

FY06 – 10 POM Calendar	
Apr 04	MAJCOM CCs/XPs Executive Summary brief to SECAF/CSAF
May 04	AF Group briefed on POM
Jul 04	MAJCOM/CCs debrief with SECAF/CSAF
	CSAF/SECAF approve POM
Aug 04	AF POM goes to OSD

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FOR OFFICIAL USE ONLY CAP Corp Wing Admin																																												
<b>BACKGROUND:</b> (U) AF/XO letter of May 2003, as the AF response to Civil Air Patrol (CAP) letter to Gen Foglesong (AF/CV), pledges good-faith effort to work to identify potential sources for our CAP Corporate (Corp) employee per state to transact day-to-day administration.																																												
<b>ADJUSTMENT:</b> (U) Funds 50 CAP Corporate Wing Administrators (\$2M per year plus inflation)																																												
<table border="1"> <thead> <tr> <th>SMR/EPIC/134TN</th><th>FY04</th><th>FY05</th><th>FY06</th><th>FY07</th><th>FY08</th><th>FY09</th><th>FY10</th><th>FY11</th></tr> </thead> <tbody> <tr> <td>CURRENT PRG</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.8</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td></tr> <tr> <td>ADJUSTMENT</td><td></td><td></td><td>2.1</td><td>2.2</td><td>2.2</td><td>2.3</td><td>2.3</td><td>2.4</td></tr> <tr> <td>REV PGM TOTAL</td><td></td><td></td><td>2.1</td><td>2.2</td><td>2.3</td><td>2.3</td><td>2.3</td><td>2.4</td></tr> </tbody> </table>									SMR/EPIC/134TN	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	CURRENT PRG	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	ADJUSTMENT			2.1	2.2	2.2	2.3	2.3	2.4	REV PGM TOTAL			2.1	2.2	2.3	2.3	2.3	2.4
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<b>IMAGES:</b> (U) COCOM; N: SPC; N: CONOPS; ACS; UPR; N: ICRR; N (U) REQUIREMENTS: AF/XO Letter, May 2003 (U) CAP is unable to meet DoD Grant and Agreement Regulation (DODGAR) (DoD 3210.5-R) requirements for administrators at wing level (U) Creates administrative burdens on CAP volunteers (U) 8 Nov 2002 Eagle Look recommended CAP hire wing administrators to handle the workload																																												
Data: Capt Cap AF/XO/PW 100-101 Date: 2004-05-12 08:15:5																																												
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FY06 – 10 POM Status of CAP POM Initiatives	
♦ Land Mobile Radios (LMRs)	
♦ 2008 Mandate	
♦ AF Communication Agency (AFCA) is "Lead Command"	
♦ FY06 - \$4.3M	
♦ FY07 - \$3.6M	
♦ Received \$5.85M funding from AFCA	
♦ SAF/GCQ approved modification to Cooperative Agreement	

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FY06 – 10 POM POM Initiatives Not Forwarded								
♦ Homeland Security "wedge" (FY06 - \$4.0M)								
♦ Withdrawn - guidance from 1st AF: funds not deposited with CAP, but will pay by reimbursement								
♦ Vehicle Procurement & Maintenance (FY06 - \$1.3M)								
♦ Will submit as "Unfunded" during next Budget Review								
♦ Aircraft Procurement (FY06 - \$2.7M)								
♦ FY04 Appropriation helped make CAP "healthy"								
♦ Continue to work in Budget Reviews and future POM to fix disconnect in current cost of aircraft								

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FY06 – 10 POM Status of CAP POM Initiatives	
♦ Wing Administrators (50)	
♦ Approx. \$2M/year + inflation	
♦ AETC carried as "Lead Command" with AF/XO as sponsor	
♦ RAPIDS slide: "... pledges good-faith effort to work to identify potential sources for one CAP Corporate employee per state to transact day-to-day administration."	
♦ Impact acknowledges: "CAP is unable to meet DoD Grant and Agreement Regulation requirements for administration at wing level; Creates administrative burdens on CAP volunteers; 8 Nov 02 Eagle Look recommended CAP hire wing administrators to handle the workload"	

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National Executive Committee  
Finance Committee Meeting  
20 May 2004

Voting Members in Attendance

Col Angel, Chairman	Col Meighan
Col Greenhut	Col Glasgow, proxy for Col Pineda
Col Robinson	Col Todd

Advisors in Attendance

Col Kauffman
Mr. Allenback
Ms. Easter

Others in Attendance

Brig Gen Wheless	Mr. Rowland
Col Bess	Mr. Leibowitz
Col Charles	Mr. Salvador
Col Webb	Ms. Pickette
Col Glass	
Col Starr	

Col Angel called the meeting to order at 6:30 pm. Col Angel requested that the meeting be closed except for Finance Committee members, advisors, Region Commanders, NHQ staff and members of the Board of Governors. He stated that all results of the meeting would be briefed to the full National Executive Committee tomorrow.

