



Annual Report 2007 Finance Committee

Lynda S. White, Chair
lsw6y@virginia.edu
434-924-3240

Strategic Plan Goal IV: To strengthen and increase the effectiveness of ARLIS/NA's activities and operations.

Objective B: Provide an efficient and effective organizational and financial structure to ensure the stability and health of the society.

Charge: An advisory committee to the Executive Board, it ensures that financial policy is observed and reviews policy periodically; monitors amount and placement of reserve funds held in near liquidity; advises on the investment of restricted funds in vehicles that minimize exposure risk on investments; provides advice of a financial nature as requested by the Treasurer and Executive Board.

Leadership Update: Fran Scott will become Chair at annual meeting.

Activities:

- Outgoing past president, Ann Whiteside, will be replaced by incoming vice-president/president-elect Amy Lucker; Trudy Jacoby will continue for another year: the new Board liaison will be incoming treasurer Rijn Templeton.
- Surplus monies in the ARLIS/NA checking account were moved, in August 2007, to our Vanguard investment accounts. \$48,000 was distributed as follows:
 - \$12,000 to the 500 Index fund
 - \$12,000 to the Total Bond Market fund
 - \$24,000 to the Vanguard Prime Money Market fund
- In November, Vanguard converted the 500 Index fund account to Admiral shares which has fees that are 18-50% lower than the Investor shares we owned previously—meaning that more of our investment works for us.
- Chair provided monthly investment reports to committee. The investments provided \$14,536 in dividends for FY2007. The overall value of our investments changed from \$318,992 to \$385,699.
- The committee discussed an anonymous donation where the donor wanted to establish an endowment for an amount less than what is allowed in the policy manual. We decided to accept the donation and set up the fund within the restricted Travel Fund.
- The committee, and undoubtedly the Board and treasurer, have been hampered by the lack of regular monthly financial report from headquarters for the last fiscal year.
- The treasurer, Fran Scott, managed a full audit of the Society's finances in early 2007.
- Fran Scott also asked our auditor to review the financial sections (J) of the policy manual to make sure they still make sense in today's financial environment. His suggestions for changes will be discussed at the 2008 annual meeting.

- Section G-11 of the Policy Manual was updated to remove the word “endowment” from the charge to the Finance Committee; and to make appointment as chair of the Finance Committee optional for the outgoing treasurer.

Submitted to HQ Administrator: Craig Fleming / craig@mcphersonclarke.com
ARLIS/NA Web Site: Nedda Ahmed / ahmedn@denison.edu

ARLIS/NA Investment Report: Jan 2007 - Dec 2007

In August 2007, funds were moved from the Society checking account to the following investment funds in order to increase the dividends and growth potential of the ARLIS/NA investments:

500 Index Fund	\$12,000.00
Total Bond Market Index Fund	\$12,000.00
Vanguard Prime Money Market	\$24,000.00

There has been considerable improvement in the income from our investment funds since the move to Vanguard. The chart below shows total income from the invested funds from January 2004 through December 2007.

	Vanguard	Schwab	Total
FY2004		\$1,806.59	\$1,806.59
FY2005	\$6,192.68	\$1,558.23	\$7,750.91
FY2006	\$12,749.97		\$12,749.97
FY2007	\$14,536.49		\$14,536.49

From January to December 2007, the value of the account changed from \$318,992 to \$385,699, an increase of \$66,708 or 20.9%. \$48,000 of that was due to the influx of funds from the checking account in August.

The average income from January to December was:

	2006	2007	
500 Index Fund	\$229.46	\$443.22	per quarter
Total Bond Market Index Fund	\$165.18	\$246.36	per month
Prime Money Market Fund	\$797.50	\$817.27	per month

Average income increased, despite the sliding market, because we added funds to the accounts.

Vanguard Investment Income

