

APSA Treasurer's Report

Susan C. Bourque, *Smith College*

When Jim Caporaso turned over the responsibility of Treasurer in September of 1993 he was able to report the sound financial condition of the Association. I am pleased to report to you that in September 1994 once again the Association closed the fiscal year in sound financial condition. Thoughtful planning and careful budgetary practices brought not only a balanced budget, but this year a very substantial surplus. Our investment strategies have allowed us to weather an extremely volatile year in the financial markets. Gradual and well-timed alterations in our portfolio allowed us to limit our losses and end the year with slight gains.

Table 1 summarizes our financial strength: the APSA'S total assets came to \$9.9 million on June 30, 1994. Table 2 records the content and performance of our Trust and Development portfolio. The total market value of both funds stood at \$9,409,438 on June 30; the T&D fund is valued at \$2,190,976, and the Congressional Fellows endowment is valued at \$7,218,462.

Despite the stock market's volatility, and the low returns associated with it, the APSA Trust and Development Fund ended the twelve-month period from June 30, 1993, to June 30, 1994, with a return of 4.47 versus 1.39 for the S&P 500 Index. While this perfor-

mance does not match the double-digit returns of recent years, it is our comparative performance measured against the S&P 500 which gives us confidence in our investment practices.

Our spending rule with respect to our endowment allocates 4.5% of the market value of the Trust and Development funds to programs of the APSA. This year the procedure produced \$202,145 for APSA's programs. Total retained earnings from the Trust and Development and award funds were \$211,895 which went to support the work of the APSA. Another \$350,000 from the Congressional Fellows Program endowment went primarily to support fellowships.

Over the past three years the APSA has moved to a program budget which more accurately reflects our costs in the areas in

which they occur. It also allows valid comparisons in specific expenses across several years. Table 3 demonstrates that the Association has had a balanced budget for the past 15 years as well as a surplus in each of those years.

Table 4 clarifies the sources of our revenues which in 1993-94 totalled \$2,706,155. Our expenditures, summarized in Table 5, totalled \$2,423,302, giving us a surplus of \$282,853. This large surplus is very unusual. It is due to unanticipated increased revenues from membership and publications. Individual memberships grew by 8.5% from June 1993 to June 1994, spurred in part by the success of our annual meetings. The sales for the *State of the Discipline II* and the *Directory of Membership* have been better than expected. In addition we sold some stock for one-time-only gains

TABLE 2
Portfolio Summary—Trust & Development and Endowed Funds, June 30, 1994

Fund	Cost Value	Market Value	Current Yield	Estimated Annual Income
Trust & Development Fund	\$1,885,533	\$2,190,976	1.5%	\$ 32,865
Congressional Fellowship and Other Endowed Programs	6,078,412	7,218,462	1.6%	115,495

Security Type	Cost Value	Market Value	Percent of Assets
Money Market Funds	15,336	15,336	0.16%
Government Obligations	10,676	10,676	0.11%
Mutual Fund Investments	7,937,932	9,383,426	99.72%
Total	7,963,944	9,409,438	100.00%

TABLE 1
APSA Balance Sheet

	June 30, 1994			Total All Funds June 30			
	General Operating Fund	Trust and Development Fund	Endowed Program Funds	1994	1993	1992	1991
Assets:							
Current	\$1,626,375	\$1,822,446	\$6,047,234	\$9,496,055	\$8,759,789	\$8,683,133	\$8,232,618
Property & Equipment	480,152			480,152	457,770	441,890	453,087
Liabilities and Fund Balances:							
Current	1,334,913			1,334,913	1,048,376	554,663	524,890
Fund Balances	771,614	1,822,446	6,047,234	8,641,294	8,169,183	8,570,360	8,160,815
Total	\$2,106,527	\$1,822,446	\$6,047,234	\$9,976,207	\$9,217,559	\$9,125,023	\$8,685,705

