

Fall 2016 ISHLT Finance Committee Report to the Board of Directors

Committee Members: Andrew Fischer, Maryl Johnson, Jon Kobashigawa, Joseph Rogers (Chair), Amanda Rowe, Scott Silvestry, David Taylor

Pricing for Endorsements and In-Kind Educational Grants

David Taylor clarified the distinction between endorsements and in-kind educational grants. He related that endorsements were simply acknowledgement of ISHLT's support of educational content developed by another organization. In-kind educational grants are intended to reflect a greater involvement on behalf of ISHLT to develop and/or provide educational content for other meetings and Societies. This could range in scope from planning an individual session to planning an entire meeting. Ms. Rowe noted that the amount of staff time for endorsements would be approximately 5 hours. She stated it was more difficult to estimate the time required for in-kind educational grants although it would be anticipated to be 10-15 hours.

The committee decided on several general principles for these educational grants:

1. Either endorsement or in-kind educational grants should be cost neutral to the Society unless directed by the Board of Directors.
2. ISHLT support of educational content must recognize the ISHLT brand.
3. There should be an opportunity to display written materials at no cost to ISHLT.
4. Staff time must be tracked so that we can make more informed decisions about future pricing.
5. The Finance Committee will reassess these fee structures on an annual basis.

Base Fee: It was recommended that there should be a \$200.00 application fee for both in-kind educational grants as well as endorsements. If the program is accepted by ISHLT, the application fee would be waived.

Endorsement: The Finance Committee made the recommendation to charge a flat fee of \$1,000.00, assuming that approximately five hours of staff time with review by the Council leadership, the Educational Committee, and the Board.

In-kind Educational Grants: The Finance Committee acknowledges that more volunteer and staff time will be required for this mechanism. The base price for in-kind educational grants should be \$2,000.00 with an incremental price that would reflect the amount of work required by the ISHLT staff and volunteer work force. Several options were presented including 1) price per content-hour; or 2) setting the price dependent upon attendance or commercial support. The Finance Committee did not reach a consensus on this issue. The Committee felt that the sponsoring society should provide reimbursement for travel or honoraria for in-kind educational grants and that this was not the responsibility of ISHLT.

1. The committee reviewed the background work performed by Jon Kobashigawa and his team at Cedars. Based on their analysis and experience, Dr Kobashigawa proposed a base fee with incremental monies for work of the ISHLT committees and counsels organizing content. The decision was made to charge a \$3500.00 baseline fee to cover staff costs and an additional \$1500.00 to cover the cost of committee and counsel work.
2. The Committee acknowledges that the Board may elect to waive the \$1500 program committee fee (but not the staff fee) if the programs are of sufficient significant strategic value to the Society.

Fee for the 2017 Annual Meeting and 2017 Membership Dues

The Committee discussed setting registration fees for the 2017 annual meeting and academies as well as the dues structure for 2017. Ms Rowe noted that there has been a 12% increase in membership over the last year. Further, Society finances were excellent this year as a result of higher annual meeting income that exceeded the incremental annual meeting costs. It was elected to maintain the current registration fees for the 2017 annual meeting. The Committee also agreed with maintaining the current fees for the gala event. The Finance Committee recommends an increase in the cost for the academy for non-members to \$400.00 for early registration and \$450.00 for late registration.

The Finance Committee recommends an increase in the annual dues of 3% for the coming year.

VAT Tax

The Committee discussed the issues of the VAT tax. It is becoming more difficult to reserve space outside the US without accounting for this taxation. Further, most countries are increasingly enforcing VAT tax compliance. It was also noted by Ms. Rowe that this tax accounts for approximately 20% of all business transactions. The committee recommends the following:

- a. ISHLT should pay the VAT tax when required.
- b. ISHLT should engage an external agency to help navigate complexities of VAT taxation in appropriate countries.
- c. The Society should determine the proportion of VAT tax to be incurred by meeting registrants and the Society at the time registration fees are set.

Financial Reimbursement for Society Leadership

The Finance Committee discussed the issue of payment to ISHLT leadership. It is acknowledged that effective leaders require a significant time commitment to the Society. In the past, some of these payments have been made to individuals whereas in other cases, the payments have been made to institutions. It was also acknowledged that the Society needs to set job descriptions and expectations for each of these roles.

It was thought that it would be reasonable to consider remuneration for the following members of the Society: President, Program Chair for the annual meeting, Registry Director, ISHLT Editor and Education Director. It was agreed that the Past Presidents should receive complementary registration to the annual scientific session. Further, it was agreed that the Society sponsor a separate reception at the annual scientific meeting to demonstrate appreciation to those who have generously volunteered their time and energies to Society business. A final recommendation to the Board regarding the remuneration recommendations of the Finance Committee will be made once the job descriptions have been finalized by the Governance Committee and approved by the Board.