

**Society of American Archivists Foundation  
Board of Directors Meeting  
June 15, 2022  
Virtual Meeting**

**FY 2023 Proposed Budget Narrative:  
SAA Foundation  
(Prepared by Peter Carlson and Jacqueline Price Osafo)**

Foundation funds are presented using two categories: Funds without Donor Restrictions and Funds with Donor Restrictions.

Following are some highlights of the FY 2023 Foundation budget:

- Based upon trend data contributions are budgeted to be \$19,857 (22.21%) lower than the FY 2022 budget estimate and \$23,943 (25.6%) lower than the FY 2022 estimated actuals. The variance with FY '22 actuals reflects the unique circumstances that gave rise to the Archival Worker's Emergency Fund (AWEF), as well as the effect of a \$25,000 gift resulting from F.G. Ham's estate. The FY 2023 amounts are based on FY 2021 and '22 data and assume roughly equal contributions across most funds.
- For the first time since its incorporation in 2011, the SAA Foundation will hire a full-time staff member to conduct its fundraising and administrative activities. In addition, other administrative expenses applied to the Foundation are those related to legal, investment management, consulting, Board travel, and event expenses.
- The proposed FY '23 budget anticipates holding a reception at the Annual Meeting in Boston, and an in-person Board of Director's meeting in the Winter or Spring of 2023.
- Investment income is estimated to be slightly higher than FY 2022 actuals by and \$4,642 (10.5%) and better than 2022 budget estimates by \$16,732 (52.12). The variance between the 2021 budget estimate and projected actuals is the result of conservative assumptions about future stock market performance during the FY '22 budget process.

Estimates for investment income are based on current data and portfolio makeup as provided in the Merrill Lynch statements, and the assumption that overall market performance will be similar to FY 2022 actual performance. This estimate assumes that there will be large market corrections and volatility, and that overall performance will mirror recent trends. (Please note that we do not budget for Realized and Unrealized Gains/(Losses) in the SAAF Operational Budget).

- The NDRFA expense estimate (always hard to anticipate) of \$6,438 represents the average for the last six years.
- SAA staff effort and associated expenses have been allocated to the Foundation since July 1, 2011. These expenses are offset via an in-kind donation from SAA (see activity 4). The staff allocation of in-kind expenses is budgeted to increase by \$17,916 (41.9%). This significant increase reflects the actual allocation of staff time that has been realized since August 2021. While the hiring of a Development Manager devoted to the Foundation, will eventually reduce SAA staff effort in this area, it is anticipated that on-boarding and new activities resulting from a new employee will continue to require significant staff time from existing SAA staff with responsibility for Foundation business. Staff allocations will be revisited in the Q2 of the FY '23 to make sure that these allocations are an accurate reflection of the required effort to conduct the Foundation's business.
- The FY22 budget assumes that the very successful Annual Meeting Travel Award Program will continue to be funded at \$12,000 out of the Strategic Growth Fund.

For Discussion and Vote:

1. The SAA Foundation Payout Rate. The SAA Foundation is a public charity, which means that, unlike private foundations, it is not required to pay out any more than its Board of Directors deems appropriate. That said, it has been the prevailing opinion of the Board since its founding that the Foundation should seek to support the archives profession to the greatest extent possible while ensuring the preservation and *growth* of SAAF's funding capacity for the long term.

As the Board has discussed payout rate over the years, its two major considerations have been: 1) growth of the funds and 2) acknowledgement that we must make awards to enhance our fund-raising efforts. For this reason, in 2018 the Board established a payout rate formula that strikes a balance between these competing interests and acknowledges the restricted uses of several of the funds.

According to the payout rate formula, the FY 2023 payout rate is as follows:

For the current period, the net asset value of the Foundation is \$1,953,807  
 Less the net asset value of the endowed Ham Scholarship Fund of \$153,848;  
 Less the net asset value of the restricted NDRFA of \$92,926;  
 Less the net asset value of the Hamer-Kegan endowment of \$8,101;  
 Less the cash liability to SAA (due to/due from) of \$473,682;  
 Yields adjusted total net assets available for payout of \$1,225,250.

2. **Based on an expense budget of \$75,402, and with net Unrestricted assets (minus liabilities) of \$1,225,250, the payout rate for FY23 would be 6.15%.**

## **RECOMMENDATION 1**

**THAT a payout rate of 6.15% of the adjusted net assets of the SAA Foundation (i.e., the overall net asset value less the Ham Scholarship Fund, the National Disaster Recovery Fund for Archives Fund, the Hamer-Kegan Fund, and the cash liability to SAA) be approved for Fiscal Year 2023.**

**Support Statement:** A payout rate of 6.15% of the adjusted fund balance is an appropriate level to both continue to grow the Foundation and support a vibrant program of support for the profession.

