



*SETTING THE STANDARD*

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# **Knowledge and Community Sector Informational Webcasts**

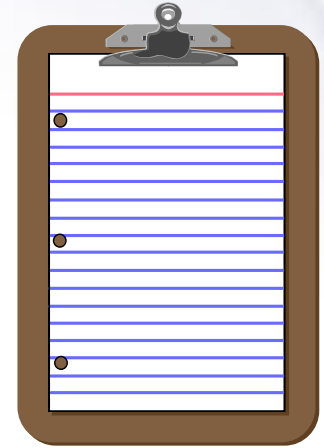
**August 16, 2006**

**August 17, 2006**

## **Section Merit Funding Program**

**Burt Dicht  
Managing Director**

# Discussion Topics



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# What Has Changed?

- **The Committee on Finance and Investment and the Board of Governors (BOG) approved the Summit Team recommendation to sunset section appropriations in FY07 as part of the FY06 Program Prioritization and budget development process**
- **Recognizing the importance of sections and the impact of this decision, the Knowledge and Community (K & C) Board of Directors (BoD) chartered a project team to develop a merit based program to replace the appropriations**
- **The project team made its recommendations to the BoD at the Summer Annual Meeting and the program was approved. The BOG approved funding in the FY07 budget.**

# Program Objectives

- **Replace section appropriation based solely on membership numbers with a system that recognizes section achievement in meeting the Society's objectives and adding membership value**
- **Ensure that all sections, regardless of membership size, demographics or geography have an opportunity to meet the objectives and secure funding for future activities**
- **Develop criteria that are not prescriptive, but that set a roadmap and incentives for enhanced section performance**

# Section Merit Funding

- Covers program year starting July 1, 05 to June 30, 06
- **Mandatory Pre-requisites:**
  - In order to qualify for funding, each Section must have submitted the required Annual Financial Report, Operations Budget Report, and Merit Funding form between July 1<sup>st</sup> and no later than October 1<sup>st</sup>
  - A current list of section officers must also be on file with ASME
  - Unit After Activity Reports are components of the reporting criteria
- **Five Reporting Criteria with varying weights:**
  - Section Communications
  - Section Activities for Member
  - Provide Opportunities for Members' Professional Growth
  - Aid in the Development of the Engineering Profession
  - Section Operations

**Grade x weight = Score , Add Scores From all 5 Criteria = Total Score**

**Note: Not all section activities can be captured by a single form. If a section has done an activity or program above and beyond normal programming they can include that for special consideration.**

# Program Details

Unit Rating	Score Range		Percent of "Full" Allocation
	Maximum	Minimum	
"Excellent"	100	85	100
"Good"	84	70	75
"Fair"	69	60	50
"Funding Withheld"	59	20	0

- Four grading levels (Excellent; Good; Fair; and 'Funding Withheld – Pending District Level Review')
- Funding formula – 100% for Excellent; 75% for Good; 50% for Fair; and Zero for 'Funding Withheld'.
- Funding formula takes into account unit size, 100% Amount = \$x per member for first 250 members, plus \$x per member for each member over 250 members.
- Full FY07 budgeted amount to be distributed. Current funding is \$175K. Additional funding to bring the pool up to at least \$300K has been requested (BOG meeting in Sept.)

Note: The goal is for all sections to achieve "Excellent" status

# Item 1 Section Communications

- **Maintain a website with up-to-date officer contact information**
- **Maintain regular communications (newsletters to members via website, US Mail, or email.**

## **Performance Grading Scale:**

**1 = No current website, no section notices to members.**

**2 = No current website, and at least 2 newsletter communicated.**

**3 = Updated Section website on ASME.org, and 1 or 2 newsletters communicated.**

**4 = Updated Section website on ASME.org, and 3 or 4 newsletters communicated.**

**5 = Updated Section website on ASME.org, and 5 or more newsletters communicated.**

**Weight = 3**

# Item 2 Section Activities for Members

- **General meetings (tours, technical presentations, social outings, and etc.**
- **File “Unit After Activity Reports”**
- **Co-sponsor activities with other technical and local organizations**

## **Performance Grading Scale:**

**1 = No activity reports submitted.**

**2 = 1 or 2 Activity reports submitted.**

**3 = 3 or 4 Activity reports submitted.**

**4 = 5 Activity reports submitted.**

**5 = 6 or more Activity reports submitted.**

**Weight = 5**

# Item 3 Provide Opportunities for Members' Professional Growth

- Sponsor or Conduct short course or PE refresher course
- Members submitted for ASME District or higher Honors and Awards
- Bestow local Honors and Awards on members (Young Engineer Award, etc.)

