

WELCOME TO THE POLICY COUNCIL

Dear System Dynamics Policy Council Officers and Members,

Welcome to the System Dynamics Society Policy Council. We are delighted that you have chosen to work with us. In return, we will seek to make this a meaningful volunteer experience for you.

The leadership and governance of the System Dynamics Society rests with its Policy Council (PC), which acts as the Board of Directors on behalf of the Membership. During your time on the PC, you will share your expertise and experience as a representative of our membership as part of a team focused on the future of the Society.

The System Dynamics Society will be stronger if our members are stronger. As a member of the PC, you represent *all* segments of our membership. The field and the System Dynamics Society are at a critical turning point in their respective histories. We have three pressing interests during this transition:

- We must become a financially sustainable member organization, with our structural deficit removed.
- We must maintain key community and cultural elements of the System Dynamics Society that are *positive*.
- We must think about the needs of all of our members as we seek to grow the field.

The status quo is no longer an option. Your active engagement as we look at questions of governance and value (among others) will be critical to the future success of the System Dynamics Society.

The purpose of this orientation packet is to provide officers and members-at-large with information necessary to fulfill their responsibilities on the PC. This includes both general obligations of PC members and specific duties of individual officers. There are many pieces of information designed to assist you in becoming familiar with the System Dynamics Society and its operations. It is suggested that PC members prepare for meetings by reading through the guidebook to ensure a basic understanding of Council procedures. We welcome your feedback and contributions to making this resource more useful for you and future PC members.

We are excited to have you on the Policy Council and look forward to your contribution.

Sincerely,
The Society Leadership

PC/BOARD ORIENTATION PACKET

The following is an outline of the contents of this packet. The packet is still in development and future iterations will provide better indexing and numbering to improve the ease of finding specific elements. Feedback is welcome on content that is not useful or content missing that would be helpful to include in future iterations.

A. Board Orientation “Binder”:

1. President’s Welcome Letter
2. List of All Current Board Members.
3. DRAFT Agenda for the Winter PC Meeting

B. Policy Council and Committee Roles and Responsibilities

1. What is the Policy Council?
2. Organizational Chart
3. A copy of current governance documents:
 - Articles of Organization
 - By-laws
 - Policies
4. Vice President Roles and Responsibilities
5. Standing Committees
6. Administrative Leadership and Staff
 - Executive Director
 - CHMS
 - System Dynamics Review

C. Financial Documents

1. Most Recent Monthly Financials.
2. Most Recent Audited Financial Statement.
3. Approved Budget for the Calendar Year.

D. Strategy Documents

1. Program Highlights for the Year-To-Date (forthcoming).
2. Strategic Plan Drafts
 - 2.5: Current DRAFT Version
 - 1.2: Earlier Draft with greater detail on starting point
3. Strategy Model (2013)
4. Member survey and data

E. Recent Governance Documents

1. ASAE Board Brief
2. The Future of Governing (Included separately)
3. Governance Topics for Discussion
4. Compliance Policy Worksheet

F. Recent Reports and Minutes

1. Monthly ED Reports – Since last PC Meeting (5)
2. Board Meeting Minutes – up to 3 meetings back.

Welcome message to the Officers and Members of the Policy Council

Dear fellow officers and members of the Policy Council,

I wish you a Happy 2019 and welcome you to another year in the Policy Council! Some of you have served in prior years, for others 2019 is their first year of service. For me, serving as the President is new, and even though I've served as Vice-president Chapter activities and as President elect, I approach the new responsibility with a mix of humility and excitement.

As the SDS is going through a profound transition, being part of the Policy Council is a huge opportunity and a big responsibility at the same time. A look to Policy IV makes this clear:

“The Policy Council shall be the chief legislative, policy-making, judicial, and review body of the Society. It shall have preemptive authority in matters over all officers, members, applicants, committees, chapters, special interest groups, and other bodies created by the Society. The Policy Council shall establish policies, objectives, and programs for the Society and shall authorize their implementation by means of suitable budgets, resolutions, authority for contracts and expenditures; by creating and staffing positions and committees; by approving appointments; through amendments to the Policies; and by such other actions as it may deem necessary. The Policy Council shall review the manner in which the officers of the Society carry out their respective duties.”

This is a lot of work, and since you are all volunteers, let me say “thank you” right away. 2019 will be a year of launching new initiatives and of revision of many things we now have. You will remember that since at least 2013, the PC has been making headway on strategy; the task of organizing and reducing the many possible ideas for initiatives and actions into new activities that actually get going is challenging. We need to overcome these challenges for our Society, we need to give our members good reasons to stay and we need to give potential members good reasons to join. We need to reverse the decline trend of our revenues, and we also need to demonstrate to our members that we are able to make this happen. There is only so much that can be done in one year's time, so I am going to proclaim an overarching theme that will guide us through the year. This is a challenge for me, so let me begin at the beginning.

When I was asked if I'd like to be nominated for President Elect, I said “yes” because I strongly feel that system dynamics ought to be brought to K-12 schools: the founder of our field must have had good reasons to go there decades ago. I also said “yes” because as a German in a Spanish-speaking region (my apologies to my friends from Brazil), I've seen how many people get into system dynamics but see no reason to become a member of the (English-speaking) SDS. A third reason to say “yes” was my profound conviction that the system dynamics community needs to build bridges into neighboring communities. We are not the only ones who work with feedback loops, we are not the only ones who build simulation models, we are not the only ones who strive to improve policy-making.

When I was President Elect, I realized that there are other issues to be dealt with. Without caring for the order of presentation: the European “default” conference site dropped out; the SDR is still struggling to get more good submissions; the Society's operational income has been negative for

several years now; there are persistent quality issues with SD work appearing in public (concerning submissions for our International Conference, but not only for the conference); the SDS loses the majority of its new members quickly; a majority of the new members see themselves as beginners or intermediates, but perceive that the SDS is mostly for professionals and experts; many people across the planet can buy books and software and then are left on their own to learn the craft of SD – and they do not make it to the International Conference or the Summer School, not to mention one of the established academic Master or PhD programs; our system of bylaws and policies must be reviewed to avoid legal and other risks. Surely, I forgot to mention some issues, but you see, there are many.

Now I'm the President, so what is an overarching theme for the year that does neither exaggerate the number of things we'll try to tackle nor disincentivize initiatives that can help? Well, I think of it as "links". We need to link with other communities, we need to link with our new members, we need to connect "high quality SD" with people from other communities as well as aspiring dynamicists, we need to link with the world of schools and educational research, we need to link with those parts of the planet where people speak Spanish, Chinese, and other languages. We need to connect with the legal and ethical expectation the larger society has because we want to be accepted as a non-profit organization. If you think this makes sense, then let's go for it: let us improve our links. And if you think this leaves an important issue out of consideration, please tell me so: in the service of the SDS, its current and its future members, I welcome all questions, constructive criticism and suggestions that you may have.

To tackle the issues the SDS is facing, we need to coordinate our actions as a whole and to work together in specific subgroups - another set of links yet. At the same time, you will need sufficient freedom to bring your personal expertise to bear: we can benefit from our diversity of backgrounds and experiences. We will find a balance between "freedom" and "discipline".

Currently, I'm working with the Past President, the President Elect and our new Executive Director to shape a set of focal areas to concentrate on. I will be back to you in a couple of days with more information. In the meantime, please feel free to express yourself on our PC forum – which is suffering from infrequent use. But this is easy to overcome: if you haven't done so yet, configure your account so as to "subscribe" to the "PC Forum". To do so, log in, then click on the link to "My Profile". You'll get to a page with several sheets ("My Community", "My Profile", ...) – hover over "My Profile" to open a pop-up menu and select the option "Contact Preferences". This leads you to a page where you can select to be notified of new topics and replies for each of the (many) forums under "Forum Subscription" (the PC forum is close to the bottom of the list). By doing so, you will be notified when something appears on the PC forum (and the forum will help us keeping the topics and the messages organized).

Looking forward to working with you,

Martin

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System Dynamics Society
WINTER POLICY COUNCIL MEETING
Thursday, February 21, 2019
DRAFT AGENDA (as of 1/21/19)

1. Call to Order/Roll Call [8:30 – 8:35 a.m.]
2. Welcome by President: Martin Schaffernicht [8:35 – 9:00 a.m.]
 - a. Introductions: New PC Members; Legal Counsel (?); Staff (?)
 - b. President's Update
 - c. Board Responsibilities
 - d. Opening/Plan for the Day
 - e. Operating procedures
3. Secretary's Report: Bradley Morrison [9:00 – 9:15 a.m.]
 - a. Approve Minutes
 - b. Conflict of Interest Report
 - c. Note Electronic Votes after 2018 Summer PC Meeting (see Addendum 1)
4. Finance Update: Eliot Rich [09:15 – 09:45 a.m.]
 - a. 2018 End-of-Year Projections
 - b. 2019 Budget Adjustments
 - c. Cash Flow
5. Executive Director Update: Mark Nelson [09:45 – 10:15 a.m.]
 - a. Strategy/Vision Deck
 - b. Framing for Afternoon Discussions
6. Short Break [10:15 – 10:30 a.m.]
7. Focus Items (Round 1) [10:30 – 12:00 a.m.]
 - a. New Member Retention and Engagement
 - b. New Revenue Generation/Fundraising
 - c. XX(1) Winning new members from target communities; (2) towards high standards with clearness, rigor and helpfulness
8. Lunch Break [12:00 – 12:30 a.m.]
9. Focus Items (Round 2) [12:30 – 2:00 p.m.]
 - a. Legal counsel comments
 - b. Compliance Issues in Progress
 - c. Governance
10. Short Break [2:00 – 2:15 p.m.]
11. Vice President Reports [2:15 – 3:00 p.m.]

Chapter Activities: Stefano Armenia (includes Student Chapter)
E-Presence: Bob Eberlein
Finance: Eliot Rich

Marketing & Communications: Warren Farr
Meetings: Len Malczynski
Membership: Asmeret Naugle
Professional Practice: [Jack Homer]
Pre-College Education: Diana Fisher

12. Short Break [3:00 – 3:15 p.m.]
13. Standing Committee Reports [3:15 – 4:00 p.m.]
 - Administrative Committee: Bob Eberlein
 - Awards Committee: [Erling Moxnes]
 - Committees Update: Len Malczynski
 - Nominating Committee: [Ignacio Martinez-Moyano]
 - Publications: Krys Stave (includes SDR Executive Editor Report: Yaman Barlas)
 - Society Program Oversight Committee: [Ignacio Martinez-Moyano]
 - Strategy Committee: [Ignacio Martinez-Moyano]
 - Asia Pacific Coordinating Council (APCC): [Lakshminarayanan Samavedham]
14. Old Business/New Business [4:00 – 4:30 p.m.]
 - a. Meetings between Winter and Summer Meetings
 - b. Next Steps (Review of Action Items?)
15. Closing & Adjournment [4:30 – 4:45 p.m.]

**The next Policy Council Meeting is scheduled for
xx, 2019 at xx a.m.
in Albuquerque, New Mexico.**

Addendum 1: Electronic Votes after 2018 Summer PC Meeting (To Date)
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Motion XXX: Subject: XXX
Proposed by: XXX Seconded by: XXX
Voting Dates: XXX - XXX
Formal motion: XXX
Resolution: XX Yes XX No XX Abstain XX No Vote

WHAT IS THE POLICY COUNCIL?

The PC (referred to in the Articles of Organization as the Board of Directors) is the governing body of the System Dynamics Society. It is composed of the officers and twelve members-at-large.

The PC is the chief legislative, policy-making, judicial, and review body of the Society. It has preemptive authority in matters over all officers, members, applicants, committees, chapters, special interest groups, and other bodies created by the Society. The PC establishes policies, objectives, and programs for the Society and authorizes their implementation by means of issuing directives, suitable budgets, resolutions, and authority for contracts and expenditures; by creating and staffing positions and committees; by approving appointments; through amendments to the Bylaws and Policies; and by such other actions as it may deem necessary. The PC shall review the manner in which the officers of the Society carry out their respective duties.

Important governing documents of the Society are the Articles of Organization, Bylaws, and Policies. All of these documents can be found on the Society website under "Governance." ***Officers and PC Members should review these important documents for a full understanding of the Policy Council and your role as an officer or member.*** <http://systemdynamics.org/Governance.htm>.

The PC provides strategic leadership. The PC appoints individuals and committees to execute governance strategies and appoints an Executive Director for running the Society's operations. This allows the PC to focus on the longer term, identifying opportunities for the organization to grow and new ways for the organization to fulfill its goals, while resolving key issues such as when and how Society actions no longer fit its mission.

Governance is the strategic leadership of an organization by the establishment of policies and monitoring their proper implementation through:

- **accountability** – the capacity for decision makers to be answerable for their actions;
- **transparency** – timely access by stakeholders to accurate and relevant information about the organization;
- **predictability** – the consistent application of policies; and,
- **participation** – the involvement of electors in planning, decision-making, and evaluation of outcomes.

ROLES & DUTIES OF POLICY COUNCIL OFFICERS: (Review Policy 6 of the Policies)

The Society's policies provide that the officers of the Society include a President, President Elect, Past President, Founding President, one or more Vice Presidents as specified by the Policy Council, and a Secretary.

1. **President** serves as the strategic leader of the Society for a term of one year. The President presides at all meetings of the PC and of the Society; plans and supervises the affairs of the Society; and ensures any vacancies in Standing Committees are filled, subject to Policy Council approval. At the conclusion of the term in office, the President serves as a member of the Policy Council for one year with the title of Past President. In addition, the President is an ex-officio member of the Administrative Committee. The President's responsibility to oversee the

activities of the Society requires that s/he maintain regular communication with the Home Office, usually by a weekly phone call with the Executive Director.

2. **President-Elect** is an ex-officio member of the Administrative Committee and a general assistant to the President for a term of one year. The President Elect prepares a program of activities for the ensuing year and presents this to the PC at either the annual conference or early in the fourth quarter of the fiscal year, which ends December 31. In the fourth quarter, the President-Elect submits names of members to chair and to fill vacancies in all Standing Committees (except the Nominating Committee) for approval by the PC. These appointments become effective when the President-Elect advances to President. At the close of his or her term in office, the President-Elect automatically becomes the President.
3. **Past President** serves as a general assistant to the President for a term of one year. The Past President, in the temporary absence or incapacity of the President, presides at PC meetings and represents the Society before the public and in the relationships of the Society with other persons or organizations, and is an ex-officio member of the Administrative Committee. The Past President may carry out his or her duties by engaging in regular scheduled communication with President via Skype or in another agreed upon way.
4. **Secretary** serves for two years. The Secretary keeps official notes and minutes of the meetings for which the President presides. The Secretary keeps a record of all proceedings, actions, and meetings of the Society and of the PC, recording the votes and minutes; gives notice of all meetings of members and of the PC; has the general supervision of arrangements for meetings of the PC and for general business meetings of the Society; ensures that there is a current list of Society members maintained at its business office; has custody of the Society's Articles of Organization, Bylaws, Policies of the Society, and all amendments; and keeps other records and performs other duties normally assigned to an organization secretary, such as official correspondence.
5. **Vice Presidents, who serve for three years**, plan, administer, and monitor the affairs of the Society in designated areas under the supervision of the President. They report and make recommendations to the Council on matters pertaining to their designated areas, and assist the President with respect to the discharge of presidential duties. Vice Presidents update the annual report to be presented at the Winter PC meeting, and participate in online Winter PC Meeting discussion and voting. Vice Presidents are present in meetings (including the Winter PC Meeting and the Summer PC Meeting on Sunday before annual conference), and actively participate in voting. Each Vice President is responsible to direct succession planning, including directly communicating their experiences with the new Vice President. Vice Presidents may appoint Assistant Vice Presidents. Additional details on Vice President responsibilities are outlined in a separate document.
6. **Assistant Vice Presidents** provide assistance and support to Vice Presidents. Assistant Vice Presidents offer a means to engage Society members in the process of administering the Society, to support succession by encouraging their interest in VP roles as they become vacant, and to provide experience in what these roles entail. Assistant VPs are appointed by the President, are not officers, and cannot vote. Generally, terms are three years, in parallel with the VP.

POLICY COUNCIL MEMBERS AT LARGE

Members elected to serve on the Policy Council participate and vote in Council meetings and undertake special assignments from the President. Members serve for a term of three years, and their terms are staggered so as to assure continuity with respect to Policy Council affairs. Members begin their term at the start of the fiscal year.

COMMUNICATION AND PARTICIPATION

As soon after nominations have been announced, all new PC Members should become a member of the SD Discussion Forum. You may join (or confirm membership) through the SDS Web Portal at <http://www.systemdynamics.org/web.portal> or directly on the SD Discussion Forum site: <http://systemdynamics.org/forum/> (If you are not a member already, please let the Society Office know when you have joined, so you can be added to the PC Discussion Forum.)

To be sure you continue to receive all messages from the SD and PC Forums, **each year** between July and October please login to the SD Forum and confirm that your email address is correct and up-to-date.

Members and Officers are expected to offer their experience, participate in agenda items, and make sure that the goals of the Society are properly executed by the officers and administration. Members and Officers have an obligation to:

- Participate in the Winter and Summer (during Conference) Policy Council Meetings either in person or online;
- Read and respond to emails from the Executive Director and officers in preparation for the Winter, Summer, and Special Policy Council Meetings;
- Read all minutes and reports that are posted on the Society website under “Governance”;
- Read all resolutions (also known as “motions) sent electronically or posted on the Society website; (A motion is a form of proposal that must be accepted or rejected. “To second” a motion means to express agreement or support of the motion.)
- Participate in discussions related to resolutions or other topics to provide insight and feedback;
- Vote on resolutions and issues as they arise;
- Volunteer on Ad Hoc Committees as needed;
- Research various topics as needed to provide informed guidance.

ELECTIONS, NOMINATIONS, & REMOVAL

1. **Elections:** There is an annual election to fill the office of President Elect. In addition, vacancies in the offices of Secretary, Vice President, or members at-large elected to serve on the PC are filled at the same time. Every member in good standing is allowed to vote for officers and PC candidates to represent them on the PC. For other than the office of President Elect, the PC may fill a vacancy by a temporary appointment made by a majority vote of the members of the PC present at a Council meeting. A member so appointed serves until the next regular annual election process has been completed. If the Nominating Committee has not concluded its business at the time a vacancy occurs, it submits nominations for that vacant office for the remaining term normal to that office. A vacancy in the office of President Elect is filled by election by the Society membership. The PC acts on nominations for President or President-Elect and for committee positions, including those on the various Standing Committees. (Bylaw VI; Policies, Policy 7)
2. **Nominations (and Nomination Procedure):** The Home Office notifies the Nominating Committee of the offices and the positions on the PC to be filled in the pending election. In

addition, the PC notifies the Nominating Committee of vacancies that may arise while the Nominating Committee is still conducting its business.

Before or during the Winter PC meeting, the chair of the Nominating Committee submits a single nomination to fill the expected open positions to the PC for its approval. In the nominating process, that Committee has a goal to ensure diversity on the PC in terms of geographic representation, gender, and other factors deemed representative of the Society.

During the Winter PC Meeting, the PC approves the slate of candidates submitted by the Nominating Committee. During the first quarter of the fiscal year, the Home Office then publishes all approved nominations in a publication sent to all System Dynamics Society members.

Society members may submit other nominations provided that:

- a. Each such nomination is accompanied by a petition signed by twenty-five members in good standing or ten percent of the total membership, whichever is less;
- b. Each nominee is a member in good standing;
- c. Written evidence is submitted to the effect that each nominee has agreed to stand for election; and,
- d. Such nominations reach the office within five weeks after publication of nominations received from the Nominating Committee.

If no nominations are received from the membership at large, the slate of candidates submitted by the Nominating Committee and approved by the PC will be deemed elected. If the PC *has* received any nominations from the membership at large, during the second quarter of the fiscal year, the Home Office will send all members a ballot, plus a brief biographical sketch of each nominee. To be counted, ballots must be returned to the Home Office on or before October 31st, or 60 days from the date ballots were sent, whichever is earlier. The Secretary arranges to count the ballots after the close of the elections. A plurality is sufficient to elect.

Votes by proxy shall not be permitted either in a mail ballot, an internet based vote, or in meetings of the PC. (Voting by proxy means to have someone else vote for you because you cannot be present at the time the voting will take place. The person voting for you is the "proxy.")

The Home Office promptly announces the results of each election to the PC and to the nominees, and then publishes the names of the new officers and members elected to serve on the PC in a publication sent to all System Dynamics Society members. (Policies, Policy 7)

3. **Removal:** Any officer or other PC member may be removed from office with or without cause by a vote of two-thirds of the members of the PC then in office. Notice of a motion to propose such removal shall be provided to all Policy Council members at least one month in advance of the vote to remove. (Bylaw IV, Section 3)

MEETINGS

1. **Frequency:** There shall be at least one general business meeting of the Society each year open to all members and held in conjunction with a conference of the Society. At these general business meetings, the President renders a report on the status of the Society, entertains suggestions from members, and transacts other relevant items of business. The Policy Council may call other general business meetings. (Bylaw IX)

The Policy Council meets at least twice per year - once in conjunction with the annual international conference (Summer Policy Council Meeting) and once during the first fiscal quarter of the year (Winter Policy Council Meeting). These Council meetings may be held in person and online. With a one-month advance notice, Council meetings may be called in response to a request by the President or by three PC members.

2. **Quorum:** A quorum is met with the presence of at least six members of the Council, including at least two officers.
3. **Mail and Internet Communication:** The Policy Council may transact business by mail or internet communication, provided that the President notifies all members of the Policy Council of any proposed resolutions together with a brief statement of any known arguments for and against said resolutions. Thereafter, the votes of each member of the Policy Council may be recorded by mail, or an approved internet voting process, to the Secretary, who counts the votes, notifies all PC members of the result, and records the result in the minutes. (See Policy 5, Section 2 "Meetings of the Policy Council")
4. **Minutes:** Minutes from the General Business Meetings and the Winter and Summer Policy Council Meetings, prepared by the Secretary, from 1995 to the present, are maintained on the Society website under "Governance."

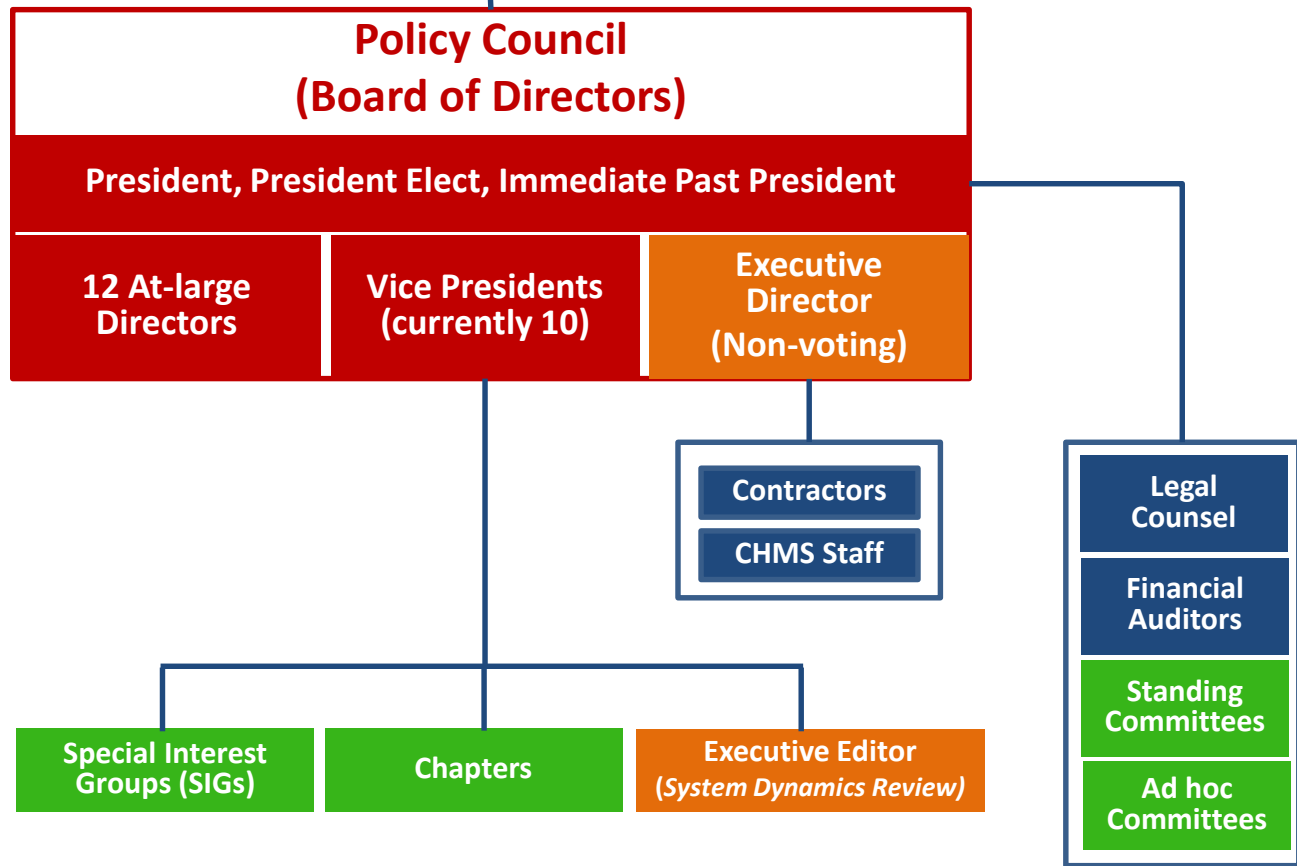
COMMITTEES

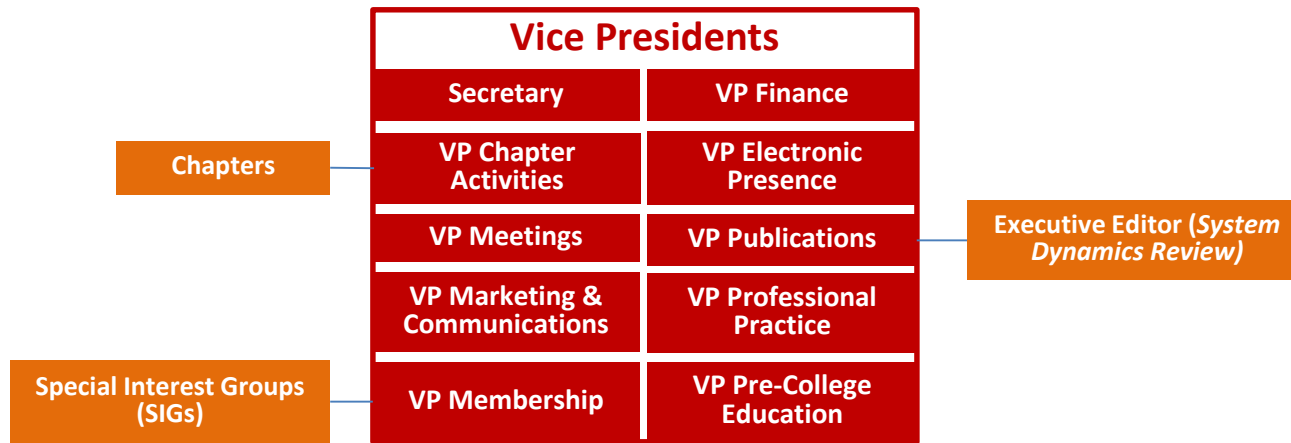
Committees consist of **Ad Hoc** and **Standing** Committees. The PC acts on the nominations of the President or President-Elect for committee positions, including those on the various Standing Committees.

1. **Ad Hoc** committees may be appointed by any officer wishing assistance in carrying out his or her prescribed duties and will terminate with the appointing officer's term of office. The responsibility of Ad Hoc committees shall be specified by the officer creating the Committee. Committee reports shall be made through and maintained by that officer.

Standing Committees are permanent and report directly to the PC and not to a specific officer. Standing Committees are outlined within a separate document.

System Dynamics Society
Organizational and Governance Structure
January 2019





Standing Committees	
Organization & Bylaws	Strategy Development
Nominating	Publications
Administrative	Awards
Society Program Oversight (SPOC)	Asia-Pacific Coordinating Council (APCC)

Chapters	
Africa	Italian
ASEAN	Japan
Australasia	Korea
Benelux	Latin America
Brazil	Pakistan
China	Russia
Economics	South Africa
German	Student
India	Swiss
Iran	United Kingdom

Special Interest Groups (SIGs)
Agriculture & Food
Asset Dynamics
Biomedical
Business
Conflict, Defense, and Security
Education
Energy
Environmental
Health Policy
Information Science and Information Systems
Model Analysis
Psychology and Human Behavior
Transportation

Articles of Organization of the System Dynamics Society
1 July 1985

1. The name by which the Corporation shall be known is: **System Dynamics Society, Inc.**
2. The purposes for which the Corporation is formed is as follows: The Corporation is organized and is to be operated exclusively as a charitable, civic and educational organization within the meaning of Chapter 180 of the General Laws of the Commonwealth of Massachusetts as now in force or hereafter amended. The System Dynamics Society, Inc. is a professional society promoting system dynamics through conventions, publications, journals and other activities. The objectives of the Society shall be:
 - to identify, extend and unify knowledge contributing to the understanding of feedback control systems
 - to promote the design of structures and policies to improve the behavior of such systems
 - to promote the development of the field of system dynamics and the free interchange of information about systems as they are found in all fields of endeavor
 - to promote the dissemination of information on such topics to the general public, and
 - to encourage and develop educational programs in the behavior of systems.
3. To these ends, the Society proposes to conduct meetings; to publish journals, books and other materials; to cooperate with other organizations interested in the advancement of the practice of system dynamics; to stimulate research; to promote high professional standards; to promote the growth of system dynamics and to improve its practice throughout the world; and in general, to carry on activities in connection with any of the forgoing purposes, to have and exercise all of the purposes and powers conferred upon nonprofit Corporations under Chapter 180 of the General Laws of the Commonwealth of Massachusetts as now in force or hereafter amended, and to do everything necessary or appropriate to accomplish any of the foregoing purposes to the extent permissible under the laws of the Commonwealth of Massachusetts, all to the extent not inconsistent with the requirements contained in 501(c)(3) of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder, and not inconsistent with any other provisions of these Articles of Organization.
4. There shall be one class of voting members and as many classes of non-voting members as set out in the [Bylaws](#). Any person who subscribes to the objectives of the Corporation, and pays the prescribed dues, shall be a voting member. All other members shall be non-voting members and shall have no right to vote on any matter.
5. Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the Corporation, for its voluntary dissolution, or for limiting, defining, or

regulating the powers of the Corporation, or of its directors or members, or of any class of members, are as follows:

A. The purposes of the Corporation, as stated herein, shall be carried out by its Board of Directors (also referred to in the [Bylaws](#) as the Policy Council) in a manner that will enable the Corporation to qualify as an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. Toward this end, the Corporation shall have, in furtherance of its purposes, all of the powers granted to all nonprofit Corporations pursuant to the provisions of Chapter 180 of the General Laws of the Commonwealth of Massachusetts as now in effect of hereafter amended and, in addition, the following powers for the conduct of the Corporation's affairs and in furtherance of its purposes, all to the extent not inconsistent with the requirements contained in Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder:

- The Corporation may purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and deal in and with real or personal property, or any interest therein, where ever, situated, in an unlimited amount;
- The Corporation may solicit and receive contributions from any and all sources and may receive and hold, in trust or otherwise, funds received by gift or bequest;
- The Corporation may sell, convey, lease, exchange, transfer, mortgage, pledge, encumber, create a security interest in or otherwise dispose of by gift on any other manner, any or all of its property, or any interest therein, wherever situated and however acquired;
- The Corporation may purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, use, other securities or interests issued by others, whether engaged in similar or different business, governmental or other activities;
- The Corporation may make contracts, give guaranties and incur liabilities, borrow money at such rates of interest as the Corporation may determine and issues its notes, bonds and other obligations with or to any person, firm, association, corporation, municipality, county, state, or any other entity, and secure any of its obligations by mortgage, pledge or encumbrance of, or security interest in, all or any of its property or any interest therein wherever;
- The Corporation may lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;
- The Corporation may be an incorporator of other corporations of any type or kind;
- The Corporation may be a partner in any business enterprise which it would have power to conduct itself;
- The Corporation may do business, carry on its operations and have offices and exercise the powers granted by Chapter 180 of the General laws of the Commonwealth of Massachusetts in any jurisdiction within or without the United States; and

- The Corporation may exercise any or all powers necessary or convenient to effect any or all of the purposes for which the Corporation is formed.

B. No person shall be disqualified from holding any office by reason on any interest. The term "interest" as used herein shall include personal interest and interest as a director, officer, employee, stockholder, shareholder, trustee, member or beneficiary of any concern; the term "concern" as used herein shall include any corporation, association, trust, partnership, firm, person or other entity other than the Corporation.

C. Notwithstanding any powers granted to the Corporation by these Articles, its [Bylaws](#) or by the laws of the Commonwealth of Massachusetts, the following limitations upon said powers shall apply and be paramount;

- No part of the assets or of the net earnings of the Corporation shall be divided among, inure to the benefit of, or be distributable to any member, director or officer of the Corporation, or to any private person; *provided, however*, that reasonable salaries and/or compensation may be paid for services rendered to or for the Corporation in any furtherance of one or more of its purposes; and payments or distributions may be made by the Corporation in furtherance of its purposes; no member, director or officer of the Corporation, or any private person shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation;
- No substantial part of the activities of the Corporation shall be, include, or involve the dissemination or carrying on of propaganda, or otherwise attempting to influence legislation;
- The Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office;
- Notwithstanding any other provision of the Articles of Organization, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States internal revenue law) or by an organization to which contributions are deductible under Sections 170(c)(2), 2055(a) or 2522 (a) of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States internal revenue law); and
- Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed exclusively to such charitable, religious, scientific, testing for public safety, literary or educational organizations which then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, as the Board of Directors may decide.

D. In the event that the Corporation is a private foundation as that term is defined in Section 509 of the Internal Revenue Code of 1954, as amended, then

notwithstanding any other provisions of these Articles of Organization or the [Bylaws](#) of the Corporation, the following provisions shall apply:

- The directors of the Corporation shall distribute (or cause to be distributed) the income of the Corporation for each taxable year of the Corporation at such a time and in such manner as not to subject the Corporation to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, as now in effect or as hereafter amended;
- The directors of the Corporation shall not engage in (or allow to be engaged in) any act of self-dealing, as that term is defined in Section 4941(d) of the Internal Revenue Code of 1954, as now in effect or as hereafter amended; nor retain (or allow to be retained) any excess business holdings within the meaning of Section 4943(c) of said Internal Revenue Code; nor make (or allow to be made) any investments in such a manner as to subject the Corporation to tax under Section 4944 of said Internal Revenue Code; nor make (or allow to be made) any taxable expenditures within the meaning of Section 4945(d) of said Internal Revenue Code.

- E. Meetings of the members may be held anywhere in the United States or abroad, as the directors may decide.
- F. These articles of organization may be amended by vote of two thirds of the members qualified to vote and voting.

Bylaws of the System Dynamics Society

Effective on January 1, 2017

BYLAW I. NAME

As specified in the [Articles of Organization](#), this "Corporation shall be known as the 'System Dynamics Society, Inc.," hereinafter referred to as the "Society."

BYLAW II. OBJECTIVES

As specified in the [Articles of Organization](#), "the System Dynamics Society, Inc. is a professional society promoting System Dynamics through conventions, publication, journals and other activities. The objectives of the Society shall be:

1. to identify, extend and unify knowledge contributing to the understanding of feedback control systems
2. to promote the design of structures and policies to improve the behavior of such systems
3. to promote the development of the field of System Dynamics and the free interchange of information about systems as they are found in all fields of endeavor
4. to promote the dissemination of information on such topics to the general public, and
5. to encourage and develop educational programs in the behavior of systems.

To these ends, the Society proposes to conduct meetings; to publish journals, books and other materials; to cooperate with other organizations interested in the advancement of the practice of System Dynamics; to stimulate research; to promote high professional standards; [and, in general], to promote the growth of System Dynamics and to improve its practice throughout the world."

BYLAW III. MEMBERSHIP

Section 1. Classes of Membership. The Society shall have one class of membership with qualifications, privileges and voting rights as specified in the Bylaws and [Policies](#) of the Society.

Section 2. Members. As specified in the [Articles of Organization](#), any person who subscribes to the objectives of the Society is eligible to become a member of the Society and by payments of the prescribed dues shall become a member. The duration of membership is one year; the term "year" shall mean the fiscal year of the Society. All members have equal rights, including voting rights.

BYLAW IV. THE POLICY COUNCIL

Section 1. Composition. The Society shall be governed by a Policy Council (also referred to in the [Articles of Organization](#) as the Board of Directors and hereafter referred to as the Policy Council) composed of the officers and twelve (12) other members.

Section 2. Authority and Duties. The Policy Council shall be the chief legislative, policy-making, judicial, and review body of the Society. It shall have preemptive authority in matters over all officers, members, applicants, committees, chapters, special interest groups, and other bodies created by the Society. The Policy Council shall establish policies, objectives, and programs for the Society and shall authorize their implementation by means of suitable budgets, resolutions, authority for contracts and expenditures; by creating and staffing positions and committees; by approving appointments; through amendments to the [Policies](#); and by such other actions as it may deem necessary. The Policy Council shall review the manner in which the officers of the Society carry out their respective duties. It shall fill vacancies in the Policy Council in accordance with the manner specified in the Bylaws and [Policies](#).

Section 3. Removal. Any officer or other Policy Council member may be removed from office with or without cause by a vote of two-thirds of the members of the Policy Council then in office. Notice of a motion to propose such removal shall be provided to all Policy Council members at least one month in advance of the vote to remove.

BYLAW V. OFFICERS

Section 1. Title and Authority. The officers of the Society shall be a President; a President Elect; a Past President, one or more Vice Presidents, as specified by the Policy Council; and a Secretary. The responsibility of individual officers, except as prescribed by the Bylaws and [Policies](#) of the Society, shall be established by actions of the Policy Council. Only members of the Society may be nominated or hold office.

Section 2. Duties

- a. President. The President shall preside at all meetings of the Policy Council and of the Society, performing all duties required by the Bylaws and Policies as well as any additional duties specified by the Policy Council.
- b. Past President. The Past President shall serve as a general assistant to the President.
- c. President Elect. The President Elect shall serve as a general assistant to the President.
- d. Founding President. The Founding President shall serve as a non-voting advisor to the Policy Council.
- e. Vice Presidents. Vice Presidents shall plan and administer the affairs of the Society within their particular areas.
- f. The Secretary. The Secretary shall perform the duties usual to the office of an organization secretary and those required by the Bylaws and [Policies](#) and by actions of the Council.

Section 3. Term of Office. The term of office for officers shall be as specified in the [Policies](#) with the exception of the Founding President who shall serve for life. An officer shall serve until the end of the Society's fiscal year coinciding with his/her last year in office.

Section 4. Precedence. The order of precedence shall be established in the [Policies](#).

BYLAW VI. ELECTIONS

There shall be an annual election. Every member in good standing shall be allowed to vote for officers and members to represent them on the Policy Council, in accordance with the election procedure specified in the [Policies](#) of the Society.

BYLAW VII. CHAPTERS and SPECIAL INTEREST GROUPS

With the approval of the Policy Council, members may establish chapters and special interest groups for the furtherance of the objectives of the Society as stated in Bylaw II. Such chapters and special interest groups shall conduct their affairs in accordance with the Bylaws and [Policies](#) of the Society. The Policy Council may dissolve a chapter or special interest group for due cause in accordance with the procedures specified in the [Policies](#) of the Society.

BYLAW VIII. COMMITTEES

There shall be two classes of committees: Standing Committees and Ad Hoc Committees. Standing Committees are created by the Policy Council and report to the Policy Council. The chairs of Standing Committees and members to fill vacancies on Standing Committees shall be appointed by the President or other officer with the approval of the Policy Council. Standing Committees are designated in the [Policies](#) of the Society. The composition and terms of membership shall be in accordance with the Bylaws and [Policies](#).

Any officer wishing assistance in carrying out prescribed duties may appoint Ad Hoc Committees, provided that the term of said committee falls within the officer's own term of office and provided said committee does not infringe unduly upon the authority of a Standing Committee or an officer of the Society.

All committees shall conduct their business in accordance with the procedures specified in the [Policies](#) of the Society.

BYLAW IX. MEETINGS

Section 1. Conferences. The Policy Council shall schedule conferences of the Society, including an annual international conference.

Section 2. General Business Meetings. There shall be at least one general business meeting of the Society each year open to all members and held in connection with a conference of the Society. At these general business meetings, the President shall render a report on the status of the Society, entertain suggestions from members, and transact such other items of business as may be relevant. Other general business meetings may be called at such times and in such a manner as may be determined by the Policy Council.

Section 3. Policy Council Meetings. The Policy Council shall meet as a separate body, electronically or in person, at least twice each year, once on the day before or after or during the annual international meeting and once during the first fiscal quarter of the year. Policy Council meetings may be called at other times in response to a request by the President or by three other

members of the Policy Council, but only upon a one-month advance notice to all members of the Policy Council.

BYLAW X. CHANGES TO THE BYLAWS

Section 1. Proposal. No article shall be added to these Bylaws and no part shall be amended or annulled, except by formal proposal, followed by opportunity for discussion at a general business meeting of the Society and by a mail or electronic ballot. Proposal of a change may be made by the Policy Council or by a petition to the Secretary signed by at least twenty-five members or ten percent of the members of the Society, whichever is smaller.

Section 2. Notice and Discussion. The Secretary shall give notice of the proposed changes to all members of the Society not less than six weeks before a general business meeting, and opportunities shall be given for discussion at this general business meeting. Not more than eight weeks (sixteen weeks should an amendment be proposed) after this general business meeting, the Secretary shall make available to all members the proposed change, an explanation of the purposes for the change, a ballot, and the effective date of the change if approved.

Section 3. Amendments and Ballot. A change proposed by the Policy Council may, at the discretion of the Policy Council, be submitted with modifications made in light of the discussion at the general business meeting. The Policy Council shall have the right to submit an amendment to a change proposed by petition in light of the discussion at the general business meeting. In this case, not more than four weeks after the general business meeting, the Secretary shall make available to all members the proposed amendment, an explanation of the purposes for the amendment, and a ballot. A simple majority of voting members shall be required to accept the amendment to the proposed change to the Bylaws.

Section 4. Voting. Not more than eight weeks after the resolution of the amendment, the general membership will vote on the petitioned change, as amended or not. No vote shall be counted unless marked by a member in good standing to indicate his choice, and received for review by the Secretary not later than a date specified by the Secretary, provided that this date is not less than sixty days after the ballot is made available. The Bylaws may be amended by the affirmative vote of two-thirds of the members qualified to vote and voting, provided that one quarter of the members qualified to vote participate.

Section 5. Announcement. The result of the balloting shall be announced to the membership by the Secretary and, if approved, the change shall become effective at the date previously stipulated by the Secretary.

BYLAW XI. POLICIES

The rules and procedures by which the Society is managed shall be called [Policies](#) of the System Dynamics Society. The [Policies](#) of the Society may be adopted, annulled, or amended by an affirmative vote of at least three-fifths of all members of the Policy Council. The Policy Council shall have the authority to interpret the [Policies](#).

Policies may also be adopted, annulled or amended by an affirmative vote of at least three-fifths of the members present at a general business meeting of the Society, provided that all members of the Society have been given notice of such proposed changes at least six weeks prior to such a meeting.

BYLAW XII. NOTICE

Notice as required by these bylaws may be delivered by mail, e-mail, or other means consistent with prevailing business practice.

Policies of the System Dynamics Society

POLICY 1. PRINCIPAL OFFICE

The principal business office ("Office") is maintained at Milne Hall 300, Rockefeller College, 135 Western Avenue, University at Albany, Albany NY 12222, USA. The Society operates in accordance with a charter issued by the Commonwealth of Massachusetts. Accordingly, the Secretary shall be a resident of the Commonwealth of Massachusetts unless a resident agent has been appointed by and is serving at the pleasure of the Policy Council. A Massachusetts mailing address will be maintained for correspondence from the Commonwealth of Massachusetts.

POLICY 2. DEFINITIONS

Section 1. Members. Throughout these Policies, the term "members" shall refer to individuals who have paid or been exempted from membership dues for the current fiscal year.

Section 2. Notices. A requirement for publication of a notice shall be deemed to be satisfied if said notice appears in a publication of the Society mailed or sent electronically to all members or is directly mailed or sent electronically to all members.

Section 3. Fiscal Year. The fiscal year of the Society runs from January 1 through December 31.

POLICY 3. DUES, FEES AND PRIVILEGES

Section 1. Members. Each member shall pay annual dues as established by the Policy Council. Upon payment of such dues, each member shall receive the official journal of the Society, without further charge, in a form and for the period covered by such payment. A member also has the privilege of voting in all elections of the Society, standing for election as an officer or as a member of the Policy Council, and nominating members for office or for service as a member of the Policy Council.

Section 2. Sponsors. Sponsors of the Society shall pay annual fees as established in the annual budget. Sponsors may receive materials and privileges, including Society membership exempt from additional dues, for one or more individuals.

Section 3. When Payable. The term of membership shall coincide with the fiscal year of the Society. A member shall be removed from the membership roles if that member's dues remain unpaid for three months. Members granted their status as part of the sponsorship shall be removed from the membership roles if their Society sponsor fees remain unpaid for three months.

POLICY 4. SEVERANCE AND REINSTATEMENT OF MEMBERSHIP

Section 1. Resignation. A member may terminate membership at any time by submitting a resignation to the Office or by failing to pay dues.

Section 2. Expulsion. A member may be expelled for conduct deemed prejudicial to the Society by a two-thirds majority of the members voting in an approved ballot, provided that such member shall have first been served with written notice of the reasons for the proposed expulsion, and shall have been given an opportunity to respond to the Policy Council. Due notice of any formal recommendation for expulsion shall be given by the Policy Council to the members.

POLICY 5. POLICY COUNCIL

Section 1. Authority. The Policy Council shall set policies and issue directives and shall monitor the work of officers and other activities under way or planned. It shall meet as specified in the bylaws and may hold additional electronic discussions and votes throughout the year as needed. It shall review and approve the budget submitted by the Vice President - Finance for the next fiscal year during the conference meeting or electronically before the end of the fiscal year. The Policy Council shall act on the nominations of the President or President-Elect for committee positions, including those on the various Standing Committees.

For other than the office of President-Elect, the Policy Council may fill vacancies in its membership by temporary appointment by a majority vote of the members of the Policy Council present at a Policy Council meeting. A member thus appointed shall serve until the next regular annual election process has been completed, as provided in the Bylaws and Policies of the Society. If the Nominating Committee has not concluded its business at the time a vacancy occurs, it shall also be instructed to submit nominations for that vacant office for the remaining term normal to that office. A vacancy in the office of President-Elect shall be filled by election, regular or special, by the Society membership.

Section 2. Meetings of the Policy Council. A quorum shall require the presence of at least six members of the Policy Council, including at least two officers.

The Policy Council may also transact business by mail or internet communication, provided that the President notifies all members of the Policy Council of any proposed resolutions together with a brief statement of any known arguments for and against said resolutions. Thereafter, the votes of each member of the Policy Council may be recorded by mail, or an approved internet voting process, to the Secretary, who shall count the votes, notify all members of the Policy Council of the result, and record the result in the minutes of the Policy Council.

Any officer or member elected to serve on the Policy Council may, with the permission of the President, invite persons to express views or to report findings and opinions to the Policy Council relative to specific agenda items.

Votes by proxy shall not be permitted either in a mail ballot, an internet based vote, or in meetings of the Policy Council.

POLICY 6. OFFICERS AND MEMBERS ELECTED TO SERVE ON THE POLICY COUNCIL

Section 1. Duties and Privileges.

The President shall plan and supervise the affairs of the Society; shall preside at Policy Council meetings and general business meetings of the Society; shall be the Society's chief representative before the public and in its relationships with other persons and organizations; and shall ensure any vacancies in Standing Committees are filled, subject to Policy Council approval. At the conclusion of the term in office, the President shall serve as a member of the Policy Council for one year with the title "Past President." The President shall serve as an ex-officio member of the Administrative Committee.

The Past-President shall, in the temporary absence or incapacity of the President, preside at Policy Council meetings and represent the Society before the public and in the relationships of the Society with other persons or organizations and serve as an ex-officio member of the Administrative Committee.

The President-Elect shall serve as an ex-officio member of the Administrative Committee; shall prepare for the Policy Council a program of Society activities for the ensuing year and present this to the Policy Council at either the Society's annual conference or early in the fourth quarter of the fiscal year and shall, in the fourth quarter of the fiscal year, submit to the Policy Council for approval the names of members to chair and to fill vacancies in all standing committees except the Nominating Committee. These appointments become effective when the President-Elect advances to President. At the close of his or her term in office, the President-Elect shall automatically become the President.

The Founding President shall advise the Policy Council on all matters.

Vice Presidents Each Vice President shall plan, administer and monitor the affairs of the Society in designated areas under the general supervision of the President; shall assist and counsel the President with respect to the discharge of presidential duties; and shall make reports and recommendations to the Policy Council on matters pertaining to their assigned areas.

Vice President - Chapter Activities shall support the creation and effective operations of Chapters, including liaising with groups of members considering forming new Chapters, reviewing the details of new applications and, as appropriate, bringing proposals to Policy Council. The role includes liaising with Chapter chairs and committees to support their activities. The role also requires monitoring of Chapter operations, ensuring each Chapter membership maintains the required complement of Society members in good standing and that routine reports on continuing activities be made available to the Policy Council as specified by Society policies.

Vice President - E-Presence shall liaise with other officers and members to ensure that Society activities that are transacted electronically are suitably designed to serve all stakeholders' needs and that systems operate effectively. The VP E-Presence will oversee the construction and maintenance of web activities, including technical activities of the Webmaster. Occasionally there might be a need for the Society to commission professional support, and the VP will oversee this relationship.

Vice President - Finance shall, in consultation with the Administrative Committee, prepare and present to the Policy Council, at its annual conference or early in the fourth quarter of the fiscal year, a proposed budget for the next fiscal year; shall be responsible for assessing the financial implications of proposed programs, activities, projects, policies, and office practices in light of the financial resources of the Society; shall forecast trends in revenue and cost; shall monitor the accounting and financial practices followed by the business office, the editorial offices, and the chapters of the Society; shall monitor all Society contracts and the operations of the business office; shall be authorized to cosign checks and withdrawal slips for the Society; shall assist the Vice Presidents in preparing the financial implications of their planned programs; and shall serve as an ex-officio member of the Administrative Committee.

Vice President - Meetings shall be responsible for the planning and conduct of the meetings of the general membership of the Society organized on an international or a national basis; shall make recommendations to the Policy Council regarding dates, sites, and general chairpersons for such meetings; shall assess and make recommendations to the Policy Council regarding policies and practices concerning meetings; shall review and update the best practices in a Manual for Meetings; and shall coordinate with the Vice President - Chapter Activities with respect to meetings of chapters.

Vice President – Membership shall monitor, review services and bring forward new initiatives to ensure that the Society provides the most appropriate and highest quality of service to its members. This includes, but is not limited to, inclusion of the journal and other benefits within the membership fee, support for job seekers and job advertisers in System Dynamics, and services for Society sponsors. Duties also extend to issues relating to the recruitment and retention of individual and corporate members (including such aspects as participation by under-represented groups), scholarship management and cross fertilization with other societies. This role will also oversee the development of Special Interest Groups (SIGs).

Vice President - Publications shall be responsible for all matters including copyright pertaining to the publication of the Society journal and to the content and presentation of the Society's web site; shall ensure that the Policy Council's publications policies are reflected in the various journals, bulletins, web postings and other publications of the Society and of its Chapters; shall represent the Society in all contractual negotiations with editorial offices and printers; shall oversee the work of the Executive Editor and the Society Webmaster; shall coordinate the activities of the Executive Editor and Society Webmaster; shall arrange for the handling of distribution, promotion, advertising and subscriptions; and shall serve as an ex-officio member of the Publications Committee.

Vice President – Marketing & Communications shall work to raise substantially the awareness, understanding and impact of system dynamics in order to increase recognition of and demand for work in the field; shall help promote Membership of the Society, its Chapters and Interest Groups; shall develop and maintain a marketing strategy for the Society and identify and undertake marketing and communications activities consistent with that strategy; shall take steps to encourage the creation by others of high-quality materials promoting the field; and shall identify and communicate the benefits that the Society can offer its members and sponsors.

Vice President – Professional Practice shall lead the definition and dissemination of good professional practice in system dynamics; shall, in conjunction with the best professionals in the field, codify and document good practice; shall develop and maintain a strategy to create and sustain high standards for the practice of system dynamics; shall assist professionals in the field with the adoption and deployment of standards; shall undertake and encourage activities and events to assist practitioners in raising and maintaining high standards of practice; and shall identify and undertake activities to ensure strong engagement by practitioners in the wider activities of the Society and the field.

Vice President – Pre-College Education shall be responsible for matters related to the use of system dynamics in K-12 education; shall work to promote and support the use of system dynamics in K-12 education; shall assist K-12 educators with the adoption and development of programs based on system dynamics; shall undertake and encourage activities and events to assist K-12 educators, and shall foster effective communication and cooperation with other organizations contributing to the development of system dynamics in K-12 education.

The Secretary shall keep a record of all proceedings, actions and meetings of the Society and of the Policy Council, recording the votes and minutes; shall give due notice of all meetings of members and of the Policy Council; shall have the general supervision of arrangements for meetings of the Policy Council and for general business meetings of the Society; shall ensure that there is a current list of all individual members of the Society maintained at its business office; shall have custody of the Society's Articles of Organization, Bylaws, Policies and all amendments thereto; and shall keep

such other records and perform such other duties normally assigned to an organization secretary as well as those specified in the Bylaws and Policies.

Members elected to serve on the Policy Council shall participate and vote in Policy Council meetings and undertake special assignments from the President.

Associate Vice Presidents shall provide assistance and support to the present Vice President. Associate Vice President positions offer a means to engage other Society members in the process of administering the Society, to support succession by encouraging their interest in VP roles as they become vacant, and to provide experience in what these roles entail. Associate VPs are appointed by the President, are not officers, and cannot vote.

Section 2. Precedence. In the absence of the President the order of precedence among remaining officers shall be Past President, President Elect, Vice President - Finance, Publications, Membership, Chapter Activities, E-Presence, Meetings, Marketing & Communications, Professional Practice, and the Secretary.

Section 3. Tenure. The President, President-Elect and Past President shall serve for one year. The founding President shall serve for life. Vice Presidents and Policy Council Members shall serve for three years, but their terms shall be staggered so as to assure continuity with respect to Policy Council affairs. The Secretary shall serve for two years. The term of office for all officers and Policy Council Members shall begin at the start of the fiscal year.

POLICY 7. NOMINATIONS AND ELECTIONS

Section 1. Frequency. There shall be an annual election to fill the office of President-Elect. In addition, vacancies in the offices of Secretary, Vice President, or members elected to serve on the Policy Council will be filled at the same time.

Section 2. Composition of the Nominating Committee. Unlike other standing committees, the Nominating Committee's term of office runs from August 1st to July 31st. The President, Past President and President Elect in office on August 1st shall be on the committee with the Past President acting as chair. In addition three other members shall be appointed to the committee for staggered 3-year terms. Before or during the Winter Policy Council meeting the chair of the Nominating Committee shall submit to the Policy Council for approval the names of candidates to fill both the expected open positions and unscheduled vacancies not yet acted upon.

Section 3. Nominating Procedures. The Office shall notify the Nominating Committee of the offices and the positions on the Policy Council to be filled in the pending election. The Policy Council will also notify the Nominating Committee of any subsequent vacancies that may arise while the

Nominating Committee is still conducting its business. The Committee shall submit a single nomination for each position to be filled in the pending election. The Nominating Committee shall strive to ensure diversity on the Policy Council in terms of geographic representation, gender, and other factors deemed representative of the Society at large. The Policy Council shall, during the Winter Policy Council Meeting, approve the slate of candidates submitted by the Nominating Committee or a revision thereof.

The Office shall publish all nominations approved by the Policy Council during the first quarter of the fiscal year in a publication sent to all System Dynamics Society members.

Members may submit other nominations for these offices and positions, provided that 1) each such nomination is accompanied by a petition signed by twenty-five members in good standing or ten percent of the total membership, whichever is less, 2) each nominee is a member in good standing, 3) written evidence is submitted to the effect that each nominee has agreed to stand for election, and 4) such nominations reach the Office within five weeks after publication of nominations received from the Nominating Committee.

Section 4. Balloting. If no nominations are received by the Policy Council from the membership at large, the slate of candidates submitted by the Nominating Committee and approved by the Policy Council will be deemed elected. If the Policy Council has received any nominations from the membership at large, the Office will send to all members a ballot, plus a brief biographical sketch of each nominee, during the second quarter of the fiscal year. To be counted, ballots must be returned to the Office on or before October 31st, or 60 days from the date ballots were sent out whichever is earlier. The Secretary will arrange to count the ballots after the close of the elections. A plurality is sufficient to elect.

Section 5. Publication of Election Results. The Office shall immediately announce the results of each election to the Policy Council and to the nominees and shall subsequently publish the names of the new officers and members elected to serve on the Policy Council in a publication sent to all System Dynamics Society members.

POLICY 8. CHAPTERS

Section 1. Purpose. Chapters of the Society are intended to further the dissemination and encourage the advancement of system dynamics. Chapters can do this by undertaking activities that are specific to the interests or convenience of a subset of all practitioners and researchers in system dynamics. A subset of all practitioners might be delineated on the basis of location (regional or national), language, culture, application area, research interest or software use.

Section 2. Representation. Each Chapter of the Society will have an individual non-voting representative on the Policy Council. That representative will be invited to all meetings and receive all minutes of the Policy Council except under extraordinary circumstances. The mandate of the representative is to assure that the interests of his or her Chapter are made known and to report back on the activities of the Policy Council. The Chapter Representative shall be listed on the letterhead and web site of the Society.

Section 3. Activities and Publications. The Chapter may represent itself as a Chapter of the System Dynamics Society, Inc. in its activities and publications. All activities of the Chapter must be in keeping with the special interest of the Chapter and must not by focus, location or timing, interfere with the general activities of the Society.

If a Chapter is considering anything that might be deemed to interfere with the activities or interests of the Society, the Chapter must inform the Society of its intent before finalizing its plans. The Chapter may engage in other activities to advance their purposes, so long as these activities are consistent with the provisions of the Bylaws and Policies of the Society and with the dignity of a professional association and the nonprofit status of the Society.

Section 4. Membership. Chapter membership is not restricted to members of the Society. However, in order to remain a Chapter in good standing, at least ten (10) members of the Chapter must also be members in good standing of the Society. The individual designated as a representative on the Policy Council must be a member in good standing of the Society.

Once a Chapter has been recognized, its name will be included in the annual membership billing of the Society. Members will be asked to indicate any Chapter affiliations they might have. This list will be cross checked with the list of members supplied by the Chapter.

Section 5 Dissolution. If, during the first quarter of any fiscal year, the number of Society members who have designated themselves as Chapter members falls below ten, the Chapter's Society representative will be informed of the discrepancy. If the Chapter does not respond within sixty (60) days with a petition containing ten signatures of members in good standing of the Society, the Chapter will be automatically dissolved. If in the view of the Policy Council the Chapter should dissolve for cause, the Chapter's Society representative will be informed. If the Chapter does not respond within ninety (90) days rectifying the situation to the satisfaction of the Policy Council, the Chapter will be dissolved.

Section 6. Constitution. A Chapter must have a constitution outlining its areas of interest and its principles of organization. This constitution must be submitted as part of the Chapter application and changes must be reported to the Society and approved by the Policy Council. The Vice President Chapter Activities will maintain a template which prospective Chapters can use to draft their constitution.

