

**Society of American Archivists Foundation
Board Meeting
July 26, 2017
Oregon Convention Center
Portland, Oregon**

**Proposed Revisions to the Grant Funding Policy
(Prepared by Nancy Beaumont and Peter Carlson)**

BACKGROUND/DISCUSSION

The Foundation's current Grant Funding Policy was approved by the Board in March 2015.

The Board, with the assistance of its Grant Review Committee, has thus far awarded three grants:

- 2016: Edward Benoit III, of Louisiana State University, for "Analysis of User-Generated Description of Moving Image Materials" (\$2,400).
- 2017: JoyEllen Freeman, of Kennesaw State University, for "Community Curation Initiative Workshop for Indigenous Community Members" (\$1,000).
- 2017: Ben Goldman (Pennsylvania State University) and Eira Tansey (University of Cincinnati) for "Existence and Location of Originals: Gathering and Documenting Archival Repository Location Data" (\$5,000).

The 2017 Grant Review Committee (Scott Cline, Fynnette Eaton, Brenda Gunn, Wilda Logan, and Gina Minks) sought clarification from staff about language within the Grant Funding Policy that seems to be inconsistent. (For example, the first sentence seems to limit the source of grant funding to investment income, while the second sentence indicates that "The total income available is realized on the dividends, interest, and contributions to the unrestricted funds....") Their questions led to an in-depth review of the current policy and a suggestion that the language be simplified and updated as presented in the recommendation.

RECOMMENDATION

THAT the Foundation's Grant Funding Policy be revised as indicated below (*strikethrough = deletion, underline = addition*).

SAAF Grant Funding Policy

~~[Each year the SAA Foundation may make available for distribution a portion of the income from its investments for grant making purposes. The total income available is realized on the dividends, interest, and contributions to the unrestricted funds that are available to the SAA Foundation.]~~

Each year the SAA Foundation may make available for awarding of competitive grants a portion of its income from interest and dividends from, investment gains from, and contributions to its unrestricted funds. Income from restricted funds is not available for distribution as part of the Foundation's grants program.

~~The SAA Foundation Board of Directors will determine annually the percentage of income, or payout rate, to be distributed from its unrestricted funds. The annual payout rate percentage will be clearly stated for the benefit of Board members and donors. The Board may award money that has been set aside by this distribution.~~

~~The Board agrees to a standard formula for a payout rate that is relatively unchanged. The predictability of a standard payout rate provides the Board with planning assumptions and reasonable expectations for funding a grant program. An important consideration is that a conservative payout rate will allow a higher capital accumulation of the investment pool in the long term. To preserve the purchasing power of the invested funds, a range between 4 and 7% is typical, with a convergence at 5.5% on average for long term preservation of the principal.~~

Given the importance of maintaining an appropriate balance between growing the Foundation's principal and sponsoring a robust grants program, the Board may choose to designate the use of funds from principal to meet extraordinary requests or circumstances and/or to accrue the available funding in one fiscal year to be made available to applicants in a succeeding grant period.

~~The Board agrees that a 5.5% payout rate is advisable in the first year of implementation (i.e., FY 2015). In accepting a 5.5% rate in the first fiscal year, the Board understands that it may:~~

- ~~• Maintain or change the payout rate in any future year;~~
- ~~• Designate the use of funds from principal to meet extraordinary requests or circumstances as they may arise;~~
- ~~• Accrue the available funding in one fiscal year to be made available to applicants in a succeeding grant period.~~

~~Funds available for distribution in the SAA Foundation grant program will be identified in the financial statements along with the performance of and returns on investments. Interest on funds that are restricted and/or under the management of SAA [the 501(c)(6) corporation] are not available for distribution. The SAA Foundation may also control restricted funds set aside for special purposes, such as the National Disaster Recovery Fund for Archives, which are governed by separate rules.~~

Support Statement: The proposed revisions to the Grant Funding Policy simplify the language and reflect the maturation of the Foundation Board and staff in monitoring the Foundation's financial status and implementing the grants program.

Fiscal Impact: None.