THE INTERNATIONAL TEST AND EVALUATION ASSOCIATION

Orientation Session for the ITEA Board of Directors

GET CONNECTED to LEARN, SHARE, AND ADVANCE.
AREAS OF DISCUSSION

- Introduction
- Purpose of the Association
- ITEA “Products” to Achieve the Purpose
- ITEA Strategic Plan
- ITEA Governance and Organization
- Board of Directors
- Executive Director
- ITEA “Branding”
- ITEA Membership
- ITEA Events
- ITEA Annual Operating Budget
- ITEA Reserves
- ITEA Scholarship Program
INTRODUCTION
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- You are part of an organization that for almost 40 years has been furthering the exchange of technical information in the field of test and evaluation.

- Through its international chapters, global networking events, education programs, student scholarships, and industry awards, ITEA provides the connections that test and evaluation professionals need to learn, share, and advance themselves, their organization, and the profession.

- Our members include individuals from the test and evaluation industry, government, and academia, who are involved in the development and application of policy and techniques used to assess the effectiveness, reliability, and safety of new and existing systems and products.
PURPOSE OF THE ASSOCIATION
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Note that the purpose of ITEA is specific ONLY to the discipline, field, and practice of test and evaluation – in government, industry, academia, and professional societies.

_Not DoD specific._

_Not non-DoD specific._

_All-encompassing and all inclusive._
PURPOSE OF THE ASSOCIATION
(CONTINUED)

1. To provide an organization for individuals who have a common interest in the discipline of test and evaluation and who wish to foster, preserve, and advance the art and science of test and evaluation.

2. To provide for the exchange of ideas and information in the field of test and evaluation.

3. To conduct professional meetings, including symposia, seminars, workshops, and courses on the technology and management involved in the field of test and evaluation.

4. To promote education in the field of test and evaluation by conducting symposia, seminars, workshops and courses in the theory and practice of test and evaluation.
5. To support and promote the development and advancement of the state of the art in test and evaluation in allied branches of science, technology, and management.

6. To encourage similar objectives in related organizations, including government, industry, academia, and professional societies.

7. To recognize advances in, and contributions to, testing and evaluation.

8. To document the history of test and evaluation.

9. To fittingly commemorate the achievements of persons who have made substantial contributions to the field of test and evaluation.

10. To sponsor publications concerning test and evaluation.
ITEA “PRODUCTS” TO ACHIEVE THE PURPOSE
ITEA “PRODUCTS” TO ACHIEVE THE PURPOSE OF THE ASSOCIATION

• Events
  – Annual Symposium
  – Test Technology Review
  – Workshops

• Education
  – Tutorials
  – Webinars
  – Short Courses

• Local Chapters

• Publications
  – Quarterly Technical Journal
  – T&E Handbook (future)

• Professional Certification

• Professional Awards
ITEA STRATEGIC PLAN
ITEA 2020 STRATEGIC PLAN

Our Vision

To be recognized as the premier professional association for the international Test and Evaluation community.

ITEA's Vision defines what the Association desires to create and/or to become in the long-term. It provides a long-term focus for the Association, its programs and services, and its resource allocations. It is the image of the future we seek to create.

Our Mission

To advance the field of Test and Evaluation worldwide in government, industry and academia.

ITEA's Mission defines the Association's scope, direction, and emphasis as the Vision is pursued. The Mission is a positioning statement for members, potential members, and related organizations in the short-term. It represents our purpose, reason for being, who we are and what we do.
2020 STRATEGIC GOALS (LEAD COMMITTEE)

1. Provide professional development opportunities that help T&E professionals acquire and demonstrate that they have the knowledge, skills, and abilities necessary to excel. 
   *(Professional Development Committee)*

2. Broaden and diversify participation. 
   *(Chapter Development and Individual Membership Committee)*

3. Clarify ITEA’s image and better communicate benefits of participation. 
   *(Chapter Development and Individual Membership Committee)*

4. Strengthen ITEA Chapters and Volunteer leadership. 
   *(Chapter Development and Individual Membership Committee)*
5. Improve the quality and relevance of educational courses.
   *(Professional Development Committee)*

6. Increase opportunities for information exchange and networking through association events, publications, social media, and other avenues.
   *(Events Committee / Publications Committee / Communications Committee)*

7. Increase opportunities to recognize accomplishments of T&E professionals.
   *(Awards Committee)*

   *(Ways and Means Committee)*
ITEA GOVERNANCE AND ORGANIZATION
ITEA GOVERNANCE AND STRUCTURE

Board of Directors
- President

Executive Committee
- Vice President
- Treasurer
- Secretary

Elections Committee
- Ways and Means Committee

Executive Advisory Group
- Senior Advisory Group
- Historian
- By-Laws

Executive Director
ITEA Staff

Planning and Administration Group
- Corporate Development
- Communications
- Strategic Planning
- Technology

Chapter and Individual Membership Group
- Regional Vice Presidents

Professional Activities Group
- Awards
- Education
- Events
- Publications

Regional Vice Presidents
- Pacific
- Northeast
- East
- Southeast
- Southwest
- West

26 Chapters / 1,200 Active Members / 94 Corporate Members

15 Directors (11 Elected to 3-year terms, 4 Appointed to a 1-year term)

GET CONNECTED to LEARN, SHARE, AND ADVANCE.
SENIOR ADVISORY BOARD
CHAIRMED BY THE ITEA IMMEDIATE PAST-PRESIDENT – GENE HUDGINS

• Established to assist in preserving and furthering the goals and objectives of ITEA.
  – Advise the President and the Board of Directors on matters of policy and strategic planning and accomplish such other tasks as may be requested by the President and/or the Board of Directors.
  – The Chapters and Committees may call upon the SAB, through the Executive Committee, for advice and counsel within the expertise of the SAB.
  – The Board is advisory in nature and will not normally concern itself with the day-to-day operation of the Association.

• The Senior Advisory Board shall consist of no less than three members.
  – A member must be an immediate past President of ITEA or a member with recognized experience in test and evaluation from either government, industry, or academia. Members will be selected and approved by the Board of Directors.
  – The immediate past President of the Association will be the Chairman of the Senior Advisory Board.
  – The members, with the exception of the Chairman, will be appointed for a two (2) year period from the time of their appointment.
COMMITTEES OF THE ITEA BOARD
CREATED BY THE BOARD OF DIRECTORS TO PROVIDE ASSISTANCE IN AREAS AS DEEMED NECESSARY TO FURTHER THE GOALS AND OBJECTIVES OF THE ASSOCIATION.

- Awards Committee - Conducts an annual awards program with an awards presentation ceremony at the annual international symposium. Stephanie Clewer, Chair.
- Chapter and Individual Membership Committee - Develops strategies for individual membership growth and chapter development. The chairman of the Committee coordinates the activities of the Regional Vice Presidents. Jim Myers, Chair.
- Communications Committee. Conducts a program for the exchange of ideas and information in the field of test and evaluation with allied branches of government, industry, academia, and professional societies. Erwin Sabile, Chair.
COMMITTEES OF THE ITEA BOARD
(CONTINUED)

- Corporate Development Committee - Develops strategies for corporate membership growth and maintains liaison with ITEA corporate members. Kathi Swagerty, Chair.
- Elections Committee - Prepares a slate of candidates and oversees the annual election of the Board of Directors and officers of the Association. Matt Reynolds, Chair.
- Events Committee - Plans, schedules and supports a multi-year calendar of ITEA-sponsored and co-sponsored symposia, workshops, and conferences. Doug Messer, Chair.
- History Committee. Documents the history of ITEA and specific issues, problems, and developments in the field of test and evaluation. Jim Welshans, Chair.
Professional Development Committee - Plans and schedules educational programs in T&E. Oversees ITEA’s scholarship program. Vacant Chair.