Should there be any discrepancy between the proposed constitution of the Chapter and the Articles of Organization, Bylaws, Policies or procedures of the Society, the members proposing the Chapter will be notified and asked to revise their constitution.

On acceptance, a copy of the Chapter constitution will be kept on record at the principal offices of the Society.

Section 7. Initial Recognition. A Chapter will be recognized when it has presented its constitution (Section 6), a petition signed by at least ten (10) Society members (Section 4), and a list of its officers and a named representative (Section 2) to the Policy Council. On reviewing these items, the Policy Council will then choose whether or not to recognize the Chapter.

If the Policy Council does not recognize the proposed chapter it will inform the petitioners in writing of its decision and the reasons for the decision. The petitioners have the option to revise and resubmit their petition.

Section 8. Annual Review. In addition to maintaining its membership, each Chapter will submit an annual report to the Policy Council through the Vice President - Chapters. The annual report will contain a list of active members, officers, and recent activities. The report will be submitted in writing to the principal offices of the Society at least two weeks before the beginning of the annual conference. The Chapter will be informed in writing if there are any issues arising regarding its activities or membership.

Section 8. Limitation of Liability. Neither the Society nor the Policy Council, by granting a charter to any Chapter, assumes any liability or responsibility for any obligations of any kind incurred by any Chapter.

POLICY 9. SIGS

Section 1. Purpose. Special Interest Groups, or SIGs, may be formed by members in order to foster communication and activity in a subject area of interest to a subset of members. They are encouraged to promote interaction with professional and academic organizations whose members have similar interests.

Section 2. Initial Recognition: To be recognized as a SIG at least six members must petition the Policy Council with an outline of the intended activities of the SIG. These activities must be consistent with the aims of the Society. No specific organizational form is required of a SIG beyond the designation of two individuals responsible for annually reporting the activities of the SIG to the Policy Council. One individual may also be appointed to attend Policy Council meetings but without

voting privileges. SIGs will be listed on the Society web site, and Society members will be given the opportunity to indicate their association with a SIG during the membership renewal process.

Section 3. Dissolution: A SIG will be dissolved if fewer than six Society members express their affiliation with the SIG. If there is reasonable cause to dissolve a SIG the Policy Council may do so with 10 days notice.

Section 4. Publications: A SIG may maintain a website but may not publish materials using the name of the System Dynamics Society.

Section 5. Finances: A SIG may not charge any membership dues. For activities organized by a SIG that require payment by participants, such payment must be made to an individual or other organization and not the SIG which has no standing to conduct business directly or on behalf of the Society.

Section 6. Annual Review: A SIG will submit a report annually to the Policy Council through the Vice President – Membership.

POLICY 10. COMMITTEES

Section 1. Committee Types. Committees shall consist of Ad Hoc and Standing Committees. Ad Hoc committees may be appointed by any officer wishing assistance in carrying out his or her prescribed duties and will terminate with the appointing officer's term of office. The responsibility of Ad Hoc committees shall be specified by the officer creating the Committee. Committee reports shall be made through and maintained by that officer. Standing Committees are permanent and report directly to the Policy Council and not to a specific officer. The Standing Committees of the Society shall be: Nominating, Administrative, Organization and Bylaws, Publications, Awards, Society Program Oversight and Strategy. Any ex-officio member of a Standing Committee declaring a conflict of interest in serving on that committee shall be recused from that committee.

Section 2. Authority, Tenure, and Membership. Standing Committees shall have at least three members, each of whom serves a three-year term, and the terms of these members shall be staggered to provide continuity. The chairs of Standing Committees and members to fill vacancies on Standing Committees shall be appointed by the President or other officer with the approval of the Policy Council.

With the approval of the Policy Council, the President shall appoint members to fill vacancies in all Standing Committees. The composition of Standing Committees shall be published annually.

Since the scope of committees may overlap, it is the intention of these Policies that the committee chairs communicate and cooperate with one another to serve the best interests of the Society. The President shall oversee the activities of all Standing Committees and decide on matters in dispute between committee chairs.

The Standing Committees and all other committees created by the Policy Council shall make recommendations to the Policy Council.

Section 3. Duties of Standing Committees.

The Nominating Committee The Nominating Committee shall have six members, serving as stated elsewhere in these Policies. It shall nominate members for offices and positions which the Policy Council determines shall be filled by an election. It shall put forward to the Policy Council suggested replacements for officers and Policy Council members who have vacated positions outside the normal nomination process. It shall maintain a file of members who are qualified to hold offices in the Society.

The Administrative Committee shall consist of the President, Past President, President Elect, Vice President Finance, and Secretary serving ex-officio along with three members serving three year staggered terms. It shall assist the Vice President – Finance in monitoring the financial affairs of the Society. It shall assess the long- and short-term financial effects of various programs launched by the Society and its Chapters as well as alternate methods for measuring, reporting and monitoring costs. It shall make recommendations as to sources of revenue. It shall maintain close relationships with financial officers of other professional groups so as to ensure that the Society is aware of the best financial practices. It shall make periodic audits of the business office.

The Organization and Bylaws Committee The Organization and Bylaws shall consist of three members serving staggered three year terms. It shall observe the management of the Society from the point of view of compliance with the Bylaws and Policies of the Society. It shall study all proposals for changes in the regulations and shall make recommendations as appropriate. It shall make recommendations to the Policy Council concerning the organization and objectives of the Society. It shall examine all chapter Bylaws and changes thereto for conformity with the Bylaws and Policies of the Society.

The Publications Committee shall consist of the VP Publications servicing as ex officio Chair and three members serving staggered three year terms. It shall assess the quality, timeliness, distinctiveness, and coverage of publications of the Society and its Chapters and of its web site, with respect to the objectives of the Society and its editorial policies. It shall review the policies and practices of the editors and webmaster. It shall recommend to the Policy Council ways of effecting improvements in the publications of the Society and its web site. Its shall annually submit to the

Policy Council, via the Vice President - Publications, a written report on all publications sent to the members or sold to the general public during the previous twelve months.

The Awards Committee shall consist of six members, three of whom are former President's or recipients of the Jay Wright Forrester Award and three of whom have served on selection sub-committees, serving staggered three year terms. It shall, with the approval of the Policy Council, establish awards, define the procedures to be followed in making those awards, appoint selection sub-committees responsible for administering the awards, and oversee awards offered by external persons or organizations in conjunction with Society activities. The awards may be in recognition of outstanding work in system dynamics or may take the form of scholarships to promote access to conferences and other activities related to system dynamics.

Selection sub-committees:

The awards committee may appoint award selection sub-committees responsible for the selection of award recipients. Members of the awards selection sub-committees shall be knowledgeable individuals willing to serve for long terms in order to achieve continuity in the award process. Selection sub-committees serve at the pleasure of the Award Committee.

The Society Program Oversight Committee shall consist of six members, three of whom are former or current Conference Program Chairs, serving staggered three year terms. It shall recommend future Program Chairs to the Policy Council. It is responsible for overseeing and reviewing the performance of Program Committee members and the types and nature of sessions to be presented at the conference as well as the topic areas around which conferences are organized.

The Strategy Committee shall consist of the President, President Elect, Past President and three members serving staggered three year terms. It shall collect and prioritize initiatives to promote growth of the field of system dynamics. It shall submit a report and recommendations annually during the summer Policy Council meeting.

The Asia Pacific Coordinating Committee (APCC) shall consist of the presidents or their designated representatives from each of the recognized chapters in the Asia-Pacific Region. It shall coordinate activities of the various chapters in the interest of regional and Society objectives. It shall be responsible to submit to the President-Elect of the Society a recommendation for Chair of the APCC once each year in time for the President to submit a name to the Policy Council for approval, as described in Policy 6, Section 1. The Chair shall be responsible to report annually to the Policy Council on the activities and the chapters in the Asia-Pacific region and other regional matters as shall come before the APCC.

POLICY 11. PUBLICATIONS

Section 1. Policy Determination. The Policy Council shall establish publication policies for the Society and its Chapters. The Vice President - Publications shall ensure that these policies are reflected in publications of the Society and those of its Chapters.

Section 2. Official Journal. Each individual member in good standing shall receive the official journal of the Society. Individual members in good standing may also receive other publications as the Policy Council may designate from time to time.

Section 3. Executive Editor. The Vice President - Publications shall nominate and the Policy Council shall appoint an Executive Editor for the official journal. The Executive Editor shall be responsible for the editorial content of the official journal. The Executive Editor may, with the approval of the Vice President - Publications, appoint assistants. These assistants shall be listed as Editors of the official journal and shall serve at the pleasure of the Executive Editor.

Section 4. Logistics. The Policy Council shall designate a responsible unit or persons to arrange for the production and distribution of the publications of the Society, processing subscriptions, promoting the sale of publications and advertising revenues, and handling other business matters relating to publications.

Section 5. Publications by Chapters. Chapters may publish bulletins, monographs, proceedings, bibliographies, newsletters, journals, or websites pertinent to their prescribed area. The Vice President - Publications will represent the Policy Council in all matters pertaining to a Chapter publication that is represented as an official publication of the Society.

Section 6. Web Presence by SIGs: The Vice President - Publications will represent the Policy Council in all matters pertaining to web sites maintained by SIGs.

Section 7. Prices. The Policy Council shall be empowered to fix the prices of publications of the Society and subscription rates for journals of the Society.

POLICY 12. CONFERENCE ORGANIZATION

A conference will be conducted annually at a location, and in a manner, approved by the Policy Council. For each conference there will be a Program Chair or Chairs recommended by the Society Program Oversight Committee and approved by the Policy Council. The Program Chair, in consultation with the Society Program Oversight Committee, shall be responsible for the overall scholarly program. In addition there may be a Conference Chair or Local Chair that will work with the Office on conference logistics.

POLICY 13. AFFILIATIONS

The Society may affiliate with other organizations whose purpose is consistent with Article II of its Bylaws.

The Society may cooperate with other professional societies, institutions, or governmental agencies in such ways as are consistent with its Bylaws, Policies, and the rules of its Standing Committees. Such cooperation may include a reciprocal reduction in dues.

POLICY 14. EMPLOYEES

The Policy Council may hire one or more employees to conduct the business affairs of the Society or to carry out other activities. The Policy Council may also enter into contracts with organizations competent to serve the Society.

POLICY 15. FINANCES

Section 1. Audit. On or before February 1st of each year, the Vice President - Finance shall appoint a reputable public accountant or audit committee to perform an appropriate financial review or audit of the books and accounts of the Society.

Section 2. Bond. Employees of the Society dealing with financial resources shall give bond, with sufficient surety or sureties, conditioned for the faithful performance of their duties, in such amount as the Policy Council may determine. The cost of such bonds shall be borne by the Society.

Section 3. Withdrawals of Funds on Deposit. The Office shall pay all just demands made upon the Society as approved generally or specifically by the Policy Council.

POLICY 16 GUIDELINES

The Society will adhere to the laws, rules, and mandates of all state, federal, and local governing bodies. The Society will maintain a set of guidelines that are compliant with required regulations and consistent with the operation of the Society as a not for profit organization.

POLICY 17. RULES OF ORDER

The rules contained in "Robert's Rules of Order" (revised) shall govern the parliamentary procedure of all meetings of the Society, the Policy Council, Chapters, and committees, in all cases to which they are applicable, and in which they are consistent with the Bylaws, Policies, and rules of the committees of the Society.

Coordination links between Vice Presidents

Martin Schaffernicht (President) January 2019

Introduction

The current Policy 6 “Officers and members elected to serve on the policy council” defines what each Vice President (VP) “shall” do in isolation. However, the duties and responsibilities of one VP frequently intersect with the duties of another VP. Wherever such intersections occur, the respective VPs must coordinate their actions amongst one another.

This document is intended to articulate these intersections, as a first step towards establishing the necessary coordination. Responsibilities and duties are printed bold italics, the objects of duties are boldface. Each VP has a specific color, and his or her duties are numbered. The intersections are marked with a -> followed by the abbreviation of the VP and the identification number of the duty.

The consequence of an intersection is that any initiative or activity of a VP, be it counseling the President or recommendations or reports to the Policy Council, will be supposed to be developed by the responsible VP together with the affected other VP(s).

This should allow to work in small groups and increase our collective ability to get our work done.

Of course, this document is based on the current policies, which can be modified by ourselves provided we know what to delete, what to change and what to insert AND 2/3 of the voting PC members are in favor.

Duties and intersections

Each Vice President

1. shall *plan, administer* and *monitor* the affairs of the Society in designated areas under the *general supervision* of the **President**;
2. shall *assist* and *counsel* the **President** with respect to the discharge of presidential duties;
3. and shall *make reports* and *recommendations* to the Policy Council on matters pertaining to their assigned areas.

1. Vice President - Chapter Activities (VP Ch)

- 1.1. shall *support* the **creation** and **effective operations of Chapters**, including *liaising* with **groups of members considering forming new Chapters**, *reviewing* the details of **new applications** and, as appropriate, *bringing proposals* to Policy Council.
- 1.2. The role includes *liaising* with **Chapter chairs** and **committees** to support their **activities**.
- 1.3. The role also requires *monitoring* of **Chapter operations**, ensuring each Chapter membership maintains the required complement of Society members in good standing and that routine **reports on continuing activities** be made available to the Policy Council as specified by Society policies.

2. **Vice President - E-Presence (VP EP)**
 - 2.1. shall *liaise* with **other officers** (-> all other VPs) and members to ensure that Society activities that are **transacted electronically** are suitably designed to serve all stakeholders' needs and that systems **operate effectively**.
 - 2.2. The VP E-Presence will *oversee* the **construction** and **maintenance** of **web activities**, including technical activities of the Webmaster.
 - 2.3. Occasionally there might be a need for the Society to commission professional support, and the VP will oversee this relationship.

3. **Vice President - Finance (VP F)**
 - 3.1. shall, in consultation with the Administrative Committee, *prepare* and *present* to the Policy Council, at its annual conference or early in the fourth quarter of the fiscal year, a **proposed budget** for the next fiscal year;
 - 3.2. shall be responsible for *assessing* the **financial implications of proposed programs, activities, projects, policies, and office practices** in light of the financial resources of the Society (-> all other VPs);
 - 3.3. shall *forecast trends in revenue and cost*; shall *monitor* the **accounting** and **financial practices** followed by the **business office**, the **editorial offices**, and the **chapters of the Society** (->VP Ch 1.3: but I think this is not possible!);
 - 3.4. shall *monitor* all Society **contracts** and the **operations** of the business office; shall be authorized to *cosign checks* and *withdrawal slips* for the Society;
 - 3.5. shall *assist* the **Vice Presidents** in **preparing the financial implications of their planned programs** (-> all other VPs); and
 - 3.6. shall serve as an ex-officio member of the Administrative Committee.

4. **Vice President – Meetings (VP Mtg)**
 - 4.1. shall *be responsible* for the **planning** and **conduct** of the **meetings of the general membership** of the Society organized on an **international** or a **national** basis;
 - 4.2. shall *make recommendations* to the Policy Council regarding **dates, sites, and general chairpersons** for such meetings (-> VP F 3.2, 3.5);
 - 4.3. shall *assess* and *make recommendations* to the Policy Council regarding **policies** and **practices** concerning meetings (-> VP F 3.2, 3.5);
 - 4.4. shall *review* and *update* the **best practices in a Manual for Meetings**; and
 - 4.5. shall *coordinate* with the **Vice President - Chapter Activities** with respect to **meetings of chapters**.

5. **Vice President – Membership (VP Mbr)**
 - 5.1. shall *monitor, review services* and *bring forward new initiatives* (->VP F 3.2, 3.5, VP K12 9.3) to ensure that the Society provides the most appropriate and highest quality of service to its members.
 - 5.2. This includes, but is not limited to, inclusion of the **journal** (->VP P 6.6) and **other benefits** within the membership fee, **support for job seekers** and **job advertisers** in System Dynamics, and services for Society sponsors.
 - 5.3. Duties also extend to issues relating to the **recruitment** (->VP M&C 7.2, 7.4) and **retention** of **individual** and **corporate members** (including such aspects as participation by under-represented groups), **scholarship management** and **cross fertilization with other societies**.
 - 5.4. This role will also *oversee* the development of **Special Interest Groups (SIGs)**.

6. Vice President – Publications (VP P)

- 6.1. shall be responsible for all matters including **copyright** pertaining to the publication of the Society **journal** and to the **content** and **presentation** of the **Society's web site** (->VP EP 2.2);
- 6.2. shall *ensure* that the Policy Council's **publications policies** are reflected in the various **journals, bulletins, web postings** and other **publications** (->VP Mtg for conferences) of the Society **and of its Chapters**;
- 6.3. shall *represent* the Society in all **contractual negotiations** with **editorial offices** and **printers**;
- 6.4. shall *oversee* the work of the **Executive Editor** and the **Society Webmaster** (->VP EP 2.3);
- 6.5. shall *coordinate* the activities of the **Executive Editor** and **Society Webmaster** (->VP EP 2.3);
- 6.6. shall *arrange* for the handling of **distribution, promotion, advertising** and **subscriptions** (-> VP Mbr 5.2); and
- 6.7. shall serve as an ex-officio member of the Publications Committee.

7. Vice President – Marketing & Communications (VP M&C)

- 7.1. shall work to *raise substantially* the **awareness, understanding** and **impact** of system dynamics in order to *increase recognition* of and **demand** for work in the field; (-> VP PP 8.1)
- 7.2. shall *help promote* **Membership** (-> VP Mbr 5.3) of the Society, its **Chapters** (-> VP Ch 1.1, 1.3) and **Interest Groups** (-> VP Mbr 5.4);
- 7.3. shall *develop* and *maintain* a **marketing strategy** (-> VP F 3.2, 3.5) for the Society and *identify* and *undertake* **marketing and communications activities** consistent with that strategy;
- 7.4. shall *take steps* to encourage the **creation** by others of **high-quality materials** (-> VP PP 8.3) **promoting the field**;
- 7.5. and shall *identify* and *communicate* the **benefits that the Society** can offer (-> VP Mbr 5.1, 5.2, 5.4) its members and sponsors.

8. Vice President – Professional Practice (VP PP)

- 8.1. shall *lead the definition* and *dissemination* of **good professional practice** in system dynamics;
- 8.2. shall, in conjunction with the best professionals in the field, *codify* and *document* **good practice**;
- 8.3. shall *develop* and *maintain* a **strategy** to create and sustain **high standards** for the practice of system dynamics (-> VP P 2.2, VP Mtg 5.1);
- 8.4. shall *assist professionals* in the field with the adoption and deployment of **standards**;
- 8.5. shall *undertake* and *encourage activities and events* (-> VP Mtg 4.1, 4.3) to assist **practitioners** in raising and maintaining **high standards** of practice; and
- 8.6. shall *identify* and *undertake* activities to ensure **strong engagement** by **practitioners** in the wider activities of the Society and the field.

9. Vice President – Pre-College Education (VP K12)

- 9.1. shall *be responsible* for matters related to the **use of system dynamics in K-12 education**;
- 9.2. shall work to *promote* (->VP EP 2.2) and *support* the **use of system dynamics in K-12 education**;
- 9.3. shall *assist K-12 educators* with the adoption and development (->VP F 3.2, 3.5) of programs based on system dynamics;

- 9.4. shall **undertake** and **encourage activities and events to assist K-12 educators** (->VP F 3.2, 3.5), and
- 9.5. shall **foster** effective **communication** and **cooperation** with **other organizations** contributing to the development of system dynamics in K-12 education.

Overview

The following table summarizes the links between VP areas. It is to be read from row to column, for instance task 3.3 of VP Finance implies coordination with VP Chapters. The cells contain either task identifiers or a “G.” for “general”.

	VP Chapters	VP E-Presence	VP Finance	VP Meetings	VP Membership	VP Publications	VP Marketing & Communications	VP Professional Practice	VP Precollege education
VP Chapters	1.1								
	1.2								
	1.3		3.3						
VP E-Presence	2.1								
	2.2								
	2.3								
VP Finance	3.1								
	3.2	G.	G.		G.	G.	G.	G.	G.
	3.3	1.3							
	3.4								
	3.5	G.	G.		G.	G.	G.	G.	G.
	3.6								
VP Meetings	4.1								
	4.2		3.2, 3.5						
	4.3		3.2, 3.5						
	4.4								
	4.5								
VP Membership	5.1		3.2, 3.5						9.3
	4.2					6.6			
	5.3						7.2, 7.4		
	5.4								
VP Publications	6.1	2.2							
	6.2			G.					
	6.3	2.3							
	6.4	2.3							
	6.5				5.3				
	6.6								
	6.7								
VP Marketing & Communications	7.1							8.1	
	7.2	1.1, 1.3			5.3, 5.4				
	7.3		3.2, 3.5						

	7.4							8.3	
	7.5				5.1, 5.2, 5.4				
VP Professional Practice	8.1								
	8.2								
	8.3			5.1		2.2			
	8.4								
	8.5			4.1, 4.3					
	8.6								
VP Precollege education	9.1								
	9.2		2.2						
	9.3		3.2, 3.5						
	9.4		3.2, 3.6						
	9.5								

Standing Committees

Standing Committees: The Standing Committees of the Society shall be: Nominating, Administrative, Organization and Bylaws, Publications, Awards, Society Program Oversight, Strategy, and Asia Pacific Coordinating Council (APCC).

Authority, Tenure, and Membership: Standing Committees shall have at least three members, each of whom serves a three-year term, and the terms of these members shall be staggered to provide continuity. The chairs of Standing Committees and members to fill vacancies on Standing Committees shall be appointed by the President or other officer with the approval of the Policy Council. With the approval of the Policy Council, the President shall appoint members to fill vacancies in all Standing Committees. The composition of Standing Committees shall be published annually. Since the scope of committees may overlap, it is the intention of these Policies that the committee chairs communicate and cooperate with one another to serve the best interests of the Society. The President shall oversee the activities of all Standing Committees and decide on matters in dispute between committee chairs. The Standing Committees and all other committees created by the Policy Council shall make recommendations to the Policy Council. [Retrieved from [Policies of the System Dynamics Society, 2017](#)]

Administrative Committee

This Committee shall consist of the President, Past President, President Elect, Vice President Finance, and Secretary serving ex-officio along with three members serving three year staggered terms. It shall assist the Vice President – Finance in monitoring the financial affairs of the Society. It shall assess the long- and short-term financial effects of various programs launched by the Society and its Chapters as well as alternate methods for measuring, reporting and monitoring costs. It shall make recommendations as to sources of revenue. It shall maintain close relationships with financial officers of other professional groups so as to ensure that the Society is aware of the best financial practices. It shall make periodic audits of the business office.

Ex Officio Members	2019	Appointed Members
Past President	Ignacio Martínez-Moyano	Robert Eberlein (Chair) 2019-2021
President	Martin Schaffernicht	David Andersen 2018-2020
President-Elect	Birgit Kopainsky	John Morecroft 2017-2019
Vice President Finance	Eliot Rich	
Secretary	Brad Morrison	

Awards Committee

This Committee shall consist of six members, three of whom are former President's or recipients of the Jay Wright Forrester Award and three of whom have served on selection sub-committees, serving staggered three year terms. It shall, with the approval of the Policy Council, establish awards, define the procedures to be followed in making those awards, appoint selection sub-committees responsible for administering the awards, and oversee awards offered by external persons or organizations in

conjunction with Society activities. The awards may be in recognition of outstanding work in system dynamics or may take the form of scholarships to promote access to conferences and other activities related to system dynamics.

David Lane 2019-2021
Erling Moxnes (Chair) 2019-2021
Hazhir Rahmandad 2019-2021
Jac Vennix 2017-2019
Vacancy
Vacancy

Nominating Committee

This Committee shall have six members, serving as stated elsewhere in these Policies. It shall nominate members for offices and positions which the Policy Council determines shall be filled by an election. It shall put forward to the Policy Council suggested replacements for officers and Policy Council members who have vacated positions outside the normal nomination process. It shall maintain a file of members who are qualified to hold offices in the Society.

Unlike other standing committees, the Nominating Committee’s term of office runs from August 1st to July 31st. The President, Past President and President Elect in office on August 1st shall be on the committee with the Past President acting as chair. In addition three other members shall be appointed to the committee for staggered 3-year terms. Before or during the Winter Policy Council meeting the chair of the Nominating Committee shall submit to the Policy Council for approval the names of candidates to fill both the expected open positions and unscheduled vacancies not yet acted upon.

August – July term	Past President (Chair)	Ignacio Martínez-Moyano	Rogelio Oliva 8/18-7/21
	President	Martin Schaffernicht	Shane Gary 8/17-7/20
	President-Elect	Birgit Kopainsky	David Lane 8/16-7/19

Organization and Bylaws Committee

Organization and Bylaws Committee: This Committee shall consist of three members serving staggered three year terms. It shall observe the management of the Society from the point of view of compliance with the Bylaws and Policies of the Society. It shall study all proposals for changes in the regulations and shall make recommendations as appropriate. It shall make recommendations to the Policy Council concerning the organization and objectives of the Society. It shall examine all chapter Bylaws and changes thereto for conformity with the Bylaws and Policies of the Society.

Robert Eberlein 2019-2021
Edward Anderson 2018-2020
Brad Morrison 2017-2019

Publications Committee

This Committee shall consist of the VP Publications servicing as ex officio Chair and three members serving staggered three year terms. It shall assess the quality, timeliness, distinctiveness, and coverage of publications of the Society and its Chapters and of its web site, with respect to the objectives of the Society and its editorial policies. It shall review the policies and practices of the editors and webmaster. It shall recommend to the Policy Council ways of effecting improvements in the publications of the Society and its web site. Its shall annually submit to the Policy Council, via the Vice President – Publications, a written report on all publications sent to the members or sold to the general public during the previous twelve months.

VP Publications (Chair)	Krys Stave	Navid Ghaffarzadegan 2019-2021
		George Backus 2018-2020
		Sara Metcalf 2017-2019

Society Program Oversight Committee

This Committee shall consist of six members, three of whom are former or current Conference Program Chairs, serving staggered three year terms. It shall recommend future Program Chairs to the Policy Council. It is responsible for overseeing and reviewing the performance of Program Committee members and the types and nature of sessions to be presented at the conference as well as the topic areas around which conferences are organized.

Ignacio Martínez-Moyano* 2019-2021
Jürgen Strohhecker* 2019-2021
Birgit Kopainsky* 2018-2020
Gloria Perez-Salazar 2018-2020
Stefano Armenia 2017-2019
Allyson Beall King* 2017-2019

Strategy Development Committee

Strategy Development Committee: This Committee shall consist of the President, President Elect, Past President and three members serving staggered three year terms. It shall collect and prioritize initiatives to promote growth of the field of system dynamics. It shall submit a report and recommendations annually during the summer Policy Council meeting.

President (Chair)	Martin Schaffernicht	Kim Warren 2018-2020
Past President	Ignacio Martínez-Moyano	Elke Husemann 2017-2019
President-Elect	Birgit Kopainsky	Vacancy
Next President-Elect	TBD	

Asia Pacific Coordinating Council (APCC)

Asia Pacific Coordinating Council: shall consist of the presidents or their designated representatives from each of the recognized chapters in the Asia-Pacific Region. It shall coordinate activities of the various chapters in the interest of regional and Society objectives. It shall be responsible to submit to the President-Elect of the Society a recommendation for Chair of the APCC once each year in time for the President to submit a name to the Policy Council for approval, as described in Policy 6, Section 1. The Chair shall be responsible to report annually to the Policy Council on the activities and the chapters in the Asia-Pacific region and other regional matters as shall come before the APCC.

Interim President APCC	Lakshminarayanan Samavedham (2018)	Tied to the term of each participating chapter president or representative.
Australasia	Carl Smith	
China Chapter	Haiyan Yan	
India Chapter	Karan Khosla	
Japan Chapter	Atsushi Fukada	
Korea Chapter	Chang-Kwon (Benjamin) Chung	

Administrative Leadership and Staff

Executive Director

Taken from the 2019 posting for the Executive Director Position:

The Executive Director's role is to guide the System Dynamics Society in fulfilling its mission and advancing the cause it represents as well as overseeing and leading all aspects of the Society, from home office operations to expanding the System Dynamics field around the world. This includes the following responsibilities:

- Lead the Society, including plan, coordinate, and direct the Society's operations and resources to achieve the Society's mission as well as report to the Administrative Committee, President, and Policy Council;
- Make day-to-day management decisions and implement the Society's long and short-term plans. The Executive Director acts as a direct liaison between the Society's Policy Council and the outsourced home-office management organization and communicates to the Policy Council on behalf of home-office management;
- Support all Policy Council Officers, and confer with President and all vice presidents;
- Direct and coordinate the Society's home-office management activities;
- Oversee financial functions, including accounting, budgeting, purchasing, taxes, and insurance issues;
- Oversee membership and services to members and other interested parties, including development of strategies to make membership more valuable, renewal and new member campaigns, and resolution of membership problems;
- Organize public relations campaigns to maintain goodwill towards the Society, create new relationships and increase global presence;
- Develop and direct campaigns for growth, Society Sponsorship, Conference Sponsorship, Membership, Chapter and Special Interest Group, Volunteer, Library, and Awards Endowment;
- Attend all Policy Council meetings and present biannual status reports; attend all Administrative Committee meetings;
- Maintain relationship with publisher regarding research journal and subscriptions for members;
- Guide and focus web development and presence;
- Direct and attend annual International System Dynamics Conference and provide guidance throughout all phases of conference planning;
- Attend regional, national and international System Dynamics events to represent the Society;
- Attend training classes to learn more about the field of System Dynamics and/or maintaining a nonprofit organization.

Qualifications:

The successful candidate will be a highly organized, flexible, and effective executive who is able to work closely and effectively with many people from diverse cultural backgrounds. Additionally, the Executive Director must demonstrate the following qualifications:

Required Qualifications:

- A minimum of a Bachelor's with experience, Master's preferred, and three years of experience in overseeing a professional organization or other nonprofit organization;
- A strong leader with the ability to build intellectual, social, and political capital required to inspire Society leaders at all levels, home-office staff, volunteers, and the System Dynamics community at large;
- Demonstrated natural ease with building effective social networks and capital to rapidly become an effective point of contact within the Society as well as effectiveness in building relationships and partnerships outside of the organization;
- Excellent written and oral communication skills.

Desired Qualifications:

- Flexibility directing multiple work streams reliably and with grace under pressure; and the ability to respond promptly, clearly, and courteously to queries from members and other constituencies.
- Ability to adapt an organization to the evolving needs of the constituencies it serves;
- Demonstrated intercultural competence for leading an international organization, i.e., cognitive, affective, and behavioral skills that lead to effective and appropriate communication with people of other cultures;
- Experience with planning and directing a scientific conference program rotating through international sites with 400 to 600 attendees;
- Experience directing successful fund-raising activities as well as designing activities to cultivate and retain relationships with strategic donors;
- Optimistic mindset and positive regard toward all people regardless of status, role, or competence; ability to demonstrate kindness and firmness;
- Seasoned skill knowing what can and cannot be delegated to others and the ability to retain accountability while delegating responsibilities.

Beneficial Qualifications:

- Working knowledge of the Society's context and history;
- Ability to imaginatively develop and evolve the position of Executive Director, making astute recommendations and taking on new responsibilities as appropriate to the needs of a changing Society;
- Experience collaborating with an association management organization

Capitol Hill Management Services (CHMS)

In 2019 the System Dynamics Society transitioned to the use of an Association Management Company in place of the traditional home office staff housed at the University at Albany. As defined by the AMC Institute:

Association management companies, or AMCs, are for-profit businesses that manage associations to help them grow and prosper. They offer the expertise, staffing and resources that allow professional societies, trade groups, not-for-profits and philanthropic organizations to effectively manage day-to-day operations and advance their long-term goals. AMCs deliver high levels of expertise and accountability so that associations can continue to increase their value and relevance to members.

The System Dynamics Society contracted with Capitol Hill Management Services (CHMS) as its AMC. Capitol Hill Management Services, Inc. is a comprehensive consulting firm specializing in association management, government relations, public policy research and non-profit development. With more than 35 years of experience in association management, CHMS has established the policies and procedures to successfully manage associations throughout North America. CHMS' professional staff is well-trained to provide quality service to association members and Board of Directors. CHMS currently provides full-service management to over 30 international, national, statewide and regional organizations, and partial or outsourced services more than 20 others.

As of January 1, 2019, the University at Albany Office is closed and the majority of prior staff and contractors are no longer employed by the Society. The prior Executive Director will be working for the Society on Special Projects until mid-2020.

Through CHMS, we have access to support staff for our major operational activities, such as membership renewals, communications, accounting, and conference management. They also provide physical housing (i.e., office space and storage) for the Society. In a slight variation from the typical full-service AMC arrangement, our Executive Director is selected and directed by the Society Policy Council. CHMS provides payroll services and benefits, but does not directly oversee the Executive Director. The Executive Director is viewed as an "Client Executive Director on premises" rather than as a direct member of CHMS staff. The Executive Director does work closely with CHMS staff to acquire the services needed by the Society to meet goals and obligations.

A copy of the CHMS contract is available for review by PC Members, and that contract is next due for renewal at the end of 2019.

SYSTEM DYNAMICS REVIEW

1. **EXECUTIVE EDITOR:** The Executive Editor (EE) of the Society's journal, *System Dynamics Review*, is responsible for the editorial content of the official journal. The EE is overseen by the VP Publications. The EE may, with the approval of the Vice President Publications, appoint a Managing Editor and/or Assistant Managing Editor. The EE oversees these other editors. These editors may be listed as Editors of the journal and serve at the pleasure of the EE to help:
 - a. Review articles for journal
 - b. Conduct initial assessment of research papers to see if they meet minimum requirements;
 - c. Identify and recruit qualified reviewers for papers
 - d. Reviewer selection and recruitment
 - e. Update Journal Policies
 - f. Work with the journal publisher, Wiley

2. **MANAGING EDITORS:** The Executive Editor may, with the approval of the Vice President Publications, appoint assistants. These assistants shall be listed as Editors of the official journal and shall serve at the pleasure of the Executive Editor.
 - a. Responsibilities:
 - i. Perform initial assessment to determine if a paper is ready to go out for review;
 - ii. Request revision for author as needed;
 - iii. Identify and recruit 2-3 qualified reviewers per paper;
 - iv. Follow up with reviewers to ensure timely and thorough reviews;
 - v. Provide a recommended decision on the paper;
 - vi. Consult with Executive Editor;
 - vii. Communicate with authors regarding the decision to revise or accept, and share individual reports from reviewers;
 - viii. Distribute to all reviewers (while retaining their anonymity) copies of all the reviewers' reports and the recommended course of action for the author;
 - ix. Meet once a year (at the ISDC), and other electronic meetings as may be required by the Executive Editor and Publications Committee.

3. **ASSOCIATE EDITORS:** The Executive Editor of the *System Dynamics Review (SDR)*, in consultation with the Publications Committee, appoints the Associate Editors of the SDR. Each appointment is for three years, with unlimited opportunities for renewal.
 - a. Responsibilities:
 - i. Identify potential work suitable for publication in the SDR, and encourage and support potential authors to submit the work;
 - ii. Consult with the Executive Editor as needed;
 - iii. Generate at least two submissions per year, which may include the Associate Editor's own work;
 - iv. Support the editorial team with prompt and comprehensive reviews;
 - v. Participate in policy discussions with Executive Editor, Managing Editors, and the Publications Committee;
 - vi. Meet once a year (at the International SD Conference), and other electronic meetings as may be required by the Executive Editor and Publications Committee.

System Dynamics Society

Balance Sheet

As of December 31, 2018

	<u>Dec 31, 18</u>	<u>Dec 31, 17</u>	<u>% Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Key Bank	20,818.00	0.00	100.0%
Bank of America Checking 2474	0.00	86,027.56	-100.0%
BOA - Companion Savings	0.00	3,865.20	-100.0%
Elec. Transfer BOA Check 5757	0.00	13,750.25	-100.0%
Pioneer Checking (...4952)	54,733.80	10,692.00	411.91%
Pioneer Elec Transfer (...4960)	13,629.93	29,990.00	-54.55%
Pioneer Savings (...4978)	0.00	-10.00	100.0%
Bank Paypal	128.46	150.52	-14.66%
Travel Cash	69.23	304.23	-77.24%
Fidelity-Legacy Fund (3 Edge)	24,405.83	25,846.21	-5.57%
Fidelity-Society (3 Edge)	232,628.65	244,810.15	-4.98%
Vanguard Society (88008478957)	579,346.48	712,731.91	-18.72%
Total Checking/Savings	<u>925,760.38</u>	<u>1,128,158.03</u>	<u>-17.94%</u>
Accounts Receivable	49,373.50	69,730.25	-29.19%
Other Current Assets			
Accounts Receivable - Wiley	57,337.00	57,337.00	0.0%
Inventory	14,226.89	14,226.89	0.0%
Prepaid Expenses	75,060.76	87,320.02	-14.04%
Transfers in Transit	-725.00	0.00	-100.0%
Cash-Undeposited Funds	0.00	496.90	-100.0%
Total Other Current Assets	<u>145,899.65</u>	<u>159,380.81</u>	<u>-8.46%</u>
Total Current Assets	<u>1,121,033.53</u>	<u>1,357,269.09</u>	<u>-17.41%</u>
Fixed Assets	574.00	0.00	100.0%
Other Assets			
Vanguard DMA (88006930361)	178,369.42	157,042.43	13.58%
Total Other Assets	<u>178,369.42</u>	<u>157,042.43</u>	<u>13.58%</u>
TOTAL ASSETS	<u><u>1,299,976.95</u></u>	<u><u>1,514,311.52</u></u>	<u><u>-14.15%</u></u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	123,874.47	21,595.15	473.62%
Other Current Liabilities			
Accounts Payable*	0.00	73.17	-100.0%
Deferred Revenue	45,071.11	38,161.67	18.11%
Due to Conference Host	4,325.00	4,475.00	-3.35%
Membership Sub Payable 2005+	21,675.56	7,751.76	179.62%
PPD Journal Editor	8,581.18	9,012.43	-4.79%
Restricted Conf.Scholar/Awards	1,292.00	867.00	49.02%
Sales Tax Payable	5.19	132.62	-96.09%
Total Other Current Liabilities	<u>80,950.04</u>	<u>60,473.65</u>	<u>33.86%</u>
Total Current Liabilities	<u>204,824.51</u>	<u>82,068.80</u>	<u>149.58%</u>
Total Liabilities	<u>204,824.51</u>	<u>82,068.80</u>	<u>149.58%</u>

System Dynamics Society

Balance Sheet

As of December 31, 2018

	Dec 31, 18	Dec 31, 17	% Change
Equity			
*Net Assets (QB)	223,081.70	0.00	100.0%
Net Assets - Temp Rest (DMA)	157,042.43	157,042.43	0.0%
Net Assets - Temp Rest (DMA2)	30,000.00	30,000.00	0.0%
Net Assets - Temp Rest (Legacy)	0.09	0.09	0.0%
Net Assets-Designated	1,022,118.50	992,118.50	3.02%
Net Income	-337,090.28	253,081.70	-233.19%
Total Equity	1,095,152.44	1,432,242.72	-23.54%
TOTAL LIABILITIES & EQUITY	1,299,976.95	1,514,311.52	-14.15%

System Dynamics Society
Profit & Loss
 January through December 2018

	<u>Jan - Dec 18</u>	<u>Jan - Dec 17</u>	<u>% Change</u>
Ordinary Income/Expense			
Income			
INC Conferences	255,003.26	346,559.71	-26.42%
Journal Income	82,764.92	79,815.24	3.7%
Membership Dues	62,356.76	61,335.38	1.67%
Other Income	13,027.77	23,326.00	-44.15%
Products	41,782.92	49,132.58	-14.96%
Shipping and Handling Income	5,439.64	7,053.15	-22.88%
Sponsor Dues and Donations	11,348.44	44,163.92	-74.3%
Summer School Income	45,310.00	11,380.30	298.14%
Total Income	<u>517,033.71</u>	<u>622,766.28</u>	<u>-16.98%</u>
Cost of Goods Sold			
Cost of Goods	9,038.39	11,660.06	-22.48%
Total COGS	<u>9,038.39</u>	<u>11,660.06</u>	<u>-22.48%</u>
Gross Profit	507,995.32	611,106.22	-16.87%
Expense			
Awards-Dana Meadows	850.00	2,000.00	-57.5%
Awards-Others	6,996.50	5,850.00	19.6%
Bank & CC Fees	16,115.09	18,710.74	-13.87%
Field Dev (\$20K Max)	1,987.98	11,154.84	-82.18%
Contracted Expenses at UAlbany	270,760.17	341,028.75	-20.61%
Continuity of Employment	20,583.00	0.00	100.0%
Contracted Expenses CHMS	168,466.68	25,499.86	560.66%
R Spencer Special Projects	8,532.07	0.00	100.0%
EXP Conferences	113,679.85	140,460.96	-19.07%
Insurance	8,913.51	5,865.52	51.97%
Interest Exp	0.00	0.22	-100.0%
Journal Expense	23,000.00	20,000.00	15.0%
Marketing (Sponsor Trade)	1,000.00	2,000.00	-50.0%
Miscellaneous Expense	1,175.00	446.40	163.22%
Office Expense	12,699.11	6,378.89	99.08%
Officer Expenses (=Travel CPA)	8,381.59	7,832.01	7.02%
PHD Stud Chapt Support @ Conf	3,732.13	4,395.80	-15.1%
Product Dev.	627.41	0.00	100.0%
Professional Fees	98,305.32	86,342.11	13.86%
Strategic Development	699.00	0.00	100.0%
Summer School Expense	322.72	0.00	100.0%
Total Expense	<u>766,827.13</u>	<u>677,966.10</u>	<u>13.11%</u>
Net Ordinary Income	-258,831.81	-66,859.88	-287.13%
Other Income/Expense			
Other Income			
Legacy Fund Income	0.00	83,351.00	-100.0%
Investment Income	-81,747.31	176,805.11	-146.24%
DMA2	0.00	30,000.00	-100.0%
DM Investment Inc	3,488.84	2,785.47	25.25%
Designated Inv Inc	0.00	27,000.00	-100.0%
Total Other Income	<u>-78,258.47</u>	<u>319,941.58</u>	<u>-124.46%</u>
Net Other Income	-78,258.47	319,941.58	-124.46%
Net Income	<u><u>-337,090.28</u></u>	<u><u>253,081.70</u></u>	<u><u>-233.19%</u></u>

System Dynamics Society
Profit & Loss Budget vs. Actual
 January through December 2018

	<u>Jan - Dec 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
INC Conferences	255,003.26	308,909.51	-53,906.25	82.55%
Journal Income	82,764.92	85,173.00	-2,408.08	97.17%
Membership Dues	62,356.76	71,574.66	-9,217.90	87.12%
Other Income	13,027.77			
Products	41,782.92	48,855.36	-7,072.44	85.52%
Shipping and Handling Income	5,439.64	7,188.72	-1,749.08	75.67%
Sponsor Dues and Donations	11,348.44	51,079.20	-39,730.76	22.22%
Summer School Income	45,310.00	11,160.00	34,150.00	406.0%
Total Income	<u>517,033.71</u>	<u>583,940.45</u>	<u>-66,906.74</u>	<u>88.54%</u>
Cost of Goods Sold				
Cost of Goods	9,038.39	9,517.62	-479.23	94.97%
Total COGS	<u>9,038.39</u>	<u>9,517.62</u>	<u>-479.23</u>	<u>94.97%</u>
Gross Profit	507,995.32	574,422.83	-66,427.51	88.44%
Expense				
Awards-Dana Meadows	850.00	2,000.00	-1,150.00	42.5%
Awards-Others	6,996.50	6,000.00	996.50	116.61%
Bank & CC Fees	16,115.09	13,088.24	3,026.85	123.13%
Field Dev (\$20K Max)	1,987.98	20,000.00	-18,012.02	9.94%
Contracted Expenses at UAlbany	270,760.17	229,804.41	40,955.76	117.82%
Continuity of Employment	20,583.00	116,008.60	-95,425.60	17.74%
Contracted Expenses CHMS	168,466.68	162,394.86	6,071.82	103.74%
R Spencer Special Projects	8,532.07	15,696.80	-7,164.73	54.36%
EXP Conferences	113,679.85	151,736.00	-38,056.15	74.92%
Insurance	8,913.51	6,232.60	2,680.91	143.01%
Journal Expense	23,000.00	23,000.00	0.00	100.0%
Marketing (Sponsor Trade)	1,000.00			
Miscellaneous Expense	1,175.00	1,015.20	159.80	115.74%
Office Expense	12,699.11	5,171.00	7,528.11	245.58%
Officer Expenses (=Travel CPA)	8,381.59	7,794.15	587.44	107.54%
PHD Stud Chapt Support @ Conf	3,732.13	1,000.00	2,732.13	373.21%
Product Dev.	627.41			
Professional Fees	98,305.32	47,080.00	51,225.32	208.81%
Strategic Development	699.00			
Summer School Expense	322.72	9,252.00	-8,929.28	3.49%
Total Expense	<u>766,827.13</u>	<u>817,273.86</u>	<u>-50,446.73</u>	<u>93.83%</u>
Net Ordinary Income	-258,831.81	-242,851.03	-15,980.78	106.58%
Other Income/Expense				
Other Income				
Legacy Fund Income	0.00	15,696.80	-15,696.80	0.0%
Investment Income	-81,747.31	82,346.25	-164,093.56	-99.27%
DM Investment Inc	3,488.84			
Total Other Income	<u>-78,258.47</u>	<u>98,043.05</u>	<u>-176,301.52</u>	<u>-79.82%</u>
Net Other Income	<u>-78,258.47</u>	<u>98,043.05</u>	<u>-176,301.52</u>	<u>-79.82%</u>
Net Income	<u><u>-337,090.28</u></u>	<u><u>-144,807.98</u></u>	<u><u>-192,282.30</u></u>	<u><u>232.78%</u></u>

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CLIENT'S COPY

FILE COPY

MARVIN AND COMPANY, P.C.
11 BRITISH AMERICAN BLVD.
LATHAM, NY 12110-1405
518-785-0134

JUNE 14, 2018

ROBERTA SPENCER, EXECUTIVE DIRECTOR
SYSTEM DYNAMICS SOCIETY, INC.
17 LOKER STREET
WAYLAND, MA 01778

DEAR ROBERTA:

ENCLOSED ARE THE ORIGINAL AND ONE COPY OF THE 2017 EXEMPT ORGANIZATION RETURNS, AS FOLLOWS...

2017 FORM 990

2017 MASSACHUSETTS FORM PC

2017 NEW YORK FORM CHAR500

WE HAVE PREPARED THE RETURN FROM INFORMATION YOU FURNISHED US WITHOUT VERIFICATION. UPON EXAMINATION OF THE RETURN BY TAX AUTHORITIES, REQUESTS MAY BE MADE FOR UNDERLYING DATA. WE THEREFORE RECOMMEND THAT YOU PRESERVE ALL RECORDS WHICH YOU MAY BE CALLED UPON TO PRODUCE IN CONNECTION WITH SUCH POSSIBLE EXAMINATIONS.

PLEASE REVIEW THE RETURN FOR COMPLETENESS AND ACCURACY.

WE HAVE ENCLOSED MAILING ENVELOPES FOR YOUR CONVENIENCE IN FILING THE RETURN.

WE RECOMMEND THAT YOU USE CERTIFIED MAIL WITH POST MARKED RECEIPT FOR PROOF OF TIMELY FILING.

WE SINCERELY APPRECIATE THE OPPORTUNITY TO SERVE YOU. PLEASE CONTACT US IF YOU HAVE ANY QUESTIONS CONCERNING THE TAX RETURN.

VERY TRULY YOURS,

THOMAS W. HOSEY, CPA

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING
DECEMBER 31, 2017

Prepared for	ROBERTA SPENCER, EXECUTIVE DIRECTOR SYSTEM DYNAMICS SOCIETY, INC. 17 LOKER STREET WAYLAND, MA 01778
Prepared by	MARVIN AND COMPANY, P.C. 11 BRITISH AMERICAN BLVD. LATHAM, NY 12110-1405
Amount due or refund	NOT APPLICABLE
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NOT APPLICABLE
Return must be mailed on or before	NOT APPLICABLE
Special Instructions	<p>THIS RETURN HAS QUALIFIED FOR ELECTRONIC FILING. AFTER YOU HAVE REVIEWED THE RETURN FOR COMPLETENESS AND ACCURACY, PLEASE SIGN, DATE AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL TRANSMIT THE RETURN ELECTRONICALLY TO THE IRS AND NO FURTHER ACTION IS REQUIRED. RETURN FORM 8879-EO TO US BY NOVEMBER 15, 2018.</p> <p>FOR YOUR OWN PROTECTION, PLEASE DO NOT RETURN YOUR E-FILE AUTHORIZATION FORMS AS UNSECURED ATTACHMENTS TO AN E-MAIL. PLEASE RETURN THEM BY MAIL, SHAREFILE, PASSWORD PROTECTED ATTACHMENTS TO AN E-MAIL, OR BY FAX TO 518-785-0299.</p>

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2017, or fiscal year beginning _____, 2017, and ending _____, 20____

2017

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879EO for the latest information.**

Name of exempt organization

Employer identification number

SYSTEM DYNAMICS SOCIETY, INC.

22-2738769

Name and title of officer

**ROBERTA L SPENCER
EXECUTIVE DIRECTOR**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>745,862.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2017 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize **MARVIN AND COMPANY, P.C.** to enter my PIN **38769**
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

14095632455
Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2017 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2017 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization SYSTEM DYNAMICS SOCIETY, INC. Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 17 LOKER STREET City or town, state or province, country, and ZIP or foreign postal code WAYLAND, MA 01778	D Employer identification number 22-2738769 E Telephone number (518) 442-3865
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ 1,126,301.
J Website: ▶ WWW.SYSTEMDYNAMICS.ORG		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1985 M State of legal domicile: MA
F Name and address of principal officer: ROBERTA SPENCER SUNY, ALBANY, NY 12222		
H(c) Group exemption number ▶		

Part I Summary

	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O																																																																			
Activities & Governance	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.																																																																			
	3 Number of voting members of the governing body (Part VI, line 1a)	3 23																																																																		
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 23																																																																		
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5 0																																																																		
	6 Total number of volunteers (estimate if necessary)	6 631																																																																		
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.																																																																		
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Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer ROBERTA L. SPENCER, EXECUTIVE DIRECTOR Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name THOMAS W. HOSEY, CPA	Preparer's signature
	Firm's name ▶ MARVIN AND COMPANY, P.C.	Firm's EIN ▶ 14-1567343
	Firm's address ▶ 11 BRITISH AMERICAN BLVD. LATHAM, NY 12110-1405	Phone no. 518-785-0134

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: SYSTEM DYNAMICS SOCIETY, INC. IS DEVOTED TO ENCOURAGING THE DEVELOPMENT AND USE OF SYSTEM DYNAMICS AND SYSTEMS THINKING AROUND THE WORLD. SYSTEM DYNAMICS IS A COMPUTER-AIDED APPROACH TO POLICY ANALYSIS AND DESIGN.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 517,923. including grants of \$ 7,850.) (Revenue \$ 444,935.) SYSTEM DYNAMICS SOCIETY, INC. PROVIDED A FORUM IN WHICH RESEARCHERS, EDUCATORS, CONSULTANTS, AND PRACTITIONERS IN THE CORPORATE AND PUBLIC SECTORS INTERACT TO INTRODUCE NEWCOMERS TO THE FIELD, KEEP ABREAST OF CURRENT DEVELOPMENTS, AND BUILD ON EACH OTHER'S WORK. THE AGENCY IS PRIMARILY SUPPORTED THROUGH CONFERENCE REVENUE AND INVESTMENT INCOME.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 517,923.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?	X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O

Table with columns for question numbers (1a-14b), Yes, and No. Contains various tax compliance questions and their corresponding responses.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	1a 23		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 23		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	X	
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	X	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?		X
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official		X
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **MA, NY**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **ROBERTA L. SPENCER - (518) 442-3865**
MILNE 300 - 135 WESTERN AVENUE, ALBANY, NY 12222

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) LEONARD MALCZYNSKI PRESIDENT	10.00	X		X				0.	0.	0.
(2) ETIENNE ROUWETTE PAST PRESIDENT	5.00	X		X				0.	0.	0.
(3) I. MARTINEZ-MOYANO PRESIDENT ELECT	5.00	X		X				0.	0.	0.
(4) J. BRADLEY MORRISON SECRETARY	5.00	X		X				0.	0.	0.
(5) STEFANO ARMENIA VP CHAP ACTIVIT	5.00	X		X				0.	0.	0.
(6) ROBERT L. EBERLEIN VP ELEC PRESENC	5.00	X		X				0.	0.	0.
(7) DAVID F. ANDERSEN VP FINANCE	5.00	X		X				0.	0.	0.
(8) ERIK PRUYT VP MEETINGS	5.00	X		X				0.	0.	0.
(9) PAL DAVIDSEN VP PUBLICATIONS	5.00	X		X				0.	0.	0.
(10) OZGE PALA VP MEMBER SVCS	5.00	X		X				0.	0.	0.
(11) WARREN FARR VP MARKETING	5.00	X		X				0.	0.	0.
(12) KENNETH COOPER VP PROF PRACT	5.00	X		X				0.	0.	0.
(13) DIANA FISHER VP PRE-COLLEGE EDU	5.00	X						0.	0.	0.
(14) OZGE KARANFIL MEMBER	3.00	X						0.	0.	0.
(15) GONEC YUCEL MEMBER	3.00	X						0.	0.	0.
(16) RAAFAT ZAINI MEMBER	3.00	X						0.	0.	0.
(17) SHARON ELS MEMBER	3.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) REBECCA NILES MEMBER	3.00	X						0.	0.	0.
(19) YUTAKA TAKAHASHI MEMBER	3.00	X						0.	0.	0.
(20) JOHN PASTOR ANSAH MEMBER	3.00	X						0.	0.	0.
(21) NANCY HAYDEN MEMBER	3.00	X						0.	0.	0.
(22) FLORIAN KAPMEIER MEMBER	3.00	X						0.	0.	0.
(23) NUNO VIDEIRA MEMBER	3.00	X						0.	0.	0.
(24) ROBERTA SPENCER EXECUTIVE DIRECTOR	40.00	X		X				7,879.	69,708.	24,580.
1b Sub-total								7,879.	69,708.	24,580.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								7,879.	69,708.	24,580.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
UNIVERSITY AT ALBANY P.O.BOX 10189, ALBANY, NY 12201	ADMIN SUPPORT	358,369.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	279,522.				
	g Noncash contributions included in lines 1a-1f: \$		17,574.				
	h Total. Add lines 1a-1f			279,522.			
Program Service Revenue	2 a CONFERENCES	Business Code	611710	236,259.	236,259.		
	b PUBLICATIONS		511120	79,815.	79,815.		
	c MEMBERSHIP DUES/SUBSCR		900099	61,335.	61,335.		
	d E-BOOKS PROJECT		511130	23,000.	23,000.		
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			400,409.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			21,405.			21,405.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)			0.		
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a		56,186.				
	b Less: cost of goods sold	b	11,660.				
	c Net income or (loss) from sales of inventory			44,526.	44,526.		
Miscellaneous Revenue			Business Code				
11 a							
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions.				745,862.	444,935.	0.	21,405.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22	7,850.	7,850.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,879.	5,515.	2,364.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	103,963.	72,774.	31,189.	
12 Advertising and promotion	2,000.		2,000.	
13 Office expenses	6,379.		6,379.	
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	7,832.		7,832.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	144,857.	144,857.		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	5,866.		5,866.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a CONTRACT - SUNY ALBANY	341,029.	255,772.	85,257.	
b PUBLICATIONS	20,000.	20,000.		
c BANK AND CREDIT CARD FE	18,711.		18,711.	
d CHAPTER DEVELOPMENT	11,155.	11,155.		
e All other expenses	446.		446.	
25 Total functional expenses. Add lines 1 through 24e	677,967.	517,923.	160,044.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	40,299.	1	141,402.
	2 Savings and temporary cash investments	25,567.	2	17,698.
	3 Pledges and grants receivable, net		3	46,101.
	4 Accounts receivable, net	54,527.	4	80,966.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	22,032.	8	14,227.
	9 Prepaid expenses and deferred charges	45,492.	9	87,320.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 651.		
	b Less: accumulated depreciation	10b 651.	10c 0.	0.
	11 Investments - publicly traded securities	1,081,197.	11	1,126,597.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,269,114.	16	1,514,311.	
Liabilities	17 Accounts payable and accrued expenses	34,460.	17	22,668.
	18 Grants payable		18	
	19 Deferred revenue	50,867.	19	54,926.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	4,625.	21	4,475.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	89,952.	26	82,069.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,048,425.	27	1,245,200.
	28 Temporarily restricted net assets	130,737.	28	187,042.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	1,179,162.	33	1,432,242.	
34 Total liabilities and net assets/fund balances	1,269,114.	34	1,514,311.	

Part XI Reconciliation of Net Assets

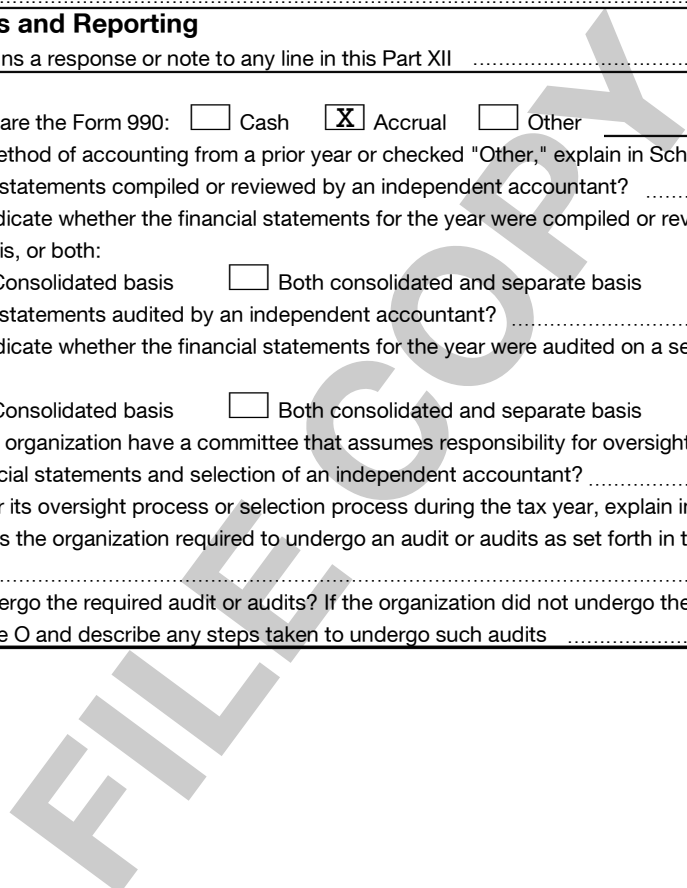
Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	745,862.
2	Total expenses (must equal Part IX, column (A), line 25)	2	677,967.
3	Revenue less expenses. Subtract line 2 from line 1	3	67,895.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,179,162.
5	Net unrealized gains (losses) on investments	5	185,185.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,432,242.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		



Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	190,299.	186,871.	218,545.	108,345.	279,522.	983,582.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	349,926.	357,603.	348,361.	298,010.	456,595.	1,810,495.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	540,225.	544,474.	566,906.	406,355.	736,117.	2,794,077.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year	76,043.	78,974.	79,298.	63,263.	87,665.	385,243.
c Add lines 7a and 7b	76,043.	78,974.	79,298.	63,263.	87,665.	385,243.
8 Public support. (Subtract line 7c from line 6.)						2,408,834.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6	540,225.	544,474.	566,906.	406,355.	736,117.	2,794,077.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	22,370.	19,528.	20,641.	20,858.	21,405.	104,802.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	22,370.	19,528.	20,641.	20,858.	21,405.	104,802.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	725.	668.				1,393.
13 Total support. (Add lines 9, 10c, 11, and 12.)	563,320.	564,670.	587,547.	427,213.	757,522.	2,900,272.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	83.06 %
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	82.22 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	3.61 %
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	3.97 %

19a 33 1/3% support tests - 2017. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI .		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI .		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2017 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013			
c From 2014			
d From 2015			
e From 2016			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2017 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2018. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2013			
b Excess from 2014			
c Excess from 2015			
d Excess from 2016			
e Excess from 2017			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

SCHEDULE A, PART III, LINE 12, EXPLANATION FOR OTHER INCOME:

MISCELLANEOUS

2013 AMOUNT: \$ 725.

2014 AMOUNT: \$ 668.

FILE COPY

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Name of the organization

SYSTEM DYNAMICS SOCIETY, INC.

