

To: Policy Council of the System Dynamics Society
From: Birgit Kopainsky, Laura Peterson, Jørgen Randers, David Andersen, and Warren Farr
Subject: 2021 Budget and 3-Year Activity Plan for the Stewardship Committee
Date: February 26, 2021

This is a friendly memo intended to act as a supplement to the motion to approve the 2021 budget and 3-year activity plan of the Stewardship Committee. We briefly present our plans for what we hope will happen.

The Vision. Our vision is that in the future a designated Stewardship Fund would have a large pool of funds in reserve that would be made available to the System Dynamics Society to support its core operations in a stable and predictable fashion. Our hope is this would be comprised of an asset stock of several million \$US that would provide a stable income flow of several hundred thousand \$US each year, in order to support core functions such as the salary of the Executive Director. Although a minority of these funds could be in cash, the majority of the funds would be in the form of bequests from the future estates of potential donors. We plan to get from today to that future over several years:

2021. We plan to spend the first half-year of 2021 getting organized and making some preliminary contacts. We will set out a path towards soliciting major bequests from the future estates of donors who know the System Dynamics Society and the work in the field of System Dynamics well. Committee members will contribute their expertise with fund raising and their personal as well as professional networks. In the second half of 2021, we plan on hiring part time staff to implement that path and start soliciting funds. The Committee oversees that work. Hiring part time staff will require formulation and ratification of a contractor agreement stating clear tasks and targets.

2022. By the start of 2022, we plan to have cash reserves to continue part-time staff and work on a full year of fund-raising securing both cash donations and future bequests. By the third quarter of 2022, we will have a good handle on how this effort is going and we will set a firm figure for funds to be transferred to the Society at the start of fiscal year 2023.

2023. This will be our first year of steady state operation after two start-up years. We will continue with part-time staff to raise funds during the year, and in the fourth quarter of 2023 we will inform the finance committee of the planned transfer of funds to be made at the start of fiscal year 2024. In this third year, the Committee, with the support of designated staff, will also lay out and oversee a path towards soliciting bequests and donations from new prospects (as opposed to prospective donors who know the System Dynamics Society and the work in the field of System Dynamics well).

Our expectation is that our stock of planned bequests will grow more quickly than actual cash donations and that income from bequests will be quite uneven over time with major bequests being realized as the donor estates are settled. We expect we are likely to get more bequests than cash, and it will take a very long time before there are transfers from the Fund to SDS. Furthermore, the Fund will not transfer the whole bequest in one go when it finally materializes – in order to avoid difficult discontinuities in the SDS budget. We will seek ways to level this cash flow over time.

Below is our proposed budget for 2021.

2021 Stewardship Committee budget

Opening Hard Cash Balance	\$30,109
Half Time Staff for six months	-\$24,400
Miscellaneous Expenses	-\$5,000
Closing Hard Cash Balance	\$709

Moved: To approve the 2021 budget and Activities plan of the Stewardship Committee.