

**Finance Committee Report**  
**24 May 2024**  
**Submitted by Larry Hufford, Finance Committee Chair**

The Finance Committee met during spring 2023 to review with Executive Director Heather Cacanindin and Treasurer Allison Miller the Society's fiscal year 2023 finances and the proposed budget for FY2024.

We found the Society remained in solid financial shape with funds to meet its primary goals and advance initiatives, particularly those aimed at diversifying membership, strengthening inclusivity, and supporting student participation in botanical research and the Society's activities.

Under the publishing contract with Wiley established in 2023 the Society has lost income, and this diminished income looms as a potential long-term challenge. Heather Cacanindin discussed two primary strategies to address the loss of income. The first aimed at tightening administrative and board costs to reduce spending, and the second relied on an annual draw of up to 4% of the interest income from the investment account to supplement the Society's income.

The Finance Committee had recommended to the board up to a 4% draw on investment interest for FY 2023, and we recommended for FY 2024 a 2-4% draw from investment interest to meet funding needs. Such a draw appeared essential for the Society to maintain a mandated \$400,000 cash reserve in its spending account.

Given increased costs of the annual meeting, the Finance Committee recommended to the board that it conduct a thorough review of the cost/benefit of virtual offerings at the annual meeting to allow the board to assess how best to use meeting options – e.g., whether to expand or contract virtual or face-to-face meetings - to meet strategic goals.

Concerns over publishing income because of uncertainties inherent to the publishing contract with Wiley, prompted the Finance Committee to meet with the chief editors of the *American Journal of Botany* (Pam Diggle) and *APPS* (Brianna Gross) along with Amy McPherson and Heather Cacanindin to discuss their experiences in working under the Wiley publishing contract and their ideas for enhanced income from publications. The meeting demonstrated the journal editors are still in a phase of transition with Wiley and that longer term financial outcomes under the new contract remain uncertain.

In January 2024, the Finance Committee met jointly with the Investment Committee to review with the Society's investment portfolio advisors the state of our investments, prospects during the upcoming year for investment income, and investment options. This was a very beneficial meeting, and we recommend the joint meeting with the Investment committee and portfolio advisors continue in the future.

The finance committee during the past year consisted of Larry Hufford (chair), Laura Galloway, Linda Watson, Lucinda McDade, and treasurer Allison Miller.