

Society of American Archivists Foundation

FY '19 Crrtqxd Budget Narrative:

SAA Foundation

(Prepared by Peter Carlson)

Foundation Funds are presented using three categories:

- Unrestricted Funds,
- Temporarily Restricted Funds, and
- Permanently Restricted Funds.

Some highlights of the FY 2019 Foundation budget are as follows:

- Contributions are budgeted to be \$1,115 (1.62%) lower than projected in the FY 2018 budget and approximately the same as FY 2018 projected actuals. The FY 2019 amounts are based on FY 2018 data and assume very little or no growth. This assumption reflects a sense that we have hit a plateau in both the number of individual gifts, and the total we can expect given current effort allocation and the fact that the SAA Foundation has yet to have devoted staff.
- Investment income is estimated to be \$8,515 (18.37%) less than projected in the FY 2018 budget. This decrease is based on current data and portfolio makeup as provided in the Merrill Lynch statements, and the assumption that overall market performance will be about the same as FY 2018 actual performance. This estimate assumes that the large market correction experienced in FY 2018 will not happen again, and that trends since January 2018 will better characterize our overall performance.
- 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 only administrative expenses applied to the Foundation are those related to legal, investment management, Board travel, and event expenses. The staff allocation of in-kind expenses is budgeted to increase by \$7,166 (21.91%). This increase reflects necessary effort to address a four-fold increase in the number of gifts over the past 3 years, increased marketing and social media activity, and a substantial increase in grant administration activities (more SAA Grant Program awards and a new Travel Award Program).

Notes and Recommendations from SAAF Finance Committee Meeting Discussion

Meeting Date: June 25, 2018

Attendees: Cheryl Stadel-Bevans, Fynnette Eaton, Nancy P. Beaumont, Peter Carlson

The committee reviewed the budget and assumptions for the Draft FY 2019 Budget, and generally agreed that it should be approved as presented with one amendment: NDRFA Award expense should be increased to \$5,000 from \$4,500. So, the FY 2019 Budget would have total income of \$145,342, total expenses of \$142,024, and a net gain of \$3,318. This nominal increase reflects the opinion of the Committee that expected award expenses must be equal to at least one NDRFA award, hence this change has been made.

Discussion of the budget brought to light several recurring issues regarding the administration of the Awards and Grants program, and the Committee expressed the need to develop a consistent approach to the SAAF's payout schedule/policy. The following other issues were raised with respect to SAAF program administration:

- The group agreed that establishing a payout policy that is based upon total asset values of the Foundation writ large was necessary in order to assure that we do not diminish balances from year to year. For example, this year the Grants program will result in a net loss (as anticipated), though we have no identified strategy to address this going forward.
- Related to this, there was general agreement that the budget should flow from already established goals set forth by the Development Committee and approved by the Foundation Board. This will allow for better planning and budgeting.
- The committee agreed that establishing payout at 7% of unrestricted net assets (adjusted for liabilities) is reasonable for FY 2019.

The NDRFA and its unique purpose were topics of extensive discussion. The Committee was concerned that donation income estimated by trend in the budget was optimistic. There was general concern that without a directed effort, we would not meet the \$13,250 target for this fund. Further, the Finance Committee is concerned that even if we do a special, earmarked campaign, it might result in missing other donation revenue estimates assumed in the budget. Again, the need for coordination with the Development Committee prior to budget development was raised as a strategy to better inform the process.

Discussion of NDRFA payout also resulted in the suggestion that we develop a more coordinated approach to the administration of this program. It is acknowledged that the NDRFA Grant Review Committee has done excellent work and that the program is currently a notable success. Unfortunately, we lack coordination between the review process and the fundraising and budgeting processes. While it is critical to maintain the subject matter expert/member-driven nature of the review process, it is also necessary that SAAF Directors have better insight into the emergent demands on the fund. One suggestion was to have an SAAF Board member serve on the NDRFA review committee and coordinate with the SAAF Board and Development Committee so that we can strategically budget and plan fundraising activities.

**SAA Foundation
Fund Balance Projection
Fiscal 2019 Budget
Budget Master - Funds, Grants and Awards**

	Estimated Close 6/30/2018 Fund Balance	Projected Revenues FY 2019	Projected Expenses FY 2019	Projected 6/30/2019 Fund Balance
Administration				
Allocable expense/ In-Kind Contrib from SAA		\$ 39,872	\$ 16,300	
Investment / Legal			39,872	
SAAF Board Meetings			16,750	
Foundation Development			15,000	
Unrestricted Funds				
31 Margaret Cross Norton	\$ 208,735	7,000	-	\$ 215,735
35 Mosaic Scholarship	38,029	9,100	5,300	41,829
36 Henry Estate	676,751	19,150	-	695,901
37 Strategic Growth	180,359	36,500	21,300	195,559
38 Awards	94,837	5,250	6,500	93,587
Temporarily Restricted Funds				
55 Pinkett	112,235	6,100	2,200	116,135
58 Peterson	40,209	2,060	2,100	40,169
59 National Disaster Recovery	75,772	15,150	5,000	85,922
Permanently Restricted Funds				
92 Hamer Kegan	7,111	645	500	7,256
93 Ham	132,687	4,515	11,203	125,999
Total	<u>\$ 1,566,724.89</u>	<u>\$ 145,342.00</u>	<u>\$ 142,024.49</u>	<u>\$ 1,618,092.40</u>

