



* Word cloud from the job titles of AIR members.

AIR Board of Directors Annual Report

2012 AIR Annual Forum
New Orleans, Louisiana
June 2 – 6, 2012



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**AIR Annual Board of Directors Report to
the Membership
2011-2012**

Table of Contents

Section 1 – President’s Report	1
<i>2011-2012 Board of Directors</i>	<i>2</i>
Section 2 – Financial Report	3
<i>Audit Reports</i>	<i>4</i>
Statements of Financial Disposition.....	4
Summary of Auditors’ Results.....	5
Section 3 – Board Committees	6
<i>Awards</i>	<i>6</i>
<i>Code of Ethics</i>	<i>6</i>
<i>Voice of the Members</i>	<i>6</i>
Section 4 – Nominations and Elections	7
Section 5 – Membership	8

Section 1 – President’s Report

We are pleased to present the annual report for the 2011-2012 year to AIR membership. The year began with a successful Annual Forum in Toronto and is concluding with a successful Forum in New Orleans.

The year was a new beginning for the Board and AIR Executive Office leadership as we implemented the policy governance system approved by the membership in April of 2011. The complete set of policies that guide the activities of the Chief Executive Officer and the Board of Directors can be found on the AIR website*. To request a printed set, please contact the AIR office at air@airweb.org.

The Board focused this year on the two sets of policies directed at AIR Executive office action: Executive Limitations and Ends. However, the other sets of policies, Governance Process and Board-Management Delegation are equally important. Together, these four sets of policies create clear lines of responsibility and authority for the Board and CEO. The policies form a system for making sure that the Board speaks clearly about what it wants, as a whole Board, and that the CEO responds to those priorities.

The governing policies contain a reporting schedule for monitoring reports. Monitoring reports are prepared by the Chief Executive Officer for each relevant policy. They are the method by which CEO accountability for implementing the policies is demonstrated to the Board, and thereby to you. The first year of monitoring reports reviewed by the Board are also available on the AIR website*.

At year end, I am absolutely sure that we are a stronger, better organized and focused Association now than we have ever been.

In the year ahead, under the able leadership of Julie Carpenter-Hubin, we have scheduled the Board to systematically review its own processes to ensure we are doing business in ways that meet our governance Commitment to, ‘... see to it that the Association for Institutional Research a) achieves appropriate results for appropriate persons at an appropriate cost..., and b) avoids unacceptable actions and situations ...’

Following this report, you will find additional Board information regarding the Financial Report, Board Committees, Nominations and Elections, and Membership.



Jennifer Brown
2011-2012 AIR President

* Visit <https://www.airweb.org/AboutUs/LeadershipAndGovernance/GovernanceDocuments/> to view policy sets and monitoring reports.

2011-2012 Board of Directors

President

Jennifer A. Brown, University of Massachusetts–Boston

Vice President

Julie Carpenter-Hubin, The Ohio State University

Immediate Past President

James F. Trainer, Villanova University

Members at Large

Paul B. Duby (Board Treasurer), Northern Michigan University

Mardy T. Eimers, University of Missouri–Columbia

Marne K. Einarson, Cornell University

Martin B. Fortner, Southern University at Shreveport

J. Joseph Hoey, IV, Bridgepoint Education

Glenn W. James, Tennessee Technological University

Christine M. Keller, Association of Public and Landgrant Universities (APLU)

Alice M. Simpkins (Parliamentarian), Paine College

Elizabeth C. Stanley (Board Secretary), Zayed University (retired)

Nominations and Elections Committee

James F. Trainer (Chair), Villanova University

Phyllis Edamatsu, Delaware State University

Michelle Hall, Southeastern Louisiana University

Qing Lin Mack, Asnuntuck Community College

Gary Pike, Indiana University–Purdue University–Indianapolis

Karen Webber, University of Georgia

Section 2 – Financial Report

While the AIR Board as a whole is responsible for overseeing the financial health of the organization, the Board has delegated selected leadership responsibilities to the Board Treasurer, Paul Duby for 2011-2012. The Treasurer is responsible for leading the Board audit work group which annually reviews the Financial Statements and findings from an independent audit firm concerning the financial state of the Association. The Treasurer reviews and helps lead the discussion of those CEO Monitoring Reports dealing with the Association's financial condition, financial planning, and asset protection. Additionally, the Treasurer is responsible for the presentation of an annual review of the financial health of AIR at the Annual Forum.