Publications Committee - Develops and maintains a formal publications program including publishing quarterly The ITEA Journal of Test and Evaluation and sponsors publications concerning test and evaluation. Steve Gordon, PhD, Chair.

Rules and Bylaws Committee. Ensures the activities of the Association are conducted in accordance with these bylaws and conform to the policies and procedures of the Association. Reviews, updates, and amends the governing bylaws of the Association in accordance with the desires of the Board of Directors and the membership. Bill Keegan, Chair.
COMMITTEES OF THE ITEA BOARD
(CONTINUED)

- Strategic Planning Committee. Develops and coordinates long-range strategies for achieving the goals of the Association as articulated in the bylaws and subordinate objectives. Pete Crump, Chair.
- Technology Committee. Stays abreast of new technologies of interest to test and evaluation practitioners and develops techniques to address the technologies from a test and evaluation perspective. Henry Merhoff, Chair.
- Ways and Means Committee - Manages the financial planning and annual budget process for the Association. John Schab, Chair.
ITEA REGIONAL VICE PRESIDENTS

• Purpose
  – Regional Vice Presidents represent the region’s interests to the Board, and communicate the Association’s policies and intent to the chapters of their region.

• Functions - The four major functions of a Regional Vice President are:
  – Provide support in conducting chapter affairs;
  – Represent chapter interests and concerns to the Board of Directors;
  – Support the Board of Directors by communicating the Association’s directions, policies, and intent to chapters of the region; and,
  – Initiate and coordinate activities between regions.

• Regional Vice Presidents are invited to participate in Board of Directors meetings as members of the Chapter Development and Membership Committee, but are not permitted to vote on motions before the Board.
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<tr>
<th>Region</th>
<th>Vice President</th>
<th>Company/Institution</th>
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<tr>
<td>Northeast Region</td>
<td>VACANT</td>
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<tr>
<td>Southeast Region</td>
<td>Mr. Miles Thompson</td>
<td>Georgia Tech Research Institute</td>
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<td>West Region</td>
<td>Terrance J. McKearney</td>
<td>The Ranger Group</td>
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<td>Mid-Atlantic Region</td>
<td>Mrs. Jeanine McDonnell</td>
<td>Zubowsky Cutlass Systems Engineering</td>
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<td>Southwest Region</td>
<td>Mr. Dave Webb</td>
<td>AMERICAN Systems</td>
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<td>International Region</td>
<td>Mr. Peter G. Nikoloff</td>
<td>NOVA Systems</td>
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ITEA CHAPTERS

- Chapters may be created to recognize those active ITEA members who are supporting the goals, objectives, and activities of the Association and its Board of Directors.
- A chapter of the International Test and Evaluation Association shall be considered in existence when all of the following criteria have been met:
  A. At least ten ITEA members in good standing agree to the formation of a chapter and attend the chapter organizational meeting. Individuals who join ITEA at the organizational meeting are considered to be in good standing.
  B. The members of the proposed chapter host an organizational meeting and conduct, as a minimum, the following business actions:
    1. Elect chapter officers
    2. Adopt the ITEA bylaws
    3. Adopt an acceptable geographic name for the chapter, and
    4. Notify the ITEA Board of Directors by letter of the above actions.
  C. Upon receipt of the organizational letter signed by ITEA members participating in the forming of the proposed chapter, the Board of Directors will accept and acknowledge the organization as a chapter in good standing.
ITEA CODE OF ETHICS

- The International Test and Evaluation Association (ITEA) is dedicated to improving the principles of test and evaluation.
- ITEA’s heritage is built upon the commitment of each member to uncompromised professionalism and pursuit of the highest standards of business and personal conduct.
- The Code of Ethics sets forth the ethical principles to be observed by members of the Association.
- Any ITEA Member who violates any provision of the Code of Ethics will be subject to disciplinary action by a peer review panel, which may result in suspension or revocation of their ITEA membership.
ITEA CODE OF ETHICS (CONTINUED)

ITEA Members shall, in their professional activities, sustain and advance the integrity and honor of the practice of test and evaluation by adherence to this Code of Ethics as expressed in the following articles:

- We accept assignments that we are qualified to perform, and perform at a high level of professional competence. We present our personal qualifications and those of the organizations we represent in an accurate and complete manner so that both our capabilities and our limitations are readily apparent.
- We use our affiliations with ITEA and other professional associations for purposes in consonance with the stated purposes of each association. We are careful not to inaccurately imply unintended endorsement of our personal actions or opinions by those associations.
- We strive to reflect personal and professional integrity of our work in test and evaluation.
- We avoid situations that are a conflict of interest. If a situation could give the appearance of conflict of interest, we avoid it if practical; as a minimum, we provide full disclosure of those apparent conflicts to potentially affected parties.
ITEA CODE OF ETHICS (CONTINUED)

- We place a premium on the safety of people and property during test and evaluation. We accurately present adverse conditions and expected consequences, even if such concerns have been waived or are expected to be waived.
- We ensure that our work in test and evaluation is reported accurately, including the methods of analysis, limitations of scope, references to other work, and conclusions drawn. We attempt to maintain the highest standards of science and engineering in test and evaluation.
- In publishing the results of our test and evaluation work, we give due and accurate credit to those who have contributed to that work.
- We accept a responsibility to call attention to possible unethical behavior, in a manner appropriate to the situation. We willingly participate in investigations into unethical behavior as concerned members of the test and evaluation community, striving to maintain the highest standards of professionalism.
- We work to the mutual benefit of ITEA and the test and evaluation community by openly exchanging information and sharing the lessons of study and experience with fellow professionals.
ITEA BOARD OF DIRECTORS
BOARD OF DIRECTORS’ ROLE
EXECUTIVE DIRECTOR’S ROLE

The Board of Directors of an nonprofit association is primarily responsible for:

- Determining the company’s strategic objectives and policies; and,
- Monitoring progress towards achieving the objectives and policies.

The Executive Director/CEO is responsible for the performance of the Association as dictated by the Board’s overall strategy.
BOARD OF DIRECTORS OVERVIEW

- Commit to the position; volunteering means commitment.
- Attend the meetings; in person is strongly preferred.
- Understand the Association and how the Board works.
- Do not engage in managing the Executive Director; the Executive Committee is the direct link to the Executive Director.
- Participate, participate, participate in Board business—your ideas and insights are valuable and need to be heard.
BOARD MEMBER RESPONSIBILITIES

In general, a member of the Board of Directors has the responsibility to:

- Address broad policy issues that focus on strategy, direction, and results.
- Establish goals for the organization—define the mission, market, products, and services.
- Hire the Association’s Executive Director, who is then responsible for achieving the Board’s goals.
- Read and understand governing documents.
- Respect confidentiality, fiduciary and conduct policies.
- Know basic tenets of anti-trust and other relevant laws.
- Abide by the canons of conduct.
- Read meeting minutes and ensure they accurately reflect comments or votes.
- Obtain and review relevant officer, financial, committee, task group, executive office, and other reports as appropriate.
- Be responsive; invest your time and attention in the organization.
- Act as one body, not a group of individuals.
BOARD MEETINGS

• Board meetings are usually held every quarter at a date and location determined in advance by a Board vote.
• One special meeting of the Board is held during the ITEA Annual Symposium for the purpose of election of Board Officers.
• Attendance in person is required if at all possible. Telephone conferencing is available if necessary.
• Be prepared for discussion and consideration of items that require action by the Board.
• Review in advance of the meetings all “Read ahead” materials, which are distributed prior to the meetings.
• Submit any required reports in the proper format and in time to be distributed to all Board members as part of the “Read ahead” materials.
• Additional information can be found in the ITEA By-Laws, Article VI, Section 3.
FIDUCIARY DUTY

• A fiduciary duty is a duty to act for someone else’s benefit, while subordinating one’s personal interests to that of the other.
• There is a fiduciary duty imputed upon the Officers and Directors for protecting and enhancing the Association regardless of their own personal interests.
• The Officers and Directors are entrusted with the management of the association, control of the assets of the Association and are given the power to act on behalf of the members of the Association.
FIDUCIARY DUTY (CONTINUED)

• The Association is owned by the dues paying members, and the Officers and Directors must pay particular attention to any actual or potential conflict of interest in serving the member’s interests as a whole.