Col Salvador briefed the committee on the need to validate what the requirement is for rafts and life vests and briefed that Civil Air Patrol does not have sufficient funding for all rafts and vests that are currently reported. He offered a short-term proposal to accommodate the recertification requirement. This proposal was that NHQ would pay for the reimbursement of 75% of the cost and the Wings would pay 25% of the cost. His long-term proposal was that Civil Air Patrol should determine what the real requirements are for rafts and life vests. Additionally, CAP should determine the annual hours flown that support Federal missions and should POM for support of recertification expenses. He also noted that Wings should charge customers fees that include the cost of re-certification. The Finance Committee voted to take this to the NEC in coordination with the Operations Committee.

Brig Gen Wheless briefed that in the AFAB the decision was announced that CAP would receive no support to fund the glider program. They suggested that AETC may possibly be able to fund gliders as an educational objective. The AFAB position is that the Air Force cannot legally fund the glider program as an Air Force assigned mission.

Col Charles briefed the Fraud Policy that was developed at the Financial Management Summit at NHQ on May 6-7. Col Todd made a motion to send this to the NEC. The motion was seconded by Col Greenhut.

Col Charles briefed the new finance regulation for Wings/Regions, 173-2 (E) that was also developed at the summit. Brig Gen Wheless suggested that the following be added to the regulation: "Failure of a commander to require adherence to this regulation may be considered gross inefficiency in office and constitutes cause for removal from office." The Finance Committee voted to take the regulation to the NEC.

Col Angel briefed the request for funding to repair the Arizona Wing balloon that was damaged in a recent vehicle accident. The committee voted not to provide funding for this Wing asset. Col Todd made the motion and it was seconded by Col Greenhut.

Col Angel briefed the committee that the H.S.I. (Hull Self Insurance) fund is depleted. Susan Easter noted that Logistics currently spends in excess of \$80,000 on damaged aircraft. It was noted by Col Kauffman that the NEC had ceased collecting H.S.I. premiums several years ago when they had excess funds. The committee voted to recommend to the NEC that they establish a committee to determine a new rate or basis for collecting premiums.

Col Angel presented the FY04 corporate budget revisions. Discussion centered on budget shortfalls and cutbacks including:

- Currently projected deficit of \$221,543
- Cadet flight training scholarships (\$150 per cadet who finishes the flight encampment)
- Cadet Program contingency
- Membership projections flat instead of up 5%
- Strategic Partnership income at \$60,000 (uses \$35,000 for glider orientation flights and flight scholarships (if not restricted))
- CAPMart income projection

The Finance Committee voted to liquidate investment accounts only if necessary to meet cash flow requirements. They also voted to move the restriction on NCASE funds in the investment account and recommend to the NEC that they be reclassified as part of the Growth Fund. The motion was made by Col Greenhut and seconded by Col Meighan.

The Finance Committee voted to recommend that the FY04 budget revision option one be recommended to the National Executive Committee.

Col Angel briefed the FY05 Corporate budget. The Finance Committee changed the initial \$52,000 Wing Commander travel to \$39,000 and move \$13,000 to cadet glider orientation flights. An additional \$4,000 was moved from National Chaplain travel to fund glider orientation flights. It was discussed that the \$4,000 revised travel budget is in line with that of other national officers. The motion was made by Col Todd and seconded by Col Greenhut.

Col Angel briefed the FY05 appropriated budget. The committee discussed the need to include the National Finance Officer in planning meetings for POM and appropriated budgets.

The committee discussed the need to raise Corporate dues by \$5.00 and noted that it had been ten years since dues had been increased.

Col Angel requested that the Finance Committee members consider adopting a revised investment policy. The investment policy should establish a goal and a plan to achieve the goal. Susan Easter and Col Angel will work on developing an investment policy.

Col Angel recommended that no mandates should be initiated without a funding source. He suggested that there should be coordination through the National Finance Officer and National Legal Officer as suggested per proposed May 2004 NEC Agenda Item – 2, CAP Regulation Review Process, Timeline 5.

The meeting adjourned at 10:50 pm.

Respectively Submitted,



Col Don Angel  
National Finance Officer

## FY04 CORPORATE BUDGET Proposed Revision

### Executive Summary -

#### Projected decrease in FY04 Corporate Income:

Membership as of 31 March 2004 is lower than projected for seniors (-8%) and cadets (-8%).

NCASE income was lower than projected (-39%).

CAPMart projected a net gain or \$278,478; as of 31 March 2004 had a net loss of \$65,231.

The total projected deficit is -\$221,543.