Employer identification number

22-2738769

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2017)

Name of organization SYSTEM DYNAMICS SOCIETY, INC.	Employer identification number 22-2738769
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	VENTANA SYSTEMS, INC. 1070 BRIDGER WOODS RD BOZEMAN, MT 59715	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	PA CONSULTING GROUP 10 CANAL PARK STE 4 CAMBRIDGE, MA 02142	\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	GREENWOOD STRATEGIC ADVISORS ZUGERSTRASSE 40 UNTERAEGERI, EUROPE, SWITZERLAND CH-6314	\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	DAVID AND DEBORAH ANDERSEN 1161 DELAWARE TPKE DELMAR, NY 12054	\$ 28,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	KEN COOPER 1 BROADWAY CAMBRIDGE, MA 20142	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	JOHN MORECROFT WEST END WEDMORE, EUROPE, UNITED KINGDOM BS28 4BN	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization SYSTEM DYNAMICS SOCIETY, INC.	Employer identification number 22-2738769
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	JACK AND JULIE PUGH 100 NEWBURY COURT 510 CONCORD, MA 01742	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	JORGEN RANDERS ABBEDISVINGEN 6 OSLO, OSLO, NORWAY N-0280	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	DENNIS MEADOWS PO BOX 844 DURHAM, NH 03824	\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	MIT/ROBERTS 300 BOYLSTON STREET #1102 BOSTON, MA 02116	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	MIT/STERMAN 100 MAIN ST E62-436 CAMBRIDGE, MA 02142	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization SYSTEM DYNAMICS SOCIETY, INC.	Employer identification number 22-2738769
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization SYSTEM DYNAMICS SOCIETY, INC.	Employer identification number 22-2738769
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization SYSTEM DYNAMICS SOCIETY, INC. Employer identification number 22-2738769

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, total number and acreage, number of easements on historic structures, and monitoring details.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include reporting requirements for art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Temporarily restricted endowment _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		651.	651.	0.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				0.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	931,047.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a	185,185.	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e	185,185.	
3	Subtract line 2e from line 1	3	745,862.	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c	0.	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	745,862.	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	677,967.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e	0.	
3	Subtract line 2e from line 1	3	677,967.	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c	0.	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	677,967.	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 2B:

CUSTODIAL ACCOUNT LIABILITY

PART X, LINE 2:

SYSTEM DYNAMICS SOCIETY, INC. (SDS) IS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, IS CLASSIFIED AS AN ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION, AND QUALIFIES FOR THE CHARITABLE CONTRIBUTION DEDUCTION FOR INDIVIDUAL DONORS. MANAGEMENT BELIEVES THERE ARE NO SOURCES OF UNRELATED BUSINESS TAXABLE INCOME AND NO UNCERTAIN TAX POSITIONS. SDS IS REQUIRED TO FILE FEDERAL FORM 990 "RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX" WITH THE INTERNAL REVENUE SERVICE, AND SIMILAR INFORMATION RETURNS WITH CERTAIN STATES.

Part XIII Supplemental Information *(continued)*

FILE COPY

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization **SYSTEM DYNAMICS SOCIETY, INC.** Employer identification number **22-2738769**

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
- 3** Enter total number of other organizations listed in the line 1 table

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2017)

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
DANA MEADOWS AWARD	1	2,000.	0.		
SCHOLARSHIP ROOMS	26	5,850.	0.		

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

DANA MEADOWS AWARD - IS GIVEN TO OUTSTANDING PAPERS AUTHORED BY STUDENTS THAT ARE PRESENTED AT THE ANNUAL CONFERENCE.

SCHOLARSHIP ROOMS - PARTIAL SCHOLARSHIPS WERE AVAILABLE TO COVER CONFERENCE HOTEL EXPENSES.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Open to Public
Inspection

Name of the organization

SYSTEM DYNAMICS SOCIETY, INC.

Employer identification number

22-2738769

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

SYSTEM DYNAMICS SOCIETY, INC. IS DEVOTED TO ENCOURAGING THE DEVELOPMENT
AND USE OF SYSTEM DYNAMICS AND SYSTEMS THINKING AROUND THE WORLD.

FORM 990, PART VI, SECTION B, LINE 11B:

AS PART OF THE ANNUAL AUDIT, OUR INDEPENDENT CERTIFIED PUBLIC ACCOUNTING
FIRM PREPARES A DRAFT OF FORM 990 AND RELATED SUPPORTING SCHEDULES FROM OUR
INTERNAL RECORDS. WE DESIGNATE AN INDIVIDUAL OR INDIVIDUALS WITH SUITABLE
SKILL, KNOWLEDGE OR EXPERIENCE TO OVERSEE THESE SERVICES AND WE MAKE ALL
MANAGEMENT DECISIONS AND PERFORM ALL MANAGEMENT FUNCTIONS. THE EXECUTIVE
LEVEL OF MANAGEMENT HAS REVIEWED, APPROVED, AND ACCEPTED RESPONSIBILITY
FOR FORM 990 AND THE RELATED SCHEDULES AND BELIEVE THEY ARE ADEQUATELY
SUPPORTED BY THE BOOKS AND RECORDS OF SYSTEM DYNAMICS SOCIETY, INC. FORM
990 AND THE RELATED SCHEDULES ARE DISTRIBUTED TO ALL MEMBERS OF THE
ADMINISTRATIVE COMMITTEE PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

SDS HAS "CONFLICT OF INTEREST" GUIDELINES WHICH REQUIRES AN ANNUAL SIGNED
STATEMENT FROM THE EXECUTIVE DIRECTOR AND THE POLICY COUNCIL AFFIRMING NO
CONFLICTS, POTENTIAL CONFLICTS, OR ACTUAL CONFLICTS OF INTEREST. DISCLOSED
CONFLICTS OF INTEREST ARE REVIEWED AND DISCUSSED. RESULTS ARE DOCUMENTED
AND NOTED IN THE POLICY COUNCIL MINUTES.

FORM 990, PART VI, SECTION C, LINE 19:

UPON REQUEST.

Name of the organization SYSTEM DYNAMICS SOCIETY, INC.	Employer identification number 22-2738769
--	---

FORM 990, PART IX, LINE 11G, OTHER FEES:

PROFESSIONAL FEES AND CONSULTANTS:

PROGRAM SERVICE EXPENSES	72,774.
MANAGEMENT AND GENERAL EXPENSES	31,189.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	103,963.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	103,963.

FILE COPY

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization

SYSTEM DYNAMICS SOCIETY, INC.

Employer identification number

22-2738769

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
UNIVERSITY AT ALBANY - 14-7400260 P.O. BOX 10189 ALBANY, NY 12201	ADMINISTRATIVE SUPPORT SERVICES	NEW YORK			N/A		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2017

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses	X	
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) UNIVERSITY AT ALBANY	P	341,029.	ACTUAL EXPENSE
(2)			
(3)			
(4)			
(5)			
(6)			

TAX RETURN FILING INSTRUCTIONS

MASSACHUSETTS FORM PC

FOR THE YEAR ENDING
DECEMBER 31, 2017

Prepared for	ROBERTA SPENCER, EXECUTIVE DIRECTOR SYSTEM DYNAMICS SOCIETY, INC. 17 LOKER STREET WAYLAND, MA 01778
Prepared by	MARVIN AND COMPANY, P.C. 11 BRITISH AMERICAN BLVD. LATHAM, NY 12110-1405
Amount due or refund	BALANCE DUE OF \$250.00
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	NON-PROFIT ORG/PUBLIC CHARITIES DIV OFFICE OF THE ATTORNEY GENERAL ONE ASHBURTON PLACE BOSTON, MA 02108
Return must be mailed on or before	AUGUST 15, 2018
Special Instructions	THE REPORT SHOULD BE SIGNED AND DATED BY THE AUTHORIZED INDIVIDUAL(S). PAYMENT FOR THE BALANCE DUE MUST BE MADE ELECTRONICALLY VIA THE COMMONWEALTH OF MASSACHUSETTS WEBSITE AT: WWW.MASS.GOV/AGO/EPAY ALL THE NECESSARY ATTACHMENTS SHOULD BE INCLUDED WITH FORM PC BEFORE FILING.

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
NON-PROFIT ORGANIZATIONS/PUBLIC CHARITIES DIVISION
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

(617) 727-2200, ext. 2101
www.mass.gov/ago/charities

Form PC

Report for the Fiscal Period: 01/01/17 to 12/31/17Attorney General's Account #: 020599Federal ID #: 22-2738769

Electronic Payment Confirmation #: _____

When did the organization first engage in charitable work in Massachusetts?

11/07/1985

Has the organization applied for or been granted IRS tax exempt status?

 Yes NoIf yes, date of application **OR** date of determination letter:12/01/1986

IRS Exemption under 501(c):

3

If exempt under 501(c), are contributions to the organization tax deductible as charitable contributions?

 Yes No**Check all items attached (if applicable)**

- Filing Fee or Printout of Electronic Payment Confirmation
- Copy of IRS Return
- Audited Financial Statements/Review
- Amended Articles/By-Laws
- Schedule A-1
- Schedule A-2
- Schedule RO
- Schedule VCO
- Probate Account

Organization DataName: SYSTEM DYNAMICS SOCIETY, INC.Mailing Address: 17 LOKER STREETCity: WAYLANDState: MAZIP: 01778Phone Number: (518) 442-3865Fax Number: (518) 442-3398Email: OFFICE@SYSTEMDYNAMICS.ORGWebsite: WWW.SYSTEMDYNAMICS.ORG

In the table below, please enter the appropriate codes from the corresponding tables found in the instructions.
 Enter **up to 2** codes from Table 3 for your organization's main purpose(s)

Category	Code	Category	Code
County (Table 1)	9	Organization Purpose Code 1	8
Type of Organization (Table 2)	21	Organization Purpose Code 2	

Please check box if final return prior to dissolution:

Office Use Only: Payment Received

All questions must be completed in their entirety whether or not similar questions are answered in an attached federal form. See instructions and definition section for guidance.

- On what date was the organization created? 11/07/1985
- Where was the organization created? MASSACHUSETTS
- What is the form of organization? (check one)

Corporation <input checked="" type="checkbox"/>	Testamentary Trust <input type="checkbox"/>
Unincorporated Association <input type="checkbox"/>	Inter Vivos Trust <input type="checkbox"/>

Other (please describe): _____

- Was your organization related to any other organization(s) during the reporting year (see definition of "Related Organization")? If yes, please complete the Schedule RO on pages 13 and 14. Yes No
- Enter your summary of financial data:

Financial Data		Amounts
A.	Contributions, gifts, grants, and similar amounts received	279,522.
B.	Gross support and revenue	745,862.
C.	Program services and similar amounts paid out	517,923.
D.	Fundraising expenses	0.
E.	Management and general expenses	160,044.
F.	Payments to affiliates	0.
G.	Total expenses	677,967.
H.	Net assets or fund balances at the end of the year	1,432,242.

- List the total compensation you provided to your five highest paid employees:

	Name/Title	Hrs/Week	Salary and Other Income	Benefit Plans	Other Compensation
1.	NONE				
2.					
3.					
4.					
5.					

- Was any compensation provided to any of the individuals listed in question 6 above which was not quantified in your response to 6? If yes, please provide explanation (attach separate sheet). Yes No

8. List the name, amount of compensation paid, and the nature of services rendered by each of the organization's five highest paid consultants providing professional services (e.g. attorneys, architects, accountants, management companies, investment advisors, professional solicitors, professional fundraising counsel).

	Name/Title	Amount of Compensation	Type(s) of Service
1.	UNIVERSITY AT ALBANY	358,369.	ADMINISTRATIVE SUPPORT SERVICES
2.	CAPITOL HILL MANAGEMENT SVCS	43,868.	MANAGEMENT SERVICES
3.	CARRIE STICKAN	21,538.	OFFICE SERVICES
4.	LOUANNE LUNDGREN	13,590.	OFFICE SERVICES
5.	MARVIN & COMPANY, PC	10,335.	INDEPENDENT AUDITOR

9. Bank(s) in which the organization's funds are deposited (include bank addresses and phone number):

Bank	Address	Phone Number
BANK OF AMERICA	PO BOX 25118, TAMPA, FL 33622	(888) 287-4637
PIONEER BANK	3000 N. MAIN ST., ROSWELL, NM 88201	(800) 624-5200

10. What is the organization's accounting method? Cash Accrual
 Other (specify): _____

11. If organization's mailing address is a P.O. Box, list the organization's full street address:

Address: _____

City: _____ State: _____ ZIP Code: _____

12. Contact Person Name: ROBERTA L. SPENCER

Street Address: MILNE 300 - 135 WESTERN AVE

City: ALBANY State: NY ZIP Code: 12222

Phone Number: (518) 442-3865

13. During the fiscal year reported here, did your organization solicit contributions or have funds solicited on its behalf? Yes No

14. At any time during the fiscal year following the year reported here, will your organization, or others acting on its behalf, solicit contributions? Yes No

If you answered yes to Question 13 or 14, you must complete Schedule A-1 and/or Schedule A-2 unless you are exempt from the solicitation certificate requirement.

15. If you are claiming an exemption from the solicitation certificate requirement, please indicate by checking the box to the right to identify which exemption applies to your organization.

a religious organization	<input type="checkbox"/>
an organization which: (a) does not raise more than \$5,000 during a calendar year Or does not receive contributions from more than ten persons during a calendar year; AND (b) carries out all of its activities, including fundraising, through unpaid volunteers. <i>(The conditions at both (a) and (b) must be met for your organization to qualify for this exemption.)</i>	<input type="checkbox"/>

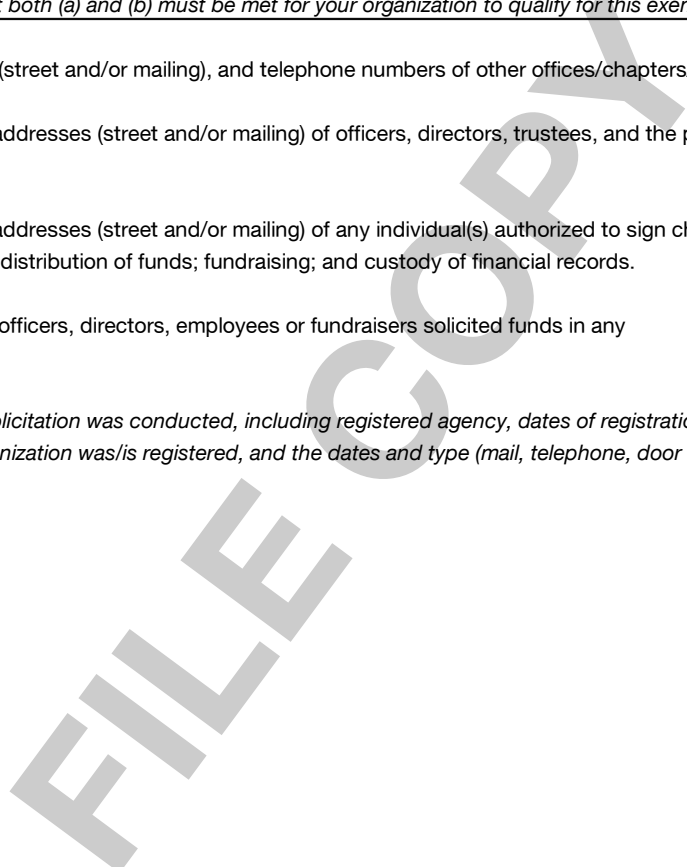
16. Attach a list of names, addresses (street and/or mailing), and telephone numbers of other offices/chapters/branches/affiliates.
STATEMENT 1

17. Attach a list of names, titles, and addresses (street and/or mailing) of officers, directors, trustees, and the principal salaried executives of organization.
STATEMENT 2

18. Attach a list of names, titles, and addresses (street and/or mailing) of any individual(s) authorized to sign checks, and any individual(s) responsible for: custody of funds; distribution of funds; fundraising; and custody of financial records.

19. Has this organization or any of its officers, directors, employees or fundraisers solicited funds in any other state? Yes No

If you attach list of states where solicitation was conducted, including registered agency, dates of registration, registration numbers, any other names under which the organization was/is registered, and the dates and type (mail, telephone, door to door, special events, etc.) of the solicitation conducted.



FORM PC	NAME, ADDRESS, PHONE OF OTHER OFFICES	STATEMENT	1
---------	---------------------------------------	-----------	---

NAME AND ADDRESS

PHONE NUMBER

SEE ATTACHED 2017 CHAPTER REPS

FORM PC	OFFICERS, DIRECTORS, TRUSTEES AND EXECUTIVES	STATEMENT	2
---------	--	-----------	---

NAME AND ADDRESS

TITLE

SEE ATTACHED 2017 POLICY COUNCIL

FILE COPY

2017 Chapter Representatives with Addresses

Stefano Armenia
via San Martino Della Battaglia 56
Rome 00185 Italy

Natalia Lychkina
20 Myasnitskaya Str
Moscow 101000 Russia

Daniel Arthur
15 Stirling Avenue
Pinner Middlesex HA5 1JS UK

Douglas McKelvie
16 Bonnington Grove
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Seoul 06593 Korea, Republic of

Gloria Pérez Salazar
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Delft 2600 Netherlands

Karan Khosla
22 Olof Palme Marg
Vasant Vihar
New Delhi 110057 India

Carl Smith
School of Agriculture and Food Science
Brisbane Queensland 4072 Australia

V:\SDS\RLS Folders\Business Related\Financials and Taxes by Fiscal Year End\2017\docs for CPA\02-2017 Chapter
Representatives with Addresses.docx

Rolf Widmer
Lerchenfeldstr 5
CH-9000 St Gallen Switzerland

Ddembe Williams
Thika Road Ruaraka
PO Box 56808 00200
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Haiyan Yan
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Shanghai 201600 PR China

Ijaz Yusuf
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Lahore Pakistan

2017 Policy Council Officers with Addresses

Leonard Malczynski

Society President

Mail Stop 0421

PO Box 5800

Albuquerque NM 87185-0100 USA

David Andersen

Society VP Finance

315A Milne Hall

135 Western Ave

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Etiënne Rouwette

Society Past President

Thomas van Aquinostraat 1

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Erik Pruyt

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J. Bradley Morrison

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Özge Pala

Society VP Membership

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Stefano Armenia

Society VP Chapters

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Society VP Professional Practice

1 Broadway

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Diana Fisher

Society VP Pre-College Education

7405 SW Cresmoor Dr.

Beaverton, OR 97008 USA

Other 2017 Policy Council Members

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Stuttgart 70193 Germany

Nuno Videira
Society Policy Council 2017-2019
Faculdade de Ciências e Tecnologia
Campus de Caparica
Caparica 2829-516
Portugal

20. Has this organization or any of its officers, directors, or employees:

If yes, please attach an explanation.

- (a) Been enjoined or otherwise prohibited by a government agency/court from operating or soliciting contributions? Yes No
- (b) Ever been refused registration or had its registration or tax exemption denied, suspended, modified or revoked by a governmental agency? Yes No
- (c) Been the subject of a proceeding regarding any solicitation or registration? Yes No
- (d) Entered into a voluntary agreement of compliance or consent judgment with any government agency or in a case before a court or administrative agency? Yes No

21. Have any restrictions been removed during the year from donor-restricted funds?

If yes, please attach an explanation.

Yes No

22. Have donor-restricted funds been loaned to unrestricted funds?

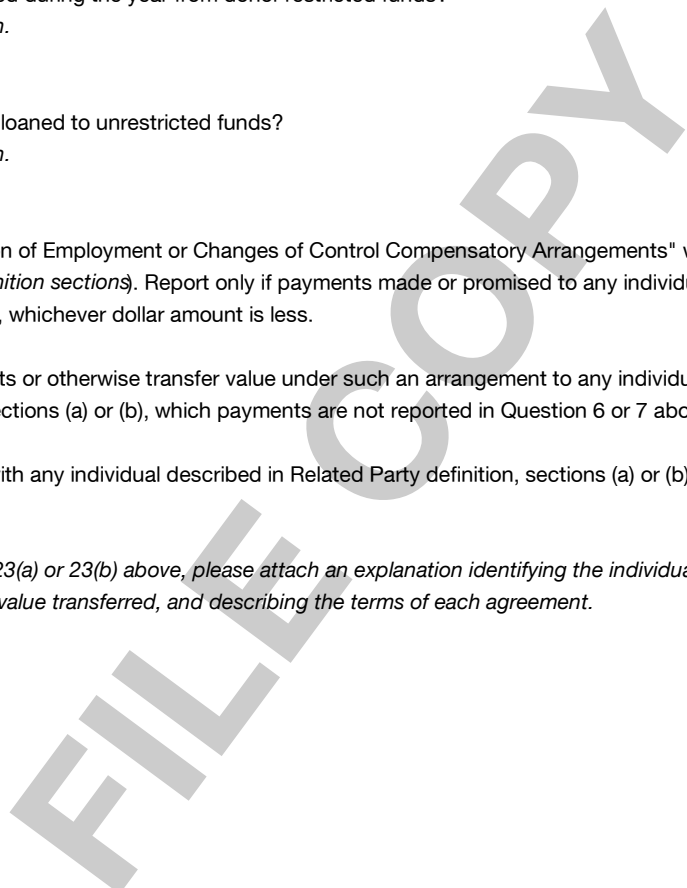
If yes, please attach an explanation.

Yes No

23. This question involves "Termination of Employment or Changes of Control Compensatory Arrangements" with certain "Related Parties" (see *instructions and definition sections*). Report only if payments made or promised to any individual are in excess of four months salary or \$100,000, whichever dollar amount is less.

- (a) Did you make actual payments or otherwise transfer value under such an arrangement to any individual described in Related Party definition, sections (a) or (b), which payments are not reported in Question 6 or 7 above? Yes No
- (b) Do you have an agreement with any individual described in Related Party definition, sections (a) or (b), containing such an agreement? Yes No

*If you answered **yes** for Question 23(a) or 23(b) above, please attach an explanation identifying the individual(s) involved, stating the amount of any payments made or value transferred, and describing the terms of each agreement.*



24. This question applies to related party transactions, which include transactions with officers, directors, trustees, certain employees, relative, and organizations they own or control. Please consult the instructions and definition sections for the definition of a "Related Party" and "Indebtedness" before answering. Note that transactions involving related parties must be reported even when there is no accounting recognition (e.g. in-kind gifts, waiver of interest not otherwise reported).

If the answer to any part of Question 24 is yes, attach a schedule stating the name and address of the related party, the nature of the transaction, the value or the amounts involved in the transaction, and the procedure followed in authorizing the transaction.

During the year:		
A.	Has your organization sold or transferred assets to or purchased assets from or exchanged assets with a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B.	Has your organization leased assets to or leased assets from a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C.	Has your organization been indebted to a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D.	Has your organization allowed a related party to be indebted to it?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E.	Has your organization made or held an investment in a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F.	Has your organization furnished goods, services, or facilities to a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G.	Has your organization acquired goods, services, or facilities from a related party who received compensation or other value in return?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H.	Has your organization paid or became obligated to pay wages, salary, or other compensation to a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I.	Has your organization transferred income or assets to or for use by a related party?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J.	Was your organization a party to any transaction in which any of its officers, directors, or trustees has a material financial interest, or did any officer, director or trustee receive anything of value not reported as compensation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
K.	Has your organization invested in any corporate stock of a company in which any officer, director, or trustee owns more than 10% of the outstanding shares?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L.	Is any property of the organization held in the name of or commingled with the property of any other person or organization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
M.	Did your organization make a grant award or contribution to any other organization in which any of this organization's officers, directors or trustees has a relationship?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

STATEMENT 3

FORM PC

PAGE 6, LINE 24

STATEMENT 3

NAME AND ADDRESS

UNIVERSITY AT ALBANY
PO BOX 10189
ALBANY, NY 12201

NATURE OF TRANSACTION

ADMINISTRATIVE SUPPORT SERVICES

AMOUNT INVOLVED

358,369.

PROCEDURE FOLLOWED

SDS HAS A CONTRACT WITH THE UNIVERSITY OF NEW YORK AT ALBANY FOR ADMINISTRATIVE SUPPORT SERVICES. SUPPORT SERVICES INCLUDES PERSONNEL SERVICES AND THE USE OF PROPERTY AND EQUIPMENT OWNED BY THE UNIVERSITY.

FILE COPY

Signature Required

Under penalty of perjury, I declare that the information furnished in this report, including all attachments, is true and correct to the best of my knowledge.

Signature: _____ Date: _____

Printed Name: ROBERTA L. SPENCER

Title: EXECUTIVE DIRECTOR

Name of Preparer: MARVIN AND COMPANY, P.C.

Address 11 BRITISH AMERICAN BLVD.

City LATHAM State NY ZIP Code 12110-1405

Phone Number 518-785-0134

FILE COPY

**Schedule A-1
Solicitation Activities During Fiscal Year Covered By This Report**

List any names which will be used by the organization in connection with the solicitation of funds, other than the official name which appears on page 1.

Types of solicitation activities in which you expect to engage (check all that apply):

Mass Mailing	<input type="checkbox"/>	Via the Internet	<input checked="" type="checkbox"/>
Door-to-door	<input type="checkbox"/>	Raffle, beano, bingo or gaming event	<input type="checkbox"/>
Entertainment event	<input type="checkbox"/>	Sale of goods other than by telephone	<input checked="" type="checkbox"/>
Telemarketing without sale of goods or ads	<input type="checkbox"/>	Individual Mailings	<input checked="" type="checkbox"/>
Telemarketing with sale of goods	<input type="checkbox"/>	Corporate solicitations	<input checked="" type="checkbox"/>
Telemarketing with sale of ads	<input type="checkbox"/>	Grant Proposals	<input type="checkbox"/>
<input type="checkbox"/> Other (specify): _____			

Identify the method or methods you expect to use for the fundraising (check all that apply):

Professional solicitor*	<input type="checkbox"/>	Own employees	<input type="checkbox"/>
Professional fundraising counsel*	<input type="checkbox"/>	Volunteers	<input checked="" type="checkbox"/>
Commercial co-venturer*	<input type="checkbox"/>		

* Provide applicable names and addresses:

Professional Solicitor Name: _____

Address _____

City _____ State _____ ZIP Code _____

Professional Fundraising Counsel Name: _____

Address _____

City _____ State _____ ZIP Code _____

Commercial Co-Venturer Name: _____

Address _____

City _____ State _____ ZIP Code _____

Schedule A-1 ctd.
Solicitation Activities During Fiscal Year Covered By This Report

Identify the individuals who will have final responsibility for the charity's custody of contributions:

ROBERTA L. SPENCER

Name and Title: EXECUTIVE DIRECTOR

Address MILNE 300 - 135 WESTERN AVE.

City ALBANY State NY ZIP Code 12222

ELIOT H. RICH

Name and Title: VP FINANCE

Address MILNE 300 - 135 WESTERN AVE.

City ALBANY State NY ZIP Code 12222

Name and Title:

Address

City State ZIP Code

Identify the individuals who will have final responsibility for the charity's distribution of contributions:

ROBERA L. SPENCER

Name and Title: EXECUTIVE DIRECTOR

Address MILNE 300 - 135 WESTERN AVE

City ALBANY State NY ZIP Code 12222

ELIOT H. RICH

Name and Title: VP FINANCE

Address MILNE 300 - 135 WESTERN AVE

City ALBANY State NY ZIP Code 12222

Name and Title:

Address

City State ZIP Code

Schedule A-2

Solicitation Activities Planned for Fiscal Year Which Follows the Reporting Year

List any names which will be used by the organization in connection with the solicitation of funds, other than the official name which appears on page 1.

Types of solicitation activities in which you expect to engage (check all that apply):

Mass Mailing	<input type="checkbox"/>	Via the Internet	<input checked="" type="checkbox"/>
Door-to-door	<input type="checkbox"/>	Raffle, beano, bingo or gaming event	<input type="checkbox"/>
Entertainment event	<input type="checkbox"/>	Sale of goods other than by telephone	<input checked="" type="checkbox"/>
Telemarketing without sale of goods or ads	<input type="checkbox"/>	Individual Mailings	<input checked="" type="checkbox"/>
Telemarketing with sale of goods	<input type="checkbox"/>	Corporate solicitations	<input checked="" type="checkbox"/>
Telemarketing with sale of ads	<input type="checkbox"/>	Grant Proposals	<input type="checkbox"/>
<input type="checkbox"/> Other (specify): _____			

Identify the method or methods you expect to use for the fundraising (check all that apply):

Professional solicitor*	<input type="checkbox"/>	Own employees	<input checked="" type="checkbox"/>
Professional fundraising counsel*	<input type="checkbox"/>	Volunteers	<input checked="" type="checkbox"/>
Commercial co-venturer*	<input type="checkbox"/>		

* Provide applicable names and addresses:

Professional Solicitor Name: _____

Address _____

City _____ State _____ ZIP Code _____

Professional Fundraising Counsel Name: _____

Address _____

City _____ State _____ ZIP Code _____

Commercial Co-Venturer Name: _____

Address _____

City _____ State _____ ZIP Code _____

Schedule A-2 ctd.

Solicitation Activities Planned for Fiscal Year Which Follows the Reporting Year

Identify the individuals who will have final responsibility for the charity's custody of contributions:

ROBERTA L. SPENCER

Name and Title: EXECUTIVE DIRECTOR

Address MILNE 300 - 135 WESTERN AVE

City ALBANY State NY ZIP Code 12222

ELIOT H. RICH

Name and Title: VP FINANCE

Address MILNE 300 - 135 WESTERN AVE

City ALBANY State NY ZIP Code 12222

Name and Title:

Address

City State ZIP Code

Identify the individuals who will have final responsibility for the charity's distribution of contributions:

ROBERTA L. SPENCER

Name and Title: EXECUTIVE DIRECTOR

Address MILNE 300 - 135 WESTERN AVE

City ALBANY State NY ZIP Code 12222

ELIOT H. RICH

Name and Title: VP FINANCE

Address MILNE 300 - 135 WESTERN AVE

City ALBANY State NY ZIP Code 12222

Name and Title:

Address

City State ZIP Code

Certification by Organization

Two different signatures required. Signers must be organization president or other authorized officer or trustee.

Under penalty of perjury, we declare that the information furnished in this report, including all attachments, is true and correct to the best of our knowledge.

Signature: _____ Date: _____

Printed Name: ROBERTA L. SPENCER

Title: EXECUTIVE DIRECTOR

Signature: _____ Date: _____

Printed Name: ELIOT H. RICH

Title: VP FINANCE

FILE COPY

Schedule RO

1. Please read the instructions and definition of "Related Organization" carefully before completing this section. (If you have more than five Related Organizations, please attach a list.)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Name:		Primary purpose or activity:		
FYE	A. Donor restricted funds (-) liabilities	B. 3rd party restricted funds (-) liabilities	C. Unrestricted funds (-) liabilities	D. Total net assets (A+B+C)

Schedule RO ctd.

2. List the total compensation paid by your organization and/or any other related organization to your chief executive (e.g., executive director) and to the four other current or former directors, trustees, officers, or employees within the system of related organizations identified at question 1, on page 13, receiving the highest aggregate compensation (*see instructions*). Use additional lines below to itemize by compensation source.

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

Name:		Title:	
Income Source:	Salary and Other Income:	Benefits Plan:	Other Compensation:

3. Is asset and/or compensation information for religious organizations and/or certain non-charitable entities related to foundations excluded pursuant to instructions? Yes No

TAX RETURN FILING INSTRUCTIONS

NEW YORK FORM CHAR500

FOR THE YEAR ENDING
DECEMBER 31, 2017

Prepared for	ROBERTA SPENCER, EXECUTIVE DIRECTOR SYSTEM DYNAMICS SOCIETY, INC. 17 LOKER STREET WAYLAND, MA 01778
Prepared by	MARVIN AND COMPANY, P.C. 11 BRITISH AMERICAN BLVD. LATHAM, NY 12110-1405
Amount due or refund	BALANCE DUE OF \$275.00
Make check payable to	DEPARTMENT OF LAW
Mail tax return and check (if applicable) to	NYS OFFICE OF ATTORNEY GENERAL CHARITIES BUREAU REGISTRATION SECTION 28 LIBERTY STREET NEW YORK, NY 10005
Return must be mailed on or before	PLEASE MAIL AS SOON AS POSSIBLE.
Special Instructions	THE REPORT SHOULD BE SIGNED AND DATED BY THE AUTHORIZED INDIVIDUAL(S). THE ATTACHED COPY OF FEDERAL FORM 990 MUST BE PROPERLY SIGNED AND DATED.

CHAR500

Annual Filing Checklist

Simply submit the certified CHAR500 with no fee, schedule, or additional attachments IF:

- Your organization is registered as 7A only and you marked the 7A filing exemption in Part 3.
- Your organization is registered as EPTL only and you marked the EPTL filing exemption in Part 3.
- Your organization is registered as DUAL and you marked both the 7A and EPTL filing exemption in Part 3.

Checklist of Schedules and Attachments

Check the schedules you must submit with your CHAR500 as described in Part 4:

- If you answered "yes" in Part 4a, submit Schedule 4a: Professional Fund Raisers (PFR), Fund Raising Counsel (FRC), Commercial Co-Venturers (CCV)
- If you answered "yes" in Part 4b, submit Schedule 4b: Government Grants

Check the financial attachments you must submit with your CHAR500:

- IRS Form 990, 990-EZ, or 990-PF, and 990-T if applicable
- All additional IRS Form 990 Schedules, including Schedule B (Schedule of Contributors). Schedule B of public charities is exempt from disclosure and will not be available for public review.
- Our organization was eligible for and filed an IRS 990-N e-postcard. Our revenue exceeded \$25,000 and/or our assets exceeded \$25,000 in the filing year. We have included an IRS Form 990-EZ for state purposes only.

If you are a 7A only or DUAL filer, submit the applicable independent Certified Public Accountant's Review or Audit Report:

- Review Report if you received total revenue and support greater than \$250,000 and up to \$750,000.
- Audit Report if you received total revenue and support greater than \$750,000
- No Review Report or Audit Report is required because total revenue and support is less than \$250,000
- We are a DUAL filer and checked box 3a, no Review Report or Audit Report is required

Calculate Your Fee

For 7A and DUAL filers, calculate the 7A fee:

- \$0, if you checked the 7A exemption in Part 3a
- \$25, if you did not check the 7A exemption in Part 3a

For EPTL and DUAL filers, calculate the EPTL fee:

- \$0, if you checked the EPTL exemption in Part 3b
- \$25, if the NET WORTH is less than \$50,000
- \$50, if the NET WORTH is \$50,000 or more but less than \$250,000
- \$100, if the NET WORTH is \$250,000 or more but less than \$1,000,000
- \$250, if the NET WORTH is \$1,000,000 or more but less than \$10,000,000
- \$750, if the NET WORTH is \$10,000,000 or more but less than \$50,000,000
- \$1500, if the NET WORTH is \$50,000,000 or more

Send Your Filing

Send your CHAR500, all schedules and attachments, and total fee to:

NYS Office of the Attorney General
Charities Bureau Registration Section
28 Liberty Street
New York, NY 10005

Need Assistance?

Visit: www.CharitiesNYS.com
Call: (212) 416-8401
Email: Charities.Bureau@ag.ny.gov

Is my Registration Category 7A, EPTL, DUAL or EXEMPT?

Organizations are assigned a Registration Category upon registration with the NY Charities Bureau:

7A filers are registered to solicit contributions in New York under Article 7-A of the Executive Law ("7A")

EPTL filers are registered under the Estates, Powers & Trusts Law ("EPTL") because they hold assets and/or conduct activities for charitable purposes in NY.

DUAL filers are registered under both 7A and EPTL.

EXEMPT filers have registered with the NY Charities Bureau and meet conditions in **Schedule E - Registration Exemption for Charitable Organizations**. These organizations are not required to file annual financial reports but may do so voluntarily.

Confirm your Registration Category and learn more about NY law at www.CharitiesNYS.com.

Where do I find my organization's NET WORTH?

NET WORTH for fee purposes is calculated on:

- IRS Form 990 Part I, line 22
- IRS Form 990 EZ Part I, line 21
- IRS Form 990 PF, calculate the difference between Total Assets at Fair Market Value (Part II, line 16(c)) and Total Liabilities (Part II, line 23(b)).

**SYSTEM DYNAMICS SOCIETY, INC.
FINANCIAL REPORT
DECEMBER 31, 2017**

SYSTEM DYNAMICS SOCIETY, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5-9

INDEPENDENT AUDITOR'S REPORT

Policy Council
System Dynamics Society, Inc.

We have audited the accompanying financial statements of the System Dynamics Society, Inc. (a Massachusetts not-for-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System Dynamics Society, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marvin and Company, P.C.

Latham, NY
June 11, 2018

SYSTEM DYNAMICS SOCIETY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and cash equivalents	\$ 159,100	\$ 65,866
Investments	969,555	950,460
Accounts receivable	80,966	54,527
Contributions receivable	22,601	-
Inventory	14,227	22,032
Prepaid expenses	87,320	45,492
Total Current Assets	1,333,769	1,138,377
Property and Equipment		
Office equipment	651	651
Less accumulated depreciation	(651)	(651)
Total Property and Equipment	-	-
Other Assets		
Investments-restricted	157,042	130,737
Contributions receivable, net of current portion	23,500	-
TOTAL ASSETS	\$ 1,514,311	\$ 1,269,114

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$ 22,668	\$ 34,460
Membership subscriptions liability	7,752	7,717
Deferred revenue	47,174	43,150
Custodial account liability	4,475	4,625
Total Current Liabilities	82,069	89,952
Net Assets		
Unrestricted		
Board designated	1,245,200	1,048,425
Total Unrestricted	1,245,200	1,048,425
Temporarily restricted	187,042	130,737
Total Net Assets	1,432,242	1,179,162
TOTAL LIABILITIES AND NET ASSETS	\$ 1,514,311	\$ 1,269,114

See accompanying notes to financial statements.

SYSTEM DYNAMICS SOCIETY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

UNRESTRICTED NET ASSETS	<u>2017</u>	<u>2016</u>
Support and Revenues		
Conferences	\$ 357,940	\$ 274,325
Publications	79,815	68,263
Membership dues and subscriptions	61,335	59,872
Educational products, net expenses of \$11,660 and \$7,994 in 2017 and 2016, respectively	44,526	45,486
E-books project	23,000	-
Contributions	127,841	32,395
Investment income	178,285	102,582
Net assets released from restrictions	2,000	-
Total Support and Revenues	<u>874,742</u>	<u>582,923</u>
Expenses		
Awards	7,850	5,481
Bank and credit card fees	18,711	17,353
Chapter development	11,155	3,500
Contract - University of New York at Albany	341,029	358,872
Conferences	144,857	135,916
Insurance	5,866	3,767
Publications	20,000	20,000
Marketing	2,000	2,000
Office expenses	6,379	3,181
Travel and training	7,832	12,839
Professional fees and consultants	111,842	68,249
Miscellaneous	446	882
Total Expenses	<u>677,967</u>	<u>632,040</u>
Change in Unrestricted Net Assets	<u>196,775</u>	<u>(49,117)</u>
Temporarily Restricted Net Assets		
Contribution	30,000	-
Investment income	28,305	13,931
Net assets released from restrictions	(2,000)	-
Change in Temporarily Restricted Net Assets	<u>56,305</u>	<u>13,931</u>
Change in Net Assets	253,080	(35,186)
Net Assets, Beginning of Year	<u>1,179,162</u>	<u>1,214,348</u>
Net Assets, End of Year	<u>\$ 1,432,242</u>	<u>\$ 1,179,162</u>

See accompanying notes to financial statements.

SYSTEM DYNAMICS SOCIETY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows Provided (Used) By Operating Activities		
Change in net assets	\$ 253,080	\$ (35,186)
Adjustment to reconcile change in net assets to net cash (used) by operating activities		
Net (gain) on investments	(185,185)	(95,655)
Change in operating assets and liabilities		
Accounts receivable	(26,439)	7,425
Contributions receivable	(46,101)	-
Inventory	7,805	(5,232)
Prepaid expenses	(41,828)	(10,469)
Accounts payable and accrued expenses	(11,792)	22,058
Membership subscriptions liability	35	(1,494)
Deferred revenue	4,024	(16,644)
Custodial account liability	(150)	(2,900)
Net Cash (Used) By Operating Activities	<u>(46,551)</u>	<u>(138,097)</u>
Cash Flows Provided (Used) By Investing Activities		
Proceeds from sales of investments	368,779	442,898
Purchases of investments	<u>(228,994)</u>	<u>(365,599)</u>
Net Cash Provided By Investing Activities	<u>139,785</u>	<u>77,299</u>
Net Increase (Decrease) in Cash and Cash Equivalents	93,234	(60,798)
Cash and Cash Equivalents, Beginning of Year	<u>65,866</u>	<u>126,664</u>
Cash and Cash Equivalents, End of Year	<u>\$ 159,100</u>	<u>\$ 65,866</u>

See accompanying notes to financial statements.

SYSTEM DYNAMICS SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

System Dynamics Society, Inc. (SDS) was incorporated in the State of Massachusetts in November 1985. SDS is a not-for-profit organization devoted to encouraging the development and use of system dynamics and systems thinking around the world. System dynamics is a computer-aided approach to policy analysis and design. SDS provides a forum in which researchers, educators, consultants, and practitioners in the corporate and public sectors interact to introduce newcomers to the field, keep abreast of current developments, and build on each other's work. SDS is primarily supported through conference revenue and investment income.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC). SDS is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions on the use of net assets.

Cash and Cash Equivalents

SDS defines cash and cash equivalents as amounts readily convertible into cash and includes deposit accounts with banks and money market accounts with investment companies.

Concentration of Credit Risk

Financial instruments that potentially subject SDS to concentrations of credit risk consist principally of cash accounts in financial institutions which, from time to time, may exceed the Federal depository insurance coverage limit of \$250,000. SDS has not experienced any loss in such accounts. No amounts exceeded federally insured limits at December 31, 2017 or December 31, 2016.

Income Taxes

SDS is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, is classified as an organization that is not a private foundation, and qualifies for the charitable contribution deduction for individual donors. Management believes there are no sources of unrelated business taxable income and no uncertain tax positions. Accordingly, no provision for income taxes has been made in the accompanying financial statements. SDS is required to file Federal Form 990 "Return of Organization Exempt from Income Tax" with the Internal Revenue Service, and similar information returns with certain states.

SYSTEM DYNAMICS SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments principally consist of exchange traded products (equity and fixed income products) and mutual funds (equity funds) which are carried at fair value. Fair value is determined based on quoted market prices. Investment gains and losses are recognized in the statement of activities. Investment income is reported as an increase in unrestricted net assets unless a donor or law restricts its use.

Accounts and Contributions Receivable

Management has concluded all accounts and contributions will be collected and that no allowance is necessary at December 31, 2017 and 2016.

Revenue Recognition

Conference Revenue

SDS receives revenue for conferences held and recognizes this revenue when earned.

Contributions and Investment Income

Contributions and investment income are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restrictions imposed that are met in the same year they are received are included in unrestricted net assets.

Contributed Services

Contributed services, principally donated use of conference facilities, totaling \$0 and \$28,500 during December 31, 2017 and 2016, have been reflected in the accompanying financial statements. SDS generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform tasks that assist SDS with its activities. This volunteer time is not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ.

Inventory

Inventory is stated at the lower of FIFO (first-in, first-out method) cost and net realizable value.

Property and Equipment

Property and equipment are recorded at cost at date of acquisition or estimated fair value at date of donation. SDS' policy is to capitalize property and equipment with a unit value equal to or greater than \$1,000 and a useful life greater than one year. Depreciation is computed under the straight-line method over the estimated useful lives of property and equipment (5 years).

**SYSTEM DYNAMICS SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

2. UNIVERSITY OF NEW YORK AT ALBANY

SDS has a contract with the University of New York at Albany (University) for administrative support services through December 31, 2018. Support services includes personnel services and the use of property and equipment owned by the University. SDS incurred \$341,029 and \$358,872 in costs for support services during the years ended December 31, 2017 and 2016, respectively. There were no amounts receivable from or payable to the University at December 31, 2017 or 2016. Prepaid contract costs totaled \$39,183 and \$17,647 at December 31, 2017 and 2016, respectively.

3. INVESTMENTS

A summary of investments at December 31, 2017 and 2016 is set forth below:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange traded products	\$ 237,641	\$ 256,824	\$ 202,216	\$ 205,513
Mutual funds	<u>446,742</u>	<u>869,773</u>	<u>523,453</u>	<u>875,684</u>
	<u>\$ 684,383</u>	<u>\$ 1,126,597</u>	<u>\$ 725,669</u>	<u>\$ 1,081,197</u>

Investment income for the years ending December 31, 2017 and 2016 consists of:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 21,405	\$ 20,858
Net gain on investments	<u>185,185</u>	<u>95,655</u>
	<u>\$ 206,590</u>	<u>\$ 116,513</u>

Investment fees are paid to outside custodians for managing investments. These fees are included in bank and credit card fees expense on the accompanying statements of activities.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable are as follows at December 31, 2017:

2018	\$ 22,601
2019	15,500
2020	2,000
2021	1,000
2022	1,000
Thereafter	<u>4,000</u>
	<u>\$ 46,101</u>

Management believes all amounts will be received when due, therefore, no allowance for uncollectible contributions has been provided. Contributions receivable were recognized at the promised amount because management believes the difference between the promised amount and the fair present value of the promise is immaterial.

**SYSTEM DYNAMICS SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

5. FUNCTIONAL REPORTING OF EXPENSES

SDS is required to present its expenses by functional classification, which shows the amount spent for program and support services. Expenses that can be specifically identified as a program or support service are charged directly to program or support services. Costs common to both functions have been allocated among the functions benefitted. Expenses for the years ending December 31, 2017 and 2016 are functionally classified as:

	<u>2017</u>	<u>2016</u>
Program expenses - system dynamics	\$ 517,923	\$ 481,825
Support services - management and general	<u>160,044</u>	<u>150,215</u>
	<u>\$ 677,967</u>	<u>\$ 632,040</u>

6. NET ASSETS

Unrestricted Board Designated Funds

Unrestricted net assets have been designated by the Board of Directors for the following purposes at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Capital reserve	\$ 392,173	\$ 314,292
Legacy campaign	71,947	-
Executive Director salary reserve	118,580	114,133
Buffer funds	100,000	100,000
Transition costs	42,500	-
Chapter development	400,000	400,000
Jay Wright Forrester Award	100,000	100,000
PhD luncheon	<u>20,000</u>	<u>20,000</u>
	<u>\$ 1,245,200</u>	<u>\$ 1,048,425</u>

Temporarily Restricted Net Assets

The restriction on net assets relates to funds established to honor the late Dana Meadows and encourage the next generation of students in the field of system dynamics. Temporarily restricted net assets available to fund the Dana Meadows Award are summarized as follows:

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 130,737	\$ 116,806
Contribution	30,000	-
Investment income	28,305	13,931
Award provided	<u>(2,000)</u>	<u>-</u>
Ending balance	<u>\$ 187,042</u>	<u>\$ 130,737</u>

**SYSTEM DYNAMICS SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The fair value of assets measured on a recurring basis at December 31, 2017 and 2016, using Level 1 inputs, follows:

	<u>2017</u>	<u>2016</u>
Cash equivalents	\$ 13,832	\$ 11,703
Exchange traded products	256,824	205,513
Mutual funds	<u>869,773</u>	<u>875,684</u>
	<u>\$ 1,140,429</u>	<u>\$ 1,092,900</u>

Cash, accounts receivable, contributions receivable and current liabilities - carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

8. RISKS AND UNCERTAINTIES

Investments are exposed to risks, such as interest rate, market and credit risks. Due to these risks, it is at least reasonably possible that changes in the near term would materially affect the amounts reported in the statements of financial position and activities.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 11, 2018, the date on which the financial statements were available to be issued, and determined that there are no subsequent events that require recording or disclosure.

To: Policy Council of the System Dynamics Society

From: Eliot Rich, VP Finance
David Andersen, Associate VP Finance

Subject: VP Finance Narrative Report—Part III
2019 Budget Proposal

Date: 18 July 2018

This is the third of three parts to the VP Finance Report for 2018. The first part describes what happened in 2017. The second part reports on the financial aspects of the transition to CHMS. The third presents the proposed budget and asset designations for 2019 and 2020.

Our budget proposal for 2019 funds our current operations, invests in special projects and funds the remainder of our transition costs. It also presents a large operating loss that was not foreseen in last year's report. The current proposal uses the revenue conservative as in previous years, which have tended to underestimate revenue and to a lesser extent over-estimate operating and conference expenses. We anticipate that before the end of the year we will present a revised 2019 proposal for that integrates Mark Nelson and Roberta Spencer's plans for new sponsorship, revenue generation, and membership increases.

Part A: Budget Proposal for 2019

Attachment 7 to this document (Attachments 1 to 6 present details of the Society's financial performance in 2017 and were discussed in Part I of this financial report) presents a one-year Society budget that supports our current operations, moves us completely to CHMS, invests in new projects for revenue generation, and fulfills our commitments to our Home Office staff. ¹

The Society will complete the transition to CHMS administration in 2018, and gain the operational benefits of professional management, though not the full economic benefits we had anticipated last year. We also believe it prudent to present a conservative operations budget that reflects the uncertainties SDS faces with membership and conference growth. We project that SDS will post a net loss for 2018 of **-\$160,504.78**, and another net loss of **-\$120,985.05** in 2019. To cover these gaps, we will implement the adjustments to our capital reserve for 2018 and 2019.

Why are we presenting a budget with another year of losses when a year ago we projected a \$50,000 operating surplus in 2019, and what confidence do we have in this year's analysis? As noted in Part II of this report, we know more about the transition costs and end-game costs for shutting down operations at UAlbany. The total budget for the transition is within the "pessimistic scenario" from last year, but some of the outlays now extend into 2019.

Furthermore, the 2019 budget below is based on additional new data:

- Our ongoing contract with CHMS is more costly than we had anticipated to reflect the actual salary being paid to the new ED.

¹ Hints for reading the budget in Attachment 7: The four **ORANGE** colored lines under "Expenses" represent expenses that will be paid for by transfers from PC-designated or restricted assets.

- Membership and journal income are assumed to be lower than in previous years, based on recent history.
- Budgeted conference income and expenses are both lower than in recent history, as we are using the working estimates of the 2019 conference committee. Net income from conferences is the most volatile line in our budget and as of this drafting, we may make or we may lose some money in Iceland in 2018. Moving forward, we need more certainty around overall conference income.
- Office expenses are higher than last year, as we are now paying for software licenses in support of operations that were previously donated labor (Thanks again, Bob, for your years of donated software support). Offsetting this increase is a reduction in professional expenses that are now under the aegis of CHMS.
- The 2019 budget changed the method used to report transfers from assets to our operating budget in support of PC-approved designations. The change improves the transparency of the budget relative to assets.
- The 2019 budget now reflects the changes in the timing and approach for fund-raising efforts after our 2018 report.

The underlying structural operating loss, and its direct causes (decreasing membership revenue, decreasing journal revenue, fluctuating conference profitability, a wash between office staff and expenses) should not be ignored by the Society leadership and management. While we have capital reserves to support us for several years (see the next section), the PC knows the effects of inherent delays in the revenue stream on our ability to restore a pathway towards growth of the field.

When we chose to move to a professional association management firm we anticipated numerous programmatic benefits which were beyond the reach of our UAlbany-based team. Now that we are fully engaged with CHMS, we are poised to realize these benefits. Mark Nelson and Roberta Spencer, in concert with the PC and the various committees, will update the proposed budget by year’s end with what we expect will be more optimistic plans for an organized fundraising strategy, new income sources, partnerships, and other opportunities.

We believe that the Society is still facing untapped opportunities around fund-raising—opportunities that we were not able to fully capitalize on in 2017. With a new ED now on board and with resources being allocated to special projects, we believe that we have the resources to capitalize on these opportunities. These are opportunities that will require strategic attention to fund-raising approaches as well as custodial structures on the part of the Policy Council.

The VP Finance in conjunction with the AVP Finance request that the PC pass a formal motion at its Summer 2018 meeting approving the 2019 budget proposal.

Part B: Designated Uses of Society Assets

For the past several years, the last page of every annual report of the VP Finance has been dedicated to enumerating the restrictions and designations on capital assets held by the Society. The purpose of these designations has been to provide for prudent cash reserves in the form of “rainy day” funds and to clearly delineate how designated funds may be used for limited

purposes in the next budget year (e.g., support the Ph.D. luncheon, or provide support for the Field Development Fund).

The summary of assets and their designations are presented in Attachment 8—Investments-at-Glance. Below are six important points relating to this attachment:

- (1) Our assets have benefited from market appreciation in the last year. The markets can work against us in the future, and it is therefore imprudent to rely on appreciation alone to cover operating losses. 2018 and to a lesser extent 2019 are unusual years, ones that we saved for over time.
- (2) Assets used to support the Dana Meadows Awards are temporarily restricted by donor specification. All other items are designated for support from Investment Income; approved by (and hence can be changed by) a vote of the Policy Council.
- (3) Assets listed in “Investments at a Glance” under the Legacy Fund include uncollected pledges that may be at risk. This is consistent with the reporting in our audited Financial Statement.
- (4) As we had planned, releasing of the previous designation for “Executive Director” salary occurs because we now know that we do not need to hold these fees to cover a possible termination of Roberta Spencer’s contract with UAlbany (because in 2018 she retires from UAlbany). This action frees up funds sufficient to cover other expenses such as the transition of the Home Office, and almost all of the continuity payments to our UAlbany staff. Roberta Spencer’s new role in Special Projects is treated as an operating expense without a designated asset behind it.
- (5) The funds collected from the Legacy Campaign are segregated from other funds in an independent account, and 2018 income does not appear in our Budget, as there is no programmatic use for the funds at this time. We still track the Legacy Fund as a Balance Sheet Assets and in our unofficial Investments-At-A-Glance.
- (6) The losses from operations (Net Ordinary Income/Expense) that are drawing down our reserves can be broken into two parts, reflecting non-recurring and recurring expenses. If our structural deficit holds, and we continue to transfer all income from our investments and if our investments continue to hold their value, we will reduce the capital reserve each year by about **-\$26,562.05**. While this is worrisome, and certainly based on uncertain assumptions, we do have sufficient reserves to cover this recurring depletion for several years before it affects our reserves budgeted for operating expenses.

- 2019 Budgeted NOI/NOE -\$203,581.30
 - i. 2019 Non Recurring (Spencer, Bahaddin) - 94,423.00
 - ii. 2019 Recurring Loss from operations -109,158.30
- 2019 Budgeted Xfers from Investments \$ 82,596.25
- Recurring Depletion Reserves -\$ 26,562.05

The VP Finance in conjunction with the Associate VP Finance requests that the Policy Council pass a formal motion at its Summer 2018 meeting approving the asset designations listed in Attachment 8 of this document.

Attachments:

VP Finance Narrative Report Part III – Budget Proposal

- (1 through 6)** Reports for the year 2017 contained and described in Part I of VP Finance Report
- (7)** 2018 and 2019 Proposed Budget System Dynamics Society
- (8)** Investments-at-a-Glance as of December 31, 2017

Attachment 7
 2018 VP Finance Report
 System Dynamics Society
 2018 Budget (with post-Summer adjustments) compared to 2019 Budget Proposal

	Budget approved with adjustments 2018	Proposed Budget 2019
Ordinary Income/Expense		
Income		
INC Conferences	308,909.51	293,810.00
Journal Income	85,173.00	80,063.00
Membership Dues	71,574.66	61,554.00
Other Income		0.00
Products	48,855.36	48,562.00
Shipping and Handling Income	7,188.72	23,004.00
Sponsor Dues and Donations	51,079.20	61,295.00
Summer School Income	11,160.00	0.00
Total Income	583,940.45	568,288.00
Cost of Goods Sold		
Cost of Goods	9,517.62	9,518.00
Total COGS	9,517.62	9,518.00
Gross Profit	574,422.83	558,770.00
Expense		
Awards-Dana Meadows (1 and 2)	2,000.00	5,000.00
Awards-Others	6,000.00	6,000.00
Bank & CC Fees	13,088.24	18,585.00
Field Dev (\$20K Max)	20,000.00	20,000.00
Contracted Expenses at UAAlbany	229,804.41	
Continuity of Employment	116,008.60	31,970.00
Contracted Expenses CHMS	162,394.86	340,800.00
R SpencerSpecial Projects	15,696.80	62,453.00
EXP Conferences	151,736.00	173,806.00
Insurance	6,232.60	3,116.00
Interest Exp		
Journal Expense	23,000.00	23,000.00
Marketing (Sponsor Trade)		-
Miscellaneous Expense	1,015.20	1,015.00
Office Expense	5,171.00	40,564.00
Officer Expenses (=Travel CPA)	7,794.15	8,496.00
PHD Stud Chapt Support @ Conf	1,000.00	1,000.00
Professional Fees	47,080.00	26,546.30
Summer School Expense	9,252.00	-
Total Expense	817,273.86	762,351.30
Net Ordinary Income (inc. expense supported by inv inc)	-242,851.03	-203,581.30
Other Income/Expense		
Other Income		
Xfer of Investment Inc from Undesignated Assets	53,346.25	50,596.25
Xfer of Income from DM award assets	2,000.00	5,000.00
Xfer of Income from Designated Assets	27,000.00	27,000.00
Total Other Income	82,346.25	82,596.25
Net Other Income	82,346.25	82,596.25
Net Income	-160,504.78	-120,985.05

Attachment 8
System Dynamics Society
Investments At-a-Glance

		Goal Amounts as of Jun 30, prev. year		Designated Net Assets as of Dec 31st each year	
		for 2018	for 2019	2017, Actual	2018, Est.
Reserves for Rainy Day Expenses					
	Capital Reserve	500,000	500,000	142,860	103,935
	Executive Director's Salary Reserve***		0	118,580	0
	Operating Surplus/ "Buffer Funds"	100,000	100,000	100,000	100,000
Sub-total Reserves-Rainy Day		\$600,000	\$600,000	\$361,440	\$203,935
Reserves Budgeted for Operating Expenses					
	Chapter/Field Development Fund	400,000	400,000	400,000	400,000
	Jay Wright Forrester Award	100,000	100,000	100,000	100,000
	Dana Meadows Award1 annual student award*	116,806	116,806	157,042	157,042
	Dana Meadows Award2 Ten-year special award*	27,000	24,000	30,000	27,000
	Legacy Campaign	71,947	71,947	71,947	71,947
	PhD Luncheon/Support	20,000	20,000	20,000	20,000
Sub-total Reserves-OpExp		\$735,753	\$732,753	\$778,989	\$775,989
Fair Value of Financial Instruments at year end**		\$1,335,753	\$1,332,753	\$1,140,429	\$979,924

*Classed as Temporarily Restricted Net Asset. Annual award account currently exceeds amount needed to fund award. Ten-year special award to be drawn down from payment.

