



To: Policy Council of the System Dynamics Society
From: Eliot Rich, VP Finance
Subject: Finance Committee Budget Proposal
Date: 10 December 2025

Budget Proposal for 2026

Attached is a proposed SDS budget 2026 with a comparison to previous years.

How do we project the Society will end 2025?

The Society expects to end the year with an operating surplus of about \$42,308, as compared to our budgeted **-\$44,512**. We also anticipate an increase in unrestricted reserves of about \$81,704 to \$1,438,294, though this is largely unrealized appreciation in our portfolio. Our investment income was more than sufficient to make up the operational deficit while the bequest received from Jane Boorsstein helped us meet our reserves goal.

Proposed 2026 Budget

The proposed budget supports our planned hybrid conference, increased support to StFF, and reserves for special projects by the Strategy committee. After discussions with VPs and revenue-sensitive committees, we are recommending a budget with an operating loss of **-\$38,393**. We view this loss as a reasonable investment in capability building, as discussed in the New Initiatives section, below. This will be offset by the operational and investment gain expected from last year.

Our biggest area of financial uncertainty remains the annual conference. We faced a reduction of international travelers to the Boston meetings, attributed to the shifts in political winds as well as the relatively high cost of attendance. The conference team has adjusted its expectations for attendance at the Delft meeting in 2026. Additionally, net revenue from publications is still uncertain as we move into a new Wiley contract.

The 2026 budget includes:

- A hybrid Delft conference with 350 live/160 virtual participants. This is in line with historical data. The conference committee is optimistic regarding participation, but we also recognize continuing political volatility. The conference revenues and expenses are lower than last year's budget, owing to differences in location and conference sponsorships.
- A small increase in membership levels and no change in membership fee.
- Level Society sponsorships and an increase in Conference sponsorship.
- A small drop in projected journal income from our Wiley contract, summer school, or membership income.
- Close to level expectations for products, service and learning lines.
- Another year of break-even efforts for operations of the Stewardship Committee. Unlike previous years we chose to include the operational expense and revenue (net zero) in our budget request.

SDS 2025 Budget Proposal

On the 2026 expense side, we recommend building on our web-based initiatives and solidifying our platform:

- \$25,000 set aside to implement a new web platform that is based on customer relationship management (CRM) to be selected in conversations with the finance and marketing committees. This will be supplemented by savings of some portion of the \$30K currently paid to our webmaster annually to keep the Wordpress site running,
- \$25K to be managed by the Strategy Committee who will fund programs to advance its strategy. These programs will be proposed by Policy Council members, Committee, and the home office.
- An additional \$10K to bring the total to \$20K for the Strengthening the Field Fund which is used to fund projects proposed by our membership.

The Finance Committee recommends adoption of the budget presented in Attachment 1.

MOTION: The Policy Council adopts the budget proposed by the Finance Committee for 2026.

Designated Uses of Society Assets

Attachment 2 presents our net assets over time, including estimated capital gains for this year. These are the funds available to support SDS activities over the year. By December 2025, we reached about \$1.44 M of our goal of \$1.5M in investments by 2025. Final numbers will depend on our portfolio performance for the remainder of the year.

As the anticipated 2026 NOI is about **-\$38,393**, and there are some uncertainties around the conference, we may see a small drawdown of our unrestricted reserve assets from the increases in programming and awards. Reserves are also subject to capital gains and losses. Our recent history shows that we generally perform better than our budget indicates.

Designations for our anticipated reserves are listed in Attachment 3. These include operating cash and conservative investments to support awards and StFF activities, as well as some previously earmarked activities. Funds that are not part of the designated assets or cash reserves will be positioned for capital gains, and reviewed periodically for performance, as per the report of the Investment Committee and the current SDS investment policy submitted in 2024 to the PC.

The Finance Committee recommends that the PC approve designations of unrestricted assets as listed in Attachment 4.

MOTION: The Policy Council designates the unrestricted assets of the Society for FY 2026 as proposed by the Finance Committee

Restricted reserves, currently the DMA endowments, may only be used for their designated purposes. In 2025 we saw another increase in unrealized investment value. The DMA award committee embarked this year on a restructuring of its awards, with funding from its realized income.