• This means that a Board member cannot be involved in a lawsuit against a member of the Association because a Board Member may use their position on the Board to hurt the business interests of their legal adversary.
FIDUCIARY DUTY (CONTINUED)

- Likewise, a Board Member may not use their position on the Board to develop an overall Association policy that will advance the individual business interests of that Officer or Director.
- An Officer and Board Member must always be cautious about crossing the fine line from advancement of the Association to advancement of their own personal interests.
FIDUCIARY DUTY (CONTINUED)

• Exercise reasonable care, honest, and faith in performing functions;
• Avoid conflicts of interest. If a conflict exists, it must be disclosed; and,
• Maintain confidentiality of opinions, membership, tax information, compensation information, trade secrets, etc.
CANONS OF CONDUCT FOR BOARD MEMBERS

1. All Board Members are equal and business relationships should not influence ITEA decisions.
2. Conduct yourself in a professional manner that reflects integrity, respect and a spirit of fair play.
3. Refrain from engaging in any activity that would violate confidentiality commitments or proprietary rights.
4. Abide by the bylaws and policies of ITEA.
5. Use ITEA's name, data, documents and information only for purposes authorized by the Board of Directors.
6. Conduct yourself in a manner that is consistent with and not disruptive to the purposes of ITEA.
7. Disclose any potential conflicts of interest.
8. Serve the interest of the larger community, setting aside personal benefit to you or your company.
9. Serve as an active proponent of the Association to its members, potential members, and future leaders.
10. Work hard and have fun along the way!
WHAT IS EXPECTED OF BOARD MEMBERS

• Take ownership; help the Association succeed the same as you do in your current organization.
• Be an active member; lead or participate on committees or other activities (program/technical chair, speaker, etc.).
• Be a proponent of the Association to members, potential members, leaders of the community.
• Leave your title and business relationships at the door.
• Ethical behavior is a given.
ITEA EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR ROLE

NOTE: 10 years ago I had a staff of 6, plus a Web site contractor. 2019 marks my 4th year of managing the Association without any additional staff members. Associations with $750K-$1M annual revenues typically have 5 full-time staff members (ASAE FY15 data from 1,914 associations).

• Supporting ITEA Board of Directors and Committees in the execution of their Responsibilities
• Preparing and Managing the Annual Operating Budget
• Supporting Chapters and Regional Vice Presidents
• Producing and Distributing The ITEA Journal of Test and Evaluation
• Producing ITEA Events
• Conducting Membership Recruitment and Retention Campaigns
• Supporting ITEA Corporate Members
• Administering the Certified Test and Evaluation Professional (CTEP) Credential
• Webmaster
EXECUTIVE DIRECTOR ROLE
(CONTINUED)

• Supporting ITEA Board of Directors and Committees
  – Coordinating and scheduling Board and Committee meetings
  – Compiling and distributing meeting documents
  – Assisting ITEA President and Committee Chairs to ensure productive meetings
  – Tracking Action Items and assist in their completion as needed
  – Assisting the Elections Committee with annual Board Elections and Officer Elections solicitation of candidates and balloting
  – Maintaining the Association’s Management System (NetForum)
  – Advising and providing guidance to ITEA volunteer leadership as needed to prevent potential threats to ITEA non-profit status (i.e. collusion, price discrimination, preferential treatment, etc.)
  – Advising and providing guidance to ITEA volunteer leadership as needed to ensure compliance with existing ITEA policies and procedures
  – Managing all administrative and operational activities to ensure the continued viability of the Association
EXECUTIVE DIRECTOR ROLE (CONTINUED)

- Preparing, Managing, and Monitoring the Annual Operating Budget
  - Working with Ways and Means Committee to develop an Annual Operating Budget
  - Providing monthly updates on actuals versus budget
  - Advising and providing options and alternatives to improve the Association’s financials (e.g. competitive analysis on dues and fees)
  - Ensuring that non-event related (SG&A) expenses are controlled within budgeted limits
EXECUTIVE DIRECTOR ROLE (CONTINUED)

- Supporting Chapters
  - Local Meetings
    - Promoting on Web site and via email blasts
    - Managing online registrations
    - Managing receivables and payables as needed
  - Membership retention and recruitment
    - Compiling and distributing quarterly Chapter rosters
    - Promoting and managing “Member-Get-A-Member” annual promotion
  - Chapter Recognition
    - Managing annual Chapter of Excellence program
EXECUTIVE DIRECTOR ROLE (CONTINUED)

• Producing and Distributing The ITEA Journal of Test and Evaluation (Quarterly)
  – Compiling Chapter News Items
  – Writing Association News Items
  – Final Editing and Proofing
  – Advertising Insertions
  – Printing and Mailing
  – Distributing Journals at Symposium and Workshops
  – Distributing Journals at Partner Events (e.g. FAA V&V Summit, ITC/USA, ASTM, I/ITSEC, MODSIM)
  – Posting online Journal Issues
EXECUTIVE DIRECTOR ROLE (CONTINUED)

- Producing ITEA Events
  - Negotiating, contracting, and managing event venues
  - Negotiating, contracting, and managing 3rd party vendors (i.e. exhibit hall decorator, audio/video services, food and beverage services, printers, signage, shipping, etc.)
  - Promoting on ITEA Web site and via email campaigns
- Working with Volunteers:
  - Ensuring a successful event
  - Developing and distributing call-for-papers
  - Tracking and collecting abstracts as needed
  - Soliciting and managing exhibitors and sponsors as needed
  - Soliciting and managing speakers and presenters as needed
  - Ensuring the event meets ITEA standards for branding, quality, and financial objectives
  - Advising and providing guidance as needed to prevent potential threats to ITEA non-profit status (i.e. collusion, price discrimination, preferential treatment, etc.)
EXECUTIVE DIRECTOR ROLE (CONTINUED)

• Conducting Membership Recruitment and Retention Campaigns
  – Invoicing and processing dues payments
  – Maintaining ITEA database of Individual Members
  – Conducting recruitment campaigns
    • Distribute ITEA membership collaterals at ITEA events, partner events, and in direct mail
    • Distribute “Pass It On” membership brochures in direct mail
  – Conducting retention campaigns
    • Email blasts
      – 90/60/30 days hence email blasts
      – “Renewal due now” email blasts
      – 30/60/90 days past email blasts
    • Direct Mail Invoices (Quarterly)
    • New Member Packets (Quarterly)
EXECUTIVE DIRECTOR ROLE (CONTINUED)

- Supporting ITEA Corporate Members
  - Invoicing and processing dues payments
  - Maintaining ITEA database of Corporate Member Representatives
  - Coordinating advertising, exhibiting, and sponsorship opportunities
  - Producing and distributing the Annual ITEA Corporate Member Directory
  - Maintaining the ITEA Web site Corporate Member Scroll Bar and Corporate Member Web site links
EXECUTIVE DIRECTOR ROLE (CONTINUED)

