

**AMERICAN VOLKSSPORT ASSOCIATION**  
**EXECUTIVE DIRECTOR'S REPORT**  
January 19, 20, 21, 2018  
La Quinta Inn & Suites, Orlando, FL

**I. ADMINISTRATION/OPERATIONS**

***Human Resources***

The AVA's Personnel Policy Manual is under revision. The Auditors concern regarding limits on vacation payout will be addressed in the updated policy. All job descriptions have also been updated to better reflect the current needs of the organization. A copy of the manual will be emailed to for review once it has been completed.

***Personnel***

The implementation of strategic initiatives has created a different type of work environment. One that is fast paced, multi-dimensional, and requires a team of employees who can comfortably learn new things, communicate well, multi task, and make independent decisions. What follows is a description of key employee responsibilities that have been reassigned to better meet the needs of the organization and strengths of the employees. Keep in mind these are only major responsibilities and subject to change as the organization changes.

*Erin Grosso* – Erin is responsible for the fiscal management of the organization. Her key responsibilities include review of financial systems and policies, preparation of all financial reports, maintenance of the accounting system, processing of payroll, convention and fundraising support. Erin is the National office liaison to the Audit Committee.

*Marian DeVaul* – Marin is responsible for the preparation of all billing statements to AVA clubs. She is also responsible for the sale of all AVA merchandise and supports with the convention. Marian is the National office liaison to the Club Development and Support Committee.

*Karen Winkle* – Karen is responsible for the processing of IVV books, awards and AVA membership. She also does shipping of merchandise and stamps and supports the TAW and convention. Karen is the National office liaison to the Membership Committee.

*Samanta Sanchez* – Samanta is responsible for Communications, Publicity and Fund Development. She currently supports with club inquiries on the ESR, events, policies, and stamps. Her roles and responsibilities are evolving with the organizational changes. She will be responsible for streamlining all public information in and out of the organization through social media, email, the website and AVA publications. She also supports the Executive Director with NEC events, fundraising, and convention. Samanta serves on the Fund Development and Publicity Committees.

*Hector Hernandez* – Hector is responsible for supporting clubs with all ESR questions related to tech support, reporting and event changes. He is also responsible for the creation of event stamps, website changes, and graphic designs. He also supports with the convention and serves on the Big Give committee. Hector is the National office liaison to the IT committee.

***General Liability Insurance Renewal***

A new contract for General Liability and Excess Accident Medical Insurance has been approved by the Executive Council and executed by the Executive Director with Aegis Security Insurance Company (rated “A+7” Admitted by A.M. Best) in the amount of \$34,900.00. The effective dates are January 1, 2018 – January 1, 2019. This is the insurance that covers our clubs. Our premium for 2018 decreased by \$308.00. The Excess Accident Medical Insurance is required by the carrier. This coverage includes participants who are not AVA club members.

The number of club reported incidents for January 1, 2017 - December 1, 2017 was seven. This is eight less incidents than we had on file for calendar year ending 2016! Great job to all our club event planners and Trail Masters for creating safe trails!

*For more information see NEC packet attachment 6 (c)-1.*

### ***Publicity Committee and Communications***

Per the AVA Strategic Plan, *the purpose of the Publicity Committee is to increase national and local public awareness of the new AVA brand to facilitate engagement and growth.* The Publicity Committee is comprised of the following members: Chair, Henry Rosales, Patricia Jewett (Northwest Region), Kathryn King (Southeast Region), Barbara Nuss (Pacific Region), Susan Ives (Southwest Region), Samanta Sanchez (National Office).

The committee met December 15, 2017 to discuss the publicity charter, timelines, decision making process and priorities. The first point of order will be to draft a Request for Proposal (RFP) to solicit professional services with the design and implementation of a marketing and communications plan that is consistent with the AVA strategic plan and will impact clubs at the local level. The timeline to complete the bidding process and make a recommendation to the NEC is the June NEC meeting. The first phase of the strategy implementation is targeted to begin January 2019. In the meantime, the National office will continue to support clubs as much as possible with marketing and communications within our existing resources to include the website, AVA publications, Facebook, and email.

***2019 AVA Convention Planning, Albany, NY*** – The convention planning is ahead of schedule thanks to the enthusiastic work of the convention committee in Albany. The committee has already met with Erin, finance manager, to discuss the financial operation of the convention. In addition, an MOU is in progress between the AVA and the Empire State Capital Volkssporters, the AVA host club in Albany. The hotel contract has not been signed yet due to concern there might be construction on the property during the convention. The contract is currently with our legal counsel who will insert a clause into the contract that will protect the interest of the AVA should the hotel decide on construction during our convention. Pending approval of the clause by both parties the contract will be signed.

