

To: Executive Board
From: Bonnie Fisher and Chris Eskridge
Date: April 10, 2013
Re: Treasurer and Executive Director Report

As usual, this has been a rather busy few months since we last met, and that fact is the cause for some reflection today. Over the years, ASC has experienced periods of dynamic growth and activity, and then relative calm. We are currently in one of those high effervescent periods; there is a lot of stuff going on in ASC right now! ASC is a remarkable organization. It is all the more remarkable when we realize that it is run on the backs of our members who have and continue to invest massive amounts of time and effort into growing, building and developing ASC. We, of course, also owe a great deal of thanks to the Columbus staff who keeps all of this straight...not an easy task these days.

Our report, with a particular focus on the financial state of affairs:

1. Financial Status –

A. We have engaged in the normal flow of business; invoicing, collecting, paying our bills, maintaining the books, etc. These functions are being carried out accurately and with dispatch. As you may recall, Sue Beelman, our bookkeeper for the last 20 years, retired and her bookkeeping duties have now been taken on by Nicole Coldiron. Nicole has been working closely with Bob Gillette, our accountant, and of course calling upon Sue from time to time. The transition has been smooth and we will continue to see the same high level of precision and order in our books that we have come to expect over the years.

B. The following end of the year financial reports are attached:

1. Balance Sheet 2012: We had \$2.27 million in assets at the end of 2012. Approximately \$2 million was open balance equity (our net worth).
2. Profit and Loss 2012: We realized a profit of \$263,600 for the year. Our investments returned \$163,000 and we realized a \$100,000 operational positive cash flow in 2012 and consequently had no problem making our payroll and paying our bills. An examination of the Balance Sheet and the Profit and Loss statement clearly reveal that we are in a positive fiscal position.
3. Profit and Loss Budget Comparison 2012: As you can see, we generated more income than expected, and spent less than expected, which is a good thing! More precisely on the expenditure side, we came in \$70,000 under budget. There were a couple of line-item areas where we exceeded the budget that warrant some brief comment:

A. Awards (\$300 over) - We identified two outstanding paper awards which meant that more plaques had to be made up. Specifically, we made up six plaques in 2012 for the outstanding paper award, while last year we made one, and that is what put us \$300 over budget in this line item.

B. Criminology (\$8,000 over) - We had some carry over expense from Maryland as 2012 was the final transition year of the editorial office, moving things from Denise to Wayne.

C. Personnel (\$7,000 over) -

1. We knew the personnel line was going to be higher last year, as we were covering the phased-out retirement of our bookkeeper Sue Beelman. We did not estimate quite enough on that score.

2. The bigger issue that pushed us over budget in the Personnel line was our new bookkeeper (Nicole) going out on maternity leave. We had to hire a temporary replacement for her, something we did not budget for in January (as she was not pregnant at that time).

D. Taxes (\$4,000 over) - Our error here; we increased the personnel line per above, but we forgot to add an equivalent amount of an increase in taxes paid. We pay the employers share of FICA and Medicare, and we forgot to account for that. We also have a new form from the U.S. Department of Labor that we have to fill out now and that added some expense as well.

C. Mid-Year Budget Review and Adjustment – We need to adjust the 2013 budget, based on income and expenditures from last year, and looking ahead at the Atlanta meetings. A proposed amended budget appears below for your review, along with the currently approved 2013 budget.

D. The Divisions are doing well. They are all on the positive side of the ledger financially and have solid membership figures. The two new divisions are doing particularly well with respect to their membership counts, which is great news. Division chairs receive detailed financial updates on a monthly basis. The following information was updated as of April 5, 2013, and has been given to all of the Division Chairs:

1. DCC - \$22,700; 192 members
2. DCS - \$16,400; 392 members
3. DEC - \$6,500; 165 members
4. DIC - \$15,500; 188 members
5. DLC - \$1,400; 142 members
6. DOV - \$2,600; 159 members
7. DPCC - \$4,900; 175 members
8. DWC - \$15,300 (plus \$68,400 in Feminist Crim); 299 members

- E. Financial Outcome of the Chicago meeting – We realized a profit of roughly \$118,000 from the Chicago meetings (a copy of the financial outcome is attached). This was the largest meeting we ever had, with 3,474 people registering, from 43 countries. We anticipate attendance to be down about 10 to 12 percent in Atlanta (closer to 3,000 in attendance), based on submissions to date. A copy of the approved Atlanta budget is attached.
2. Audit - We were audited this year, in accordance with ASC rules (once every three years). We received a clean bill of financial health. The Auditor reported no anomalies and indicated that our financial records were being kept accurately and that all funds were accounted for. The reports were circulated among the members of the Finance Committee, and Chris will bring a hard copy to the Annual and Mid-Year Board meetings for any who would like to review them. While we have a bit of a logistics problem in that our office consists of just three employees, our auditor did suggest that we have a second pair of eyes go over our monthly bank reconciliations, disbursements and payroll checks, just as a matter of due diligence. We have now instituted these recommendations within the Columbus office. A larger issue is the auditor's recommendation that we note in our policy manual:
- A. the type of securities eligible for investment, and those not eligible for investment
 - B. the name of the broker with which we deal
 - C. what investment securities information should be reported to the Board
 - D. the frequency of the reports to the Board

