

# The TMG Connection

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## Travel Community Promotes Positive Impact of Meetings, Events and Incentives. Issues Meetings & Events Guidelines for TARP Recipients

Senior Managers and staff from TALLEY MANAGEMENT GROUP, INC. participated in a gathering of leaders from the meetings, events and incentive travel industries in Washington, DC recently. Gregg Talley, CAE, representing the Convention Industry Council (CIC), pushed forward plans for an economic impact study to quantify the value of meetings and protect jobs.

The group gathered to address government and media scrutiny of corporate travel due to the "Troubled Assets Relief Program" (TARP). The legislation and the scrutiny is also impacting association meetings, events and trade shows, so the group began identifying research gaps to pinpoint what data needs to be collected and analyzed in an economic impact study.

"This draconian concept of no involvement or investment in meetings, conferences or anything else is going to have a trickle-down effect," said Talley. "Business and industry play a huge role in association meetings, so any pullback by corporate America because of some perceived rule, or non-rule, has a huge potential impact, whether it's in the area of support, exhibit scale, or number of people attending. It's important for the larger meetings community to come together to speak out with one voice."

An immediate outcome of the gathering was the development and issuing of guidelines on acceptable business travel practices to companies that have received emergency government lending. The guidelines, built upon existing corporate best practices, are designed to ensure transparency and accountability, and to protect the one million American jobs supported by corporate meetings and events.

"The business practices of our customers impact the welfare of our industry, our employee base and the economic health of the communities where we do business," said Roger Dow, president and CEO of the U.S. Travel Association. "Working collaboratively, associations representing the meetings, events and incentive travel industries are addressing an urgent public need by developing clear, prudent guidelines for companies that have received taxpayer dollars." The standards support President Obama's recent call for the boards of directors of companies that have received emergency government lending to develop guidelines on conferences, events and employee recognition programs.

Highlights from the guidelines include:

- Conferences or events with a cost exceeding \$75,000 must be supported by a written business case identifying a specific business purpose and positive return on objective and investment metrics;
- At least 90 percent of incentive program attendees shall be other than senior executives (as defined by Treasury Department guidelines) from the host organization; and
- Total annual expenses for meetings, events and incentive/recognition travel shall not exceed 15 percent of the company's total sales and marketing spend.

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### ***ASAE Survey: Will members stay if economy worsens?***

The American Society of Association Executives & The Center for Association Leadership recently conducted a survey of 97 diverse associations to assess how association members are responding to the recession—and will they remain members if the economy continues to worsen?

Among the results: most association members are confident with their employment situations, but of those members whose employers pay their professional association memberships, 43.3 percent will drop their memberships if their employers stop paying.

An Executive Summary of the survey is posted at: <http://www.asaecenter.org/files/economyresources/econostudy.pdf>

***Source: ASAE & The Center***

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## **Travel Community... continued**

Meetings and events are responsible for 15 percent of all travel-related spending, create nearly \$40 billion in tax revenue at the federal, state and local level, and generate more than one million jobs. Without the jobs generated by meetings, events and incentive travel, the current unemployment rate of 7.6 percent would rise to 8.2 percent and cost the average American household an additional \$136 in taxes annually.

“At a time when the Department of Labor reports a loss of nearly 200,000 travel related jobs in 2008 and U.S. Commerce Department data predicts a loss of an additional 247,000 travel related jobs in 2009, it is critical that every effort be made to protect beneficial meetings and events,” said Dow. “Our associations are hopeful that with stringent, transparent standards in place, policymakers and the business community can embrace meetings, events and incentive travel as responsible economic stimulants.”

While the metrics outlined in the guidelines are intended for the recipients of emergency government lending, the drafters understand that many other organizations may consider the policy. In those cases, it should be noted that the metrics may vary based on industry size, company size and market sectors.

Among the industry groups represented at the meeting and issuing the guidelines were:

***American Hotel and Lodging Association  
Destination Marketing Association International  
International Association of Exhibitions and Events  
Meeting Professionals International  
National Business Travel Association  
Professional Convention Management Association  
Site (Society of Incentive & Travel Executives)  
U.S. Travel Association***

To view full list of the guidelines, please visit [www.ustravel.org](http://www.ustravel.org). 


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## **Help your members “Go Green”**

Is “going Green” just a social movement, or can it make a difference to your members’ bottom line? Here are some suggestions your society can provide to help your members, and their employees, save the environment and some money.

First, design office space using “green design” – use sensors to monitor overhead lighting, install high-efficiency heating, ventilating and air conditioning, and use recycled content furniture. This can save money in the long term, and non-profits can often find supporters to help fund the initiative.

An alternative to redesigning the office is to allow employees to telecommunicate, which would cut down on the office square footage you need.

Finally, your members can help their employees reduce the impact of their commute by allowing a compressed work week, locating close to major routes for public transportation and providing bike racks and showers. 