### ***Information and Technology***

The transition to QuickBooks Premier should be complete and fully utilized by January 31, 2018 barring any glitches in the system.

The AVA pays \$1,200 a year for a project management software called OnStrategy. This software is supposed to be used by all committees to track the coordination and implementation progress of the strategic plan. A webinar was held by the National office on the use of this software unfortunately, this software is still being underutilized. I encourage all committee Chairs to use this tool so we can better plan and coordinate time, effort and resources for new initiatives. Should you like additional training please contact the National office.

The AVA recently purchased Charityproud, a cloud-based fundraising software. The annual cost is \$1,800 for up to 5,000 records. This software was recommended by the Fund Development Committee and will be ready to use just in time for the Big Give! Samanta, AVA Communications Specialist, will be the administrator.

## II. FINANCE (Unaudited Report)

### Proposed Midyear Budget Modification

The 2017-2018 proposed budget modification is included in the NEC packet. Figures were calculated based on year to date numbers through December 2017. Unaudited midyear numbers reflect an increase in participation fees for traditional events. With the exception of NEC travel, all expenses are in line with the budget.

**I recommend the NEC approve the midyear budget modifications to increase participation revenues for traditional events by \$10,000 and increase expenses for NEC travel by \$10,000.**

The increase in travel is needed to support the June 2018 NEC meeting. Additional NEC travel funds were expended this year to support the travel of Deputy Directors and Committee Chairs to the NEC Training and Orientation in August. *Please refer to NEC packet attachment 5(d)-2.*

### Account Balances as of 12.31.2017:

|  |                                  |
|--|----------------------------------|
| Savings Account  | \$82,708.00                      |
| Specialties Account  | \$6,600.00 (credit card account) |
| Operational Account  | \$18,737.00                      |
| Convention Account   | \$843.00                         |
| AVA Investments Account Value as of November 2017 = \$834,916.49     |                                  |
| (This amount does not include the December withdraw of \$100,000.00) |                                  |

### Annual Audit and Tax Returns

The AVA's audited financial statements have been completed by Armstrong, Vaughan and Associates. The report was emailed to all NEC members on December 18, 2017. A hard copy of the audited financial statements will be distributed during the January 2018 NEC meeting. The tax returns are expected to be completed by the end of January. An extension was filed until February 15, 2018.

**The total cost for preparation of the taxes is \$2,800. Total cost for audit is \$10,00.**

### AVA Analysis of Club Dues

Other than functional services like customer service, website maintenance, supplies, and postage, which are not included below, the AVA provide the following core benefits for its clubs:

1. General Liability Insurance \$38,297 = \$167.00 per club
  2. IVV Dues \$3,278 = \$14.00 per club
  3. The TAW \$5,750 = \$25.00 per club
- (Each club gets mailed 1 copy of the TAW six times a year.)

These core club benefits cost the AVA **\$47,325** annually. If you divide this number by 230 clubs it equates to \$206.00 per club. Clubs currently pay annual dues of \$100 minus the \$50 discount equals \$50 for approximately 200 clubs and \$100 for approximately 30 clubs who did not host a Traditional event.

**I recommend the NEC open discussion on club dues and any impact an increase might have on AVA clubs.**

### AVA Analysis of Traditional Events \$50.00 Incentive Policy

**Background:** A motion was passed during the August 2013 NEC meeting to increase club dues to \$100 and then discount/credit clubs \$50 against their club dues when a traditional event was completed within

the **Fiscal Year**. During the October 2014 NEC meeting President Dennis Michele instructed Candace Purcell, AVA Finance Manager, to bill clubs \$50 (in club dues) at the beginning of the fiscal year and if no traditional event was sanctioned within the fiscal year the club would be invoiced an additional \$50.

A study of the AVA's policy to credit clubs who host a Traditional event within the calendar year \$50.00 against their annual dues reveals the following over the 3-year period of this policy:

- 56 unduplicated clubs did not host a Traditional event over a 3-year period and were billed a \$50.00 fee
- Of the 56 unduplicated clubs billed over 3 years 11 clubs deactivated
- Of the 56 unduplicated clubs billed 11 clubs had less than a \$500 bank balance
- Of the 56 unduplicated clubs billed 34 clubs had 10 or less members
- Of the 56 unduplicated clubs billed 5 clubs had a combined total of 41 YRES
- A total of 33 clubs were billed in year one, 36 clubs were billed in year two and 33 clubs were billed in year three.