SDS 2025 Budget Proposal

Attachments:

- (1) 2026 Proposed Budget
- (2) Unrestricted Assets, Total Income and Total Expenses over time
- (3) Audited and Anticipated Reserve balances over time
- (4) Proposed allocations of reserves for 2026

SDS 2025 Budget Proposal

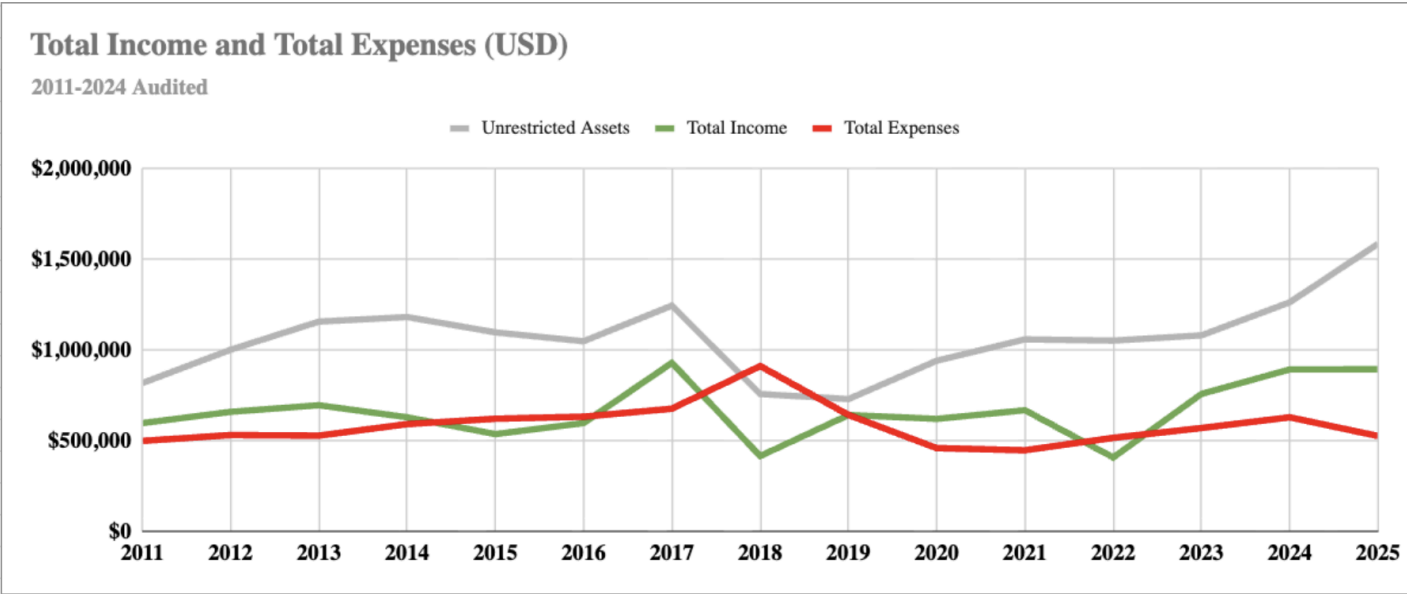
Attachment 1

**System Dynamics Society 2026 Proposed Budget vs. 2025 Actuals, 2025 Proposed Budget
(Revenues)**

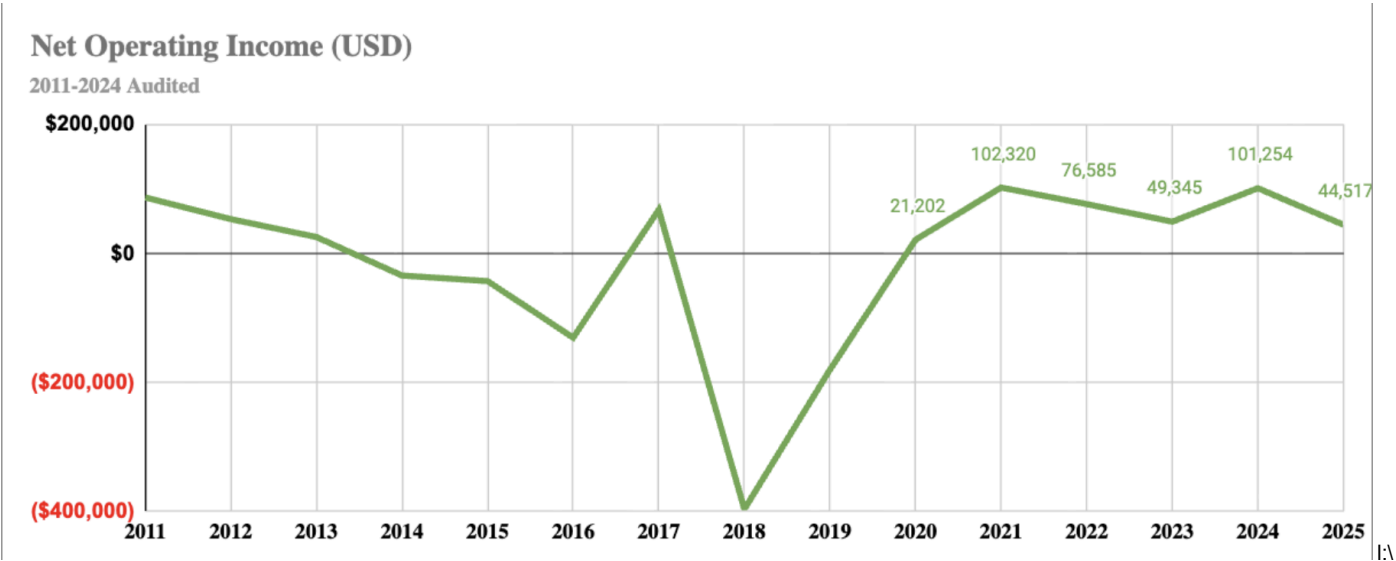
	2026 Budget	2025 Actuals and YE Estimates <small>(12/1/2025)</small>	2025 Budget	2025 Diff Act - Bud
REVENUE		OK		
Journal	\$66,416	\$67,157	\$72,416	-\$5,260
Membership	\$125,000	\$131,580	\$110,000	\$21,580
Conference	\$224,830	\$260,990	\$284,780	-\$23,790
Sponsorships (Conference)	\$42,500	\$38,500	\$25,000	\$13,500
Products	\$50,800	\$51,196	\$48,300	\$2,896
Services	\$8,000	\$8,257	\$11,000	-\$2,743
Learning	\$36,500	\$39,706	\$36,500	\$3,206
Sponsorships (Society)	\$40,000	\$32,670	\$40,000	-\$7,330
Other Fundraising	\$3,500	\$5,465	\$3,500	\$1,965
TOTAL REVENUE	\$612,546	\$635,519	\$631,496	\$4,023
TOTAL COGS	\$19,300	\$18,536	\$25,550	-\$7,014