A Board audit work group annually reviews the Financial Statements as well as the Management Letter produced by an independent firm charged with auditing the financial position and the related statement of activities, functional expenses, and cash flows for the past year. The Board audit work group reviews with the Executive Office those audit findings which cite any compliance issues or opportunities for ways to improve internal controls and operating efficiencies of the Association.

The firm of Lanigan & Associates, Certified Public Accountants of Tallahassee, Florida, audited the December 31, 2011 and 2010 financial statements of the Association. The auditors issued a clean audit and indicated that the audit disclosed no instances of significant deficiencies and/or material weaknesses in internal control. Further, the auditors commented that the organization is in good financial standing with a very strong ratio of current assets to current liabilities.

The December 31, 2011 and 2010 draft audit was discussed and approved by the Audit work group on May 1, 2012. A copy of the auditor's report is available for review by contacting Mr. Jason Lewis, Director of Financial Operations, Executive Office, phone: 850-385-4155 Ext. 125, email: jlewis@airweb.org.

Key findings on the current financial health of the Association:

1. Clean 2011 and 2010 audit approved with no reportable material deficiencies or weaknesses in internal control;
2. First cycle of Executive Limitations Policy: Monitoring Reports have been produced and have been received, reviewed, and accepted by the AIR Board. The three reports which discuss aspects of the financial health of the organization are the Monitoring Reports on Financial Condition, Financial Planning, and Asset Protection
3. Revenues exceeded expenditures by \$591,705 in 2011, compared to revenues exceeding expenditures by \$862,945 in 2010. This is the largest annual net reserve in the history of the Association.

The Statements of the Financial Position and Summary of the Auditors' Findings are included in the following Audit Reports section.

Audit Reports

Statements of Financial Disposition

ASSOCIATION FOR INSTITUTIONAL RESEARCH, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,864,122	\$ 1,902,213
Certificates of Deposit	124,543	274,303
Grants and Contract Receivable, Current	156,544	21,493
Accounts Receivable	79,534	70,630
Other Current Assets	57,664	59,886
Total Current Assets	<u>2,282,407</u>	<u>2,328,525</u>
Investments		
Fixed Income Securities	<u>763,763</u>	<u>913,030</u>
Property and Equipment		
Property and Equipment, Net	<u>858,500</u>	<u>722,142</u>
TOTAL ASSETS	<u>\$ 3,904,670</u>	<u>\$ 3,963,697</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 220,635	\$ 155,485
Accrued Compensated Absences	66,206	63,624
Deferred Grant and Contract Revenue, Current	180,064	738,341
Deferred Membership Dues and Other	<u>365,524</u>	<u>345,647</u>
Total Current Liabilities	<u>832,429</u>	<u>1,303,097</u>
Long-term Liabilities		
Deferred Grant and Contract Revenue, Long-Term	<u>-</u>	<u>180,064</u>
Total Liabilities	<u>832,429</u>	<u>1,483,161</u>
Net Assets		
Unrestricted Net Assets:		
Board Designated	420,000	420,000
Undesignated	<u>2,606,292</u>	<u>2,023,200</u>
Total Unrestricted	3,026,292	2,443,200
Temporarily Restricted:		
Scholarship Fund	<u>45,949</u>	<u>37,336</u>
Total Net Assets	<u>3,072,241</u>	<u>2,480,536</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,904,670</u>	<u>\$ 3,963,697</u>

Summary of Auditors' Results

**ASSOCIATION FOR INSTITUTIONAL RESEARCH, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011**

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. Type of Audit Report issued on the Financial Statements:

Unqualified

2. Significant Deficiencies and/or Material Weaknesses in Internal Control:

Audit disclosed no instances of significant deficiencies and/or material weaknesses in internal control.

