



The New York State Council of Health-system Pharmacists

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New York State Council of Health-system Pharmacists The Sagamore Bolton Landing, NY April 23 & 25, 2015

House of Delegates Board of Directors Report

**Philip Manning
Treasurer**

This report is for consideration by the New York State Council of Health-system Pharmacists House of Delegates only and does not represent official policy until approved the House of Delegates.

I begin my report by thanking the members for giving me the opportunity to serve this organization as Treasurer for the past three years. It has been a pleasure to be a part of a Board of Directors that is committed to advancing and supporting the professional practice of pharmacists and pharmacy technicians in hospitals and health system settings.

This was an extraordinarily challenging year for our organizations. One of our traditional sources of funding, the pharmaceutical industry, has seen their ability and/or their desire to support organizations like ours diminish. We anticipated that this trend would continue in our strategic plan and worked to develop alternate sources of income. Unfortunately those efforts have not yet provided sufficient income to offset the administrative expenses we incurred this year. These administrative funds support the Council's office staff, which in turn support our members in various ways, and provide customer services that are an important part of what we provide with a membership.

We attempted to expand our educational programming activities, increasing the numbers and scope of the programs. We developed inter-professional programming to attract other health care providers and we tried reaching out to surrounding states to market these programs. These programs have been successful, but not on the scale needed. As a result, several planned programs were cancelled this year due to a lack of sufficient registrations to make the programs financially viable.

The bedrock of our financial stability is our members and the financial support they provide through membership and attendance at the Council's programs. A key element of our long term stability, indeed our survival as an organization, is to grow membership. We must continue to meet the needs of our current members and to provide what they value by being a member. The Board has identified this growth as another important strategic goal. There are several groups that will be a focus of these future recruitment activities, pharmacy students, pharmacy residents, pharmacy technicians and the thousands of health-system pharmacists that do not belong to a professional organization or have allowed their membership to lapse. It is my personal opinion that we need some kind of "grass roots" membership drive that will focus on these groups. As a volunteer organization, we cannot count on one or a few individuals to accomplish this. It must be a large-scale effort involving the entire organization. It is critical if the Council is to survive in the long term.

The Treasurer

The treasurer shall serve as a custodian of the New York State Council of Health-system Pharmacists (NYSCHP) funds. He/She shall invest and disburse the funds at the discretion of the Board of Directors. He/She shall prepare periodic statements on the financial condition of the organization. This position is nominated by the Board of Directors and is elected by the House of Delegates for a 2-year term.

Below is some summary financial information from the 2010-2013 Audited Financial Statements and un-audited figures provided by the Executive Director pending the results of the 2014 audit. As of the date of this report, the audit has not been concluded. These figures represent the operating activities of the council, and do not include the net assets:

Revenue*	2010	2011	2012	2013	2014[†]
Membership Dues	184	216	187	189	156
Annual Assembly	240	263	276	200	194
Mid-year Clinical Meetings Educational	43	45	22	22	0
Meetings/Sponsorships	195	195	191	193	187
Other Income	72	60	102	84	65
Total Revenue	734	779	779	689	602
Expense*	2010	2011	2012	2013	2014[†]
Is report, the audit has not been Administration	377	376	367	369	362
Annual Assembly	130	146	136	97	112
Mid-year Clinical Meetings	21	29	20	9	0
Other Educational Meetings	62	115	133	120	91
BOD/Committee	116	84	43	68	95
Other Expense	76	39	30	45	30
Total Expense	782	789	729	709	690
Operating Surplus (Deficit)	(48)	(10)	50	(20)	(88)

* all amounts in thousands

[†] amounts are un-audited

➤ Committee on Finance

Chair: Philip Manning

Members: Debra Feinberg (Jan-Aug), Shaun Flynn (Aug-Dec), Qazi Halim, Mark Sinnott, Christopher Jadoch, Elizabeth Shlom and Stephanie Seyse.

Summary Statement:

PAC Fund – As of the December 31, 2014 closing statement, the cash balance available in the PAC Fund was \$56,347. The balances from previous years were \$59,667 (2013), \$56,792 (2012), \$52,892 (2011) and \$48,747 (2010). A small number of expenditures were made from this account in 2014.

Brokerage Accounts – In 2014, the organization maintained a brokerage account with First Niagara Investment Services/LPL Financial in a single account. As of the December 31, 2014 closing statement, the balance in that account was \$88,517. The year-end balances from previous years were \$139,068 (2013) and \$113,722 (2012). On October 23, 2013, the Council moved \$25,000 from its operating accounts into the brokerage account. On three occasions in 2014, funds were transferred from the Council's brokerage account to the operating account to meet operating expenses and maintain a positive cash flow. On August 29, 2014, December 1, 2014 and December 12, 2014 a total of \$60,000 was transferred, \$20,000 each time.

Financial Condition of the Organization – The financial condition of the organization is in jeopardy. The 17.5% decline in membership funds, along with a downward trend in other sources of income, is a serious concern for the Board and a threat to the Council's financial stability. The Committee on Finance, Board of Directors and staff have struggled for the second half of 2014 and the first quarter of 2015 to manage this situation. There have been a number of measures taken to reduce expenses in 2014 and to reduce the dollars budgeted for 2015. The Board of Directors believes that through prudent and conservative expense management practices and aggressive budget variance analysis, the Council can continue to operate. The transfer of funds from the brokerage account to the operating account to meet cash flow is acceptable in the short term, but is unsustainable as a long term strategy.

The Council's Strategic Plan is the key to the future of this organization. All of the activities of the Council and its members should focus on the strategies outlined in the plan. Every decision made should further and support the priorities outlined in the plan.

It has been my privilege to serve this first year of my second term as Treasurer.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Philip Manning', written in a cursive style.

Philip Manning
Treasurer