

**BUDGET & FINANCE COMMITTEE
REPORT TO ACS COUNCIL
AUGUST 22, 2012**

SLIDE 1 – COVER SLIDE

SLIDE 2 - 2012 PROBABLE YEAR-END PROJECTION

Mister President and members of Council, the Society Committee on Budget and Finance met on Saturday. The Committee reviewed the Society's 2012 probable year-end financial projection which calls for a net contribution from operations of \$17.4 million, or \$1.6 million higher than the Approved Budget. Total revenues are projected at \$491.6 million. This is \$7.1 million or 1.5% favorable to the Approved Budget. The favorable revenue projection is primarily driven by higher-than-budgeted Electronic and Printed Services revenues. Total expenses are projected at \$474.2 million, which is \$5.5 million or 1.2% unfavorable to the Approved. The unfavorable expense variance is primarily the result of reinvestment in the information services units (*\$5.8 million*).

The Society is expected to end the year in compliance with four of the five Board-established financial guidelines. Compliance with the Fund Balance Ratio, the Society's reserve adequacy guideline, is not anticipated. ACS has not been in compliance with this guideline since 2007 and a return to full compliance will require a combination of

continued strong operating performance, a modest increase in interest rates and sustained improvement in the capital markets.

SLIDE 3 – B&F COMMITTEE – 2013 PROGRAM FUNDING REQUESTS

The Committee took action on two 2013 program funding reauthorization requests, which were subsequently approved by the ACS Board of Directors.

B&F recommended to the Board that funding for the *ACS Science Coaches* program be included in the 2013 Proposed Budget and the 2014 - 2015 Forecast Budgets at the levels reflected on the slide.

In addition, B&F recommended to the Board that funding for the *ACS Global Research Experiences, Exchanges, and Training Program (GREET)* be included in the 2013 Proposed and 2014 Forecast Budgets as indicated here.

SLIDE 4 – SUMMARY OF 2013 PROGRAM FUNDING NET EXPENSES

This slide summarizes the net expenses for the funding requests, without indirect assessments. The row highlighted in yellow reflects the

incremental change of \$144,000 in 2013 when compared to the 2012 Approved Budget.

SLIDE 5 – OTHER ITEMS

Finally, the Committee received a report from the Program Review Advisory Group (PRAG) on its 2012 review of Society Programs. The two program groupings reviewed were *Scientific Advancement* and *Advocacy*. PRAG evaluated each program's goals, metrics, impact, budgetary performance and alignment with the strategic plan. PRAG's observations and recommendations have been shared with the ACS Board of Directors and appropriate cognizant committee chairs for further consideration.

Mister President and Members of Council, this concludes my report.

Dr. Pat Confalone, Chair
Society Committee on B&F