TABLE 3
APSA Budget: A Multi-Year Perspective

Year	Income	Expenditures	Surplus + Deficit -	Annual Expenditure Change (%)
1979-80	\$ 930,157	\$ 929,857	+ 300	+ 6.2
1980-81	1,007,675	977,328	+ 30,347	+ 5.1
1981-82	1,117,701	1,043,255	+ 74,446	+ 6.7
1982-83	1,202,078	1,094,415	+107,663	+ 4.9
1983-84	1,323,074	1,247,529	+ 75,545	+14.0
1984-85	1,413,078	1,353,330	+ 59,739	+ 8.5
1985-86	1,505,224	1,453,248	+ 51,976	+ 6.9
1986-87	1,584,945	1,449,638	+ 85,307	+ 3.1
1987-88	1,637,637	1,563,252	+ 74,385	+ 4.2
1988-89	1,847,152	1,731,251	+115,901	+10.7
1989-90	1,891,773	1,871,305	+ 20,464	+ 8.1
1990-91	2,153,800	2,133,524	+ 24,594	+14.0
1991-92	2,254,844	2,180,544	+ 74,300	+ 2.2
1992-93	2,405,023	2,321,830	+ 83,193	—*
1993-94	2,706,155	2,423,302	+282,853	+ 4.4

*In FY 1992-93, APSA moved to a new budgeting system, making the figures in this year not comparable with previous years.

that added \$50,000 in revenues. The national staff's efforts to control costs, improve productivity, and encourage the growth and success of Organized Sections while maintaining the high quality of our programs also contributed to the financial success of the organiza-

tion. We have not increased APSA dues since 1991, nor do we anticipate an increase for 1994-95 (indeed our dues—in real or uninflated dollars—stand at a near-historic low).

Table 6 reveals the sources of revenue and expenses for 1993-94

and the percentage each contributed to the 1993-94 budget. The table shows the budget for 1994-95 based on anticipated revenues and projected expenses. A preliminary version of this budget was approved by the Executive Council in April 1994. This revised budget has only minor changes and was adopted by the Council at its August 31st meeting. In reviewing this table, please note that Membership, both individual and institutional, continues to provide close to 50% of the Association's income with the annual meeting providing another 20%.

By-law Revisions

Executive Council action in April 1994 deleted Section 27.c. of the APSA by-laws. This action lifted restrictions on the investment of APSA funds in South Africa. This August, the Council voted to amend Section 5.2 of the by-laws to specify the meaning of our total spending rule with respect to the use of interest and dividends from

TABLE 4
Revenue Trends, 1988-1994

	1988-89	1989-90	1990-91	1991-92	1992-93*	1993-94
Individual Membership	\$ 488,721	\$ 501,486	\$ 650,434	\$ 667,320	\$ 679,663	\$ 744,160
Institutional Membership	303,809	305,345	380,996	395,972	399,081	410,566
Administrative	74,514	59,158	61,281	73,772	73,421	59,143
Annual Meeting Registration	134,351	109,670	143,585	201,720	182,715	224,330
Advertising	256,164	263,355	280,197	296,648	307,626	285,843
Dividends/Interest	184,872	201,180	101,185	103,709	151,848	211,895
Sales/Publications	74,853	102,215	138,208	130,697	166,064	231,889
Departmental Services	145,281	144,819	190,146	153,405	179,648	223,219
Other	184,587	204,545	212,076	231,601	264,957	315,110
Total	\$1,847,152	\$1,891,773	\$2,158,118	\$2,254,844	\$2,405,023	\$2,706,155

*Because of APSA's new budgeting procedures begun in FY 1992-93, these figures are not directly comparable to previous years.

TABLE 5
Expenditure Trends, 1988-94

	1988-89	1989-90	1990-91	1991-92	1992-93*	1993-94
Publications	\$ 371,627	\$ 399,375	\$ 401,033	\$ 438,286	\$ 487,799	\$ 541,746
Annual Meeting	125,459	148,708	204,639	189,970	238,478	226,188
Special Programs	274,492	260,381	320,639	319,993	665,640	688,587
Governing the Association	66,366	68,960	60,930	68,443	123,132	130,992
Membership, Business Office and Sales	215,704	257,407	292,561	294,566	334,748	348,293
General Operating	644,485	736,474	853,722	869,286	472,032	487,496
IPSA Net Expenses Over Income	33,118	—	—	—	—	—
Total	\$1,731,251	\$1,871,305	\$2,133,524	\$2,180,544	\$2,321,830	\$2,423,302

*Because of APSA's new budgeting procedures begun in FY 1992-93, these figures are not directly comparable to previous years.

