

Resolution 214 — Adoption of Mission-Based Accounting Framework

Author: Dr. Steven Saxe, Delegate

IF YOU VOTE YES

A YES vote supports the action requested in the resolving clauses. This resolution directs the ADA Board of Trustees to formally adopt a mission-based accounting framework, beginning with phased implementation by department. It calls for transparent reporting of how each dollar supports the ADA's mission and strategic goals. It requires a 2026 implementation plan, annual milestones, and future budget summaries that show what percentage of ADA spending advances mission-aligned programs.

IF YOU VOTE NO

A NO vote accepts the Board's decision to reject mission-based accounting and to continue relying on older "direct cost" methods that obscure how funds connect to the ADA's mission. It defends the same opaque system that has failed to show members how programs and investments serve their interests. This choice maintains confusion, weakens accountability, and undermines trust in financial stewardship.

SUMMARY

This resolution ensures that every ADA expenditure can be tied to mission impact. It responds directly to past reports noting that the ADA "focused on accounting for reams of paper, but not our mission." By establishing clear metrics, transparent reporting, and phased implementation, this policy would align the ADA's financial system with its stated mission—helping dentists succeed and improving public health—while rebuilding trust in leadership.

Why the Board Is Wrong

The Board voted NO, arguing that past experiments in mission-based accounting were too complex. But complexity is a management challenge, not a reason to reject transparency. Delegates and members deserve to know whether ADA spending actually advances the mission. The Board's current "simplified" approach hides program costs and limits oversight. Mission-based accounting does not require bureaucracy—it requires commitment. A phased rollout, department by department, ensures both accuracy and accountability. This resolution restores the House's authority to demand mission alignment, not just financial balance.

TALKING POINTS

- The ADA Treasurer's 2024 report admitted leaders "didn't know" what programs cost or if they advanced the mission.
- Mission-based accounting links every dollar to a clear strategic purpose.
- Transparent budgeting builds confidence among members and delegates.
- The system can be phased in without major cost increases.
- Annual milestones and public reporting keep leadership accountable.
- Saying YES means measurable mission impact and restored trust.
- Saying NO means continuing confusion and weak oversight.



Prepared by Dentistry in General Advocacy Coalition
<https://dentistryingeneral.com/digac>

Resolution No. 214 New

Report: N/A Date Submitted: July 2025

Submitted By: Dr. Steve Saxe, delegate, Nevada

Reference Committee: A (Business, Membership and Administrative Matters)

Total Net Financial Implication: None Net Dues Impact: _____

Amount One-time: _____ Amount On-going: _____

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

ADOPTION OF MISSION-BASED ACCOUNTING FRAMEWORK

The following resolution was submitted on Friday, July 11, 2025, by Dr. Steven Saxe, delegate, Nevada.

Background: The House of Delegates is the governing and legislative body of the American Dental Association, responsible for establishing the mission, vision, and strategic direction of the organization (*2024 Manual of the House of Delegates and Supplemental Information*, p. 8). The ADA's official mission is "helping dentists succeed and supporting the advancement of the health of the public," as defined in [Common Ground 2025: ADA Strategic Plan](#).

In recent years, the ADA has allocated millions of dollars toward complex, long-term initiatives, including the Salesforce-Fonteva membership platform, financial agreements with external institutions such as the Forsyth Institute, and direct investments in early-stage technology startups. While these expenditures may support innovation or long-range strategic goals, they have also raised serious questions among delegates and members about oversight, transparency, and mission alignment. Several of these projects have lacked clearly defined performance metrics or program-specific financial reporting, making it difficult to determine whether they deliver meaningful value to members or advance the ADA's mission. Without a mission-based accounting system in place, the Association cannot fully track or communicate the strategic return on such investments.

