2004 ANNUAL REPORT

FINANCE COMMITTEE

Members
David McCurdy (retiring 2004)
Doug Schwartz
Paul Erickson
Carmella Moore

Incoming Members (December 2004)
Ed Liebow

Ex-Officio members
Elizabeth Brumfiel
Alan Goodman, Chair

AAA Staff
Sandy Berlin
Bill Davis
Suzanne Mattingly

1. Charge of the Finance Committee: (AOC to recommend approval to the Executive Board, Spring 2005) - To ensure the financial stability of the American Anthropological Association through the ongoing assessment and monitoring of AAA's annual operating budget, investment portfolio, grants and contribution activities, and annual audit report. Periodically develop, review, and/or modify financial and investment policy guidelines and financial performance benchmarks in support of AAA's long-range plan. Make recommendations, as appropriate, to Executive Board.

* Establish and monitor specific long term and annual financial performance benchmarks with regard to the investment portfolio, grants and contributions, reserve fund, annual operating budget, etc. in support of AAA's long range plan. *

* Review and recommend financial and accounting policies (e.g., endowment guidelines, etc.).

* Review and modify, if appropriate, AAA Investment Policy Statement (IPS) Guidelines annually. *

* Review investment performance on a quarterly basis (i.e., formally at the Finance Committee meeting in the spring and fall; informally otherwise) and recommend changes within the IPS.
Guidelines with regard to asset allocation and investment managers.

* Review and recommend the annual operating budget.

* Review and recommend acceptance of the external audit report *

* Identify short and long-term fundraising goals, and review and monitor progress against accomplishing those goals.

**In 2004, the Finance Committee:**

* Accepted the FY2003 External Audit Report
* Approved sharing the higher 2004 E & P cost for the affected publications ((i.e., CA, MAQ, AEQ, and Ethos) equally between the respective publication-sponsoring Sections and the AAA.
* Reviewed and approved the FY2005 AAA Consolidated Operating Budget of $6.4 million.
* Approved authorizing the drawdown up to $168,000 from the AAA investment portfolio in FY2005 to fund its sponsored publications (Anthropology News) and AAA's required in-kind support of AnthroSource.
* Created a new membership category for members who are either "under or unemployed", where any loss of revenue would be offset by increases to the member and retiree membership dues rates.
* Approved a policy whereby regular increases in fees and dues are instituted as part of the annual budget process.
* Recommended adopting a revised Investment Policy Statement for the American Anthropological Association that broadens our ability to select among possible investment vehicles.
* Reviewed and discussed Quarterly Investment Performance Reports from A.G. Edwards at their semi-annual committee meetings with Brad Coyle, Senior Investment Advisor.
* Provided input to the revised charges for the Resource Development and Finance Committees. *

2. In 2005, the Finance Committee intends to:

* Develop financial objectives for consideration by the LRPC and inclusion in the LRP
* Review AAA's Pension Plan and ensure AAA's compensation structure is competitive with the marketplace
* Pull together existing AAA financial policies into a single document, identify where gaps in financial policies exist, and recommend changes.
* Review the development of an under or unemployed" category
and begin consideration of a possible income base fee structure (for implementation in 2007)
* Consider a membership category for organizations that employ anthropologists
* Consider general issue revolving around the financial health of sections and any preliminary information on the impact of AnthroSource *

3. Goals as stated above have not changed. Recommend AAA Executive Board approval of the revised Finance Charge at their meeting in Spring 2005.

4. Issues for LRPC.
* Develop long term financial objectives
* Develop a strategy to make sure the AAA has the financial reserves to deal with crises such occurred in the 2004 moving of the meetings to Atlanta. *

5. No issues for AAA Executive Board