## Performance Grading Scale:

1 = No courses and no member submitted for or bestowed an honor or award

2 = No courses but at least 1 member submitted for or bestowed an honor or award at local, District or higher level

3 = 1 short course (minimum 2 PDH) offered and at least 1 member bestowed a local section honor or award

4 = 1 short course (minimum 4 PDH) offered and 1 or more members submitted for District or higher honor or award

5 = 2 or more courses offered (minimum 8 PDH total) plus 1 or more member submitted for District or higher award and 1 or more member bestowed a local honor or award

**Weight = 5**

# Item 4 - Aid in the Development of the Engineering Profession

- Hold membership recruiting or retention campaign
- Hold industry breakfast or lunch, present Industry Relations ASME award
- Contribution of \$300 or more to ME students, Universities, or K-12 schools promoting math or science education. Note each contribution of \$300 or more should be counted as a separate activity.
- Host Student Competition or get Students to attend section meetings
- Engineering related presentations to K-12 schools, universities, or student sections
- Participation in engineering job shadowing / mentoring program, or Engineering Fairs / Symposium
- Support Local Government body with engineering related topics

## Performance Grading Scale:

1 = Do no activities listed.

2 = Do 1 of the activities listed.

3 = Do 2 of the activities listed.

4 = Do 3 or 4 activities listed to aid in the development of the engineering profession

5 = Do 5 or more activities listed to aid in the development of the engineering profession

**Weight = 5**

# Item 5 Section Operations

- **Executive committee planning meetings held**
- **Conduct 15 min. member benefits program at section meeting**
- **Update Chapter History**

## **Performance Grading Scale:**

**1 = No Executive committee planning meetings held**

**2 = 1 Executive committee planning meetings held**

**3 = 2 or 3 Executive committee planning meetings held**

**4 = 4 or 5 Executive committee planning meetings held**

**5 = 5 or more Executive committee planning meetings held,  
member benefits program held at section meeting and chapter  
history updated**

**Weight = 2**

# Proposed Timeline

- **Now through Oct.1 – Sections prepare all necessary reports (Financial, Budget, Unit After Activity report) and file by Oct.1**
- **Now through Oct. 1 – Sections file Merit Funding Report – You will be notified that your report is received.**
- **Oct. 1 through Oct. 16 – ASME Unit Support to process and verify reports**
- **Oct. 1 through Oct. 16 – District Leaders and ASME Unit Support staff to contact all sections that did not submit reports**
- **Oct. 17 through Oct. 23 – Unit Support staff (using Merit Funding Formula) to determine section funding levels**
- **Oct. 24 through Nov. 6 – Unit Support staff to complete payment authorizations and submit to ASME Accounting for payment**
- **Nov. 7 through Nov. 17 – Payment processing and distribution**

***Note: This is a completely new process and the proposed timeline is an aggressive one. ASME Unit Support will do its best to ensure a timely check disbursement. Your patience is appreciated.***

# Important Filing Requirements

## File your section's reporting forms:

- Unit Budget & Financial Reports (no later than Oct 1)
- After Activity Reports (no later than Oct 1)
- Merit Funding forms (no later than Oct 1)

All can be accessed on the Local Leadership Toolbox  
<http://districts.asme.org/leadershiptoolbox/>

## Notify ASME as to your FY07 section officers (no later than Oct 1):

Section chairs have the option of directly entering officers online using the access to the online roster. If you have any questions on how to do this contact Jessica Albert at [albertj@asme.org](mailto:albertj@asme.org).