3. Noncompliance Material to Audited Financial Statements:

Audit disclosed no material instances of noncompliance.

4. Significant Deficiencies and/or Material Weaknesses in Internal Control Over the Major Federal Award Programs:

Audit disclosed no significant deficiencies and/or material weaknesses in internal control over major programs.

5. Type of Audit Report Issued on Compliance with Requirements Applicable to the Major Federal Award Programs:

Unqualified Opinion

6. Audit Findings Relative to Section .510(a) of OMB Circular A-133:

The audit disclosed no findings that are required to be reported under Section .510(a) of OMB Circular A-133.

7. Major Federal Programs:

Research Triangle Institute (RTI) International	<u>CFDA#</u> 84.EDIES09C0006
National Science Foundation (NSF)	47.075

8. Threshold:

The threshold for distinguishing Type A or Type B programs was \$300,000 for federal programs.

9. Auditee Risk Assessment:

The organization did qualify as a low risk auditee.

Section 3 – Board Committees

During the 2011-2012 membership year, the Board of Directors initiated three Board committees:

- Awards
- Code of Ethics
- Voice of the Members

More information regarding their accomplishments is detailed below.

Awards

The Ad Hoc Committee to assess the AIR Awards and awards process, chaired by Deb Teeter, met via teleconference several times between October 2010 and March 2012. During these calls, the committee discussed the elements of the charge, developed a matrix of current awards and did a preliminary assessment of the role the awards play in the association, surveyed award programs from select other professional organizations, considered other types of awards, examined rubrics that have been developed for select awards, and concluded that a face-to-face meeting of the committee was desirable before completing the report. The committee will meet at the Forum to develop recommendations as well as conduct two focus groups for additional input. Members of the committee include Amy Ballagh, Trudy Bers, Kristina Cragg, Cherry Danielson, John Muffo, and Rob Toutkoushian.

Code of Ethics

Convened by co-chairs Rachel Boon and Julie Carpenter-Hubin, the Ad Hoc Committee to Review the AIR Code of Ethics met several times via teleconference to discuss the current Code. The Committee proposed changes to the sections on *Objectivity* and *External Reporting*. These changes will be discussed with the membership at large during a Forum discussion session on Monday, June 4, from 11:10-11:50. In addition, the Committee will engage AIR members in a discussion of the degree to which the Code may affect various sectors of higher education differently, and how best to use the Code to assist institutional researchers with ethical dilemmas. Members of the Committee include Youssouf Diallo, John V. Moore III, Kimberly Pearce, and Dawn Geronimo Terkla.

Voice of the Members

Early career professionals (ECP) in the field of institutional research are the future of the profession. If we can understand the current and future needs of ECPs, the Board can better define its short- and long-term strategic direction, vision, and plan. Consequently, a subgroup of Board members was assigned to develop a research proposal regarding the IR needs of ECPs. The final proposal recommended that the best approach would be to conduct telephone interviews with approximately 25 ECPs and with approximately 10 more established IR professionals who hire and direct ECPs. The Board agreed that an external consulting firm would be the best option to complete this project. After receiving five responses to the RFP (Request for Proposal), the Board selected McKinley Advisors at a cost of approximately \$18,400 to conduct the research. McKinley has begun the early stages of the research and plans to have a draft prepared by the fall 2012 Board meeting, to be held in late August or September of 2012. Subgroup members include Jennifer Brown, Julie Carpenter-Hubin, Marne Einarson, Marty Fortner, Christine Keller and Mardy Eimers.

To view the associated Board Policy for each committee above, visit the AIR website at <https://www.airweb.org/AboutUs/LeadershipAndGovernance/GovernanceDocuments/>.