TABLE 6
Program Budget
Summary of Actual Revenue Line Items for the Fiscal Period 1993-94 and Anticipated Revenues for Fiscal Year 1994-95

Category	1993-94 Actual Revenue	1994-95 Proposed Revenue	Percentage of Revenue
Membership			
Individual	\$ 744,160	\$ 779,055	28%
Other Memberships	517,578	535,327	19%
Annual Meeting	441,677	554,500	20%
Sales & Advertising	301,775	279,700	10%
Departmental			
Programs	223,219	189,000	7%
Interest and Dividends	211,895	156,500	6%
Employment Services	109,012	114,710	4%
Rent	96,583	100,636	4%
Administrative	59,143	60,000	2%
Miscellaneous	1,112	0	0%
TOTAL REVENUE	\$2,706,155	\$2,769,428	100%

Summary of Actual Expense Line Items for Fiscal Period 1993-94 and Proposed Expense for Fiscal Year 1994-95

Category	1993-94 Actual Expenses	1994-95 Proposed Expenses	Percentage of Expenses
Publications & Sales	\$ 629,008	\$ 670,200	25%
Annual Meeting	226,188	282,300	10%
Departmental			
Programs	175,609	193,000	7%
Committee Programs	189,903	225,000	8%
Employment Services	73,226	81,000	3%
Organized Sections	104,921	114,000	4%
Education Program	47,924	58,000	2%
Endowed Awards	18,865	16,200	1%
Governance	130,992	148,000	5%
APSA Representation	78,139	87,405	3%
General			
Administration	241,424	265,500	10%
Building and Equipment	185,204	205,300	8%
Membership Office	156,790	171,000	6%
Business Office	104,242	115,100	4%
TOTAL EXPENSES BEFORE DEPRECIATION	\$2,362,434	\$2,632,005	98%
Depreciation (Building & Equipment)	47,423	61,000	2%
TOTAL EXPENSES BEFORE ADJUSTMENTS	\$2,409,857	\$2,693,005	100%
Adjustments for			
Pending Obligations			
Annual Leave	6,845	7,000	0%
Lifetime Memberships	6,600	5,000	0%
TOTAL EXPENSES	\$2,423,301	\$2,705,005	100%

are unlikely to occur again. We do not expect surpluses of this magnitude in coming years; however, this year's surplus allowed us to take two actions at the August Council meeting that will have a long-term positive impact on the Association. Guided by the recommendation of the Executive Director, Catherine Rudder, and with the concurrence of President Charles O. Jones and the recommendation of the Administrative Committee, the Council voted two motions.

a. to allocate \$32,000 of the surplus to support the Ralph Bunche Summer Institute to ensure that it will operate during the summer of 1995, and

b. to put the remaining \$250,000 of the surplus into the Trust and Development Fund, setting it aside for the Second Century Fund. Should the Council not approve a plan or should no plan be put forward for the use of these funds, the money would no longer be earmarked for that purpose.

The annual audit was received and accepted by the Council.

Table 7 summarizes the APSA's salary scale and compares it to the Federal Government salary scale equivalents.

The sound financial health of the APSA is due to the continued success of our excellent national staff in managing our resources carefully and wisely. It is worth noting that in 1993-94, APSA revenues increased by approximately 10%, and yet our expenses increased by only .005. Our financial well-being is also due to the active participation of our vibrant and multifaceted membership who bring strength to the APSA through the quality of programs they produce for the annual meeting and their vital interest in political science.

I would like to offer my personal thanks to the dedicated staff at the APSA and to the Executive Director for their excellent fiscal management, their continued balanced budgets, and their creative energy and imagination in anticipating and planning for the needs of the Association. My thanks as well to the members of the Trust and Development Committee (Gayle Binion, John Bibby, David Brady, William

the Trust and Development Fund. The change in language formalized what has become the standard practice of the Trust and Development Committee.

