

Resolution No.	25	New <input checked="" type="checkbox"/>	Substitute <input type="checkbox"/>	Amendment <input type="checkbox"/>
Submitted By:	Seventh District Dental Society			
Date Submitted:	May 13, 2026	Reference Committee <input checked="" type="checkbox"/>	Direct to House <input type="checkbox"/>	
Total Financial Implication:	\$			
Amount One-time	\$	Amount On-going	\$0	

NYSDA Reserves

1 **Background Statement:** For years, the New York State Dental Association House of
 2 Delegates (HOD) has been presented with budget proposals from the Board of Trustees (BOT)
 3 that included the practice of decreasing operating deficits funded through yearly increasing
 4 withdrawals from Association reserves to be included in the budgets as income. These
 5 withdrawals have been proposed to support recurring operational expenses rather than
 6 extraordinary or non-recurring circumstances.

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 8 While reserve funds may appropriately be used to address emergencies, unforeseen
 9 events, strategic initiatives, or temporary financial disruptions, the routine use of reserves
 10 to fund ongoing operating expenses is not considered a sustainable long-term financial
 11 practice. Continued reliance on reserve withdrawals without a defined corrective action
 12 plan may weaken the Association’s long-term financial position.

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 14 In addition, reserve withdrawal calculations based solely on current market value may
 15 create unnecessary volatility and fail to account for fluctuations in investment
 16 performance. Financial best practices often support the use of rolling multi-quarter or
 17 multi-year averaging methodologies when determining prudent reserve distributions.

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 19 The House further recognizes that budget proposals containing operating deficits should
 20 be accompanied by a clearly defined financial recovery or corrective action plan that
 21 outlines specific measures, timelines, and accountability mechanisms intended to restore
 22 structural budget balance.

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 24 Therefore, be it:

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 26 **25. RESOLVED**, that the House of Delegates strongly encourages that any future
 27 budget proposal containing an operating deficit funded through reserve withdrawals
 28 include a clearly defined financial corrective action plan, by the NYSDA Board of
 29 Trustees, identifying the measures, timeline, and benchmarks intended to achieve a
 30 balanced operating budget; and be it further

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 32 **RESOLVED**, that reserve withdrawals for operational support in the 2027 budget be
 33 limited to no more than \$200,000 unless otherwise specifically approved by the House of
 34 Delegates; and be it further

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36 **RESOLVED**, that reserve withdrawals for operational support in the 2028 budget be
37 limited to no more than \$100,000 unless otherwise specifically approved by the House of
38 Delegates; and be it further

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40 **RESOLVED**, that it shall be the goal of the Association to eliminate the use of reserve
41 withdrawals for recurring operational expenses beginning with the 2029 budget cycle.