#### Proposed Three Options to Eliminate Deficit

**Option 1** - Budget adjustments itemized on page two  
Following changes to Option 1:

Decrease National Officer travel (\$17,200)

Fully fund DDR Outreach Program (No \$10,000 deduction)

Increase EX Contingency \$7,200 to repay glider orientation flights

**Option 3** - Fund total deficit of \$221,543 from investments

### INCOME:

Projected Income Loss

Membership - Seniors

Membership - Cadets

NCASE

CAPMart - Overstated projected gain

CAPMart - Net loss as of 31 March 2004

### Income

(71,000)
(47,340)
(63,725)
(278,478)
(65,231)
<b>(525,774)</b>

### Projected Income Loss

#### Projected Additional Income

~Redemption of NCASE Investment Account

~Redemption of Investments (Hawk Mountain Facility Maintenance)

Corporate Sponsorship Income

CAPMart projection - Compensate for loss by end of fiscal year

Interest and Miscellaneous Income

### Projected Additional Income

77,000
100,000
60,000
65,231
2,000
<b>304,231</b>

### Total Projected Deficit

\$ **(221,543)**

**Executive Summary (Continued)**

<b>EXPENSES:</b>	<b>OPTION One</b>	<b>OPTION Two</b>	<b>OPTION Three</b>
<b>Proposed Options:</b>			
1. National Officer Travel - and repay EX contingency for portion of glider offights +\$7,200			(17,200)
2. Chaplain Services - Advisory Committee Expenses (\$2,452)	(2,452)	(2,452)	(23,000)
3. Executive Director - Wellness program (\$800); Strategic Partnership Travel (\$5,700); Stat Partnership Salary/Benefits (\$4,000); CAP Safety Initiatives (\$6,500); EX Contingency for FM Summit (\$4,000); Volunteer Safety (\$2,000)			
4. General Counsel - Option 2: Repay EX Contingency account for Glider Offight expense +\$7,200	(30,000)	7,200	(30,000)
Professional Legal Service (\$30,000); Legislative Day Program (\$5,000); Senior & Cadet Accident Claims +\$5,000			
5. Aerospace Education / Cadet Programs - Corporate Sponsorship	25,000	25,000	
6. Cadet Programs - Corporate Sponsorship (if not restricted)	35,000	35,000	(67,964)
Cadet Flight Training Stipends (\$30,000); Nati Engineering Academy, reduce one course (\$ 2,000), Nati Cadet Competition Travel Subsidy (\$27,000); Glider Offights + \$19,358; Wing Commanders' Course +\$200			
Cadet Program Contingency (\$10,000); Nati Staff College (\$3,500) Oshkosh Improvement Fund (\$6,000); DDR Outreach Program (\$10,000)			
Option 2: Fully fund DDR Outreach Program - no \$10,000 deduction	10,000	10,000	
7. Information Technology - Data Card Supplies (\$18,000)	(18,000)	(18,000)	
8. Membership Services - 1-800 number (\$2,000); Membership Dev (\$2,000)	(4,000)	(4,000)	
9. Financial Management - Line of credit (\$25,000), Wing Finance Officers - FM Summit + \$4,000	(21,000)	(21,000)	
10. Strategic Communications - Electronic Media (\$24,000), Oshkosh Display (\$4,000); Special Printing (\$3,500); Operations - Flight Clinics (\$30,000), CISIM (\$2,500),	(81,877)	(81,877)	
11. Plans & Special Events - Nati Curator (\$5k), Stan Eval (\$8,000), Nati Paging (\$10,000), Homeland Sec Travel (\$2,000)	(52,500)	(52,500)	
12. Nati Committee Chairman Travel (\$3,000)	(20,000)	(20,000)	
Salary Allocation (\$10,000); XP Protocol (\$2,000)	10,000	10,000	
13. CAPMart - Salary Allocation of Appropriated Salaries +\$10,000	29,250	29,250	
14. Depot - Expenses after closing +\$28,250			(221,543)
15. Option 3: Redemption of Investments for total deficit	(221,543)	(221,543)	(221,543)

May 2004 NEC Minutes

Attachment 3-2

		FY04 BUDGETED INCOME	FY04 INCOME PROJECTION	Proposed Revision
<b>INCOME (Projected):</b>				
<b>MEMBERSHIP</b>				
Seniors	38,471 @ \$30 (Basis 36,639 as of Feb 03 plus projected 5% increase)	\$1,154,130		
Seniors	36,104 @ \$30 (6% Reduction or 2,367 seniors)			(\$71,000)
Cadets	28,884 @ \$20 (Basis 27,249 as of Feb 03 plus projected 6% increase)	577,680		
Cadets	26,517 @ \$20 (8% reduction or 2,367 cadets)			(47,340)
AFROTC	AFROTC detachment funds eliminated (144 units @ \$350 = \$50,400)			
AFROTC	projected loss of two-thirds cadets ( Dues 1450 @ \$15 ea)	(21,750)		
AFROTC	projected loss of remainder of cadets. None have rejoined.(450 * \$15)	(6,750)		
New Member Packets	@ \$5 per new Senior (9,000) & \$16 per new Cadet (14,000)	269,000		
	First Year Senior Member packet charge - Increase of \$5 (6,350)	31,750		
	(Offset by expense accounts and is revenue neutral)			
VEHICLE SELF-INSURANCE	- Offset by an expense account and is revenue neutral	35,265		
NATIONAL BOARD	- Offset by an expense account	135,000		
NCASE	- Offset by an expense account	105,000		
	(NCASE Investment account of \$77,000 used to offset income loss)			
INTEREST & MISCELLANEOUS INCOME	- Interest from bank & credit card accounts, membership contributions, NASCAR	49,500		
	Income - Corporate Sponsorship (Offset by expense account)			
	CAP News subscriptions, advertising income, undesignated contributions	43,000		
	Cadet Scholarship Fund Income (Offset by expense account & is revenue neutral)			
	Redemption of Investments (Hawk Mountain Facility Maintenance)	100,000		
	Reserve Corp Contingencies for Cadet Programs	60,000		
CAPMART INCOME PROJECTION	- Sales \$3,197,000	31 Mar 04		
	Cost of Goods Sold - \$1,815,800	\$844,188		
	Gross Profit on Sales \$1,381,200	518,901		
	Net Loss (\$65,231)	325,267		
<b>TOTAL INCOME:</b>				
			\$3,813,026	