**SAA Foundation
Budget Planner
Fiscal Year 2019**

Activity No.	Narrative	Account No.	Account Description	FY 2019 Budget		FY 2018 Estimated Actual		FY 2018 Budget	
				Line Amount	Activity Total	Line Amount		Line Amount	Activity Total
1	Investment Income				\$37,835		35,048		\$46,350
	Unrestricted Funds								
31	Margaret Cross Norton	4700	Interest and Dividends	5,000		5,000		6,200	
35	Mosaic Scholarship	4700		1,100		1,052		1,200	
36	Henry Estate	4700		16,310		16,277		21,000	
37	Strategic Growth	4700		4,500		4,485		5,000	
38	Awards	4700		2,300		2,289		2,950	
	Temporarily Restricted Funds								
55	Pinkett	4700		2,700		2,655		3,300.00	
58	Peterson	4700		1,200		1,194		1,600.00	
59	National Disaster Recovery	4700		1,900		1,861		2,200.00	
	Permanently Restricted Funds								
92	Hamer Kegan	4700		200		175		250.00	
93	Ham	4700		2,625		60		2,650.00	
2	Donations				67,635		67,810		68,750
	Unrestricted Funds								
31	Margaret Cross Norton	4630	Contributions	2,000		2,144		3,500	
35	Mosaic Scholarship	4630		8,000		8,200		12,500	
36	Henry Estate	4630		2,840		2,837		2,300	
37	Strategic Growth	4630		32,000		31,861		34,000.00	
38	Awards	4630		2,950		2,949		1,300.00	
	Temporarily Restricted Funds								
55	Pinkett	4650		3,400		3,371		5,000.00	
58	Peterson	4650		860		869		1,150.00	
59	National Disaster Recovery	4650		13,250		13,240		7,200	
	Permanently Restricted Funds								
92	Hamer Kegan	4690		445		446		300	
93	Ham	4690		1,890		1,892		1,500.00	
3	Expenses				54,103		92,534		47,225
	Unrestricted Funds								
35	Mosaic Scholarship	5385	Scholarship awards	5,300		10,800		5,300	
36	Henry Estate	-		-		-			
37	Strategic Growth	5385	Grants Program	21,300		32,023		15,000	

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Fiscal Year 2019**

Activity No.	Narrative	Account No.	Account Description	FY 2019 Budget		FY 2018 Estimated Actual		FY 2018 Budget	
				Line Amount	Activity Total	Line Amount		Line Amount	Activity Total
	38 Awards	5385	SAA Awards Program	6,500		2,143		6,500	
	Temporarily Restricted								
	55 Pinkett	5385	Awards	2,200		961		2,200	
	58 Peterson	5385	Awards	2,100		1,100		2,100	
	59 National Disaster Recovery	5385	Awards	5,000		34,000		4,500	
	Permanently Restricted								
	92 Hamer Kegan	5385	Awards	500		500		500	
	93 Ham	5230	Management Fee	1,003		1,007		925	
	Ham	5385	Scholarship	10,200		10,000		10,200	
4	Foundation Administration								
	a. Investment Management	5230	Management Fee	14,300	16,300	15,912	15,912	11,000	32,706
	b. Legal	5280	Legal	2,000		-		2,000	13,000
	c. Foundation Board Annual Meeting	5290	Food and Beverage	3,350	16,750	3,343	15,923	2,400	16,050
		5610	Member Travel	12,500		11,720		13,000	
	d. SAAF Board Working Dinner at AM 18	5290	Food and Beverage	900		859		650	
	e. Allocated Effort and Shared Expenses				39,872		33,877		32,706
		5xxx	SAA Staff Effort/Expenses	39,872		33,877		32,706	
		4600	In-kind Donation from SAA	39,872		33,877		32,706	
5	Foundation Development				15,000				15,000
	Implement Development Plan	5610	Member Travel	-		-		-	
		5290	Food and Beverage	-		-		-	
		5200	Consulting Fees	15,000				15,000	
			Total Income		\$ 145,342		\$ 136,734		\$ 147,806
			Total Expense		142,024		158,245		123,981
			Net Gain / (Loss)		\$ 3,318		\$ (21,511)		\$ 23,825