3,600	\$3,600	10%	~5% Increase on 2023 Forecast amount- CAFII office supplies for MM and for Staff members' home offices--one more CAFII staff member in 2024
Office Expenses	548	\$371	\$628	\$682	\$680	\$680	0%	No increase on 2023 Forecast amount- Annual Credit Card Fee (\$190) plus monthly EFT fee (\$25 per month)
Bank Charges		\$0	\$0	\$0	\$0	\$0		
New Office Equipment	716	\$756	\$2,821	\$1,381	\$3,217	\$3,217	133%	Depreciations of three staff members' computer equipment plus purchase of 2 new Ipad (Removed Brendan's equipment- which will be fully depreciated)
Depreciation Computer/Office Equipment		\$0	\$0	\$0	\$0	\$0		One Job-related Professional Development program for Keith Martin
Professional Development/Continuing Education	283	\$0	\$500	\$0	\$8,475	\$5,650		
Miscellaneous Expense	560,480	\$494,734	\$709,736	\$697,546	\$604,613	\$601,788	-13%	
Total Office-Related Expenses	-	\$17,987	\$90,400	\$28,479	\$50,000	\$30,000	76%	In 2022 a \$90K provision was made for legal fees, and none of that provision was used. In 2023 a \$90K provision was made for legal fees of which about \$18K was used. The forecast is for \$28K because, to be cautious, we have left an additional amount of \$10K in case some legal issue came up. At this stage, we are likely only going to see a 2023 legal expense of \$18K. There are no known legal issues for 2024 that would incur costs, but it is prudent to allocate some amount for legal fees in case an issue arises. It is proposed to allocate \$30K as a reasonable contingency for 2024 given our experience over the past two years, and given that there are no known legal issues for us to prepare for at this time.
Legal Counsel and Consultant Support Associated with Regulatory Submissions and Related Communications/Advocacy Initiatives								
Board/EOC/AGM								
Annual Members and Associates Luncheon	13,147	\$13,666	\$16,120	\$13,666	\$14,000	\$14,000	2%	No increase from 2023 Forecast Amount
Board Hosting (External)	203	\$7,500	\$24,075	\$15,000	\$22,500	\$7,500	50%	CAFII Board Hosting Reimbursement Policy provides for up to \$7,500 reimbursement to Member host of a CAFII Board meeting and/or Reception event. In 2024 there are three non-Bank hosts of Board receptions that could result in a charge-back to CAFII of up to \$7500. Two of these companies have indicated that they will not take advantage of the charge-back, and the third has not yet responded. The allocation is for one member to use the charge back
Board/EOC Meeting Expenses	11,361	\$8,444	\$31,089	\$15,954	\$16,000	\$16,000	0%	No increase from 2023 forecast
Industry Conferences and Events	615	\$4,184	\$3,627	\$4,410	\$15,000	\$11,000	240%	includes Travel Expenses for 3 CAFII staff members to attend May 2024 CLHIA Compliance and Consumer Complaints Annual Conference in Vancouver
EOC Annual Appreciation Dinner	2,501	\$2,964	\$5,676	\$2,964	\$6,500	\$6,500	119%	14.5% increase on 2023 budget amount. CAFII's 2023 budget allocated more for the EOC appreciation dinner than what was actually incurred. We are retaining and slightly expanding on the 2023 budget allocation versus forecast in the expectation that with more EOC members and with return to office more prevalent, we will have a higher number of attendees in 2024 than in 2023.
Speaker fees & travel	-	\$738	\$1,500	\$738	\$1,600	\$1,600	117%	No change to 2023 forecast amount - 1 speaker with fees budgeted for 2024
Gifts	765	\$0	\$1,284	\$0	\$1,200	\$1,200	0%	This is a placeholder of \$1200
CAFII Staff/Board Relationship-Building					\$2,000	\$2,000		New Initiative: Provision for informal relationship-building lunches every second month for 3 CAFII staff members with each CAFII Board member and team members they may wish to bring, approximately once every 18 months or more for each Director (focused on Member satisfaction, feedback, and suggestions for improvements); as well as once a year lunch with EOC Chair, Vice Chair, and Treasurer
