Submitted By:

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**Question 1**

Please list your Committee, Commission, or Task Force Objective and Responsibilities as stated in your Group's charge:

The Committee’s mission is to ensure the Association’s financial stability through the ongoing assessment and monitoring of AAA’s annual operating budget, investment portfolio, grants and contribution activities, and annual audit report. The Committee is also charged with periodically developing, reviewing, and/or modifying financial and investment policy guidelines and financial performance benchmarks in support of AAA’s long-range plan. The Committee makes recommendations, as appropriate, to Executive Board.

**Question 2**

Please identify one or more of the AAA Long Range Plan (LRP) 12 main objectives, that your Group is organized to support.

Describe your Group's activities and accomplishments/products for the designated period, and how they support the achievement of LRP objectives. Account for any ways in which your Group has fallen short of supporting the achievement of these objectives. Activities of your Group that do not relate to the LRP objectives should also be mentioned and indicated as such.

The Committee's activities are consistent with Article VI of the Long Range Plan, to strengthen its internal working relationships among is Sections and Committees and the Association Office by better communicating its organizational structure, its long-range plan, and its financial and programmatic activities.

During 2012, the Finance Committee met five times (once each quarter by teleconference, and once in person at the Annual Meeting). Our accomplishments included:

- Monitored the AAA’s long-range financial planning to maintain the long term financial health and viability of the Association, as well as the current short-term monitoring of AAA’s financial position.
- Reviewing Quarterly Investment Performance Reports from Wells Fargo Securities with Brad Coyle, Senior Investment Advisor, and approving changes in investment tactics consistent with the Association’s Investment Policy Statement. As of December 31, 2012, the total value of AAA investments, including both restricted and unrestricted assets was $11,648,389. This represents a net asset gain for the year of $1,045,308, or approximately 8.2%.
- Receiving the Audit Committee’s report on the FY2010 Annual Audit.
- Served in *ex officio* capacity to the Committee on the Future of Print and Electronic Publishing, and on the Executive Board’s Anthropological Communications Committee
- The FY 2013 budget projects revenues of $5,119,049, which is a 0.3% increase over the FY 2012 budget. Expenses are budgeted at $5,399,949, an increase of 1% from the FY 2012 budget. While the Association-wide operating budget projects a slight surplus ($1,638, after factoring in the transfer from reserves as noted on page 3), we are projecting a deficit of $178,233 in the consolidated budget, reflecting investments made by sections from their operating reserves.

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Section finances remain healthy. The Sections’ non-publishing operations budgets are projecting a small surplus for 2013 ($1,799). This aggregate surplus is the product of 21 Sections projecting a decrease in their operating reserves by the end of 2013, while 18 are projecting increases, and 1 will remain virtually unchanged. The Finance Committee has no say in Section non-publishing finances, except to review fund-raising plans and to assure that Sections follow the Association-wide policy restricting an annual drawdown of Section operating funds to less than 50% of reserves. In 2013, several Sections plan to draw on their operating reserves for various investments, especially (but not limited to) conferences, and further support of their Section journals.

The Finance Committee recommended a revision to the AAA dues structure that adheres firmly to the principal of ‘ability to pay.’ This recommended set of revisions approved by the Executive Board for implementation in the 2013 budget year:

- Retains the $35 undergraduate student membership (with full electronic access to all journals)
- Reduces to $60 the dues for the lowest income category, a 15% decrease
- Opens up all income tiers to all categories of membership (except undergraduates), including this lowest income category
- Eliminates the “International A” membership category, assessing dues to former members in this category at the same income-based rates as all other members.
- Increases the dues rate for non-anthropologist Associates by $5, to $125
- Changes dues rates at each income level such that members in the lower income categories (less than $75,000) be assessed little or no increase in dues, while changes in the income tiers $75,000 and above be increased by an amount ranging from $10-$19.
- The net effect of these changes will result in approximately a 2% increase in dues revenue for 2013 while emphasizing the importance of “ability to pay” as the guiding principle for all members, including students, retirees, and under- and unemployed professionals.
- Meeting with Section Treasurers to discuss the annual budgeting process and the status of Association finances.
- Assessed office purchase options and ultimately determined that the most cost-effective office space solution involves entering a lease agreement for office space close to the current location when our current lease expires in 2013.

Question 3

Provide plans for the coming year in relation to existing or recommended new goals/activities and relationship to the Objective in the committee, commission, or task force Charge and Long-Range Plan (if not self-evident). Identify if they represent significant changes or elaborations on existing goals, objective activities, charge etc.

The Committee will meet quarterly by phone conference, with no in-person meetings planned, except perhaps an informal meeting at the Annual Meeting in Chicago.

Routine responsibilities to be completed in 2013 include:

- Receiving the Auditor’s Report
Reviewing investment portfolio performance
- Working with the AAA staff to develop the 2014 budget
- Being available for consultation with Section Treasurers as requested

In addition, the Committee aims to complete the following activities:

- Work with our investment manager to review our allocation of assets in light of financial market performance trends, our long-term objectives, and reserve policy.
- Provide support to the President and an ad hoc working group of the Executive Board to continue fund raising plans for a new Public Education Initiative (to follow the Race Project).
- Consult with the Committee on Scientific Communications and the Committee on the Future of Print and Electronic Publishing on the revenue allocations under the publishing agreement with Wiley-Blackwell.

These planned activities are consistent with Article VI of the Long Range Plan, to strengthen its internal working relationships among its Sections and Committees and the Association Office by better communicating its organizational structure, its long-range plan, and its financial and programmatic activities.

No changes have occurred, nor does it appear that any are needed, in the Finance Committee's primary responsibilities and objectives.

**Question 4**

*Identify and upcoming requirements for additional resources and explain how these funds would be used if approved. (Please note that formal requests for funding must be included in the annual budget proposal, to be considered with all other requests.)*

The expenses associated with the Committee’s 2013 work are limited to about $1600 in teleconference/meeting costs. These funds are budgeted in the AAA Annual Operations budget.

**Question 5**

*Do you propose any changes to the Charge (Objective, Responsibilities, or Products/Outcomes) of your Committee, Commission or Task Force? If so, list the proposed changes, the rationale for the change, and additional funding that may be needed.*

No changes are needed.

**Question 6**

*Are there issues you would like raised or recommendations you would like to make to the AAA Executive Board related to the work of your Committee, Commission, or Task Force?*

The Treasurer will continue to play an active role in strategic planning, consulting the Finance Committee extensively to assure that long-range planning is tied to the annual budgeting and longer-term resource development strategies. Resourceful thinking is needed about additional revenue streams (e.g., regional / specialized meetings, museum exhibits and associated public programs, media productions, field schools), and the financial implications of Open Access publishing models must also be carefully considered.

The Finance Committee will be closely monitoring operating budgets and the performance of our investment portfolio as these affect our long-term financial stability. Staffing levels
and adequate resources for member services require careful monitoring to assure that membership continues to be regarded as a good value while keeping a balanced operating budget.