EXPENSES (Projected):	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three	\$
<b>Account Description</b>								
<b>National Officer Travel</b>								
Travel expenses for official CAP business								
Dept 005—National Commander -								
—Travel	18,000	14,137	3,863	79%				
—Telephone	1,700	788	912	46%				
—Supplies	300	107	193	36%				
—Directed travel—other needed for official business	57,773	23,106	34,667	40%				
Dept 010—National Vice Commander -								
—Travel	15,000	9,577	5,423	64%				
—Telephone	1,000	361	639	36%				
Dept 015—Chief of Staff	13,000	2,162	10,838	17%				
Dept 020—National Finance Officer	4,000	1,780	2,220	45%				
Dept 025—National Controller	4,000	4,249	(249)	106%				
Dept 030—National Legal Officer	4,000	2,805	1,195	70%				
<b>Option 2: Reduce National Officers' Travel</b>								
<b>Sub Total</b>	<b>\$118,773</b>	<b>\$59,072</b>	<b>\$59,701</b>	<b>50%</b>	<b>\$0</b>	<b>(\$17,200)</b>	<b>\$</b>	

May 2004 NEC Minutes

Attachment 3-4

May 2004 NEC Minutes

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>CAP Regions</b>							
Provides command and control of resources for assigned Wings.							
Dept 200--NER Commander	Travel expenses needed for official business						
--Northeast Region Operating Fund for administration expenses							
Dept 300--MER Commander	Travel expenses needed for official business						
--Middle East Region Operating Fund for administrative expenses							
Dept 400--GLR Commander	Travel expenses needed for official business						
--Great Lakes Region Operating Fund for administrative expenses							
Dept 500--SER Commander	Travel expenses needed for official business						
--Southeast Region Operating Fund for administrative expenses							
Dept 600--NCR Commander	Travel expenses needed for official business						
--North Central Region Operating Fund for administrative expenses							
Dept 700--SWR Commander	Travel expenses needed for official business						
--Southwest Region Operating Fund for administrative expenses							
Dept 800--RMR Commander	Travel expenses needed for official business						
--Rocky Mountain Region Operating Fund for administrative expenses							
Dept 900--PACR Commander	Travel expenses needed for official business						
--Pacific Region Operating Fund for administrative expenses							
	<b>SubTotal</b>	\$144,000	\$85,138		\$58,862	59%	\$ - - \$

**Chaplain Services**  
Program management of 675 Chaplains providing ministry to senior and cadet members, critical incident stress counseling, and moral leadership guidance.

Dept 035 / 052

- National Chaplain Travel Expenses for official business
- Dean of Chaplain Colleges expenses. Attends 4 colleges.
- Chaplain Staff Colleges-Admin expenses for 7 region Colleges. 220 attendees.
- Advisory Committee Travel/ Admin expenses
- Writing team travel expenses to rewrite moral leadership courses.
- National Board Clergy Honora & Gifts

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>Chaplain Services</b>							
Dept 035 / 052							
-National Chaplain Travel Expenses for official business	10,227	7,866	2,361	77%			
-Dean of Chaplain Colleges expenses. Attends 4 colleges.	2,983	960	2,023	32%			
-Chaplain Staff Colleges-Admin expenses for 7 region Colleges. 220 attendees.	24,500	24,100	400	98%			
-Advisory Committee Travel/ Admin expenses	2,500	31	2,469	1%			
-Writing team travel expenses to rewrite moral leadership courses.	1,711	1,711	0	100%			
-National Board Clergy Honora & Gifts	500	500	500	0%			
<b>Sub Total</b>	<b>\$42,421</b>	<b>\$34,668</b>	<b>\$7,753</b>	<b>82%</b>	<b>(\$2,452)</b>	<b>\$</b>	<b>(\$2,452)</b>

**CIVIL AIR PATROL**  
**Budget Executive Review**  
**National Executive Committee**

**CORPORATE BUDGET**  
Revised: 20 May 2004  
(Obligations as of 29 Apr)

May 2004 NEC Minutes

**Executive Director**  
Chief operating officer manages the National Headquarters, and administers daily affairs.

Dept 040

- Office supplies
- HQ telephone support (Cell Phone Policy allows 25% of bill for authorized users to be paid by corp funds)
- Bookstore promotions
- Protocol - EX
- Retirement Award
- Contingency for unplanned expenses directed by NB, NEC, or BoG

