Treasurer’s Report

Two major tasks have faced the treasurer, and by extension the Committee on Finance, this year, in addition to the perennial challenge of the budget.

The first challenge has been moving our endowment funds. Previously, our funds were managed by U.S. Trust. Over several years, the Committee on Finance had agreed to move our funds, citing both better service and lower fees as prime reasons for doing so. This year, we have transferred the funds to Vanguard. With appreciation to Adam Apt for some calculations, an analysis of our savings, beginning with an assumption of the endowment at $3,600,000. The old fee was roughly 1.08%. Assuming that the endowment value remains constant, the fee would be about $38,880. The new fee is roughly 0.47%. On the same assumption, the fee is about $16,920, for a difference of $21,960. This fee comes from the endowment itself, which means it is not savings that we can apply elsewhere, but is, instead, more money in the endowment to grow.

The second challenge has been the costs borne by moving the Isis offices from Utrecht to Starkville, MS (editorial) and Philadelphia, PA (books). These costs were anticipated and budgeted. These are also costs that are not normal operating expenses, but specific and institutional (or capital). The question has arisen whether we might use costs from the Dibner fund, in temporarily restricted funds, to bear this expense. This raises a larger question, to be discussed by the Committee on Finance, on recommendations regarding these temporarily restricted funds; having access to the funds – used for their designated purposes only – could have significant impact on our budget, as Osiris, Current Bibliography, and Isis each have higher expenses than what we are drawing from the funds, and this might be a way to right-size the funds while using them for their intended purpose.

The FY20 budget has been seen by the Executive Committee, Committee on Finance, and Council but not the membership as a whole. We have worked extremely hard to limit our draw from the endowment to less than 4.5%. There are some uncertainties in this year’s budget, including the meeting in Utrecht. Some costs that have been borne by the hotel will not be, but some costs we have borne will be borne by campus. In many ways, this meeting is a good test for the one in Merida in two years’ time. We are looking into future cost-of-living adjustments for Osiris copy editors, and are bearing the costs of increased graduate assistantship stipends, tuition and healthcare for Current Bibliography.

And the good news, thanks in part to Ryan Feigenbaum’s hard work: the P&L (Profit & Loss) statement shows that we are very close to hitting our budget. (Budgets are working documents that serve as a best guess of expenses and revenue.) There are some spaces where we expended more (graduate student housing) and other spaces where we expended less (no revenue from the book exhibit as went to PSA but sanity retained, and time saved, of Jay and Ryan).

Our budget categories have worked to explain and organize expenses. It has worked less well to reconcile with our software, and produce the P&L. The Committee on Finance will be working, in coordination with Ryan, to streamline and unify our budget, thus making future budgets and P&Ls more uniform. This will likely result in a different-looking budget next year, but same financial information.

Our financial year runs July 1-June 30. A meeting in late July pressures us for earlier information, some of which cannot be provided. The P&L was done with the year barely ended, and everything not yet fully reconciled. Our audit, however, cannot take place until after everything has been reconciled, recorded and the year is closed. Our audit will take place in October. I will report out to Executive Committee and Council the results of our audit after is has
been performed.

Finally, acknowledgment and thanks to Ryan for all that he has done to aid, facilitate and otherwise help with all things financial.