

Report of the Administration and Finance Committee
January 2021

In January 2020, the Committee reviewed the preliminary financial results for 2019. There was a net gain from operations totaling \$123,000 against a plan gain of \$56,000. Investment gains added an additional \$461,000 to the bottom line. Total revenues were \$14.7 million which is \$20,000 more than planned. Publication Sales and Program Fees fell short of plan with license manuals and training materials exceeding expectations which offset weaker sales in other areas. Award fees fell short due primarily to a poor sunspot cycle and weak DXpeditions. VEC income was down 14% in the first half of the year due to COVID-19 and recovering but still off 5% in the second half.

Development revenue was good with several new bequests as well as strong Diamond Club and miscellaneous donations. Expenses were \$47,000 below plan. The balance sheet continued to grow to \$36.6 million, up from \$32.4 million at the end of 2018.

The Committee noted that the reception of the new publication *On the Air (OTA)* has been overwhelmingly positive and plans are in-place to ensure all members have access either via mail or electronically.

The VM program was reviewed; there were 250 applications and training webinars have been conducted. The program began with a soft-rollout in February.

A new revenue neutral Life 70+ Membership program was rolled out in June. This program allows for a reduced rate Life Membership for members age 70 and older with at least 25 years of membership.

Three By-Laws changes were proposed and approved that permitted the CEO to raise the student reduced rate age from 22 to 26, permit members to choose an alternate publication, and allow a reduced rate for digital only subscriptions.

The Committee approved an authorization of an amount not to exceed \$75,000 for ARISS for the calendar year 2020 contingent upon receiving quarterly reports from AmSat. It should be noted that subsequent to this action, ARISS was spun off from AmSat and is now a separate organization.

The results of the US Supreme Court ruling in *South Dakota v. Wayfair* and its implications on ARRL sales was discussed at length noting that ARRL is now required to collect sales tax from members for the jurisdiction in which they receive products shipped by ARRL. Funding was approved to engage a third party with systems to identify the appropriate tax rates since there are over 11,000 U.S. sales tax jurisdictions and ARRL needed to be prepared to collect sales taxes and in some cases file tax returns.

Expenditures were approved to remedy ARRL trademark issues provided to the Committee by an outside counsel hired to review the League's trademarks.

The Committee approved the Energize CT Eversource Energy Advantage Program which would entail in installation of energy saving light fixtures throughout the headquarters building and W1AW. The results are expected to save approximately 97,800 kilowatt hours annually.

As a result of COVID-19 and the resulting shutdown of the headquarters facility, the Committee approved the application for a forgivable loan under Paycheck Protection Program of the CARES Act. The application was subsequently approved and the funds were received.

As per board directive 7/2019: Minute 40, the Committee discussed the potential of creating a Research Working Group. It was determined to take no action at this time.

The Committee approved an additional payment of \$112,000. for the Personify/AMS project with a \$15,000. contingency authorization to be used at the discretion of the CEO.

The annual Audit Report was received from the ARRL's accounting firm. There were no areas of concern that needed to be addressed in their report.

A Working Group/sub-committee chaired by Director McIntyre was created to review the needs and goals of Logbook of the World (LoTW) 2.0 and its alignment with other IT and organizational initiatives. As the group's charter will span across projects, it will initially be referred to as "Project X Working Group".

The 2021 Financial Plan was reviewed by the Committee and it was voted to recommend the Plan to the board at the January 2021 meeting via an A&F Committee motion.

The Committee noted with sadness that director Jim Tiemstra, K6JAT became a Silent Key during this term. His contributions to this Committee and to the Board will be greatly missed.

The Committee also took note that many ARRL financial and administrative operations were all impacted by COVID-19 including revenue, expenses and program operations. ARRL Staff and especially our executive leadership has performed in an outstanding manner during this pandemic year and the Committee extends its gratitude for the efforts put forth by staff.

Respectfully submitted:

Jeff Ryan, KØRM
Chair, ARRL Administration and Finance Committee

Members:

Directors Jairam, McIntyre, Norton, Stratton; Vice Director Delaney; Treasurer Niswander; 1st VP Raisbeck; CFO Middleton; President Roderick.