GROSS PROFIT	\$593,246	\$616,983	\$605,946	\$11,037
EXPENSES				
Awards	\$9,000	\$10,714	\$8,845	\$1,869
Bank Charges	\$20,000	\$19,806	\$13,539	\$6,267
StFF Fund	\$20,000	\$6,216	\$10,000	-\$3,784
Strategy Committee Efforts	\$25,000	\$0	\$0	\$0
Conference	\$98,428	\$133,061	\$170,533	-\$37,472
Summer School	\$12,500	\$12,503	\$10,000	\$2,503
Insurance	\$3,806	\$1,076	\$3,806	-\$2,730
Journal	\$27,416	\$20,524	\$27,416	-\$6,892
Marketing	\$17,812	\$16,096	\$12,165	\$3,931
Learning	\$0	\$0	\$5,000	-\$5,000
EPresence	\$57,500	\$32,717	\$56,250	-\$23,533
Miscellaneous	\$500	\$113	\$0	\$113
Professional Development	\$500	\$0	\$500	-\$500
Office	\$9,000	\$8,717	\$6,000	\$2,717
Product Development	\$0	\$89	\$0	\$89
Professional Fees	\$194,775	\$185,643	\$194,509	-\$8,866
Payroll Expenses	\$135,402	\$127,400	\$131,895	-\$4,494
TOTAL EXPENDITURES	\$631,639	\$574,675	\$650,458	-\$75,782
NET OPERATING INCOME	-\$38,393	\$42,308	-\$44,512	\$86,820

(Source: SDS Budget - working 202151201)

SDS 2025 Budget Proposal
Attachment 2
System Dynamics Society
Unrestricted Assets, Total Income and Total Expenses over Time



