



# MEMORANDUM

To: MWAIIA Board of Directors

From: Mark Fleming, Treasurer & Barb Wise, Executive Director

cc: MWSCI Board of Directors

Date: August 20, 2025

Re: 2025-26 MWAIIA Budget

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Attached is a budget for MWAIIA for the new fiscal year beginning September 1, 2025. It's important to note that for budgeting purposes, we do not include unrealized gains from investments. Including unrealized gains in the budget process over-inflates the actual cash in and out for the year, as those unrealized gains are paper gains for the investment account.

There are notations next to each line item to provide some insight into what the income/expense is and how it was calculated (if needed). Please don't hesitate to ask questions during our session if you would like more information.

## REVENUE

Revenue is down slightly compared to the current year budget. Decline in revenue stems primarily due to M&A activity with agencies and continued drop in Partner fees.

We are anticipating a lower management fee from MWSCI. The management fee is calculated based on a worksheet, approved by our former accountants, that calculates MWSCI's share in general expenses that are paid by MWAIIA. The worksheet is included with the budget.

Marketing Fee Income (5% of the commission earned by MWSCI for E&O policies) remains fairly flat. The worksheet showing this calculation is included with the budget.

A few specific things to highlight:

- This year's revenue budget includes a 5% increase in dues and the removal of the cap of 21 employees, which increases the dues due from our larger agencies.
- The budget includes a 5% increase in Partner dues. Partner fees have not increased since 2016.
- Dividend Income is based on an average of the last 10 months. What we budget and what we actually earn can vary significantly.



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## **EXPENSES**

Budgeted expenses, overall, are lower than what we budgeted for last year. A few specifics to note:

- Reduction in the expenses for the Winter Social based on last year's reception.
- Marketing expenses are down, however, those expenses have shifted to computer equipment/software based on the move from the IIABA co-branded website to our own website vendor.
- IIABA Dues are down due to lower membership.
- Budgeted for a 3.01% increase in the consulting fee for Executive Director that would be effective 1/1/2026. There was no increase in the current fiscal year.

## **NET INCOME/LOSS**

This budget reflects a net loss is \$1,132, 1.1% of budgeted revenue. T

## **CASH POSITION**

The association is currently in a strong cash position, as of 08.20.2025 we have \$33,141.00 in cash and the investment account balance of 4347.530.