In the 2024 report to the House of Delegates, written by the previous ADA Treasurer, longstanding deficiencies in the Association's financial systems were documented, including an inability to track the true costs of programs or determine whether spending supported the mission. The report stated that the organization "focused on accounting for things like reams of paper, but not our mission," and that ADA leaders "didn't know" what specific programs cost or whether they advanced the Association's strategic goals (*2024 House of Delegates – Report of the Treasurer*, pp. 10–11). While initial steps toward mission-based accounting have been taken, full implementation remains incomplete and has not yet been formalized across the Association.

Given current financial constraints, a phased and strategic rollout is both appropriate and necessary. However, without formal policy and direction from the House of Delegates, efforts to expand mission-based accounting risk stalling or being deprioritized. A steady, department-by-department approach that begins now and builds toward full transparency and accountability is essential to strengthening member trust and long-term sustainability.

Resolution

214. Resolved, that the Board of Trustees is urged to adopt mission-based accounting as the official budgeting and financial reporting framework of the Association, and be it further

1 **Resolved**, that the Board of Trustees is urged to begin implementing a mission-based accounting
2 system in phases, starting with selected departments or major program areas, and prioritize cost
3 tracking, alignment scoring, and transparency within existing resource capacity, and be it further

4 **Resolved**, that the Board of Trustees is urged to present to the House of Delegates by 2026 a
5 detailed implementation schedule with annual milestones, identifying which departments or functions
6 will be incorporated each year, to ensure full adoption across all ADA departments and subsidiaries
7 by the 2028 House of Delegates, and be it further

8 **Resolved**, that the Board of Trustees is urged to assess and prioritize the financial and human
9 resources necessary to support this transition, including certified nonprofit financial expertise, and
10 integrate implementation planning into the Association's operational and strategic planning
11 processes, and be it further

12 **Resolved**, that beginning in 2027, the Board of Trustees be urged to include with each proposed
13 annual budget a public summary detailing: (1) the percentage of spending allocated to mission-
14 aligned programs, (2) major programs and initiatives by total cost and strategic goal served, and (3)
15 areas where cost transparency is not yet achievable, with a plan to close those gaps.

16 **BOARD COMMENT:** The ADA appreciates the value of having a clear and thorough understanding of
17 expenditures as related to allocations being properly expended in support of its Mission, Vision and
18 Strategic Forecast. Historically, the ADA has invested a great deal of time, effort and money in a broad
19 effort to dramatically change its accounting reporting and planning structures to enable just this.

20
21 The most recent history with regard to these efforts includes a reclassification of work and team members
22 from a previous Division-based accountability into Centers of Excellence, a mission-based accounting
23 approach, which included a very complex system of cross company allocations under which any Center
24 could plan to assign costs to programs across the Association. While this did generate a better measure
25 of "fully loaded" program costs in certain instances, that process was not easy to manage on a day-to-day
26 basis and resulted in:

- 27 1. Delayed accounting and report generation;
28 2. Actual to forecast variances that were not easily trackable due to that complexity of multiple
29 entries from across the Association;
30 3. Greater challenges in assigning "ownership"--and thus accountability and responsibility to any
31 one specific entity or area.

32 As a result, discussions with the Treasurer, the ADA Finance Committee and Finance support team have
33 led to recommendations to move away from this detailed cross-functional cost allocation process and go
34 back to simpler "direct cost" program accounting, planning and reporting. This leads to a defined
35 responsible oversight entity which in turn enables much stronger assignment of accountability. While ADA
36 staff still work in cross-functional efforts, this simpler financial process has enabled the ADA to focus on
37 clearer management oversight leading to improved fiscal responsibility.

38 **BOARD RECOMMENDATION: Vote No.**

1 **Vote: Resolution 214**

ERG	No	DOWD	No	KNAPP	No	STUEFEN	No
BOYLE	No	GRAHAM	No	MANN	No	TULAK-GORECKI	No
BROWN	No	HISEL	No	MARKARIAN	No	WANAMAKER	No
CAMMARATA	No	HOWARD	No	MERCER	No		
CHOPRA	No	IRANI	No	REAVIS	No		
DEL VALLE-SEPÚLVEDA	Abst ain	KAHL	No	ROSATO	No		