*Source: nonprofit agendas, February/March 2009*

### TMG Staff News

TMG's Virginia Office welcomed **Karen Kotowski, CAE, CMP** who has taken on the role of COO for the Convention Industry Council (CIC).

Karen oversees the staff of CIC, the Certified Meeting Professional (CMP) credentialing process, the Accepted Practice Exchange (APEX) and the Hall of Leaders program.

### Congratulations!

**Joe Casey** of TMG's New Jersey office has earned the Certified Association Executive (CAE™) credential, the highest professional credential in the association industry, according to the American Society of Association Executives. Less than five percent of all association executives have earned the CAE.

Joe joined the TMG staff in December 2006 and works with the International Game Developers Association.

### Good Deeds

The TMG knitting group, **Monica Barnaby, Christine Flowers, Laurie Morris, Laurie Schall and Denise Smith** have knitted items over the past year for three charities: the Robin's Nest, the Special Olympics and the Seaman's Institute.

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## With all the economic turmoil – what about hotel rates? Is TMG renegotiating contracts?

With market conditions gyrating and varying from city to city, TMG meeting professionals are working with hotel executives at booked sites to assess contracted rates and concessions. "We have great partnerships in place", said Lisa Astorga, Director of TMG Meetings and Events Group, "but we have an obligation to be sure that the available rates are the best possible for our clients and their attendees."

In some cities market conditions have changed drastically and contracted rates may simply not be competitive with what competing hotels are offering. TMG is having those discussions and adjusting rates where necessary and with the hotel executives, to be sure that we can fill our hotel block commitments. In some cases that may mean lower final rates or other changes that work for both parties.

For one client with a meeting booked at a resort destination there is an opportunity because of all their lost business to lower rates significantly. Another client in a major first tier city has also been able to see a reduction. In some cases we have been able to lower blocks in anticipation of lower attendance without penalty.

These strong professional partnerships help ensure TMG's clients are protected. ■

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## Going Green – for a good cause

TMG employees cheered for the hometown team and raised \$175 for the Jefferson Breast Cancer Center through a special fundraiser on the Friday before the NFC Championship Game. Employees paid \$5 each to wear jeans and Eagles gear for the day instead of business attire. Although the Eagles missed the opportunity to go to the SuperBowl™ by losing to the Cardinals 32-25, the fundraiser was a big win for all!



**Questions to ask before tapping reserves**

- What revenue sources are at risk?
- What potential increases in expenses might we experience?
- How much flexibility do we have to change our cost structure? How much could we cut, and how quickly could we make the cuts?
- What are the forgone profits if we couldn't hold our annual conference or other major events?
- How might additional declines in the financial markets affect our balance sheet or income statements?

Long-term investments can be accessed in two ways. First, they can be sold outright. However, economic downturns often coincide with dropping stock prices. It is best to delay selling in a down market whenever possible.

The second way may help you to avoid selling in a down market. Your long-term securities can be collateral for a line of credit, providing a way to access some of your money as you need it without selling the securities at an inopportune time. (Uncollateralized lines of credit may also be available).

Plan ahead to help avoid making poor short-term financial decisions. Good preparation can create a situation in which you arise from an economic downturn in a stronger condition, ready for the opportunities available when business cycles move to recovery and expansion.

**Source: ASAE & The Center**

**TMG Offers Sample Travel Form**

TMG has developed a return on investment form for potential meeting attendees to download from your society's websites to show their bosses the value of attending your meetings. Our clients are encouraged to help promote the value of professional meetings, a valuable component of the US economy, as well as to assist your members who desire to attend your events. Contact your TMG representative if you have questions.

**Please note: this information is provided to TMG clients only as an example to assist you in designing your own requests or reports**

**REQUEST TO TRAVEL TO MEETINGS, CONFERENCES AND TRADE SHOWS**

[Insert Date]

To: [Insert Supervisor Name & Title]

Requested Travel Event & Date: [Insert Event And Brief Description – See Example]

CAMEX 2009, Anaheim, CA, March 13-17, 2009, sponsored by the National Association of College Stores. This event combines both a trade show, where I am able to meet major publishers, and vendors of general merchandise, computer products and system services, as well as attend numerous educational sessions geared towards helping me to continue to run a successful store. In addition I will be exposed to new ideas and programs, which will assist in my professional growth as well as gathering ideas and experience from others across the country.

Benefits of attending [Insert Conference/Show]: [Give 5 reasons, with brief explanations, for attending show or attach a copy of the event's Program]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Trade Show Offerings (i.e. Merchandise Ordered, Free Freight, Store Systems viewed, Vendor Contacts, etc):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I plan on attending Sessions on:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Session(s) I have been asked to present on:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Networking with Peers: [Give Examples]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Gather Best Practices in Store Operations: [Give Examples of Past Experiences]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Thank you.