- Administering the Certified Test and Evaluation Professional (CTEP) Credential
  - Maintaining applicant and candidate records and files
  - Collecting and recording applicant, candidate, and CTEP renewal documentation
  - Maintaining the CTEP examination
  - Proctoring the CTEP examination
  - Maintaining the security of records and exam item database
  - Promoting the Credential at ITEA events, partner events, Journal advertising, email blasts, and direct mail
  - Ensuring program compliance with ISO/IEC 17024 Standard for Personnel Certification
EXECUTIVE DIRECTOR ROLE (CONTINUED)

- Webmaster
  - Maintaining and updating the ITEA.org Web site
  - 150+ Web pages
    - Online Journal issues and Journal Archives
    - T&E Professional Awards
    - Member Directory
    - Volunteer leadership contacts (Board, Chapter, etc.)
    - Events – Symposium, Workshops, CTEP Examination Sessions, Chapter Meetings, Short Courses
    - Symposium and Workshop Proceedings
    - ITEA News
    - Job Board
ITEA “BRANDING”
GET CONNECTED... **WITH ITEA!**

- **To LEARN** - Your KNOWLEDGE Connection for:
  - Personal Growth
  - Professional Development
  - Career Advancement

- **To SHARE** - Your NETWORKING Connection for:
  - Building Relationships
  - Acquiring Experience & Knowledge from Others
  - Exchanging Lessons Learned

- **To ADVANCE** - Your CAREER Connection for:
  - Promoting YOUR Profession
  - Demonstrating YOUR Commitment to Excellence
  - Investing in OUR Future Workforce
For almost 40 years the International Test and Evaluation Association (ITEA), a 501(c)(3) not-for-profit education organization, has been advancing the exchange of technical, programmatic, and acquisition information among the test and evaluation community. ITEA members come together to learn and share with others from industry, government, and academia, who are involved with the development and application of the policies and techniques used to assess effectiveness, reliability, inter-operability, and safety of existing, legacy, and future technology-based weapon and non-weapon systems and products throughout their life-cycle.
ITEA members embody a broad and diverse set of knowledge, skills, and abilities that span the full spectrum of the test and evaluation profession. All of which is shared with others through The ITEA Journal—the industry’s premier technical publication for the professional tester—and at ITEA’s Annual International T&E Symposium, regional workshops, education courses, and local Chapter events. Join the thousands of global ITEA members—your peers in the industry—in contributing to the ITEA Journal and participating at ITEA events so that you also can benefit from the opportunities to learn from others, share your knowledge, and help advance the T&E industry.
BENEFITS OF INDIVIDUAL MEMBERSHIP

1. PERSONAL COPY OF THE INDUSTRY’S PREMIER TECHNICAL PUBLICATION – Membership delivers your personal copy of The ITEA Journal of Test and Evaluation, the industry’s premier publication which is published quarterly. PLUS, online access to the archives containing 30 years of technical articles.

2. PROFESSIONAL CONNECTIONS – Expand your professional contacts through ongoing interactions and expansive networking opportunities with test and evaluation professionals, industry leaders, and visionaries in academia, the government, and private industry.

3. KNOWLEDGE WHEN YOU NEED IT 7x24x365 – Increased awareness of technological advances, emerging trends, expert research and opinion, and specialized areas of knowledge. Online access to proceedings from previous ITEA Workshops, Technology Review, and Annual Symposiums.

4. EDUCATIONAL OPPORTUNITIES – Increase your level of professional knowledge ITEA’s educational offerings including conferences, workshops, tutorials, short courses and symposia.
5. PROFESSIONAL DEVELOPMENT OPPORTUNITIES – Share knowledge, best practices, and lessons learned with your colleagues through publishing articles in The ITEA Journal and submitting papers for ITEA events.

6. CAREER ADVANCEMENT OPPORTUNITIES – Access to job opportunities through ITEA’s CareerConnections, our single-source stop for viewing up and coming career opportunities in the highly niche area of test and evaluation.

7. INDUSTRY RECOGNITION – Get noticed by the people who make things happen through promoting your career advancements in The ITEA Journal and gaining recognition through ITEA’s professional T&E Awards program.

8. HIGH VALUE – ITEA’s economical membership dues and event registration fees deliver the highest return on your investment in the industry.

9. CONTRIBUTE TO THE FUTURE – Your membership dues and registration fees support ITEA’s Scholarship Program, providing financial assistance to students preparing for a career in the T&E industry.

10. BELONG TO YOUR PROFESSIONAL COMMUNITY – ITEA provides a home for you and instantly affiliates you with the largest non-profit education organization dedicated to the test and evaluation profession.
BENEFITS OF CORPORATE MEMBERSHIP

1. **INDUSTRY VISIBILITY** – Unrivaled exposure for your company to the decision-makers in test and evaluation through economical advertising, exhibiting, and sponsorship opportunities.

2. **BUSINESS CONNECTIONS** – Interaction and expansive networking opportunities with test and evaluation professionals in government and industry.

3. **EDUCATIONAL OPPORTUNITIES** – Increased levels of professional knowledge and motivation for your employees through ITEA’s educational offerings including conferences, workshops, tutorials, short courses and symposia.

4. **HIGH ROI** – ITEA’s economical membership dues and exhibiting, advertising, and sponsorship rate deliver the highest return on your investment in the industry.

5. **INDUSTRY’S PREMIER TECHNICAL PUBLICATION** – Membership delivers a personal copy to your employees of *The ITEA Journal of Test and Evaluation*, the T&E industry’s premier publication which is published quarterly.
6. KNOWLEDGE WHEN YOU NEED IT – Increased awareness of technological advances, emerging trends, expert research and opinion, and specialized areas of knowledge.

7. LONG-TERM TANGIBLE VISIBILITY – Added marketing for your company via an overview of your corporate services published yearly in the “Corporate Capabilities Directory” and on this web site.

8. WEB REFERRALS – A complimentary web link from the ITEA website to your corporate website.

9. SPECIAL PROMOTIONS – Ability to submit corporate press release and other general information from your company in The ITEA Journal ‘Corporate News’ area dedicated to your interests.

10. BELONG TO YOUR PROFESSIONAL COMMUNITY – ITEA provides a professional corporate home for your company and instantly affiliates you with the largest non-profit organization dedicated to the test and evaluation profession whose philanthropic mission is to provide scholarship funding for students and young professionals in the field.
ITEA MEMBERSHIP
ITEA MEMBERSHIP

- Membership - 1,079 Active Members
  - 805 Individual Members
  - Corporate Membership
    - 89 Organizations
    - 274 Corporate Member Representatives
ITEA MEMBERSHIP HISTORY

GET CONNECTED to LEARN, SHARE, AND ADVANCE.

ITEA Board of Directors Orientation
ITEA’s Individual Membership peaked in 2008 at over 1,600 Individual Members (not including the nearly 300 Corporate Member Representatives that received Individual Member benefits).

Current membership is almost 800 (not including the nearly 300 Corporate Member Representatives that receive Individual Member benefits)—a 50% drop.

This has been a direct result of the federal government not reimbursing employees for their professional dues.
ITEA INDIVIDUAL MEMBERSHIP
ITEA MEMBERSHIP REVENUE

- **Individual Membership**
  - $50
  - $60

- **Corporate Membership**
  - Large - $800
  - Small - $500
  - Large - $1,000
  - Small - $600
  - Large - $1,500
  - Small - $800

GET CONNECTED to LEARN, SHARE, AND ADVANCE.
NEW VERSUS LAPSED MEMBERSHIP BY YEAR

NEW
EXPIRED


GET CONNECTED to LEARN, SHARE, AND ADVANCE.

