ACL’s Financial Health

* generally very good for ACL as an organization

* we have consistently in excess of $2,000,000 combined liquid reserves

* explosive registration growth has generally been financially good for ACL

* But increased risk given era of O($1,000,000) conference budgets and total $2,000,000+ annual expenses
Discussion Focus:

(Financial) Risks to ACL and Mitigation Strategies
Conference Disruption/Cancellation Risk

* extreme weather events (e.g. hurricanes/typhoon)
* civil unrest (e.g. 2019 Hong Kong) or political instability
* disease outbreaks (e.g. 2003 SARS)
* terrorism
* significant changes in immigration policy (e.g. Trump)
* conference venue under construction not completed in time
* major airport closure
* major airline bankruptcy/shutdown
* air transport strikes (partial-total airport/airline shutdown)
Conference Disruption/Cancellation Risk (2)

* relatively low probability of most serious event’s above but potentially catastrophic cost (and other negative impact)

* disruptions with extended advance warning
  -> possibility of moving conference venue or budget modification (not always possible and/or significant financial penalties)

* disruptions with little warning:
  -> significant percentage of attendees can't get to the meeting
  -> significant percentage of attendees discourage from attending
  -> venue closure shortly before/during conference

* financial impact vs. impact on conference success/viability (if many can't attend or miss large percentage of conference
Conference Disruption/Cancellation Risk (3)

Mitigation Strategies:

* event cancellation/disruption insurance
* self-insurance against negative financial impact
* remote presentation delivery options (on emergency and routine basis)
* remote presentation viewing options (on emergency and routine basis)
Risk of Significant Economic Downturn

* Financial commitments 1-3 years in advance before world financial landscape clear

* global/regional downturns (e.g. 2008 recession)

* AI/NLP/tech industry-specific downturns

  - Fundraising impact
  - Attendance impact
  - Increases in financial need
Exchange-Rate Shift Risk

* ideally ACL's asset distribution (e.g. USD/Euro/Asian Currencies) should roughly mirror our steady-state conference expense distribution

* our assets and currency reserves disproportionately denominated in USD relative to our expenditures

* Important/justified to have primary working bank account in US and in USD for Priscilla’s centralized management, but preferable for our reserve capital investments to be better diversified

* Which Asian currency(ies) to use? issue: many currencies formally or informally pegged to USD problems with currency transfers
Legal Risk

* ACL being sued (copyright infringements, injury, litigation of PCC sanctions)

* Government fines (e.g. GDPR violations)

* Large scale financial data breach

* Other liabilities
Staffing Risk

* ACL growth very taxing on a primarily volunteer organization

* Critically dependent on health, welfare and institutional memory of a very few key individuals

* Performance of our bookkeeping firm problematic in past year
  - significant staff turnover with inadequate internal handoff between our dedicated bookkeepers after staff departures
  - significant accounting backlog making financial reporting difficult
  - Still on track for FY 2018 audit in September 2019 and FY 2018 tax filing on schedule in November
  - Discussion of possible change of bookkeeping firm and/or consolidation of bookkeeping/accounting/auditing services in a single firm (pros and cons)
  - Discussion on improved automation of bookkeeping pipeline