**Option 2: Increase contingency to repay glider orientation flights**

- Wellness Program - Travel funds for the National Health Officer
- Professional Legislative Consulting Services
- Director, Strategic Partnerships
- Salary and benefits
- Travel expenses
- Supply
- Telephone
- Postage

**Safety**

- Safety- Volunteer expenses to accident investigations
- CAP Safety Initiatives - Sites on Safety Program, Train the Trainer, Training Materials

**National Advanced Technologies (Drew Alexa)** -Supports new technology to enhance mission capabilities & high tech/computer education opportunities; conducts seminars & training of CAP members in use of technologies such as STK & Searchers' Edge Program.

**Sub Total** \$288,550 \$151,009

FY04 Budget

FY04 Balance

%

Option One

Option Two

Option Three

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>General Counsel</b> Provides legal advice and legal services to the Board of Governors, the Executive Director and his staff, and the National Commander.							
Dept 050—Professional Legal Services for outside counsel	50,000	8,898	41,102	18%	(30,000)	(30,000)	
--Biennial National Legal Officers Staff College-Admin expenses for in-residence program. 50 attendees (course held every other year)							
Dept 050—Professional Legal Services for outside counsel	4,500	-	4,500	0%			
--Biennial Inspector General College- Admin expenses for in-residence program. 50 attendees (course held every other year)							
Dept 050—Legislative Program Legislative Day conference expenses. 150 attendees.	20,000	14,212	5,788	71%	(5,000)	(5,000)	
--Rangers Inc. (dissolving the corporation)							
Sub total	\$76,500	\$23,272	\$53,228	30%	(\$35,000)	\$ -	
<b>Insurance</b> Self insurance for injuries occurring on CAP events. Other insurance funded by appropriations.							
Dept 050—Senior and Cadet Accident Claims for minor medical claims	5,000	908	4,092	18%	5,000	5,000	
--Accident/Death Benefits. \$10,000 per claim with average two claims per year.							
Sub Total	\$25,000	\$10,908	\$14,092	44%	\$ 5,000	\$ 5,000	\$ -

	<b>FY04 BUDGET</b>	<b>FY04 Obligated</b>	<b>FY04 Balance</b>	<b>%</b>	<b>Option One</b>	<b>Option Two</b>	<b>Option Three</b>				
<b>LEADERSHIP DEVELOPMENT AND MEMBERSHIP SERVICES</b>											
Aerospace Education											
Provides aerospace education, professional development and, advanced distributed learning programs for CAP's cadet and senior members.											
<del>Dept 045</del>											
– Aerospace Education promotion materials for 1,700 teacher members (recruiting, & ed material, etc)	22,806	12,781	10,025	56%							
– Corporate Sponsorship (Offset by Income- may be split between AE and CP)					25,000	25,000					
– Teacher Orientation Flights- 57 flight hours for 10 workshops. Total attendance 170 (Teachers must be CAP members)	5,000	-	5,000	0%							
Sub Total	\$27,806	\$12,781	\$15,025	46%	\$25,000	\$25,000	\$ -				

**LEADERSHIP DEVELOPMENT AND MEMBERSHIP SERVICES****Cadet and Senior Member Professional Development**

To provide Civil Air Patrol with aerospace oriented programs and curricula that enhances the leadership and like skills of all cadet members thereby preparing responsible citizens for the USAF and the nation - 24,000 cadets effected