Section 4 – Nominations and Elections

This was an exciting year to be engaged in the activities of the AIR Nominations and Elections Committee (NEC). 2011-2012 was the first year that the committee was called upon to seek nominations, build a slate, and conduct an election under the authority of the Association's new Constitution and Bylaws and governance structure. In turn, the committee dedicated a good bit of effort to developing, vetting, and disseminating a list of characteristics that one might seek in identifying individuals to serve as potential leaders within a Policy Governance framework. The NEC viewed this as an important opportunity to advance the Association's collective understanding of Policy Governance, what it entails, and what it means to lead from this perspective. With the invaluable assistance of AIR Executive Office staff, a website was developed for the nominations and elections process with a special emphasis on the qualities needed in future leaders for the Association:

www.airweb.org/Redirects/Pages/NomineesQualities.aspx and
www.airweb.org/Redirects/Pages/NominationsandElections.aspx.

The call for nominations generated more than 100 unique nominations for leadership roles in AIR. Nearly, 90 individuals initially indicated a desire to be considered to service in such capacities. Eventually, just shy of 60 individuals submitted full credentials for consideration by the NEC. From these, the NEC undertook the difficult task of narrowing the list of highly qualified nominees to develop a slate containing two candidates for the Vice Presidency, six candidates for three Member-at-Large positions on the AIR Board of Directors, and six candidates for three positions on next year's NEC.

Over 800 AIR members cast ballots for this year's election.

I am pleased to announce and certify that the following individuals have been duly elected to leadership roles in AIR: **Vice-President** – Sandra Bramblett; **Board Members at Large** – Hansel Burley, Heather Kelly, and C. Ellen Peters; and **Nominations and Elections Committee members** – Rachel Boon, Fred Lillibridge, and Allison Walters. Additional information on these newly elected leaders can be found at:

www.airweb.org/Redirects/Pages/2012ElectionResults.aspx.

This year's NEC consisted of Phyllis Edamatsu, Michelle Hall, Qing Mack, Gary Pike, and Karen Webber, and was chaired by Jim Trainer. Michelle, Qing, and Karen will continue to serve on the NEC for another year. The Committee received outstanding assistance throughout this process from the AIR Executive Office staff, Lisa Gwaltney and Jason Lewis, in particular. We could not have completed this process without their vital support.

Jim Trainer
2011-2012 AIR Nominations and Elections Committee Chair and
Immediate Past President

Section 5 – Membership

AIR experienced a growth in membership in 2010-11 of 3.4% over the previous year. The large attendance at the Chicago Forum in 2010 is the likely stimulus for the growth as the number of registrants at the annual conference has historically impacted the following year membership total.

The 2010-11 membership totals show a return to total membership above 4,000. The decline recorded in 2008-2009 was created by a change in policy which eliminated the requirement of both current and next year membership to attend the Forum. The policy change was enacted to make Forum attendance more affordable for new members who joined late in the membership year. In changing the policy the Board understood that there would be a reduction in paid memberships for the 2008-2009 year and each following year by eliminating the double year membership requirement.

Another change in membership policy resulted in some members shifting from “individual” to “organizational” memberships. The changed pattern has no impact on AIR membership totals since both types of memberships are for a single individual and the membership fee is the same for both. The change simply provides choices for individuals to select the terms of their membership that best fit their needs.

The reduction of Emeritus members in 2009-2010 is a reflection of a database update that removed deceased and non-active Emeritus members from the database.

Membership Count as of June 30, 2011
Membership Count by Type – 2006-2007 to 2010-2011

<u>Membership Types</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Distinguished	18	20	19	19	20
Emeritus	110	116	114	76	80
Individual/Full	3,288	3,320	2,907	2,509	2,457
New	586	625	479	364	361
Renewed	2,702	2,695	2,428	2,145	2,096
Individual/Graduate	287	284	245	287	293
New	106	120	100	146	141
Renewed	181	164	145	141	152
Organizational	382	410	612	980	1,154
New	86	106	137	247	303
Renewed	296	304	475	733	851
Total Persons	4085	4150	3,897	3,871	4,004
% Change from previous year	-0.7%	1.6%	-6.1%	-0.7%	3.4%
# Change from previous year	-30	65	-253	-26	133