

Item 1.9.3

CFP Travel Subsidy Policy – Approval of Amounts Exceeding \$800 Limit

Background:

This is continuation of agenda item 5.5 from the August 2019 Board meeting where the Board took action to approve a revision to the CFP Travel Subsidy Policy. The revision clarifies language when Conference leaders are approved to represent the CFP at meetings of allied organizations. The revision does not alter funding limits.

During discussion of the policy revision, the Board expressed interest in establishing a process for Board approval of subsidies in excess of \$800 for attendance at Board meetings other than the meeting that occurs during the Biennial Meeting. The Board tasked the Conference Chair to work with the Executive Treasurer to gather information to inform the Board's discussion of an approval process during the next scheduled Board meeting.

Information Gathering:

Conference Chair sent the Executive Treasurer (ET) these questions:

Question 1: What is the current process for Board approval of subsidies in excess of the limit? In your opinion as Executive Treasurer and a member of the Finance Committee, does the current process meet the intent of the language in the CFP Travel Subsidy Policy?

Reply: I believe the current process meets the intent of the language. But in my opinion, I believe the first sentence of the last paragraph can be confusing. I think it needs to be more definitive to whom you apply to if extraordinary circumstances do occur. For example, Board members may apply 'to the Board' for amounts in excess of \$800 under extraordinary circumstances.

Question 2: Does the Finance Committee need documentation of Board approval of subsidies exceeding the limit?

Reply: At least since I have been Exec. Treasurer, the Finance Committee has not been involved in subsidies or the limits thereof. I refer to the minutes of the Board Meeting and Dr. McSwane for guidance.

Question 3: What is the frequency during your service as Executive Treasurer at which reimbursable expenditures for Board meetings have exceeded the limit?

Reply: During my service, approximately 50% of all reimbursement reports are over \$800. These are 2019 numbers for the Spring and Fall meetings:

2019	Spring	Fall
\$0-799	8	9
800-899	6	4
900-999	1	2
1,000-1,099	0	3
1,100-1,199	1	0
1,200 or >	1	0
Total Reports	17	18

Question 4: Do you consider additional costs such as subsidies exceeding the limit when you plan the Board Expenses line item of the budget?

Reply: I account for the Biennial Meeting Board Meeting subsidy at \$1,200, but all other meetings I project at the \$800 amount. The Board Meeting line item is a difficult item to project. I know the Board tries to have at least one meeting per year at an 'Industry' location. But, I budget that it will not occur, so there are always dollars in the budget for meetings. The past couple of years we have had excess funds in the Board Meeting line item due to Industry [hosting the] meetings.

Question 5: Do you have any other thoughts on what information might be useful to the Board?

Reply: I believe CFP's Travel Subsidy should mirror the economy. During the last 10 years the average inflation rate has been almost 2%, at 1.8%. That is in line with the Federal Reserve's target rate of 2%. It might be about 10 years since the subsidy amount was adjusted to \$800. I would propose that the Finance Committee should review the subsidy amount every biennium and make a recommendation to the Board. If it has been ten years since an adjustment, and if adjustments were made based on inflation, the current subsidy amount should be almost \$1,000.00. If that method for adjustments was followed, today about 86% of all reimbursements would fall under the cap of \$1,000.00. Thus, I would recommend changing the subsidy cap to \$1,000.00 and instituting a biennial review.

Reference:

CFP Travel Subsidy Policy (approved August 2019)