The study reveals that out of 230 AVA clubs between 33-36 clubs did not host a Traditional event annually. Currently the AVA invoices only the 33-36 clubs that do not host a traditional event. This operational procedure was set in place to save the AVA overhead costs of having to invoice 230 clubs an annual club due of \$100 then back out/credit 230 clubs \$50. It is more cost effective to invoice 30 clubs one time vs invoicing and crediting 200 clubs (2 times). Furthermore, Traditional events are scheduled on a calendar year which means clubs could be invoiced in one fiscal year then credited in the subsequent fiscal year. Again, it is not cost effective or good accounting procedure to make adjustments for 230 clubs at the end of each fiscal year.

**I recommend the NEC rescind the \$50 Incentive Policy for hosting a Traditional event and instead have the Club Development and Support Committee make a recommendation how clubs who are not hosting a traditional event can better be supported.**

*If this policy is rescinded, the NEC will have to determine how it impacts club dues.*

For more information refer to the Supplemental Information Attachment, Traditional Event \$50 Fee (Incentive) Study and the email attachment, AVA Raw Analysis of "No Traditional Event" Study.

#### **Update on Per Participant Sanction Fee (PPSF)**

As of July 1 – December 31, 2017, a total of 28 clubs sanctioned 135 events as a PPSF. The total number of participants is 740. Revenues generated from these events during the time period of July 1 – December 31, 2017 are **\$740**. Had these events been sanctioned in the traditional way the sanction fees generated would have been **\$3,580**. The *average* number of participants per event equates to 5. The participant breakdown for PPSF events during this time frame is as follows:

- 110 Events with 10 or fewer participants
- 18 Events with 11-20 participants
- 7 Events with more than 21 participants

#### **Update on 401K Invest in Your Health Program**

As of January 4, 2018, 199 individuals have registered for this program.

|                                   |                |                      |
|-----------------------------------|----------------|----------------------|
| Revenues from paid registrations  | \$3,582        | (\$18.00 per person) |
| <u>Revenues from sponsorships</u> | <u>\$4,000</u> |                      |
| Total Program Revenues            | \$7,582        |                      |

|  |                |                                     |
|--|----------------|-------------------------------------|
| Expense to Walker Tracker for setup fee        | \$1,000        |                                     |
| <u>Expense to Walker Tracker for 199 users</u> | <u>\$5,376</u> | (\$28/150 then \$24/all additional) |
| Total Program Expenses                         | \$6,376        |                                     |

### **III. FUND DEVELOPMENT**

The solicitation of grant funding continues to be a challenge primarily because the AVA does not have a history of receiving funding from outside sources and still lacks the hard data that demonstrates the impact of the work of our clubs. The following two grants were submitted last quarter:

America Walks - \$1,500 – To increase event participation (Declined)

Robert Woods Johnson Foundation (RWJF) - \$432,538 – “Never Walk Alone” is a pilot proposal to address Social Isolation by walking with an AVA club. (Pending)

If the RWJF grant is funded it will support the deployment of six Public Ally AmeriCorp interns in six AVA regions for twenty months to support the AVA with the planning, and coordination of club events and event outreach to the targeted groups of military veterans, at-risk youth and single parents. *Special thanks to Susan Medlin and Susan Ives for their support with this proposal.* The AVA also partnered with the *Paws and Effect Inc.* organization on the RWJF grant in a separate grant application submitted by the organization to support outreach at AVA club events.

*The Big Give* committee continues to plan for our Annual Individual Donor Campaign. Committee members include Nancy Wittenberg, Susan Medlin, Phyllis Olson, Charlotte Phillips, Hector Hernandez, Samanta Sanchez. and Henry Rosales. Although the actual 24-hour online day of giving is **March 22, 2018**, individuals can begin making contributions online as early as March 15, 2018. Contributions by check can be mailed to the AVA beginning January 1 – April 30, 2018. The goal for this year is to raise a match of \$20,000 and \$50,000 from individual donors and clubs for a grand total of **\$70,000!** AVA National Vice-President, Nancy Wittenberg has jump started the match fund with a generous contribution of \$10,000. The AVA does not need to register in the State of Texas to solicit charitable contributions in Texas however the AVA might need to register in other States where the AVA solicits and receives “sizeable” contributions. This issue is currently being researched and discussed within the Fund Development & Big Give Committees for a recommendation.

RESPECTFULLY SUBMITTED:

**Henry J. Rosales**  
**Executive Director**

January 4, 2018

