

Resolution No. [Resolution Number] [Type]

Report: [Report] Date Submitted: [Date Submitted]

Submitted By: Steven Saxe, DMD

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: [Required]

[STRENGTHENING FINANCIAL OVERSIGHT AND ACCOUNTABILITY OF THE ADA BOARD OF TRUSTEES]**Background:**

The American Dental Association (ADA) has a fiduciary obligation to manage member dues prudently, maintain financial transparency, and operate in accordance with nonprofit governance standards, as outlined in *Common Ground 2025: ADA Strategic Plan* (page 5).

Recent developments have raised serious concerns about financial oversight by the ADA Board of Trustees. Reports of significant reserve losses, excessive and non-essential travel, luxury activities, questionable acquisitions and investments, and other expenditures inconsistent with prudent nonprofit financial management highlight the urgent need for stronger oversight and accountability.

Continued financial mismanagement risks jeopardizing the ADA's nonprofit status, diminishing member trust, weakening the Association's credibility as the national voice of dentistry, and impairing its ability to advocate effectively for the profession.

Governance reforms similar to those proposed here have been adopted by other major organizations, including the American Medical Association (AMA), American Hospital Association (AHA), and National Education Association (NEA), following financial mismanagement concerns. Strengthening financial controls, increasing transparency, modernizing governance through virtual meetings, and requiring independent auditing are now standard practices expected of leading nonprofits. It is both appropriate and necessary for the ADA to meet and exceed these standards to protect its future.

This resolution seeks to restore strong fiduciary stewardship, require transparent reporting, establish cost-saving policies, and rebuild trust in the financial operations of the ADA.

Resolving Clauses:

Resolved, that the American Dental Association modernize governance by holding three additional special House of Delegates meetings each year virtually, following quorum rules authorized under the *2024 Manual of the House of Delegates and Supplemental Information* (page 15), and by limiting the Board of Trustees to no more than two in-person meetings per year, with all others conducted virtually to save costs and fulfill fiduciary responsibilities; and be it further

Resolved, that the Board of Trustees shall adopt policies to prioritize cost savings by limiting expenses for hotels, travel, retreats, meeting venues, and ceremonial functions, and shall require that travel be authorized only when absolutely necessary for essential business, that overseas travel be minimized to the absolute minimum necessary, and that when representation is required at external meetings, conferences, or events, preferably a single designated representative shall attend unless a full Board presence is essential to the Association's strategic objectives; and be it further

Resolved, that the American Dental Association require Board of Trustees travel or discretionary expenditures anticipated to cost more than \$10,000 per occurrence to receive pre-approval from an independent finance review body, prohibit the use of member dues for international travel without prior House of Delegates authorization, and require quarterly financial disclosures for all international activities and discretionary spending; and be it further

Resolved, that the American Dental Association commission an independent forensic audit of the last five fiscal years, covering financial activities of the Board of Trustees, Strategic Forecasting Committee, Finance Council, and Executive Office, and require the Board of Trustees to submit quarterly reports on discretionary spending, international activities, travel costs, and external partnerships to the House of Delegates, with summarized versions made accessible to all ADA members.