

Actions Taken to Address Operating Fund Shortages

By Paul A. Beck, Treasurer —Oak Hill, Virginia

As noted on the ASA Financial Statement on page 37, the **ASA Operating Fund** is essentially out of funds. The Operating Fund (OF) is used primarily to pay for the creation of *The Azalean*, and for other administrative expenses such as postage. Losses of members over the last few years have put a strain on the OF. Our current membership level of approximately 550 is not sufficient to maintain the OF at levels which will continue to fund the operation of the ASA at current levels. The obvious cure for this problem is to increase membership. However, that has not happened for the last few years, so we must now find other ways to raise money as well as ways to cut expenses. This year, I presented the following proposals to the ASA Board of Directors (BOD) at the 2016 convention in Williamsburg. All of the proposals were approved by the BOD. Full details of each may be read by visiting the financial [Archives](#) on the ASA website.

- **Endowment Fund use to shore up the Operating Fund.** The Endowment Fund (EF) is used to ensure that Life members will be able to receive *The Azalean* for the remainder of their (or their spouse's) life. This fund currently has about \$28,000 more than is required to fund for the life members. The BOD approved making \$14,000 of this excess available to keep the OF in the black. Additionally, the BOD required that the \$16K received from Oconee, when it folded, be put in the EF instead of being reserved for Oconee. This will keep us operating for several more years, but this is only a stopgap, and other long term means are also necessary.
- **Membership Renewal Policy.** In the past, the ASA has expended effort and funds sending out several renewal notices to members who are tardy paying their dues, and has also sent one or more copies of *The Azalean* to those tardy members after they do pay up. The new policy implements the by-laws clause in Article III.D.1, which states that members who have not paid their dues by March 1st will have their membership terminated (and consequently their access to the restricted area of the website will be removed). No *Azalean* will be mailed to members who have not renewed. In addition, members who renew late (after March 1st) will no longer receive a free copy of the missed issue(s). They can read it online, if they wish. There is also no guarantee

that if they wish a hardcopy, that one will be available for purchase, as this is another area where changes are being made.

- **Dues restructuring.** For several years, the ASA has had a complicated dues structure with increasing discounts for renewal of multiple years. We are currently encouraging renewing online, with notification by email instead of paper mail, to eliminate postage costs. From now on the dues will be a flat \$30 per year for domestic members, with no discount. If a new member joins before July 1st, the first year dues will be \$30. If they join after July 1st, the first year dues will be \$15. Under current policy, those joining after May 1st receive the next year for free. This policy has been eliminated, and replaced by the reduced membership fee after July 1st. Missed *Azaleans* will not be mailed to the new member; they can read them online.
- **Membership rates for non-US members.** Postage rates continue to rise. Bulk mailing of *The Azalean* to domestic members costs the society approximately \$0.40 per copy. Individual copies mailed to Canada costs the society \$3.28 per copy, and to overseas locations, \$6.28 per issue. At the \$30 CDN/MEX membership rate, we are losing approximately \$14 per member per year. For overseas members, the current membership is \$40. The even higher postage costs mean we lose approximately \$16 per overseas member per year. This proposal raises membership rates to \$45 per year for CDN/MEX members and \$60 for overseas members. These rates just barely cover our postage. The BOD also modified the original proposal to offer a \$30 membership to non-domestic members; this class of membership only provides *The Azalean* electronically, eliminating the high cost of mailing the paper copy.
- **Eliminate most free ASA memberships.** The ASA currently has 10 gratis memberships. Though this is a small number, there appeared to be little justification for continuing this practice in light of our current financial position. The BOD approved the elimination of all but 2 of these gratis memberships.

ASA Financial Statement - December 31, 2015

Paul A. Beck, Treasurer

INCOME STATEMENT

Year 2015

BALANCE SHEET

December 31, 2015

INCOME

Contributions, Donations & Gifts ¹	\$21,353
Dues Income (Life & Regular)	\$13,538
Seed Exchange	\$409
<i>The Azalean</i> Income	\$1,897
Investment Income (Loss) ²	(\$1,300)
Total Income	\$35,897

EXPENSES

Grants	\$6,788
Professional Fees ³	\$10,900
Printing, publications, postage ³	\$14,886
Other expenses ⁴	\$5,344
Total Expenses	\$37,917

INCOME – EXPENSES

(\$2,020)

ASSETS

Checking	\$4,351
Savings	\$50,799
PayPal	\$547
CDs	\$113,612
ARF Stock Investments	\$24,732
Total Assets	\$194,041

LIABILITIES AND RESERVES

Uncashed check	\$65
Operating Fund ⁵	\$826
General Endowment	\$92,943
Research Fund	\$100,207

Total Liabilities and Reserves \$194,041

¹ Includes \$16,002 in funds received from former Oconee chapter.

² Includes \$859 in common stock dividends, \$1,834 in CD/bank account interest, and \$3,993 decrease in ARF common stock market value.

³ Six *Azaleans* were published in 2015 to get back on the proper publication schedule; this was the primary reason for the loss for the year. The complete financial report to the BOD is available on the ASA website under [Archives](#) (requires login).

⁴ Includes \$1,950 chapter dues reimbursement and \$1,600 from the ASA for IRS 501(c)(3) tax exempt status application for the chapters.

⁵ The Operating Fund is insufficient to cover operating expenses for 2016, and is projected to be \$2,100 in the red at the end of 2016. Several proposals were presented to the BOD to address the financial situation of the ASA. Those will be summarized on the next page.