

BSA Treasurer Report

June 15, 2024 – updated 9:13pm June 15

The Botanical Society of America is in good financial health with a balanced budget and a growing investment account. However, the changing landscape of academic publication and associated revenue is having an influence on management of society finances. The BSA is adapting to this shifting landscape through careful and conservative budgeting by the Executive Director, through an engaged investment committee and financial advisory committee who are stewarding a steadily growing investment account, and through an active development committee. Long-term financial sustainability of the society will likely involve increased APC, increased fund-raising and grant income, and possibly continued reductions in meeting costs.

1) BSA Financial Management Team:

- a. Fiscal year: The BSA Fiscal year goes from October 1 – September 30.
- b. BSA Financial Management Team
 - i. Tricia Jackson (accounting manager) and Heather Cacaninden.
 - ii. BSA Treasurer – Allison Miller.
 - iii. Investment committee – Kent Holsinger, Chair.
 - iv. Development committee – Jenny Cruse-Sanders, Chair.
 - v. Financial Advisory Committee - Larry Hufford, Chair.

2) FY2024 Profit and Loss and FY2024 Budget to Actual

- a. Overview of documents provided:
 - i. FY2024 Budget to Actual shows spending in budget categories through March 31, 2024 (first half of the fiscal year). Produced from QuickBooks.
 - ii. FY2024 Profit and Loss (first half of the fiscal year). These are the BSA books.
- b. Summary – things are on track and within budget for FY2024.

3) FY2025 Draft Budget

- a. A balanced budget is proposed. Of note are capacity for continued awards to members/students, reduced losses on meeting costs, but also reduced publication income, and an anticipated 4% draw from the investment account.

4) Overall impressions and considerations

- a. *Overall impressions*: In 2024 and looking ahead to 2025, the society is well-positioned to meet its primary goals and to advance key strategic initiatives. Having said that, publication revenues continue to decline; as a result, fundraising and grant income are becoming increasingly important to the financial health of the society.
- b. *Investment account*: The society has an investment account that continued to grow in the past year. The value of the BSA's investment account is **\$8,103,092** (as of May 31, 2024), up from \$7,627,561 from May 31, 2023. This growth was

calculated after the \$175,000 drawn from the account to help support the activities of the BSA in FY 2023. Note that the board has approved a conservative 4% draw on the 3-year running balance of unallocated funds (\$227,632). The Board, Council, Finance, and Investment Committees all agree that this draw is appropriate given changing landscape. This will continue for FY 2025.

- c. *Cash reserves:* Beyond the investment account, the society **maintains the required minimum of \$400,000 in cash reserves in its spending account.**
- d. *Publications revenue:* Publication revenue is declining and all indications are that this will continue into the future. This reflects the changing landscape of academic publication. Processing Charge (APC) will increase starting in FY 2026 but this will still leave a gap in income (See BSA Publications Revenue and APC analysis document).
- e. *Grants and awards given:* Across all activities of the society (including BSA, the sections, and grants), the society will spend about \$88K on awards in FY 2024; in 2024, 25 graduate student awards were given, as well as travel, impact, synthesis, emerging leader awards, etc.
- f. *Audits:* 1) BSA went through a costly audit in FY 2024, and will likely need to do this again in FY 2025. The result of the audit was very good. Other good news is that the single audit threshold has increased from \$750K to \$1M, so BSA will likely not have to do this again after FY 2025.
- g. *Income from external grants:* the de minimis threshold for indirect costs increased from 10% to 15%, so BSA will get more money from indirect costs on grants. Both changes go into effect in October 2024.
- h. *Cost cutting:* I note that Heather and the team continue to do an incredible job reducing expenditures in every possible way, including having the board meet virtually, reducing administrative and office expenses, carefully considering meeting costs (see 2024 Botany Finances document for example), and negotiating for the most advantageous contract possible with Wiley.
- i. *Financial projections:* It might be helpful to develop some financial projections beyond the upcoming fiscal year so that the society can anticipate what is needed to ensure its long-term sustainability.

Submitted by Allison Miller, with respect and gratitude for all involved in the stewardship of the BSA finances.