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>Dept 065 Cadet Programs</b>							
-International Air Cadet Exchange travel expenses for 90 cadets and 20 escorts	160,528	90,401	70,127	56%	(30,000)	(30,000)	
-Cadet Flight Training scholarships 200 (FY04) cadets at National Flight Academies	30,000	-	30,000	0%	35,000	35,000	
-Corporate Sponsorship funds for Cadet Programs (TBD)	-	-	0	0%			
-Cadet Officer School expenses: Total Attendance 120 cadets and 10 staff (Increased billeting and increased participation in 04)	16,000	16,000	0	100%			
-Blue Beret, housing and food offset expenses for 126 cadet and 35 facility	6,000	6,000	0	100%			
-Natl Flight Academy-Powered 6 Courses with 18 cadets per class, 108 cadets (\$8,000 per course)	48,000	48,000	0	100%			
-Natl Flight Academy-Glider 2 Courses with 18 cadets per class, 54 cadets (\$8,000 per course)	16,000	16,000	0	100%			
-Natl Specialized Academies 9 courses with Total attendance 320 cadets	3,000	3,000	0	100%			
Aerospace Education Academy	5,000	5,000	0	100%			
Advance Technology Academies (2 ea)	4,000	2,000	2,000	50%	(2,000)	(2,000)	
National Engineering Technology Academies (2 to 1 course in FY04)	1,500	1,500	0	100%			
National Military Music Academy	1,500	1,500	0	100%			
National Honor Guard Academy	14,400	14,255	145	99%			
National Civic Leadership Academy							
-Familiarization Courses 5 courses with Total attendance 165 cadets	6,600	6,600	0	100%			
AETC Familiarization Course	11,250	5,610	5,640	50%			
AFSC Familiarization Course	3300	3300	0	100%			
AF Weather Agency Familiarization Course	70,350	3,841	66,509	5%	(27,000)	(27,000)	
-Natl Cadet Comp & Color Guard travel and expenses for 168 cadets and 52 staff	4,500	4,500	0	100%			
-Hawk Mountain Ranger School: lodging offset total attendance 140 cadets	4,000	4,000	0	100%			
-Pararescue Orientation Course - 1 course, safety equipment, lodging &meals	8,000	-	8,000	0%			
-Region Leadership School lodging offset and educational materials 400	4,500	867	3,633	19%			
-Natl Cadet Advisory Council 9 members expenses for 2 hr person meetings	43,500	41,775	1,725	96%			
-Cadet Scholarships - Offset by income; Revenue Neutral (Included in budget beginning FY04)	\$20,000	12,451	7,549	62%	19,336	19,336	
-Glider / Oflights	\$56,300	90	56,210	0%	(10,000)	(10,000)	
-Cadet Programs Contingency	\$538,228	\$286,690	\$251,538	53%	\$ (14,664)	\$ (14,664)	
<b>Sub Total</b>							

May 2004 NEC Minutes

**Cadet and Senior Member Professional Development (Continued)**

	BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>Professional Development</b>							
-National Staff College, In residence- Executive development program admin expenses 120 attendees.	7,500	-	7,500	0%	(3,500)	(3,500)	
-Region Staff Colleges- Admin expenses for 8 programs. Total attendance 220.	28,000	10,000	18,000	36%			
-Squadron Leadership School- Admin expenses, wings conduct one per year. 900 attendees.	12,480	7,200	5,280	58%			
-Corporate Learning Course- Admin expenses, wings conduct one per year. 550 attendees.	7,280	3,320	3,960	46%			
-Wing Commanders Course- Admin expenses for new WG/CCs, once a year. 20 attendees.	12,150	12,427	(277)	102%	200	200	
<b>Sub Total</b>	<b>\$ 67,410</b>	<b>\$ 32,947</b>	<b>\$ 34,463</b>	<b>49%</b>	<b>\$ (3,300)</b>	<b>\$ (3,300)</b>	<b>\$ -</b>
<b>Education and Training Center, Oshkosh</b>							
Provide Civil Air Patrol a facility in an aviation rich environment where cadets and senior members can learn, improve, and enhance their aerospace education, leadership, and emergency service skills and knowledge while partnering with EAA in aerospace education outreach.							
Dept 115							
-Land Lease	1,200	924	276	77%			
-Utilities	3,500	742	2,758	21%			
-Facility Maintenance	7,500	2,655	4,845	35%			
-Improvement Funds to be used for safety items such as paving parking lots, air conditioning in dining area, etc.	10,000	-	10,000	0%	(5,000)	(5,000)	
-Property Taxes	500	-	500	0%			
<b>Sub Total</b>	<b>\$22,700</b>	<b>\$4,321</b>	<b>\$18,379</b>	<b>19%</b>	<b>\$ (5,000)</b>	<b>\$ (5,000)</b>	<b>\$ -</b>
Dept 114							
-Hawk Mountain Ranger School: facility improvement - Increase request (requirement requested for sewer system to maintain facility)	100,000	1,943	98,057	2%	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$100,000</b>	<b>\$1,943</b>	<b>\$98,057</b>	<b>2%</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Drug Demand Reduction - DDR</b>							
Dept 067 - Membership for Cadets for DDR Program - Outreach (Membership assistance for new cadets)	20,000	5,288	14,712	26%	(10,000)	-	-
<b>Sub Total</b>	<b>\$20,000</b>	<b>\$5,288</b>	<b>\$14,712</b>	<b>26%</b>	<b>\$ (10,000)</b>	<b>\$ -</b>	<b>\$ -</b>

Attachment 3-11

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>Membership Services</b>							
Dept 057							
Senior Training Ribbons and Certificates	400	124	276	31%			
Awards	14,000	4,426	9,574	32%			
In-bound telephone expenses for 1-800 Membership Development Number: (Approx 4,000/yr)	5,000	815	4,185	16%			
-Membership Development: Funding to promote membership campaign	20,000	88	19,912	0%			
Sub Total	\$39,400	\$5,453	\$33,947	14%	\$ (4,000)	\$ (4,000)	\$ -
Membership packet program provides CAP materials to new members .							
Printing costs for brochures were not included in FY03.							
Previously managed by Bookstore (Offset by Income - revenue neutral)							
-Salary/Benefits	30,000	17,511	12,489	53%			
-Supplies & Brochure Printing	110,500	66,940	43,560	61%			
-Shipping	128,500	96,491	32,009	75%			
Sub Total	\$269,000	\$180,942	\$88,058	67%	\$ -	\$ -	\$ -