ITEA Board of Directors Orientation
ITEA CONVERSION RATE FOR EVENT COMPLIMENTARY MEMBERSHIPS

<table>
<thead>
<tr>
<th>Year</th>
<th>Renewed</th>
<th>Did Not Renew</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>92%</td>
<td>8%</td>
</tr>
<tr>
<td>2013</td>
<td>93%</td>
<td>7%</td>
</tr>
<tr>
<td>2014</td>
<td>99%</td>
<td>1%</td>
</tr>
<tr>
<td>2015</td>
<td>97%</td>
<td>3%</td>
</tr>
<tr>
<td>2016</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>2017</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>2018</td>
<td>92%</td>
<td>8%</td>
</tr>
</tbody>
</table>

RENewed  DID NOT RENEW
ITEA CORPORATE MEMBERSHIP
ITEA SPONSORED / CHAPTER HOSTED EVENTS

- An event sponsored by ITEA is frequently hosted by an ITEA chapter.
- The primary responsibility of the host chapter is to develop and execute the technical program for the event.
- Host chapters work closely with the chair of the ITEA Events Committee and report regularly at meetings of the Board of Directors.
- The Executive Director should attend ALL ITEA sponsored events:
  - Ensuring the event meets ITEA standards for branding, quality, and financial objectives
  - Advising and providing guidance as needed to prevent potential threats to ITEA non-profit status (i.e. collusion, price discrimination, preferential treatment, etc.
- The ITEA Executive Director provides support such as:
  - Design and publication of promotional materials (e.g., calls for papers, registration brochures, pocket schedules, ITEA Journal advertisements);
  - Bulk mailing and email promotion services;
  - Registration (both advance and on-site);
  - Exhibit coordination;
  - Budget preparation; and,
  - Accounting (e.g., bill payment, invoice preparation, and collection of accounts receivable for registration and exhibit fees).
CHAPTER SPONSORED EVENTS

- Chapters may sponsor educational events as approved by the Board of Directors.
- Because each chapter is established by the ITEA Board of Directors, each chapter is technically an “agent” of the International Test and Evaluation Association, and any debts incurred by the chapter are ultimately the responsibility of the Board of Directors.
- With the exception of regular, recurring chapter meetings, all chapter workshops, symposia, and educational conferences should be reviewed by the corresponding regional vice president and by the ITEA Events Committee.
- Short courses, tutorials, and other programs of formal instruction fall under the purview of the chair of the Professional Development Committee.
- The ITEA Executive Director provides complimentary advertising in the *ITEA Journal of Test and Evaluation*, and a listing in the ITEA Web site calendar for chapter events.
CHAPTER SPONSORED EVENTS 
(CONTINUED)

To maintain the high standard of ITEA events, it is essential that the Board of Directors, through the Events Committee or the Education Committee, be informed of local chapter events.

– Each chapter planning an educational event must notify International Headquarters as soon as possible, but no later than 180 days prior to the event.

– Notification should include, in addition to the dates and location, an overview of the program, a rationale for holding the event, the names of planning committee members, intended audience, format, names of key resource individuals, and, if the anticipated revenue or expense is expected to exceed $1,000, a budget for review by the ITEA Ways and Means Committee.

– Any contract that involves an ITEA obligation of more than $1,000 must be sent to the ITEA Executive Director for review by the executive director or the Ways and Means Committee before it is finalized.

– Any net revenues from an event are retained by the sponsoring chapters; similarly, net losses incurred remain the responsibility of the sponsoring chapters.

– In the case of short courses or tutorials, chapters should include the course title, a description of the material to be covered, and the curriculum vitae of the instructor(s).
ITEA Sponsored Event Total Attendance

- **Registration Fees**
  - ITEA Member/Gov’t/Mil – $495
  - Non-Member - $595

- **Annual Symposium**
  - 2009: 800
  - 2010: 900
  - 2011: 700
  - 2012: 600
  - 2013: 400
  - 2014: 300
  - 2015: 500
  - 2016: 600
  - 2017: 500
  - 2018: 600

- **System-of-Systems**
  - 2009: 200
  - 2010: 150
  - 2011: 150
  - 2012: 100
  - 2013: 100
  - 2014: 50
  - 2015: 100
  - 2016: 100
  - 2017: 100
  - 2018: 100

- **Test Instrumentation**
  - 2009: 300
  - 2010: 300
  - 2011: 300
  - 2012: 300
  - 2013: 300
  - 2014: 300
  - 2015: 300
  - 2016: 300
  - 2017: 300
  - 2018: 300

- **Cybersecurity**
  - 2009: 100
  - 2010: 100
  - 2011: 100
  - 2012: 100
  - 2013: 100
  - 2014: 100
  - 2015: 100
  - 2016: 100
  - 2017: 100
  - 2018: 100

**Registration Fees**
- ITEA Member/Gov’t/Mil – $695
- Non-Member - $845 (incl membership)

**2009**
- Annual Symposium: 800
- System-of-Systems: 200
- Test Instrumentation: 300
- Cybersecurity: 100

**2010**
- Annual Symposium: 900
- System-of-Systems: 150
- Test Instrumentation: 300
- Cybersecurity: 100

**2011**
- Annual Symposium: 700
- System-of-Systems: 150
- Test Instrumentation: 300
- Cybersecurity: 100

**2012**
- Annual Symposium: 600
- System-of-Systems: 100
- Test Instrumentation: 300
- Cybersecurity: 50

**2013**
- Annual Symposium: 400
- System-of-Systems: 100
- Test Instrumentation: 300
- Cybersecurity: 50

**2014**
- Annual Symposium: 300
- System-of-Systems: 50
- Test Instrumentation: 300
- Cybersecurity: 50

**2015**
- Annual Symposium: 500
- System-of-Systems: 100
- Test Instrumentation: 300
- Cybersecurity: 100

**2016**
- Annual Symposium: 600
- System-of-Systems: 100
- Test Instrumentation: 300
- Cybersecurity: 100

**2017**
- Annual Symposium: 500
- System-of-Systems: 100
- Test Instrumentation: 300
- Cybersecurity: 100

**2018**
- Annual Symposium: 600
- System-of-Systems: 100
- Test Instrumentation: 300
- Cybersecurity: 100

**GET CONNECTED to LEARN, SHARE, AND ADVANCE.**
ITEA SPONSORED EVENTS
(CONTINUED)

- Prior to 2010, ITEA was sponsoring up to eight Workshops annually—which averaged $456K in annual revenue.
- Over the past eight years, revenue from ITEA Workshops has fallen to an average of just over $200K in annual revenue—a 67% drop.
- This has been a direct result of the federal government not reimbursing employees’ event registration and approving their travel to attend professional development conferences.
- NOTE: In 2013, only the Symposium and the System-of-Systems Workshop were held.
Annualized ITEA Event Revenue

- Tutorial Revenue, $46,138
- Sponsorship Revenue, $54,095
- Exhibit Revenue, $99,560
- Registration Revenue, $308,225

GET CONNECTED to LEARN, SHARE, AND ADVANCE.
ITEA Event Total Revenues 2010-2018

Symposium, $2,054,052
Test Instrumentation Workshop, $1,211,477
Cybersecurity Workshop, $354,131
System-of-Systems Workshop, $634,929
Registration Revenue per Attendee
ITEA Sponsored Events

Registration Fees
ITEA Member/Gov’t/Mil – $695
Non-Member - $845 (incl membership)

