

33. The Corporate Anatomy

The Academy shall operate in two separate Divisions to be known, respectively, as the American Academy of Ophthalmology and the American Academy of Otolaryngology. Each such Division shall be responsible to the Board of the Academy through its separate Executive Committee as set forth herein.

BYLAWS, 1977

RESTRUCTURING into two operating divisions and subsequent incorporation of the Academy were paving the way for the Division of Ophthalmology and the Division of Otolaryngology to become independent societies. Each division was mobilized to function as a separate academy. In effect, the intended successor organizations to the Academy were established. Moreover, in its Articles of Incorporation and Bylaws, the Academy provided for the eventuality of dissolution and conveyance of assets to its successors.

During 1978 the Academy acted as parent corporation of two so-to-speak independent subsidiary companies called the American Academy of Ophthalmology and the American Academy of Otolaryngology. Each division was given jurisdiction over, and responsibility for, its own governing policies, management, funds and assets, and all educational and scientific activities and services. Both divisions indicated, and in some instances inaugurated, plans to expand traditional Academy activities and branch out into new areas.

The plan for structure, organization, and operation of the divisions adopted in 1975 established that each division would be managed by an executive committee that would consist initially of Council members from a specialty and the editor of the TRANSACTIONS for each division. Council members serving on the executive committees were, to wit, the Academy president or president-elect, who would be chairman of his division's executive committee; the Academy vice-president or vice-presidents from a specialty, the most senior of whom would be vice-chairman of his executive committee; the Academy secretary for ophthalmology or secretary for otolaryngology, who would be the divisional secretary (the administrative officer of the division); the secretary for instruction in a specialty; the secretary for continuing education in a specialty; each past president from a specialty for a period of three years following expiration of his term, and the two councillors from a specialty.

Academy Executive Secretary-Treasurer Clair M. Kos sat on the Division of Otolaryngology Executive Committee, but being the man most familiar with Academy operations,

advised both divisions as they attempted to set up the machinery for independent control of their affairs.

During the first nine months of 1976, the executive committees formulated provisional standing rules for their division's operation. These were presented to members at the 1976 meeting, with the understanding that after being given a year's trial, and altered and polished according to need, they would be presented for adoption in 1977. Also at the 1976 meeting, both executive committees agreed to add two members-at-large to their number to provide grass-roots representation on the management team. Terms for members-at-large were set at two years but were staggered so there would be a new voice every year.

When the Standing Rules for each division were formally adopted in 1977, along with the Articles of Incorporation and Bylaws for the Academy, a new position of executive vice-president was created on the executive committees. This officer replaced the divisional secretary as chief administrative officer of the division and relieved the secretaries for ophthalmology and otolaryngology from the dual responsibility of planning the scientific program and exhibits for their specialty and administering their specialty division.

The executive vice-president was slated to exercise responsibilities for his division similar to those formerly exercised by the executive secretary-treasurer for both specialties (Fig 63). He would oversee administrative functions of the Headquarters Office relative to his specialty and would be in charge of implementing policy and coordinating activity of his division. With the Headquarters Office managed by a full-time, nonphysician administrative executive, this plan was reminiscent of suggestions put forth by the ad hoc committees of the 1960s.

The office of executive secretary-treasurer was retained for the parent Academy and, barring separation, was to be filled each year by the executive vice-president from the same division as the Academy president. In this way, responsibility for corporate operation, as represented by the chief executive officer (the president) and chief administrative officer (the executive secretary-treasurer), would be alternated yearly between the two divisions.

The aforementioned executive committee members constituted a division's officer group. All but four divisional officers were, or in the case of past presidents had been, elected officers of the Academy (Table 14). As such, they were nominated and elected in the manner that had prevailed for years. Under the cor-



Fig 63.—Clair Kos (left) and Bruce E. Spivey (center), first executive secretary-treasurers of the separate divisions of otolaryngology and ophthalmology, respectively, with 1978 President Eugene Derlacki.

porate structure, the Board of Directors (formerly the Council), acting on recommendation of its nominating committee (the councillors), would present a slate of candidates for a vote of Active and Life Fellows of both divisions, meeting either together or separately. In nominating candidates, councillors were to adhere to the recommendations of their respective executive committees. Fellows could nominate their own candidate by written petition signed by five Active or Life Fellows and filed with the executive secretary-treasurer not less than 30 days prior to the meeting of the Academy or its separate divisions at which the vote would be taken.