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_  
[Signature]

Name:  
Title:  
Contact Information:

Example – Single Event Request to Travel

### **Delta Introduces New Account-Linking, Mileage-Transfer Capabilities for SkyMiles, WorldPerks Members**

Delta Air Lines announced that Delta SkyMiles® and Northwest WorldPerks® members now have the ability to link frequent flyer accounts and transfer miles between both accounts at no charge. Members who link their accounts before March 15, 2009 will earn 500 bonus miles.

Members who have SkyMiles and WorldPerks accounts can visit [delta.com](http://delta.com) or [nwa.com](http://nwa.com) to link their accounts and transfer any amount of miles into either account on an unlimited basis. Both accounts will remain open and functioning until late 2009 when Delta plans to merge the two programs to deliver one loyalty program for members in 2010.

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## **Model Act Affects Endowment Funds**

The Financial Accounting Standards Board (FASB) has issued FASB Staff Position (FSP) FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*. The guidance is intended to improve the quality and consistency of financial reporting of endowments held by not-for-profit organizations.

"The adoption of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) has raised significant questions about the reporting of donor-restricted endowment funds," said Jeffrey Mechanick, FASB project manager. "Moreover, organizations across the country now find themselves subject to increased public scrutiny on how they manage and use their endowments, which in many instances have seen tremendous growth over the past decade."

This FSP provides guidance on classifying the net assets (equity) associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. Approximately 20 states have already done so, and many more are expected to do so over the next few years.

This FSP also requires additional disclosures about endowments (both donor-restricted funds and board-designated funds) for all organizations, including those that are not yet subject to an enacted version of UPMIFA.


The provisions of this FSP are effective for fiscal years ending after December 15, 2008. FSP 117-1 is available at [www.fasb.org](http://www.fasb.org).

Source: Financial Accounting Standards Board 

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## **Association Trends in 2009**

According to *Association Trends*, the following trends will guide association leaders and volunteers throughout 2009:

- Reserve Fund investment portfolios will continue to be a source of bad news for associations.
- Member retention is critical to surviving the recession.
- Staffing will be an even higher concern than usual.
- Value equations will be critical.
- New and novel types of lobbying strategies will emerge.
- Leadership, team building and governance training for boards will be increasingly important.
- Succession planning and mentoring of volunteers and staff continue to be key priorities.
- Industry association consolidations and mergers will accelerate.
- Expect associations to develop new dues and pricing strategies.
- American associations are continuing their "going green" march.
- With America's corporations leading the way to be socially responsible, more associations are jumping on the bandwagon.
- Web 2.0 tools will be more sophisticated, plentiful and useful especially with younger members and staff.
- Associations will continue to conduct more segmented research. 

Source: *Association Trends* issue #1683

## ***Nonprofits Encouraged to Carefully Report/Allocate Fundraising Costs***

The IRS is paying closer attention to how non-profits are allocating fundraising costs and TMG is working to ensure that clients who do fundraising are accounting for them accurately.

Findings of a recent five year study of 990 filings by the Urban Institute's National Center for Charitable Statistics/Center on Nonprofits and Philanthropy and the Center on Philanthropy at Indiana University confirm earlier findings by the IRS that fundraising costs aren't always accurately allocated.

As part of the Fundraising Expenses Education Project in 2004, the IRS mailed questionnaires to over 2,000 nonprofits inquiring about their fundraising expenses. A significant number of these organizations were found to be underreporting such expenses, which could become a target area in an IRS audit because of the potential fraud and private benefit issues – and ultimately result in accuracy penalties by the IRS.

Source: *nonprofit agendas*  
February/March 2009

## **New accounting standard on Fair Market Value**

The publication *nonprofit agendas* reported that FASB Statement No. 157, *Fair Value Measurements* (SFAS No. 157), "defines fair value, provides for tools to measure it and expands footnote disclosures required under the Generally Accepted Accounting Principles (GAAP) in financial statements." This could impact the financial statements of many nonprofit organizations. SFAS 157 applies to fiscal years starting after Nov. 15, 2007, and interim periods within those fiscal years, if your nonprofit has any of the following:

- Noncash contributions,
- Financial assets held as an agent, such as cash or investments held by your organization when you agree to distribute those assets to a specified beneficiary,
- Beneficial interests in trusts,
- The contribution portion of split-interest agreements,
- Certain investments, such as the fair value of restricted stock acquired without a readily available quoted market price,
- Derivative instruments, such as interest rate swaps,
- Accounts receivable and other financial instruments, or
- Long-lived assets.

The publication reported that "the pronouncement was delayed until fiscal years beginning after Nov. 15, 2008, for fair value measurement of most nonfinancial assets and liabilities, such as assets measured at fair value in a business combination whose fair values are not remeasured in subsequent periods."



Source: *nonprofit agendas* – Year End 2008