$200
$220
$240
$260
$280
$300
$320
$340
$360
$380
$400


GET CONNECTED to LEARN, SHARE, AND ADVANCE.
ITEA Sponsored Event Exhibit Revenue

- Exhibit Fees
  - ITEA Member/Gov’t/Mil – $21/sf
  - Non-Member - $28/sf

- Exhibit Fees
  - ITEA Member/Gov’t/Mil – $25/sf
  - Non-Member - $35/sf

- Exhibit Fees
  - ITEA Member/Gov’t/Mil – $28/sf
  - Non-Member - $43/sf (incl membership)
Annualized ITEA Event Expenses

- A/V, $10,330
- Badges, $622
- Bank Processing Fee, $15,574
- Call for Papers, $12,675
- Exhibit, $21,103
- F&B, $192,621
- Speaker Gifts, $5,246
- Shipping, $4,434
- Registration, $4,003
- Promotion, $7,482
- Program Guide, $6,900

GET CONNECTED to LEARN, SHARE, AND ADVANCE.
ITEA SPONSORED SHORT COURSES

- Revenue from Short Courses fell from an average of $137K prior to 2010, to just $9K over the past 3 years—a 93% drop.
- This was a direct result of the federal government not reimbursing employees registration and travel to attend professional development courses.
ITEA ANNUAL OPERATING BUDGET
ITEA HISTORICAL P&L AND NET INCOME

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Income</th>
<th>Total Expense</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$600,000</td>
<td>$800,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>1999</td>
<td>$400,000</td>
<td>$600,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2000</td>
<td>$200,000</td>
<td>$400,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>2001</td>
<td>$1,000,000</td>
<td>$1,200,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>2002</td>
<td>$1,200,000</td>
<td>$1,400,000</td>
<td>$1,600,000</td>
</tr>
</tbody>
</table>

Legend:
- Green: Total Income
- Red: Total Expense
- Blue: Net Income

GET CONNECTED to LEARN, SHARE, AND ADVANCE.
MAJOR SOURCES OF INCOME

- **Symposium - 34%**
  - 53% Registration Fees
  - 36% Exhibit Fees
  - 11% Sponsorships

- **Workshops - 32%**
  - 46% Registration Fees
  - 24% Exhibit Fees
  - 30% Sponsorships

- **Tutorials - 3%**

- **Certification - 1%**

- **Courses - 4%**
  - Courses are sponsored by ITEA and conducted by a 3rd Party.

- **Journal - 4%**
  - Tutorials are conducted in conjunction with an event or the Annual Symposium.

- **Corporate Membership - 13%**
  - Workshops are Multi-day events sponsored by ITEA and hosted by a Chapter.

- **Individual Membership - 9%**
ITEA MAJOR EXPENSE CATEGORIES

- Workshops: 15%
- Symposiums: 21%
- Scholarships: 9%
- Payroll and Benefits: 34%
- Administration: 3%
- Courses: 4%
- Journal: 9%
- Membership: 3%

GET CONNECTED to LEARN, SHARE, AND ADVANCE.
ITEA BUDGET PROCESS

1. The ITEA budget process is an iterative process that begins with the issuance of a call for budget inputs by the ITEA Executive Director and the distribution by the headquarters staff of Cost Center Business Plans and other documentation to assist in the budget development.

2. Following submission of draft budget inputs by the Cost Centers, the Executive Director, Treasurer and Ways and Means Committee will review the draft budget inputs and provide questions and comments back to the Cost Centers/Committee Chairs. If necessary, Cost Centers/Committee Chairs will refine sub-budgets with committee members and/or event chairs.

3. Once the Executive Director, Treasurer, Ways and Means Committee and the Cost Center/Committee Chairs are in agreement, the Executive Director will prepare a total budget for the Association. This budget will be presented to the ITEA Board of Directors (BoD) for review and approval.
ITEA COST CENTERS

• Cost Centers are those ITEA standing committees whose actions result in revenue and/or expenses for the Association. In addition, a General and Administrative (G&A) Cost Center has been established to manage ITEA G&A costs across the organization. The ITEA Executive Director will manage the G&A Cost Center.

• The established cost centers for the organization include:
  – Awards Committee
  – Education Committee
  – Events Committee
  – Chapter & Individual Membership Development Committee
  – Corporate Member Development Committee
  – Publications Committee
  – G&A
  – Others as appropriately identified for a particular budget planning cycle

• The budget preparation and responsibility for each Cost Center is assigned to the current Chairperson of the Committee corresponding to the established Cost Center.
ITEA RESERVES
ITEA RESERVES

The goal of the ITEA Reserve Policy, working in conjunction with the ITEA Investment Policy, is to maintain sufficient liquid assets to meet planned and unplanned expenditures and to provide for the preservation and safety of both capital and non-capital investments.
ITEA RESERVES (CONTINUED)

The objectives and strategies for achieving ITEA’s reserve policy are as follows:

1. CHECKING ACCOUNT - To sustain day-to-day operations of the association during periods of stability in income and expense.

2. OPERATIONS RESERVES - To sustain basic ITEA operations and core member services during any short-term economic downturn; loss of significant association revenue source (i.e. key event cancellation); or significant unplanned expenditure (i.e. loss of office space, fire, etc.). Short-term, as defined in the general ITEA investment policy, is a fiscal year cycle.

3. EDUCATION RESERVES - To establish a permanent source of long-term funding for the ITEA scholarship program.

4. CAPITAL RESERVES - To provide ITEA with additional capital resources to: a) cover unbudgeted expenditures brought about by unanticipated challenges or opportunities for emergency funding brought about by extraordinary circumstances and one-time or episodic situations; b) unplanned or emergency capital expenditures associated with technological or infrastructure improvements (e.g. server, web site, computer, office equipment, furniture, etc.); c) research and development of new products and services that have the potential to significantly benefit the testing and evaluation profession; d) cover interim planning periods of staffing expenses if new staff positions are approved or gaps occur with existing staffing; e) other proposals that provide a valuable member service; move ITEA into a new revenue-generating or customer-generating areas that replenish the reserve funds; or support an essential infrastructure need.
1. CHECKING ACCOUNT - To sustain day-to-day operations of the association during periods of stability in income and expense.

- To accomplish stated objective, ITEA will establish one or more Operating Bank Account(s), generally consisting of checking account(s) and/or savings account(s). All cash received by the Association will be deposited into the operating account(s).

- To the extent possible, the operating account balances should not exceed $125,000 at the end of each calendar-year quarter. Funds above the $125,000 threshold at the end of each calendar year quarter will automatically be transferred into an Operating Reserve Account(s), generally consisting of short-term money market investment account(s).
2. OPERATIONS RESERVES - To sustain basic ITEA operations and core member services during any short-term economic downturn; loss of significant association revenue source (i.e. key event cancellation); or significant unplanned expenditure (i.e. loss of office space, fire, etc.). Short-term, as defined in the general ITEA investment policy, is a fiscal year cycle.

- To accomplish the stated objective, ITEA will establish an Operating Reserve Account, generally consisting of short-term funds, such as money market investments, and otherwise as guided by the overall ITEA Investment Policy on short-term fund management.
- ITEA will maintain a minimum of $200,000 in its Operating Reserve Account.
- ITEA has established a reserve target of 30 percent of its annual operating expense budget for the Operating Reserve Account.
3. EDUCATION RESERVES - To establish a permanent source of long-term funding for the ITEA scholarship program.

- To accomplish the stated objective, ITEA will establish an Education Reserve Account, generally consisting of long-term funds as guided by the overall ITEA Investment Policy on long-term fund management.

