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The Discussion Continues ...

What is being done to get the Society's operational costs in better shape? The other two members of the Surface Finishing Industry Council (SFIC) moved into the Society's headquarters facility, to reduce their headquarters costs. We entered into an agreement with them to share the same business management that they have been using successfully for years. Subsequently, staff has been reduced and the printing equipment was sold. Those involved in the Society's journal are now outside independent contractors subcontracted by the Society.

The educational development programs have been put on hold. A new two-day course costs \$25,000 to \$40,000 and revisions of existing courses cost \$2,000 to \$10,000. Educational slide or power point, or CD-ROM lectures cost \$5,000 to \$30,000 each, whether new ones or revisions. New courses form a major part of the courses offered by the Society. Because these are an important part of the Society's mission, and contribute greatly to the operating funds, these will be reinstated as soon as possible. The members need them to stay informed and up-to-date.

What else is being done to reduce costs and increase income? The Society's largest assets are the headquarters building and the adjacent property. These were sold in August. The money from this sale will be used to pay the debts, the obligations to the conference hotels, and the commitment to

the government relations program for this year and next year, and to add to the reserve fund. Half (approximately \$500,000) of the amount being added to the reserve fund, including the income produced by it, will be used to further the Society's educational programs. Generally speaking, a non-profit organization should have at least one-half of its annual budget in a reserve fund. When the present reserve fund is free of the loans on it, and the remainder from the property sale is added to it, the resulting uncommitted reserve fund will almost meet this reserve requirement. Meanwhile, it will be contributing its income to the operating fund.

After the headquarters sale, the AESF, along with MFSA and NAMF, moved into a leased space in the Orlando area. The Society will pay 46 percent of the lease, which includes both rent and utilities, and for any shared leased office equipment. The remainder will be paid by the other two organizations.

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The Society has entered into an agreement with the SFIC to put the AESF income from SUR/FIN, AESF Week and the Aerospace Forum into a pot, along with the MFSA income from Finishing Tech, the NAMF income from their convention, and the SFIC income from the expanded Legislative Conference (now called Washington Forum). Starting with the Washington Forum in 2005, the net income from these events will be used to pay for government relations. The AESF obligation will be paid first and any remainder will be used to pay for the other two organizations' obligations. If it is short, the AESF will be committed to pay the difference between the AESF obligation and the net income from the events.

Putting all these plans together, it looks like a good deal for the AESF, MFSA and NAMF. It gets rid of the AESF debts and puts more money into membership benefit programs. And, it pays for the essential government relations program.

How can we get the other half of the finishing industry that is benefiting from the actions being taken by the SFIC organizations, but not contributing anything, to become a part of this? All of us should get more finishers to become AESF members by asking them to join, and to further their finishing knowledge by taking AESF courses and attending AESF events. The Society will then be able to offer them and all members even more benefits. P&SF