



# A Balanced Operating Budget

I am happy to report that the APS and APRL have made great strides towards being able to adopt a balanced combined operating budget for the Fiscal Year Ending (FYE) 2010, to be voted on for approval by their respective boards this coming fall. To get to this point was not easy or pleasant; it involved personnel cuts, salary freezes, ending company pension contributions, year-end bonus elimination, and the end of travel reimbursement for board members, among other things. After much work and many hours spent on where and how to make these budgetary changes, the boards of the APS and APRL voted unanimously to adopt these **Phase 1** changes that will remove a projected \$200,000 from the FYE 2009 operating budget and an additional \$200,000 from the FYE 2010 operating budget. Many thanks to APS staff, the Long Range Planning Committee, and the APS and APRL boards for their efforts and diligence in bringing about these changes.

Our APS/APRL staff have taken the brunt of the sacrifice in this expense reduction. The elimination of two positions, Executive Director Peter Mastrangelo (Ken Martin was named Interim Executive Director) and Public Relations Manager Fred Baumann were necessary. Fred's responsibilities will be shouldered by other staff, as was done previous to 2004. Remaining employees are subject to the effects on their income and benefits as listed in the first paragraph. Board members, who are unpaid volunteers, will no longer be reimbursed for travel expenses to the board meetings, but can attend by teleconference as they choose. In the past year we have grown accustomed to using telephonic means to conduct our board meetings.

We cannot freeze employee salaries, benefits, etc., indefinitely, nor is that the intention. These cost-saving modifications are in place through FYE 2010. By then we must have a plan and process in place to allow for these restrictions to be removed. What and how will we decide to make that possible?

**Phase 1** is the first step in a process to bring the Society's current operating expenses in line with its operating income. **Phase 2** will be a look forward to see how the Society will deal with changes in the economy, membership, fund raising, and the like over the next several years (in some cases, out as far as twenty years). While much of this will be based on projections and not realities, we nonetheless should examine each business the Society engages in and be sure it is reaching its fullest potential and that it provides a value/member relationship that is in keeping with our mission.

Membership and fund raising are two things that really drive the Society. Ideally, dues from the membership should cover the bulk of our operating expenses. Fund-raising revenue should fund growth, capital improvements, and special programs. Attracting new people to the hobby is a priority, because every additional 1,000 members yield \$25,000 (after the cost of supplying *The American Philatelist* to each member) that funds our operating income and pays for other APS services. We believe diversity is where we should focus our efforts; yes, the Society tried this before, but that should not preclude us from going at it again if it is proper to do so.

Fund raising, or development as it is often referred to, is another source of income for us. The Cam-



paign for Philately is very active and meets every two weeks, discussing potential candidates to ask for pledges, projects for funding, and methodologies for the processes. The APS is fortunate in that it is blessed with a membership that is very giving and generous. The object is to reach out and “compete” for the donation dollars of an individual in a sincere and professional manner. The 2008 contributions were at 83 percent of 2007’s, which is not terrible, considering the economic setback that occurred in September 2008 and the fact that the last four months of each year is when we receive the bulk of that year’s donations. Nonetheless, we will step up our development efforts and look to the positive side of our memberships’ generosity.

### **LearnAboutStamps.com**

On another front, a project that was incubated in the New Initiatives Committee of the Smithsonian National Postal Museum (NPM) has matured and gone out on its own! Hosted by the APS, the website, [www.learnaboutstamps.com](http://www.learnaboutstamps.com), was launched in April and is the hobby’s premier “finding guide.” Concise and nicely designed, the site is intended to “point” to websites for which the user is looking. This is just one of the many ways that your

Society is working with other organizations to build the hobby; jointly sponsored by the APS, NPM, United States Postal Service, and The Philatelic Foundation.

### **President’s Challenge**

Another is the **President’s Challenge**. The NPM’s New Initiatives Committee developed the concept of posting videos on YouTube and utilizing other social networking avenues to promote stamp collecting. Here is how the contest works. Create a short video and upload it to YouTube. After that is done, e-mail the YouTube link to [videocontest@stamps.org](mailto:videocontest@stamps.org). A panel of three APS accredited judges will choose the video that best promotes stamp collecting. You have until June 30th to win \$250 worth of APS products or services and be featured in a future *American Philatelist*. The award will be announced at the APS Annual Meeting in Pittsburgh on August 8, 2009. You get to help the hobby and receive a \$250 bonus as well! The \$250 to fund this APS award will be donated by the guy who made the Trains and Stamps video.

Need tips or help on how to easily make a video? Go to [www.stamps.org/videos](http://www.stamps.org/videos) and get instructions and see the current entries. It’s fun to make a video and it will help grow the hobby.