

# Executive Director's Message

## 2020 Financial Report

George M. Segall, MD – Executive Director, American Board of Nuclear Medicine

The ABNM fiscal year is January 1 through December 31. A full audit is conducted every two years by a certified public accounting firm, UHY. The firm conducts a less extensive financial review in alternate years. In 2020, UHY reviewed ABNM's financial statements for the year ending December 31, 2019. The report dated September 23, 2020, noted total assets of \$3,910,348 with an increase of \$547,610 compared to the prior year. The report also noted that ABNM financial statements conformed to generally accepted accounting principles, and that no material modifications were required.

The United States Income Tax Return, Form 990, filed by all non-profit organizations, is publically available. There are many websites that provide free access to the tax returns, including the returns filed by the ABNM. One such website is <http://foundationcenter.org/find-funding/990-finder>.

The ABNM started 2020 with a budget of \$762,688 in operating (non-investment) income. At the end of the year, the estimated operating income was \$973,503. Income was above budget mostly due to a larger than expected number of physicians paying MOC fees for prior years.

The ABNM started 2020 with a budget of \$863,594 in operating expense, which was \$48,908 higher than the amount budgeted for the previous year mostly due inflation. At the end of the year, the estimated operating expense was \$835,116, mostly due to the impact of COVID-19 on business related travel.

The ABNM ended 2020 with a net operating income of \$239,253, versus \$64,155 for the prior year.

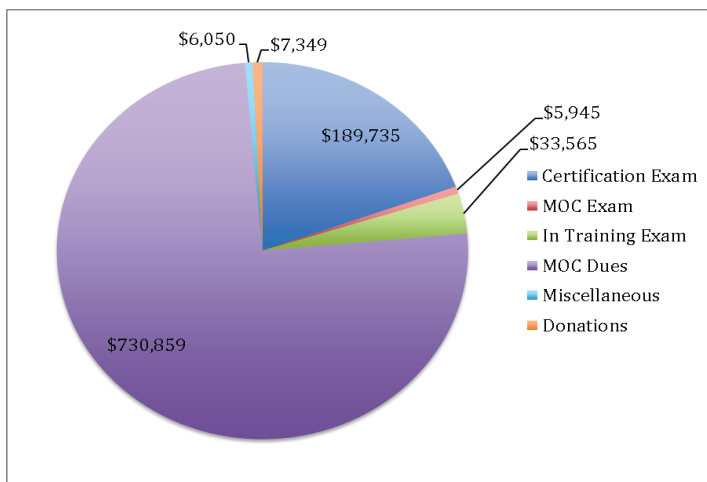
A breakdown of the major income and expense categories for 2020 is shown in the following diagrams.

The largest percentage of income (75%) was derived from Maintenance of Certification (MOC) annual fees. Annual fees were \$150 when they were instituted in 2007. They were increased to \$175 in 2010. The fees were increased to \$400 in 2012 to reduce the additional registration fees paid by diplomates for the MOC examination. The MOC examination fee will be phased out completely in 2021. Diplomates participating in CertLink®, a longitudinal learning and self-assessment program launched in 2018 as an alternative to the MOC exam, also will not pay any additional fees going forward.

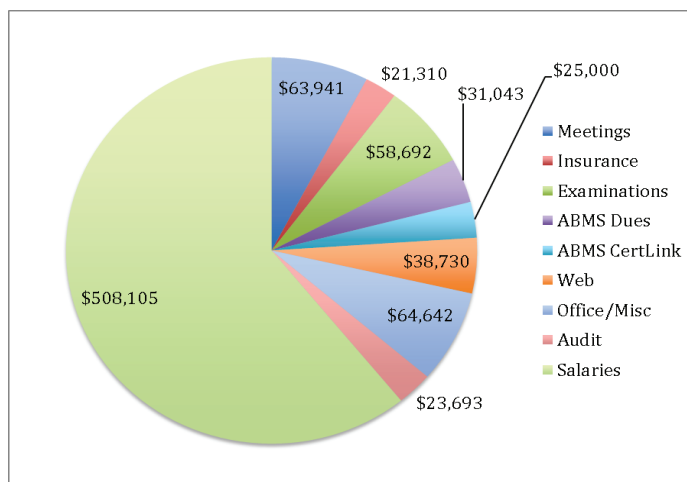
Annual MOC dues were increased to \$500 in 2019 after 6 years without an increase, but inflation made it impossible to maintain a balanced operating budget without a dues increase despite reducing the number of staff in the ABNM office from 4 to 3 full-time employees, as well as reducing travel and meeting expenses.

The largest expense was salary for five employees (3.5 FTE), including the Executive Director (0.25 FTE), Associate Executive Director (0.25 FTE), Administrator, MOC and Examinations Program Manager, and Diplomate Relations

2020 Operating Income



2020 Operating Expense



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### 2020 Financial Report – *Continued*

and Communications Program Manager. Salaries were 61% of total expense in 2020. ABNM operations and exam production is handled by ABNM staff in St. Louis and directors located throughout the United States using email and conference calls. The ABNM also meets twice a year. These two meetings, plus travel to other meetings, account for approximately 11% of expenses. Due to the impact of COVID-19 on business related travel, the ABNM had only one in-person meeting in 2020, so the ABNM is giving diplomates a \$50 credit towards MOC fees in 2021.

The ABNM strives to be financially responsible and is not indifferent to the financial burden of high annual MOC fees on diplomates. The ABNM is committed to improving MOC to be easier and more valuable for busy physicians. If more diplomates participated in CertLink, annual fees could be decreased for all physicians.

The ABNM had \$3.26 million in an investment portfolio on December 31, 2020, which is managed by Wells Fargo Advisors. The investment portfolio is the ABNM's reserve fund for unexpected financial difficulties, as well as major new initiatives. The value of the portfolio increased 12.8% during 2020.

One major new initiative this year is updating the examinations database. The ABNM has signed a contract with Internet Testing Systems to provide a new system for authoring, storing, and delivering questions for ABNM examinations. The new contract will make it possible to administer the In-Training Examination on-line in January 2022 for the first time.



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