

Board Paper Example - Our Cat Herder

Here is a fictional board paper example using our [board paper template](#). The example uses increasing association membership fees to illustrate the form the paper might take.

Proposal to Increase Association Membership Fees [For Decision]

Agenda Item: #3

Sponsor:

Jane Smith, CEO

Presenter(s):

Sally Craig, Membership Officer

Draft Resolution:

That the board approves an increase in membership fees of 10% for new members and 5% for renewing members, effective January 1, 2024.

Purpose and Context:

To propose an increase in membership fees to provide additional funding for new member benefits and services. Current fees have remained unchanged for 3 years.

Background:

- Membership fees are the primary source of revenue for the association, covering 85% of operating expenses. The last fee increase was in 2021.
- Membership has grown 15% over the past 2 years. Additional funding is required to expand services and benefits to meet the needs of a larger membership base.
- Key new initiatives identified in 2023-2025 Strategic Plan require investment in technology upgrades, marketing, and member support resources.

Recommendation:

- Increase fees by 10% for new members and 5% for renewing members, effective January 1, 2024.
- Reviewed 3 options: 5% increase for all, 10% for new members, 15% for new members. Selected 10% for new members to incentivize renewals while moderately increasing revenue.
- Fee increase expected to raise approximately \$250,000 in additional revenue in 2024, enabling investment in expanded member benefits.

Issues:

- Membership fees have not increased for 3 years, while costs have risen steadily. Additional revenue is required to maintain and expand member services.
- The association has seen strong membership growth, further increasing demands on resources. A fee increase will allow investment to meet the needs of a larger member base.
- Key initiatives in the new 3-year strategic plan will require significant investment in technology, marketing, and member support. Existing revenue is insufficient to fund these growth priorities.
- While a fee increase carries risks of member dissatisfaction, competitive analysis shows the association's fees remain below industry averages after the proposed increases.

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- A balanced approach is recommended with a higher increase for new members to incentivize renewals, while moderately increasing revenue. Grandfathering existing member rates will help mitigate concerns.
- Detailed financial modelling shows the proposed increases will achieve breakeven in less than a year through additional revenue generated.
- Members will benefit from expanded services and resources funded by the fee increase, supporting the association's mission and strategic goals.

Strategic Alignment:

Supports 2023-2025 Strategic Plan goals to enhance member value and increase membership.

Financial Implications:

- Fee increase will raise approximately \$250,000 additional revenue in 2024.
- Expenditures are budgeted in the 2024 operating budget.
- Positive cash flow impact projected.
- ROI analysis shows fee increase will achieve breakeven in 9 months.

Risk Analysis:

Risk	Likelihood	Impact	Mitigation Strategy
Membership declines	Low	High	Grandfather existing fees Highlight new benefits
Economic downturn reduces demand	Moderate	Moderate	Implement over 2 years Review annually
Significant member dissatisfaction	Low	High	Conduct member survey Allow opt-out
Loss of competitive position	Low	Moderate	Benchmark competitors annually
Reputational damage	Low	Moderate	Communicate rationale clearly Listen to member feedback

Legal and Compliance:

Complies with bylaws provision allowing the board to set membership fees.

Management Responsibility:

Jane Smith, CEO and Sally Craig, Membership Officer

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Consultation:

Finance, Membership, and Marketing departments consulted.

Signing of Board Paper:

<hr/> Sally Craig Membership Officer <i>Date:</i> July 15, 2023	<hr/> Jane Smith CEO <i>Date:</i> July 15, 2023
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Attachments:

1. Proposed Fee Schedule
2. Financial Analysis
3. Membership Fee Benchmarking