**Fiscal Impact:** For FY 2023, with an adjusted fund balance of \$1,225,250, the payout of 6.15% will yield \$75,402 in available funding.

## **RECOMMENDATION 2**

**THAT the proposed Fiscal Year 2023 Budget, with revenues of \$179,067, expenses of \$294,190, and a projected net loss of \$115,123, be approved.**

**Society of American Archivist Foundation**  
**Income Statement**  
**Fiscal 2023 Budget**

**Income & Donations**

	<u>Fiscal '23</u>	<u>Fiscal '22</u>	<u>Projected FY '22 Actuals</u>	<u>FY '23 Budget v. FY '22 Budget</u>		<u>FY '23 Budget v. FY '22 Actual</u>	
				<u>\$ Difference</u>	<u>% Difference</u>	<u>\$ Difference</u>	<u>% Difference</u>
<b><u>Unrestricted Funds</u></b>							
Margaret Cross Norton	11,222	10,441	5,200	781.28	7.48%	6,022.16	115.81%
Henry Estate	23,894	20,867	16,182	3,027.05	14.51%	7,711.76	47.66%
Strategic Growth (Includes Awards Fund)	43,486	40,032	44,385	3,454.75	8.63%	(898.34)	(2.02%)
<b><u>Funds with Donor Restrictions</u></b>							
Mosaic Scholarship	16,492	14,016	31,100	2,476.53	17.67%	(14,607.71)	(46.97%)
Pinkett	7,761	7,089	6,070	671.76	9.48%	1,690.76	27.85%
Peterson	2,204	1,993	1,570	211.17	10.60%	634.20	40.40%
National Disaster Recovery	8,125	7,120	7,880				
Hamer Kegan	437	370	219	67.05	18.12%	218.07	99.57%
Ham	4,766	29,127	2,907	(24,361.31)	(83.64%)	1,859.04	63.95%
<b><u>In-Kind Contributions</u></b>							
SAA	60,680	42,764	48,000	17,915.74	41.89%	12,679.52	26.42%
Total Revenues	\$ 179,067	\$ 173,819	\$ 163,513	\$ 4,244.03	3.02%	\$ 15,309.46	9.51%

**Expenses**

	<u>Fiscal '23</u>	<u>Fiscal '22</u>	<u>Projected FY '22 Actuals</u>	<u>FY '23 Budget v. FY '22 Budget</u>		<u>FY '23 Budget v. FY '22 Actual</u>	
				<u>\$ Difference</u>	<u>% Difference</u>	<u>\$ Difference</u>	<u>% Difference</u>
<b><u>Unrestricted Funds</u></b>							
Strategic Growth (Includes Awards Fund)	46,500	37,500	43,000	9,000.00	24.00%	3,500.00	8.14%
<b><u>Funds with Donor Restrictions</u></b>							
Mosaic Scholarship	5,200	5,300	5,200				
Archival Worker's Emergency Fund (AWEF)	-	6,634	6,000	(6,633.99)	(100.00%)	(6,000.00)	(100.00%)
Pinkett	4,000	4,000	4,000	-	0.00%	-	0.00%
Peterson	1,500	2,100	1,600	(600.00)	(28.57%)	(100.00)	(6.25%)
National Disaster Recovery	6,438	7,271	8,604				
Hamer Kegan	500	500	500	-	0.00%	-	0.00%
Ham	11,265	11,180	11,500	84.60	0.76%	(235.40)	(2.05%)
<b><u>Administration</u></b>							
Foundation Administration	105,088	16,350	21,750	88,737.92	542.74%	83,337.92	383.16%
Foundation Development	113,700	62,764	68,000	50,935.74	81.15%	45,699.52	67.21%
Total Expenses	\$ 294,190	\$ 153,599	\$ 170,154	\$ 141,524.27	91.53%	\$ 124,035.51	72.90%
Gain / (Loss) from Operations	\$ (115,123)	\$ 20,220	\$ (6,642)	\$ (137,280.24)	(669.35%)	(108,481.39)	1633.39%
Transferred to Funds	-	-	-				
Net Gain / (Loss)	\$ (115,123)	\$ 20,220	\$ (6,642)				