Other Council Action

As I have noted above, the financial circumstances that produced our substantial surplus in 1993-94

TABLE 7
APSA National Salary Scale 1994–95

APSA Position	Equivalent Government Grade	1994 Federal Salary Scale	1994–95 APSA		Number of Employees	
			Grade	Salary Scale	FT	PT
<i>Political Scientists:</i>						
Executive Director	SES	92,900–115,700	8	84,000–99,500	1	
Deputy Director	15	69,427– 90,252	7	63,000–89,000	1	
Program Directors	13–14	49,947– 76,733	6	47,000–83,000	2	1
<i>Non-Political Scientists:</i>						
Program Managers	11–12	35,045– 54,601	5	33,500–43,000	4	
Senior Administrative Asst.	9–10	28,964– 41,466	4	27,500–39,500	3	
Administrative Asst.; Building Manager	7–8	23,678– 34,094	3	21,000–34,000	5	
Secretary, Receptionist	4–6	17,086– 27,696	2	18,900–28,500	4	
Clerk	1–3	12,406– 19,789	1	16,800–19,900	1	

Daniels, Naomi Lynn, and Jack Peltason) for the generous gift of their time and wise counsel and, in particular, to Jim Caporaso for his stewardship and excellent advice to the incoming treasurer.

Report of the Managing Editor of the American Political Science Review, 1993–94

G. Bingham Powell, Jr.,
University of Rochester

These reports have usually focused on quantity, equity, and timeliness in the review and publication process. They provide useful and (relatively) comparable information about these dimensions of our activities. Yet, they tell only part of the story. They say little about our efforts to achieve quality. I begin this report by discussing in more depth our efforts to attain quality in two areas: We seek to provide analyses that help authors improve manuscripts that are rejected for publication at the *Review*. We also attempt to publish in the *Review* itself manuscripts that meet the highest standards of the discipline today.

Advice on Rejected Manuscripts

The Seminar by Mail: The Referees. When I began my term as APSA Managing Editor, I had

hoped at least to continue, or even improve, the *APSR* tradition of giving useful advice to authors of manuscripts that we do not publish. This is an important service to the discipline, especially as we reject 90% of the manuscripts and take 3–4 months to do it. We hope this is not just wasted time. I thought there would be two elements in achieving this. One element would be the solicitation of good panels of referees, including on every panel at least one referee with necessary technical skills and at least one slightly more distant from the immediate research. Ideally, then, the rejected author learns from these referees how his or her reported scholarship is being seen by the best scholars directly in his or her field, also learns about reception by a slightly broader audience, and receives advice on any technical difficulties.

These principles are much easier to state than to implement. It is particularly hard to get a balanced panel. Moreover, at any given time many referees will be in use, which means that the ideal reader may not be available, especially at certain times of the year. We try not to send a manuscript to a referee who has another of our manuscripts or who has returned an evaluation in the last six weeks. Also, a few—but fortunately very few—highly regarded scholars simply refuse to participate in the refereeing process. (I find it hard to be sympathetic when they submit a manuscript and have taken to tell-

ing them so.) By consulting the Editorial Board on virtually every manuscript, I think we have generally done a good job with referee selection, especially in getting technically qualified people on the panels of referees. We have drawn into the review process many young scholars, largely recommended by experts on the Editorial Board, whose work is just becoming known. Their help is especially important for manuscripts using new techniques of analysis with which many of their better known senior colleagues may not be familiar.

I think that the make-up of most—but admittedly not all—of our panels would withstand expert scrutiny as at least a reasonable approximation of what is desirable. Still, the quality of the reports themselves depends on the efforts of the reviewers. Some referees deliver superbly thoughtful, even creative, reviews that would be of great help to any scholar's research program. The majority provide solid advice and analysis that should help authors understand the reception of a given paper, its perceived strengths and limitations. Some, unfortunately, provide much more perfunctory comments, which are frustrating to both author and editor. In a few cases these reviews are accompanied by (or consist of) brutal and gratuitous negative comments that serve no useful purpose. I sometimes delete the most painful of these; in other cases I cannot do so without having the author misread the nature of the recommendation. In the latter cases I attempt at least to apologize for the referee's ill-temper. Naturally, I tend over time to try to eliminate those referees that provide unhelpful reviews.

Sometimes, by the way, referees reprimand me for sending them a manuscript that is not "worthy" of their time and effort. In a few cases they are right, and I should have known enough to reject the manuscript without review. Mostly, they are not right; it is particularly amusing to receive such a letter in conjunction with at least one other report in which the referee especially liked the paper and considered it superb. (This happened twice in 1993–94.) In any case, I