You can also submit a hardcopy of your officer listing. The forms are available on the Local Leadership Toolbox under "[Section Officers & Committees Information Form](#)"

# Contact Information District Leaders

## District A

Karen Ohland (FY08)

[Ohlandk@asme.org](mailto:Ohlandk@asme.org)

## District B

Leonard Anderson (FY07)

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## District C

Kambiz Farhang (FY08)

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## District D

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## District E

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## District F

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## District H

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## District I

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## District J

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# Contact Information K & C Board of Directors

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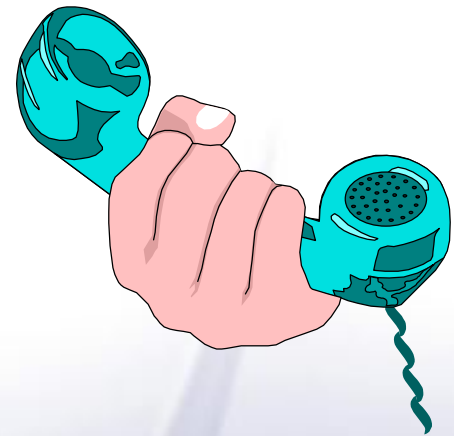
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# For More Information

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# Questions



# Questions

**Q. What is the time period for ASME's fiscal or program year?**

**A. ASME's fiscal (or program year) runs from July 1 through June 30 of the following calendar year. We are now in FY07. This differs from ASME's membership year which runs from Oct. 1 through Sept. 30 of the following year.**

# Questions

**Q. Why announce the merit funding (several months ago) and finalize it late in the year on which the metrics will be based for the next year's funding? It would seem to be more appropriate to compromise on the funding methodology for the first year. Matters that were previously known (to local leaders) to be ASME focus items are appropriate but certain others are less so.**

**A. We had to start somewhere. Getting this type of program in place was important to securing funds from the Board of Governors. Realizing that sections learned about this far into the program year, we are going to work with the district leaders to ensure that as many sections as possible receive funding. The team consisted of many current and former section chairs. They based their criteria recommendations on both what was important to ASME and their knowledge of what sections can do. This is going to be a living program and we can adjust the criteria to match the changing environment.**

# Questions

**Q. Section headcount - Two sections, “A” having 750 members and “B” having 75 members, have the identical reported and verifiable score, including at the detail level. Will they each receive the same amount of funding?**

**A. No. The size of the section is taken into account. The larger section will receive more funds. There is a set amount per member up to 250 members and a lower amount per member above 250 members, much like the appropriation. That number is then multiplied by the appropriate percentage based on the score. The amount per member will be based on how much we have in the pool. We'll know that following the BOG meeting in Sept.**

# Questions

**Q. Are student section members counted in the section roster that determines the base funding level for the merit funding?**

**A. Student members are not counted when determining section membership numbers. Only members are included in the total. This is not a change from how section appropriations were determined. Student members were never counted.**

# Questions

**Q. What is the effect of maintaining a website on a server other than ASME.org?**

**A. The criteria does specify a site on ASME.org. There are a number of sections that do not use ASME.org. A better reading of the intent is that a current website is what the team was looking for. The team thought that was very important. Websites are a connection to the membership, especially since many sections communicate mostly through e-mails and electronic newsletters. A member (or any engineer) that visits an out-of-date site is not likely to return. Any section that keeps an up-to-date site, no matter what server they use will receive the credit.**

**The project team also wanted to ensure that members would be able to find any section website by going to ASME.org. Currently, all sections with a website can be found at:**

**<https://secure.asme.org/ASMESearch/SearchLinks.cfm?type=student>**

**A section that is not using ASME.org as its server can still place a link to its website on this page. Please notify Burt Dicht.**

# Questions

**Q. Why are subsections and groups not eligible for merit funding?**

**A. Keep in mind this program takes into account the size of a section. So the members of a subsection or group are being counted in the parent section and the base funding (before it is multiplied by the merit factor) is based on that total membership. The parent section would count the activities of the subsection in its merit funding report (thus increasing the score if the subsection was active). The parent section would then provide the funding to the subsection (or group). If the subsection did not increase the score because it had no activities, the section could opt not to provide funding.**

# Questions

**Q. Since Subsections and Groups are not eligible for merit funding, some subsections might attempt to upgrade to sections. Is this a good idea? My section could potentially become seven sections if this happened.**

