

## Motion Number 20071229

Name	Maker	Second	Aye	Nay	Abstain
Bird			X		
Hanavan	X		X		
Buesking				X	
Cunliffe		X	X		
Dimon			X		
Murphy			X		
York			X		

**Title:** Policy on Reserve for Dues Paid in Advance

**Text of Motion:**

The full text of the proposed policy is shown below.

**Rationale or explanation:**

This policy establishes a clear policy for dealing with the liability associated with advance dues payments.

**Vote Result:** Carried on 30 Dec 2007

## **Policy on Reserve for Dues Paid in Advance**

**(Added 30 December 2007)**

Members of the Association (other than Honorary Life Members, Honorary Friends of the Association, Friends of the Association and Honorary Associate Members) pay annual membership dues. These funds pay for activities of the Association; e.g., web site, newsletter, memorials, bereavement activities. Some members pay their dues beyond the year required to remain active. Members are encouraged to do this, because it reduces the workload of the Treasurer and the Roster Chairman. However, the “dues paid in advance” increases the current assets without recognizing the implications of these advance dues, i.e., to deliver certain services in the future.

Commencing with Fiscal Year 2007, a reserve will be set aside in the assets of the Association to recognize that the Association has an implicit obligation to deliver newsletter and web site services in future years to the members who have paid “dues in advance”. The amount of this reserve shall be adjusted each year in December, based on membership data at the end of November. The amount reserved shall be determined by the current annual costs of the newsletter and web site activities of the Association, e.g., for 2007 the amount shall be \$2.50 for each member-year of advance dues. The Treasurer will adjust this reserve, upward or downward, and reflect the status in the financial records of the Association.

1. Definitions:
  - Association" shall mean the C-7A Caribou Association.
  - Categories of membership are as defined in the Association By-Laws.
2. The roster chairman shall provide the Treasurer with the number of member-years of “paid in advance” dues.
3. The Treasurer shall adjust the reserve based on current data by increasing or decreasing the “Advance Dues Liability” account in the General Ledger of the Association to equal the value of the liability on 30 November of the current year. This value shall be determined using the following formula:

$$\text{Advance Dues Liability} = \left[ \begin{array}{l} \text{the sum of current annual website expenses} + \\ \text{the sum of current FY newsletter/flyer expenses} \\ / \text{\# active, dues paying members} \end{array} \right] \\ * (\text{the sum of member-years of advance dues})$$

Example: If current annual website expenses = \$200, and  
current FY newsletter/flyer expenses = \$2000, and  
# active, dues paying members = 800, and  
the sum of the member-years of advance dues = 900

Then the Advance Dues Liability = \$2,475.