- ITEA will maintain a minimum balance in its Education Reserve Account greater than or equal to the aggregate of all Chapter balances in scholarship accounts as governed by the ITEA Chapter Scholarship Schedule. This schedule is maintained for accounting purposes and used to track deposits to and disbursements from the Chapter scholarship accounts.

- ITEA has established a reserve target of 125 percent of the current balance in the Education Reserve Account as its new target balance each year in keeping with the ITEA vision to establish education reserve as a growth fund.

- Any revenues receipted into or expenses paid out of the operating account to support the ITEA Chapter Scholarship program will be reconciled to the Education Reserve Account and an appropriate monetary adjustment will be made during the year-end close of financials. The ITEA Chapter Scholarship Schedule will be the source document for reconciling the Education Reserve Account.
4. CAPITAL RESERVES - To provide ITEA with additional capital resources to: a) cover unbudgeted expenditures brought about by unanticipated challenges or opportunities for emergency funding brought about by extraordinary circumstances and one-time or episodic situations; b) unplanned or emergency capital expenditures associated with technological or infrastructure improvements (e.g. server, web site, computer, office equipment, furniture, etc.); c) research and development of new products and services that have the potential to significantly benefit the testing and evaluation profession; d) cover interim planning periods of staffing expenses if new staff positions are approved or gaps occur with existing staffing; e) other proposals that provide a valuable member service; move ITEA into a new revenue-generating or customer-generating areas that replenish the reserve funds; or support an essential infrastructure need.

– To accomplish the stated objective, ITEA will establish a Capital Reserve Account, generally consisting of long-term funds as guided by the overall ITEA Investment Policy on long-term fund management.
– ITEA will maintain a minimum of $75,000 in its Capital Reserve Account.
– ITEA has established a reserve target of 20 percent of its annual operating expense budget for the Capital Reserve Account.
ITEA RESERVES (CONTINUED)

• Prior to 2010, besides the annual International Symposium, ITEA was sponsoring from 7 to 12 Workshops annually, which accounted for over a third of the Association’s Annual Operating Revenue.

• Beginning in 2009, due to the financial strain placed on the Association due to the Federal Government’s restrictions on travel to conferences and professional development, ITEA Sponsored Workshops began declining dramatically, culminating in the cancellation of all ITEA’s 2013 Workshops with the sole exception of the System-of-Systems Workshop.
• The effect was that the Association had negative cash flows from 2009 to 2014—amounting to almost $900K in total losses.
• The Association’s revenues plummeted from a high of $1,493K in 2006, to just $538K in 2013—a 64% drop.
• Most of the revenue that was lost was from Workshop revenue, which plummeted from a high of $708K in 2006, to just $46K in 2013—a 94% drop.
Beginning in 2010, the Association began utilizing its reserves to maintain the ongoing viability of ITEA. Below is the year ending reserves through 2018:

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$200,297</td>
<td>$93,582</td>
<td>$41,589</td>
<td>$26,870</td>
<td>$349</td>
<td>$199</td>
<td>$49</td>
<td>$9,911</td>
<td>$9,776</td>
</tr>
<tr>
<td>Capital</td>
<td>$265,989</td>
<td>$142,168</td>
<td>$149,361</td>
<td>$43,046</td>
<td>$5,242</td>
<td>$5,093</td>
<td>$4,943</td>
<td>$47,833</td>
<td>$30,205</td>
</tr>
<tr>
<td>Education</td>
<td>$289,504</td>
<td>$235,251</td>
<td>$207,445</td>
<td>$108,571</td>
<td>$35,663</td>
<td>$33,141</td>
<td>$46,229</td>
<td>$126,012</td>
<td>$125,711</td>
</tr>
<tr>
<td>Total Reserves</td>
<td>$755,790</td>
<td>$471,001</td>
<td>$398,395</td>
<td>$178,487</td>
<td>$41,254</td>
<td>$38,433</td>
<td>$51,221</td>
<td>$183,756</td>
<td>$165,690</td>
</tr>
</tbody>
</table>
The Board had to take extraordinary measures to ensure the financial viability of the Association, and one of these actions was to significantly restrict the amount of Education Funds available for Chapter Scholarship and Grant Awards.

The result of the severe decline in ITEA’s Workshop revenue was that rather than the $100K+ annually that the Association provided as Chapter Scholarship and Grant Awards, only $25K was budgeted for 2013.
### ITEA RESERVES

#### Reserve Policy Guidelines

<table>
<thead>
<tr>
<th></th>
<th>30-Apr-2019</th>
<th>Prior Quarter</th>
<th>Prior Year</th>
<th>Target</th>
<th>Maximum</th>
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<tbody>
<tr>
<td>&quot;Quick&quot; Reserves</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Checking</td>
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<td>$140,529</td>
<td>$142,794</td>
<td>$75,000</td>
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<tr>
<td>Operating Reserves - 04078</td>
<td>$9,629</td>
<td>$9,776</td>
<td>$9,768</td>
<td>$200,000</td>
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<td>Capital Reserves - 04177</td>
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<td>$30,208</td>
<td>$30,332</td>
<td>$75,000</td>
<td>n/a</td>
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<tr>
<td>&quot;Quick&quot; Reserves</td>
<td>$197,811</td>
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<td>$182,893</td>
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<tr>
<td>Months of &quot;Quick&quot; Reserves</td>
<td>8.1</td>
<td>7.4</td>
<td>7.5</td>
<td></td>
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<tr>
<td>Emergency Reserves</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Education Reserve - 04076</td>
<td>$126,539</td>
<td>$126,081</td>
<td>$126,159</td>
<td>$384,423</td>
<td>$480,529</td>
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<td>Total Reserves</td>
<td>$324,350</td>
<td>$306,594</td>
<td>$309,052</td>
<td></td>
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<tr>
<td>Months of Total Reserves</td>
<td>13.3</td>
<td>12.5</td>
<td>12.6</td>
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<tr>
<td>Chapter Accounts</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cash at Chapters</td>
<td>$55,298</td>
<td>$47,602</td>
<td>$47,602</td>
<td>n/a</td>
<td>$6,996</td>
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<td>Total Reserves</td>
<td>$379,648</td>
<td>$354,196</td>
<td>$356,655</td>
<td></td>
<td></td>
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<tr>
<td>Months of Total Reserves</td>
<td>16.2</td>
<td>15.1</td>
<td>15.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ITEA RESERVES (CONTINUED)

• ITEA Reserves, especially Education Reserves, continue to be in a crisis situation. Without action the reserve crisis will continue to worsen.
• Events (short courses, tutorials, workshops, and symposium), while producing positive cash flow, fell short of budgeted net income.
• Non-event activities (certification, journal, membership), produced positive cash flow and exceeded budgeted net income.
  – Net income per member was $41.
  – “Cost to Serve” was $332/member.
ITEA RESERVES (CONTINUED)

• “Quick” Cash Reserves are at 8.1 months
  – General guidelines for individual membership non-profit associations is to have 3-6 months of cash reserves.

• Operating Reserves of $10K is significantly below the policy guideline of $200K.
  – Should the Association experience another financial crisis as we did in 2012-2013, we would need to tap into the Education Reserves to maintain operations.

• Capital Reserves of $30,220 is below the policy guideline of $75K.
  – $24K was invested in a new Web site during 2018. This project came in 31% / $11K, UNDER budget.
ITEA RESERVES
(CONTINUED)

- Education Reserves of $126,539 is significantly below the policy minimum of $384K.
  - Until the Education Reserves are fully funded, funding of Chapter scholarships and STEM grants will continue to be severely restricted.
  - The 2019 budget provides just 12% of the total amount of Chapter earned education funds.
  - The Education Reserve deficit grew by 33%, or almost $100K, in 2018.
  - It is highly probable that the Association will never be able to fully fund Chapter scholarship and STEM grants unless dues and fees are increased.
ITEA SCHOLARSHIP PROGRAM
ITEA Scholarship Program is designed to foster interest and education in technical fields that may benefit the test and evaluation profession. The program furthers the goals of ITEA by providing financial aid to qualified students. The ITEA Scholarship Program is administered by the local Chapters with the assistance of the ITEA Headquarters Staff and under the cognizance of the ITEA Board of Directors.