**A. Subsections and groups have always had the option to change their status through member petition. This would not change and final approval must come from the Global Communities Operating Board (GCOB). There is not a right or wrong answer. There might be cases where it make sense in terms of value to the membership for a subsection or group to upgrade. Other times it might not be beneficial and even detrimental. Each subsection and group must make its own evaluation along with the parent section. The GCOB will approve such requests on a case-by-case basis based on the individual circumstances.**

# Questions

**Q. In order to fill out the budget report sections need to list expected income. Knowing the amount a section will receive is also important for planning next year's programs. How much should a section expect (compared to FY06 appropriations) in terms of merit funding?**

**A. How much a section will receive depends on several factors. The amount of the initial pool (now \$175K), the number of sections that apply for funding and the merit score of the section. The Merit Funding Team recommended that the entire budget pool be used. A very small amount will be kept in reserve and the rest will be divided among the sections that qualify for funding. So the more sections that participate, the lower the per section amount. The fewer sections that participate, the higher the per section amount. A conservative estimate is to budget 75% of your FY06 appropriation.**

# Questions

**Q. What was the budget for section appropriations before the budget reductions and how much was paid out in FY06?**

**A. The normal budget was about \$500K. That's the amount that would have been paid out if every section received their appropriation. The last year before the budget reduction (FY05), approximately \$440K was paid out. Last year (FY06), 123 sections received a total of \$236K.**

# Questions

**Q. Electronic newsletters are given the same weight as hardcopy newsletters sent via US mail. Given that there are members that do not have e-mail addresses and many that do are outdated, shouldn't more credit be given to sections that send hardcopy newsletters?**

**A. For the communication criteria the project team was viewing communication as a total package. Is a section using all methods possible to communicate with the membership? They were not looking at one method versus another. A majority of sections use electronic means to deliver newsletters because of cost and speed factors. The team never intended these criteria to be permanent, as there should be periodic reviews for effectiveness and reevaluations depending on needs and changing objectives. This criteria, like all the others we be reviewed as the program matures.**

# Questions

**Q. As a follow-on to the last question, what qualifies as a newsletter? Does it have to be formatted as a newsletter, or can an e-mail that contains a calendar of events, a message from the chair and other informational items be counted as newsletter?**

**A. Based on the criteria described in the instructions, a e-mail message to the membership that advertises an upcoming meeting or activity would count as a newsletter.**

# Questions

**Q. Since communications is an important component of the criteria and up-to-date websites are key to this, can ASME staff help keep section websites current?**

**A. There are not enough staff resources available to support every section that needs this kind of help. Content Management was once thought of as a solution. Content Management uses a template that does not require knowledge of an online publishing software. But Content Management will not be available to sections (or divisions) in the immediate future. The GCOB will work to develop options to assist sections in this area. This might include connecting sections with other volunteer experts including students.**

# Questions

**Q. Of the three elements listed under Item 3, I consider only one of them as truly relating to Professional Growth. The other two in terms of honors and recognition are more important to academics than to practitioners of the art. Will these criteria be changed?**

**A. As was discussed in the previous question, all of the criteria will be reevaluated. The input of the section leaders, along with a review of the section merit funding reports will all be considered when the criteria are up for modification, deletion and addition.**

**Note that honors and recognition are becoming increasingly important for industry as well. There are several sections that have industry sponsors for their Engineers Week dinners as well as their Honors & Awards dinners. Typically, engineers from the sponsoring companies are being honored.**

# Questions

**Q. Pertaining to Item 3, several of our section board members do things that “count”. Would any of those qualify for “points” for our section? Assuming that answer is “no”, how many individuals on the section board need to do the cited activities, to qualify for “points”?**

**A. The section would only qualify for points if it played some role in carrying out the activity. For example, a board member might attend a PD class at work. Unless the section helped organize or sponsor the PD class, this would not qualify for points. It’s not a question of how many board members do the activity. The qualifier is that the section sponsored, organized or executed the activity or program.**

***The standard is “Does this activity serve the local membership?”***

# Questions

**Q. Pertaining to Item 4: would 10 donations of \$30 each qualify, even though the form says \$300, hinting that each donation needs to be at least that much? This needs to be clarified. We feel 1 x \$300 or 10 x \$30 should both qualify.**

