

Resolution No.  [Resolution Number]  [Type]

Report:  Restoring Budgetary Oversight to the House of Delegates and Establishing Transparency for Major Expenditures  Date Submitted:  [Date Submitted]

Submitted By:  [Submitted By]

Reference Committee:  D (Legislative, Governance and Related Matters)

Total Net Financial Implication:  [Total Net Financial Impl.]  Net Dues Impact:

Amount One-time:   Amount On-going:

ADA Strategic Forecast Outcome: Tripartite: Promote Tripartite stability, success, and future growth.

1 **[RESTORING BUDGETARY OVERSIGHT TO THE HOUSE OF DELEGATES AND ESTABLISHING**  
2 **TRANSPARENCY FOR MAJOR EXPENDITURES]**

3 **Background:** In recent years, the American Dental Association (ADA) has shifted significant  
4 financial and budgetary authority away from the House of Delegates (HOD) and into the hands  
5 of the Board of Trustees (BOT) and staff through the Strategic Forecasting Committee (SFC).  
6 While the Strategic Forecasting Plan is submitted to the House for approval, the ADA’s annual  
7 operating budget is now formally adopted by the Board of Trustees—removing the House’s  
8 traditional role in voting on budget allocations, investments, and reserve use [1]. These are not  
9 symbolic functions; they reflect the fiduciary responsibility of the House of Delegates as the  
10 elected voice of the membership.

11 This structural change has coincided with consecutive years of multimillion-dollar budget  
12 deficits, including extensive use of ADA reserves and asset sales. In 2024, the ADA  
13 headquarters building in Chicago was sold without advance notice, consultation, or consent from  
14 the House of Delegates—despite being one of the Association’s most significant physical and  
15 symbolic assets. The proceeds from that sale were used to offset operational shortfalls and fund  
16 strategic initiatives previously advanced by a small number of leaders and staff without broad  
17 input or transparency [2].

18 These structural changes have not led to improved financial performance. Instead, the ADA has  
19 experienced consecutive years of multimillion-dollar budget deficits, largely driven by high-cost  
20 strategic initiatives undertaken without House review. These include the failed  
21 Salesforce/Fonteva platform implementation, increased spending on for-profit subsidiaries, and  
22 the acquisition of the Forsyth Institute—an institution with a history of operational deficits and  
23 complex obligations. Concern over these financial missteps escalated in 2025 with the abrupt  
24 resignation of the ADA Executive Director. While officially described as a resignation, many  
25 believe this leadership change reflected mounting pressure and accountability for strategic  
26 decisions made without sufficient oversight. These outcomes demonstrate that fiscal  
27 responsibility cannot be delegated without meaningful review from the elected House of  
28 Delegates [3][4].

1 IRS Publication 557, along with nonprofit best practices, requires that 501(c)(6) organizations  
2 maintain documented fiduciary oversight by their governing bodies. Legal precedent, including  
3 *United Cancer Council v. Commissioner*, has affirmed that nonprofits must have board-driven  
4 and stakeholder-accountable financial governance structures [5][6]. These transparency  
5 obligations are not optional—they are fundamental to maintaining the ADA’s nonprofit status  
6 and public trust.

7 Other associations—including the American Medical Association and the AICPA—require  
8 approval or notification to their delegate bodies for large financial commitments, high-value  
9 partnerships, or asset sales. ADA members expect no less [7][8].

10 This resolution restores—not introduces—the rightful and historic role of the House of Delegates  
11 in ADA budget decisions and ensures that major expenditures cannot move forward without  
12 formal review and transparency.

13 **References:**

- 14 1. 2024 ADA House Minutes
- 15 2. 2024 Report of the Treasurer
- 16 3. 2024 Annual Reports
- 17 4. Forsyth Institute Form 990 (2022) – ProPublica
- 18 5. IRS Publication 557
- 19 6. *United Cancer Council v. Commissioner*, 165 F.3d 1173 (7th Cir. 1999)
- 20 7. AMA Delegates’ Handbook on Financial Structure
- 21 8. AICPA Board Governance Manual

22 **Resolved**, that all ADA annual operating budgets, multi-year financial plans, and fiscal policy  
23 authority shall be restored to the House of Delegates, including the authority to amend specific  
24 budget line items, reallocate funding, and approve or reject the final budget of the Association;  
25 and be it further

26 **Resolved**, that any ADA expenditure, contract, acquisition, or partnership exceeding \$5 million  
27 in total value—including real estate transactions, subsidiary investments, research institutes, or  
28 technology platforms—shall require advance written notification to the House of Delegates  
29 along with a written justification explaining strategic rationale, fiscal impact, and projected  
30 return on investment; and a minimum 60-day period for review and formal comment to ensure  
31 adequate risk assessment, fiduciary compliance, and alignment with IRS standards for nonprofit  
32 accountability; that a public-facing summary of such expenditures shall be published to the  
33 membership via ADA Connect or ADA.org within 90 days of execution; and that the  
34 effectiveness of these budgetary oversight provisions shall be reviewed by the House of  
35 Delegates no later than five years after their adoption to assess compliance, transparency impact,  
36 and alignment with organizational needs; and that this process shall reinforce the House of  
37 Delegates’ constitutional role as the final authority over ADA policy and fiscal direction.