



Governors' Committee to Study the Fiscal Affairs of the College:

An update

by James K. Elsey, MD, FACS

The Committee to Study the Fiscal Affairs of the College was established by the Board of Governors. In my capacity as Secretary of the Board of Governors, I serve as Chair of the committee, and as a member of the Finance Committee and the Compensation Committee of the Board of Regents. The committee meets several times each year to address the following significant responsibilities:

- Review the College's dues structure and recommend for approval, by the Board of Governors, any changes to the dues structure.
- Understand and monitor the College's financial matters in order to continue to ensure the overall financial integrity of the College. Specific areas that the committee concentrates their efforts on include reviewing the College's annual budget and resource allocations; reviewing the College's financial statements and related reports, including reports covering the investment activities of the College; reviewing

financial policies and procedures; reviewing any developed business plans; and soliciting the College membership as needed regarding the value of individual College programs and any dues changes. The work conducted regarding these efforts includes making recommendations as needed to appropriate bodies within the organizational structure of the College.

- Serve as the liaison body to communicate concerns or questions regarding College programs, dues structure, allocation of resources, and other financial matters from the Board of Governors to the Board of Regents, and vice versa.

Current activities

Over the last year, the committee has been actively engaged in a wide variety of important topics related to the fiscal activities of the College, including the following meetings:

- *Committee conference call meeting, April 28, 2009:* The committee discussed the roles and

responsibilities of the committee, including its role regarding the long-term dues strategy of the College. The committee received a detailed report from Andrew L. Warshaw, MD, FACS, the College's Treasurer, regarding the performance of the College's endowment investments, and minor changes made to the College's Statement of Investment Policies and Objectives.

The committee also received information regarding the dissolution of Surgeons Asset Management, LLC.

The committee reviewed the business plans provided to the Board of Regents for the proposed Disaster Management and Emergency Preparedness Course, the proposed Anatomically Based Surgery for Trauma Course, and an updated business plan regarding Selected Readings in General Surgery.

The committee also reviewed the 2009 Projection and 2010 Preliminary Budget and Forecast Parameters. The committee was updated on the progress of the 20 F Street Project (the new College office building in Washington, DC), and the recommendation for a vendor contract for the *Journal of the American College of Surgeons*.

- *Committee conference call meeting, August 5, 2009:* The committee received a detailed report from Dr. Warshaw regarding the performance of the College's endowment investments. Dr. Warshaw and College staff members Christian Shalgian, Director, Division of Advocacy and Health Policy, and Kristen Hedstrom, Assistant Director, Legislative Affairs, Division of Advocacy and Health Policy, provided detailed information about the College's current position regarding health care reform legislation.

The committee reviewed the business plan provided to the Board of Regents for the proposed General Surgery Review Course and reviewed an updated business plan regarding Selected Readings in General Surgery.

The committee was updated on the progress of the 20 F Street Project and provided an overview of the College's June 30, 2009, consolidated financial statements, which were to be independently audited by the College's audit firm during August and early September 2009.

- *Clinical Congress Committee meeting, October 10, 2009:* The committee received a

Members of the Governors' Committee to Study the Fiscal Affairs of the College

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Andrew L. Warshaw, MD, FACS
Sherry M. Wren, MD, FACS

detailed report from Dr. Warshaw regarding the performance of the College's endowment investments.

The committee received an update on the *Selected Readings in General Surgery* product, and recommended that an electronic version of *Selected Readings in General Surgery* was needed.

The committee reviewed the College's audited consolidated financial statements for the year ended June 30, 2009, and related reports of the College's resource allocations and budget accountability.

- *Committee conference call meeting, January 25, 2010:* The Board of Regents requested on October 11, 2009, further discussion with the appropriate parties (including the Board of Governors) of the possible need to institute a member registration fee for future Clinical Congress meetings. The committee addressed this topic in order to provide information to the Board of Regents for their February 2010 meeting. The proposal included information compiled by the College's Division of Member Services, which outlined a variety of medical specialty organizations, their membership totals, annual dues amounts, and member as well as non-member annual meeting fees, in order to see where the College ranked in relation to

other medical specialty organizations.

After considerable discussion, the committee came to a consensus that the proposal was a reasonable approach to the decline in Clinical Congress revenues resulting from decreased exhibitor space rentals, exhibitor sponsorships, and satellite symposia. The committee also came to a consensus that a good starting point within the proposed \$125–\$175 member registration fee range would be \$150. The committee Chair communicated this recommendation to the Board of Regents' Finance Committee at their meeting on February 12, and it was ultimately approved by the full Board of Regents.

The committee also reviewed the initial proposed budget parameters for fiscal year 2011, with emphasis on the College's dues structure, and reviewed the committee's roles and responsibilities for the benefit of new committee members.

Focus for the future

One of the most significant responsibilities of the committee is to review the dues structure of the College, including reviewing dues revenue related to the development of the College's annual budget. The following outlines the history of the U.S. College Fellows dues:

1987: \$310 (from \$285 in 1986)
1988: \$330
1991: \$365
1992: \$375
2003: \$440

The committee continues to look forward to addressing and advising on the topic of College dues, as well as other significant College financial matters that arise in the future.

In conclusion, the Board of Governors' Committee to Study the Fiscal Affairs of the College very much appreciates the opportunity to provide members of the College with the most current information regarding the important activities of this committee. It is a great privilege to serve as Secretary of the College's Board of Governors and to serve as Chair of the committee. On behalf of the committee, I'd like to say thank you for the extraordinary efforts of the College's volunteer leadership team, the

College's Executive staff, and the College's Finance staff to steer the College down a sound financial track in these challenging economic times. □

Dr. Elsey is a vascular surgeon with Gwinnett Surgical Associates, Lawrenceville, GA. He is Secretary of the Board of Governors' Executive Committee, and Chair of the Governors' Committee to Study the Fiscal Affairs of the College.