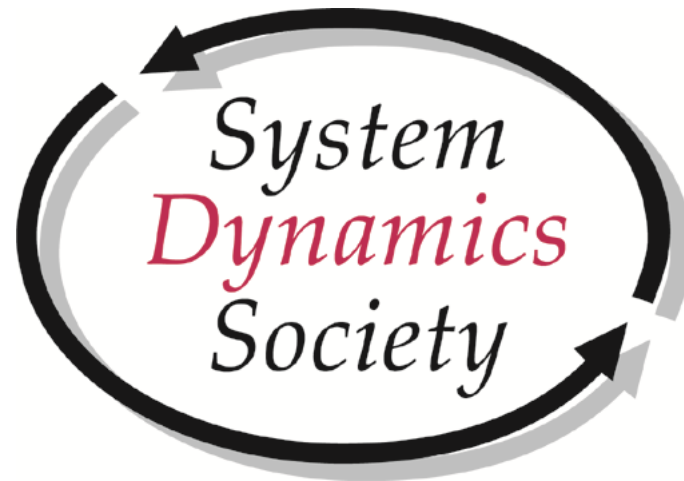
**Previously Total Assets/Equity

***This designation no longer needed after move from UAlbany to CHMS

System Dynamics Society
 Revenue & Expense - 3 Years

2018 & 2019 Budget

	2018		2019		2019 without	2019	Notes on Changes or Assumptions	Difference
	Budget approved with adjustments 2018	Actual 2018	Temporarily Approved Budget 2019	Proposed Adjusted Budget 2019	transition costs 2019	Transition Costs 2019		
Ordinary Income/Expense					(Structural)	(Transition)		
Income								
Operations and Home Office Income								
Membership Dues	71,574.66		61,554.00	61,554.00	61,554.00			
Sponsor Dues and Donations	51,079.20		61,295.00	61,295.00	61,295.00			
Other Income			0.00	10,000.00	10,000.00		Signing bonus from Wiley	10,000.00
Products	48,855.36		48,562.00	48,562.00	48,562.00			
Shipping and Handling Income	7,188.72		23,004.00	23,004.00	23,004.00			
Total Operations and Home Office	178,697.94		194,415.00	204,415.00	204,415.00			
Conference and Summer School Income								
INC Conferences	308,909.51		293,810.00	212,330.00	212,330.00		Adjusted Conference Revenue	(81,480.00)
Summer School Income	11,160.00		0.00	40,000.00	40,000.00		Add Summer School to SDS Budget	40,000.00
Total Conference and Summer School Income	320,069.51		293,810.00	252,330.00	252,330.00			
Journal Income								
Journal Income	85,173.00		80,063.00	80,063.00	80,063.00			
Total Journal Income	85,173.00		80,063.00	80,063.00	80,063.00			
Total Income	583,940.45		568,288.00	536,808.00	536,808.00			
Cost of Goods Sold								
Cost of Goods	9,517.62		9,518.00	9,518.00	9,518.00		Note: Not true COGS being calculated	
Total COGS	9,517.62		9,518.00	9,518.00	9,518.00			
Gross Profit	574,422.83		558,770.00	527,290.00	527,290.00	0.00	Net Revenue Change	(31,480.00)
Expense								
Awards and Programs								
Awards-Dana Meadows (1 and 2)	2,000.00		5,000.00	5,000.00				
Awards-Others	6,000.00		6,000.00	6,000.00				
Field Dev (\$20K Max)	20,000.00		20,000.00	20,000.00				
PHD Stud Chapt Support @ Conf	1,000.00		1,000.00	1,000.00				
Total Awards and Programs	29,000.00		32,000.00	32,000.00	32,000.00			
Operations and Home Office								
Bank & CC Fees	13,088.24		18,585.00	18,585.00	18,585.00			
Contracted Expenses at UAlbany	229,804.41			14,000.00		14,000.00	T UAlbany Union Contract back payments	14,000.00
Contracted Expenses CHMS	113,823.86		340,800.00	340,800.00	340,800.00			
Insurance	6,232.60		3,116.00	3,116.00	3,116.00			
Interest Exp			-	-	0.00			
Marketing (Sponsor Trade)			-	10,000.00	10,000.00		Proposed Marketing Fund	10,000.00
Miscellaneous Expense	1,015.20		1,015.00	1,015.00	1,015.00			
Office Expense	5,171.00		40,564.00	40,564.00	40,564.00			
Officer Expenses (=Travel CPA)	7,794.15		8,496.00	8,496.00	8,496.00			
Professional Fees	47,080.00		51,546.30	76,546.30	76,546.30		Incl. funds for legal and fundraising	25,000.00
Total Operations and Home Office	424,009.46		464,122.30	513,122.30	499,122.30			
Transition, Continuity and Special Projects								
Contracted Expenses CHMS	48,571.00							
Continuity of Employment	116,008.60		31,970.00	31,970.00		31,970.00	T Babak	
R Spencer/Special Projects	15,696.80		62,453.00	62,453.00		62,453.00	T R Spencer	
Total Transition, Continuity and Special Projects	180,276.40		94,423.00	94,423.00		94,423.00		
Conference Expenses								
EXP Conferences	151,736.00		173,806.00	106,159.00	106,159.00		Adjusted Conference Expense	(67,647.00)
Summer School Expense	9,252.00		0.00	30,000.00	30,000.00		Summer School Expense	30,000.00
Total Conference Expenses	160,988.00		173,806.00	136,159.00	136,159.00			
Journal Expenses								
Journal Expense	23,000.00		23,000.00	23,000.00	23,000.00			
Total Journal Expenses	23,000.00		23,000.00	23,000.00	23,000.00			
Total Expense	817,273.86		787,351.30	798,704.30	690,281.30	108,423.00	Net Expense Change	11,353.00
Net Ordinary Income (including expense supported by Other Income/Expense)	-242,851.03		-228,581.30	-271,414.30	-162,991.30	-108,423.00		
Other Income								
Xfer for Legacy Fund Support Designated Assets	0.00		0.00	0.00	0.00			
Xfer of Investment Income from Undesignated Assets	53,346.25		50,596.00				Remove investment income from Ops	(50,596.00)
DMA2 (principal and interest)			-	0.00				
Xfer of Income from DM award assets	2,000.00		5,000.00	5,000.00	5,000.00			
Xfer of Income from Designated Assets	27,000.00		27,000.00	27,000.00	27,000.00			
Total Other Income	82,346.25		82,596.00	32,000.00	32,000.00			
Net Other Income	82,346.25		82,596.00	32,000.00	32,000.00			
Net Income	-160,504.78		-145,985.30	-239,414.30	-130,991.30	-108,423.00	Total Net change from Original Budget	(93,429.00)
					(Structural)	(Transition)	Material Net change from Original Budget	(42,833.00)



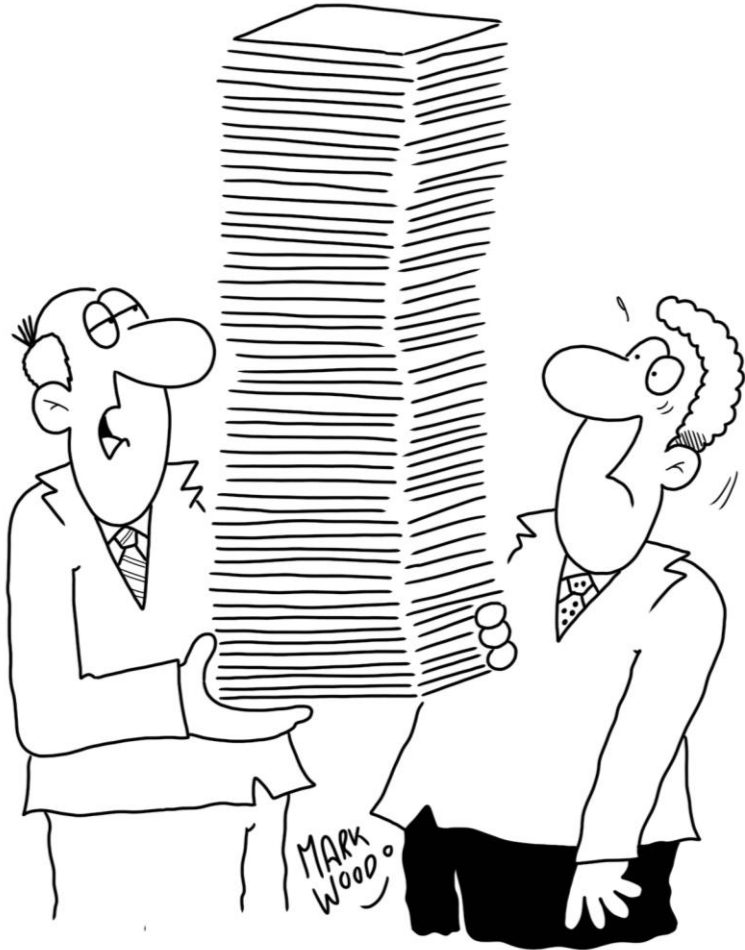
Future of the Society

Refocusing on the Needs of Members

DRAFT v 2.5 For constructive feedback and conversation.

Mark R. Nelson, PhD, MBA, CAE
Executive Director, System Dynamics Society

SOME HARD TRUTHS



"Welcome aboard as our new problem solver, here are a few to get you started."

- **The Society, and perhaps the field, are not currently sustainable.**
 - New member retention is low, and existing membership is aging.
 - Perceived quality of work is declining.
 - Multiple policy challenges exist and governance models need to be improved to support change and innovation.
 - The outside reputation of the Society and the field is not favorable in many quarters.
 - The Society's burn rate on financial reserves leaves a short timeframe to turn things around.
- **To grow quality and improve sustainability, we must invest in programs and services for members that fill existing gaps and needs.**
 - The Society focuses largely on current experts and less on building the pipeline of future experts and future field leaders.
 - There is little scaffolding to enable individuals to become interested in system dynamics, or once interested, to grow in expertise.
 - We are better at creating reasons not to do things than we are at solving the challenges that face our members.
 - There are few member benefits, and we give most potential benefits away, eroding both their value and the value of membership.

Progress will not happen without substantive change.

The Society is at a pivotal moment in its history that will determine its survival and future success.

Both current and long-term trends in membership data and demographics suggest that it is time for the Society to take a new approach to achieving its mission.

Forward movement will require collective commitment to action and a shift in focus toward building the next generation of the field.



**WELL, PERHAPS YOU'D LIKE
OUR ECONOMY MODEL!**

MISSION

(Proposed)

The System Dynamics Society is an international, non-profit organization devoted to encouraging the development and use of system dynamics and systems thinking around the world.

It is the mission of the System Dynamics Society to grow the size, quality, visibility, and impact of the field of System Dynamics through education, outreach and member support.

Goals by 2025



CartoonStock.com

By 2025, the Society will:

1. Increase the value of membership for all members ... by developing the programs and services targeted to the needs of our evolving membership base.
2. Enhance the reach, depth, and quality of its communications and channels ... for disseminating information and knowledge about SD.
3. Expand its presence and impact in the pre-college environment and local chapter communities ... to promote and extend access to education on SD at a global level.
4. Grow the ranks and support for doctoral students and early career professionals ... to enable greater diversity and strengthen the future core of the field.
5. Be financially stronger to support the mission ... having eliminated its structural deficit, developed new sources of operating funds, and grown its endowed resources.
6. Be a more visible and understandable presence ... across a broader range of academic disciplines and fields of practice.

2019 Priorities and The Pursuit of **BLISS**

- Broaden Educational Offerings
- Leverage Program Opportunities
- Improve New Member Retention
- Stabilize Operations
- Strengthen Governance



The Elements of BLISS

Broaden Educational Offerings ■

Leverage Program Opportunities ■

Improve New Member Retention ■

Stabilize Operations ■

Strengthen Governance ■

SAMPLE Areas to Develop Tactics

Webinars ■■

Body-of-Knowledge (BOK) resources ■

Summer School-in-a-box ■■■

SDS Wisdom Blog ■

Evaluate and repackage member benefits ■■

Enhance Journal Visibility ■■

Lost member survey ■

Strengthen Chapters & SIGs ■■■■

New member welcome experience ■■

Legal Compliance and Policy Updates ■

Create fundraising and revenue plans ■

Align VP activities to goals ■■

Evaluate and redesign governance model ■■

Engage in succession planning ■

Increase transparency ■

Engage more members ■

Guiding Values
for Achieving
BLISS
as a
Member-driven
Association

COMMUNITY	The Society seeks to maintain and strengthen the SD community both within academic and practitioner domains, for the benefit of the field and society.
TRANSPARENCY	The Society promotes transparency in its operations and decision making.
AGILITY	The Society seeks to be agile in making decisions and responding to opportunities and other environmental changes.
DATA DRIVEN	The Society values data-driven decision making and the utilization of evidence to evaluate choices and progress toward its mission.
IDEA	The Society embraces the principles of Inclusion, Diversity, Equity, and Access in all activities and outcomes.
ORGANIZATIONAL MEMORY	The Society values its history and the institutional memory distributed throughout its leadership, members, and volunteers.
QUALITY	The Society seeks to continuously improve the quality of the field and its own contributions to the field's development and growth.
COLLABORATION	The Society encourages collaboration among stakeholders, and favors collaborative approaches to decision making.
INNOVATION & OPENNESS	The Society thrives upon openness to different perspectives and new ideas, and pursues innovation in ways that add value to members and support the mission.

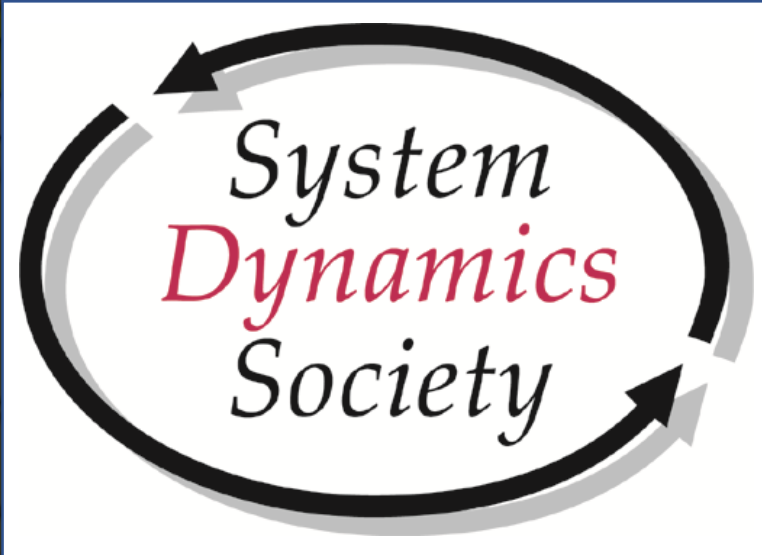
Moving **BLISS** from Ideas to Action



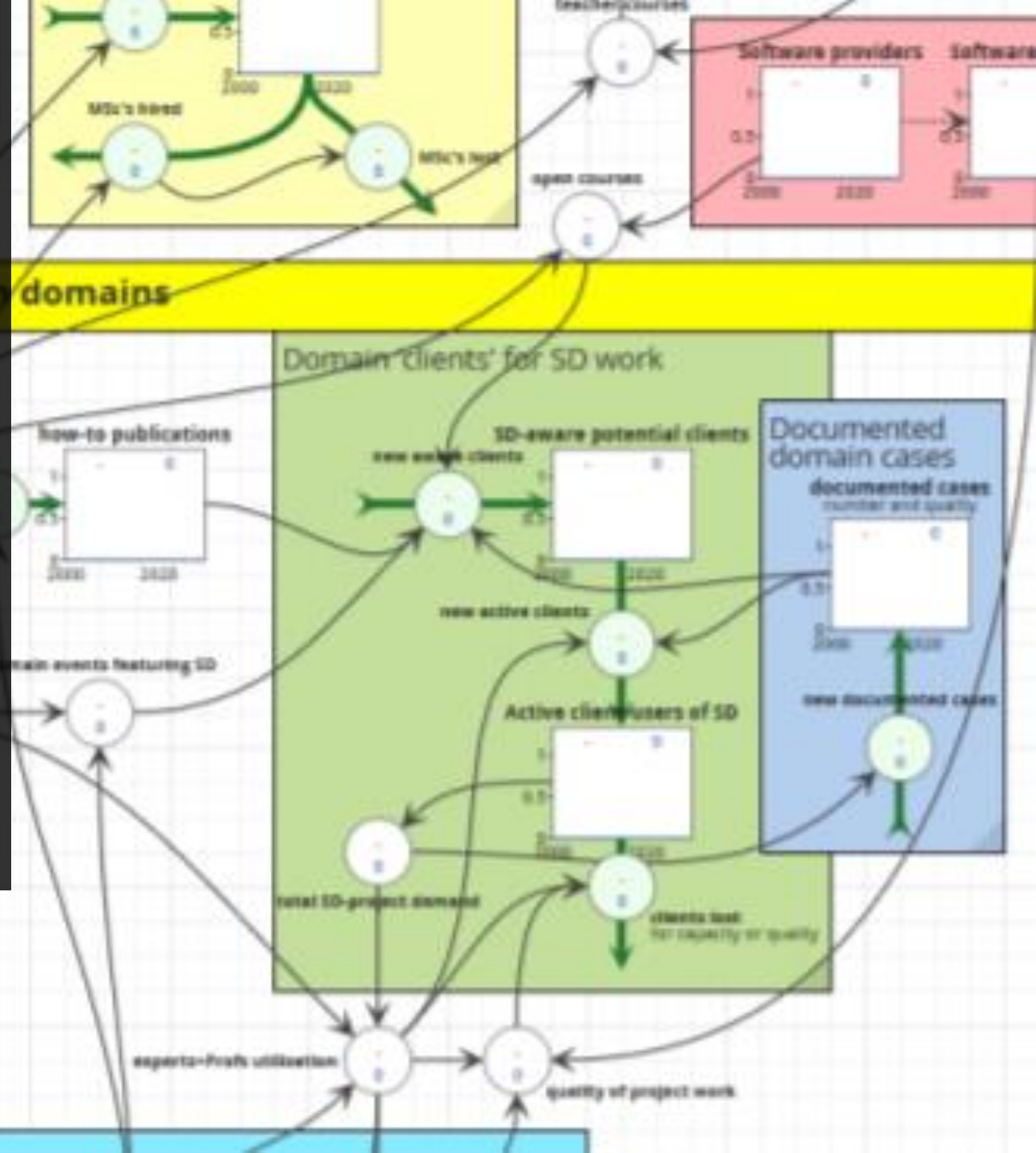
**"We can't always wing it with quick fix solutions.
We need an effective long term miracle."**

- **Create BLISS Teams**
 - Map every Policy Council member to one of the five elements of BLISS
 - Each team is to be lead by a non-VP member of the Policy Council
 - Non-PC volunteers may be added to each team
- **Team Task #1: Create Action Plans**
 - Map specific activities, tactics, initiatives and metrics to each element of BLISS at the team level
 - ASANA will be available to each team to assign responsibilities, track progress on initiatives, manage connections between teams, and to link initiatives into regular Society operations
 - By the July Policy Council Meeting each BLISS Team should have a proposed plan with metrics and activities for achieving their element of BLISS

Let's Achieve BLISS Together



Questions and Constructive
Feedback are Welcome



Future of the Field

Strategic Framing for a Five Year Horizon

DRAFT v 1.2 For constructive feedback and conversation.

Mark R. Nelson, PhD, MBA, CAE
Executive Director
System Dynamics Society
DRAFT v 1.2 – Initial Thoughts

Future of the Field

Strategic Framing for a Five Year Horizon

SIMPLIFIED OVERVIEW & DISCLAIMER

- The pages which follow contain **sample ideas** for focusing initiatives to advance the Mission, Vision, and Goals of the Society. These came from 100+ conversations with Society members and stakeholders, documentation, and models elsewhere.
- This is just a **first draft** and there is **no specific commitment** to any sample initiatives identified or language used. The intent here is three-fold:
 - a) To be more illustrative of what the area might encompass.
 - b) To provide a basis point for further collaboration and discussion.
 - c) To encourage discussion and feedback on select ideas to see where interest and commitment reside among member segments.
- Accomplishing all of the initiatives listed here would be a significant stretch with current infrastructure and resources. As we evaluate and prioritize ideas for focus, we also need to consider the resource requirements and capabilities required for execution.

Future of the Field

Strategic Framing for a Five Year Horizon

PROCESS OVERVIEW

July-August	Listening and learning, forming initial draft (1.0).
August-October	Review first draft with Strategy Committee, then full Policy Council and Past Presidents; continue listening and learning conversations.
October-November	Produce second draft (2.0) with updated information from feedback and conversations. Work with Strategy Committee to revise and begin closer linkage to existing strategy model. Continue to bring others into the discussion and socialize the emerging plan more broadly for feedback.
December-January	Continue to work with Strategy Committee to refine plan, develop metrics, and link to existing strategy model. Target: have a more complete version (3.0) ready to share with the Policy Committee in advance of February Policy Council Meeting.
February	Policy Council meets; agenda item to discuss current plan and agree to next steps.

Future of the Field

Strategic Framing for a Five Year Horizon

FOUR QUESTIONS TO ANSWER:

1. What are we aiming to accomplish?	[See Mission/Vision/Values]
2. What are our key strategies for making that happen?	[See Focus Areas]
3. What are our capabilities for doing this?	[See Critical Levers]
4. How will we know we are making progress?	[Plans & Metrics -- to be developed]

Future of the Field

Strategic Framing for a Five Year Horizon

Overview

Q1. What are we aiming to accomplish?

Q2. What are our key strategies for making that happen?

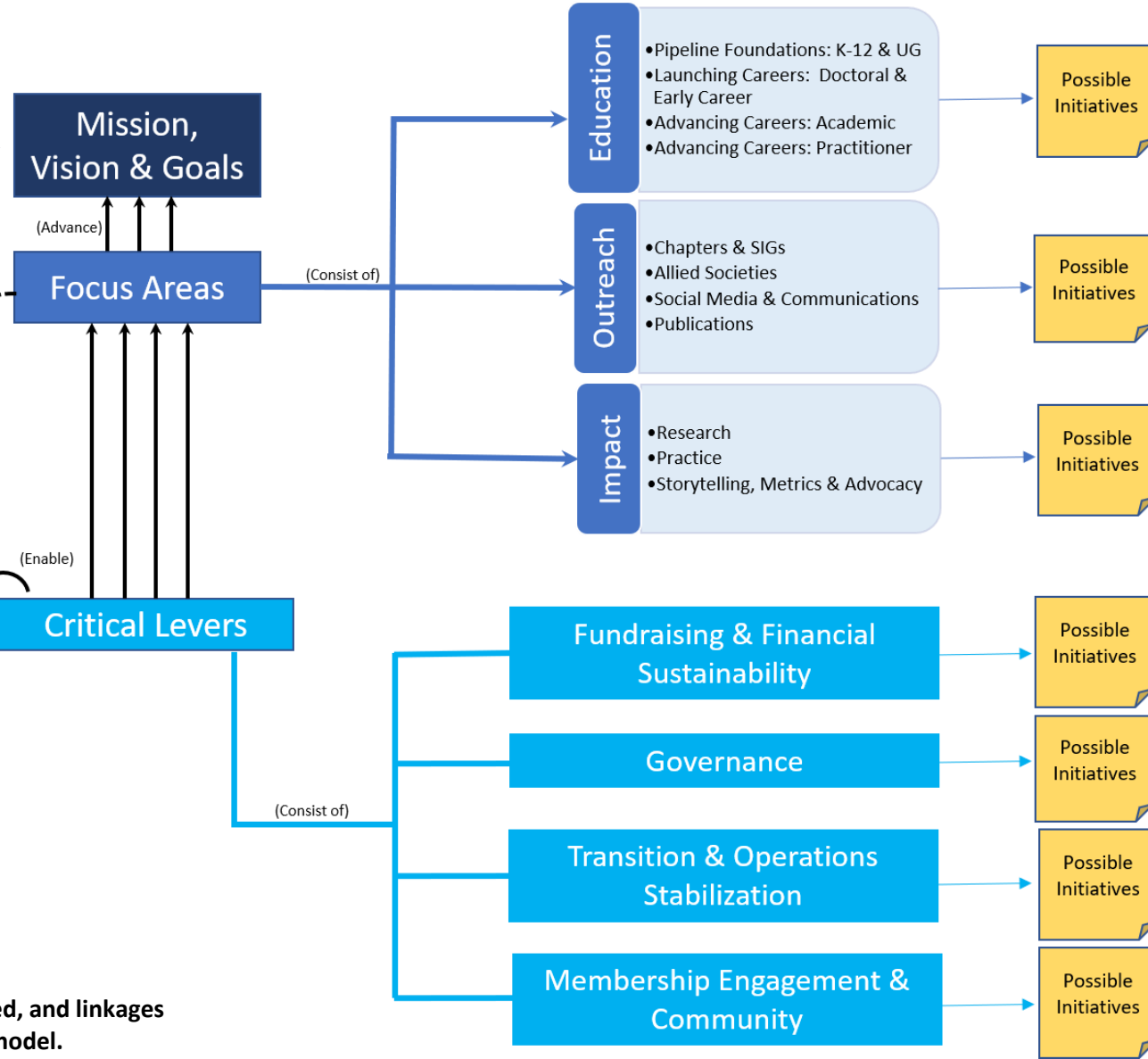
These focus areas guide the prioritization and selection of initiatives that directly advance the mission.

Q3. What are our capabilities for doing this?

These critical levers guide the prioritization and selection of initiatives that build and strengthen the core capabilities necessary to enable successful execution of strategies that directly advance the mission.

Q4. How will we know we are making progress?

Metrics to be determined, and linkages to strategy committee model.



Future of the Field

Strategic Framing for a Five Year Horizon

QUESTION ONE:

What are we aiming to accomplish?

Future of the Field

Strategic Framing for a Five Year Horizon

MISSION: (FROM THE ARTICLES OF INCORPORATION FOR THE SOCIETY)

It is the mission of the System Dynamics Society to promote System Dynamics through conferences, publications, journals and other activities. The objectives of the Society shall be:

- to identify, extend and unify knowledge contributing to the understanding of feedback control systems;
- to promote the design of structures and policies to improve the behavior of such systems;
- to promote the development of the field of system dynamics and the free interchange of information about systems as they are found in all fields of endeavor;
- to promote the dissemination of information on such topics to the general public; and
- to encourage and develop educational programs in the behavior of systems.

Future of the Field

Strategic Framing for a Five Year Horizon

VISION:

The System Dynamics Society seeks a future where all citizens receive education on SD concepts as part of a modern education, and where SD principles and practices are commonly applied on a global level to better inform decision-making in government, commerce, and other organizations. People with authority will be aware of how system dynamics can raise the effectiveness of the organizations they lead. Powerful examples of its impact will be widely known amongst the general public, and across a wide range of professions, industries, and fields of endeavor.

(My draft formulation, drawing from the 2012 vision statement, current conversations, and other considerations).

Future of the Field

Strategic Framing for a Five Year Horizon

FIVE YEAR GOAL STATEMENT:

In five years' time, the Society will:

- Be financially stronger, having eliminated its structural deficit, developed new sources of operating funds, and grown its endowed resources.
- Have expanded presence in the pre-college environment and local chapter communities to promote and extend access to education on SD at a global level.
- Be a more visible and understandable presence across a broader range of academic disciplines and fields of practice.
- Have enhanced the reach, depth, and quality of its communications and channels for disseminating information and knowledge about SD.
- Have expanded the ranks and grown support for doctoral students and early career professionals to enable greater diversity and strengthen the future core of the field.

Future of the Field

Strategic Framing for a Five Year Horizon

VALUES:

From conversations.
In no particular order.

- COMMUNITY** The Society seeks to maintain and strengthen the SD community both within academic and practitioner domains, for the benefit of the field and society.
- TRANSPARENCY** The Society promotes transparency in its operations and decision making.
- AGILITY** The Society seeks to be agile in making decisions and responding to opportunities and other environmental changes.
- IDEA** The Society embraces the principles of Inclusion, Diversity, Equity, and Access in all activities and outcomes.
- INSTITUTIONAL MEMORY** The Society values its history and the institutional memory distributed throughout its leadership, members, and volunteers.
- QUALITY** The Society seeks to continuously improve the quality of the field and its own contributions to the field's development and growth.
- COLLABORATION** The Society encourages collaboration among stakeholders, and favors collaborative approaches to decision making.
- SUSTAINABILITY** The Society continues to grow its commitment to accepted principles and guidelines for global environmental sustainability.
- INNOVATION & OPENNESS** The Society thrives upon openness to different perspectives and new ideas, and pursues innovation in ways that add value to members and support the mission.

Future of the Field

Strategic Framing for a Five Year Horizon

QUESTION TWO:

What are our key strategies for making that happen?

Future of the Field

Strategic Framing for a Five Year Horizon

Focus Areas

Focus areas define the primary strategic initiatives we would pursue to achieve the organization's mission and vision. Focus areas help us to align our activities, resources, decision making, and messaging as we develop capabilities and expend resources. They define the primary scope of our strategic efforts.

EDUCATION

Expand field impact, visibility and support future growth and sustainability through education-focused initiatives.

Pipeline
Foundations:
K-12 & UG

Launching
Careers:
Doctoral &
Early Career

Advancing
Careers:
Academic

Advancing
Careers:
Practitioner

OUTREACH

Increase the visibility of SD outside of the Society and strengthen local SD efforts and communities.

Chapters
& SIGs

Allied
Societies

Social Media &
Communications

Publications

IMPACT

Capture, communicate, and extend the positive effects and outcomes of SD at global and local levels.

Research

Practice

Storytelling,
Metrics &
Advocacy

Focus Area: **EDUCATION**

Expand field impact, visibility and support future growth and sustainability through education-focused initiatives.

Pipeline Foundations: K-12 & UG

E-A1. Deepen partnership with Creative Learning Exchange, perhaps bring “in-house” to support succession planning; work on joint funding efforts.

E-A2. Craft initial scaffolding for content standards around B. Richmond’s 8 System Thinking Skills; Create pathway for standards introduction (advocacy, structure, research validation, etc.)

E-A3. Promote SD with allied societies, particularly AERA, CSTA, NSTA, NCTM, ISTE, and others; promote teaching resources, books, curricula, tools, etc.

E-A4. Look at creative initiatives, e.g, UG game design and NASPAA modeling competition to create learning experiences for teachers and students.

Launching Careers: Doctoral & Early Career

E-B1. Develop funding mechanisms to support doctoral consortium, student attendance at the annual conference, and the student chapter more broadly.

E-B2. Move toward “Summer School in a Box” that can be replicated by Chapters globally and to increase access; Program should have quality control to ensure consistent experiences across instantiations

E-B3. Further develop online peer and expert mentoring programs to support and encourage young professionals to deepen their expertise in and connection to SD

Advancing Careers: Academic Professionals

E-C1. Continue to strengthen the SDR to increase its value and impact as the flagship journal for the SD field.

E-C2. Continue to strengthen the Annual conference experience as an avenue to build community among the SD field, and among the SD research community in particular.

E-C3. Create a SD Fellows program to publicly recognize and promote the work of SD members and engage their expertise in key challenges facing the future of the field.

Advancing Careers: Practitioner Professionals

E-D1. Begin development of a BOK for SD to guide professional practice toward quality standards.

E-D2. Develop micro-credentials program to track educational achievements in SD knowledge and practice; potentially link to other certification programs or consider future certification program.

E-D3. Create a separate conference focused on the practice of SD, or strengthen practice tracks in current conference. Include case studies of SD in practice; education; and networking.

AERA = American Educational Research Association

CSTA = Computer Science Teachers Association

NSTA = National Science Teachers Association

NCTM = National Council of Teachers of Mathematics

ISTE = International Society of Technology Educators

NASPAA = National Association of Schools of Public Affairs and Administration

BOK = Body of Knowledge

Focus Area: **OUTREACH**

Increase the visibility of SD outside of the Society and strengthen local SD efforts and communities.

Chapters & SIGs	Allied Societies	Social Media & Communications	Publications
<p>O-A1. Craft programs to bring SD education and resources to local chapter communities. (Such as E-B2).</p>	<p>O-B1. Identify and establish deeper relationships with allied societies (e.g., AERA); seek collaborative opportunities for mutual benefit.</p>	<p>O-C1. Increase utilization of social media and communication channels to increase SD visibility.</p>	<p>O-D1. Continue to promote and develop SDR in the context of O-C2, and E-C1, and recommendations from publisher to enhance visibility.</p>
<p>O-A2. Improve integration and visibility of regional activities and Chapters outside of the US & Europe, with particular emphasis on the Asia Pacific region and Latin America.</p>	<p>O-B2. Also consider allied organizations, such as the United Nations, or Associations and Foundations in industries where SD has broader impact (e.g., health, energy management, etc.) to build awareness and relationships.</p>	<p>O-C2. Focus on Wiley AltMetrics to increase visibility and impact of SDR. Apply same metrics to other programs.</p>	<p>O-D2. Create special issues of SDR, such as collected works and retrospective collections as reference pieces. (IRI Model).</p>
<p>O-A3. Better leverage SIGs through special publications or collaborative efforts with allied societies to generate special journal issues or conference sessions with an SD focus.</p>	<p>O-B3. Co-brand simulation competition in partnership with NASPAA and potentially replicate model in other contexts.</p>	<p>O-C3. Launch a multi-channel blog focused on SD news, practice, and developments.</p>	<p>O-D3. Identify and pursue future special issues, guided by SIGs in topic areas.</p>
		<p>O-C4. Re-evaluate website resources and navigation and continue to renew and add value to the site.</p>	<p>O-D4. Develop and promote other publications (books, manuscripts, white papers, articles, teaching guides, etc.) targeted to specific needs or audiences.</p>

Research	Practice	Storytelling, Metrics & Advocacy
<p>I-A1. Create short narratives or videos that convert Research into communication pieces for media and public.</p>	<p>I-B1. Further develop and promote cases of SD applied in practice through a series of white papers and short videos targeted to specific audiences.</p>	<p>I-C1. Craft metrics that show the impact of SD; convey those through infographics and video to different audiences.</p>
<p>I-A2. Encourage/support research for the assessment of SD learning outcomes to enable broader adoption of SD concepts in schools.</p>	<p>I-B2. Identify new domains of practice where SD concepts could have significant impact.</p>	<p>I-C2. Create an advocacy plan and tools members can use to advocate for government support and funding of SD-related education, research, and projects.</p>
<p>I-A3. Implement an optional automated model validation tool for conference papers to enable those submitting models an opportunity for additional actionable feedback and evaluation of their models.</p>	<p>I-B3. Engage practitioner community in applied research efforts that address issues of SD in practice or widespread public challenges.</p>	<p>I-C3. Create and utilize an impact dashboard and model to track SD utilization, identify potential stories, and increase visibility of field.</p>
	<p>I-B4. Create X-Prize like competition based on grand challenges facing the world where SD could make an impact.</p>	<p>I-C4. Create and promote programs to increase inclusion, diversity, equity, and access to broaden the demographic profile of the field and profession.</p>

Future of the Field

Strategic Framing for a Five Year Horizon

QUESTION THREE:

What are our capabilities for doing this?

Future of the Field

Strategic Framing for a Five Year Horizon

CRITICAL LEVERS

Critical levers identify core competencies and capabilities required to move the Focus Areas forward. Critical levers may have a shorter time-frame and more operational focus. As various levers become stronger and other initiatives progress, some levers may be replaced or removed from the framing model.

FUNDRAISING & FINANCIAL SUSTAINABILITY

Increase the financial health and sustainability of the Society to eliminate the structural operating deficit and generate resources to further support the mission and focus areas.

GOVERNANCE

Strengthen the governance structures and model of the Society with the values of transparency, agility, IDEA*, institutional memory, quality, and collaboration maintained or enhanced.

TRANSITION & OPERATIONS STABILIZATION

Complete transition of activities from UAlbany to CHMS and continue to evaluate and improve operating practices and infrastructure under this new model.

MEMBERSHIP ENGAGEMENT & COMMUNITY

Expand opportunities for meaningful engagement experiences for all segments of the Society membership, foster IDEA principles in the field, and further enable the community aspects of the Society's culture.

Critical Lever: FUNDRAISING & FINANCIAL SUSTAINABILITY

Increase the financial health and sustainability of the Society to eliminate the structural operating deficit and generate resources to further support the mission and focus areas.

Fundraising

F-A1. Evaluate current status of Legacy Fund and process to ensure it has the impact intended by contributors.

F-A2. Establish structure and plan for future fund-raising efforts that could include contributions from a mix of individual, corporate, and grant-based funding sources in support of endowment and strategic initiatives.

F-A3. Create specific programs based on market testing and data as focal points for fundraising campaigns (e.g., underwrite doctoral student consortium, new award programs, new program development costs, or research fellowships)

Financial Sustainability

F-B1. Develop and execute a plan to eliminate the ongoing structural deficit of the Society through growth in operating income and attention to operating expenses and efficiency.

F-B2. Increase financial literacy within the Society and develop a model to assess the return on impact from financial and strategic decisions.*

F-B3. Implement programs to offset current declining revenue or create new revenue streams. (E.g., Beer Game application, online T-shirt sales to support doctoral students, etc.).

* The strategy model developed by Kim Warren (et al.) for the Society could be an excellent tool for measuring ROI.

Critical Level: **GOVERNANCE**

Strengthen the governance structures and model of the Society with the values of transparency, agility, IDEA*, institutional memory, quality, and collaboration maintained or enhanced.

PC Governance

G-A1. Evaluate and evolve the governance model in use by the PC. This should include structural and procedural modifications as necessary to enhance Society values. Items for consideration include things like term limits, creating an executive committee, PC size, PC member responsibilities, and succession planning within the PC.

G-A2. Implement standard board-leadership practices in the PC. This may include PC orientation for new members and ongoing PC member education; standardizing both ED and PC assessment models; reviewing ethics and transparency conventions; and adoption of IDEA-based practices and policies.

G-A3. Bring Policies and Procedures up to date with current practices in related organizations; might include things like adopting a code of ethics for the Society.

General Governance

G-B1. Evaluate committee structures and composition, including committee goals and responsibilities.

G-B2. Ensure mechanisms to align activities of committees, chapters, and SIGS with the strategic goals and initiatives of the Society (and vice versa).

G-B3. Establish an ongoing metrics/dashboard and reporting model to support transparency and monitor progress.

Critical Lever:

TRANSITION & OPERATIONS STABILIZATION

Complete transition of activities from UAlbany to CHMS and continue to evaluate and improve operating practices and infrastructure under this new model.

Transition Completion

T-A1. Complete the transition of operations from UAlbany to CHMS.

T-A2. Ensure transition continues to move toward completion, and utilize mechanisms to address short-term gaps or cracks that occur.

T-A3. Complete transfer of materials to the U Albany Archives

Operational Improvements

T-B1. Accelerate implementation of new practices where improvements can be gained in efficiencies and outcomes. Prioritize evaluation of processes linked to eventual strategic priorities.

T-B2. Monitor or evaluate new practices to ensure they continue to reflect and empower organizational values and community culture.

T-B3. Assess and prioritize processes most likely to yield significant improvements in operational efficiency and/or effectiveness.

Critical Lever: **MEMBERSHIP ENGAGEMENT
& COMMUNITY**

Expand opportunities for meaningful engagement experiences for all segments of the Society membership, foster IDEA principles in the field, and further enable the community aspects of the Society's culture.

Engagement

M-A1. Evaluate breadth of engagement opportunities and how those align to member segments; design new opportunities for under-engaged member segments.

M-A2. Assess member engagement profile and move toward a portfolio of engagement opportunities across a spectrum that enable easier member engagement in meaningful volunteer and non-volunteer experiences.

M-A3. Make Survey of Practice a more routine activity on an annual basis.

Community

M-B1. Conduct a member satisfaction survey to assess their experience, identify member segments and their needs and wants, build a value model for use in creating new products and services.

M-B2. Implement an evaluation model for new and existing programs to assess their contribution to the sense of community within the Society.

M-B3. Adopt IDEA principles to encourage greater diversity of thought and perspective both in the Society and the field more broadly.

Future of the Field

Strategic Framing for a Five Year Horizon

QUESTION FOUR:

How will we know we are making progress?

Future of the Field

Strategic Framing for a Five Year Horizon

Metrics are yet to be developed.

Work from this document will be integrated with the excellent work led by Kim Warren, Wim Rill, and the Strategy Committee.

A dashboard of relevant metrics linked to Focus Areas and Critical Levers will be reported to the Policy Council on a quarterly to monthly basis.

Members of the Strategy Committee will link Policy Council Vice Presidents to specific Focus Area or Critical Lever initiatives.

Future of the Field

Strategic Framing for a Five Year Horizon

Recap

Q1. What are we aiming to accomplish?

Q2. What are our key strategies for making that happen?

These focus areas guide the prioritization and selection of initiatives that directly advance the mission.

Q3. What are our capabilities for doing this?

These critical levers guide the prioritization and selection of initiatives that build and strengthen the core capabilities necessary to enable successful execution of strategies that directly advance the mission.

Q4. How will we know we are making progress?

Metrics to be determined, and linkages to strategy committee model.

Mission, Vision & Goals

Focus Areas

Critical Levers

Education

- Pipeline Foundations: K-12 & UG
- Launching Careers: Doctoral & Early Career
- Advancing Careers: Academic
- Advancing Careers: Practitioner

Outreach

- Chapters & SIGs
- Allied Societies
- Social Media & Communications
- Publications

Impact

- Research
- Practice
- Storytelling, Metrics & Advocacy

Possible Initiatives

Possible Initiatives

Possible Initiatives

Fundraising & Financial Sustainability

Governance

Transition & Operations Stabilization

Membership Engagement & Community

Possible Initiatives

Possible Initiatives

Possible Initiatives

Possible Initiatives

Future of the Field

Strategic Framing for a Five Year Horizon

Next Steps:

Please send me your feedback on the concepts in this document at mark@systemdynamics.org, or we can arrange a time to talk if that is preferable. Please remember that this is an early stage work in progress and will be refined based on the input you and others provide. If you are unavailable to provide feedback now, there will be subsequent opportunities to do so.

THANK YOU!

M

Report of the Society Strategy Committee

Winter 2018: (Contact [Kim Warren](#))

SUMMARY:

Strategy reviews in 2013 and 2016 produced tactics that should help the SD field progress. However, implementation has proved difficult. This paper offers a more rigorous connection between those tactics and a model of the field, so that - in future - their impact can be assessed. This effort shows that many tactics need better definition, explicit connection to key factors in the model (notably the flow-rates that drive growth of the field), and assignment to specific VPs.

From this start point, it should be possible to devise a simple management control system, translating all tactics into quantified, time-based action plans. This would then enable revised or additional tactics to be implemented with confidence regarding their likely impact.

Past difficulties in implementing the strategy reflect the very limited time and resources available to VPs. We therefore recommend:

- *establishment of assistant-VP teams to support each VP and assist in tactics implementation*
- *review with Capital Hill Management Services their capability to support each VP's tactics*
- *consider retaining additional specialist capability where necessary*
- *establish appropriate budgets to support implementation activity for each VP*
- *adoption of a regular quarterly review of tactical implementation between the President and VPs*

DRAFT: Report of the Strategy Committee

This paper presents:

- the background and current status of the strategy and tactics previously identified by the Policy Council
- latest developments of a model for the SD field, specifying where those identified tactics are located in the system model
- proposals to link the tactics to a quarterly action-planning system, to guide and monitor implementation of the tactics

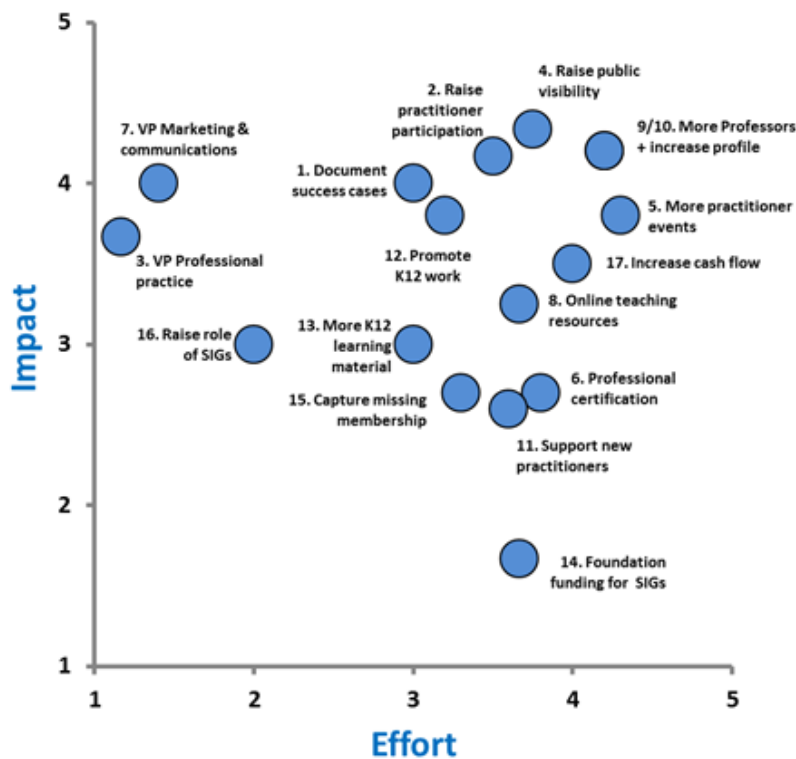
The model structure summarised in this document, should be read before visiting [the model itself](#).

Background

The recent history and current status of the Society's strategy for the development of the field can be summarised as follows:

The Winter 2013 Policy Council meeting approved a strategy for raising the scale and impact of the field substantially by 2020 (see [report](#)). The strategy reflected input from over 30 experienced Society members regarding [a] the estimated development of the field from 2005 to 2012 and [b] aspirations for the feasible scale and impact of the field by 2020. The strategy identified a prioritised set of actions and initiatives that, it was hoped, could kick-start progress towards those aims (*figure 1*)

Figure 1. The effort required and potential Impact of the 2013 recommended Initiatives to develop the field



The 2016 Summer Policy Council meeting undertook a further brain-storming exercise to identify tactical actions and initiatives that might support the strategy. Table 1 shows the combined list of tactics from that meeting with those items from the 2013 review - split between tactics that would continue indefinitely, and one-time actions. Note that the free-form process by which these items were produced inevitably results in some ambiguity and overlap between list-items.

Table 1: All-tactics list from the 2013 and 2016 Strategy Reviews

Continuing tactics	One-time actions
1. Offer more events, including online [maybe via SIGs]	DONE Appoint VP Marketing
2. Encourage and support academics to participate in domain-specific conferences	DONE Appoint VP Practice
3. Encourage and support academics to publish in domain-specific journals	1.1 Assess credibility of SD professional jobs
4. Short success cases on web-site	1.2 Identify and offer potential products and services
5. Best-paper cases from conference	1.3 Charge for Web attendance at conference
6. Set up marketing budget ... needs defined tactics	1.4 Develop and implement a strategy to raise awareness of the value of system
7. Encourage course providers to support adult-trainees	1.5 Develop standard form for success cases
8. Offer practice-oriented conferences + events	1.6 Establish high quality standards for success cases
9. Advertise the existing practitioner award outside the SD community	1.7 Start a practice-journal
10. Encourage SIGs to run events	1.8 Engage publicist/PR professional
11. Increase in engaging pre-college (K-12) learning	1.9 Create an annual award for best highly-visible SD work. Endow the award
12. Pair up K-12 educators with practitioners to develop material exercises	1.10 Seek s/w providers assistance in estimating non-member numbers
13. Pair up K-12 educators with higher-ed academics to develop exercises	1.11 Seek s/w providers assistance in estimating corporate SD numbers
14. Identify and offer potential products and services	1.12 Develop member benefits likely to appeal to practitioners
15. Raise awareness of the value of SD	1.13 Develop and support one or more sub-communities of novice SD people
16. Social-media optimisation	1.14 Revise role-definitions of SIGs
	1.15 Identify missing SIG domains and encourage their formation
	1.16 Tie SIGs to conference threads more closely
	1.17 Make conference program attractive to practitioners
	1.18 Seek support from s/w providers for practice-oriented events
	1.19 Aggregate and evaluate information on existing resources
	1.20 Develop a strategy for expanding resources and their use
	1.21 Establish means for online conferences
	1.22 Set up online conference facilities for Society
	1.23 Start by surveying members
	1.22 List pros and cons for certification
	1.23 Set up strong focused K-12 stream at conference
	1.24 Seek Foundation funding for travel/attendance
	1.25 Support tenure track faculty
	1.26 Approach foundations to investigate potential and means
	1.27. Raise Foundation funding for SIGs.

The present situation

Significant activity since 2013 includes:

- Creation and appointment of VPs for Marketing & Communications, Professional Practice and pre-College Education.
- Launch of Asia-Pacific conferences.
- Assessment of the potential for Certifying SD practitioners and Accrediting SD education programs (*deemed to be beyond the capacity of the Society at this time*).
- Transfer of the Society's administration to Capital Hill Management Services, potentially offering access to additional resources

Otherwise, ***reliance on the limited time of volunteer-members to lead field-development efforts has proved an obstacle to implementing most of the identified tactics***, so the Strategy remains essentially un-implemented. Consequently, there is little evidence that progress has been made towards any of the aims identified in 2013. Society membership, conference attendance, and scholarly publications - the only significant items on which hard data exists - remain essentially unchanged or slightly reduced since that time.

Model of the Field

To assist in tying the strategy's tactics more closely to the progress of the field, a provisional model of the field has been developed. It will be noted [a] that most of "the field" resides in a series of application domains, and [b] that no information exists regarding those domains, so that portion of the model consists of *highly* provisional estimates.

The following terms are used in this section:

- **Practitioners** : *individuals who carry out practical SD work, either within organisations or as consultants, but have little or no academic role. (It is recognised that academics also undertake practical work). Practitioners are divided, for simplicity, between novices - capable of working with existing SD models or developing models under supervision - and experienced - capable of leading SD-based projects and solutions.*
- **Application-domains (or simply 'domains')** : *distinct fields to which SD modeling is applied, such as health-care, environment, business. (Some domains are in practice segmented, such as 'public policy' covering transport, education and so on - a complication not dealt with at this time).*
- **Clients** : *senior individuals within domain-organisations who are in a position to commission and pay for SD work, whether from internal staff or consultants.*
- **Projects** : *distinct pieces of SD work, whether one-off models or models for continuing use.*
- **Academics** are split between **faculty** and **PhD** students
- **SD events** : *any conference or workshop, in any domain, whether academic or practitioner-oriented, in which significant SD work features*

For practical reasons, this terminology necessarily makes considerable simplifications of the richness and detail of the field.

There have been repeated calls for a model of the field to support development and implementation of the Society's strategy. This aim is severely constrained by the lack of information concerning most aspects of the field - no data exists, for example, for the number of SD practitioners, for the clients of their work, or for the work itself.

Several efforts have been made to address this need for a model of the field, most recently ...

- A high-level model *structure*, including estimated values for the items above and others, to support the [Strategy Committee submission](#) to the 2013 Winter PC meeting.
- Jack Homer's [Beyond the Plateau: A Model to Investigate Past and Future Growth of the SD Society and Impact of the Field](#) presents a modified Bass-type diffusion model that reproduces trends in actual data for Society membership, and for production of scholarly works from 1984 to 2017, and explores changes that might lead to growth of these indicators.
- George Richardson's [Drawing Insights from a Small Model of the Growth of a Management Science Field](#) provides a formal model of the dynamics of growth, stagnation, or decline of an illustrative field, together with scenarios and strategies that might affect those dynamics.

These sources have been used to inform a draft model of the system dynamics field. The outline of the model is summarised in figure 2. The model itself can be inspected at sdl.re/SDfield.

Note that this model is work-in-progress (notably due to the need for domain-related information to be estimated by practitioners and academics with experience in each domain). The model will therefore likely remain work-in-progress for some considerable time.

This modeling effort clarified an important feature of the SD field that, while not unique among professional fields, is highly significant for the System Dynamics profession, and for any strategy aimed at its development:

Most of the people (academics, practitioners and clients), modeling activity, and work output in the field are located in application-domains.

The principal cross-domain factors are the Society itself, its annual conference, Chapter-organised events, the SD software packages, and pre-college (K-12) education. There are also some cross-domain degree programs, such as EMSD, and executive education courses.

This dominance of the domains implies that - since the Society's purpose is to raise the visibility and impact of SD - any tactics can only be effective if they significantly influence performance of the domains, notably:

- develop PhDs and Faculty, to grow the quantity of scholarly works and the strength of the SD academic field
- develop and retain clients who drive demand for SD work, and good-quality case examples
- develop, support and retain SD practitioners

Key mechanisms in the field are as follows:

Academia ... New PhD students are attracted by the academic visibility of scholarly works, and by available SD faculty. PhDs are lost from the field if they get neither faculty jobs nor jobs in practice. Faculty deliver - for other parts of the field ...

- SD-classes for other degree-program students (systems engineering, environmental science ...)
- Events (conference-streams, workshops ...) for other domain participants, both academic and practitioner
- Capacity to teach SD-Masters students
- SD-Review subscriptions (along with other Society members)
- Open courses (*domain-specific and general*) and contribute to pre-college teacher training
- Capacity to do practical SD work for clients in the domain
- Books and other instructional material for domain participants

Practice ... Experienced practitioners determine the capacity to deliver SD-related work for clients (with some faculty capacity also), and are lost through retirement or under-utilisation. They hire novices to support this work - a mix of SD-PhD's, SD-MSc's, and other graduates who may or may not have had any SD classes.

The quantity and quality of practical work reflects the number and experience of practitioners, their utilisation and the functionality of available software.

Sponsors form a critical group within the Practice community, contributing cash-flow to the Society, especially in connection with the annual conference.

Clients ... Potential clients become aware of SD, due to:

- domain events featuring SD
- relevant books
- attendance on open courses (including by colleagues)
- discovery of relevant documented cases in their domain

Potential clients become active (*commission their first SD work*) if practitioners + faculty have the capacity to sell and deliver that work, and demonstrate relevant cases. Clients are lost faster if practitioners+faculty are overloaded, or do poor quality work.

The Society ... Student members are drawn from the total population of SD-students, and full members from the total population of faculty, clients and practitioners - depending on the benefits offered by membership. Members drive:

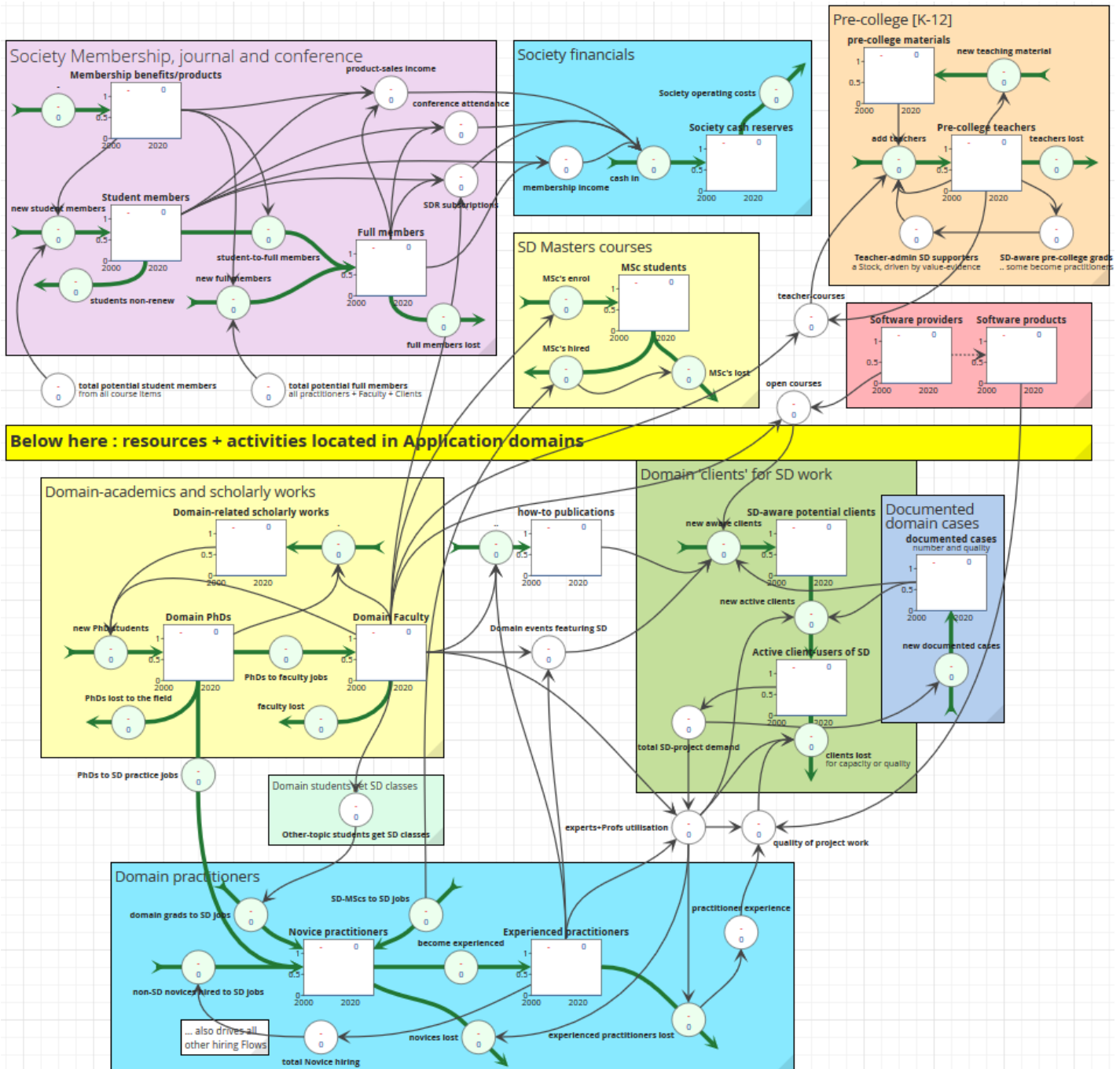
- conference attendance and revenue
- SD-Review subscriptions (along with Faculty)
- sales of products offered by the Society

These items, together with membership dues, drive the Society's financial income.

Software providers provide the software products, whose functionality enables practitioners to do high-quality work. They also contribute to client awareness through open courses.

Pre-college (K-12) education ... School-teachers are attracted to SD by good teaching material, and by contact with existing SD teachers. Those teachers determine the number of students taught SD. But teachers can only start teaching with the support of education administrators, who need to see the benefits of SD teaching before adding it to the curriculum.

Figure 2: Outline of the model of the field



Tactics' location in the field-model

The purpose of connecting the strategy's tactics to the model is to enable decisions as to how the scale of each tactic should be changed over time, informed by the observed impact on the parts of the field that it influences.

