



# Botanical Society of America

Treasurer's Report  
1 Oct. 2002- 30 June 2003

Joseph E. Armstrong

## 1. Summary

Even with a few fiscal speed bumps, the financial position of the Society remains strong. Revenues were higher than expected and expenses were less than expected, even though several initiatives generated new costs. The Society should end the 2002-2003 fiscal year with a tidy surplus. Revenue and cost projections have been used to generate a record proposed budget for the 2003-2004 fiscal year. Several fiscal uncertainties were resolved with the relocation and staffing of the business office, the establishment of e-commerce allowing online membership renewals, and the shift of the web page to a commercial server, so less guesswork was required to generate the proposed budget, which represents a new fiscal milestone for the BSA.

## 2. Assets of The Botanical Society of America (as of 30 June 2003)

**Total Endowment Funds** (stocks, bonds, money market funds) - \$1,772,333.09.

This is \$94,286.76 lower than 30 June 2002 (\$1,866,619.85), but the fund has grown \$199,400.55 since 1 January 2003. Presently the Society does not rely on any earnings from the endowment fund for regular operating expenses.

### Operating Funds

Treasurer's checking	\$17,343.19
Treasurer's savings	\$82,416.74
American Century MM	\$65,499.83
Petty cash	\$35.50
Business Office checking	\$4,278.94
Business Office MM	\$400,597.86
<b>Total</b>	<b>\$570,172.06</b>

Although the heavy demands of the 4<sup>th</sup> quarter remain, our cash reserves are strong, and enough funds remain to cover expenses through December when membership renewals begin to replenish funds. The Executive Committee has decided to transfer the \$65,499.83 in the American Century money market to the Endowment. The Society should end the fiscal year comfortably in the black.

Total Endowment Funds =	\$1,772,333.09
Total Operating Funds =	\$570,172.06
Total Assets =	\$2,342,505.15

### **3. 2002-2003 Budget Highlights**

**Revenues** – After several years of gradual decline membership revenues to date (\$161,125) exceeded budgetary projections (\$140,000) by \$21,125. In spite of the Faxon/Devine collapse and the loss of many institution subscriptions for volume 90 of the *American Journal of Botany*, these revenues to date (\$577,695) have nearly met the projected budget (\$580,000) because of the new pricing structure, and things look good for next year when lost subscribers are expected to return. In summary BSA total revenues (\$892,224) exceeded the proposed budget (\$891,700).

Investment income from the BSA Endowment is reinvested for maximum growth. Meetings income is used for meeting development. Neither of these income sources are used for the regular Society operating budget.

**Expenses** – Development of the new BSA web site cost nearly twice (\$22,167.50) the budget guesstimate (\$12,500), but having established the fundamentals, development will proceed at a somewhat lesser cost. Several expenses were considerably less than expected (executive director relocation costs - \$6,515 under, executive director travel - \$12,578 under, AJB production costs - \$140,619 under). Presently the Society has incurred only \$438,974.53 in expenses through nearly three quarters of an \$880,000 budget, so a surplus is expected.

### **4. Business Office/Executive Director**

As a result of hiring Bill Dahl as Executive Director, and his rapid engagement in Society business, the reestablishment of the Business Office at Missouri Botanical Garden, and the hiring of Wanda Lovan, all the routine daily business affairs have shifted from the Treasurer to the Business Office, much to the Treasurer's great relief. Both the initiation of e-commerce and the establishment of BSA's "sales/use tax exemption status" in the State of Missouri were beyond my capabilities, and I commend Bill and Wanda for successfully completing these efforts. These were no small tasks.

### **5. Proposed Budget for Fiscal Year 2003-2004.**

The proposed budget reflects projections based upon revenue trends, pricing strategies for institutional memberships, and realistic estimates of known and anticipated costs. With a stable personnel situation and realistic estimates for running the business office at MBG, less guesswork was needed. Some anticipated expense will be involved with the occupation of new office space at MBG. The biggest single cost for the Society, production of the *American Journal of Botany*, continues to decline as more members opt for the e-version rather than the hard-copy (dead-tree) version, however, new expense have been incurred from electronic publishing, adopting online manuscript submission/review software, shifting the web page from a volunteer to a commercial basis, and e-commerce. The proposed budget reflects these new realities, and for the first time in Society history, a budget in excess of one million dollars is proposed.

The proposed budget is based upon anticipated revenues of \$1,090,667 and expenses of \$1,059,979, which would generate a 3% surplus. This budget has considerable flexibility to respond should expenses or revenues change dramatically, which is to say if revenues fail to meet projections, discretionary expenses can be reduced accordingly. Neither investment income nor funds associated with the annual meetings contribute to this budget as any revenues generated are reinvested or used for future development.

## **6. Fund Raising**

New development efforts are necessary if BSA is to develop a more outward, interactive professional presence. While revenues are sufficient for the operational budget, outreach and cooperative efforts will require growth of the endowment and eventual use of monies generated by this fund. Members must consider the role of research awards and other initiatives in attracting and developing a new generation of loyal members. Growth of the BSA endowment fund through new gifts is critical and essential to these efforts and the continued fiscal health of the Society. Past presidents of the BSA have contributed over \$13,000 to the endowment in the initial phase of a fund-raising drive, so all other past officers have a clue to what is coming. The Society received over \$9000 in other gifts from current members. Senior members with deep pockets are encouraged to consider having their wills include a major gift to promote their profession's future.

## **7. Allocation of Funds to Sections**

Using a new allocation formula, each section shall receive an annual allocation of either \$1,150 or \$400 depending upon their active participation in the previous year's annual meeting (essentially 1 full contributed paper session or symposium). To receive this allocation each section also must be represented at the annual BSA Council meeting and file a report on the section's activities. Unused portions of the allocation may be kept for future use up to an amount equal to no more than two years' allocations. This will result in an increase in the total allocation to support the Sections' activities by about 10%. A web page is being developed for sectional officers to access a quarterly report on available funds in their allocation, cash, and special endowment accounts.

As before use of these funds requires authorization of a sectional officer making the request to the Treasurer. Reimbursement requires documentation of receipts, although payment requests may be e-mailed and documentation sent by later mail.

Respectfully submitted,

Joseph E. Armstrong, Treasurer  
23 July 2003