**SAA Foundation  
Budget Planner  
Fiscal Year 2023**

Activity	Fund	Account			FY 2023		FY 2022		FY 2022	
					Budget		Budget		Estimated Actual	
No.	No.	No.		Account Description	Line Amount	Activity Total	Line Amount		Line Amount	Activity Total
1	<b>Revenues</b>									
	<b>Investment Income</b>					<b>\$48,832</b>		<b>\$32,100</b>		<b>\$44,191</b>
	<b>Unrestricted Funds</b>									
	31	Margaret Cross Norton	4700	Interest and Dividends	6,842		4,450		6,061	
	36	Henry Estate	4700		21,846		14,610		19,352	
	37	Strategic Growth (Includes Awards Fund)	4700		7,956		6,080		8,054	
	<b>Funds with Donor Restrictions</b>									
	35	Mosaic Scholarship	4700	Interest and Dividends	1,775		1,100		1,572	
	55	Pinkett	4700		3,577		2,390		3,168	
	58	Peterson	4700		1,600		1,070		1,417	
	59	National Disaster Recovery	4700		2,171		1,450		1,923	
	92	Hamer Kegan	4700		235		155		208	
	93	Ham	4700		2,831		795		2,435	
2	<b>Donations</b>					<b>69,555</b>		<b>\$89,413</b>		<b>93,498</b>
	<b>Unrestricted Funds</b>									
	31	Margaret Cross Norton	4630	Contributions	4,380		750		4,380	
	36	Henry Estate	4630		2,048		1,572		1,515	
	37	Strategic Growth (Includes Awards Fund)	4630		35,531		38,305		31,978	
	<b>Funds with Donor Restrictions</b>									
	35	Mosaic Scholarship	4650		14,717		30,000		12,443	
	50	Archival Worker's Emergency Fund (AWEF)	4650		-		6,000		6,634	
	55	Pinkett	4650		4,184		3,680		3,921	
	58	Peterson	4650		605		500		576	
	59	National Disaster Recovery	4650		5,954		6,430		5,197	
	92	Hamer Kegan	4690		203		64		162	
	93	Ham	4690		1,935		2,112		26,692	
3	<b>Expenses</b>					<b>75,402</b>		<b>80,404</b>		<b>74,485</b>
	<b>Unrestricted Funds</b>									
	37	Strategic Growth	5385	Grants Program	30,000		30,000		21,300	
	37	Strategic Growth	5381	SAA Annual Meeting Awards Program	12,000		12,000		12,000	
	37	Strategic Growth	5380	SAA Awards Program	4,500		1,000		4,200	
	<b>Funds with Donor Restrictions</b>									
	35	Mosaic Scholarship	5385	Scholarship awards	5,200		5,200		5,300	
	50	Archival Worker's Emergency Fund (AWEF)	5385	Awards	-		6,000		6,634	

**SAA Foundation  
Budget Planner  
Fiscal Year 2023**

						FY 2023 Budget	FY 2022 Budget	FY 2022 Estimated Actual	
Activity	Fund	Narrative	Account	Account Description	Line	Activity	Line	Line	Activity
No.	No.		No.		Amount	Total	Amount	Amount	Total
4	55	Pinkett	5385	Awards	4,000		4,000	4,000	
	58	Peterson	5385	Awards	1,500		1,600	2,100	
	59	National Disaster Recovery	5385	Awards	6,438		8,604	7,271	
	92	Hamer Kegan	5385	Awards	500		500	500	
	93	Ham	5230	Management Fee	1,015		1,000	930	
	93	Ham	5385	Scholarship	10,250		10,500	10,250	
	<b>Foundation Administration</b>					<b>105,088</b>		<b>21,750</b>	<b>15,200</b>
	a.	Investment Management	5230	Management Fee	16,075		16,250	13,200	
	b.	Legal	5280	Legal	3,500		3,500	2,000	
	c.	Postage	5300	Postage	500		500	500	
	d.	Printing and Duplication	5400	Printing and Duplication	1,500		1,500	650	
	e.	Developemnt Officer for SAAF	5000	Salaries	65,000				
			5030	Retirement	5,200				
			5020	Payroll Taxes	2,113				
			5010	Benefits	11,200				
	d.	Allocated Effort and Shared Expenses	5xxx	SAA Staff Effort/Expenses	60,680	<b>60,680</b>	48,000	<b>48,000</b>	<b>42,764</b>
			4600	In-kind Donation from SAA	60,680		48,000	42,764	
5	ion Development					53020		20000	<b>20,000</b>
	a.	Implement Development Plan	5610	Member Travel	14,200			-	
		Development Committee Planning Meeting (Winter/Spring 2022)	5290	Food and Beverage	4,820			-	
		Room Rental	5700	Leases and Rental	1,500				
	b.	Development Consultant	5200	Consultants	20,000		20,000	20,000	
	c.	Annual Meeting Reception	5290	Food and Beverage	12,500				
				Total Income		<b>\$ 179,067</b>		<b>\$ 169,513</b>	<b>\$ 180,453</b>
				Total Expense		<b>294,190</b>		<b>170,154</b>	<b>153,599</b>
				Net Gain / (Loss)		<b>\$ (115,123)</b>		<b>\$ (642)</b>	<b>\$ 26,854</b>