#### **FINANCIAL MANAGEMENT**

Dept 070—Accounting Support for Wings - To reduce NHQ travel to Hawaii & Alaska

Alaska Wing

Hawaii Wing

(Mid-year financial statement compilation by independent auditor who can  
accomplish work & prevent WIFAs from traveling to Hawaii & Alaska)  
Wing Finance Officer Travel  
H.S.I. Claims  
Line-of-credit interest fees

442	-	442	0%
0	-	0	0%
0	-	0	0%
308	307	1	100%
25,000	36,370	(11,370)	145%
Sub Total	\$26,750	\$36,677	-\$10,927
			\$ (21,000)
			\$ (21,000)

May 2004 NEC Minutes

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>STRATEGIC COMMUNICATIONS</b>							
To inform internal and external audiences of Civil Air Patrol's activities; enable the organization to grow; protect the image and assets of the corporation; and strengthen relationships with key audiences and customers.							
Dept 075--							
--CAP News (6 issues, circulation of 70,000) --Special Printing: Paper, and printing for special projects (posters, flyers, etc.) --Electronic media: supplies & maintenance for multi-media productions. (New multi-media program)	144,000	119,156	24,844	83%	(3,500)	(3,500)	(24,000)
--CAP Exhibits, 12 shows per year, includes space, shipping & related costs --Promotional items for exhibits, i.e. pens, coasters, etc. Promotes booth traffic --Professional memberships & resources such as clipping services and media database software. (In FY04 - More expensive clipping service that is more inclusive and reliable)	60,000	29,102	30,898	49%	(15,000)	(15,000)	
--Oshkosh Aircraft Display: Air show reaches 1 million people, assoc display costs --Public Awareness Expenses - Using print, radio & television media (New category for multi-media exposure)	10,000	10,000	0%	(4,000)	(4,000)	(33,000)	
Dept 076							
--NASCAR Employee Support - Two Months - Salaries & Benefits --NASCAR Support - Two Months - Reallocation of CAP Salaries & Benefits --NASCAR Support - Two Months - Travel for Program Manager (* Two Months Salary, Benefits, & Travel budgeted for FY04)	9,149	8,868	281	97%	(281)	(281)	(819)
Sub Total	\$390,758	\$218,334	\$172,424	56%	\$ (81,877)	\$ (81,877)	\$ -

#### INFORMATION TECHNOLOGY

Data Automation - Processes membership renewals and cards.  
75,000 notices per year.

Dept 080--Membership card supplies

Sub Total	\$40,100	14,747	25,353	37%	\$ (18,000)	\$ (18,000)	\$ -
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Attachment 3-13

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>OPERATIONS</b>							
Provide cost-effective, force multiplying air and ground emergency response missions. Develop effective flight management, safety, standardization, training, and communications programs to support these missions. Corporate funding supports federal appropriations.							
Dept 090							
-Pilot Continuation Training Program - Pilot attendee expenses at \$40 per 1,000 attendees (Doubling effort on safety initiative)	30,000	-	30,000	0%	(30,000)		(30,000)
-Emergency Services- Training programs & initiatives, books, videos, and other materials.	10,000	3,009	6,991	30%			
-Stan Eval- Course videos, books and other materials (Safety Initiative)	8,000	-	8,000	0%	(8,000)		(8,000)
-Natl Ground Search and Rescue School- expenses for 100 volunteer staff instructors	10,000	8,456	1,544	85%			
-CISM- Critical Incident Stress Mgmt expenses for 8 region training teams. 200 attendees	8,000	1,180	6,820	15%	(2,500)		
-National Paging System - Requirement approved by NEC Wing/Region Commanders + 1 Alert Officer (120 pagers @ \$20/mo = \$2400/mo)	21,600	860	20,740	4%	(10,000)		(10,000)
-Homeland Security Mission Travel (National Director)	7,200	1,818	5,382	25%	(2,000)		(2,000)
<b>Sub Total</b>	<b>\$94,800</b>	<b>\$15,323</b>	<b>\$79,477</b>	<b>16%</b>	<b>\$ (52,500)</b>	<b>\$ (52,500)</b>	<b>\$ -</b>