- any chosen tactic must be located at some position on the field-model
- any such tactic must operate by influencing one or more of the model's Flows - whether directly or indirectly
- information on each Flow-rate is therefore the local 'key performance indicator'

The following Tables summarise where these elements are to be found on the model. Note:

- Some items in grey are not, as yet, explicit in the model
- Tactics in purple have no identified operating mechanism and/or responsible VP
- One-time tactics are numbered '1.XX' ... continuing tactics have no '1' prefix

Domain-academics and scholarly works

Flow-rate	driven by ...	related Society tactics
new PhD students	Scholarly works (<i>through appeal of SD-based research</i>) available PhD places, reflecting Professor numbers	
PhDs to Professor positions	available Professor positions appeal of SD-based research	
PhDs to SD-practice jobs ... to practitioner sector	total novice hiring, reflecting current shortage	
PhDs lost from the field	PhDs graduating <i>minus</i> those going to Professor or SD-practice positions	
Professors retiring	aging and normal churn	
Professors lost	appeal of SD-based research	7 Support tenure-track faculty
new scholarly works	Professors + PhD students	

Domain practitioners: novice and experienced

Flow-rate	driven by ...	related Society tactics
PhDs to SD-practice jobs ... from academics sector	current novice shortage, hiring preference for PhDs available PhD places, reflecting Professor numbers	
novices from open training events	current novice shortage, hiring preference for basic trainees	
SD-aware student hires	current novice shortage, students on domain courses with some SD classes, hiring preference for SD-aware domain students	
SD-MSc hires	current novice shortage, hiring preference for SD MSc's	
non-SD students hired (e.g. OR graduates)	current novice shortage, hiring preference for non-SD hires	

Domain practitioners: novice and experienced (CONTINUED)

Flow-rate	driven by ...	related Society tactics
novice practitioners lost	lack of SD-specific career prospects or valued work	7 Encourage course providers to support adult-trainees 8 Offer practice-oriented conferences + events 9 Advertise the practitioner award outside the SD community 1.1 Assess credibility of SD professional jobs
Novices become experienced	aging	
Experienced practitioners lost	utilisation of practitioners on client work (+ normal retirement)	

Clients and SD-work

Flow-rate	driven by ...	related Society tactics
new SD-aware potential clients	domain events with SD content	1 Offer more events, including online 8 Offer practice-oriented conferences + events 10 encourage SIGs to run events
	new SD-aware pot'l clients from online presence	6 Set up marketing budget 1.8 Engage publicist/PR professional 16 Search-engine optimisation and web-design impact
	new potential domain clients from open courses	
	books for domain SD practitioners	
	new leaders aware from success-case promotion	6 Set up marketing budget 15 Raise awareness of the value of SD 1.8 Engage publicist/PR professional
new active clients	% SD-aware pot'l clients find relevant, quality cases	
domain clients lost	current client number, quality of SD work	
actual domain projects <i>(not a Flow, but critical)</i>	clients, SD-work need, available experienced practitioners and Profs	
new practitioner books	Profs and experienced practitioners	

SD Masters students

Flow-rate	driven by ...	related Society tactics
new SD Master students	available places, SD-career appeal	
SD-MSc's to SD jobs	MSc graduates, SD-MSc hires	
SD-MSc's lost to SD	MSc graduates, SD-MSc hires	

Society membership and conference

Flow-rate	driven by ...	related Society tactics
new student members	total potential student members, appeal of student membership	
student members non-renew	appeal of student or full membership	
student-to-full member renewals	appeal of full membership	
new full members	total potential clients and practitioners, appeal of full membership	
full members non-renew	appeal of full membership	
add member products+services		14 Identify and offer potential products and services
add conference web-attendees	total membership	1.3 Enable and charge for Web attendance at conference

Pre-college (K-12) education

Flow-rate	driven by ...	related Society tactics
Add K-12 teachers	Informed K-12 decision-makers, Accessible K-12 SD teaching materials, contact with current K-12 teachers ... limited by education-administrator gatekeepers	
Add SD K-12 teaching packs	experienced K-12 teachers, Support from Profs and experienced practitioners	11 Increase engaging pre-college (K-12) learning 12/13 Pair up K-12 educators with practitioners + higher-ed Profs to develop material and exercises
K-12 teachers lost	normal attrition	
new K-12 experts	experience	
K-12 experts lost	aging	
new K-12 students	K-12 teachers	
new papers/qtr on pre-college SD	students emerging from SD teaching	1.23 Set up strong focused K-12 stream at conference
new education administrators adding SD to curricula	research papers on the benefits of pre-college SD education	

The model-of-the-field as a management tool

We are very grateful to Wim Rill (Marketing Professional and now in the final phase of his studies in Environmental Systems Research MSc. at the University of Osnabrück, Germany) for his assistance in converting the 2013/2016 strategy work into the structured set of strategies and tactics required for this step of the process.

In order to analyze the 2013 Strategy Report Rill developed based upon Porter (1980)¹, Mintzberg (1994)² and David (2015)³ an Integrated Strategy Development Framework (see Figure 3) that uses a sound terminology by defining key terms and their relationships. Thus, the widely used terms vision, mission, goals and strategies are

¹ Porter, M. E. (1980). Competitive Strategy. Free Press.

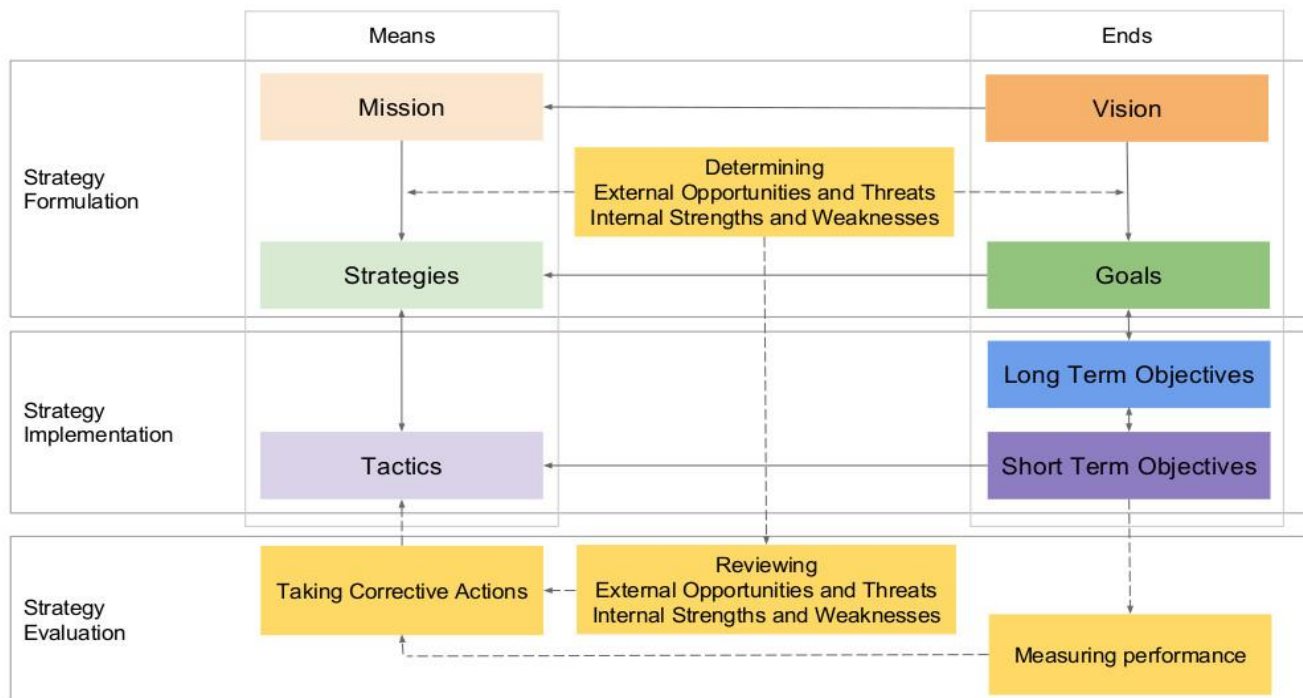
² Mintzberg, H. (1994). The Rise and Fall of Strategic Planning. Free Press and Prentice-Hall International.

³ David, F. R. (2015). Strategic Management - Concepts and Cases. Pearson education Limited.

related to the Strategy Formulation phase. Short- and long term objectives and tactics belong to the Strategy Implementation phase. In the Strategy Evaluation phase, the external/internal factors are reviewed and performance is measured, which may lead to corrective actions.

The Strategy Formulation phase was executed during the Winter 2013 Policy Council meeting. The tactics of the Strategy Implementation phase were formulated during the Winter 2013 Policy Council and a further brainstorming exercise during the 2016 Summer Policy Council meeting.

Figure 3: Integrated Strategy Development Framework ⁴



We propose to use the model-of-the-field as a quarterly action-planning system, to guide and monitor the Strategy Implementation phase. For that to occur, **all items** of the Strategy Implementation phase should be found in the model-of-the-field. The items of the Strategy Implementation phase are translated into system dynamics elements (see Figure 4). The tactics are translated into variables, the short term objectives into in- or outflows that are influenced directly or indirectly by the tactics (variables) and the long term objectives into the stocks that are influenced by the short term objectives (in- or outflows).

This connection between the Society Strategy’s tactics, requires a commonly agreed model-of-the-field that represents the best understanding of how the field operates.. Quite simply - ***If items of the Strategy Implementation phase are not found in the model-of-the-field, then either the items defined are not correct or we should reconsider the model.***

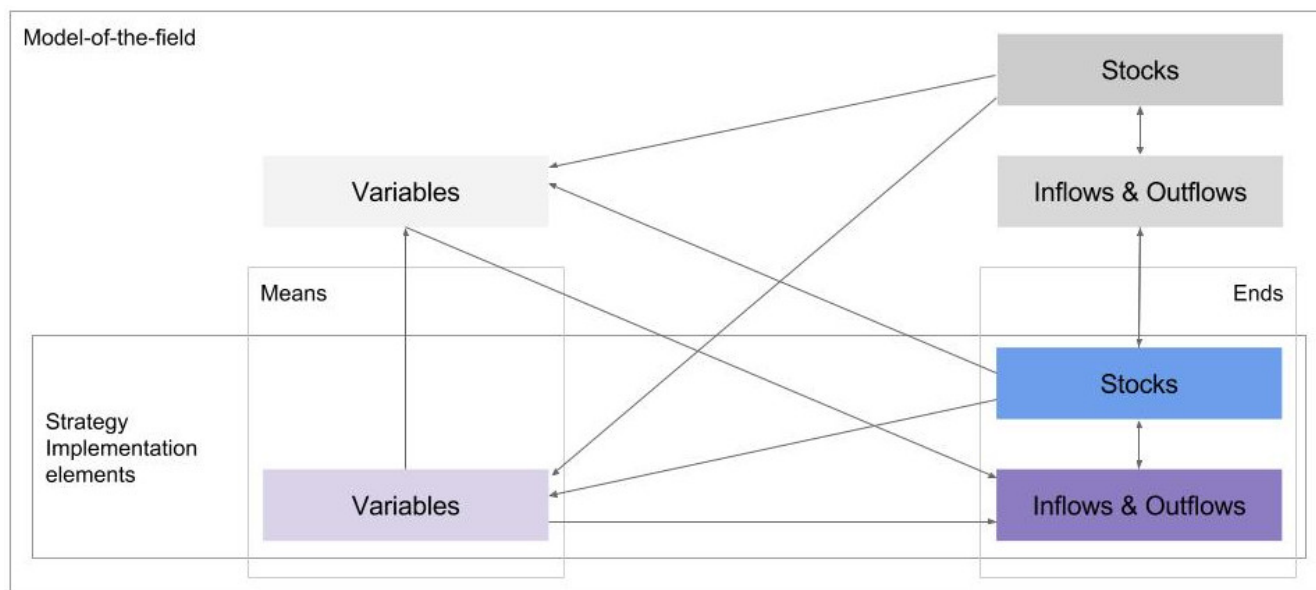
Fulfilling the vision can be accomplished if the goals set are reached. ***These goals should be translated into ‘SMART’ terms*** (Specific, Measurable, Assignable, Realistic and Time-related) - key to managing progress and motivating people:

- long term objectives (five year basis) and subsequently in SMART
- short term objectives (one year basis).
- The tactics are the means for realising the short term objectives.

A commonly agreed working model-of-the-field can deliver the objectives through simulation. It might also help discover important new tactics, by considering actions that might improve any unsatisfactory Flow-rate.

⁴ Rill, W (2017). Converting the Systems Dynamics Society’s model-of-the-field into a management instrument. Available from the Author.

Figure 4: The items of the Strategy Implementation phase translated into system dynamics elements and their connections within the model-of-the-field⁴



For that we need to fill the model-of-the-field with real data. As noted above, data exists only for some few parts of the model. Quantifying the remaining sectors of the model can only be done by initiating continuing research on key elements. **We suggest transferring responsibility for developing and maintaining the model to the Society Office** (translating the model to another software platform may be desirable).

From the model to a management system

A simple tool of normal management practice is the **time-phased action plan** ... what we *will* do over coming period, on what tactics, with what likely impact on performance indicators. This is combined with what *has been* recently done, and the observed impact. For example:

Table 2: Illustrative time-phased action-plan item, and impact-review.

	Quarter	Online marketing spend \$'000	Expected enquiries per day	Actual enquiries per day
<i>Recent actual</i>	1Q2017	2.0	20	18
	2Q	2.0	20	13
	3Q	5.0	20	25
	4Q	5.0	20	35
<i>Future plans</i>	1Q2018	7.0	30	
	2Q	8.0	40	
	3Q	10.0	50	
	4Q	10.0	50	

We ask the Policy Council to consider development of a tactical management system, led by the relevant Vice-Presidents. This activity needs to recognise that it has not proved possible thus far to achieve most of the tactics identified in past strategy reviews. Tackling this may be assisted by:

- establishment of assistant-VP teams to support each VP and assist in tactics implementation
- review with Capital Hill Management Services their capability to support each VP's tactics
- consider retaining additional specialist capability where necessary
- establish appropriate budgets to support implementation activity for each VP
- adoption of a regular quarterly review of tactical implementation between the President and VPs

Initial Analysis of SDS Member Data as of 12/3/18

M. Nelson, Executive Director

Followed by preliminary summary of Member Survey.

Disclaimers/Notes

The attached analysis is a first cut at reviewing the membership data. There were a few challenges in conducting the analysis worth noting:

- Membership calculations have some anomalies compared to standard benchmarking methods. For example:
 - Sponsorships and organizational memberships both may contain multiple memberships, but these are not clearly tracked within the member database as linked to a group membership decision.
 - Members joining after Sept or Oct are not listed as current year members unless they pay for an extra year.
 - A number of inconsistencies at the member level from year to year were identified, calling into question some of the previously reported member data. We might factor this into decisions about our membership models in the future.
- Membership data currently crosses two systems (old Access Database and MemberClicks). This resulted in some identified inconsistencies in data.
- At this time, we only had Excel available for analysis, resulting in most of the analysis being done somewhat manually and with only descriptive statistics and analysis. A more robust analysis, extending back further in time will be planned for next year.

Overview

After noting a significant drop in membership for 2018, we sought to understand the change. That investigation ultimately led to understanding that the membership number for the Society (historically) is based more on journal subscriptions than on standard practices for counting membership. Upon revising the calculations to reflect past practice, we found that the membership drop was less significant than originally believed, although it does still exist.

We did identify a primary target group for improved membership retention and growth, as well as other interesting characteristics of the membership profile for SDS. This report is a preliminary summary of the findings from the analysis.

Overall Profile

		As of 12/3/18		
		2017	2018	2019
New Members	Joined in Yr(X)		370	
	Joined in Q4 of Prior Yr		20	35
	TOTAL NEW:	470	390	35
Renewing Members	Renewed for Yr(X) in Prior Yr	482	273	245
	Renewed Yr(X) in Yr(X)		259	
	Renewed for Yr(X) + Yr(X+1)		228	
	TOTAL RENEWS:	774	760	245
Total Membership:		1244	1150	280
		2017	2018	2019
	Prior Yr New Member		470	390
	Prior Yr New Member Renewals		136	16
	Prior Yr Cont Member		774	760
	Prior Yr Cont Member Renewals		559	229
	Y1 Retention Rate:	n/a	29%	4%
	Y2+ Retention Rate:	n/a	72%	30%
	Overall Retention Rate:	62%	61%	21%

Items to note:

- Lower retention rate among new members.
 - This is a key area to focus on to promote growth.
 - In January we will conduct a survey among new members over the past 2-3 years who did not renew to better understand their decision.
- Only a fifth of our members have renewed as of Dec 3. We believe this is slightly behind last year due to two factors:
 - Last year the renewal process began a month earlier.
 - Sponsor and organizational memberships (which cover an estimated quarter of the membership) are delayed as we conducted a sponsor survey and redesigned the annual prospectus in response.
- Over the past decade, the overall retention rate has slowly declined from ~80% down to the current 61%. This may be largely due to a greater churn rate among newer members and the slow decrease among long-time members.

Gender Diversity

	# of Members 18 + 19 New	% of Total Membership	# of New Members (18)	# of Renewals (18)	Renewal Rate (18)	#of New Members (19)	# of Renewals (19)	Renewal Rate (19)
Gender								
F	243	21%	80	154	67%	9	50	21%
M	772	65%	185	564	68%	23	193	26%
Undisclosed	170	14%	125	42	24%	3	2	1%
	1185	100%	390	760	61%	35	245	21%

- The Society does not track traditional diversity data outside of gender, so no analysis of broader diversity data for benchmarking is possible.
- Women currently represent an estimated fourth of the membership, and appear to renew at a rate comparable to their male colleagues.
- Of particular note is the lower renewal rate among members who do not disclose personal information (such as gender, age, etc). Nondisclosure of this data is more common among newer members. This may be an indicator to help identify new members who are less likely to renew when presented with their first renewal decision.

Age Diversity

Age	# of Members 18 + 19 New	% of Total Membership	# of New Members (18)	# of Renewals (18)	Renewal Rate (18)	#of New Members (19)	# of Renewals (19)	Renewal Rate (19)
60 and over	240	20%	34	204	88%	2	102	43%
50-59	192	16%	43	146	68%	3	44	23%
40-49	213	18%	54	150	64%	9	44	22%
30-39	208	18%	82	114	51%	12	32	16%
25-29	85	7%	33	48	49%	4	12	15%
Under 25	23	2%	11	11	41%	1	2	9%
Undisclosed	224	19%	133	87	42%	4	9	4%
	1185	100%	390	760	61%	35	245	21%

- Not surprisingly, we see that our largest member segment is in the 60+ group, and that is where we have our highest retention rate among members.
- Our retention rate drops quickly among members under 40, signaling that we may not be meeting the needs of younger members.
- Outside of our under 30 members, which we would anticipate being the smallest, our next smallest age demographic are members in the 50-59 year age band. Membership growth seems to be greatest in the 30-39 age band.
- As our 60+ members continue to slowly decline in numbers, the effect on our attrition rates will become more visible.
- Again, we note that our retention rate is exceptionally low among individuals who do not disclose personal demographic information, such as age.

Gender/Age Crossmatch

- There is less gender diversity among our older member segments.
- As we move toward younger member segments these numbers are moving toward balance.
- Individuals are less likely to disclose gender than age to the Society, with ~16% disclosing neither piece of information.

Age	# of Members 18 + 19 New		
	M	F	Undisclosed
60 and over	188	23	29
50-59	120	35	37
40-49	107	59	47
30-39	82	66	60
25-29	24	28	33
Under 25	6	11	6
Undisclosed	10	20	194

Geography

Overall by Region: 18-19			(As of 12/3/2018)			74 Countries Listed		
Region	# of Members (2018 + 2019 New)	% of Total Membership	# of New Members (18)	# of Renewals (18)	Renewal rate (18)	# New (19)	# Renewals (19)	Renewal rate (19)
Africa	30	2.5%	12	18	47%	-	3	10%
Asia	233	19.7%	82	140	59%	11	37	17%
Europe	374	31.6%	138	229	67%	7	85	23%
North America	411	34.7%	115	288	59%	8	86	21%
Oceania	51	4.3%	10	35	65%	6	21	47%
South America	70	5.9%	22	45	58%	3	13	19%
Unknown	16	1.4%	11	5		-	-	0%
	1,185	100%	390	760	61%	35	245	21%

- The Society appears to have healthy geographic diversity, with more than 65% of membership being based outside of North America.
- Membership renewal rates are strongest within Europe and Oceania regions. Only within Africa do we see renewal rates below 50%.
- The Society currently has members in 74 distinct countries globally.

Membership by Country

Membership 18 + 19 (New) as of 12/3/18			
Top Member Counts By Country		% of Total	Cumulative
United States	377	32%	32%
United Kingdom	76	6%	38%
Netherlands	53	4%	43%
Germany	47	4%	47%
Australia	37	3%	50%
Brazil	36	3%	53%
Singapore	35	3%	56%
Norway	33	3%	59%
Japan	29	2%	61%
Italy	28	2%	63%
Switzerland	28	2%	66%
Indonesia	27	2%	68%
China	25	2%	70%
India	24	2%	72%
Canada	23	2%	74%
Colombia	21	2%	76%
Turkey	16	1%	77%
(blank)	16	1%	79%
Sweden	14	1%	80%
New Zealand	14	1%	81%
South Africa	12	1%	82%
France	12	1%	83%
Iran	11	1%	84%
Iceland	10	1%	85%
All Others (51)	181	15%	100%

- Five countries (US, UK, Netherlands, Germany, and Australia) comprise one half of the Society's membership.
- A set of 10 countries make up the next quartile.
- Note: the "(blank)" category are individuals where we do not know where they reside.

Primary Work Affiliation

Primary Work Affiliation	# of Members 18 + 19 New	% of Total Membership	# of New Members (18)	# of Renewals (18)	Renewal Rate (18)	#of New Members (19)	# of Renewals (19)	Renewal Rate (19)
Academic	462	39%	108	343	70%	11	108	24%
Undisclosed/Other	236	20%	149	82	38%	5	6	3%
Consulting/Training/SW	174	15%	36	135	75%	3	57	33%
Student	91	8%	36	49	39%	6	15	18%
Government/PP	69	6%	21	44	63%	4	13	20%
Corporate	64	5%	22	39	60%	3	14	23%
Retired	53	4%	9	42	79%	2	23	45%
Health Care	24	2%	5	18	58%	1	5	22%
K-12 Education	7	1%	2	5	71%	0	2	29%
Military	5	0%	2	3	50%	0	2	40%
	1,185	100%	390	760	61%	35	245	21%

- The three largest member segments by primary work affiliation are: academics (39%), Practitioner occupations (Consulting, government, corporate, health care, K-12, and Military) (29%); and undisclosed affiliations (20%).
- Retention rates are highest among academic and retired/K-12 members, and lowest among students and members who do not disclose their work affiliation.

Subscription Mix

Journal Subs	2018 Membership + 2019 New		# of New Members (18)	# of Renewals (18)	Renewal Rate (18)	#of New Members (19)	# of Renewals (19)	Renewal Rate (19)
	# of Members 18 + 19 New	% of Total Membership						
E only	719	61%	298	394	55%	27	125	18%
P + E	466	39%	92	366	79%	8	120	26%
	1185	1	390	760	61%	35	245	21%

- Only 40% of our members currently subscribe to the print version of the journal. They tend to be the more “committed” members, with a higher retention rate.
- The general retention rate is lower among the “e-only” subscribers, which is not surprising since newer members are less likely to subscribe to print.
- 14% (66) of the print subscriptions go to Society sponsors who have up to three memberships as a part of their sponsorship.

Dues Rates

Tier	Income Level (Self-Report)	Dues Rate (P+E)	Dues Rate E
Student	University sponsored		(\$10/\$15)
Tier 1	under \$8,000	\$ 30	\$ 15
Tier 2	\$ 8,000 – \$20,000	\$ 45	\$ 35
Tier 3	\$20,000 – \$40,000	\$ 60	\$ 50
Tier 4	\$40,000 – \$70,000	\$ 95	\$ 85
Tier 5	\$70,000 – \$100,000	\$ 120	\$ 110
Tier 6	over \$100,000	\$ 150	\$ 140
Tier NS	Income not specified	\$ 150	\$ 140
Sponsor		\$ 1,000	
Misc & Comp		0	0

- This is our current dues rate model.
- For students sponsored by their university as part of an organizational membership, it is \$10 for new students, and \$15 for renewing students.
- Society sponsors contribute a minimum of \$1,000 and may have up to three memberships as part of that sponsorship.
- Tier placement is based on the self-reporting of income level by members.
- There are other approaches to dues pricing among other academic societies. This is something we might evaluate in order to create a simpler approach to dues pricing that is still equitable and does not require individuals to disclose their personal income levels.

Retention by Dues Rate

Member Type	# of Members 18 + 19 New	% of Total Membership	# of New Members (18)	# of Renewals (18)	Renewal Rate (18)	#of New Members (19)	# of Renewals (19)	Renewal Rate (19)
Student	57	5%	55	2	3%	0	0	0%
Tier 1	285	24%	112	154	62%	19	40	15%
Tier 2	129	11%	47	77	57%	5	31	25%
Tier 3	158	13%	43	111	66%	4	36	23%
Tier 4	158	13%	40	116	72%	2	38	24%
Tier 5	109	9%	26	80	72%	3	29	27%
Tier 6	79	7%	31	47	70%	1	15	19%
Tier NS	132	11%	29	103	69%	0	49	37%
Sponsor	64	5%	6	57	46%	1	6	10%
Misc & Comp	14	1%	1	13	100%	0	1	7%
	1185	100%	390	760		35	245	21%

- Dues rate appears to have little effect on retention rates currently.
- Students sponsored by their university as part of an organizational membership appear to have exceptionally low renewal rates based on our membership data. It may be some of these students transition to Tier 1, but we have yet to track that information out directly.
- Sponsor renewal also dropped, but this may be due to a bump in sponsorship during the 2017 “60th Anniversary of the Field” year.

Revenue

	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	
Tier	# P&E 18	#E 18	Dues Revenue (18)	#P&E 19	#E 19	Dues Revenue (19)	% of Prior Yr
Student	55	2	\$ 580	0	0	\$ -	0%
Tier 1	50	188	\$ 4,320	16	43	\$ 1,125	26%
Tier 2	39	84	\$ 4,695	12	24	\$ 1,380	29%
Tier 3	55	98	\$ 8,200	19	21	\$ 2,190	27%
Tier 4	72	82	\$ 13,810	20	20	\$ 3,600	26%
Tier 5	56	49	\$ 12,110	16	16	\$ 3,680	30%
Tier 6	54	20	\$ 10,900	14	2	\$ 2,380	22%
Tier NS	65	67	\$ 19,130	23	26	\$ 7,090	37%
Sponsor							
Misc & Comp	0	0					
			\$ 73,745			\$ 21,445	29%

Note: Students are New and Renew versus P&E and E based on the dues rate table.

- A quick estimation of dues for primary individual member tiers shows the approximate amount of dues revenue from 2018 and the approximate amount of dues revenue generated so far for 2019.
- While we are at 21% of renewals, we have received nearly 30% of our anticipated dues revenue. More than a quarter of our higher-paying P+E subscribers have renewed.
- The typical annual renewal process appears to extend from October – March, with a slight additional boost in June-July around the conference.

Effect of Low New Member Retention

Tier	New Members (18)	New Members (18) P+E	New Members (18) E	Estimated 19 Revenue IF <1Yr RR for 19 is:			
				100%	20%	29%	40%
Student	55	0	55	\$ 550	\$ 110	\$ 160	\$ 220
Tier 1	112	17	94	\$ 1,920	\$ 384	\$ 557	\$ 768
Tier 2	47	8	39	\$ 1,725	\$ 345	\$ 500	\$ 690
Tier 3	43	10	33	\$ 2,250	\$ 450	\$ 653	\$ 900
Tier 4	40	12	28	\$ 3,520	\$ 704	\$ 1,021	\$ 1,408
Tier 5	26	12	14	\$ 2,980	\$ 596	\$ 864	\$ 1,192
Tier 6	31	17	13	\$ 4,370	\$ 874	\$ 1,267	\$ 1,748
Tier NS	29	9	20	\$ 4,150	\$ 830	\$ 1,204	\$ 1,660
Sponsor	6						
Misc & Comp	1						
				\$ 21,465	\$ 4,293	\$ 6,225	\$ 8,586

- Low retention rates among new members (29%) will cost us as much as \$15,240 in potential dues revenue this year. The effect, however, becomes cumulative over years (like compound interest) if we consider the lifetime value of members to the Society and overall membership growth.
- Retaining these members is critical for future growth and sustainability, but will be insufficient in the short term to close our budgetary gap, even if we reached 100% retention. Thus, we will need to look at other potential sources of revenue.

Conference Attendance

		Attended Conference (17)				Attended conference (18)			
		# of Members 17	Renewals (18)	Non-renew (18)	Renewal Rate (18)	Members (19)	Renewals (19)	Non-renew (19)	Renewal Rate (19)
All Members	Yes	423	223	200	53%	364	50	314	14%
	No	821	472	349	57%	786	195	591	25%
		1244	695	549	56%	1,150	245	905	21%
New Members	Yes	205	62	143	30%	182	4	178	2%
	No	265	74	191	28%	208	12	196	6%
		470	136	334	29%	390	16	374	4%
Continuing Members	Yes	218	161	57	74%	182	46	136	25%
	No	556	398	158	72%	578	183	395	32%
		774	559	215	72%	760	229	531	30%

- There was a reasonable expectation or hypothesis that members joined only for the conference and then did not renew. This could be the case. However, in examining the data, it appears that slightly more of our new members did **not** attend the conference, and that retention among new members was approximately equivalent regardless of whether or not they attended the conference. Interestingly, we see the same effect among continuing members, just with a higher retention rate.

Counting Members

It would be worth a future discussion around how we “count” members in the future, and make related decisions.

Factors to consider:

- Print subscriptions are dropping. Calculating membership year on print subscription purchases is an artificial and ineffective measure.
- Current cross-year measures and retention rates are currently flawed due to numerous inconsistencies in whether members are counted as “new” in one year or the next.
- Our use of “organizational” memberships that cover multiple individuals are largely tracked as individual memberships. Better tracking of these groups and expansion of this program, could enhance retention.
- The period during which renewals occur appears to be lengthening over time. We might look at approaches to “tighten up” that cycle.

Some initial ideas (assuming a calendar-year member model):

- A member is a member the year they join, regardless of the month when they join.
- Members joining after a defined point (say, after the conference) get a discounted and prorated membership rate to cover the balance of the current year *plus* the next year.
- Unbundle the print journal subscription from membership. Maintain tiered membership rates that have the e-journal subscription, but have an upsell for the print.
- Consider formalizing organizational memberships.
- Look at new membership drive models to tighten up the renewal period and grow membership.

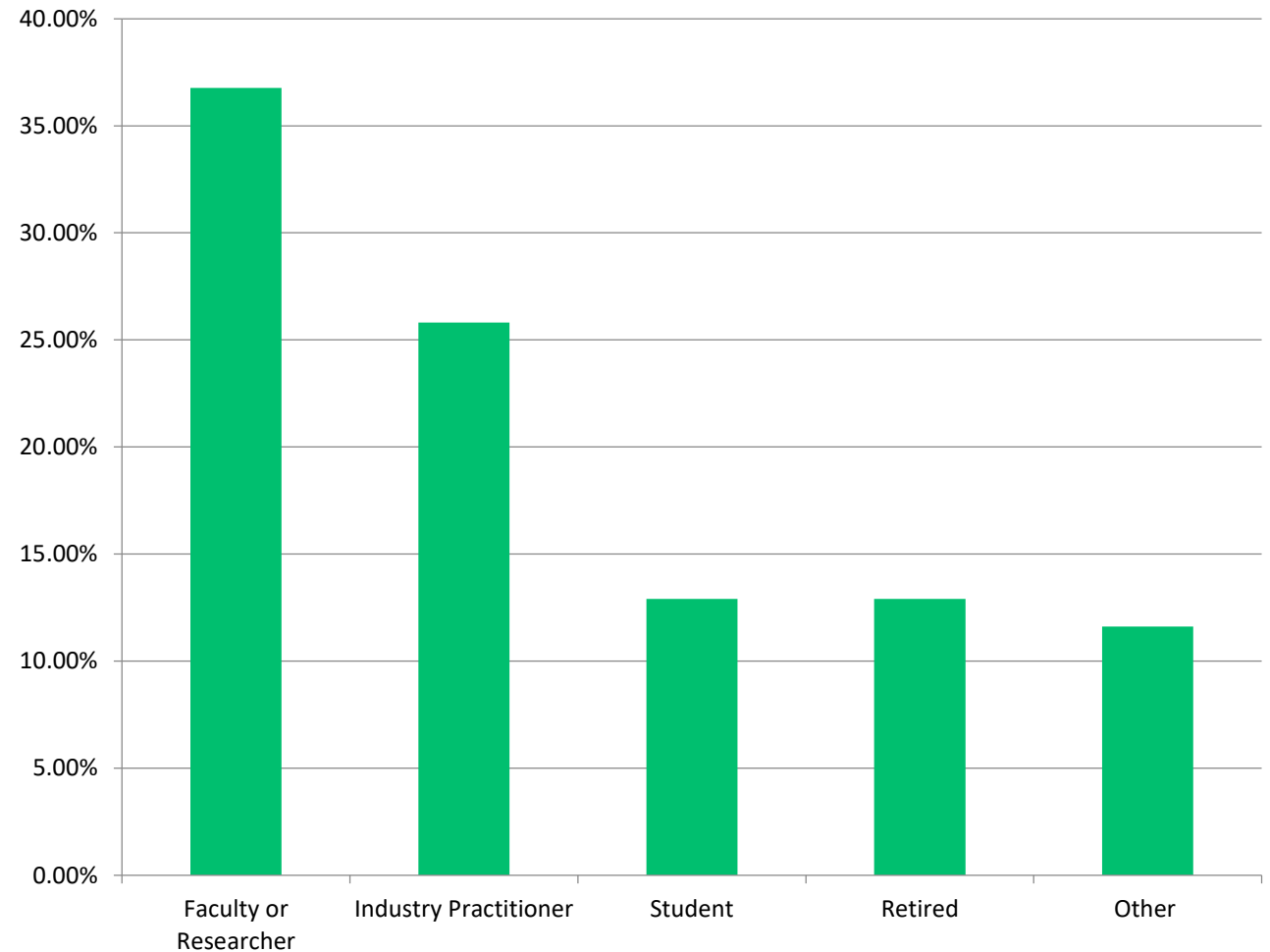
Preliminary Summary of SDS
Member Survey
Closed: 12/15/18

M. Nelson, Executive Director

Member Survey Preliminary Summary

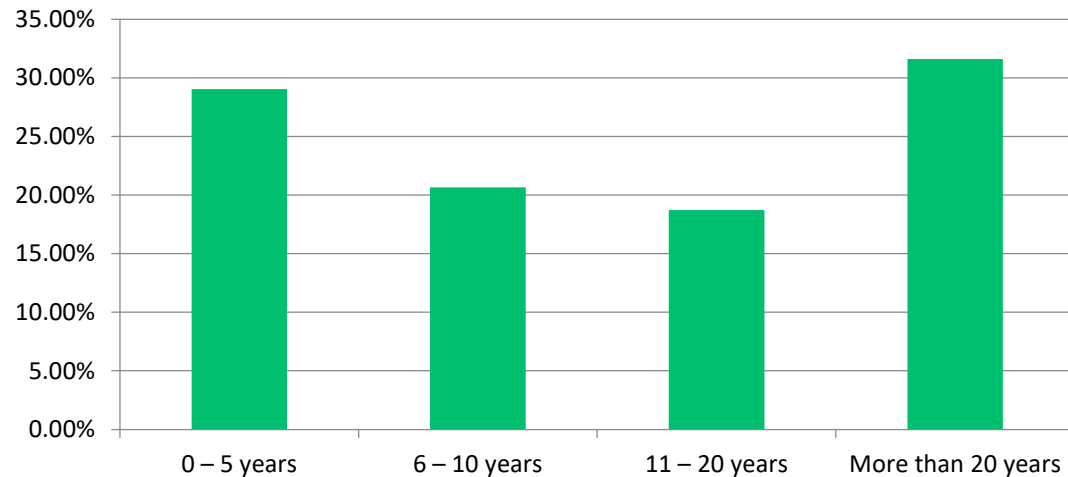
- From November through Mid-Dec we conducted a member satisfaction survey among current members.
- The survey was sent to 1,150 current members, with 155 individuals responding. (13.48% Response Rate).
- The profile of respondents represents most of our major membership segments.
- We have not yet tabulated cross-tabs or correlations.

Which best describes your PRIMARY membership status and employment setting?

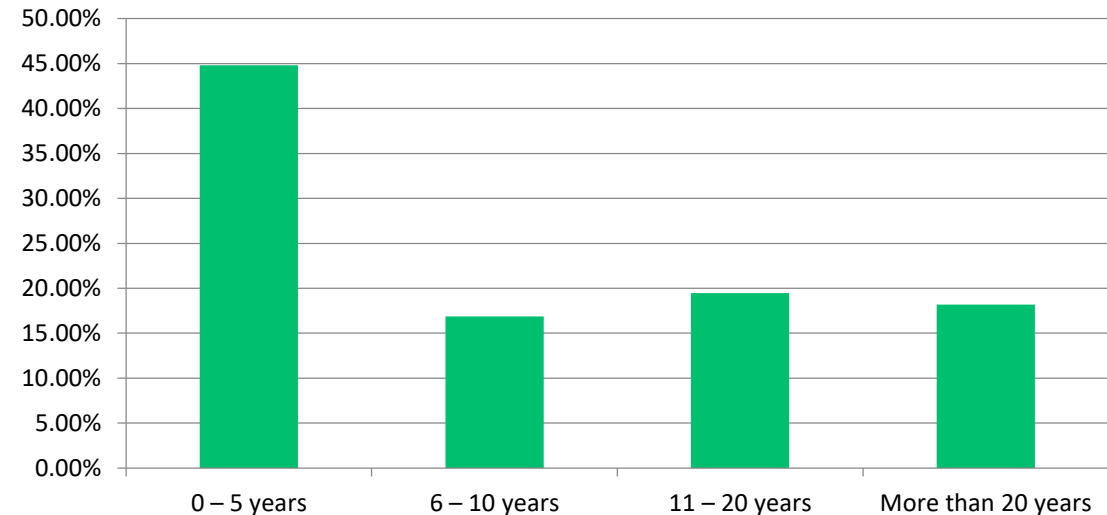


Years with SD and SDS

How many years have you been involved with System Dynamics?



How long have you been a member of the System Dynamics Society?



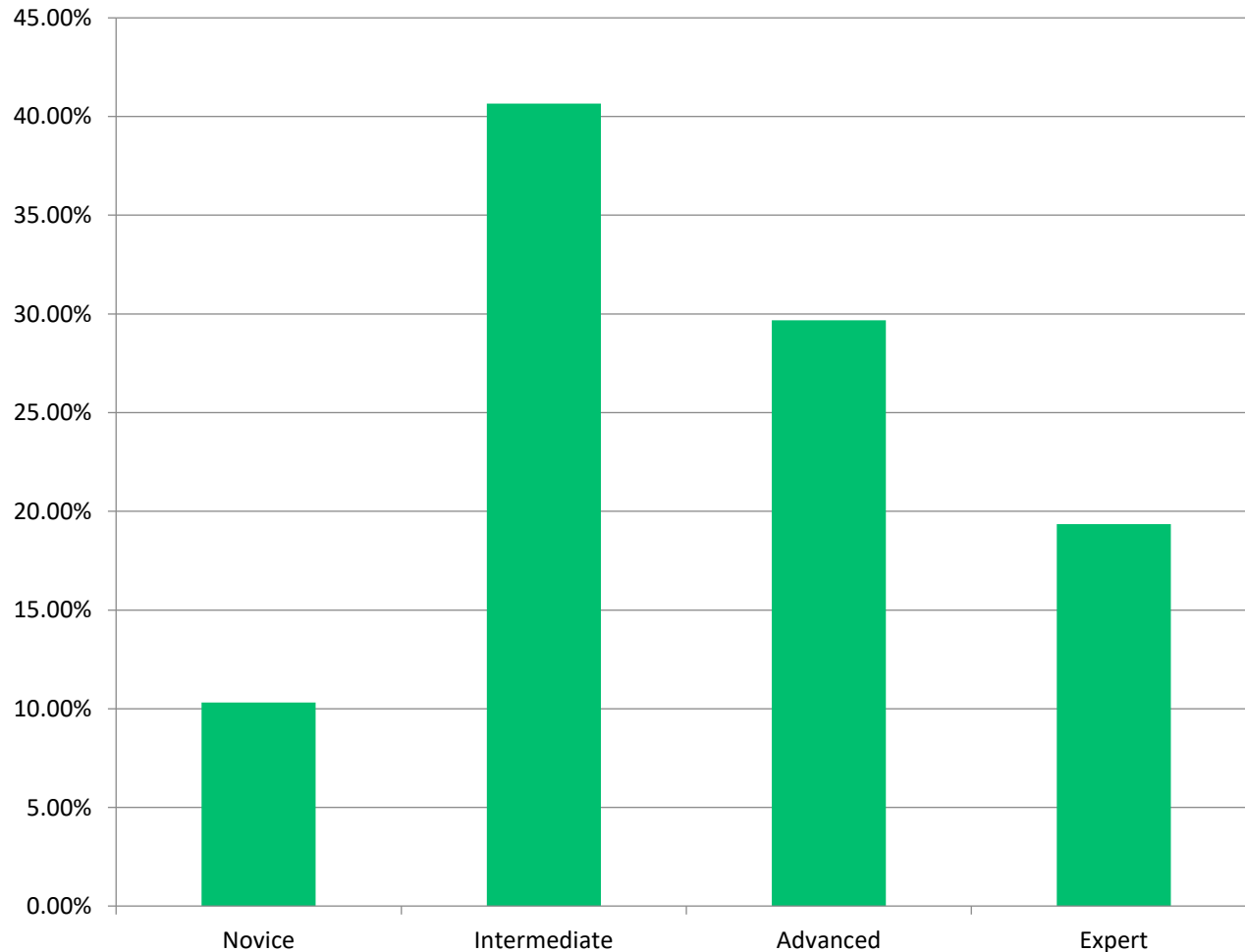
Most of our respondents have less than five years or more than 40 years of experience with SD.

Most of our respondents have less than five years experience with the Society.

This profile seems to roughly match our member data.

We bring in many new members, but do not retain most which raises questions for future succession planning.

What level of expertise do you believe you have with using System Dynamics?

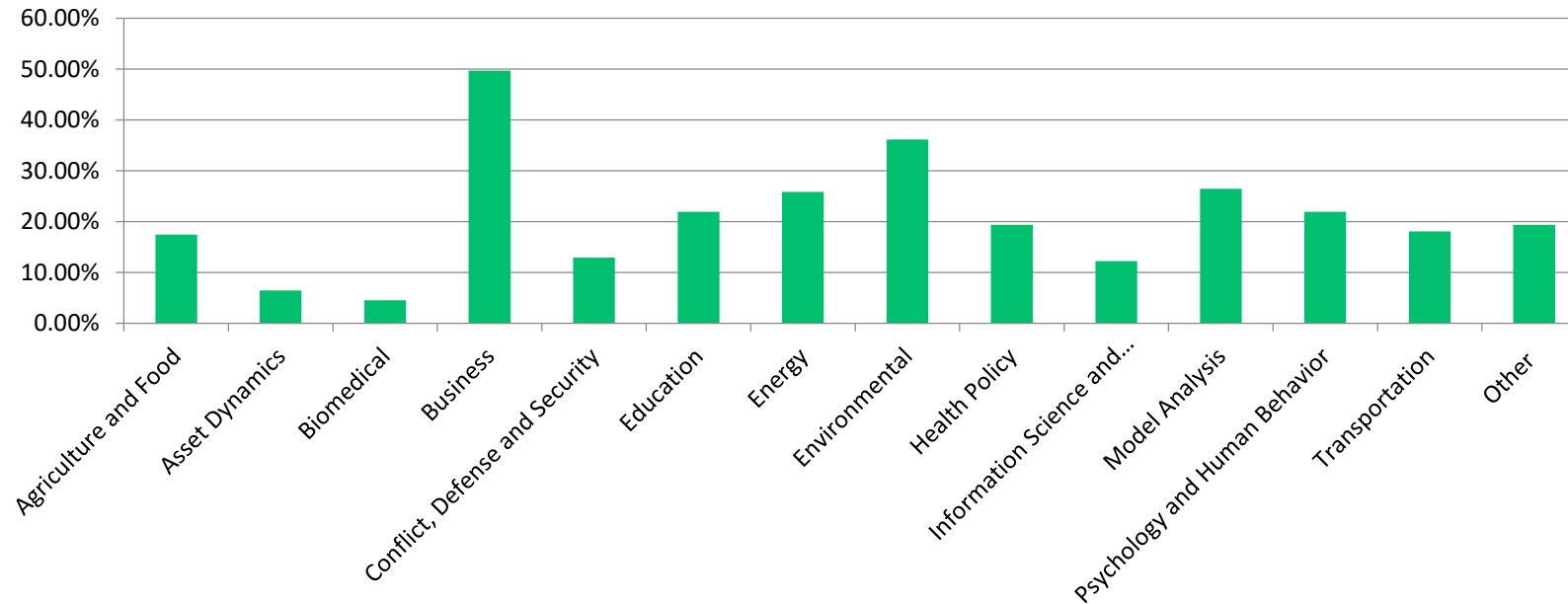


Member Survey

- Many of our current services and benefits are tailored more toward the “Expert” end of the spectrum.
- If we seek to improve quality in the field, then we ought to focus on resources to support other levels of expertise.
- Focusing on the needs of these groups might boost retention, increase the value of the Society to members, and strengthen quality over time.

SIG- Areas

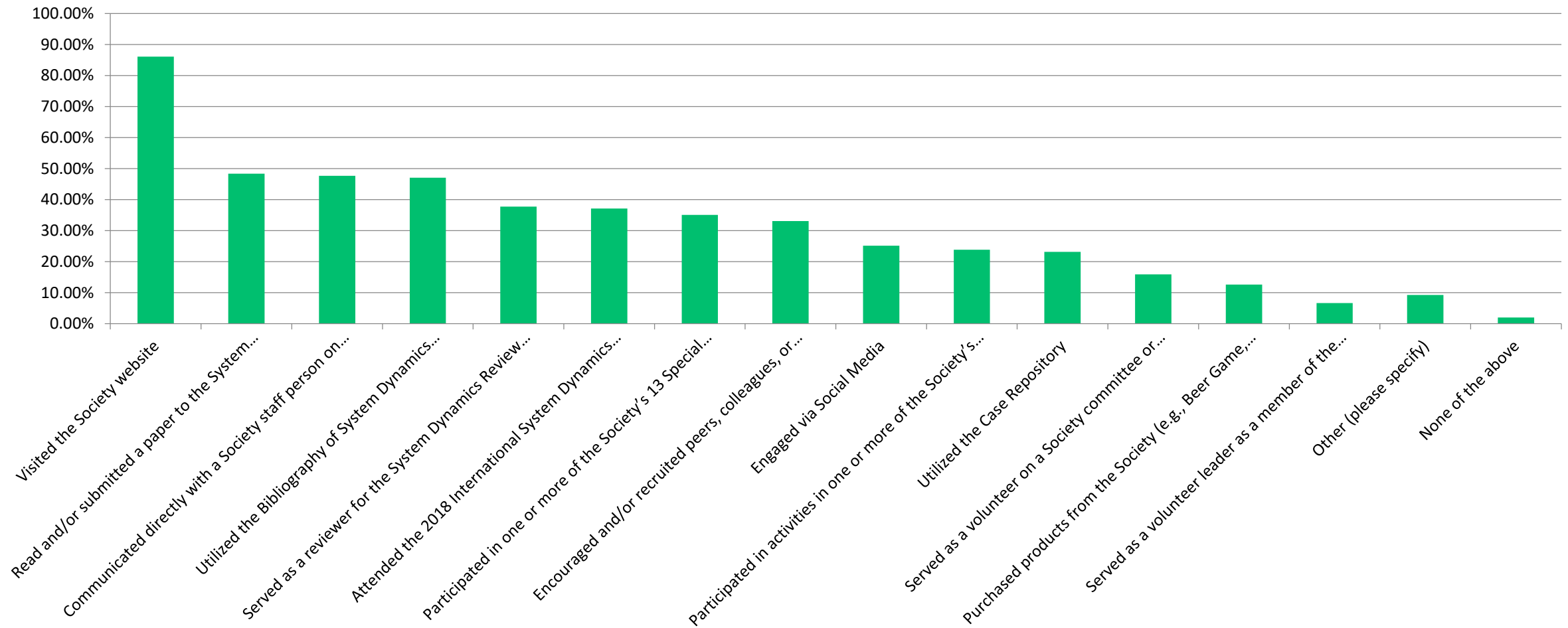
In what topic area(s) do you study or apply System Dynamics?
(Select all that apply)



- Respondents spanned our SIGS.
- The only common “other” response was Economics.

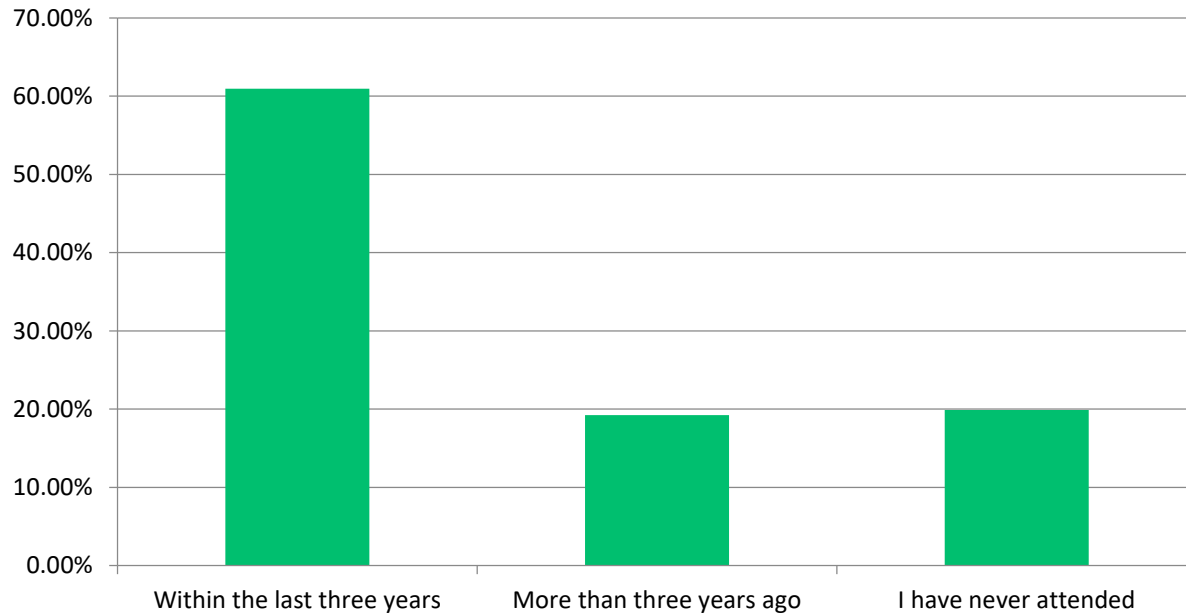
Interacting with the Society

In what ways did you interact with the System Dynamics Society over the past year?
(check all that apply)

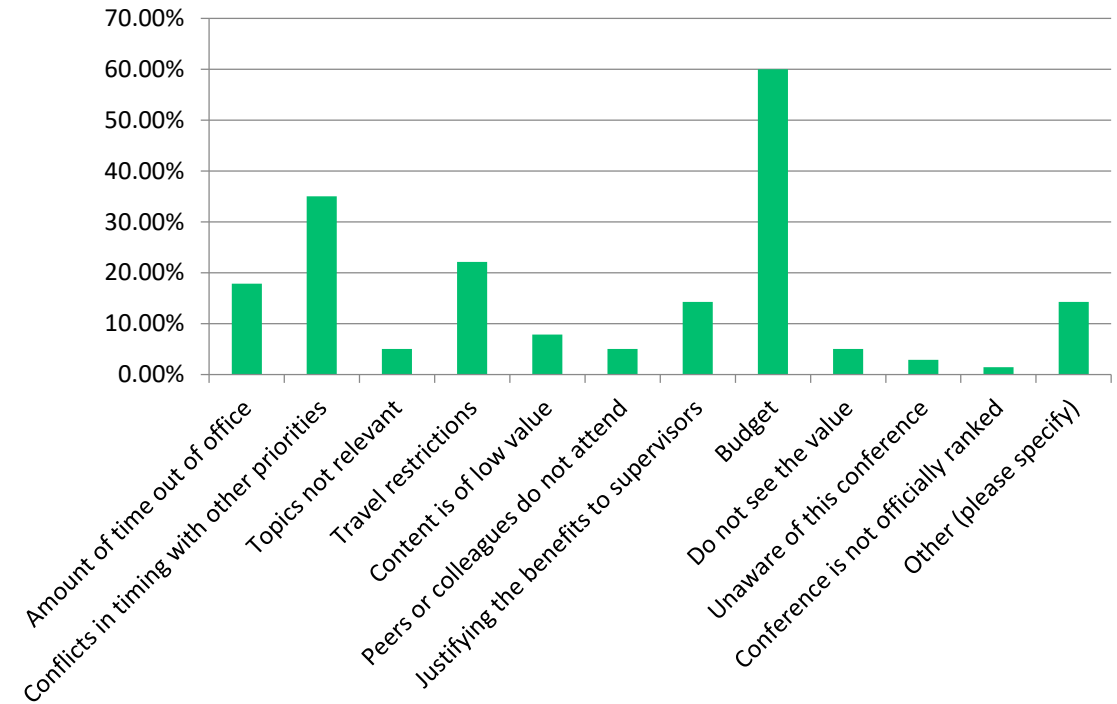


Conference Attendance

When did you last attend the annual International System Dynamics Conference?

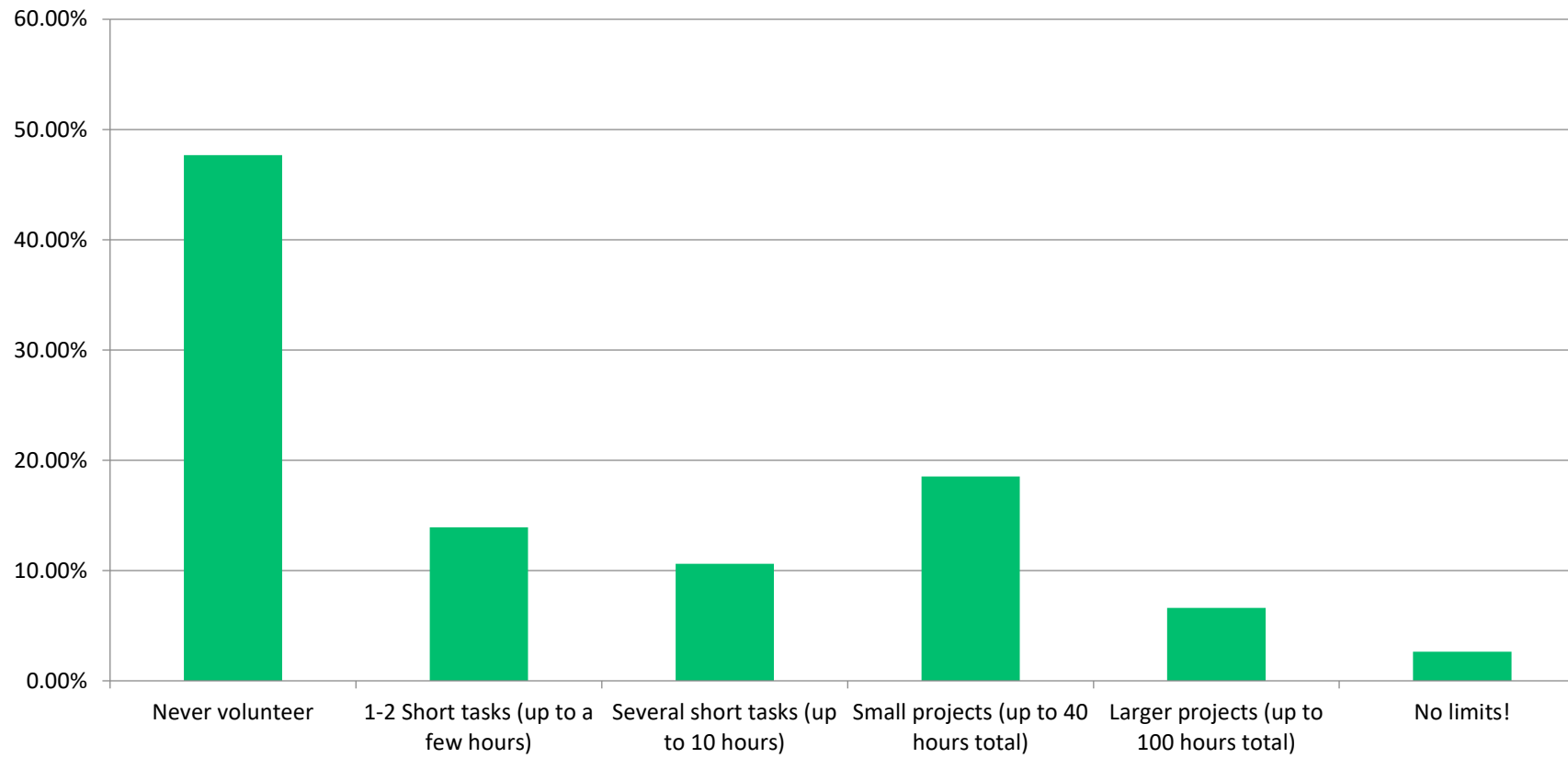


What were the key barriers for you to attend the annual International System Dynamics Conference during the past three years? (Select all that apply)



Volunteer Engagement

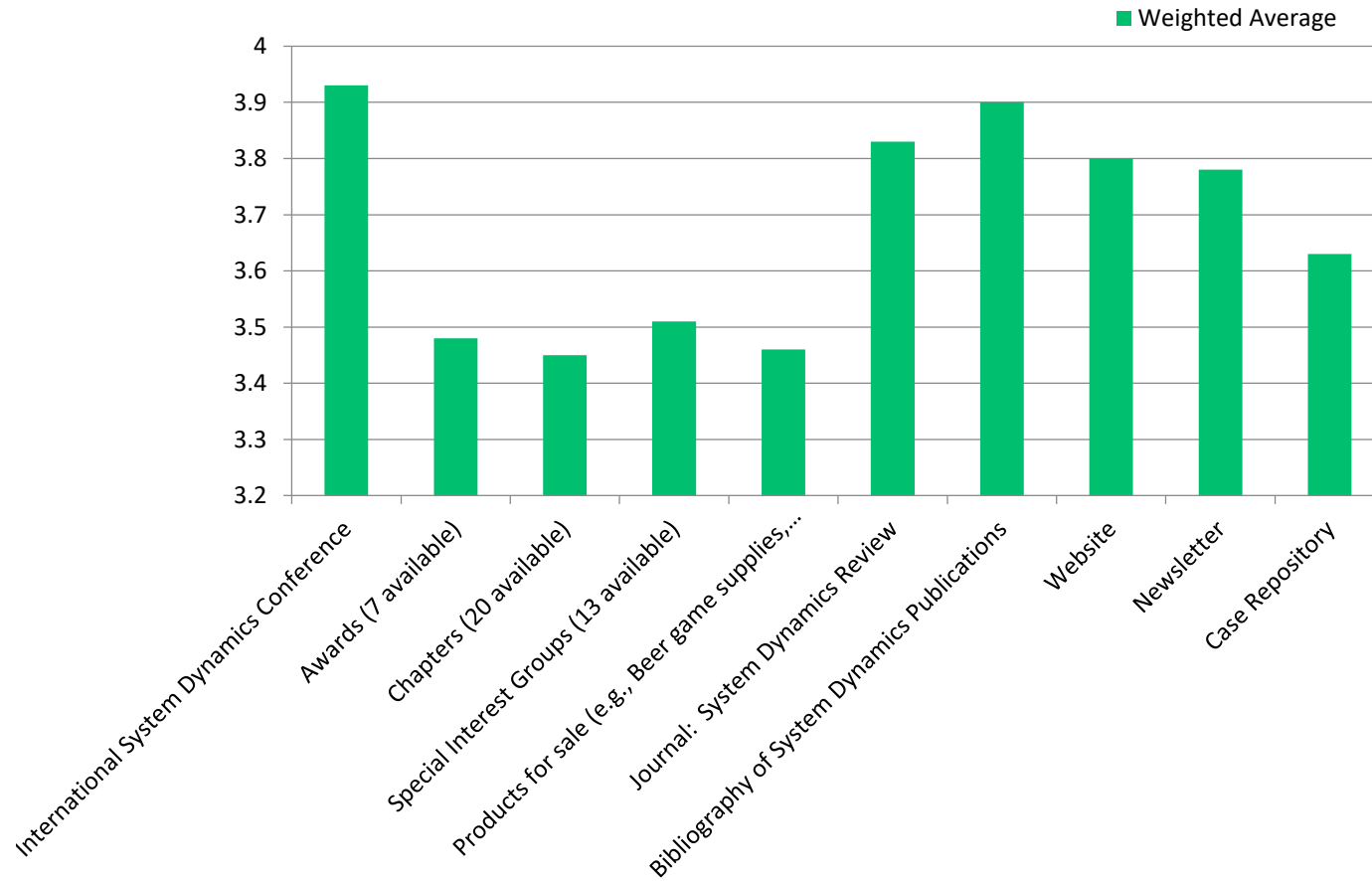
How much time do you contribute to the System Dynamics Society's programs and services as a volunteer each year?



