



SHEET METAL & AIR CONDITIONING  
CONTRACTORS' NATIONAL ASSOCIATION

# CHAPTER BUDGETING

It's more than just revenue and last year's expenses!

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# HOW MOST CHAPTERS BUDGET

- Revenue Estimate
  - Hours Projection
  - Industry fund revenue
  - Other revenue
- Expense Estimate
  - What did we spend last year?
  - Is anything going to change this year?
- Adjust if net is negative



## ADDING VALUE

- How often do we look at our budget strategically?
- What does the association do to add value to members?
  - Education, Leadership Development
  - Industry Networking Events
- Should the association add more services or programming?
- Are there programs we should be funding?
  - Recruitment efforts with labor?
  - Advertising or other promotional programming?



# **ADDING VALUE FOR CONTRACTORS, ASSOCIATE MEMBERS & FUTURE LEADERS**

- Networking and social events
- Industry events with ASHRAE, MCAA, CMs, and GCs
- Expand travel policies and reimbursements to engage
- Offer State Contractors License training sessions (i.e., lunch & learns) if contractors need hours annually



# BUDGETING FOR ENGAGEMENT

- How are you engaging young leaders?
  - Targeted Programming
  - Leadership Development Programs
- Are you creating events that are attractive to the next generation?
- Are you hosting family friendly events?



## REIMBURSEMENT MODELS

- Cost Center in Chapter Budgets
- Chapters facilitate access to national events and programming
  - Convention
  - State or Regional Meetings
  - National Education Programs
- Models
  - Flat amount per contractor
  - Variable amount per contractor
  - Registration fees for education programs or regional meetings
  - Full reimbursement



# RESERVES

- What is a good goal for reserves?
- How do you use reserves
  - Smooth out revenue fluctuations
  - Deal with shock expenses or revenue decreases (e.g., litigation or strikes)
  - SMACNA National After 2008 Financial Crisis



# ACTIVELY MANAGING THE INDUSTRY FUND

- A flat industry fund is a shrinking association
  - Inflation
  - Reserves or hours growth
- Low funding = low services
- What does a penny cost a contractor?
  - 100,000 hours = \$1,000
- How does a penny fund an association?
  - 500,000 hours = \$5,000





# ACTIVELY MANAGING THE INDUSTRY FUND

- Planning for Increases
  - National Example
- Set Industry Fund on Autopilot
  - Percent of wages in labor contract or board policy for planned increases



## ACTIVELY MANAGING THE INDUSTRY FUND

- Labor Problems with Industry Fund Increases
- SMART / SMACNA Agreement
- Call SMACNA Labor Department
- It's none of labor's business, just like labor's dues are none of SMACNA's business



## **OTHER REVENUE SOURCES**

- Associate Member Programs
- Event Fees
- Sponsorships



# STRATEGIC BUDGETING

- More than just revenue and expenses
- Ask how your chapter can add value
- Determine how your chapter can increase engagement
- Determine how your chapter can grow
- Set your industry fund accordingly



**QUESTIONS?**