	<b>FY04 BUDGET</b>	<b>FY04 Obligated</b>	<b>FY04 Balance</b>	<b>%</b>	<b>Option One</b>	<b>Option Two</b>	<b>Option Three</b>
<b>LOGISTICS</b>							
<b>Dept 095</b>							
- Vehicle Self-Insurance (Offset by Income)							
-Claims Regions and Wings							
-Arizona Wing L3 - Maintenance							
New requirement on L3 maintenance approved by NEC.							
-Postage - Mail-outs for Corporate projects not budgeted in previous years	11,200	1,498	9,704	13%			
Postage - Equipment Lease \$200/mo	2,400	1,200	1,200	50%			
Postage - Supplies	400	123	277	31%			
Sub Total	\$50,755	\$14,004	\$36,761	28%			
<b>PLANS AND SPECIAL EVENTS</b>							
National Programs - Provides meeting planning & logistical support to annual conferences and board meetings.							
-Allocation of appropriated salary/benefits to corporate budget (OMB Circular Requirement)	\$48,342	6,449	41,893	13%	(10,000)	(10,000)	
-Natl' Board meeting conference Fee. Annual conference 1000 attendees (Offset by Income)	135,000	24,885	110,115	18%			
-Natl' Board Committees chairmen travel expenses for 5 at \$2,000 each (Natl' Congress Air and Space Ed Expenses. Annual conference- 1000 attendees (Offset by Income))	10,000	1,516	8,484	15%	(3,000)	(3,000)	
-National Executive Committee (NEC) Conference administrative expenses for semiannual meetings (50)	10,000	6,295	3,705	63%			
-National Curator expenses for procuring and maintaining historical items.	8,000	3,081	10,000	0%	(5,000)	(5,000)	
-Protocol Expenses - Amenities, Working lunches, Supplies, Replacement Flags			4,919	39%	(2,000)	(2,000)	
Sub Total	\$326,342	\$152,398	\$173,944	47%	\$ (20,000)	\$ (20,000)	\$ -
<b>TOTAL NHQ EXPENSES</b>							
	\$2,708,303	\$1,345,915	\$1,362,388	50%	\$ (260,793)	\$ (260,793)	\$ -

**CAPMart**  
 The mission of CAPMart is to provide the membership with quality merchandise (uniforms, ranks, regulations, etc.) at a fair and reasonable price.

**Dept 150**

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
-Salaries	450,000	219,190	230,810	49%			
-Retirement Annuity	18,000	3,813	14,187	21%			
-Health Insurance	93,800	40,230	53,570	43%			
-Life Insurance	1,200	528	672	44%			
-FICA / Medicare	34,425	22,272	12,153	65%			
-State Unemployment Tax	200	904	(704)	452%			
-Payroll Expenses / Professional Fees (Employment Agency)	10,500	10,254	246	98%			
-Allocations of CAP HQ salaries/benefits to support bookstore	50,000	30,436	19,564	61%			
(1 Oct 04 - 29 Apr 04) IT = \$16,323; Comp Tech = \$3,969; HR = \$5814; LG = \$3092 and FM = \$1327 of the total obligated			10,000	10,000			
-Advertising Expense	20,000	575	19,425	3%			
-Audit	9,000	-	9,000	0%			
-Bad Check Expense	500	-	500	0%			
-Computer Support (IBIS) (\$20,611.50/yr)	20,612	12,565	8,047	61%			
-Credit Card Expense	55,692	36,494	19,198	66%			
-Data Processing Supplies	10,000	-	10,000	0%			
-Equipment Purchases	20,000	915	19,085	5%			
-Equipment, Rental & Maintenance	14,693	6,826	7,867	46%			
-Executive Director Promotions	1,000	-	1,000	0%			
-Fixed Assets - Equipment	25,000	-	25,000	0%			
-Gain/Loss on Sales	2,000	28	1,972	1%			
-Insurance (Property/Liability)/Workman's Comp	14,381	7,027	7,354	49%			
-Inventory	17,000	-	17,000	0%			
-Meals & Lodging	13,000	1,362	11,638	10%			
-Miscellaneous	3,800	3,800	0	100%			
-National Board Expense	5,000	-	5,000	0%			
-NCASE Expense - New requirement in Fy04	4,445	4,441	4	100%			
-Office Postage	1,300	427	873	33%			
-Office Supplies	9,360	4,025	5,335	43%			
-Online Services (New service)	1,949	1,137	812	58%			
-Operating Supplies	50,000	26,176	23,824	52%			
-Outbound Freight	64,465	-					
-Professional Development - New requirement in FY04	4,900	4,884	16	100%			
-Telephone	65,000	31,213	33,787	48%			
-Travel	2,500	2,487	13	99%			
-Vehicle Maintenance	5,000	363	4,637	7%			
-Vehicle Operating Exp.	4,000	764	3,236	19%			
<b>Department Total</b>	<b>\$1,102,722</b>	<b>473,136</b>	<b>\$565,121</b>	<b>43%</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$</b>

May 2004 NEC Minutes

	FY04 BUDGET	FY04 Obligated	FY04 Balance	%	Option One	Option Two	Option Three
<b>SUPPLY DEPOT -</b>							
Dept 155	\$2,000	-	2,000	0%	29,250	29,250	
-Unemployment benefits - result of supply depot closure							
<b>Department Total</b>							
	\$2,000	\$0	\$2,000	0%	\$29,250	\$29,250	
<b>INVESTMENTS</b>							
<b>Total Expenses</b>	<b>\$3,813,025</b>	<b>\$1,819,061</b>	<b>\$1,929,509</b>	<b>43%</b>	<b>(\$221,543)</b>	<b>(\$221,543)</b>	<b>(\$221,543)</b>
Straight Line = 58%							