



OAH Treasurer's Report, Fiscal Year 2011

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Fiscal 2011-2012 marks an important transition year for the finances of the OAH. While we remain fiscally prudent and are current with all of our payments and have no arrearages or debt, this year we will have several significant changes to the collection of our revenues. First, the revenues from Oxford University Press will be distributed to the OAH in several lump sums. We will be receiving \$100,000 in October 2011, \$250,000 in January 2012, and in April 2012 we will receive a distribution from our portion of the profit sharing agreement above the gross yearly payment of \$350,000. Second, since we have streamlined our dues structure, we should be receiving the bulk of the payments during the first half of the fiscal year rather than spread out throughout the year. Third, while the funds in the OAH General Fund and the Fund for American History have been steady, we will be hard pressed to rely on this source for our operational needs.

The result is that our cash flow projections on a month-by-month basis will need to be revised. Our overall yearly cash flow projection should remain unchanged, but due to the 'lumpy' nature of the revenue stream, we will see considerable variance on a month-by-month basis. On first inspection this might seem alarming, but with careful management of the existing available funds, the payments to our vendors, and in particular, Indiana University should be made in a timely manner without incurring any penalties or charges. Indiana University has been very focused on receiving its payments on time and will charge us significant penalties if we are past due. The accounting department at the OAH is currently reviewing our cash flow projections and should have a revised statement in the very near future.

The OAH ended the June 30, 2011 fiscal year on a positive note. On an operating basis, we finished with a surplus of \$16,288 when the transfer of \$83,128 to the Community College Fund (CCF) is excluded. This is essentially a non-recurring issue as the CCF winds down this fiscal year. There is approximately \$33,000 left in the CCF, and it will be used for the 2012 event in Springfield, Illinois. Should the OAH board decide it would like to continue the community college initiative, it could consider teaming up with a financially stable community college program that could provide the financial support while the OAH could provide the administrative and professional aspects. One area of focus is revenue. While we have made some important changes in our revenue collection, the old model of relying on dues is precarious at best. There are several initiatives underway to help us augment this area:

1. A completed tally of our membership noted that we had 2,473 lapsed members from last fiscal year. OAH undertook a recent reclamation effort to these former OAH members by sending them the first issue of the OAH newsletter, *OAH Outlook*. This effort produced a very positive response with 300 lapsed members renewing. We will continue to pursue these lapsed members and redouble our efforts on membership retention.

2. The new policy of a sending a yearly appeal for funds (instead of two appeals a year) to the OAH members resulted in \$52,000 being sent to us. This was higher than we had expected.
3. We are in the process of organizing a planned giving effort, a very important long-term effort. Currently, we are in a fact-finding mode, gathering the necessary administrative tools to affect a smooth and orderly process. Our goal is to have this area operational by the end of the current calendar year. Since the revenues from this area are long-term in nature, we must have a careful and thoughtful plan that will appeal to our membership. This venue could be an important source to help replenish our important long-term funds, including the OAH Prize Fund, the General Operating Fund and the Fund for American History. Our status as a 501(c)(3) organization can be marketed professionally to allow us to expand our fund raising activity.
4. Institutional relationships and support: The History Channel remains our largest annual supporter at \$50,000. Our efforts to enhance our working relationship could allow us to see this number rise over time. Our expanded role with Gilder Lehrman Institute of American History (GLI), while not resulting in any direct monetary donation, could allow us to expand membership and our visibility within the broader history community. This remains an area of potential growth for the OAH.

These initiatives, along with the new dues collection structure and the Oxford University Press relationship, should help us grow our revenue base.

As we enter our second year with Oxford, our relationship with them continues to be solid. One new area of assistance that Oxford has launched is helping associations such as the OAH expand their membership. We will be watching this area closely. Oxford indicates that, year to date, revenue projections are in line with the budget and that institutional support is improving. They have also noted that an improvement in advertising and subscription should occur after the first year of operation. Again, we will be monitoring this closely.

All the initiatives noted above do not require any additional monies and should not have any negative impact on our expenses. The annual meeting in Milwaukee, while a smaller regional market than Houston, should have a higher attendance due to its juxtaposition to other major academic centers in the Midwest. We are also hoping to draw more K-12 interest through our expanded relationship with GLI which plans to have a regional session in Milwaukee prior to our meeting. Lastly, the hotel room rates of \$159/169 for the two hotels are significantly lower than we experienced at prior annual meeting sites.

Overall, we have designed a very cautious budget. We have not budgeted any new items to cause any expense variation, and we will continue to look for additional ways to lower our costs. We continue to be in a very volatile economic environment, and we must continue to watch our membership levels as well as find ways to make the annual meeting and the OAH accessible to our broad audience. ■