If this data is representative of the membership and not just the respondents, then this is a fairly great volunteer engagement profile.

How do we recognize the contributions of our volunteers?

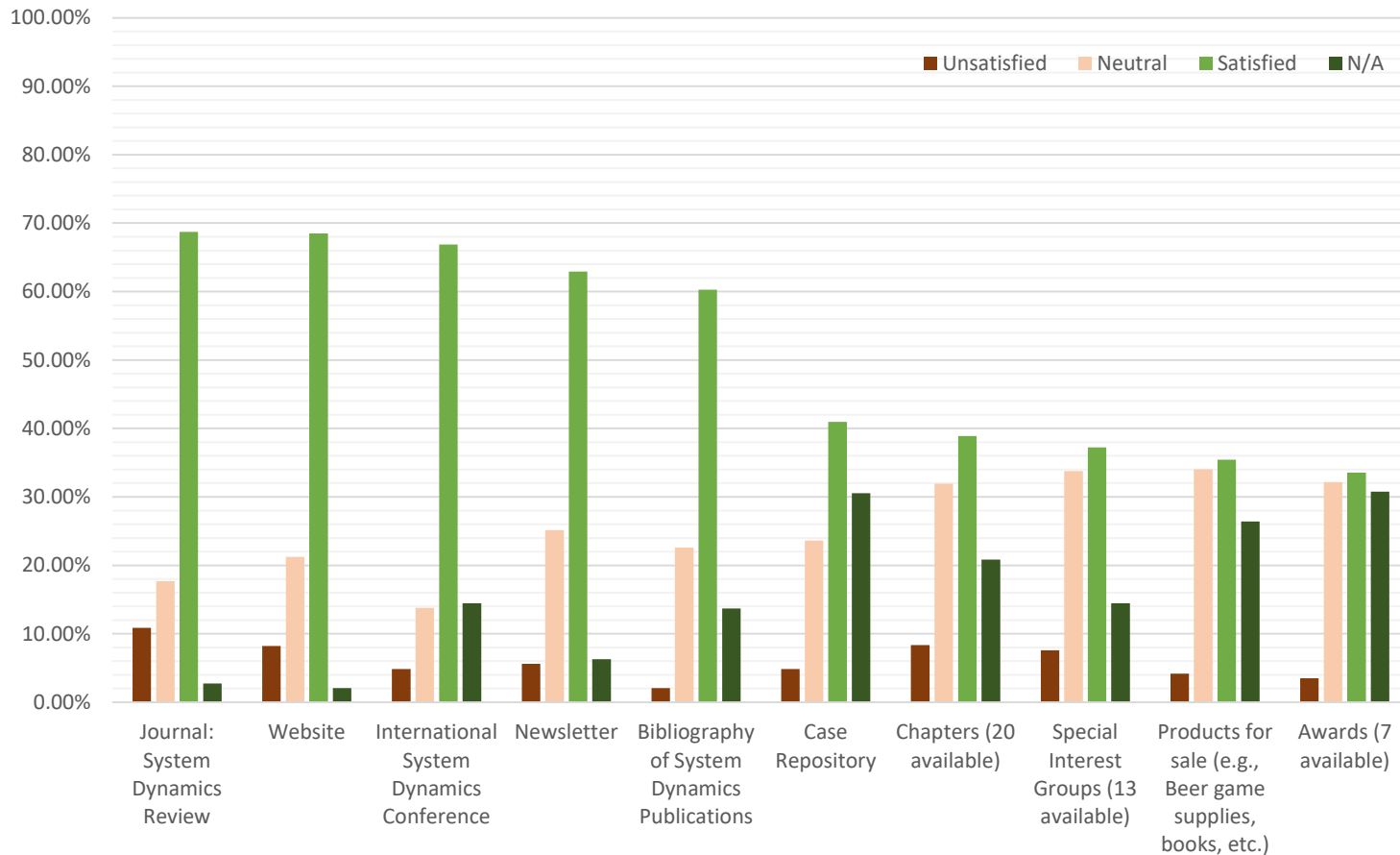
Please rate your satisfaction with each of the following System Dynamics Society services.



Program Satisfaction
(5-point scale)

This is a fairly standard question with fairly typical responses – and the details can wash out in the aggregate.

Please rate your satisfaction with each of the following System Dynamics Society services.



Program Satisfaction (5-point scale) (A Second Look)

- The satisfaction profile in detail is more interesting.
- Information dissemination-type programs such as the Journal, Website, and Conference, all rated fairly highly by more than half of respondents.
- In contrast, the networking (Chapters & SIGs), products, and awards categories have satisfaction rates in the 30-40% range. Fewer respondents used these as well.
- The only specific service where more than 10% of the respondents rated the service poorly was the Journal, which most members rated highly overall.

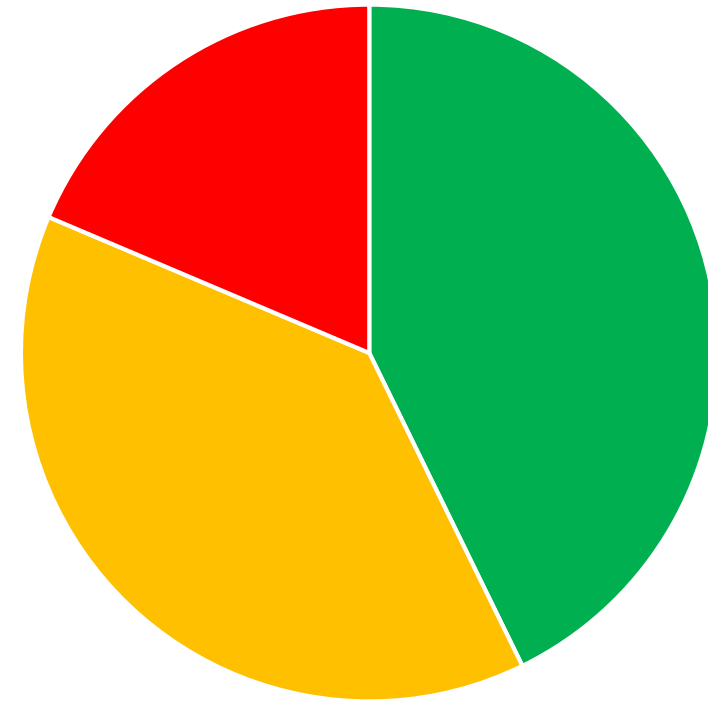
Net Promotor Score (NPS)

The importance of the Net Promoter Score is that it gives you insights into your member loyalty spectrum.

As you move up the scoring scale, from 0 to 10, members defect at lower rates, will engage more and will move from negative word of mouth to positive.

An NPS can be as low as -100 (every respondent is a "detractor") or as high as +100 (every respondent is a "promoter").

A positive NPS (i.e., one that is higher than zero) is generally deemed good, and an NPS of +50 is generally deemed excellent.

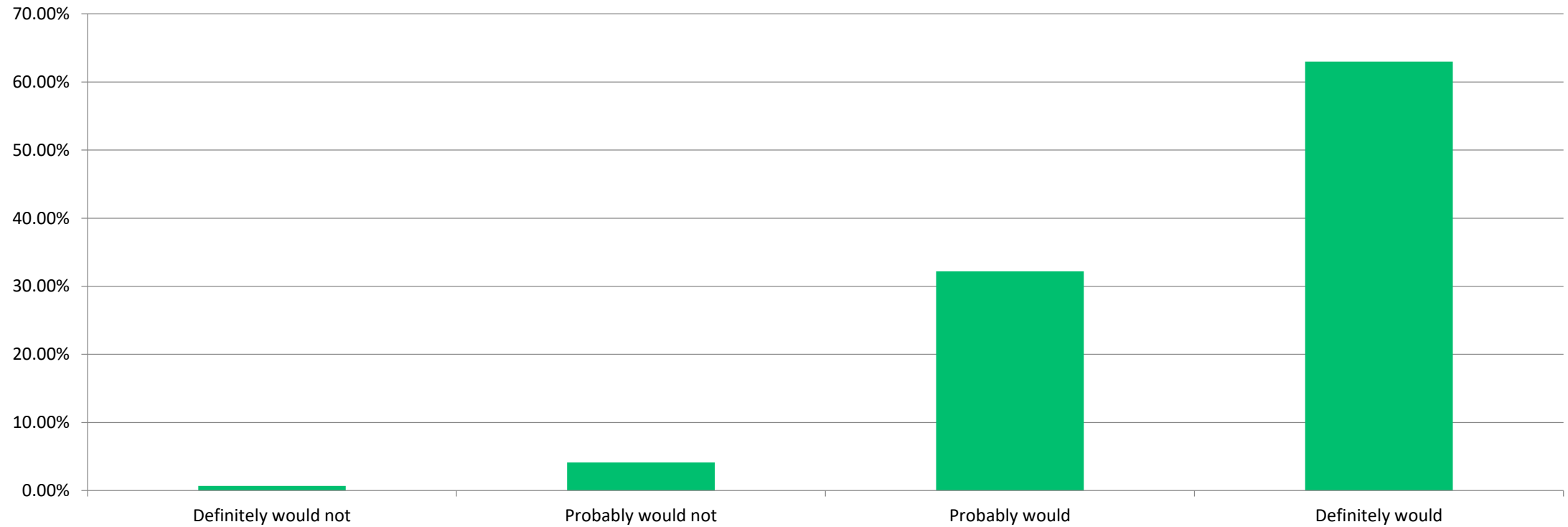


■ Promoters ■ Passives ■ Detractors

	Number	Percentage
Promoters	62	43%
Passives	56	39%
Detractors	27	19%
Net Promotor Score		24

Likelihood to Renew

How likely are you to RENEW your membership in the System Dynamics Society next year?



Other Comments

There were many additional comments and suggestions made.

Here are three examples that surfaced in the final open ended question, but had themes common across multiple responses.

- Cost versus value ratio is not there. Reduce the cost of everything. Don't see SDS as a money making machine!
- Focus only on the sharp minds and leave the low quality ones behind.
- Within the SDS there is little cooperation between the experts and the outsiders! Figure out a way to be more welcoming to newcomers and those who are teaching themselves SD.

Member Survey

- The member survey provided some useful insights and reflects what I have heard across probably 100+ different individual conversations at this point.
- As we prioritize, some things we might consider:
 - We need more accessible education and support focused on skill levels.
 - We need to develop approaches that build more quality.
 - We need to agree on our mission and our identity.
 - We need to find ways to increase revenue to be sustainable for the future, but also be sensitive to a perception of high cost/low value in different groups.

2019

associations

BOARD BRIEF

A QUICK GUIDE TO VOLUNTEER LEADERSHIP

**DIVERSITY,
INCLUSION,
AND INSPIRED
LEADERSHIP 6**

**JOB DESCRIPTION:
KNOW YOUR ROLE 12**

**ON DUTY:
GET TO WORK 19**

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Board Diversity and Inclusion: Finding Deeper Inspiration

For boards of directors and their associations, the benefits of embracing diversity and inclusion encompass both high levels of organizational performance and the rewards that come with professional and personal growth.

**BY VICKI R. DEAL-WILLIAMS, FASAE, CAE,
AND JEFF DE CAGNA, FASAE**

12

Job Description

- **LEGAL DUTY:**
Your First Priority
- **FORESIGHT:**
Focus on the Future
- **ETHICS:**
Models of Civility
- **EFFECTIVENESS:**
Peak Performance

19

On Duty

- **PREPARATION:**
Off to the Races
- **FINANCE:**
Know the Numbers
- **EXECUTIVE EVALUATION:**
Measuring CEO Performance
- **COMMUNICATION:**
Conversation Versus Conflict
- **WHAT ELSE?**
Call to Action

31

Data Points

Governance-related research from the ASAE Foundation uncovers the habits and policies that make for the most effective boards.

36

Board Talk

Volunteer leadership is an opportunity to give back to your organization, but board service requires patience and adaptability, says ASAE Board Chair Sal Martino, FASAE, CAE.



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BOARD DIVERSITY & INCLUSION: FINDING DEEPER INSPIRATION

FOR BOARDS OF DIRECTORS AND THEIR ASSOCIATIONS, THE BENEFITS OF EMBRACING DIVERSITY AND INCLUSION ENCOMPASS BOTH HIGH LEVELS OF ORGANIZATIONAL PERFORMANCE AND THE REWARDS THAT COME WITH PROFESSIONAL AND PERSONAL GROWTH.

BY VICKI R. DEAL-WILLIAMS, FASAE, CAE, AND JEFF DE CAGNA, FASAE





To navigate

the challenges of a world experiencing profound transformation, association boards must act decisively to create a different future of governing. At the heart of this different future is the imperative to seat boards of directors that are both diverse in composition and inclusive in approach.

Associations derive a series of benefits when they embrace greater diversity and inclusion, including stronger board and organizational performance. Another benefit is more personal to you as a board member: You discover the deeper inspiration you need to become the best version of yourself as both a director and a human being.

ASAE's new D+I strategic plan defines diversity as “the composition of a group of people from any number of demographic backgrounds, identities (both innate and selected), and the collective strength of their experiences, beliefs, values, skills, and perspectives.” At a more personal level, diversity is about appreciating and respecting the unique combination of characteristics of every individual. For you and your board peers, consistently demonstrating this kind of appreciation and respect is integral to translating an expressed interest in diversity into an authentic and sustainable commitment.

Intimately connected to diversity is inclusion, which is created by adopting approaches to ensure that all individuals and groups have appropriate opportunities to participate and contribute to an organization's work.

Association boards need both diversity and inclusion. Building a more diverse board will not take care of itself. Legacy governing documents can place unnecessary constraints on eligibility for board service. Individual and organizational orthodox beliefs—the deep-seated assumptions we make about how the world works—may unintentionally disqualify potential directors who can bring new and valuable perspectives. Additionally, without genuine inclusion, even a highly diverse board will find it challenging to realize its full potential. You and your peers must agree on a clear course of action for ensuring greater board diversity and inclusion, in which you invest organizational resources and for which you accept shared responsibility.

NURTURING DIRECTORS AS PEOPLE

With powerful forces of societal transformation rapidly reshaping every field of human endeavor, the complex demands of association board service will continue to grow. Under these challenging conditions, the benefits of board service for you and your peers also must increase, but not in a way that is about pure self-interest. Instead, board service must offer the potential for ongoing growth as a director and as a human being.

Building a more diverse and inclusive board will facilitate this outcome in three substantial ways.

A more diverse and inclusive board will make all directors smarter. Artificial intelligence and automation are helping to reinvent the future of work. As the capabilities of these and other technologies expand, human beings need to develop new capacity of their own.

When your association's board is more diverse and inclusive, you will have the powerful opportunity to deepen your thinking through exposure to ideas, insights, and perspectives from peers with life and work experiences quite different from your own. In addition, as your board strives to understand, anticipate, and prepare your association for the future, the enhanced richness of your continuous process of sense-making, meaning-making, and decision-making will have a lasting impact on you as a learner, a director, and a person.

A more diverse and inclusive board will make all directors more empathic. One of the most valuable skills for directors (and human beings) to develop is empathy—the ability to see the world through the eyes of other people. Your work with a diverse and inclusive board will strengthen your ability to be empathic as you reflect on the plausible impact of societal transformation on both current and future stakeholders, especially those who are unknown to you personally and who are not already connected to your association.

As your participation in a diverse and inclusive group bolsters your empathy, you will be better able to recognize and examine your own assumptions and biases, demonstrate humility, and appreciate the unique

personal narratives of everyone you serve, including your peers at the board table.

A more diverse and inclusive board will make all directors more collaborative. An association board composed of impressive individuals is insufficient to meet the challenges that societal transformation creates. Boards must operate within a robust team dynamic, which requires each director to make a personal commit-

ment to collaboration. The choice to be collaborative involves a willingness to put the good of the group ahead of your own priorities and interests and to generate new and different solutions.

Over time, as you and your board peers nurture your empathy, you will develop an increasingly allocentric mindset. Allocentrism is about acknowledging the value and importance of others. When you are allocen-



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WHEN YOUR ASSOCIATION'S BOARD IS MORE DIVERSE AND INCLUSIVE, YOU WILL HAVE THE POWERFUL OPPORTUNITY TO DEEPEN YOUR THINKING THROUGH EXPOSURE TO IDEAS, INSIGHTS, AND PERSPECTIVES FROM PEERS WITH LIFE AND WORK EXPERIENCES QUITE DIFFERENT FROM YOUR OWN.

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tric, you can see the need to acknowledge what matters to other people and to listen closely to the voices of those not routinely heard in the boardroom. With this mindset, you will nurture a truly interdependent approach to building your association and preparing stakeholders to thrive in the years ahead.

DISCOVERING DEEPER INSPIRATION

Having a well-defined course of action for building a diverse and inclusive board—including resource investment and a clear understanding of the board's responsibility for making it happen—is simply the first step toward discovering the deeper inspiration that will arise from fulfilling this critical commitment. There are other important issues that your board will have to work on together to maximize the personal and professional growth of every director.

Being intentional. In this context, being intentional means fully integrating the importance of diversity and inclusion into every aspect of the director experience. From the identification, recruitment, and selection of new directors to the orientation, preparation, and development of all

directors—as well as other phases of the experience that come throughout a director’s term—consistent communication and action around the commitment to diversity and inclusion are necessary. Once the commitment is shared, the association and the board must follow through even when resistance emerges.

Recognizing limitations. As your board strives to become more diverse and inclusive, both the association and its directors must recognize their limitations and work to overcome them. For example, artificial barriers to identifying candidates who bring greater diversity to the board must be removed, including bylaws and other governing documents that may fail to reflect a contemporary understanding of the world in which your association operates. For you and your board peers, the limitations are likely to be more personal, and you will be challenged to access the emotional and intellectual openness required to fully embrace the opportunities afforded by seating a diverse and inclusive board.

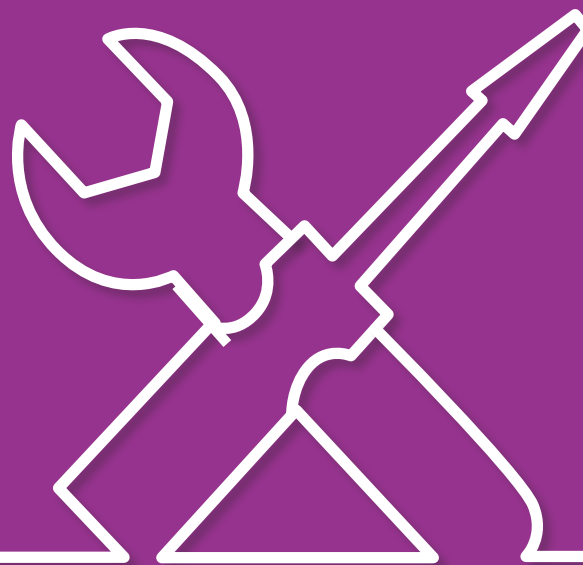
Acknowledging mistakes. To prevent any errors in judgment or practice from undermining the effort to improve board diversity and inclusion, it is essential to acknowledge any mistake without delay. This acknowledgment should be followed by a heartfelt request for forgiveness and a sincere promise to learn from the mistake to avoid repeating it. Expecting failures to occur is not an admission of weakness but an act of prudence as you and your peers seek to address the challenge of building a diverse and inclusive board with maximum skill and sensitivity.

By ensuring greater diversity and inclusion within your board of directors, you and your peers will do much more than give your association the opportunity to thrive in a world experiencing transformation. You will be a part of something much larger than yourself, and in the process, you will become the best version of the director and the human being you want to be. There can be no deeper source of inspiration than that.

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LEGAL DUTY

YOUR FIRST PRIORITY

As a board member, your greatest legal responsibility is to put your association's interests above your own.

BY JERALD A. JACOBS

 **BEING ELECTED** or appointed to an association's board is an honor and a compliment as well as a business or professional advantage. Less obvious is that the role carries legal responsibility and sometimes legal risk.

As an association board member, though serving voluntarily and usually without compensation, you are held to strict legal obligations and duties. Courts have held board members personally liable when calamities have occurred to their organizations that might have been prevented by a more conscientious and attentive board.

FIDUCIARY DUTY

The overriding legal principal is that association board members must put the association's interests first in all debate and decision making, putting its welfare ahead of any potential personal or business gain. While you may be elected or appointed to represent some section of your organization's constituency, you must still put the organization's overall well-being ahead of other considerations.

CONFLICTS

Putting the organization first means that you must not carry on debate and decision making while privately harboring other interests that could divert your focus and judgment. The competing interests might be personal

or for your company or family. Conflicts must be disclosed as requested by your organization, and if you have a conflict, you might have to recuse (sit out) or resign (withdraw completely).

CONFIDENTIALITY

Association boards often deal with confidential matters including employment-related decisions, litigation strategy, advocacy goals, and transaction negotiation. The association is not well-served, and its interests could be severely damaged, if you disclose what you learn about confidential issues in the course of your board service.

OPPORTUNITIES

Once in a while, board members might be asked to consider some financial or program prospect for the organization. This could be the purchase of real estate, the pursuit of a joint venture, or a pitch to a sponsor. Once again, loyalty to the association demands that you not go after that prospect for yourself or your company unless the association waives off on it.

PREVENTION

To honor your fiduciary duty as a board member and avoid personal legal risk, pay unswerving attention to what's best for your organization and not what's best for you or your family, friends, or firm.

Make sure your association has the broadest possible indemnification provision, whether in its bylaws or in a board policy; that way, the organization is committed to defending and protecting you from personal liability if someone alleges wrongdoing. Ask if your organization carries liability insurance that covers board members in those circumstances as well. Finally, be sure that the organization has access to knowledgeable attorneys and consultants who themselves are looking out for the best interests of the association and its board.

JERALD A. JACOBS is a partner at Pillsbury Winthrop Shaw Pittman, LLP, in Washington, DC, and general counsel to ASAE and the ASAE Foundation. Email: jerry.jacobs@pillsburylaw.com

READ MORE

Legal Duties for Directors: An Association Board Member's Guide to Avoiding Risk While Advancing the Mission, by Jerald A. Jacobs (2014, Association Management Press), is available in the ASAE Bookstore. Visit asaecenter.org/bookstore.

FORESIGHT

FOCUS ON THE FUTURE

By practicing foresight, you help your association see change coming and prepare today for tomorrow's opportunities.

BY MARSHA RHEA, CAE

▶ HOW OFTEN ARE YOU able to devote time to thinking about the long-term future of your organization? Have you considered how your association's situation could change as society changes, the economy adapts, and technological advances provide organizations with new ways of doing business? To do this effectively, association volunteer and staff leaders need to engage together in the disciplined practice of foresight.

Foresight is a systematic, multistep process for discerning, analyzing, and acting on potential futures. Future-focused activities like environmental scanning play a key role in the foresight process, which supports organizations in four critical areas:

Strategic planning and strategy development. Association leaders generally recognize that environmental scanning is a necessary precursor to effective strategic planning. Fewer leaders recognize the need to look five to 10 years ahead to anticipate change. Associations are more likely to do more comprehensive scanning and scenario planning when they are creating or updating their vision to set a strategic direction. However, a traditional SWOT (strengths, weaknesses, opportunities, threats) analysis only provides an assessment of current performance and not of what must be done to prepare for tomorrow's opportunities. Performing a systematic environmental scan helps participants focus their plans for the future.

Anticipatory learning. Members value content that keeps them apprised of changes in their field. They expect their associations to offer topical conferences and webinars and to report on timely topics in their publications. Association leaders must be aware of the trends and changes that will affect their members in order to produce relevant content.

Risk analysis. Association leaders have been effective at identifying issues that can lead to public policy and regulatory changes, especially when they have staff dedicated to these activities. They have also been successful in confronting new developments that affect businesses of all types, including technology advances and generational shifts. Leaders have been less proactive in assessing potential vulnerabilities in their business models and operating practices.

Innovation and business development. Businesses frequently use foresight to spot trends and anticipate future markets. As associations strive to be more innovative, they will be able to use foresight to see beyond today's issues and identify new capabilities that can turn "what if" ideas into real possibilities. Associations can use foresight to recognize and build on technological advances or changes in customer priorities and preferences. In doing so, they will be better able to see emerging opportunities to do things a new way.

Practicing foresight is a shared responsibility across an association, but boards play an especially critical role in demonstrating the importance of exploring and planning for the future. Leading an organization requires an understanding of the looming drivers of change. The practice of foresight in associations will not only advance the association sector; it will help professions and industries create their own futures.

READ MORE

This article is excerpted and adapted from *Why Associations Need Foresight*, an ASAE Foundation research brief introducing the ASAE ForesightWorks research initiative. The brief and related resources are available in the ASAE Bookstore. Visit asaecenter.org/bookstore.

MARSHA RHEA, CAE, is president of the consulting firm Signature i, LLC, and a former executive in two state and three national associations. Email: mrhea@signaturei.net

ETHICS

MODELS OF CIVILITY

Board members have a responsibility to set an example of civil discourse and ethical conduct for their community.

BY KATHERINE MANDUSIC FINLEY, CAE

TODAY'S NEWS cycle and social media streams might understandably convince you that ethical leadership and civil discourse are dead. But this is where associations and other nonprofits, as mission-driven organizations, can take the lead and set an example for others.

Ethical volunteer leadership goes far beyond avoiding conflicts of interest. You will be called on to behave ethically in many contexts. Disagreements over how issues should be approached often surface in board meetings. If your organization has a government relations program, disputes over political issues may arise. And because you're in a position of power, you will have opportunities to engage in unethical behavior with staff (especially the executive director or CEO) since you hold their future in your hands.

A few simple but important principles can guide your conduct in these and other scenarios that may arise during your board service:

1 Keep conversation civil. Listen to the views of other board members and the organization's chief executive. In short, you can agree to disagree. Keep the discussion focused on the issues, not the people commenting on them, and avoid petty insults when listening to others' views.

2 Be inclusive. When forming committees or task forces, include thoughtful, committed members who represent gender, ethnic, racial, age, and sexual orientation diversity.

3 Keep politics out of the discussion. In today's highly charged political atmosphere, nothing can derail a friendship or business relationship more quickly than expressing strong political views. When it seems that the conversation is veering toward politics (other than policies that affect the association), change the subject. Say something as simple as "I'm so tired of politics. Let's talk about something else." Few disagree, and the conversation usually turns to other topics.

Here is what ethical leaders don't do:

1 They don't engage in gossip or spread rumors about other board members, rank-and-file association members, or staff.

2 They don't use their position to harass, intimidate, insult, or bully others. As the #MeToo movement has shown, abusive behavior by people in powerful positions results in lasting psychological damage to individuals and economic loss to organizations.

3 They don't share opinions (especially political) or degrading comments on social media. Even content that has been deleted can often be found again. Assume that your social media posts will be on the internet forever, and then post—or don't post—accordingly.

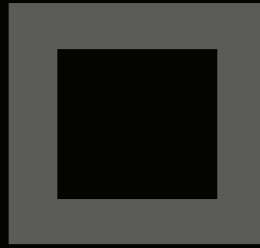
If you follow these simple rules, you will set the standard for ethical behavior and civil discourse in your association community. In all likelihood, others will follow your lead.

KATHERINE MANDUSIC FINLEY, PH.D., CFRE, CAE, is executive director of the Organization of American Historians in Bloomington, Indiana. Email: kmfinley@oah.org

ETHICS RESOURCE

An "Ethical Decision Making Model" created by the ASAE Ethics Committee is available to ASAE members in the Models and Samples collection. Visit asaecenter.org/modelsandsamples.

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PEAK PERFORMANCE

Boards that consistently perform at the highest level have qualities in common.

BY BETH GAZLEY

GOOD GOVERNANCE matters to association performance. But it can be hard to find a path through the anecdotes, the conventional wisdom, and the sometimes competing notions of what works and what doesn't. Given the enormous variety in associa-

tions, you and your board colleagues should be asking the hard questions about what success means for your organization.

But benchmarking can be helpful. In a series of research initiatives, the ASAE Foundation has studied

good association governance from several angles. The foundation's 2013 book, *What Makes High-Performing Boards: Effective Governance Practices in Member-Serving Organizations* (which I co-wrote with my colleague at Indiana University, Ashley Bowers),



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benchmarked governance practices from a broad perspective encompassing member-serving organizations across many tax statuses and missions.

What can be learned from the association boards that received the highest performance rankings from their CEOs and executive directors? The factors you might expect—size, budget, staffing, geographic scope—were not the strongest drivers of organizational performance. Instead, four things set these boards apart:

Strategic focus. High-performing boards were twice as likely to invest substantial board meeting time to strategic considerations. Fully 99 percent of these boards were operating under an organizational strategic plan—and the plan was more likely to be one the board had worked jointly with staff to develop. The result is striking: The top-performing boards also had healthier membership and budget growth, and their CEOs were less likely to report intentions to leave the organization.

Commitment to assessment and skills development. These boards were twice as likely to set performance goals for themselves, almost twice as likely to invest in board development activities such as mentoring and training, and twice as likely to engage in formal or informal board self-assessment.

Effective recruitment processes. They were also more likely to recruit new board members broadly, by, for example, soliciting nominations from outside the board rather than depending on CEO nominations. They were more likely to screen prospective board members and to hold competitive elections rather than voting for a single slate. The result? Their CEOs were half as likely to report challenges finding board members who had the qualifications they needed and half as likely to report problems keeping the board members they wanted.

High participation levels. The CEOs at top-performing associations were half as likely to report board meetings that failed to make a quorum

or to report that board members had left office before their terms were up. These may seem like minor issues, but they weaken leadership, complicate governance processes, slow down board decision making, and create a culture of weak accountability.

Whether or not you have these practices in place, asking your board colleagues and your CEO smart questions such as “Why do we have these practices? Why don’t we?” will help you understand the value they bring to your governance work and which practices should be prioritized.

BETH GAZLEY, PH.D., is a professor at the School of Public and Environmental Affairs at Indiana University. Email: bgazley@indiana.edu



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PREPARATION

OFF TO THE RACES

Use this simple acronym to prepare well for board meetings and maximize your contribution.

BY STEVE SMITH, CAE

NASCAR AND INDYCAR DRIVERS often credit their success to what happens before the race begins. Planning, preparation, and a strong crew are what most often make the difference. Each member of the team, from the driver to those who work in the pit, remains focused on the vehicle to ensure it can perform at highest level while encountering a variety of challenges.

Time, talent, and teamwork are also critical when a board convenes. While the road of good governance is less dangerous and overtly competitive, readiness and pacing still come into play. Some board meetings are short sprints, while others can feel like numerous laps around a huge track.

You can't contribute fully to your next board meeting unless you're fully prepared. In keeping with the metaphor, think of getting ready for your meeting as heading off to the "RACES."

Remember to do the following:

Review. Read all materials provided in advance, including the agenda, minutes, financial reports, and background materials prepared to help orient and inform board discussion.

Ask. Get more information on anything that is not clear or that you think others would benefit from knowing. Questions can be asked at any point, including before and after a board meeting.

Contribute. Identify ways you can add value to the meeting. Perhaps you can listen and summarize key points, or you may be able to offer a suggestion or different point of view. Make sure you're ready to participate—even if it's your first board meeting.

Engage. Before, during, and after board meetings, get to know others who serve on the board with you, and take time to consider various points of view. Touch base with staff members to expand your knowledge,

understanding, and insights about important issues being considered or discussed. (While staff can be a valuable resource for you, remember that your role is not to direct their work. That's the CEO's responsibility.)

Summarize. This one happens after the meeting. Identify a few key messages and takeaway points that are appropriate to share with others. Other people in your organization, your coworkers, and even your family will wonder what you did at the board meeting. If you're not certain what you are free to discuss outside the boardroom, check with the CEO or chief volunteer officer.

Champion stock car driver Dale Earnhardt is credited with saying that finishing a race is important, but not as important as racing well. I suspect he was referring to his professional pursuits—as far as I know, he never served on an association board. Either way, he was right.

GET MORE INFORMATION ON ANYTHING THAT IS NOT CLEAR OR THAT YOU THINK OTHERS WOULD BENEFIT FROM KNOWING. QUESTIONS CAN BE ASKED AT ANY POINT.

STEVE SMITH, MS, CAE, is CEO and executive director of the American Academy of Hospice and Palliative Medicine and an account executive at Association Management Center in Chicago. Email: ssmith@aahpm.org

FINANCE

KNOW THE NUMBERS

To fulfill your fiduciary duty, you need to understand the difference between nonprofit and for-profit financial reporting.

BY LEE KLUMPP

IN YOUR CAREER ROLE, you may be used to reading for-profit financial statements and probably understand the terms used to define profitability, performance, and financial results of for-profit entities. However, in your role as an association board member, you have a fiduciary duty of care to oversee how your organization communicates its financial and operational results to its stakeholders. To carry out that duty, you need to understand the differences between for-profit and nonprofit financial reporting so that you can evaluate the association's financial position, liquidity, and ability to sustain itself.

To begin with, the financial reporting goals of for-profit and nonprofit organizations are different. A for-profit entity reports profitability and cash flows so that shareholders and investors can project future dividends and return on investment. A nonprofit has two primary financial reporting goals:

- to meet its obligation to communicate to the public and donors how it acquired, managed, and allocated financial resources to accomplish its mission
- to present financial statements that are informative, transparent, and reliable and communicate financial position, results, and accomplishments to stakeholders

TYPES OF FINANCIAL STATEMENTS

To address their different goals, the financial statements of the two types of organizations are also different. Nonprofits use four types of financial documents:

Statement of financial position.

Known in for-profits as the balance sheet, the statement of financial position provides a financial snapshot on a specific date. It has three main components: assets, liabilities, and net assets (known as equity in a for-profit business). The statement of financial position helps you assess your association's soundness in terms of liquidity risk, financial risk, credit risk, and sustainability.

Statement of activities. An association's statement of activities (known as the income statement in for-profits)

reports the revenue, expenses, gains or losses on investments, and other gains or losses (such as gain or loss on the sale of property or equipment) in all areas of the organization. An association may choose to show items such as gains or losses on investments as nonoperating activity to distinguish them from its operations. Other items, such as pension costs or other nonoperating expenses, may also be included as nonoperating activity at the association's discretion. At the bottom, the statement shows the resulting change in net assets for the fiscal reporting period.

Statement of cash flows. The statement of cash flows shows the association's major sources and uses of cash during the same reporting period. In other words, it lists the major reasons for the change in the association's cash and cash equivalents at the beginning and end of the period, as reported on the statement of financial position.

Statement of net assets. The statement of net assets reconciles the changes in the net asset classifications—unrestricted, temporarily restricted, and permanently restricted—as reported in the association's statement of activities. Temporarily restricted net assets are those that result from contributions or other inflows of assets whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled or removed by action of the association. Permanently restricted net assets are those

ONE OF YOUR MOST IMPORTANT TASKS IN EXERCISING YOUR DUTY OF CARE IS TO READ, REVIEW, AND ASK QUESTIONS ABOUT YOUR ASSOCIATION'S FINANCIAL STATEMENTS.

SAMPLE NONPROFIT FINANCIAL STATEMENT STATEMENTS OF FINANCIAL POSITION

<i>December 31,</i>	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$31,830,448	\$30,351,846
Accounts receivable - net of allowance for uncollectible accounts of \$23,829 in 2018 and \$41,747 in 2017	1,448,668	7,694,031
Prepaid expenses - annual meeting	16,288,599	16,702,264
Prepaid expenses and other assets	823,352	680,338
Total current assets	50,391,067	55,428,479
Noncurrent assets		
Long-term investments	44,849,774	56,534,947
Property and equipment, net	44,863,787	45,186,925
Prepaid expenses - annual meeting - net of current portion	106,900	363,945
Total noncurrent assets	89,820,461	102,085,817
Total assets	\$140,211,528	\$157,514,296
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$4,770,576	\$5,528,746
Accrued expenses	4,756,708	3,272,547
Deferred revenue	61,505,829	65,655,307
Total current liabilities	71,033,113	74,456,600
Commitments and contingencies		
Net assets		
Unrestricted net assets	69,178,415	83,057,696
Total liabilities and net assets	\$140,211,528	\$157,514,296

After adoption of ASU 2016-14, unrestricted net assets would be referred to as net assets without donor restrictions.

Net assets are shown instead of retained earnings.

that result from contributions or other inflows of assets whose use by the association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the association and need to be maintained in perpetuity. Unrestricted net assets have no such donor stipulations. Not all associations present a separate statement of net assets. Many present this reconciliation as part of the statement of activities.

Effective with fiscal periods that begin after December 15, 2017 (that is, the calendar year ends December 31, 2018, and the fiscal year ends during 2019), nonprofit organizations will be required to adopt the provisions of the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities." As a result of this ASU, there will be certain changes to the face of the financial statements and disclosures.

The financial statements will present only two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The temporarily restricted and permanently restricted categories of net assets will be combined and presented in the net assets with donor restrictions category upon the adoption of the ASU.

Footnotes. Financial statements will generally be accompanied by footnotes or disclosures that are just as important as the individual statements. The information in the footnotes allows the reader to obtain more detail so they can truly understand the numbers in the various statements. The footnotes provide the accounting policies used to prepare the financial statements, as well as information about the components of the numbers presented in the statements. The footnotes are critical to understanding the statements and should be read in detail.

With the adoption of ASU 2016-14, there are several additional required disclosures, which will provide more information about the entity and its operations and will be useful to readers of the financial statements.

After adoption of ASU 2016-14, unrestricted net assets would be referred to as net assets without donor restrictions.

Association chose to show nonoperating items. Investment gains/losses can also be shown as part of revenues if the association chooses.

SAMPLE NONPROFIT FINANCIAL STATEMENT STATEMENTS OF ACTIVITIES

Years ended December 31,

Revenues

Annual meeting
Membership dues
Meetings and conferences
Fees and assessments
Publication sales
Other income

Total revenues

Expenses

Program services

Annual meeting
Communications
Government and legal affairs
Member relations and customer service
Meetings and conferences
Technology and standards
Market research

Total program services

Supporting services

General and administrative

Total expenses

(Decrease) increase in unrestricted net assets from operations

Nonoperating activities

Net investment (loss)/gain

Change in net assets

Unrestricted net assets, beginning of year

Unrestricted net assets, end of year

2018	2017
\$68,083,991	\$78,701,680
3,791,142	3,760,127
2,194,980	2,065,282
1,008,227	1,061,717
826,890	1,078,996
62,185	42,149
75,967,415	86,709,951
38,937,135	35,737,453
8,591,621	8,274,453
6,069,584	5,370,725
5,244,459	5,458,744
4,209,099	4,170,591
3,122,172	3,014,999
2,807,570	3,105,830
68,981,640	65,132,795
7,502,154	8,141,724
76,483,794	73,274,519
(516,379)	13,435,432
(13,362,902)	2,884,198
(13,879,281)	16,319,630
83,057,696	66,738,066
\$69,178,415	\$83,057,696

This line shows the difference between total revenues and total expenses before any nonoperating items the association may present.

The change in net assets shows the bottom line from one year to the next.

WHAT TO LOOK FOR

One of your most important tasks in exercising your duty of care is to read, review, and ask questions about your association's financial statements. While you may rely on the information that the association's management team and external consultants provide, that does not release you from the due diligence required by the duty of care. These are some areas where you can begin your review of the financial statements:

Check for trends. As you compare your current statement of financial position to the one produced for the previous month or year, look for any unusual trends. For example, are there significant swings in cash, accounts, and member receivables? Does the current ratio (current assets divided by current liabilities) seem to be decreasing? Is there a significant growth in restricted net assets that were not expected?

Assess liquidity and other targets. Liquidity refers to having enough cash, or access to cash, to pay current liabilities. This is one of the key elements measured by the current ratio, which should be greater than 1.0 to indicate that you have sufficient liquidity. In addition, you should know your association's financial reserve targets, any restrictions on the association's assets placed by financial institutions through loan covenants (requirements that certain assets be maintained as collateral or that certain levels of assets be maintained during the term of the loan), long-term asset replacement (commitment of certain assets to replace long-term assets), and other uses, and check to make sure you are meeting these targets.

The adoption of ASU 2016-14 will assist the reader in assessing the association's liquidity. The ASU requires that either the statement of financial position or a footnote disclosure (or a combination) include both quantitative and qualitative information about the availability of financial assets to meet cash needs for general expenditures within one year of the statement date, as well as the association's plans to maintain liquidity.

Review borrowing arrangements and debt. You should be familiar with your association's borrowing capacity to understand whether you can access

READ MORE

How to Read Nonprofit Financial Statements: A Practical Guide (3rd Edition), by Andrew Lang, William Eisig, Lee Klumpp, and Tammy Ricciardella (ASAE-Wiley Series) is available in the ASAE Bookstore. Visit asaecenter.org/bookstore.

the capital required to cover emergencies. Many trade associations have lines of credit in place for this purpose. Review the statement of financial position to ensure that loan balances are consistent with expectations. Rapid growth in debt or a line of credit at the borrowing limit at a time of year when it should be low are warning signs that could indicate an impending financial crisis.

Look for variances. During your board term, you will often have access to management's internal statement of activities, outlining budget versus actual expenses. As you review the document, look for significant variances, especially those that negatively impact the association, and ask questions so that you better understand cause and effect. If you see unexpected or large variances, ask how management plans to address them.

Examine revenue sources. The statement of activities can show whether the association is too dependent on one source of revenue. You should understand management's contingency plans to address unexpected reductions in income, particularly from sources that make up a significant percentage of total revenue.

Watch for rising costs. When reviewing expenses, look for trends that may indicate that costs are rising more rapidly than the corresponding revenue or support source. Also, look for longer-term trends in both revenue and expenses. Such trends may signal a need for increased attention to a particular activity or tighter expense management.

Check the bottom line. Not surprisingly, this is an important measure to review. The statement of activities shows not only the total change in net assets for the year, but also how the change is distributed among unrestricted and restricted assets (both temporary and permanent). Upon adoption of the ASU, this will show the distribution between net assets with donor restrictions and net assets without donor restrictions. If you have questions about the bottom line, raise them with management.

LEE KLUMPP, CPA, CGMA, is a National Assurance partner in the Non-profit and Government practice at BDO in McLean, Virginia. Email: lklumpp@bdo.com

ASU 2016-14: SUMMARY OF CHANGES

The Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities," will bring several changes to the face of associations' financial statements and disclosures. Changes include:

- The current presentation of three classes of net assets will be changed to two classes, referred to as net assets with donor restrictions and net assets without donor restrictions.
- Investment return (not related to programmatic investing) should be presented net of related external and direct internal investment expenses.
- A statement of functional expenses will be required as part of the basic financial statements. It will detail expenses by nature and function. Disclosures are required that provide additional information about how costs are allocated.
- Quantitative and qualitative disclosures about liquidity and availability of resources to meet cash needs for general expenditures within one year of the date of the statement of financial position must be provided.
- If an association uses the direct method to present its statement of cash flows, it will no longer be required to provide the reconciliation of changes in net assets to cash provided or used in operating activities.





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EXECUTIVE EVALUATION

MEASURING CEO PERFORMANCE

CEOs, like other association employees, need constructive feedback. These tips will help you build a dialogue about CEO performance.

BY ROBERT T. VAN HOOK, FASAE, CAE

▶ **HIRING AND EVALUATING THE PERFORMANCE** of a chief staff executive is a key role of the board of directors. The board should establish an executive assessment policy that includes how and when the assessment will be done, who will be involved, and whether and to what degree salary increases or bonuses will be tied to the results.

Associations assign the task of assessing the executive's performance in different ways. In some cases, the whole board is involved; in others, only the executive committee; and still others use a hybrid model. In the interest of transparency and inclusiveness, the full board should be involved in some way, even if it just receives a report from the executive review committee.

Elected leaders often find it difficult to assess their CEO's performance. In part, that's because the executive is both a leader and an employee, which makes the relationship awkward. Board members may feel they know less about the association and how it is run than the executive, so they may find it difficult to give feedback about either programmatic or strategic issues.

Following a few best practices can help. The executive assessment process generally includes the following components:

Establishing measures. It is important to start by specifying executive performance expectations at the time of hiring and outlining them in the CEO's contract. The board should work with the executive within the first six months to establish agreed-upon, measurable objectives for the coming year, along with the performance metrics to be used to measure success. Ideally, the executive evaluation metrics will be similar to the management metrics that are linked to objectives in the strategic plan.

Gathering data. Executive performance should not be judged by quantitative data alone, and the executive's role is about more than the organization's bottom line. He or she is also a leader whose style, demeanor, and emotional intelligence count. The assessment process should include elements that can provide the executive with feedback on how he or she can be more effective in

interpersonal relationships and leadership roles with the board, staff, and members.

Compiling and presenting assessments. The purpose of the data collection and assessment process is to frame a candid conversation with the executive about performance and to agree on a new set of objectives for the coming year. While assessment data may be gathered from a larger group, the synthesis of the data and presentation of the assessment is best done by a smaller subset—often the board chair and the chair-elect—who should set up a private face-to-face conversation with the executive and allow ample time for a reflective dialogue.

Done well, executive performance assessments are hard work, but they pay off in improved performance for the executive and the association.

ROBERT T. VAN HOOK, FASAE, CAE, is president of Transition Management Consulting. Email: rvanhook@transitionceo.com

COMMUNICATION

CONVERSATION VERSUS CONFLICT

Sometimes healthy dialogue involves disagreement, so boards need to get comfortable with tension and vigorous debate.

BY JON HOCKMAN, FASAE

ONE OF YOUR CORE responsibilities as a board member is engaging in and promoting healthy board dialogue. Without the right kind of discussion and debate, neither the board nor the organization is likely to fully deliver against mission.

Your challenge is to build within your board what BoardSource founding president and governance consultant Nancy Axelrod terms “a culture of inquiry” in which leadership conversations feed true fulfillment of the organization’s mission.

A culture of inquiry involves gaining comfort with tension and vigorous debate. That means diverse views, experiences, and perspectives are sought out to fully inform the conversation. This must happen in an atmosphere of respect and appreciation that recognizes that the process is going to go more slowly than it would otherwise; that progress typically arrives at the intersection of diverse viewpoints; and that nobody is as smart as everybody. Therefore, collective wisdom is more powerful than

any lone voice.

Another reason that vigorous conversation is necessary is to avoid what Yale social psychologist Irving Janis called “groupthink.” This is a tendency for established groups, like boards, to place a higher priority on unanimous agreement than on pursuing alternative courses of action. This is a natural response, because as humans, we like to get along. The risk of groupthink, however, is that you may miss key issues that are in your organization’s best interest.

Janis’ work is the basis for these board-specific tips to avoid groupthink:

- The board chair should create an environment in which each member has the role of “critical evaluator.” This allows each member to freely air objections and doubts.
- Board leaders should not express an opinion when assigning a task to a group.
- The organization should set up several independent groups working on the same problem.

- All effective alternatives should be examined.
- Each member should discuss the board’s idea with trusted people outside the board.
- The board should invite outside experts into meetings. Board members should be allowed to discuss with and question the outside experts.
- At each meeting, at least one board member should be assigned the role of devil’s advocate. This should be a different person for each meeting.

Engaging in constructive conversation may sound simple. And, intellectually, it is. The challenge comes in actually doing it. The best way forward: practice, practice, practice. Your board and organization will be better for it.

JON HOCKMAN, FASAE, is principal at McKinley Advisors in Washington, DC. Email: jhockman@mckinley-advisors.com

WHAT ELSE?

CALL TO ACTION



The best board members are engaged, adaptable, and willing to step up when their organization calls on them with a job to be done. Here are some ways you may be asked to contribute beyond the boardroom.

FUNDRAISING FUNDAMENTALS

While some larger associations, and almost all association foundations, have development staffers, a committed volunteer can sometimes make a more effective case for a donation. Some tips to keep in mind if you're doing "the ask":

- 1 Think, and speak, from a personal perspective.** For example, say, "We need to raise money"—not "They need to raise money."
- 2 Don't jump the gun** and ask for a gift before the prospective donor has been properly cultivated. The result could be a much smaller gift or no gift at all.
- 3 Don't badger your prospects.** Stick to the solicitation plan the staff has developed with you.
- 4 Control your jitters** by keeping your focus on your goal: to advance an organization you truly care about.
- 5 Don't get discouraged** if it takes a while to get the gift. Remember this rule of thumb: Many first-time donors make their first gift after six to 12 touches.

—ADAPTED FROM *FUNDRAISING WITHOUT FEAR*, BY KARLA TAYLOR (ASAE, 2013)

MEMBERSHIP SAVVY

Chances are, membership isn't your day job, but understanding membership will make you a better board member. A few tips:

- 1. Focus more on the collective benefits of membership, less on the personal benefits.** Most professionals appreciate that association membership helps them advance the common good of their profession.
- 2. Don't assume that you and other elected leaders can correctly identify the priorities of rank-and-file members.** Volunteer leaders have access to unique information that puts considerable distance between conclusions they reach and assumptions under which rank-and-file members operate.
- 3. Define, encourage, and measure member involvement.** Performing one task, on one occasion, may be all it takes to change a member's disposition toward the value of membership.
- 4. If the association plans to go global, first square up with domestic members.** Launching a global strategy without fully analyzing motives or objectives can alienate domestic members.

—ADAPTED FROM *SUPPORTING THE DECISION TO JOIN: WHAT ASSOCIATION BOARDS SHOULD KNOW AND DO ABOUT MEMBERSHIP AND AFFILIATION*, BY JAMES DALTON (ASAE, 2009)



ADVOCACY ADVOCATE

If advocacy and government relations are imperatives for your association, then it's also part of your job. Four simple tactics to keep in mind:

1

Give your GR team the resources it needs. If your association thinks that advocacy is important enough to include on the agenda, the board needs to provide resources to do the job right. That may mean dollars for staff, consultants, technology, PR, and other tools.

2

Know your own story. Legislators and their staffs want to know about your business in their state or district, the people you employ and serve there, and how and why the advocacy issue at hand matters back home. Show up as an earnest constituent and you will get a warm reception.

3

Learn your pitch. Your GR team should give you a few talking points on the advocacy issues of greatest importance. The message should be straightforward and easy to remember, it should dovetail nicely with your own story, and it should include a specific request, such as asking the lawmaker to cosponsor a bill you support.

4

Follow the rules. Federal and state laws govern lobbying and political giving. Take them seriously. Every board member should understand the basics of lobbying disclosure and related requirements issued by federal, state, and local governments.

—CHERYL T. CEPRIANO, JD, CAE,
EXECUTIVE DIRECTOR,
KIDNEY CARE COUNCIL

SUCCESSFUL SUCCESSION

Planning for your replacement may feel a bit odd. Yet every board member has a responsibility to identify potential future leaders.

A plan to get started:

1 **Assess the current board.** The process should examine both performance of the board (its knowledge and effectiveness) and the leadership capacity and performance of individual board members. Where there are gaps or weaknesses, the board should seek people to fill those needs.

2 **Conduct exit interviews.** If you are not conducting exit interviews with departing board members, now is the time to start. Some members may feel more open when they are leaving and more willing to comment about board operations and the competencies it needs in future members.

3 **Identify competencies and candidates.** Competencies that associations seek may include demonstrated leadership skills, capacity for forward thinking, and team orientation. Also reach out to those who hold diverse perspectives. Their viewpoints will enrich the board's discussion and deliberation.

—DONNA FRENCH DUNN, CAE
SENIOR CONSULTANT,
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BEST BOARD PRACTICES

GOVERNANCE-RELATED RESEARCH FROM THE ASAE FOUNDATION UNCOVERS THE HABITS AND POLICIES THAT MAKE FOR THE MOST EFFECTIVE BOARDS.



A well-functioning board will serve the association, its members, and other stakeholders well.

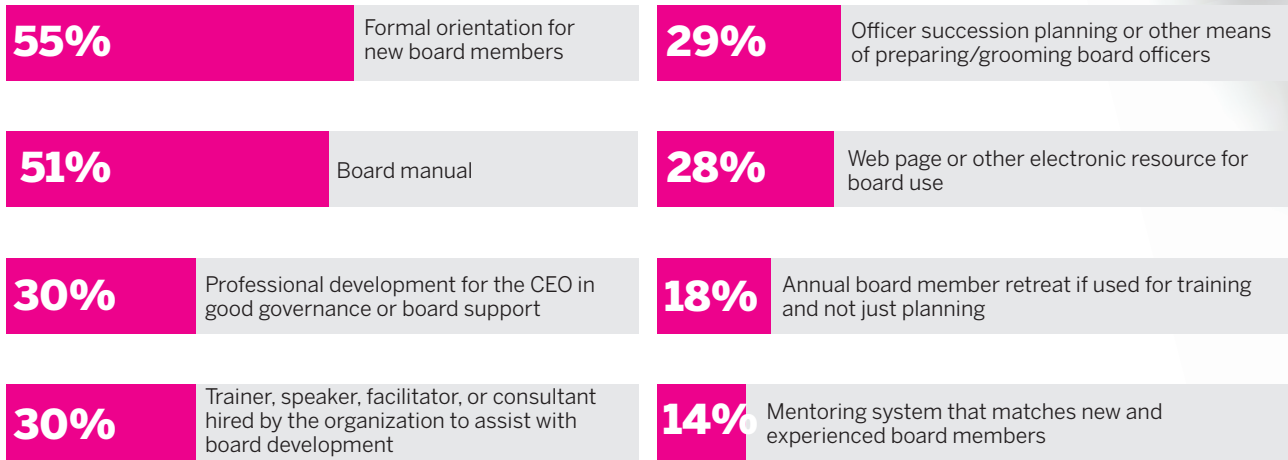
According to ASAE Foundation research, boards that are well-prepared, willing to assess their own performance, and committed to adhering to key policies and practices are in the best position to advance their organization's mission.



PREPARATION AND TRAINING

While there is more scrutiny of board performance today, there is also considerably more professional training available to help board members succeed in their roles. In an ASAE Foundation study, 82 percent of boards used at least one method of development and training, while just 18 percent used none.

MOST COMMON TRAINING TOOLS USED BY HIGH-PERFORMING BOARDS



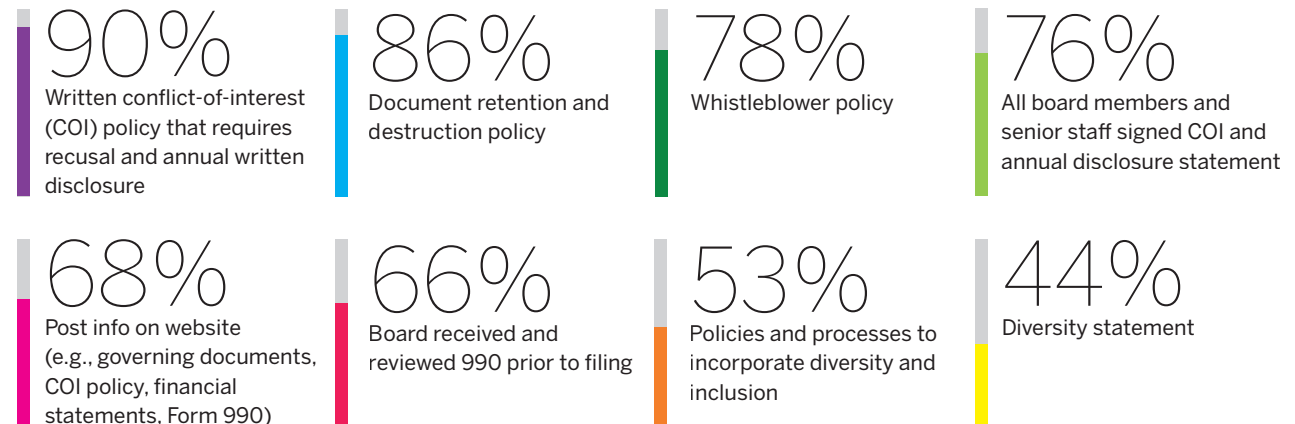
SOURCE: WHAT MAKES HIGH-PERFORMING BOARDS? BY BETH GAZLEY AND ASHLEY BOWERS, 2013



POLICIES AND PROCEDURES

Major policies, practices, and procedures are designed to guide volunteer leaders as they carry out the association's work. Because the board has ultimate responsibility and accountability for that work, it needs to ensure that practices are well-documented and routinely followed.

MOST COMMON BOARD POLICIES AND PRACTICES



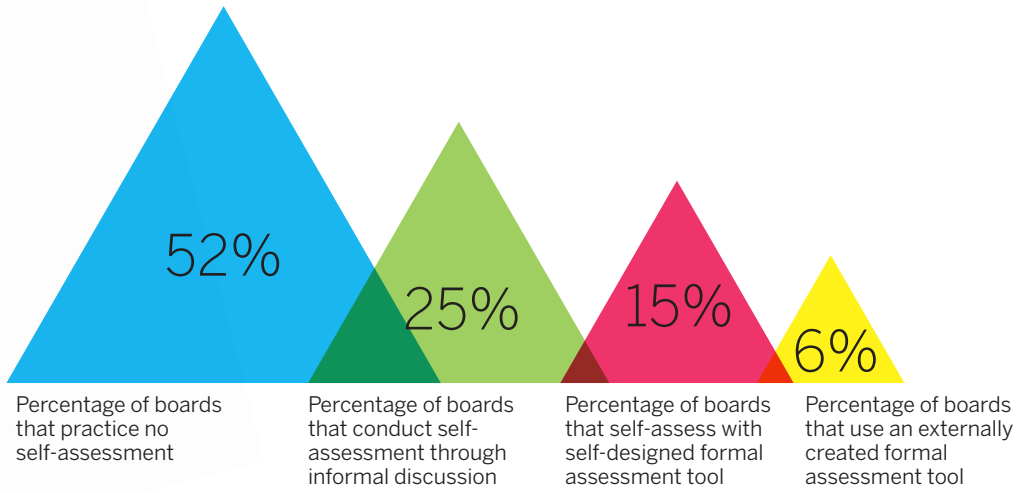
SOURCES: WHAT MAKES HIGH-PERFORMING BOARDS?, BENCHMARKING IN ASSOCIATION MANAGEMENT: GOVERNANCE POLICIES AND PROCEDURES





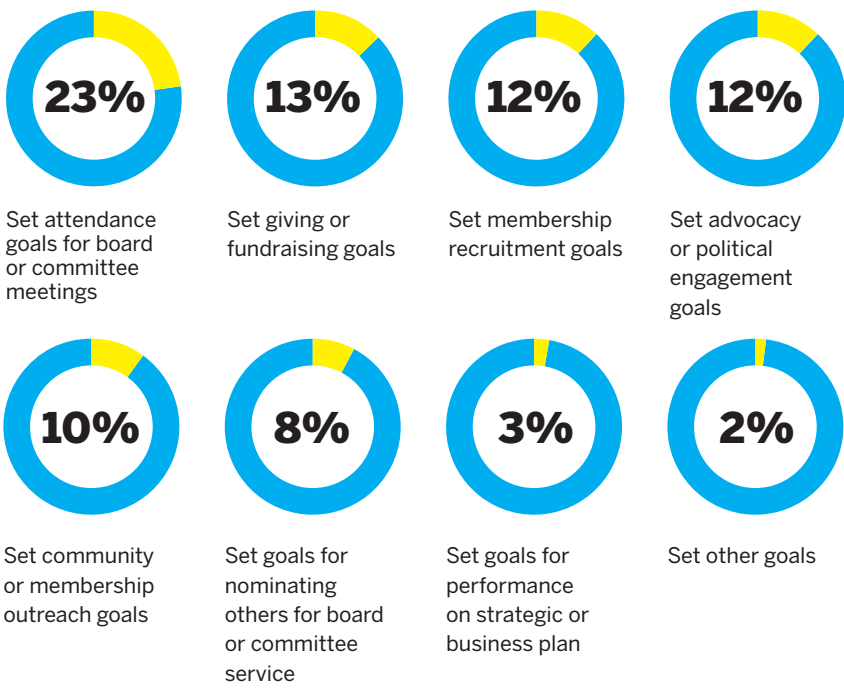
SELF-ASSESSMENT

Although most boards engage in some governance training and development, other research suggests that board members are much less likely to regularly assess their own performance.