**A. This item does need more clarification in terms of intent. A reading of the criteria definition does indicate that one \$300 contribution or ten \$30 contributions totaling \$300 would count as one activity. Based on the existing definition, a \$1000 scholarship to a student would be one activity, two \$500 scholarships to two students would qualify as two activities.**

# Questions

**Q. My section currently donates \$1000 for a student scholarship. Why should we continue to do this if we can earn 4 points by dividing this into three scholarships and not do any other activities?**

**A. In Item 4 - “Aid in the Development of the Engineering Profession” there are a number of activities that can qualify as activities that earn points. The intent of this criteria is for sections to try and do a mixture of these activities to provide range and depth to their programming. While splitting the scholarship into three earns the section points, it does go against the intent. If a section is already conducting these activities, or has plans to add them, there is no need to break up the scholarship. In fact it will show a well rounded program. (This criteria might be reevaluated to set limits on activities in each area to further encourage a range of programs.)**

# Questions

**Q. In Item 5, what is a member benefits program?**

**A. This could be as simple as a 15 minute presentation, prior to the start of the meeting, highlighting the benefits of ASME membership. This is important because in many cases you have non-members attending and it could serve as a recruitment tool. And it can also provide a refresher for current members, alerting them to new benefits showing them how to take advantage of existing benefits. Several sections have programmed an entire meeting for this purpose. (There is a Member Benefits presentation that can be made available to the sections.)**

# Questions

**Q. In Item 5, what is a chapter history?**

**A. Several sections have extensive and published histories that date back to the formation of the section. A section history does not have to be that detailed or involved. One example is to track officers each year, highlight key activities and programs and to save hardcopies of newsletters and other publications. These materials will be very useful to new officers when they take office and can help in planning future activities. ASME's History & Heritage Committee can provide guidelines on how to create and maintain a section history.**

# Questions

**Q. In Item 5, why are section operations limited to just the three activities listed?**

**A. As indicated on the Merit Funding Form, it is impossible to list every conceivable section activity on a single form. The team highlighted three key activities in this criteria. If a section is conducting other activities that contribute to section operations, they would be able to get credit for that. Examples might include conducting internal training programs, having an officer recruitment program or even funding additional attendees to the Leadership Training Conference. If you are planning to claim credit for an activity not listed, be sure to reference that on the form.**

**(This criteria might be reevaluated to add additional activities not currently listed.)**

# Questions

**Q. We have restarted our section and have not yet completed our 1st year and finances have been a concern. All of our current funding is done personally by a few initiating members. What about funding for sections that have not completed 1 year and have not submitted their financial/activity reports?**

**A. The Knowledge and Community Board of Directors will have some funding to help sections in a similar situation. But in order to receive the funding sections still must file the budget reports. They might not reflect much activity, but there are legal and audit requirements for ASME when it disburses funds to a unit. The District Leader makes the final determination for funding based on the section's planned activity for the coming year.**

# Questions

**Q. Sections, while not competing against each other specifically, are attempting to get the maximum amount of funding out of this fixed pool. My section is taking great pains to ensure the accuracy of our report. How can we be sure other sections will not attempt some grade inflation to take a larger piece of that small pie?**

**A. ASME will verify the mandatory requirements such as the filing of the budget reports, the after activity reports and the officer lists. There are not enough resources available to verify the accuracy of each report, plus the process would further delay the check disbursements. The K & C Board of Directors and the Project Team are relying on the fact that we are all professionals, that in joining ASME we agreed to adhere to an ethical code of conduct and that we're all working together as volunteers to promote the Society and advance the profession. The Board and Project team have every confidence that section chairs, when they submit that form will make every effort to ensure its accuracy in order to permit a level playing field for all sections.**

# Questions

**Q. Can sections put advertising on their websites to help raise funds? What about sponsorships?**

**A. If a section is using ASME.org as their server, they cannot place advertising on the website. There exists a potential for conflict with ASME's own advertisers. There is no prohibition if a section uses its own server. Also, a section can place advertising in its newsletter and place this on its website. Sponsorships are an open question.**

**The issue of advertising and sponsorship has raised important questions. ASME Sales and Marketing, Publishing and New Media are going to review all current issues and develop comprehensive guidelines on both advertising and sponsorships.**

THANK  
YOU

August 22, 2006

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