The editor of the *TRANSACTIONS* and the executive vice-president of a division were elected by the division's executive committee; the two members-at-large were elected by Active and Life Fellows of the division. Transfer of the office of editor from an Academy office to a divisional office was the only major change made by the new Bylaws in the Academy's family of officers (see Table 8, chapter 12).

All officers of both divisions (26 in number) sat on a Board of Directors that presided over the corporate Academy (Table 14). The Board took the place of the Council* but had a somewhat different scope of concern and authority. While the Council had been empowered as the "governing body of the Academy," each executive committee was now designated the "governing body of the Division," with autonomy in running its organization but with ultimate responsibility to the corporate Board of Directors. Likewise, the former Council's power and duty to chart yearly, subject to membership approval, all activities and allotment of funds, now rested with the divisional executive committees.

*For comparison and explanation of Council membership and subsequent Board membership, see Table 11, chapter 17.

The Board of Directors was charged to manage the business and affairs of the Academy and was vested with all powers and responsibilities conferred on the Board of Directors of a nonprofit corporation under Minnesota statutory law, except where such authority was limited by the Articles of Incorporation or Bylaws. Generally, the directorate was to concern itself with the overall well-being of the Academy, with its fiscal soundness, and with coordination of its divisions (Fig 64).

It remained the Board's prerogative to set standards for Active Fellowship (primarily determinations on acceptable examining and certifying bodies); make recommendations for Honorary Fellowship; act on requests for Inactive Fellowship; fix fees, dues, and assessments for each class of members, unless the Bylaws specified exemptions; and terminate Fellows for unpaid dues as set forth in the Bylaws. The specialty divisions were asked to give advice and counsel in these matters and commend action to the Board.

The Board was instructed to follow a division's recommendations relative to application fees, annual dues, assessments, disposition of Fellows in arrears, salaries and honorariums, current expenditures, grants, and management of all Academy funds and property. This meant that fiscal affairs would be tailored for the most part to the requirements of each specialty division. Final approval had to come from the Board.

Funds and assets generated through the membership or activities of a division were credited to the division, and in similar fashion, liabilities and costs attributable to a division were debited. A certain amount of funds from each division, on a basis determined by the Board, was allocated for general affairs of the Academy and operation of the Headquarters Office.

Both divisions had to take stock of current and projected revenue requirements and levy



Fig 64.—Board of Directors of combined Academy in 1978. Seated, left to right: Frederick C. Blodi, Bruce Spivey, Bradley Straatsma, Eugene Derlacki, Clair Kos, A. D. Ruedemann, Jr, Stanley M. Truhlsen, Whitney G. Sampson, D. Thane R. Cody, Burton J. Soboroff, Robert W. Hollenhorst, Brian F. McCabe. Standing, left to right: Roger Boles, Marshall M. Parks, Alden H. Miller, Frank W. Newell, David Shoch, Roger A. Simpson, George F. Reed, Byron H. Demorest, Richard O. Schultz, Mansfield F. W. Smith. Missing are John F. Daly and Bob R. Alford.

charges accordingly. The Division of Otolaryngology found it necessary to raise the dues for Active Fellows to \$150 for 1978 but dropped the dues for Associate Fellows to \$75.

The Division of Ophthalmology planned a dues increase to \$175 for both Active and Associate Fellows for 1979.

TABLE 14

SCHMATIC RENDERING OF ACADEMY OFFICERS, DIVISIONAL OFFICERS AND EXECUTIVE COMMITTEES, AND ACADEMY BOARD OF DIRECTORS

1978