MOST COMMON BOARD SELF-ASSESSMENT MEASURES

Of the 48 percent of boards that do a formal or informal self-assessment, the most common performance targets they measure are attendance, giving, fundraising, and membership recruitment.



SOURCE: ASSESSING BOARD PERFORMANCE: AN ANALYSIS OF ASAE-BOARDSOURCE SELF-ASSESSMENT RESULTS, BY MONICA DIGNAM AND ROSEMARY TENUTA, 2013

Reinventing Member Experience

Personalization

Events & fundraising

Artificial intelligence

Fund accounting & payments

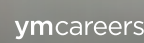
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The Will to Govern Well: Knowledge, Trust and Nimbleness (2nd Edition)

BY GLENN H. TECKER, PAUL D. MEYER, BUD CROUCH, AND LEIGH WINTZ, CAE

Discover how today's most successful organizations thrive and overcome challenges. Find out what characteristics organizations possess that enable them to react and adapt to change quickly and help them become forward-thinking organizations. (2010, 272 pages, \$45.95/members, \$57.95/nonmembers)



The Association CEO Succession Toolkit

BY GARY LABRANCHE, CAE

Create your own continuity plan with help from this resource. (2018, 125 pages, \$69.95/members, \$84.95/nonmembers)



Board and CEO Roles for Achieving Association Goals

BY DAVID WESTMAN, MBA/CPA, CAE

Clearly define roles and assign accountability to maximize

contributions from volunteers and staff with this essential guide. (2016, 256 pages, \$31.95/members, \$39.95/nonmembers)



Transformational Governance: How Boards Achieve Extraordinary Change

BY BETH GAZLEY, PH.D., AND KATHA KISSMAN

Get an inside look at the

stages and processes that directors and their staff used to transform their boards that resulted in significant, positive changes in governance practices. (2015, 288 pages, \$37.95/members, \$42/nonmembers)



Fundraising Without Fear: A Board Member's Guide to Raising Money

BY KARLA TAYLOR

Basic knowledge and inspiration for board

members' fundraising work. (2013, 32 pages, \$12.95/members, \$16.95/nonmembers)



The Governing Board: Key Responsibilities for Association Boards and Board Members

BY NANCY R. AXELROD

A concise summary of board member duties

and the role the board should play in advancing an association's mission. (2013, 44 pages, \$12.95/members, \$16.95/nonmembers)



What Makes High-Performing Boards: Effective Governance Practices in Member-Serving Organizations

BY BETH GAZLEY, PH.D., AND ASHLEY BOWERS

The results from a survey of more than 1,500 nonprofit CEOs and executive directors offer a snapshot of current governance practices in associations and other member-serving organizations. (2013, 120 pages, \$34.95/members, \$43.95/nonmembers)



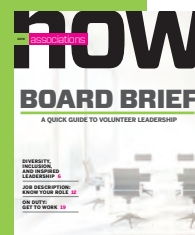
Legal Duties for Directors: An Association Board Member's Guide to Avoiding Risk While Advancing the Mission

BY JERALD JACOBS

This concise booklet will quickly orient board members to their legal obligations and summarize major areas of risk. (2014, 64 pages, \$12.95/members, \$16.95/nonmembers)

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Q & A

VOLUNTEER LEADERSHIP IS AN OPPORTUNITY TO GIVE BACK TO YOUR ORGANIZATION, BUT BOARD SERVICE REQUIRES PATIENCE AND ADAPTABILITY, SAYS ASAE BOARD CHAIR SAL MARTINO, FASAE, CAE.

Q: What motivates you personally to participate as a volunteer leader in ASAE?

A: It was a natural that I would want to volunteer for ASAE and give back to the association profession, which I love and has been really good to me. ASAE is a great organization with a great mission: It helps association professionals do their jobs better and therefore helps associations do what they do better.

Q: How do you balance the demands of board service with your association CEO role and other responsibilities?

A: The most important thing is that I have an incredibly talented and supportive staff. They hold down the fort when I'm not here and take on additional responsibilities when I need them to. On a personal level, my partner makes it so much easier for me. He keeps our home life together, and with all my extensive travel, I always know that I've got a safe place and a nice meal to come home to.

Q: What skills should a board member cultivate to be successful in the role?

A: The most important one is listening. Your board role is deliberative. To make responsible decisions, you have to listen to all sides and keep an open mind. Also, board members have to be patient and give staff the time they need to develop ideas, solve problems, and implement programs. Finally, you've got to be able to adapt from your day job, and that can be hard. You have to go from being totally operational to totally strategic.

Q: What advice would you give to someone coming into a board role for the first time?

A: Take the time to do your homework. Do your reading, do your research, find out about the organization and its culture, and learn from your peers. Also, be self-reflective. After your first board meeting, ask yourself, "Did I stay at a high level? Did I stay strategic, or did I find myself in the weeds?"



Q: What is the most rewarding aspect of your board service?

A: I'm really proud of the work that ASAE is doing with the Power of A. Associations are so important to the fabric of this country. We make society better and safer and smarter, and we improve people's lives.

On a personal note, I'm proud to be the first openly gay chair of ASAE. It's not what it says about me, it's what it says about ASAE as an organization: that our commitment to diversity and inclusion isn't just a slogan. It's part of our culture and decision making.

I hope I can be a role model to anybody who is a member of an underrepresented group and show that that they can also rise into a leadership role. There's no glass ceiling at ASAE, and I think I'm proof of that.

SAL MARTINO, FASAE, CAE, is CEO of the American Society of Radiologic Technologists.
Email: smartino@asrt.org

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Policy Council –
 Topics for Consideration under Governance Reform

This is just a draft document outlining a range of topics and ideas we may want to consider as we approach the topic of governance and create a plan to address governance. The document is not exhaustive. The possible ideas suggested are exactly that – ideas. They are not a set of recommendations where I expect all of them will, or even should, be implemented. The intent is to help facilitate the discussion around governance at this stage, not pre-determine solutions.

Acronyms used:

- COB = Committee of the Board
- EC = Executive Committee
- ED = Executive Director
- N&E = Nominations and Elections
- P&P = Policies and Procedures
- PC = Policy Council

Note the terms Policy Council and Board are often used interchangeably here.

Topic	What are we talking about?	Why does it matter?	Possible or sample changes (ideas)	Bylaws change? (Y/N/M)
Term Limits	A term limit policy identifies the maximum number of consecutive terms a board member can serve. Term limits are a very common practice (>70%). When not in place, it is recommended to have a practice of assessing the performance of individual board members.	Over relying on a small niche of people who seem to have all or most of the power can stagnate and stall an organization’s progress. Term limits encourage more focused participation by board members, reduce individual board member fatigue, increase engagement opportunities for the broader membership, aids fundraising, and can refresh a board with new perspectives and increased transparency.	<ul style="list-style-type: none"> • Elected PC members can serve up to 2 consecutive terms of XXX years, and then must take at least 1 year off before serving in another board position. • Exception might be if a person goes into the president “chain”. 	
Length of President terms	Should the President position be for 1 year or 2?	Pros and cons to either side. No clear evidence as to which is better.	<ul style="list-style-type: none"> • Options: stay with current term lengths or move to two-year terms starting with President 	
Executive Committee or Committee of the Board	<p>Create an executive committee consisting of President, Past President, and President Elect at a minimum. Likely to include the VP Finance and Secretary. Meets regularly and advises the ED.</p> <p>Alternatively, create a Committee of the Board (sometimes aka a Governance Committee). Which consists of a subset of board members focused on ensuring that the board has everything it needs to do its job well.</p>	Executive Committees that are too strong can alienate other board members, or make so many of the decisions that it results in disengagement among other board members. Most boards have EC’s, but are moving toward COB models because of technology enablement. CoB’s leverage institutional memory among the board members. They make fewer decisions allowing the board as a whole to govern.	<ul style="list-style-type: none"> • Option 1: Split the Admin committee. Create a Finance committee and a committee of the board. The group should not make decisions but help ensure the board functions well. It might have some advisory capacity to the ED to provide some assistance in decision making between full meetings of the PC. • Option 2: Create a traditional Executive Committee. • Option 3: Consider both, where the COB serves as a governance committee and the EC provides more direct guidance and support to the ED between meetings. 	

Topic	What are we talking about?	Why does it matter?	Possible or sample changes (ideas)	Bylaws change? (Y/N/M)
Evaluate PC N&E process	Current common practice is to actively define the roles, skills, or competencies needed most and then recruit for those.	Board composition should be aligned with board priorities. Process should encourage diversity on many dimensions.	<ul style="list-style-type: none"> Review current N&E practices and determine if the current approach best meets the Society's needs. Consider a skills-based model to emphasize needs, alignment, and responsibilities. 	
PC Size	Average size is 15. Trend is toward smaller boards.	Our board size is mandated for a minimum of 12. We currently have 24. Smaller boards might increase individual responsibility.	<ul style="list-style-type: none"> Reduce size of board through term-based attrition, creating a more robust committee structure in its place. Board members serve as liaisons (not chairs) of committees—with a few specific exceptions. 	
PC Orientation	Conduct an orientation for all new PC members	Orientation helps set expectations and enables a board member to be more effective. It also helps establish the legal duties they have as board members	<ul style="list-style-type: none"> Institute a formal board orientation process. 	
Evaluate overall committee structure	What committees do we need to best execute on the Society priorities? How are chairs selected?	Committees should be aligned with needs and priorities. Some standing committees are obvious (e.g., Finance, N&E), but we might consider others (e.g., Education, Membership & Marketing).	<ul style="list-style-type: none"> Evaluate current committee structure against priorities. Rather than have Board VPs responsible for a function, have VPs be chairs of committees and then assign a board member as the liaison between the PC and a specific committee. This could reduce board size, and increase its focus on strategic alignment and priorities. 	
PC ongoing development	Conduct board development activities on a regular basis (at least at each F2F meeting) to continue building the effectiveness of the board.	Ongoing board development is a characteristic of well-functioning boards. What skills or knowledge do board members need to be more effective in their roles on the PC?	<ul style="list-style-type: none"> Identify priority areas where professional development for the PC would be helpful. (e.g., nonprofit/association financial literacy) Provide regular emails that contain links to an article(s) from the association space that might be relevant to SDS PC members. 	
Revise Admin Committee to Finance Committee	Admin Committee is currently something of a "dumping ground" for many decisions and responsibilities. Return its focus to Financial administration, and move other decisions or activities to another place (e.g., executive committee, committee of the board, or the board/PC as a whole)	PC members may be too reliant on the Admin Committee making all decisions, leading to less engagement. The Admin committee is taking on a lot of work and responsibilities that should sit elsewhere.	<ul style="list-style-type: none"> Formally separate a portion of the Admin Committee to serve as the budget and finance committee. 	

Topic	What are we talking about?	Why does it matter?	Possible or sample changes (ideas)	Bylaws change? (Y/N/M)
Bylaws and P&P review	Last significant P&P and bylaws review appears to be 5+ years ago. These structural / authoritative documents ought to be reviewed for accuracy and the extent to which they meet the Society's needs.	Several laws affecting nonprofits have changed during this time-period. We would want to verify compliance, and implement some best practices where appropriate.	<ul style="list-style-type: none"> No specific ideas here, just good practice for a semi-regular review Some review/revision is likely to be needed with possible proposed governance changes. 	
Succession planning	Expand current activities for planning ahead for capturing knowledge and creating mechanisms to balance historical knowledge and fresh perspectives.	Succession planning is often considered one of the top responsibilities of a board. If candidates do not exist in an area, the Society should have mechanisms in place to grow or develop future candidates.	<ul style="list-style-type: none"> Create a "class years" or mentor-model in the board to establish a built-in succession planning and rotation model. Move to a PM tool for major VP-area projects to capture knowledge around process and past approaches. 	
Mentoring	Create an environment that grows and engages current and future PC members, and helps their growth during their time on the PC.	Board mentoring models can have a significant effect on board member engagement and effectiveness. It supports succession planning as well.	<ul style="list-style-type: none"> Idea already noted under succession planning 	
Focus of PC meetings	What percent of time does the PC want to allocate toward focusing on strategic issues, operational or tactical issues, and board development? We should set aspirational goals and work toward them.	Many boards can get caught up in the "tyranny of the tactical." Some time should be spent in each of the three areas to increase board effectiveness. The more tactical/operational items are moved to other venues, the more F2F time can be used for more complex and involved conversations or development.	<ul style="list-style-type: none"> Review how PC currently spends its meeting time and evaluate against needs and priorities. 	
# and Frequency of PC meetings	Should we have regular (monthly? Bi-monthly?) calls for the PC to improve communication and engagement?	We do not want "meetings to have meetings" but do want to reinforce that things happen between meetings. A 1-hour monthly or bi-monthly call could be used for updates, votes, board development or discussing a specific topic of strategic importance. This can help ensure board members are more up to speed in advance of F2F meetings, and improve overall communication and engagement.	<ul style="list-style-type: none"> Consider implementing a standing meeting by Go-to-Meeting or skype for PC members. It could be once per month, or once every other month. Should pick a consistent day/time (e.g., third Wednesday of the month at 9am ET). It might not occur during months where there is a F2F PC meeting. 	
Executive Sessions (closed portion of meetings)	Part of every F2F PC meeting should have a period of time blocked off for executive session. That might normally consist of a period where the ED is present and a period where the ED might not be present. The only other individuals present would be voting members of the Board/PC. This is an important part of the Duty of Confidentiality (see later) and enabling PC members to speak freely and frankly at board meetings.	Executive Session time is an important part of board governance. When many people are in the room who are not part of the board it can lead to less engagement by board members. Board members also have a duty of confidentiality as there are some topics that ought to remain within the board as part of their fiduciary responsibility to the organization. An example might be performance evaluations for the ED, any legal action involving the Society, or other sensitive matters where privacy and confidentiality are expected.	<ul style="list-style-type: none"> Consider making part of every meeting a closed or executive session. If there are no topics, that portion ends quickly. 	

Topic	What are we talking about?	Why does it matter?	Possible or sample changes (ideas)	Bylaws change? (Y/N/M)
ED Evaluation	The PC should conduct a yearly evaluation of the Executive Director.	This is a key role boards perform as part of their fiduciary responsibility. It is an opportunity to ensure alignment between the staff and the board and for the board to be clear in its priorities.	<ul style="list-style-type: none"> Implement an annual performance review and collaboratively defined goals and expectations. 	
PC assessments	The PC should conduct assessments of its own effectiveness at least once every 2 years. This could be linked to presidential leadership cycles in the Society.	Evaluations help a board continuously improve its effectiveness, identify problems, and improve communications.	<ul style="list-style-type: none"> Adopt an evaluation that has some standard questions (for year-over-year comparisons) and some open questions (for current issues). President-elect should lead this effort. 	
Clear roles & responsibilities	Continue to build on prior work and establish clear roles, responsibilities, and expectations of PC members and positions.	It is important to set expectations and indicate how individual board member performance is tracked against those expectations.	<ul style="list-style-type: none"> Continue to work on clarify board member roles and responsibilities. Use orientation to reinforce roles and responsibilities. Consider some specific tasks (e.g., President elect conducts PC evaluation; pas-president leads N&E; etc). Use task matrices to clarify where decisions or activities should occur for different areas or functions of the Society. 	
Annual COI signatures	Conflict of interest statements should be signed and filed by all PC members annually.	In the wake of Sarbanes-Oxley and various scandals, non-profit boards are expected (and sometimes legally required) to gather such conflict statements annually.	<ul style="list-style-type: none"> This can be conducted at the start of one of the annual PC meetings. Perhaps in the Winter meeting as new members join the PC. 	
Code of Ethics	Establish that the Society recognizes its responsibility to promote or encourage proper conduct among its members and the profession.	There are points of debate on both sides, but it is generally accepted that a Code of Ethics or Code of Conduct is a positive thing within a profession or discipline. It can help reduce legal risks and improve the perception of the legitimacy of a field of practice.	<ul style="list-style-type: none"> A draft Code of Conduct has been developed. A process should be established for refining the document and moving it toward adoption. 	
Standardized information dashboards	Continue the move toward standardized information dashboards that can be used for communication and increased transparency.	In addition to improving communication and transparency, such dashboards can help improve engagement or board focus by identifying some challenges or areas needing attention at an earlier point in time.	<ul style="list-style-type: none"> PC should be involved in identifying information they would like reported on regularly. Dashboard might compare Society performance against broader benchmarks. Dashboard metrics should align to Society strategic plan in addition to fiduciary roles. 	

Topic	What are we talking about?	Why does it matter?	Possible or sample changes (ideas)	Bylaws change? (Y/N/M)
Fiduciary Duties	<p>PC members should be reminded on at least an annual basis of their main fiduciary (legal) responsibilities as board members:</p> <ul style="list-style-type: none"> • Duty of Care and Loyalty. [Put the Society's interests ahead of your own while acting as a PC member]. • Duty to avoid conflicts of interest. • Duty to maintain confidentiality. • Duty to respect corporate opportunities [You cannot take advantage of any business/financial opportunity that emerges from your service to the Society as a PC member without the Society's approval.] 	<p>Fiduciary duty is a legally binding expectation of board members. Even with Director & Officers (D&O) insurance, if a board/PC member is found negligent in their fiduciary responsibility, they can be held personally financially liable in the event of a crisis situation within the organization. Regularly failing to attend meetings, or fulfill responsibilities of a PC/board position are a common basis point upon which individuals may find themselves liable for a breach of fiduciary responsibility.</p> <p>Associations / nonprofits have a responsibility to inform board members of their fiduciary responsibilities, and in some instances must report what steps have been taken to ensure board members are fulfilling those responsibilities. Meaning, that if it is known some members are not fulfilling their responsibility, other members have a fiduciary responsibility to act upon that knowledge.</p>	<ul style="list-style-type: none"> • A reminder at the start of a meeting or annually, in addition to during the orientation is considered good practice. • When individuals become candidates for the PC, before they accept the nomination, they should be informed of their fiduciary duty should they be elected, and agree to those responsibilities prior to accepting the nomination. 	

Compliance Review/Checklist

Last Updated: 1/24/2018

#	Category	P	Compliance/Policy item	Notes	Current Plan	Responsible	Timing
1	GovDocs	MH	Articles of Incorporation (xfer MA to NY)	Recommended by accounting team and auditor to xfer to NY. Will reduce filing fees and audit requirements.	CHMS and Legal are reviewing options and recommending a plan	Legal	Before 12/31/2019
2	GovDocs	M	Bylaws (review?)	Needs a quick legal review for compliance with current NPRA compliance, but might wait to see if we have other changes resulting from general governance review.	In queue for review		
3	GovDocs	MH	Policies and Procedures Handbook	Need to have one handbook with all approved policies of the Society.	We have gathered most policies and there is the existing policy guidebook. Revision needs to occur to incorporate it all into one document.	TBD	By Summer PC meeting
4	GovDocs	H	Current PC Roster	Updates needed for 1/1/19			Done
5	GovDocs	H	Roles and Responsibilities of Officers, VPs, and PC members (general)	Current spreadsheet seems slightly out of date. Links to some of the broader governance conversations.	Part of governance discussion	Martin S.	
6	GovDocs	H	Committee charges and priorities	Need one clear listing of committees, their composition, and their charges. Might review committee structure in light of governance conversations.	Need one clear document that clarifies current committees, their composition and charges, and member rotation.	Martin S.	
7	Finance	H	Investment Committee charter and policy statement	What are our policies regarding the investment committee?		Eliot R.	
8	Finance	MH	Gift policy (A)	Need a clear policy on gift acceptance (e.g., what kinds of gifts accepted, criteria for acceptance, process before we say 'Yes', who decides acceptance, oversight, E40 etc.)	Want some legal input on this one.	Legal	
9	Members	H	Code of Conduct - General	General good practice and helps reduce our liability.	Ready for PC Review.		with COC Mtgs
10	Members	H	Code of Conduct - Meetings	Same as COC-General, specific to meetings	Ready for PC Review.		Prior to conf reg opening
11	GovDocs	ML	General Review of Bylaws Policy	Bylaws should be reviewed by legal counsel at least once every XX years for legal compliance with changing regulations or as warranted (e.g., changed legislation)		Governance Committee	
12	Finance	ML	Auditors out to bid policy	A simple policy recommending auditor be put out to bid every X (5-7) years.	CHMS will help find similar client policy.		
13	General	MH	Whistleblower's policy	NYS-NPRA: We fall under threshold for this policy, but it is considered good practice. Policy should cover both employees and volunteers.	In queue for review	Legal	
14	General	H	Related parties policy	NYS-NPRA: Does apply to us. No policy currently in place. Partially covered by Conflict of Interest (COI). Auditor noted we do have some Related Parties transactions (e.g., chapters and StFF).	In queue for review	Legal	

#	Category	P	Compliance/Policy item	Notes	Current Plan	Responsible	Timing
15	General	MH	Conflict of Interest (COI)	NYS-NPRA: Does apply to us. We have one in place. Just needs a quick review to ensure compliance to legal requirements. All members should sign annually.	In queue for review	Legal	
16	General	MH	Harassment Prevention Policy	NYS DOL requirement: does apply to us. We discussed earlier this fall. We have a policy but it must be formally voted on by PC.	Ready for PC Review.		with COC Mtgs
17	Practice	H	Annual reminder of fiduciary responsibilities for PC members.	Should have an annual formal reminder to PC members of their fiduciary responsibilities.	Will occur at PC meeting		
18	Practice	MH	Legal counsel on retainer?	Given the number and range of compliance issues, might we consider putting legal counsel on retainer for a few months, have them attend the PC meetings. Might be cheaper in the long run and is good practice.			Done
19	Practice	MH	PC/Board member orientation	Formal orientation for all new PC members should occur. Well-accepted best practice.	First orientations happening on Jan 28 and Feb 6.	Mark N.	Prior to Winter PC meeting
20	General	MH	Document Collection	NYS-NPRA: All Legal and Policy Documentation for Board Governance should be retained in one place that can be retrieved by PC members. Current information resides in several locations.	Currently in process		
21	General	ML	Document Retention Policy	NYS-NPRA: policy currently exists and is followed. May need some review or updating with the change in office location to verify where documentation resides.	In queue		
22	General	MH	Global Data Privacy Rights (GDPR)	Does apply to us. Practices from conference are a start. We have no formal policy in place, but have had at least three requests for copies of our policy since September.	Needs development.	TBD	
23	Members	H	Chapter Structure	Need to consider insurance liability and legal risks associated with international chapters; might move to international affiliate model.	In queue for review	Legal	
24	Practice	MH	Crisis Response Plan	Currently we have no crisis response plan in place. Priority responses requiring board vote generally require 20-30 days minimum for action.	Needs development.		
25	Practice	MH	ED Review Process	There should be a clear ED performance review process and goals/expectations. None currently exists that I am aware of.	Needs discussion	Martin S.	Annual with Summer PC Mtg
26	Members	ML	Member classes	Should we consider an organizational member class?	Needs discussion	Asmaret N.	
27	Members	M	Conference Record inclusion	Need clear policy around when papers are or are not included. Current ambiguous language causes challenges. Conference record is a lot of work for unknown return.	Needs discussion.	TBD	

#	Category	P	Compliance/Policy item	Notes	Current Plan	Responsible	Timing
28	PC	M	Term Limits	Best practice suggests up to two terms with at least one year break between terms, with exception being president "chain."	Needs discussion.	TBD	
29	PC	M	Length of President terms	1 year or 2?	Needs discussion	TBD	
30	PC	MH	Executive Committee	Create EC or a "Committee of the Board." Latter is close to current model where Admin Cmttee has served as a form of Committee of the Board.	Admin Committee is developing a motion	Bob E.	
31	PC	M	Nominations & Elections process and Succession Planning	What are our current policies and procedures for recruiting new board members? What is the current succession plan?	Needs discussion.	Nominations Committee	
32	Members	M	Diversity Policy	We should adopt a formal policy or position statement supporting or encouraging diversity.	Needs discussion.	Diversity Committee	
33	PC	M	Size	Average association board is 15 and trending downwards. Our bylaws require 12, we are currently at 25, we could move toward a smaller board via attrition.	Needs discussion.	TBD	
34	PC	MH	PC/Board Development	Professional development for PC members to continue developing PC as a board. Considered a best practice for boards.	Ongoing.	TBD	
35	PC	MH	Meetings	Should the PC meet more regularly (by phone or Skype)?	Motion to meet at least 4x per year (at least 1 meeting between standing meetings).	Martin S.	
36	PC	MH	Non-engaged PC members	How are non-engaged or non-participating PC members addressed?	Compiling engagement analysis report	Mark N.	
37	PC	M	PC performance evaluation	Are there regular PC effectiveness evaluations conducted?	Needs discussion.	TBD	
38	Finance	MH	Gift policy (B)	Overhead -- what amount of overhead we apply to gifts or grants to support administrative overhead/costs of the gift.	Awaiting Legacy Fund decisions	TBD	
39	Finance	MH	Gift policy (C)	Recognition -- how do we recognize gifts?	Awaiting Legacy Fund decisions	TBD	
40	Finance	MH	Donor confidentiality policy	includes donor records security	Awaiting Legacy Fund decisions	TBD	
41	Finance	MH	Annual giving solicitation policy	Any rules we need around the asking for annual gifts	Awaiting Legacy Fund decisions	TBD	
42	Finance	MH	Donor agreement policy	Relates to donor involvement in gift execution	Awaiting Legacy Fund decisions	TBD	
43	Finance	MH	Conditional gift policy	How we will value or record a gift with conditions (e.g., life insurance policy or investments upon death of donor)	Awaiting Legacy Fund decisions	TBD	
44	Finance	MH	Restricted Gifts policy	any rules we need around receiving restricted gifts	Awaiting Legacy Fund decisions	TBD	
45	Finance	MH	Fiscal policies for gifts	How oversight will occur, how we will financially account for different types of gifts, etc.	Awaiting Legacy Fund decisions	TBD	
46	Finance	MH	Fund management policies for gifts	How funds will be managed for gifts (both restricted and unrestricted).	Awaiting Legacy Fund decisions	TBD	
47	Finance	ML	Naming policies	For awards, programs, scholarships, etc.	Awaiting Legacy Fund decisions	TBD	

#	Category	P	Compliance/Policy item	Notes	Current Plan	Responsible	Timing
48	Finance	ML	Prospect management policies	Operational policies around how we approach or manage potential donors	Awaiting Legacy Fund decisions	TBD	
49	Finance	MH	Sponsorship policies	Policies for sponsors around donation versus sponsorship recognition, allowable / nonallowable forms of sponsorship	Awaiting Legacy Fund decisions	TBD	
50	Finance	ML	Affinity programs	Criteria for evaluating and approving affinity program opportunities	Awaiting Legacy Fund decisions	TBD	
51	Finance	L	Third-party fundraising policies	Process if we decide to contract with organizations to help with fundraising	Awaiting Legacy Fund decisions	TBD	



To: System Dynamics Society Policy Council
From: Mark R. Nelson, Executive Director
Re: Monthly PC Report, January 2019

Greetings. Here is the monthly PC Report for January. This report is intended to provide PC members with a quick update on items of note. Descriptions and details are intended to be brief. Please let me know if there are specific items where you would like additional information.

1- **Membership Renewals**

Membership renewals picked up with additional promotion in December. We are now at 48% renewal for 2019, which appears to be on par or slightly ahead of last year at this time. With new members, we are at 53% of our 2019 minimum overall membership target, and 13% toward our minimum new member target. Our key category that has to renew in significant numbers yet are our organizational members, who bring in close to 10% of our members. With some additional work on that segment, we should be able to exceed our minimum targeted retention numbers for 2019.

At a minimum, we are looking to stop our drop in the existing member retention rate, and recruit enough new members that our overall membership number for 2019 remains unchanged over the prior year. In “real figures” that means to meet last year’s retention rate, we need another 136 existing members to renew. To meet last year’s membership number of 1150, we need another 401 new members to join. As we recently determined, this “new” number includes roughly 110 members annually who were members in a prior year (going back to 1998). Going forward, members who are lapsed more than two years may be considered “new” as it becomes increasingly impractical to verify prior membership status prior to 2018 in the old member database. GDPR requirements may also prevent us from keeping those records beyond a certain point.

2- **Welcome to New Policy Council Members**

A warm welcome to our new Policy Council Members, and those re-elected to a new term.

- President-Elect: Birgit Kopainsky
- At-Large: Sharon Els, Elke Husemann, Sara Metcalf, Lees Stuntz
- VP Professional Practice: Jack Homer
- VP Marketing & Communications: Warren Farr
- VP Meetings: Len Malczynski
- Secretary: Brad Morrison

3- **PC Orientation**

This year we will run our first Policy Council Orientation. This will run on two dates: Monday, January 28th from 3-4 PM Eastern Time Zone (20:00 GMT) and Wednesday, February 6 from 1-2 PM Eastern Time Zone (18:00 GMT). Since we have not had a formal PC orientation in the past, we ask all members to attend one of the two sessions. We will be seeking your input on how to improve the program for new PC members next year. Connection details for the Go-To-Meeting will be provided by Monday. The PC Orientation Packet is nearly complete. We are just waiting on one last document which should arrive today. We will not expect everyone to read the orientation packet

prior to the orientation session. Although, again, the packet is designed to be a resource for Policy Council members and I would welcome your feedback and input on what other materials ought to be included in the packet in the future.

4- Publications

Issues #3&4 of the 2018 issue of *System Dynamics Review* is available online and has begun to ship and places the journal back on schedule. Returning the journal to an on-schedule publication cycle offers us a greater opportunity to increase SDR's impact factor, so this accomplishment is important. I encourage PC members to thank Yaman Barlas and those working with him for reaching this stage. PC members can also help us maintain this accomplishment by promoting the recent issue and encouraging or providing additional quality submissions to the Journal.

5- Motion 215

Motion 215 is now open for final discussion with voting scheduled to begin on Monday, Jan 28. Motion 215 is to approve chair appointments for the Administrative, Awards, Organization and By-Laws, and Society Program Oversight Committees.

6- Governance and Compliance Update

We have retained the services of Joanmarie Dowling and John Vero to serve as our legal counsel for the year ahead. Joanmarie has prior experience working with the Society and has expertise in nonprofits and associations. John Vero also has expertise in nonprofits and associations, with particular expertise around governance issues. They have begun to work on our list of compliance topics and legal questions, which will be the focus of some of our conversation at the Winter PC Meeting.

7- Financial update

Included with this report is a copy of the financial statements for the Society up through the end of December. These are preliminary statements on our end of year status. The Society's fiscal year closed on December 31. These statements have not yet been reviewed by our auditors, and some end of year adjustments are still in process. Our deficit, in terms of net ordinary income, exceeded the budget by roughly US\$16,000, placing that deficit for 2018 just shy of US\$259,000. However, with negative adjustments to our investment income, the final net income yielded a deficit of approximately \$330,000. A portion of this is drawn from our cash accounts, but as I learned in October, roughly a month into this role, those accounts are now largely depleted. Going forward, we will need to draw the deficit balance from reserves in order to meet our monthly cash flow requirements and obligations. Our liquid assets are now below US\$1 million at US\$925,000.

Many organizations would still consider this to be a healthy level of reserves for an organization of our size. Given the long-term trend around the Society's finances, I would encourage you to consider this as a piece of evidence that a crisis is looming which requires action. Think of it like global warming. This is your signal that the ocean temperature is rising and the polar ice caps are melting due to human activity. We need to find and develop new sources of revenue before we reach a tipping point beyond which we cannot return. We will discuss this topic at more length during orientation and at the Winter PC Meeting.

8- Winter PC Meeting

If you have not already done so, please log into the PC Forum and complete the forms related to the Winter PC Meeting. These include a required conflict of interest (COI) disclosure form and a form

indicating whether you will be attending the Winter PC Meeting in person or remotely. A draft agenda for the meeting will be included with the Orientation Packet.

9- Summer School

We want all PC members to feel open to comment and engage in topics which will be discussed at the Winter PC Meeting. Therefore, to help percolate people's thoughts and understanding of some of the topics, we will be posting some messages within the online forum. The initial topic we have seeded is a conversation in the Policy Council Forum and the Community Forum around Summer School. Please take a moment to participate in the discussion, or create other threads for topics we may (or ought) to discuss at the Winter PC Meeting. The Society is at a critical juncture in its history and those of you serving on the PC this year will have a great opportunity to shape the future of the Society. We THANK YOU for being willing to serve and contribute actively as we tackle some crucial conversations in the year ahead.

10- ISDC 2019

The 2019 conference is shaping up and the submission system is ready and we anticipate it opening on schedule on February 4th. Please help us encourage quality submissions by sharing this information in your networks, and encouraging your colleagues to participate. We also welcome blog posts or other contributions beyond what we already provide that can be shared with members around what makes a quality paper, how to craft a good paper, the value of a poster session, converting a prior year's poster session into an SDR article, or comparable topics.

11- Blog

Speaking of the blog posts, as a final reminder, we are seeking posts for our blog: <https://sdswisdom.blog/>. As the leaders of the Society, members want to hear from you regarding our future direction or key challenges facing the membership. The site has been receiving regular traffic and has even generated its first new member for the Society who came across us and decided to join after reading the initial posts. We are asking that all PC members contribute at least one post for the blog each year. These can take a variety of perspectives, would generally be shorter in length (~450-500 words), and should be written to be accessible to the membership or potential membership. We will continue to promote blog posts through social media and other channels and use it as a vehicle to increase our visibility and impact across various domains. The blog is an easy and inexpensive way to help us build some visibility for the Society and the field.

12- Attachments

The following attachments will accompany or follow this report:

- Monthly financials up through December 2018



To: System Dynamics Society Policy Council
From: Mark R. Nelson, Executive Director
Re: Monthly PC Report, December 2018

Greetings. Here is the monthly PC Report for December. This report is intended to provide PC members with a quick update on items of note. Descriptions and details are intended to be brief. Please let me know if there are specific items where you would like additional information.

1- Membership Renewals

Membership renewal is still underway. **As of 17 December, our renewal rate is at 32% for 2019, which is about halfway to the current annual renewal rate of 62%.** We are also dependent upon acquiring many new memberships, against which we are currently about 12.5% toward target. This is roughly on par with prior years at this point, exclusive of specific member drives.

Our membership status is now only slightly behind last year at this time. We contribute this in part to a delayed start in the overall drive during the transition. We also delayed the release of sponsorship packages as we gathered feedback from current sponsors and redesigned the sponsorship package options with significant support from CHMS. We sent out the new packages and sponsorship options last week, and we will follow up with sponsoring organizations. A copy of the new prospectus is attached for your reference. **You can access the new prospectus here: https://sds.memberclicks.net/assets/SDS_Sponsorship_and_Marketing_Prospectus_2019.pdf**

Looking at past years, a large percentage of renewals arrive in Jan-Apr, and another small renewal burst occurs in June-July around the conference. **Where we could use help** is with academic organizational members. More than 10% of our members are linked to these organizational memberships at academic institutions, but none of those have renewed yet as of this week.

2- Membership and Sponsorship Surveys

A copy of membership analysis and the member feedback survey will accompany this report. The member data reported is based on data up to 3 December, 2018 and does not include renewals over the intervening two weeks.

We experienced several difficulties calculating some of the retention figures from 2017 to 2018. Data crosses two systems as the Society converted from Access to MemberClicks halfway through the renewal process last year, and we found multiple inconsistencies. There are “managed discrepancies” around the reporting of 2018 renewal rate data, but all other information appears to currently be accurately calculated based on the information we have available.

The Society’s traditional approach to calculating membership has non-standard characteristics compared to associations in general. This further complicated things as we tried to match calculations to past data to ensure that current year calculations were comparable. In the Spring we can approach building a better metric for future benchmarking, but the attached report should provide some sense of the current membership profile.

3- Publications

Issue #3 is nearing completion and we just submitted the front information for issue #4. Thanks to hard work from Krys Stave, the publisher contract addendum with Wiley was completed and signed. Yaman Barlas was able to have John Sterman's 60th anniversary of the field article designated a "Spotlight" article, making it freely available to anyone.

Wiley invited us to participate in a pilot program to increase our journal visibility. The campaign will highlight to recently published authors their article sharing options and aims to increase advocacy by enabling authors to share their research widely and easily as well as drive visibility and global readership of these articles.

4- Motions 213 and 214

Motion 213 passed, allowing us to move forward and secure aid with the policy compliance and fundraising legal items.

Motion 214 is now open for voting. This motion is for committee appointments in 2019.

5- Governance and Compliance Update

I have been interviewing potential legal counsel to assist us with some of the policy items. CHMS has also been working with me to identify policy items from our list where they have clients with a policy in place that we might adopt or modify to our needs. The Admin Committee is also reviewing this listing, from which we will craft a timeline and assignment of responsibilities to various VPs.

6- Financial update

Included with this report is a copy of the financial statements for the Society up through the end of November. The current month continues trends reported in prior months. In preparation for our annual audit and our 990 requirements, we will be sending another message this week requesting information on volunteer hours contributed to the Society by Policy Council Members.

7- Blog

Please visit our new blog: <https://sdswisdom.blog/> The site has been receiving regular traffic, although we only have three posts to date. As a reminder, we are asking that all PC members contribute at least one post for the blog each year. These can take a variety of perspectives, would generally be shorter in length (~450-500 words), and should be written to be accessible to the public. We will promote blog posts through social media and other channels and use it as a vehicle to increase our visibility and impact across various domains.

8- Winter PC Meeting

As a reminder, the Winter PC meeting will take place on Thursday, February 21, 2019 in Albany, NY. There will be a remote option made available to those unable to attend in person. We are working on crafting an orientation for new PC members. Existing PC members will also be invited to participate if they like.

9- Attachments

The following attachments will accompany or follow this report:

- Monthly financials up through November 2018
- A copy of the new sponsorship prospectus (link provided in #1).
- A copy of the initial analysis of member data and member satisfaction survey



To: System Dynamics Society Policy Council
From: Mark R. Nelson, Executive Director
Re: Monthly PC Report, November 2018

Greetings. Here is the monthly PC Report for November. This report is intended to provide PC members with a quick update on items of note. Descriptions and details are intended to be brief. Please let me know if there are specific items where you would like additional information.

1- **Membership Renewals**

The annual membership renewal process started in mid-October. This is our first iteration using MemberClicks for membership renewal. Right now, it appears we may be lagging with renewals. We are currently at 14.5%, compared to what I estimate to be 22-24% at this time last year and the year prior. There are several factors that make this year different, but it is an early sign that we need to step up our messaging and outreach to encourage membership renewal.

We included a reminder within the recent newsletter and will include another with the membership survey that is about to go out. The paper version of conference Call For Papers was mailed this week and also included a membership renewal invitation. Right after the US Thanksgiving holiday, we will send another electronic renewal notice reminder to members.

2- **Membership and Sponsorship Surveys**

We queued the membership survey for distribution to all active members on Nov 16. The survey will remain open until Dec 15. Approximate 8% of members responded as of this morning (Nov 19).

A survey of sponsors just wrapped up. Results from the latter survey are being used to revise our sponsorship prospectus. In January we will send a survey to non-renewing members from the past three years. In March we will send a short 5-10 question survey around publications to members in advance of our expected strategy meeting with Wiley in April.

3- **Publications**

The special issue of SDR (2018 issues 1 & 2) celebrating the first 60 years of System Dynamics was distributed over the past month. Issue #3 is nearing completion. We highlighted John Sterman's essay in the recent newsletter and received positive feedback from multiple members. Yaman Barlas requested Wiley make John's piece a "spotlight" article for SDR, which would allow us to make the article available for free until we decide otherwise.

We received our 2017 royalty payment for SDR last week. Historically, this arrived in April, but over time has slowly migrated to a later date each year linked to the current production cycle. It is in the Society's interest to encourage quality submissions to SDR to support return to an earlier timetable.

4- **Motion 213**

There was some confusion around the execution of Motion 213 as we moved away from the historical approach that is undocumented in the bylaws and the policies and procedures. After added discussion, the original motion was revised to incorporate more advice from the Admin

Committee. Voting for the revised motion opens on Monday, Nov 19 and will remain open for 10 days. The revised motion is for the PC to approve a budget adjustment of \$25,000 to address identified compliance issues and Society governance. The Admin Committee will review any new contracts generated under this budget amendment before the ED spends the funds.

5- Governance and Compliance Update

Over the past month we spent time investigating various potential areas of risk or liability due to governance structure or legal compliance. Attached for PC members are two documents shared with the PC leadership and the Admin Committee.

Since creation of those documents, Eliot Rich and I met with our auditor to discuss several risk areas, with specific attention to our international chapters. In consultation with our auditor, we concluded that we will want to clarify some related parties' disclosures on our annual 990 report, but that we do not appear to have a tax-related reporting problem at this time as it relates to chapters. We will want to recommend some small changes to the governance requirement for chapters to avoid the possibility of a control situation that would have tax-related reporting implications.

The auditor concurred with our internal recommendation that we seek legal counsel and insurance advice for other items that fall under the chapters, as we are at risk in other ways. These include risks related to select chapter activities involving government contracts, payment default risks at the chapter level, and insurance liability risks. We will continue to supply regular updates on these items.

6- Financial update

Included with this report is a copy of the financial statements for the Society up through the end of October. Our balance sheet continues to present the Society as financially healthy, due primarily to continued strong investment performance. Our P&L shows a revenue shortfall versus budgeted projections, matched by a comparable reduction in expenses. We had some significant cash flow issues from mid-September through early November linked to some glitches with the transfer of accounts, arranging for a transfer of assets from our reserves, and a delay in the royalty payment from Wiley. Combined with other factors, several delayed expenses will hit the P&L this month and in early December, which will bring us closer to the originally forecasted budget.

7- Blog

This month soft-launched our new blog: <https://sdswisdom.blog/> with an initial post from Warren Farr. We are asking that all PC members contribute at least one post for the blog each year. These can take a variety of perspectives, would generally be shorter in length (~450-500 words), and should be written to be accessible to the public. We will promote blog posts through social media and other channels and use it as a vehicle to increase our visibility and impact across various domains. Please think about the blog post you have always wanted to write about SD or the Society but never got around to writing, and help us start some community dialog on wiSDom.

8- Sabbatical for Roberta

We provided Roberta with a four-month paid sabbatical (Nov-Feb) to recognize her years of service to the Society. This is something that the Society discussed with Roberta more than a year ago, and we were happy to fulfill that prior commitment upon completion of the recent milestone that occurred with the closing of the U Albany Office. The sabbatical should provide Roberta with a well-earned opportunity to rest and recharge before taking on a range of Special Projects for the Society.



To: System Dynamics Society Policy Council
From: Mark R. Nelson, Executive Director
Re: Monthly PC Report, October 2018

Greetings. Here is the monthly PC Report for October. This report is intended to provide PC members with a quick update on items of note. Descriptions and details are intended to be brief. Please let me know if there are specific items where you would like additional information. This month I provided additional information relative to Finances in particular.

1- Financial update

Included with this report is a copy of the financial statements for the Society up through the end of the third quarter (Q3) of the current fiscal year. Included are a Balance Sheet, P&L versus Prior Year, and P&L versus Budget.

Summary: Briefly, the statements may be slightly complicated to follow in the current year because of the legacy fund and the transition of assets to different accounts over the past year. Our net income remains negative, as forecasted. Revenue continued its multi-year trend, dropping across all categories. Expenses increased, as expected, with several items attributable to transition activities. While we still have a healthy base of reserves, we should continue to monitor the structural deficit. Finding new paths to grow revenue, and slow the decline in existing streams, will be critical considerations as we look toward future planning.

Cash Flow: A series of complications produced a short-term cash flow problem this month and the need to delay payment on some invoices. CHMS was particularly helpful and gracious during this period by allowing us to delay payment on their September invoice by a month, allowing us to pay all other vendors in a timely fashion. Going forward, CHMS will be assisting us with more active planning for cash flow.

Operations: We have started to more actively engage CHMS' expertise for daily financial management. The Society's current chart of accounts is exceptionally complex for an organization of this size and with relatively few streams of revenue and expense. We will be looking to simplify that model which should also improve reporting for the PC. CHMS is reviewing the Society's insurance coverage, closing out no-longer needed policies and requesting refunds. We have also discussed other steps we can take to improve our position as we move forward. Some of those are mentioned elsewhere in this report.

2- Governance & Fundraising:

This week the PC will receive a motion regarding a proposal for the Society to contract for services with the Foundation Management Group. The scope of services covers creating a fundraising plan; a corresponding set of recommendations for governance; and a set of recommendations to improve our revenue. The rationale that accompanies the motion will provide some additional information.

3- New Systems for Transparency

We began implementing two new systems this month that should help improve operations and transparency: Divvy and Asana.

- Divvy provides us with an internally manageable credit card option for Society purchases. The card system allows us to manage and forecast portions of cash flow more effectively, and will help us to streamline expense reporting, while maintaining proper controls and improving transparency. It provides us with an added layer of security for transactions as well. There is no additional cost for this service.
- Asana is an online project management tool, built for collaboration. Asana will help increase the transparency of processes and tasks, and support the retention of organizational memory over time. We began opening this up to the first set of volunteer-leaders this week, and over the next several months intend to move all committees to this platform, including creating project areas for the PC and each of the VP areas.

4- Membership Renewals, Sponsorship, and Survey

The first membership renewal notices went out this week (10/15). Sponsorship renewals for Society sponsors went out earlier in the month. In next month's report we will provide an update on our progress on renewals in both categories.

The membership survey is nearly ready to send out. We opted to wait until November for several reasons. In late January or early February, we will send a second survey to non-renewals from 2015-2018 to learn more about why they have not renewed.

CHMS is conducting a review of the Society's sponsors and supporters, which will include an upcoming survey to this population. Based on the feedback received through a first round of conversations, a new Annual Sponsorship and Marketing Prospectus is in development. This piece will replace the previous 2-tracked Annual and Conference sponsorship efforts—allowing sponsors and prospective supporters the greatest flexibility to support the Society in ways consistent with what they want to accomplish as sponsors or supporters. Once the prospectus is completed, targeted outreach efforts will be conducted. Sponsors that have already committed for 2019, will receive a special message that will thank them for their support and allow them options to upgrade their commitment.

5- Publications

Relative to publications:

- The 60th anniversary of the field special issue (V35 N1/2) is now available online. It has an excellent collection of articles and we encourage PC members to highlight those. This issue is out several months late, and this issue will have the most impact on our citation and impact factor ratings for the next two years. We cannot change how impact factors are calculated, so we must work to increase the visibility and awareness of the issue as best we can.
- Wiley has finished calculating our royalties for 2017 and they came in slightly higher than anticipated. We are now waiting for payment to be received to process 2017 editor payments.
- Our renewed contract with Wiley is still in the process of being finalized.

6- Communications

This month we have three news announcements related to communications:

- The October newsletter issue will be distributed to members this week in conjunction with the 2019 Membership Drive—with features on benefits and new ways for members and supporters to connect to the Society. This issue will also contain the roundup from the Iceland Conference.
- We have a new list-serve for Policy Council members. You should have all received a notice via email. Only PC members can send messages to this list. The email address is PC-List@SDS.MemberClicks.Net.
- We are also soft-launching a new blog this month called “**wiSDom**.” We will be asking all PC members to provide at least one (1) blog post per year. These can take a variety of perspectives, would generally be shorter in length (~450-500 words), and should be written to be accessible to the public. We will promote blog posts through social media and other channels and use it as a vehicle to increase our visibility and impact across various domains. Please watch for the announcement later this month, think about the blog post you have always wanted to write about SD but never got around to writing, and help us start some community dialog on wiSDom.

7- Harassment Prevention Policy:

On Oct 2, the New York Department of Labor provided guidance on the new Harassment Prevention law that went into effect on Oct 9. At this point, the following actions have occurred:

- We adopted the NY model policy language as our current internal policy for all staff and contractors, and took steps to be in compliance with the law. No vote is required by the PC.
- We moved draft version of both a general Code of Conduct and a Code of Conduct for Meetings to the Organization and Bylaws Committee for review and refinement, with expectation of a vote at or before the February PC Meeting. We opted for a meeting-specific code in addition to the general code to make a clear statement regarding the Society’s position on harassment.

If anyone wishes to see these documents, I am willing to forward them upon request.

8- Strategy Document:

Roughly a third of the PC provided feedback on the initial draft strategy document provided. Utilizing the feedback received from PC members and others, a second version is now in development. This version will be socialized with the Chapter and SIG leaders, and some other segments for further refinement. In December, a third version will be created from that feedback, which we will begin to more directly align or map with the strategy model efforts led by Kim Warren and Vim Rill. We are on schedule to provide a new version for the PC for the February Meeting.

9- Conference Planning

Preparations continue for the 2019 conference in Albuquerque. Sandia is our first official sponsor of the conference, and the conference committee has secured a location for our social event. The freshly redesigned final Call For Papers and Flyer are now available. Additional preparations are underway for 2020 in Bergen, and site proposals for 2021 are now being solicited.



To: System Dynamics Society Policy Council
From: Mark R. Nelson, Executive Director
Re: Monthly PC Report, September 2018

Each month Society staff will produce a short summary of key accomplishments, developments, metrics, or data points for the Policy Council (PC). We will attempt to keep this summary to 2-3 pages in length, and the format may evolve as we become more comfortable with the approach, refine the strategic plan, and define ongoing metrics. In subsequent months we will begin to provide more frequent financial reporting as well, and we will attempt to have this report timed to that information.

I would like this document to be useful for PC members, to help you keep abreast of developments between PC meetings. In this first iteration, there may be items missing, particularly in relation to accomplishments within committees or VP areas. If VPs keep me apprised of their work, then I will include that information with this report for the whole PC.

1- Harassment policy:

At the summer meeting we discussed a harassment policy. We also had our first experiences with our harassment procedures via the "respect" email address. Following that experience, we took a step back to re-evaluate the process and our future approach. Based on feedback, and examining approaches of other associations, we propose:

- Considering the adoption of a Code of Ethics for Society members, rather than creating multiple policies that may be unenforceable.
- We will still need to have one clear harassment policy for the PC, staff, and volunteers, to meet regulatory requirements in the US.

I am working with staff to draft an initial Code using codes of other academic societies as templates. Once an initial draft is ready, it will be shared with the PC President for further action.

2- Strategy document:

Over the two months prior to officially starting as Executive Director, I had the opportunity to listen and learn from more than 100 members, including many PC members. From that I created an initial draft strategy document which I shared with the Strategy Committee and a subset of the PC. I particularly want to thank Kim Warren and Wim Rill for their time and assistance working with me on linkages between my learning and prior work by the Society.

At this stage, we want your input. In the next couple days I will share a current version of the strategy document. It is a very rough draft, but this is a good point at which to validate some of my thinking and understanding about how we might move forward on some of the challenges and opportunities ahead of the Society.

3- Governance:

We are gathering materials to support the PC subgroup focusing on governance. I hope to see that group begin convening in October.

4- **Member survey:**

A member survey is in development with a plan to implement that in October during the regular membership renewal drive.

5- **Legacy Fund/Fundraising:**

I solicited a proposal from the Foundation Management Group who has extensive expertise in helping associations with all aspects of building fund-raising programs. Given the complexities surrounding the Legacy Fund, this is one area where I thought we might solicit some outside guidance on the myriad of questions that surround the current fund and how we move forward from here.

6- **Finances:**

As we work through the transition, we have had a few hiccups related to setting up new accounts or transferring old accounts. This is particularly true for handling international wire transfers. We are working on this as quickly as possible, while ensuring the proper steps are followed. At the same time we are working on both improved financial reporting for the PC, and making choices that will reduce operating expenses or otherwise enhance operational efficiency and effectiveness.

7- **Special Projects:**

Roberta and I continue to refine the set of special projects she will be working on over the next two years. The first major task will be completing work on three works connected with Jay Forrester.

8- **Transition:**

There is still a lot of outstanding transition work. Hopefully initial bumps over the past two weeks will continue to smooth out as we move through the rest of the year. Operations have officially moved from the original "home office" at the University at Albany, to the new office roughly five miles up the road. The new office phone is +1 518.580.4071 and the new address is 230 Washington Avenue Extension, Suite 101, Albany, NY 12203.

There is more happening, but I want to keep these monthly reports brief. A few follow-up action items:

- VPs, please let me know if you have items to include each month that you think other PC members should know about.
- Watch for the strategy document and share your feedback.
- We will be looking for PC members to provide messages or testimonials we can use in the membership renewal drive, so please think about how you can help motivate others to renew.
- There are still a small handful of PC members with whom I have not had focused conversations in my efforts to listen and learn. If you are one of those, please feel free to reach out to me. In at least two cases I have sent a few messages, but I am unsure whether they were successfully received or not.

I look forward to working with all of you in the years ahead. Please feel free to reach out to me if I can be of assistance.

Kind regards,

Mark

Minutes of the Policy Council Meeting Summer 2017

11.00 AM, Molly Pitcher Room
Cambridge, MA July 16, 2017
Chair: Len Malczynski, President 2017

President Len Malczynski called the meeting to order.

1) Welcome and Introductions

- a) Len welcomed the Policy Council members and others and added a special thanks to new members, outgoing members and continuing members

2) Discussion and Action on Proposal to Move Home Office to Capitol Hill Management Services (CHMS)

- a) Roberta introduced John Graziano, President of CHMS. He explained what an association management company is and described some things about what to expect from our new partnership with them. They can help the Society fulfill its mission while providing support for operations, such as through meeting planning, accounting services, and access to best practices in association management.

David Andersen asked for some explanation of the contract. John G. explained that the contract is based on a scope of services for the organization delivered based on a fixed monthly payment. Once the Society sets its annual budget, it is up to CHMS to maintain that budget.

- b) Report of VP and AVP Finance—How We Plan to Pay for the Transition from UAlbany to Cap Hill: Eliot Rich.

Eliot explained that we have drafted a “bridge contract” to cover a transition period from now until 2019 and another contract including a specific description of a scope of services covering the 2019 year. The plans include continuity of employment for our current staff as employees of CHMS as well as some contingencies in case our employees do not join CHMS.

Eliot reviewed some aspects of the proposed budget presented in the VP Finance report. The 2018 budget projects a net loss of approximately \$141,000. He noted the inclusion of about \$116,000 in continuity of employment expenses, which corresponds to a pessimistic scenario about transition costs.

MOTION: Lees Stuntz moved (Bob Eberlein seconded) to approve the 2018 budget as proposed in the VP Report. Warren asked what they see as the biggest risk, and David and Eliot highlighted the risk we have each year of a poorly performing conference, which for next year is the conference in Iceland. Another risk we face every year is the performance of our investments.

Nancy asked about the \$1000 budgeted for the PhD colloquium and whether this budget is large enough. Currently, we have \$20,000 designated, which funds the flow of \$1000 in each year's operating budget. Nancy also asked about the source of expected increase in summer school income and sponsor dues and donations.

Motion passed.

MOTION: David Andersen and Eliot Rich moved (Warren Farr seconded) that the Policy Council approve the designations of funds shown on the last page of the VP Finance report.

Motion passed.

LUNCH BREAK

c) Report from the Administrative Committee: John Morecroft (reporting remotely):

Transition to CHMS Administrative and Legal Review

John reviewed the process of creating the transition budgets, specifically that the 2018 budget came about by first generating a 2019 budget and then understanding how the 2018 budget would bridge from current operations to the 2019 version with CHMS. He noted that the Administrative Committee asked a sub-group of Len, Nacho and Brad to work with an attorney to conduct a legal review of the contract. He described an initiative aimed at investing in future special projects comprising a secretariat, further clarification of campaign goals, and a fundraising campaign.

Bob noted that this transition is the most significant transition in the history of the Society and suggested that this is a good time for an open discussion. Warren asked about how interaction with CHMS will work going forward. Warren also asked about what he should do in his role as VP Marketing to help inform the membership about the transition and what will change.

An example of a change is that the website management will transfer to CHMS.

Our webpage will migrate to a different system (Member Clicks) with some advantages in integration of information in one repository. Member Clicks supports chapters well. The conference submission system will also change, with some strengths and some challenges. There will be a committee formed to examine and recommend about how Society governance roles and processes may need to change to fully capitalize on the relationship with CHMS. There will be a proposal later in the meeting to form a search committee to find and recruit an executive director.

Sharon asked about ongoing oversight of the performance of CHMS, and Bob replied that currently is the purview of the Administrative Committee and at least for now will continue to be so. Kim noted the importance of growth activities and ways of funding them and expressed the hope that this transition would create an environment in which these activities could happen.

David Andersen previewed an announcement he will make at the Conference banquet on Tuesday evening regarding launching the seeding stage of a Legacy Campaign. Several people asked questions about what procedures would be in place to decide on use of the funds, monitoring and evaluating how well the activities meet the goals of the Society, and how it compares to the existing work from the strategy committee. Some thought that the sequence of fundraising before articulating ways to use the funds is backwards. Examples of possible uses were suggested, such as funding PhD students to come to a conference and funding an alternative venue for people whose papers would otherwise not be included in a conference. Kim reminded us that the Society strategy, which has been developed and is on the website, should be informing choices about what to do with the funds.

3) Overview of electronic session

Len presented a list of electronic votes that have taken place since the end of 2017 Winter PC Meeting and before the beginning of the 2017 Summer PC Meeting

VOTED ON

160: Name change for the Psychology SIG by Özge Pala (Elke Husemann)
Y:13/N:0/A:0/NV:12

161: Approve the creation of a Transportation SIG by Leonard Malczynski (Ozge Karanfil) Y:13/N:0/A:0/NV:12

162: Recognition of the Asset Dynamics SIG by Özge Pala (Leonard Malczynski)
Y:13/N:0/A:0/NV:12

164: Motion to Approve Warren Farr as VP Marketing & Communications by Étienne Rouwette (Pål Davidsen) Y:21/N:0/A:0/NV:4

166: Standing Committee Appointments for the terms 2017-2019 by Étienne Rouwette (Diana Fisher) Y:14/N:0/A:3/NV:8

167: Approve Diana Fisher as Vice President Pre-College Education by J. Bradley Morrison (Robert Eberlein) Y:10/N:0/A:0/NV:15

168: Approve L. Stuntz as Policy Council member to replace D. Fisher by J. Bradley Morrison (Robert Eberlein) Y:10/N:0/A:0/NV:15

169: Approve the minutes of the 2016 Summer PC meeting by Robert Eberlein (David Andersen) Y:15/N:0/A:4/NV:6

170: Amend the language of Policy 10: Committees, Sec 3 (APCC) by Ignacio Martinez- Moyano (Robert Eberlein) Y:18/N:0/A:0/NV:7

171: Congratulate ASEAN Chapter and welcome APCC by Ignacio Martinez- Moyano (David Andersen) Y:19/N:0/A:0/NV:6

172: Approve the 2018 slate candidates by J. Bradley Morrison (Ignacio Martinez-Moyano) Y:20/N:0/A:1/NV:4

173: Designate CHMS as vendor for home office operations by Etiënne Rouwette (Ignacio Martinez-Moyano) Y:17/N:0/A:3/NV:5

174: Authorize Admin Comm to proceed with home office transition by Etiënne Rouwette (Robert Eberlein) Y:17/N:0/A:3/NV:5

175: Authorize expenditure up to \$100,000 for transition costs by Etiënne Rouwette (Ignacio Martinez-Moyano) Y:15/N:0/A:5/NV:5

176: Approve appointment of 2018 Conference Program Chairs by Ignacio Martinez-Moyano (Diana Fisher) Y:17/N:0/A:1/NV:7

179: Recognition of the ASEAN Chapter by Stefano Armenia (Warren Farr) Y:18/N:0/A:0/NV:7

181: Motion to organize the 2018 ISDC at the University of Iceland by Erik Pruyt (Etiënne Rouwette) Y:21/N:0/A:0/NV:4

WITHDRAWN

177: WITHDRAWN-Recognition of the ASEAN Chapter by Stefano Armenia (not seconded)

178: WITHDRAWN-Recognition of the ASEAN Chapter by Stefano Armenia (not seconded)

180: WITHDRAWN-Conference proceedings by Leonard Malczynski (Ozge Karanfil)

4) Vice Presidential reports and updates

Since most reports were moved forward to the Winter meeting, reflecting progress in 2016 and aims for 2017, the only full reports required are from VP Finance (due to the need for audited accounts).