It is our opinion that this would be a good idea, with a couple of caveats. We think that identifying the specific name of the broker with whom we deal in the policy manual is probably not necessary. We would suggest that we note that we deal with brokers at Fifth Third Bank, as brokers come and go. To lock us in to a specific broker via policy is really not a good idea. Per suggestion C, we do already note in the policy manual what investment securities information is reported to the Board (ie., the status of all investments is reported), but the frequency of the reports is not specifically articulated. In this light, we would propose that the following language be included in the manual, the new proposed narrative being highlighted in italics:

The Executive Director, in conjunction with the Treasurer, may invest Society funds. *The Executive Director and the Treasurer are to consult with a broker from Fifth Third Bank before investing Society funds. Society funds are to be conservatively invested in standard market stock and bond mutual funds and nothing else.* The status of all investments shall be reported in each budget statement and in all Society financial reports prepared for the Board. *The Executive Director and/or the Treasurer are to provide said financial reports at least twice a year, in*

advance of the Annual Meeting and in advance of the Mid-Year Board Meeting.

3. Policies and Procedures Manual – The Policies and Procedures Manual has been updated, and the latest version will be posted on the web after this Board Meeting.
4. Meeting Site Visits - A site visit of the Atlanta Marriott Marquis will be conducted the day before the April Board meeting. A site visit was conducted in Washington, D.C. in March (for the 2015 meetings) as Chris was a bit concerned about meeting space at the Hilton. We blocked some additional meeting space (we now have an all-space hold), and he is also looking at a hotel directly across the street for sleeping room overflow and possible additional breakout space. Chris will go to San Francisco for a site visit in the Fall.
5. Divisions and Committees – Chris has stayed in touch with division and committee chairs, communicating with them regarding a number of issues, as usual.
6. Web Page –The Columbus office continues to update the web page. In addition to the usual maintenance activities (membership directory, areas of expertise, conference and workshops, announcements, annual meeting page, etc.), the big projects this year have been updating the history page, taking over the mentoring page, and updating the oral history project material.

2013 PROPOSED BUDGET

INCOME

Advertising/Marketing	\$43,000
Annual Meeting	407,000
<i>Criminologist</i>	17,000
<i>Criminology/CPA</i>	120,000
Dues	270,000
Employment Exchange/Web	75,000
Investment Income	20,000
Minority Fellowship	2,500
Miscellaneous	100
Reprints	2,400
Royalties	1,000
TOTAL	<u>\$958,000</u>

EXPENSES

Advertising/Marketing	\$2,000
Affiliations	8,000
Annual Meeting	332,000
Awards	4,500
Committees	30,000
<i>Criminologist</i>	30,000
<i>Criminology/CPA</i>	125,000
Depreciation	1,000
Employment Exchange	2,000
Equipment Expense	13,500
Executive Board	15,000
Executive Director Office	28,000
International Initiatives	5,000
Minority Fellowship	21,000
Miscellaneous Expenses	22,000
Next Year's Meeting	3,000
Office Expenses	52,000
Personnel	198,000
President Secretary Support	2,000
Professional Fees	9,000
Site Selection	1,000
Taxes	16,000
TOTAL	<u>\$920,000</u>

2013 APPROVED BUDGET

INCOME

Advertising/Marketing	\$50,000
Annual Meeting	375,000
<i>Criminologist</i>	25,000
<i>Criminology/ CPP</i>	125,000
Dues	265,000
Employment Exchange/Web	60,000
Investment Income	15,000
Minority Fellowship	2,000
Miscellaneous	100
Reprints	3,400
Royalties	3,000
TOTAL	<u>\$923,500</u>

EXPENSES

Advertising/Marketing	\$2,000
Affiliations	8,000
Annual Meeting	312,500
Awards	3,500
Committees	38,500
<i>Criminologist</i>	30,000
<i>Criminology/ CPP</i>	115,000
Depreciation	1,000
Employment Exchange	2,000
Equipment Expense	13,500
Executive Board	15,000
Executive Director Office	28,000
International Initiatives	5,000
Minority Fellowship	20,500
Miscellaneous Expenses	22,000
Next Year's Meeting	1,000
Office Expenses	52,000
Personnel	198,000
President Secretary Support	2,000
Professional Fees	9,000
Site Selection	1,000
Taxes	13,000
TOTAL	<u>\$892,500</u>