Governors at Work

The Committee to Study the Fiscal Affairs of the College

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As the title suggests, the principal activity of this committee is to review the financial affairs of the College and to recommend the dues levels for the coming year. This recommendation is submitted to the Board of Governors and then to the Regents.

The committee met three times in 1987. Meetings were held by conference call on March 31 and September 8, and the third meeting was held at the Clinical Congress in San Francisco on October 10. The percentage of members attending each of these meetings was high and, in addition, several officers and staff of the College were present at each meeting.

At the March 31 meeting, the financial statements that had been presented to the Regents in February were reviewed by Mr. Robert Happ, Comptroller of the College. Mr. Happ pointed out that dues from Fellows, which is the largest source of income for the College, were being paid in the usual prompt manner. The 1987 budget was reviewed and the fact that investment income from the General Endowment Fund is now a significant source of operating income was emphasized. The return on investments was carefully reviewed. The status of development efforts of the College was also reviewed. This is one of several attempts to increase the non-dues income to the College.

At the September 8 meeting, the financial statements presented at the June meeting of the Regents were reviewed. It was again pointed out that payment of dues by Fellows continues to be prompt. The expenditure for College scholarship programs was reviewed. This has increased because of discontinuance of grants from external sources for this purpose. Mr. Happ further reported on efforts to increase non-dues income, including recovering more of the costs of some of the College programs and establishment of a development program. The returns on the equity funds were reviewed, and the income from these conservatively-invested funds seemed to approximate the standard indices of performance.

All but two members of the committee were present for the third meeting in San Francisco on October 10. In addition, Dr. David Utz, Treasurer of the College, Mr. Robert Happ, Comptroller of the College, and Mr. Jack Lynch, Director of the Organization Department of the College, were present. Mr. Happ reviewed the financial reports that had been presented to the Finance Committee of the Board of Regents the day before and to the full Board of Regents that day. The Chairman of the Governors’ Committee to Study the Fiscal Affairs of the College is a member of the Regents’ Finance Committee and was present at both of the earlier meetings. The financial statements covered the first eight months of the year and showed both income and expenditures to be close to the budgeted figures. Variances in both income and disbursements were discussed in detail.

The Endowment Fund balances were also reviewed and a projection of scholarship expenses was presented. Ms. Joan Sunseri has been employed by the College to establish a development program. She was present at the meeting and was introduced to the committee members. Mr. Happ informed the committee that a marketing firm has been employed to assist in marketing efforts for such programs as the cancer management course and the computerized cancer data program called CANSUR/NET.

In response to suggestions by Fellows, several options regarding new dues categories for long-standing members of the College were discussed but no action was taken. The question of dues for Canadian Fellows was also discussed; the issue was deferred pending further study by the Regents and possibly an ad hoc committee.

The question of a dues recommendation for 1988 was discussed in great detail. Mr. Happ presented figures showing that College disbursements will rise and there was general agreement that this increase in expenditures was justified and would be approved by the Fellows. The expenditures for socio-
economic programs will probably show the greatest increase. The point was also made that efforts to increase non-dues income have been instituted but some of these, such as the development program, will require more time to actually produce income. Although no vote was taken, there seemed to be general agreement that the policy of yearly relatively small increases in dues need not be followed indefinitely. The committee unanimously approved recommending that the dues for domestic Fellows be raised $20 to $330 per year, and the dues for Fellows from other countries be raised from $125 to $135 per year. This is a slightly greater percentage increase for Fellows from other countries, and the rationale for this increase was the extremely high cost of processing their applications.

The recommendation for these dues increases was approved by the Board of Governors and by the Regents during the Clinical Congress. Dr. P. William Curreri of Mobile, AL, was elected as the new Secretary of the Board of Governors and also became Chairman of the Governors' Committee to Study the Fiscal Affairs of the College. Committee members for the coming year are: P. William Curreri, Chairman, A. Robert Cordell, Joseph W. Graves, Ross M. Miller, David S. Mulder, Thomas O. Murphy, William R. Nelson, James T. Robertson, Marc I. Rowe, Harry W. Schoenberg.

As a retiring Governor it is a pleasure to express the opinion that the College is a well run and sound organization that certainly represents our greatest professional strength.