VP Publications: Pal Davidsen:

Pal and Yaman met with Wiley in March about the future of the *System Dynamics Review*. Pal reported that Wiley seems to really care about the future of the SDR. Nevertheless, we need to renegotiate our contract after 2018. Pal suggested that we continue with our current contract. The reply from Wiley was that such a contract could be renewed. The time horizon of the contract remains an open issue. However, service from Wiley in the meantime has been a bit rocky, and we should be considering other alternatives as well. We have been approached by another publisher. Krys Stave, as the incoming VP Publications, will be carrying forward the negotiation process. Yaman also appealed for more submissions to the journal.

MOTION: Bob Eberlein moved (David Andersen seconded) that Eliot Rich be appointed as VP Finance on January 1, 2018, (2018-2019) to fill the remainder of the current (2017-2019) term as David Andersen is retiring. Motion passed

Conflict of Interest Status Report and Review: See online report.

The report, as part of these minutes, lists the members who have disclosed a potential or actual conflict of interest and the nature of the conflict. The Secretary read to the PC all reported conflicts of interest disclosures. The officer or member who disclosed a conflict of interest left the room so as to not be present during discussion and voting. The remaining independent directors (Policy Council Officers and Members) discussed and agreed that in each case they are satisfied that all potential conflicts are being handled appropriately and that no conflict exists that will interfere with the operations of the System Dynamics Society. The decision in connection with these proceedings is recorded in these minutes.

Pal questions the default site policy. Len says he is forming an ad hoc committee to look at Conferences “writ large,” including the default site policy and conference paper acceptances.

Warren says he, as VP Marketing, is here to support other VPs. Please contact him to tell him how he can help.

5) Standing Committee Reports

These reports are presented at the Winter meeting. Subsequent issues only to be reported, though other items may also be raised.

- a) Administrative Committee: John Morecroft: Done above.
- b) Awards Committee: Erling Moxnes: See online Winter 2017.
- c) Organization and Bylaws Committee: Brad Morrison: Nothing to report.
- d) Publications Committee: Pål I. Davidsen: Done above.
- e) Society Program Oversight Committee: Andreas Größler: See online Winter 2017
- f) Strategy Committee: Etiënne Rouwette: See online Winter 2017.
- g) Nominating Committee: Announced the slate to take office in 2018 (and 2017 partial terms) and the open positions for the following year (2019).
 - The Proposed Slate of Candidates to Take Office January 1, 2018
 - President-Elect** (2018)–Martin Schaffernicht
 - VP Electronic Presence** (2018-2020)–Bob Eberlein
 - VP Membership** (2018-2020)–Özge Pala
 - VP Publications** (2018-2020)–Krystyna Stave
 - Policy Council** (2018-2020): Shayne Gary, Hilde Martinussen, Josephine Musango, Rafaat Zaini
 - 2017 New and Replacement Candidates
 - VP Marketing and Communications** (2017-2018)–Warren Farr (partial term, replacement of Peter Hovmand, approved 2017.02.12)
 - VP Pre-College Education** (2017-2019)–Diana Fisher (new position approved 2017.04.12)
 - Policy Council Member** (2017-2018)–Lees Stuntz (will serve through 2018 as replacement for Diana Fisher on the Policy Council, approved 2017.04.12)

- Open Positions for 2019
 - President Elect:** (2019)
 - Vice President Marketing & Communications:** (2019-2021)
 - Vice President Meetings:** (2019-2021)
 - Vice President Professional Practice:** (2019-2021)
 - Policy Council (2019-2021):** 4 Members

6) Motions/Action Items

MOTION: Move to Approve of Minutes of Winter 2017 Policy Council Meeting (Bob Eberlein moved, Pal Davidsen seconded. Motion passed)

7) Strategic discussions: Len Malczynski

- a) Certification Ad hoc Committee: We have gathered 30 to 40 syllabi of System Dynamics courses, assembled them in a table, and plan to compare to a System Dynamics learning taxonomy
- b) Conference planning Ad Hoc Committee: Len is planning to form a committee to look into a variety of issues about conference papers and the overall program, such as paper submission, location, logistics, selection processes, and so on. If you are interested in serving on the committee, please let Len know.
- c) Conference site selection 2019 Asmeret and Munaf from Albuquerque presented a preliminary proposal to host the 2019 conference in Albuquerque.

MOTION: Bob Eberlein moved (Brad Morrison seconded) to approve the president's appointment of a Committee to Search for an Executive Director to include Birgit Kopainski, Peter Hovmand, Eliot Rich, Hyungjung Kim, John Ansah, Etienne Rouwette, and Don Greer. Motion passed.

MOTION: Bob Eberlein moved (Brad Morrison seconded) to treat Albuquerque as the finalist for the site for the 2019 ISDC and that the PC make a final selection by September 30, 2017. Motion passed.

MOTION: Nancy Hayden (Bob Eberlein seconded) moved to task the SPOC with chartering a committee to study the program and paper selection process to understand the high rejection rate experienced in 2017, identify issues, and develop recommendations for the Policy Council to consider and address the concerns raised about the high rejection rate and the relative autonomy of the program chairs. The Committee should make a preliminary report to the Policy Council by September 30, 2017.

Discussion ensued, and it was the sense of the Policy Council that the committee needed to do its work in a manner that would avoid blaming anyone for past issues.

Motion passed.

Meeting adjourned Lees Stuntz moved (John Ansah seconded). Motion passed.

RECAP OF MOTIONS PASSED:

MOTION: Lees Stuntz moved (Bob Eberlein seconded) to approve the 2018 budget as proposed in the VP Report.

MOTION: David Andersen and Eliot Rich moved (Warren seconded) that the Policy Council approve the designations of funds shown on the last page of the VP Finance report.

MOTION: Bob Eberlein moved (David Andersen seconded) that Eliot Rich be appointed as VP Finance on January 1, 2018, (2018-2019) to fill the remainder of the current term (2017-2019) as David Andersen is retiring.

MOTION: Move to Approve of Minutes of Winter 2017 Policy Council Meeting Bob Eberlein moved (Pal Davidsen seconded).

MOTION: Bob Eberlein moved (Brad Morrison seconded) to approve the president's appointment of a Committee to Search for an Executive Director to include Birgit Kopainski, Peter Hovmand, Eliot Rich, Hyungjung Kim, John Ansah, Etienne Rouwette, and Don Greer.

MOTION: Bob Eberlein moved (Brad Morrison seconded) to treat Albuquerque as the finalist for the site for the 2019 ISDC and that the PC make a final selection by September 30, 2017.

MOTION: Nancy Hayden moved (Bob Eberlein seconded) to task the SPOC with chartering a committee to study the program and paper selection process to understand the high rejection rate experienced in 2017, identify issues, and develop recommendations for the Policy Council to consider and address the concerns raised about the high rejection rate and the relative autonomy of the program chairs. The Committee should make a preliminary report to the Policy Council by September 30, 2017.

Respectfully Submitted,

Brad Morrison

Secretary



WINTER POLICY COUNCIL MEETING

Thursday, February 15, 2018

SDS Office at CHMS – Albany, New York

MINUTES OF THE MEETING

Chair: Ignacio Martinez-Moyano, President 2018
Parliamentarian: J. Bradley Morrison, Secretary 2018

In-Person Attendees:

Andersen	David	AVP Finance
Arthur	Dan	Society Member
Bahaddin	Babak	SDS Graduate Student/Staff Member
Breslin	Mike	Home Office Staff
Eberlein	Bob	VP Electronic Presence
Hayden	Nancy	Policy Council
Martinez-Moyano	Ignacio	President
Morrison	J. Bradley	Secretary
Rich	Eliot	VP Finance
Spencer	Roberta	Executive Director
Stuntz	Lees	Policy Council
Zaini	Raafat	Policy Council

Staffing the meeting from CHMS:

Buff	Brian	VP Association Management
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CHMS Team Members who also participated in the meeting:

Graziano	John	President
Sheehan	Denise	Executive Vice President
Murray	Jon	Controller
Boss	Jeff	Staff Accountant
Johnson	Donna	Director of Conferences & Meetings
Sweet	Ashley	Event & Meeting Manager
Buck	Sarah	Social Media Specialist

Virtual Attendees:

Barlas	Yaman	Executive Editor, <i>System Dynamics Review</i>
Cooper	Ken	VP Professional Practice
Dauidsen	Pål	Past President 2003
Els	Sharon	Policy Council Member
Farr	Warren	VP Marketing & Communications
Fisher	Diana	VP Pre-College Education
Malczynski	Leonard	Past President 2017
Martinessen	Hilde	Policy Council Meeting
Morecroft	John	Administrative Committee Member
Rouwette	Etienne	Past President 2016
Schaffernicht	Martin	President Elect 2018
Stave	Krys	VP Publications
Takahashi	Yukata	Policy Council Member
Videira	Nuno	Policy Council Member

1. Call to Order/Roll Call

President Ignacio Martinez-Moyano called the meeting to order at 8:41 a.m. All attendees, both in-person and virtual, were marked as in attendance.

2. Welcome by President: Ignacio Martinez-Moyano

Ignacio Martinez-Moyano thanked the following leaders for their commitment and service in advancing the work of the Society:

New

President Elect	Martin F. G. Schaffernicht
Vice President Publications	Krystyna A. Stave
Policy Council (2018-2020)	Shayne Gary
Policy Council (2018-2020)	Hilde Martinussen
Policy Council (2018-2020)	Josephine Kaviti Musango

Continuing (those who have changed roles have a parenthetical note after their name)

President	Ignacio Martínez-Moyano (2017 President Elect)
Past President	Leonard Malczynski (2017 President)
Secretary	J. Bradley Morrison
Vice President Chapter Activities	Stefano Armenia
Vice President Electronic Presence	Robert L. Eberlein
Vice President Finance	Eliot Rich (2017 AVP Finance)
Vice President Marketing & Communications	Warren Farr
Vice President Meetings	Erik Pruyt
Vice President Membership	Özge Pala
Vice President Pre-College Education	Diana Fisher
Vice President Professional Practice	Kenneth G. Cooper

Policy Council (2016-2018)

Sharon Els, Rebecca Niles, Lees Stuntz (partial term for D. Fisher) and Yutaka Takahashi

Policy Council (2017-2019)

John Pastor Ansah, Nancy Hayden, Florian Kapmeier, Nuno Videira

Policy Council (2018-2020) Raafat Zaini (Policy Council 2015-2017)

AVP Chapter Activities	Natalia Ciobanu
AVP Electronic Presence	Onur Özgün
AVP Finance	David Andersen (2017 VP Finance)
AVP Meetings	Özge Karanfil (2017 Policy Council 2015-2017)
AVP Membership	Burak Guneralp
AVP Pre-College Education	Anne LaVigne

Outgoing

Past President	Etiënne A.J.A. Rouwette
Vice President Publications	Pål Davidsen

3. Opening/Welcoming by Capitol Hill Management Services

John Graziano, President of Capitol Hill Management Services, welcomed everyone and encouraged Society leaders to explore the office, see the resources, and meet the staff. He stated that CHMS, as the Society's association management partner, was here to assist the Policy Council in moving the Society forward.

Following the welcome, members of the CHMS Team serving SDS introduced themselves.

4. Secretary's Report: Bradley Morrison

Electronic Votes After 2017 Summer Policy Council Meeting

The Secretary informed the Policy Council that the minutes from the previous Council meeting were posted on the website and the motions approved can be found below:

All motions passed.

Motion 189: Subject: Approval of Shayne Gary as a member of Nominating Committee.

Proposed by: Leonard Malczynski, Seconded by: Ignacio Martinez-Moyano

Voting dates: 2017.10.17 - 2017.10.27

Formal Motion: I move that Shane Gary be appointed to the Society Nominating Committee. Shane has accepted and is willing to serve.

Motion 190: Subject: Motion to accept Albuquerque as site for 2019 ICSDS. Proposed by:

Ignacio Martinez-Moyano, Seconded by: Erik Pruyt

Voting dates: 2017.10.17 - 2017.10.27

Formal Motion: Move that Albuquerque, New Mexico at the Hotel Albuquerque be the site of the 2019 International Conference of the System Dynamics Society and that Sandia National Laboratories be the host institution.

Motion 191: Subject: New Conference Program Guidelines. Proposed by: Robert Eberlein,

Seconded by: Ignacio Martinez-Moyano

Voting dates: 2017.10.17 - 2017.10.27

Formal Motion: Move to accept the Submission, review, placement, and archiving guidelines dated October 4, 2017 as the basis for managing the annual conference program.

Motion 192: Subject: Only extended abstracts in conference proceedings. Proposed by:

Robert Eberlein, Seconded by: Ignacio Martinez-Moyano

Voting dates: 2017.10.17 - 2017.10.27

Formal Motion: Move to allow only two page abstracts with an attached bibliography, and not full papers, to be included in the conference record for research papers presented at the conference.

Motion 193: Subject: Contract with Capitol Hill Management Services. Proposed by: David Andersen, Seconded by: Robert Eberlein

Voting dates: 2017.10.17 - 2017.10.27

Formal Motion: I move that the Policy Council authorize the President to sign a Services Contract with Capitol Hill Management Services for the period 2018-2019.

Motion 194: Subject: Motion to accept nominations for Standing Committees 2018-2020.

Proposed by: Leonard Malczynski, Seconded by: Rebecca Niles

Voting dates: 2017.12.13 - 2017.12.23. (Voting on New Policy Council Forum)

Motion 195: Subject: Motion to accept membership to the International Federation for Systems Research

Proposed by: Leonard Malczynski, Seconded by: Ignacio Martinez-Moyano

Voting dates: 2017.12.22 - 2017.12.30. (Voting on New Policy Council Forum)

Conflict of Interest Report

The Secretary presented the results of this year's Conflict of Interest Report submissions, which are required by New York State nonprofit law. Five reported possible conflicts were reviewed by the Policy Council. Each of the five indicated leaders were excused from the meeting in order to discuss the reported possible conflicts. Upon examination and discussion, the Policy Council was satisfied that no real conflicts of interest existed. See online report.

Motion 196: Subject: Motion to accept results of 2018 Conflict of Interest Report

Proposed by: Bradley Morrison; Seconded by: Bob Eberlein

5. President's Update: Ignacio Martinez-Moyano

The President focused his remarks on forward-looking issues. He suggested that in the future meetings, we might ask Past Presidents to report on the work done under their tenure.

The President reported that the Society is in the middle of the largest transformative change since its inception—and the Society finds itself in a very good position—as it creates a future that is sustainable. Change is not always easy and the President acknowledged everyone's hard work during this transition period. He believes the Society is fortunate to have partnered with Capitol Hill Management Services, which has experience in assisting professional associations grow and flourish.

In continuing the transition, the President asked everyone to maintain their dedication, pay attention to the details, and work together for the success of the Society. The Society is also using this time to address how best it serves its members and the field. At the core of these changes—we must be able to identify what type of Professional Society we want to be and become—and then choose the best path forward. Some believe that SDS should be a niche Society and others see a broad-based, “big tent” association. Once the decision is made as to the type of Professional Society we want to be, the Policy Council will tap into all of its resources—volunteer leaders, members, and CHMS—to determine the best strategy to achieve the results desired.

The Society is in its best position in decades and the President called upon everyone to take advantage of what SDS has to offer. The Society's members are expecting the Policy Council to provide guidance and leadership—and the President has great faith that all his fellow leaders on

the Council, along with Society staff and the professionals at CHMS will achieve great results for the Society and the field.

6. Executive Director's Update: Roberta Spencer

The Executive Director reported that Society membership in 2017 was at its highest level ever, with 1,248 students, academics, practitioners, and professionals choosing to be a part of SDS; that the Society is financially strong and that the Iceland Conference planning is progressing. The Executive Director asked interested parties to view the report online, and noted that the full 2017 Home Office report will be presented at the summer meeting in Iceland. The Society has transitioned to a new website and membership management system. Phase 1 of the transition with Capitol Hill Management Services (CHMS) is complete. In looking ahead to 2018, the Society will be launching a new conference submission system, moving its operations from the University at Albany to CHMS Offices, hiring a new Executive Director, and determining continuity of employment of current SDS employees.

The Executive Director also reported that the Home Office and CHMS are working hard and together to effect transition of operations with lots of coordinated effort. As the tasks are being transferred to CHMS there is much discovery in the transition—and all is heading toward smooth operations as the stock of knowledge is building. For example, the Executive Director mentioned transferring the responsibility for organizing the Winter Policy Council Meeting to CHMS as an opportunity to meet Society people, become familiar with our agenda and reporting, work hand-in-hand with the Home Office team, and get to know the SDS culture and governance style.

The Home Office team and colleagues at CHMS will continue to keep doing this. The Executive Director stated she is pleased with the successes and the future looks bright.

The Executive Director mentioned the recent death of longtime member and supporter, Allen Boorstein and reported that she attended funeral services in New York City on behalf of the Society.

7. Overview & Tour of New Website/Portal: Michael Breslin

Michael Breslin of the Home Office Staff provided a tour of the Society's new website/portal, showing both its public features, as well as its administrative capabilities. He thanked Bob Eberlein, Warren Farr and Home Office Staff for their help in bringing the website to life. The new site has a fresh, cleaner look, but maintains the structure of the previous site. Attendees saw how they can customize their personal landing page on the site. Michael also mentioned how the website's administration has streamlined office processes, including reports, purchases and communications. He also noted the analytical and tracking abilities of the new site.

8. Vice President & Standing Committee Reports

Vice President & Committee Reports

SDR Executive Editor Report: Yaman Barlas

The Executive Editor reported that there continue to be late issues of the *Review*. He expressed concerns that the submission rate was not high enough. A double issue volume is scheduled for June/July 2018, which is being styled the 60th Anniversary commemorative issue. With this double issue, coming out right before this year's conference, the *Review* will be back on cycle.

The Executive Editor addressed past production problems with the publisher, Wiley. Recently, a new production team has been put into place and the hope is to see better service in 2018. Five new members have been appointed to the Editorial Board—bringing new energy—and making the team stronger.

Past VP Publications Report: Pål Davidsen

The Past Vice President provided an overview of the past year's activity, including efforts to make sure that the SDR is robust and remains the flagship publication of SDS. He spoke of the desire to build up a robust backlog of high quality research papers, ready for publication in the SDR and other journals so as to contribute to the general recognition of System Dynamics as a transdisciplinary scientific discipline of significant value to Society and to our environment. Transition work has been done with the new VP Publications. The main task in 2018 for the VP Publications will be managing the contract negotiations with Wiley and other publishers who have expressed an interest in publishing the *Review*.

VP Chapter Activities Report: Stefano Armenia

Written report submitted.

Motion 197: Subject: Motion to acknowledge the updated Constitution of the ASEAN Chapter: The ASEAN Chapter has submitted an updated version of its Constitution. The updated Constitution is compatible with the standard constitution and more clearly lists the countries participating in the ASEAN Chapter. Therefore, I move that the Policy Council of the System Dynamics Society acknowledges the updated Constitution of the ASEAN Chapter from December 6, 2017 as the Chapter's valid Constitution from now on.

Proposed by: Stefano Armenia; Seconded by: Bob Eberlein

VP E-Presence Report: Bob Eberlein

Written report submitted. Additionally, the VP reported that the X-CD conference submission system is about to be launched. Much hard work went into designing and setting-up this new system. He referenced the earlier website tour and denoted that the new website and conference submission system are different from what the Society had in the past. The VP happily reported that with the new systems, he is no longer the go-to website tech person.

VP Finance Report: Eliot Rich

A complete financial report will be presented during the Summer Policy Council Meeting. The VP provided an overview of the Society's financial performance during 2017, including: an operating deficit mostly due to the transition; assets have performed well so we will post a modest gain. Transition funding was also addressed: financial reserves sufficient to cover projected transition costs for CHMS; 2018 Budget of \$70 - \$165K; proposed contract with Roberta Spencer makes an optimistic scenario more likely; and rundown of existing SUNY designated funds will release funds to cover the proposed two year contract with Roberta Spencer. The VP stated that the Society needs to develop thoughtful approaches to support philanthropic efforts. Balancing the Society's mission with donor intent and the energy of organizational entrepreneurs is important to our financial future. Finally, he expressed several concerns for 2018, including the Iceland Conference, publication income, and reliance on market exuberance to cover operating losses.

VP Marketing & Communications Report: Warren Farr

The VP reported how he is developing this relatively new position on the Policy Council, operating with the formula: audience = membership. In the past year, the VP drafted/edited

materials and various member communications and reviewed the progress of new SDS website. In 2018, the VP will support the SDS move to CHMS; keep membership informed; and support SDS Home Office as needed. He is also concentrating on the still undefined Who/What/When messaging goal for a wider audience.

VP Meetings Report: Erik Pruyt

No report.

VP Membership Report: Özge Pala

No report.

VP Professional Practice Report: Ken Cooper

The VP reported that this past year was spent developing the initial plans for a Legacy Fund. The focus for 2018 will be 1) support as needed the further development of a Legacy Fund as a means of promoting the conduct and visibility of SD in professional practice; and 2) conduct an updated survey of professional practice.

VP Pre-College Education Report: Diana Fisher

The VP reported that this newly created position was receiving great support and help from educators, including grassroots and word of mouth. In 2017, there was ST/SD outreach to pre-college educators in Chile, Singapore and the United States; continued emphasis on curriculum and training, including design; and 2/3 implementation of new SD app, *Splash!* In 2018, plans are to do SD outreach to pre-college educators in Reykjavik; continue ST/SD support for 37 pre-college educators in Chile; and finish Version 1 of *Splash!* which has 2/3 of the funding. \$14,000 is still needed to complete the work on *Splash!*, and she asked everyone to help get the word out.

Standing Committee Reports

Administrative Committee Report: Bob Eberlein

The chair reported that the committee met a couple of times and in 2017 accomplished the following: transition budget review; contract review for move to CHMS; personnel continuity review; and recommendations for Legacy Fund disposition. In 2018, the committee will finalize agreements about Roberta Spencer's continued work with the Society; get the Legacy Fund onto a sound organizational footing; and support the evolution of the budgeting process. The committee is also asking itself, based on the transition and changes taking place, whether the committee needs to restructure its roles and responsibilities.

Awards Committee Report: Erling Moxnes

No report.

Nominating Committee Report: Étienne Rouwette (Past President Ex Officio Chair)

No report.

The Secretary Brad Morrison explained the process by which the Society "elects" officers, which is that we announce the slate in the Winter PC Meeting, wait to see if there are other nominations (of which there never are), and then declare the slate elected in the Summer PC Meeting. To comply with that process, we need to announce the slate during the Winter PC Meeting, which includes the online portion. Presentation of the slate will be included in the online portion of the meeting during March.

Organization and By-Laws Committee: Brad Morrison

No report.

Publications Committee Report: Krys Stave

The main aims for the year are negotiating the journal publishing contract, reviewing ongoing publications projects and issues, and assessing potential for new initiatives from publications strategy.

Society Program Oversight Committee Report: Andreas Größler

Written report submitted. The Policy Council discussed the challenge of finding experienced Conference Program Chairs and several strategies for publicizing the recruiting qualified candidates.

Strategy Committee Report: Ignacio Martinez-Moyano

The President provided the Policy Council an overview of the committee's work and encouraged all to review the submitted written report. He reported that work continues on developing the model for the field and the Society. He also acknowledges the assistance of George Richardson and Wim Rill for his work in converting the 2013/16 strategy work into the structured set of strategies and tactics required for this step of the process.

Asia Pacific Coordinating Council Report (APCC): Lakshminarayanan Samavedham

No report.

Report about the Standing Committees Update Report: Len Malczynski

The Past President Len Malczynski reported that a GoToMeeting account was established to assist committees in their work. Committees are staffed and functioning. Karim Chichakly was appointed as chair the Society Program Oversight Committee (SPOC). A major challenge facing the Society is finding more qualified candidates to serve on committees, especially the Awards Committee. There are two committee member vacancies on the Awards Committee.

Focus Items**Finance Update (including CHMS Administration of Finances): Eliot Rich**

The VP Finance introduced CHMS Controller Jon Murray and Staff Accountant Jeff Boss who administer SDS finances at CHMS. It was reported that: transfer of day-to-day activity is underway; 2017 tax filings have been completed by CHMS; deposits/wire transfers/invoices are being entered by CHMS; existing staff are reviewing transactions each week through off-line file copy; and the accounting backend has been transferred to QB Accountant (cloud-based, multiuser). The separation of duties are maintained: CHMS captures invoices and payments; Executive Director or VP Finance authorizes electronic payment through the local bank. Plans are to have the current independent external auditor continue. Finally, a Financial Policy and Procedures Manual has been created. The Administrative Committee will assist in ongoing review of processes.

In 2018, plans are to winddown UAlbany financial activities (will continue into 2019); finish integrating membership and financial software; modify the chart of accounts to simplify entry of customer information; and convert management and operational reports to a new platform using best practices.

Transition Committee/Executive Director Search: Eliot Rich

On behalf of Executive Director Search Committee Chair Don Greer, Eliot Rich provided an overview of the committee's work, including: approval of recruiting plan with recruiting completed by April 2018, hiring a new Executive Director by June 2018, with a start date of July 1 and transfer of responsibilities by August 30. There will be a single agenda vote by the Policy Council on the selected candidate.

Motion 198: Subject: Motion to accept proposed timeline for the Executive Director

Search: Moved that the PC accept the proposed timeline for the Executive Director Search (Exhibit 1) and charge the President with convening an ad-hoc search committee to select a candidate for Executive Director; that the PC use a voice vote over GoToMeeting to approve the selection (with votes emailed to the Secretary in advance of the meeting being counted); and that the President, VP-Finance, and Administrative Committee chair be authorized to negotiate the contract addendum with CHMS to ensure the hiring of the new Executive Director.

The authorization meeting will be expected to occur in the third week of May with a continuation scheduled three days afterward in case the first offer is not taken up and another needs approval. There will, following the bylaws, be one month's notice of this meeting with the candidate selection provided approximately two days in advance of the meeting.

Proposed by: Bob Eberlein and Eliot Rich; Seconded by: Lees Stuntz

Recommendations for Roberta Spencer's Ongoing Work with SDS: Bob Eberlein

The Administrative Committee Chair provided an overview of the agreement between the Society and Roberta Spencer, allowing her to continue to serve the Society.

Motion 199: Subject: Motion to accept proposed activities and agreement with Roberta

Spencer: Moved that the attached memorandum of understanding be approved for signature by the President, that \$20,431 of the existing 2018 budget be allocated to support that, and that \$104,861 from the Operating Surplus/"Rainy Day" Designated Fund be used to provide the 2019 and 2020 budgets sufficient money to continue Roberta's employment through August 31, 2020.

Proposed by: Bob Eberlein; Seconded by: Lees Stuntz

Conference Updates (2017/2018) & Future Conferences (2019/2020/2021)

2017 Conference Report: Roberta Spencer

The Executive Director reported that the conference was a success and the full report is available online.

2018 Conference Report: Roberta Spencer

The Executive Director reported that the conference has a great program committee. There are a number of new features in place, including submission types, session types, submission system and web page. The main aims for the conference are inclusion with quality and to build awareness and touch a broader community through a Public Plenary, Education Day and Summer School.

Approaches for Future Conference Planning: CHMS

CHMS Director of Conferences and Meetings Donna Johnson and Meeting and Events Manager Ashley Sweet provided an overview of what has been accomplished to date and the directions taken for future conferences. CHMS continues to learn the history, processes and procedures for

SDS Conference planning. The team is working with the VP Meetings and Executive Director to ensure success. For the 2018 Conference (Reykjavik), CHMS is working in conjunction with SDS Staff. The team participates on all planning calls, serves as direct contact for accommodations, provides social media/promotional support, and provides support for Education Day.

The model for future conference planning is based on the resurrected proposal form and process for planning, selecting, and projecting on a 3-year cycle, requiring site selection 3 years in advance.

2019 Conference Update: CHMS

CHMS is taking the lead on planning; collaborating with local Albuquerque team and venue contacts to progress with plans and deadlines. Several productive planning calls have been held. We are entering the contract phase for meeting space and overnight rooms. A preliminary budget has been created. It was agreed that CHMS will present the developed plan first to the Executive Director for review and then to the Administrative Committee for review, comment and final approval.

2020 Conference Update: CHMS

CHMS is working with local teams in London and Bergen, assisting with the compilation of full proposals for review. After some discussion, it was determined that these proposals will be completed and submitted for review no later than May 1, 2018.

2021 Conference Update: CHMS

CHMS is working on proposals from Orlando and Albany, as well as compiling information on the Cambridge default conference site.

2020 Conference Presentations

Two presentations were made to the Policy Council, allowing leadership to hear about what each location has to offer SDS as the conference venue. Conference Pre-Proposals and materials submitted.

Presentation of Bergen, Norway by Pål Davidsen on behalf of Birgit Kopainsky (Virtual). Report online.

Presentation of London, Great Britain by Dan Arthur (In-Person). Report online.

CHMS will formally follow-up with both Bergen and London to get Policy Council questions answered and to firm-up plans and budgets.

Recommendations for Legacy Fund Management: Bob Eberlein

The Administrative Committee Chair provided an overview of the three recommendations regarding the Legacy Fund aimed at prudent administration of such a fund.

Motion 200A: Subject: Motion to accept recommendations for the overarching goals of the Legacy Fund: Moved that the overarching goals of the Legacy Fund be recognized as:

a) Grow demand for “real-world” applications of System Dynamics; b) Foster actively used System Dynamics work in new subject domains; and c) Increase public recognition of successful applications of System Dynamics.

Placed and moved forward by the Administrative Committee.

Motion 200B: Subject: Motion to charge by-laws determinations to support the Legacy Fund: Moved that the Organization and By-Laws Committee be charged with determining the set of by-law changes that would effectively support the activities of the Legacy Fund within the Society.

Placed and moved forward by the Administrative Committee.

Motion 200C: Subject: Motion to study possible partnership to support the Legacy Fund:

Moved that the President be charged with the creation of a committee to outline the characteristics of a not-for-profit organization that would be a viable strategic partner, and the nature of that partnership. This should include recommendations for disposition of any designated funds held by the Society should a strategic alliance be entered into.

Placed and moved forward by the Administrative Committee.

Dana Meadows Donation/Amending MOU: Bob Eberlein

The Administrative Committee Chair provided an update on a recent donation to the Dana Meadows Fund.

Motion 201: Subject: Motion to administer recent donation to the Dana Meadows Fund:

Moved that the recent \$30,000 donation be placed in Dana Meadows Award Fund and that the VP Finance, in consultation with the Dana Meadows Award Committee, be charged with supplementing the regular award over the next 10 years in approximately equal amounts in a manner consistent with spending down the \$30,000 while maintaining the principal of all other contributions to the fund. The award committee should use the supplement to further the goals of honoring Dana Meadows, giving public attention to excellent work by promoting the participation of outstanding young women in the Society, promoting the field of System Dynamics, and raising technical standards.

Proposed by: Bob Eberlein; Seconded by: Eliot Rich

Approval of Chairs of Standing Committees: Ignacio Martinez-Moyano, Len Malczynski

It was reported that all committees are assigned chairs. There needs to be a determination if there is a 2nd Chair of the ASEAN APPC.

Proposed Motion 202: Standing Committee Appointments for the terms 2018-2020, with Chairs

Moved: To approve the makeup of all Standing Committees as listed in the Standing Committees Table, including the new appointments of, or reappointments of the proposed members, and chairs, for the terms 2018-2020 and 8/17-7/20. (Note: Standing Committee members previously approved on 12.23.17; did not include committee chairs.)

Proposed by: Len Malczynski, Seconded by: Bob Eberlein

Note: Standing Committee Table follows on next page:

System Dynamics Society Committees

2018 Standing Committees

Title	Ex Officio Members 2018 Dictated		Appointed Members	Term
Administrative Committee	Past President	Len Malczynski	Bob Eberlein (Chair)	2016-2018
	President	Ignacio Martinez Moyano	John Morecroft	2017-2019
	President Elect	Martin Schaffernicht	David Andersen	2018-2020
	VP Finance	Eliot Rich		
	Secretary	Brad Morrison		
Awards Committees			Erling Moxnes (Chair)	2016-2018
			David Lane	2016-2018
			Jac Vennix	2017-2019
			Jacob Jacobsen	2017-2019
			Vacant	2018-2020
			Vacant	2018-2020
Nominating Committee	Past President (Chair E. Rouwette/L. Malczynski)		Lees Stuntz	8/15-7/18
	President	Ignacio Martinez-Moyano	David Lane	8/16-7/19
	President-Elect	Martin Schaffernicht	Shayne Gary	8/17-7/20
Organization & ByLaws			Robert Eberlein	2016-2018
			Brad Morrison	2017-2019
			Edward Anderson	2018-2020
Society Program Oversight Committee	(Six members) At least three former or current Program Chairs (*)		I. Martinez-Moyano*	2016-2018
	Serving staggered terms		Karim Chichakly*, Chair	2016-2018
			Stefano Armenia	2017-2019
			Allyson Beall*	2017-2019
			Birgit Kopainsky*	2018-2020
			Gloria Perez-Salazar	2018-2020
Publications Committee	VP Publications (Chair)	Krystyna Stave	Susan Howick	2016-2018
			Sarah Metcalf	2017-2019
			George Backus	2018-2020
Strategy Development Committee	President (Chair)	Ignacio Martinez-Moyano	Burcu Tan Erciyis	2016-2018
	Past President	Len Malczynski	Elke Husemann	2017-2019
	President-Elect	Martin Schaffernicht	Kim Warren	2018-2020
	Next President-Elect	TBA		
Asia Pacific Coordir Council (APCC)	Interim Pres. APCC	Lakshminarayanan Samavedham		tied to the term of each participating chapter pres. or rep.
	Australasia	Carl Smith		
	China Chapter	Haiyan Yan		
	India Chapter	Karan Khosla		
	Japan Chapter	Atsushi Fukada		
	Korea Chapter	Chang-Kwon (Benjamin) Chung		

9. Old Business/New Business

Acknowledgement of Contributions to Strategy Document

Leonard Malczynski thanked Etienne Rouwette and graduate student Wim Rill for their assistance in developing the latest strategy document for the Society.

Policy Council Communications with Membership

There was a brief discussion about the opportunities Society Officers have to communicate with the membership during the year.

10. Visioning Session

Attendees participated in a Visioning Session, facilitated by CHMS Executive Vice President Denise Sheehan. The session engaged Policy Council Officers, Members, and others in attendance in a dialogue on creating major goals for the Society as a professional association. The results of the Visioning Session dialogue, including goals submitted, discussed and crafted will be compiled and shared with everyone for further reflection and work by the Policy Council.

***View of Visioning Session as seen from virtual meeting attendee.
(Photo provided by Warren Farr.)***

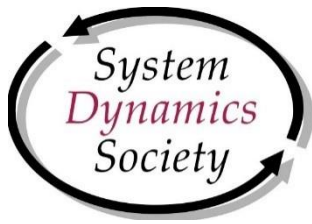


Closing & Adjournment

President Ignacio Martinez-Moyano thanked everyone for their presence and participation and wished those traveling a safe trip home.

The face-to-face portion of the Winter Policy Council Meeting adjourned at 4:35 p.m. The meeting will convert to the online version to continue the work of the Policy Council.

The next Policy Council Meeting is scheduled for Monday, August 6, 2018 at 10:30 a.m. in Reykjavik, Iceland.



System Dynamics Society
SUMMER POLICY COUNCIL MEETING
Monday, August 6, 2018
University of Iceland

MINUTES OF THE MEETING

IN ATTENDANCE

VOTING MEMBERS			
Present	Position	Last Name	First Name
x	President	Martinez-Moyano	Ignacio
x -V	President-Elect	Schaffernicht	Martin
x	Past President	Malczynski	Len
x	Secretary	Morrison	Brad
x	VP Finance	Rich	Eliot
x	VP E-Presence	Eberlein	Bob
	VP Marketing &		
x	Communications	Farr	Warren
x	VP Meetings	Malczynski	Leonard
x	VP Membership	Naugle	Asmeret
	VP Pre-College		
x	Education	Fisher	Diana
x	VP Publications	Stave	Krystyna
x	Policy Council 2016-18	Els	Sharon
x	Policy Council 2016-18	Niles	Rebecca
x	Policy Council 2016-18	Stuntz	Lees
x	Policy Council 2016-18	Takahashi	Yutaka
x	Policy Council 2017-19	Ansah	John
x	Policy Council 2017-19	Hayden	Nancy
x - V	Policy Council 2017-19	Videira	Nuno
x	Policy Council 2018-20	Gary	Shayne
	Policy Council 2018-20	Martinussen	Hilde
x	Policy Council 2018-20	Musango	Josephine
x	Policy Council 2018-20	Zaini	Raafat
Non-Voting Members			
x	AVP Finance	Andersen	David
	AVP Marketing &		
x	Communications	Zaini	Raafat
Staff & Others			
Attending			
x	SD Review Exec. Editor	Barlas	Yaman
x	Executive Director	Spencer	Roberta

	Incoming Executive		
x	Director	Nelson	Mark
	Director of Conferences		
x	& Meetings	Johnson	Donna
	Publisher's		
x	Representative	Hey	Antony
	CHMS VP for Association		
x - V	Management	Buff	Brian
	Graduate		
x	Student/Volunteer	Rill	Wim

Key

x - V = Attended Meeting Virtually

Call to Order/Roll Call

The President of the Society called the meeting to order at 10:54 a.m. Everyone introduced themselves, first in-room—then virtual participants.

Welcome by President: Ignacio Martinez-Moyano

The President welcomed all to Iceland, the conference and the Policy Council Meeting. He explained that the agenda included several sections of reports followed by a time for diving more deeply into rich topics and voting on motions. He asked that the group hold most motions until the later part of the agenda, so that reports and discussions could be heard, and to help keep the meeting on schedule.

The President provided several leadership updates since the Winter Policy Council Meeting. He thanked the colleagues who agreed to serve the Society and its members and acknowledged the service of those who have left positions:

Len Malczynski has become Vice President; Erik Pruyt was thanked for his service.

Asmeret Naugle has become Vice President Membership; Özge Pala was thanked for his service.

A call for additions to the agenda was made—and there were none.

Secretary's Report: Bradley Morrison

The Secretary reviewed the electronic votes that took place following the 2018 Winter PC Meeting (*please see Addendum 1*).

He then presented to Minutes of the Winter Policy Council Meeting and the Special Meeting of the Policy Council for approval.

Motion 213: Approval of the 2018 Winter Policy Council Minutes as presented.

Moved: To approve the Minutes of the 2018 Winter Policy Council Minutes of February 15, 2018, as presented.

Proposed by: Bradley Morrison; Seconded by: Bob Eberlein

Vote: Motion passed.

Motion 214: Approval of the Special Policy Council Minutes as presented.

Moved: To approve the Minutes of the Special Policy Council Minutes of May 25, 2018, as presented.

Proposed by: Bradley Morrison; Seconded by: Bob Eberlein

Vote: Motion passed.

**President's Report: Ignacio Martinez-Moyano
& Formal Introduction of New Executive Director, Dr. Mark Nelson**

The President reported that the past 18 months have been an active time for the Society, managing a transition to using an association management company, Capitol Hill Management Services (CHMS) and in the search and hiring of a new Executive Director. This is a significant moment in the history of the Society, and we have opportunities to review our structure and governance as well as our vision, purpose, and goals.

The President acknowledged the great contributions of the Transition Committee and thanked them for their hard work. He noted that the Society and the Policy Council has a great new partner in CHMS and a talented new Executive Director in Mark Nelson. We need to complete our transition processes, engage in new ways of doing things, and increase transparency. We are in a great place right now.

Executive Director's Report: Roberta Spencer

Please read the Executive Director's final report online.

The Executive Director described the legacy she inherited from Julie Pugh and many others is now being passed on. She thanked Julie for her help, and said she would pass the torch onto Mark Nelson. In 1996, the Society had 552 members, and since then membership growth has had a 222% increase. The Executive Director then expressed her hopes for the field and the Society in the future. She asked all to welcome our new Executive Director, Mark Nelson.

Administration Committee Chair Bob Eberlein stated that Roberta helped build-up the Society and a wonderful home for the Society, with people who were wonderful to work with.

The Policy Council honored the Executive Director with a standing ovation.

New Executive Director's Comments: Mark Nelson

The new Executive Director began his presentation by noting that "It is not about ME. It is about WE." and called for a true collaborative approach in advancing the Society's mission going forward. The new Executive Director also noted that the Society has been through much change over the past 18 months, and more change will be coming in the future, including aspects of governance.

Future Conference Planning Updates (2019/2020/2021)

2019 Update: Munaf Aamir & Asmeret Naugle, Conference Co-Chairs

The hotel contract has been signed and the property has been wonderful in helping with the planning. The call for papers is printed and is being distributed at the conference, and some fund raising has occurred. The Program Chairs will be Peter Hovmand, Washington University;

Hyunjung Kim, California State University; and Leonard Malczynski, University of New Mexico and conference theme is Resilience. The Conference Co-Chairs have received Hero Awards by the Albuquerque Convention and Visitors Bureau.

2020 Update: VP Meetings Len Malczynski and Donna Johnson, Director of Conference & Meeting Planning

Bergen has been chosen as the site of the 2020 Conference. They put forward a wonderful proposal and plans are underway. They will begin contracting shortly.

There was a brief discussion about the Default Site Policy. The Society no longer has Delft as the European default site and this is being looked into further by the VP Meetings and new Executive Director.

2021 Conference Pre-Proposals

The Society has received proposals from Orlando, Florida and Albany, New York. The Conference Planning Team is responding to potential interest from Portland, Oregon. Information and updated figures have been obtained for Cambridge, Massachusetts, the North American default site. Full proposals will be presented by the 2019 Winter Policy Council Meeting.

New Conference Planning Model

The Conference Planning Team is redeveloping the SDS Request for Conference Proposals that will fully outline the event requirements and needs. The new will address both industry-specific questions that will be asked by hotels/conference venues and local host questions.

Donna Johnson and the Conference Planning Team worked closely with Roberta Spencer to learn about past SDS Conference planning. The team's goal is to complete a 3-year build-out of the Society and we will soon put out a call for venue ideas for 2022, with the goal being to review proposals and make a final decision for 2022 at the 2019 Summer Policy Council Meeting.

The Council had a brief discussion about past conferences, ideas for the planning model, and comments about the previously-submitted London proposal. Nancy Hayden noted that the London proposal was not so much about a research conference, but about impact in policy. David Andersen reminded the Council that the Society has strong chapters and a conference in Asia Pacific.

System Dynamics Review Update: Yaman Barlas, Executive Editor **& Publisher's Annual Update: Antony Hey, Wiley**

The Executive Editor reported that 2017-2018 has been a busy and rough year. There have been delays in publication caused by the Society (late and low volume submissions) and by Wiley (publication delays). We are on the right track now. They have appointed a Wiley professional editor to deal with technical editorial problems so we can deal with scientific editorial issues. First two issues of 2018, including the double issue special 60th anniversary issue are ready. Third issue of 2108 is under preparation. The goal is to be back on schedule by this third issue, September 2018. He called on members to submit papers—and asked the Council to help promote this call to action. The 2017 impact factor looks weak at 0.85—but it is not correct as it computes how many citations 2017 factor, based on citations of 2015 and 2016 papers—but the 2017 issues were not published until 2018.

Anthony Hey from Wiley provided some highlights from the posted Publishers Report. There has been a 25% increase in number of institutions accessing the journal. Downloads by country still show a good international spread, growing in total about 3%. Downloads of the app are up. Altmetrics are weak; we could be doing much more with social media. The market is changing in some ways. For example, “read and publish” licenses can be used to offer access to journals in exchange for opportunities to publish online open access.

Lunch Break

The leadership took a lunch break and joined the participants of the PhD Colloquium.

Focus Items

Report of the Administrative Committee: Robert Eberlein

The Chair reported that changes in designated assets for the Legacy Funds; increased our assets; We expected a financial hit this year for 2018, due to overlap and duplication of some office/administrative and managerial services. The Budget calls for a considerable draw down of assets to fund a deficit. The Admin Committee recommends approval of the budget that will be presented. The Society needs to continue to monitor its finances and it is important to look at what budget will look like after the transition period.

Much has been accomplished so far in the transition. Membership software been transitioned to MemberClicks. Conference management software transition has been a hard process, see Electronic Presence report for details. The Chair offered special thanks to Capitol Hill Management Services for going above and beyond and to the Home Office for all their great work over the years.

Legacy Fund: Organization and By-Laws Committee will meet with the new Executive Director to define a proposal for how to manage the fund.

As we make transition, opportunity and necessity to make changes in way we govern ourselves. First step will be for the President, Administrative Committee Chair, and new Executive Director to come up with a plan to put together a process to review and update our governance.

Vice President Finance Report: Eliot Rich

The Vice President Finance reported that the Society has received audited reports from CPA, which reported them as “clean.” We continue to lose money in our core operations, investment performance has mitigated. Estimate \$160,000 loss in 2018, due mostly to one-time overlapping costs during the transition. Projecting a loss of about \$120 K for 2019, including some of the one-time transition costs that continue into 2019. Looking at the 2019 financials without the one-time costs, without investment income, we would have a loss of about \$109 K. With projected investments, the loss comes to \$26 K. We should work on closing these structural deficits. The VP Finance also reviewed our reserves, noting that we will be drawing down \$160k to cover this year’s deficit. We have reasonable reserves now, but we need to find a sustainable solution going forward.

A suggestion was made to formalize a policy about how much reserves to hold and about how annual draw is allowed. The VP Finance will move this suggestion forward.

David Andersen thanked Eliot Rich for all his hard work. The Society's financial issues require continuous thinking, and the VP Finance is doing so.

The VP Finance indicated that he will work with the new Executive Director and the CHMS Finance Team to continue building greater financial transparency. He also indicated that there might be some requests to modify the budget later this year once the new Executive Director has some time on the ground and identifies needs not reflected in the current budget.

Motion 215: Approval of the 2019 Budget as presented.

Moved: To approve the proposed 2019 Budget, as presented.

Proposed by: Eliot Rich; Seconded by: Lees Stuntz

Vote: Motion passed.

Transition Update: Eliot Rich

The VP Finance provided an overview of the transition of the Society's operations from the Home Office at the University at Albany to the New Society Office at Capitol Hill Management Services:

- CHMS, a professional association management company, is our strong partner.
 - New internal procedures
 - New website
 - New conference support and planning
 - New social media and marketing presence
- Successful recruitment of new Executive Director after international search.
- Appropriate and responsible transition plans for our long-time staff are in place.
- Roberta Spencer begins her new role working on Special Projects on September 1.
- Dr. Mark Nelson, our new Executive Director, is on the job.
- The opportunities to support the Society's growth are great.

Dialogue on Policy Council Integration

The President stated that based on the earlier conversations about possible changes in the Society's governance, this discussion will be postponed until the President, Administrative Committee Chair and new Executive Chair have a chance to discuss and bring back some ideas to the Council.

Old Business/New Business

New Wiley Contract Update: Krystyna Stave

The Vice President Publications reported that this is a contract renewal year. We have been working on contract renewal. The VP Publications and Roberta Spencer met with Wiley in April, reviewed language in contract, with much revolved around what's been happening with submissions and timeliness, discussions of oversight and how Wiley engages in our editorial process. Key changes to new contract are that the Society is changing from 8-year contracts to 5-year contracts to enable more responsiveness to changes in the publishing industry. We have just received the contract addendum, and plan to review and finalize in the next several weeks. The new 5-years contract period starts in 2019.

Wiley has wonderful resources for authors and for editors. The Publications Strategy Committee has conducted a survey of the Policy Council and has noted an interest in outlets for publications

other than just the *System Dynamics Review*.

Announce of the Slate of Candidates

The President presented the Slate of Candidates and notified the Council that the slate is ratified as there were no objections.

The Slate of Candidates

- Birgit Kopainsky, President Elect (2019)
- Brad Morrison, Secretary (2019-2021)
- Warren Farr, Vice President Marketing (2019-2021)
- Len Malczynski, Vice President Meetings (2019-2021)
- Jack Homer, Vice President of Professional Practice (2019-2021)
- Policy Council (2019-2021):
Sharon Els
Elke Husemann
Sara Metcalf
Lees N. Stuntz

Open Slots for 2020

- President Elect: (2020)
- Vice President Chapter Activities: (2020-2022)
- Vice President Pre-College Education: (2020-2022)
- Policy Council (2020-2022)
4 Positions Open

Dialogue on Summer School Report by Ad Hoc Committee

Leonard Malczynski reported on the work of this ad hoc committee comprised of himself, John Sterman and David Ford. Summer School has not been an official part of the conference, and has depended on volunteers to organize and run. The Society has always publicized and assisted when possible.

Recommendations: 1) To conduct an anonymous survey of participants; 2) Ensure that curriculum is carefully designed and that faculty are following the set curriculum so there is a clear capability dimension; and 3) Planning needs to be much earlier than it has been, including the possibility for fundraising.

There must be continued discussion as to whether the Society should take responsibility for Summer School and if so, how to manage and control it.

The President thanked the members of the committee for their service.

Dialogue on the Creation & Understanding of Policy on Discrimination, Harassment and Ethics for the Society

The President reviewed the actions taken by the Society, to date, to address harassment and ethics, as well as to protect the leadership, staff, members and guests. Motion 208, passed in June, is a step in the right direction as it addresses appropriate conference behavior, but more needs to be done. The President and new Executive Director have held several lengthy discussions on this and Mark Nelson is working on a Harassment Policy, that will be detailed and offer processes for addressing any incidents.

The Council had a brief discussion about liability and protecting the leadership. New Executive Director Mark Nelson informed the Council that he worked with the VP Finance and CHMS to secure affordable Directors & Officers Insurance coverage and the policy went into effect the day before most arrived in Iceland for the conference.

New Society Archives at University at Albany

David Andersen provided an overview of the proposal to transfer the Society's archives to the Special Collections at the University at Albany. The Memorandum of Understanding was uploaded.

Motion 216: Approval to Establish the Society's Archives at the University at Albany.

Moved: To approve the Memorandum of Understanding between the Society and the University at Albany for the acquisition of the Society's Archives into the University's Special Collections. Should the University not want the collection at some point in the future, it would be returned to the Society.

Proposed by: Bob Eberlein; Seconded by: Lees Stuntz

Vote: Motion passed.

Announcements

The President asked if there is any other new business. Council Member Nancy Hayden announced that a Social Interest SIG has been formed and would be meeting for the first time at the conference.

Adjournment

Eliot Rich made a motion to adjourn the Policy Council Meeting, Bob Eberlein seconded the motion, and it passed unanimously. The Summer Policy Council Meeting adjourned at 3:15 p.m.

After a brief break, the Policy Council reconvened to continue work on envisioning the future.

Visioning Session with New Executive Director Mark Nelson

New Executive Director Mark Nelson facilitated a Visioning Session that included a structured discussion about the challenges and opportunities for the Society and the ideas for ensuring a bright and successful future. This session served as a follow-up to the initial Visioning Session conducted at the Winter Policy Council Meeting.

Housekeeping Announcements

Policy Council Members were informed and encouraged to attend the following activities at the conference: 1) Newcomer Orientation; 2) Society Business Meeting; and 3) Conference Debriefing.

**The next Policy Council Meeting is being scheduled for
February 21, 2019 in Albany, New York at the New SDS Office.**

Addendum 1: Electronic Votes after 2018 Winter PC Meeting
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All motions passed.

Motion 196: Subject: Motion to accept results of 2018 Conflict of Interest Report

Proposed by: Bradley Morrison; Seconded by: Bob Eberlein

Voting Dates: 3/12/18 – 3/21/18

Motion 197: Subject: Motion to acknowledge the updated Constitution of the ASEAN

Chapter: The ASEAN Chapter has submitted an updated version of its Constitution. The updated Constitution is compatible with the standard constitution and more clearly lists the countries participating in the ASEAN Chapter. Therefore, I move that the Policy Council of the System Dynamics Society acknowledges the updated Constitution of the ASEAN Chapter from December 6, 2017 as the Chapter's valid Constitution from now on.

Proposed by: Stefano Armenia; Seconded by: Bob Eberlein

Voting Dates: 3/12/18 – 3/21/18

Motion 198: Subject: Motion to accept proposed timeline for the Executive Director

Search: Moved that the PC accept the proposed timeline for the Executive Director Search (Exhibit 1) and charge the President with convening an ad-hoc search committee to select a candidate for Executive Director; that the PC use a voice vote over GoToMeeting to approve the selection (with notes emailed to the Secretary in advance of the meeting being counted); and that the President, VP-Finance, and Administrative Committee chair be authorized to negotiate the contract addendum with CHMS to ensure the hiring of the new Executive Director.

The authorization meeting will be expected to occur in the third week of May with a continuation scheduled three days afterward in case the first offer is not taken up and another needs approval. There will, following the bylaws, be one month's notice of this meeting with the candidate selection provided approximately two days in advance of the meeting.

Proposed by: Bob Eberlein and Eliot Rich; Seconded by: Lees Stuntz

Voting Dates: 3/12/18 – 3/21/18

Motion 199: Subject: Motion to accept proposed activities and agreement with Roberta

Spencer: Moved that the attached memorandum of understanding be approved for signature by the President, that \$20,431 of the existing 2018 budget be allocated to support that, and that \$104,861 from the Operating Surplus/"Rainy Day" Designated Fund be used to provide the 2019 and 2020 budgets sufficient money to continue Roberta's employment through August 31, 2020.

Proposed by: Bob Eberlein; Seconded by: Lees Stuntz

Voting Dates: 3/12/18 – 3/21/18

Motion 200A: Subject: Motion to accept recommendations for the overarching goals of the

Legacy Fund: Moved, that the overarching goals of the Legacy Fund be recognized as:

a) Grow demand for "real-world" applications of System Dynamics; b) Foster actively used System Dynamics work in new subject domains; and c) Increase public recognition of successful

applications of System Dynamics.

Placed and moved forward by the Administrative Committee.

Voting Dates: 3/12/18 – 3/21/18

Motion 200B: Subject: Motion to charge by-laws determinations to support the Legacy

Fund: Moved, that the Organization and By-Laws Committee be charged with determining the set of by-law changes that would effectively support the activities of the Legacy Fund within the Society.

Placed and moved forward by the Administrative Committee.

Voting Dates: 3/12/18 – 3/21/18

Motion 200C: Subject: Motion to study possible partnership to support the Legacy Fund:

Moved, that the President be charged with the creation of a committee to outline the characteristics of a not-for-profit organization that would be a viable strategic partner, and the nature of that partnership. This should include recommendations for disposition of any designated funds held by the Society should a strategic alliance be entered into.

Placed and moved forward by the Administrative Committee.

Voting Dates: 3/12/18 – 3/21/18

Motion 201: Subject: Motion to administer recent donation to the Dana Meadows Fund:

Moved, that the recent \$30,000 donation be placed in Dana Meadows Award Fund and that the VP Finance, in consultation with the Dana Meadows Award Committee, be charged with supplementing the regular award over the next 10 years in approximately equal amounts in a manner consistent with spending down the \$30,000 while maintaining the principal of all other contributions to the fund. The award committee should use the supplement to further the goals of honoring Dana Meadows, giving public attention to excellent work by promoting the participation of outstanding young women in the Society, promoting the field of System Dynamics, and raising technical standards.

Proposed by: Bob Eberlein; Seconded by: Eliot Rich

Voting Dates: 3/12/18 – 3/21/18

Motion 202: Standing Committee Appointments for the terms 2018-2020, with Chairs

Moved: To approve the makeup of all Standing Committees as listed in the Standing Committees Table, including the new appointments of, or reappointments of the proposed members, and chairs, for the terms 2018-2020 and 8/17-7/20. (Note: Standing Committee members previously approved on 12.23.17; did not include committee chairs.)

Proposed by: Len Malczynski, Seconded by: Bob Eberlein

Voting Dates: 3/12/18 – 3/21/18

Motion 203: Motion to approve the minutes of the 2017 Summer Policy Council Meeting in Cambridge, MA as posted on the Society website.

Proposed by: Brad Morrison, Seconded by: Eliot Rich

Voting Dates: 3/12/18 – 3/21/18

Motion 204: Approval of 2019 Slate of Candidates by Nominating Committee

Placed and moved forward by the Nominating Committee; Seconded by Leonard Malczynski.

Voting Dates: 3/15/18 – 3/25/18

Motion 205: Appointment of New VP Meetings

Moved that Len Malczynski be appointed Vice President Meetings effective immediately until

the end of the current term (December 31, 2018) in substitution of Erik Pruyt. Current VP Meetings Erik Pruyt stepped down on March 19, 2018.
Proposed by Etienne Rouwette; seconded by Martin Schaffernicht
Voting Dates: 4/13/18 – 4/22/18

Motion 206: Motion to approve Bergen, Norway as site of 2020 ISDC.

Moved, that the 2020 International Conference of the System Dynamics Society be held in Bergen Norway from July 18-23 as outlined in the proposal submitted by Birgit Kopainsky. Placed and moved forward by the Administrative Committee.
Voting Dates: 5/15/18 – 5/24/18

Motion 207: Motion to approve the appointment of Rogelio Oliva to the Nominating Committee for the term of 8/2018 - 7/2021.

Proposed by Ignacio Martinez-Moyano; Seconded by Sharon Els.
Voting Dates: 5/15/18 – 5/24/18

Motion 208: Motion on Discussion of Conference Behavior.

Moved that the Summer Policy Council meeting include discussion of conference behavior and the state statement quoted in the report by Bob Eberlein continue to be made available through our website.
Proposed by Bob Eberlein; Seconded by Leonard Malczynski.
Voting Date: 5/23/18 – 6/1/18

Motion 209: Motion to approve the appointment of 2019 Conference Program Chairs as recommended by the SPOC.

Moved that Peter Hovmand, Hyunjung Kim and Len Malczynski be named as the Program Chairs for the 2019 International Conference of the System Dynamics society in Albuquerque, New Mexico, USA.
Proposed by Karim Chichakly, Seconded by Lees Stuntz
Voting Dates: 6/4/18 – 6/13/18

The following motion was voted on at the Special Meeting of the Policy Council held on May 27, 2018:

Special Motion: Motion to Accept Recommendation of the Executive Director Search Committee

Moved: The Policy Council approves the selection of Dr. Mark Nelson as the next Executive Director of the System Dynamics society with an effective date of appointment of September 1, 2018.
Motion by: Eliot Rich, Seconded by: Bob Eberlein
Voted on 5/27/18

Motion 210: Motion to approve appointment of Dr. Asmeret Bier Naugle as Vice President Membership.

Moved: That Dr. Asmeret Bier Naugle is appointed Vice President Membership effective June 1, 2018 until the end of the current term (Dec 31, 2020) in substitution of Özge Pala. Current VP Membership Özge Pala stepped down on May 31, 2018.

Proposed by Leonard Malczynski. Seconded by: Ignacio Martinez-Moyano.

Voting Dates: 6/18/18 – 6/27/18

Motion 211: Move that the Social Impact SIG be recognized.

Moved: I would like to move that Social Impact SIG under the leadership of Bob Lamb, Erika Palmer, and Angelika Schanda is recognized by the PC.

Proposed by: Len Malczynski. Seconded by: Ignacio Martinez-Moyano.

Voting Dates: 6/18/18 – 6/27/18

Motion 212: Move that the Pre-College Education SIG be recognized.

Moved: I would like to move that Pre-College Education SIG under the leadership of Diana Fisher and Lees Stuntz is recognized by the PC.

Proposed by: Len Malczynski. Seconded by Florian Kapmeier.

Voting Dates: 6/18/18 – 6/27/18