- Local Chapters may, at their discretion, develop relationships with local universities and colleges to assist with the selection and award of scholarships.
- Local Chapters will develop eligibility guidelines such as, required grade point average, course of study and application requirements.
- The selection of individual scholarship awardees is at the discretion of the local Chapter.
- Each Chapter must provide ITEA with the names of individual scholarship recipients.

ITEA International will assist the local Chapters with the financial administration of the Scholarship Program including the issuance of scholarship checks and the establishment and maintenance of an Education Account.
SCHOLARSHIP PROGRAM FUNDING

ITEA Sponsored / Chapter Hosted events coordinated through ITEA International and the Events Committee.

– For each Chapter-hosted ITEA event the Chapter will be allocated a base incentive of 25% (35% for events hosted by more than one Chapter) of the net income for its scholarship fund.
– The Chapter’s allocation of the net income will be retained by ITEA EO and placed in the Chapter’s Education Account.
– With regard to national events (e.g. Annual Symposium, Technology Review, etc.), the Technical and Program Chairs for the event in conjunction with the ITEA EO will assess the participation and support provided by the hosting chapter(s) and make a recommendation to the EXCOM regarding eligibility for any additional bonus.
– The EXCOM will make the final determination regarding chapter eligibility for an additional bonus.
Supplemental Scholarship Funds

- Supplemental scholarship funds are distributed yearly to Chapters by ITEA International and are intended to supplement local Chapter scholarship fund-raising activities.
- Any Chapter committing funds for a scholarship is eligible for supplemental funds.
- Chapters will receive Supplemental Scholarship Funds equal to not less than $0.25 but not more than $0.50 per $1.00 scholarships awarded based on the amount of scholarships awarded during the financial year.
- Available Supplemental Scholarship Funds in excess of $0.50 per $1.00 awarded will be added to the Education Account to increase the stability and interest revenues.
SCHOLARSHIP PROGRAM FUNDING (CONTINUED)

Thanks to the ITEA Board of Directors, Chapters are now able to earn more scholarship and grant funds than at any time in ITEA’s history (from $5,000 maximum prior to 2001, to 25% of the event’s net revenue now).

- 1998 – Maximum earned by hosting Chapter(s) raised from $5,000 to $10,000
- 2001 – Maximum earned by hosting Chapter(s) raised from $10,000 for a single Chapter host, and $18,000 for multiple Chapter hosts.
- 2006 – Added a Chapter Bonus Incentive of event proceeds at awarded to hosting Chapter(s) at the discretion of ITEA Executive Committee
- 2011 – Revised Chapter earned funds to 25% of net proceeds (35% for multiple Chapter hosts)
- 2013 – Pre-Event Tutorials revenue and expenses included in the event’s net proceeds.
SCHOLARSHIP PROGRAM FUNDING (CONTINUED)

The effect was that, even though Chapters that have hosted ITEA events have earned more Scholarship and STEM grant Funds than ever before, due to the Association’s negative cash flows, ITEA has not had enough positive cash flow to support unlimited funding for Chapter scholarship and STEM grant awards.
SCHOLARSHIP PROGRAM FUNDING (CONTINUED)

Total Annual Chapter Education Funds Earned

- **1998**: Maximum earned by hosting Chapter(s) raised from $5,000 to $10,000.
- **2001**: Maximum earned by hosting Chapter(s) raised from $10,000 for a single Chapter host, and $15,000 for multiple Chapter hosts.
- **2006**: Added a Chapter Bonus Incentive of event proceeds at awarded to hosting Chapter(s) at the discretion of ITEA Executive Committee.
- **2011**: Revised Chapter earned funds to 25% of net proceeds (35% for multiple Chapter hosts).

NOTE: Chapter Education Reserves also receive annual funds from Chapter Annual Supplemental Funds (25% of prior year scholarship and STEM grant awards), Chapter of the Year Award ($500), Members-Get-A-Member Chapter Awards ($3000), Chapter Rebates, and any Chapter transfers of excess monies from their local bank account to their Education Fund.
SCHOLARSHIP PROGRAM FUNDING (CONTINUED)

Average Chapter Education Funds Per Hosted Event

- 1998 - Maximum earned by hosting Chapter(s) raised from $5,000 to $10,000
- 2001 - Maximum earned by hosting Chapter(s) raised from $10,000 for a single Chapter host, and $18,000 for multiple Chapter hosts.
- 2006 - Added a Chapter Bonus incentive of event proceeds at awarded to hosting Chapter(s) at the discretion of ITEA Executive Committee
- 2011 - Revised Chapter earned funds to 2.5% of net proceeds (35% for multiple Chapter hosts)

NOTE: Chapter Education Reserves also receive annual funds from Chapter Annual Supplemental Funds (25% of prior year scholarship and STEM grant awards), Chapter of the Year Award ($500), Members-Get-A-Member Chapter Awards ($3000), Chapter Rebates, and any Chapter transfers of excess monies from their local bank account to their Education Fund.
Chapter Education Fund Reserves Deficit

- The major factor in the growth of the deficit in the Education Reserves is due to the lack of funds that have been available for annual Chapter scholarship and STEM grant awards. ITEA Chapters have earned more scholarship and STEM grant funds than have been awarded over that past eight years, this has resulting in the current $263,290 deficit in the Education Reserves. This will continue so long as the ITEA budget does not provide enough net profit to fully fund the Education Reserves.

- The “Catch-22” of the situation is that the scholarship and STEM grant funds that are being earned by the Chapters in hosting ITEA events has outpaced the amount of funds that were available for Chapter scholarship awards and STEM grants, as well as any funds available to replenish the Education Reserves.
### SCHOLARSHIP PROGRAM FUNDING (CONTINUED)

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITEA Net Income from Chapter Hosted Events</td>
<td>$231,677</td>
</tr>
<tr>
<td>Chapter Scholarship Funds Earned from Hosted Events</td>
<td>$72,260</td>
</tr>
<tr>
<td>Chapter Scholarship Supplemental Funds</td>
<td>$8,313</td>
</tr>
<tr>
<td><strong>Total Chapter Scholarship Earned Funds</strong></td>
<td><strong>$80,572</strong></td>
</tr>
<tr>
<td>Chapter Scholarships Awarded</td>
<td>$33,250</td>
</tr>
<tr>
<td><strong>Chapter Education Fund Deficit</strong></td>
<td><strong>($47,322)</strong></td>
</tr>
</tbody>
</table>
• The ITEA 2019 Annual Budget currently authorizes $50,000 to be distributed among the 14 Chapters that have earned Education Funds.

• The Chapters received prorated amounts relative to the total amount that they have in their Education Fund.

In order to fully fund ALL ITEA Chapters scholarships and grants, ITEA needs at least an additional $265,712 in the Education Reserves.
There are basically 2 ways to fully fund ITEA’s Education Fund:

1. Increase the number of ITEA events – Workshops, Short Courses, CTEP Examination Sessions, etc.; and/or,

2. Increase the amount of net revenue generated by current ITEA events and membership dues.
CONCLUSION

*Nonprofit is a tax status, NOT a business model.*

ITEA must ensure its long-term viability by replenishing its reserves as quickly as possible.