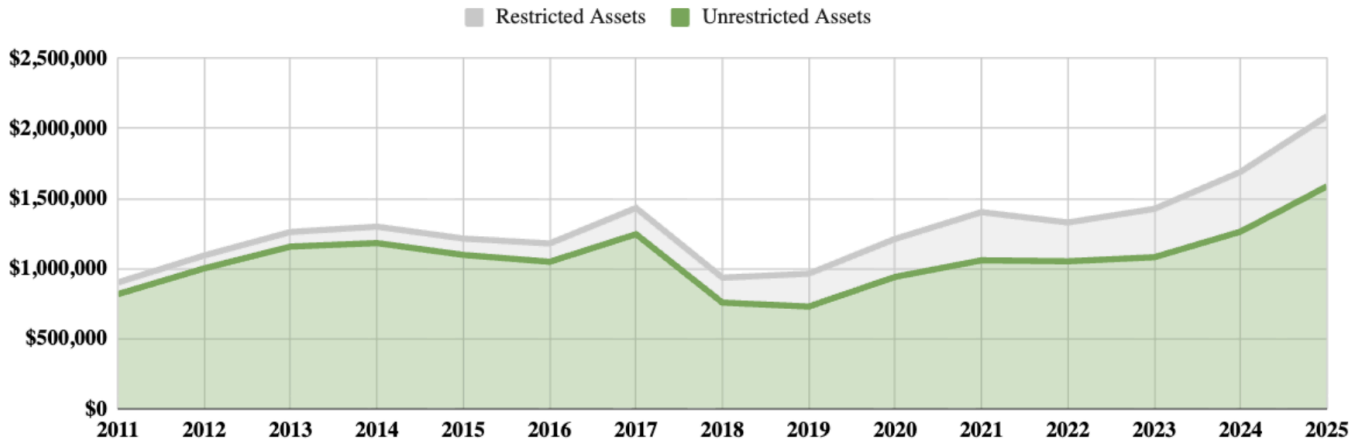
(Source: [Reserves Balances Calculation](#), 12/1/2025)



SDS 2025 Budget Proposal

SDS Net Assets (USD)

2011-2024, Audited



SDS 2025 Budget Proposal
Attachment 3
System Dynamics Society
Audited and Anticipated Reserve Balances over time

		Unrestricted	Restricted	
2023	Reserves Balance (EOY 2022)	\$ 939,990	\$ 297,613	
	+ Investment income (net) and contributions to reserves	\$ 91,326	\$ 72,658	
	+ Operating income (loss)	\$ 49,610	\$ (25,391)	
	Change in net assets	\$ 140,936	\$ 47,267	
	Reserves Balance (EOY 2023, audited)	\$ 1,080,926	\$ 344,880	
		EOY FMV investments		\$1,130,854
		Unrestricted	Restricted	
2024	Reserves Balance (EOY 2023)	\$ 1,080,926	\$ 344,880	
	+ Investment income (net) and contributions to reserves	\$ 97,788	\$ 88,104	
	+ Operating income (loss)	\$ 84,782	\$ (6,460)	
	Change in net assets	\$ 182,570	\$ 81,644	
	Reserves Balance (EOY 2024, audited)	\$ 1,263,496	\$ 426,524	
		EOY FMV investments		\$1,589,273
		Unrestricted	Restricted	
2025 <i>Estimated 12/1/2025</i>	Reserves Balance (EOY 2024)	\$ 1,263,496	\$ 426,524	
	+ Investment income (net) and contributions to reserves	\$ 124,730	\$ 74,418	
	+ Operating income (loss)	\$ 50,023	\$ (5,693)	
	Change in net assets	\$ 174,753	\$ 68,725	
	Reserves Balance (12/01/2025, estimated)	\$ 1,438,249	\$ 495,249	

(Source: SDS Statement of Activity 12/2/2025)

SDS 2025 Budget Proposal

Attachment 4
System Dynamics Society
Proposed Reserve Designations

PROPOSED DESIGNATIONS FOR RESERVES (2026) - Statement of Activities

	Unrestricted	Restricted	
CAPITAL RESERVES	\$ 1,001,169		
PROPOSED DESIGNATIONS			
Operations Cash	\$87,578		
Stewardship	\$37,499		
Chapter Development / Stff	\$200,000		
Student Chapter	\$8,003		
JWF award reserve	\$104,000		
DMA		\$ 495,249	
TOTAL	\$ 1,438,249	\$ 495,249	\$ 1,933,498

(Source: Reserve Balances Calculation, 12/1/2025)