Networking Events	1,854	\$61	\$5,650	\$13,262	\$2,000	\$2,000	-85%	~2023 includes one time retirement party for Brendan of ~\$10000. That is a one-time expense that will not be repeated in 2024.
Miscellaneous Expenses					\$1,000	\$1,000		New initiative - Administration of Kolbe workstyles assessment instrument, and related results reporting for new/incoming EOC Chair and EOC Vice-Chair
CAFII 25th Anniversary Celebration	15,315	\$0	\$0	\$0	\$0	\$0	0%	No provision required: next CAFII Anniversary Celebration will be 30th in 2027
Total Board/EOC/AGM	45,761	\$37,557	\$89,021	\$65,994	\$81,800	\$62,800	24%	
Regulatory and Industry								
Provincial Regulatory Visits and Relationship-Building	9,205	\$17,364	\$41,000	\$27,500	\$3,000	\$6,600	-89%	CAFII has met all regulators in every province in Canada in 2023. In 2024, the CLHIA Conference in 2024 will be in Vancouver, and there may be the opportunity to meet regulators, especially from western Canada, at that time. Our plans for Regulatory Tours is to visit the western provinces in spring 2025, and the Atlantic Canada provinces in fall 2025. The budget allocation for this line item in 2024 is for up to 4 regulatory visits to Quebec, with the potential for the Executive Director to develop a relationship with the new AMF Superintendent of Client Services and Distribution Oversight.
Federal Regulatory Visits and Relationship-Building	-	\$0	\$5,000	\$0	\$2,000	\$2,000	0%	Provision for return to in-person relationship-building meetings with FCAC, this is for travel to Ottawa and other expenses.
Research/Studies	73,026	\$10,848	\$67,800	\$68,814	\$68,814	\$68,814	0%	No increase
Website SEO and Enhancements	45,200	\$22,600	\$45,200	\$45,200	\$96,276	\$96,276	113%	includes one-time-only 2024 provision of \$40K for rebuilding the back-end of CAFII website
CAFII Benchmarking Study/RSM Canada	67,800	\$33,900	\$71,190	\$67,800	\$67,800	\$67,800	0%	No increase for continuation of CAFII CPI Benchmarking Study with RSM Canada, estimated at \$60K plus +HST
Media Outreach	2,779	\$1,735	\$9,040	\$2,151	\$3,000	\$3,000	39%	For wire services and related media release expenses, + HST-- \$300 for new Keith Martin photograph by professional photographer
Media Consultant Retainer	37,331	\$25,051	\$37,500	\$35,608	\$36,000	\$36,000	1%	The contract with the new Media Consultant allows for the 10-hour monthly retainer, if not used in any given month, to be used in a future month. This means that if the consultant uses more than 10 hours in a month, they will not charge extra, but rather will use another month's unused allocation. Hence, the 2024 retainer costs should be slightly lower than in 2023.
Marketing Collateral	1,787	\$1,462	\$7,000	\$2,700	\$2,700	\$2,700	0%	Same as 2023 Forecast amount: provision for design and printing of CAFII marketing materials, such as research results leave-behinds
Total Regulatory and Industry	237,128	\$112,960	\$283,730	\$249,773	\$279,590	\$283,190	12%	
TOTAL EXPENSE	843,369	\$663,238	\$1,172,887	\$1,041,792	\$1,016,003	\$977,778	-2%	
Excess of Revenue over Expenses	163,374	\$68,323	-\$237,423	-\$65,484	-\$84,661	-\$46,436		One Job-related Professional Development program for Keith Martin+K3-M26
Unrestricted Net Assets (beginning of year)	230,223	\$669,275	\$621,727	\$669,275	\$603,791	\$603,791		
Unrestricted Net Assets (end of year)	393,597	\$737,598	\$384,304	\$603,791	\$519,130	\$557,355		

Explanatory Notes:

(2) Amortization of office equipment based on 4 year straight line depreciation

Actual/Forecasted Financial Reserves	2021 Actuals	YTD Oct 2022	2022 Plan	2022 Forecast	CAFII 2023 Plan Base Case (4% staff salary increase)	Alternative Budget per Discussion
Minimum 3 months (25%) of Annual Operating Expenses =	\$210,842	\$165,809	\$293,222	\$260,448	\$254,001	\$244,444
Maximum 6 months (50%) of Annual Operating Expenses =	\$421,685	\$331,619	\$586,444	\$520,896	\$508,001	\$488,889
Actual/Forecasted Level of Financial Reserves:	\$393,597	\$737,598	\$384,304	\$603,791	\$519,130	\$557,355
Actual/Forecasted Level of Financial Reserves %:	47%	93%	33%	58%	51%	57%