

Society of American Archivists Foundation

FY 2021 Proposed Budget Narrative:

SAA Foundation

(Prepared by Peter Carlson)

Foundation funds are presented using two categories: Unrestricted Funds and Funds with Donor Restrictions.

Following are some highlights of the FY 2021 Foundation budget:

- Contributions are budgeted to be \$8,862 (9.77%) *lower* than the FY 2020 budget estimate and \$89,266 (52.18%) lower than the FY 2020 estimated actuals. The large variance with FY '20 actuals reflects the unique circumstances that gave rise to the Archival Worker's Emergency Fund (AWEF). The FY 2021 amounts are based on FY 2020 data and assume a reduction in contributions of between 10 and 15%. Given current effort allocation and the lack of devoted staff, it is crucial that we are strategic in our appeals for the FY21 campaign.
- Investment income is estimated to be \$8,720 (19.54%) less than projected in the FY 2020 budget and \$12,038 (25.11%) less than 2020 actuals. This estimate is based on current data and portfolio makeup as provided in the Merrill Lynch statements, and the assumption that overall market performance will be lower than FY 2020 actual performance. This estimate assumes that there will be large market corrections and volatility, and that overall performance will be less than in the previous two years.
- The NDRFA expense estimate (always hard to anticipate) of \$6,854 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 only administrative expenses applied to the Foundation are those related to legal, investment management, consulting, Board travel, and event expenses. The staff allocation of in-kind expenses is budgeted to increase by \$907 (2.17%).

For Discussion:

1. The FY21 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. When this program was originally conceived in FY18, the Board had hoped to find external funding sources to support the program. As we move into the fourth year of the program, we have yet to identify non-Foundation funding sources for this popular program.

2. 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 in order 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 2021 payout rate is as follows:

For the current period, the net asset value of the Foundation is \$1,662,487
Less the net asset value of the endowed Ham Scholarship Fund of \$116,524;
Less the net asset value of the restricted NDRFA of \$80,416;
Less the net asset value of the Hamer-Kegan endowment of \$7,117;
Less the net asset value of the AWEF of \$12,361;
Less the cash liability to SAA (due to/due from) of \$574,191;
Yields adjusted total net assets available for payout of \$871,877.

Based on an expense budget of \$67,851, and with net Unrestricted assets (minus liabilities) of \$871,877, the payout rate for FY20 would be 7.78%.

RECOMMENDATION

THAT a payout rate of 7.78% 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, the AWEF, and the cash liability to SAA) be approved for Fiscal Year 2021.

Support Statement: A payout rate of 7.78% 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 2021, with an adjusted fund balance of \$871,877, the payout of 7.78% will yield \$67,851 in available funding.

Society of American Archivist Foundation
Income Statement
Fiscal 2021 Budget

Income & Donations

	Projected FY '20			FY '21 Budget v. FY '20 Budget		FY '21 Budget v. FY '20 Actuals	
	<u>Fiscal '21</u>	<u>Fiscal '20</u>	<u>Actuals</u>	<u>\$ Difference</u>	<u>% Difference</u>	<u>\$ Difference</u>	<u>% Difference</u>
<u>Unrestricted Funds</u>							
Margaret Cross Norton	7,820	7,525	9,963	294.75	3.92%	(2,143.71)	(21.52%)
Henry Estate	16,750	24,000	21,887	(7,250.00)	(30.21%)	(5,136.95)	(23.47%)
Strategic Growth (Includes Awards Fund)	35,066	53,500	42,534	(18,434.50)	(34.46%)	(7,468.95)	(17.56%)
Awards (Retired Fund)	-	3,800	-	(3,800.00)	(100.00%)	-	N/A
<u>Funds with Donor Restrictions</u>							
Mosaic Scholarship	12,881	16,150	15,338	(3,269.04)	(20.24%)	(2,456.65)	(16.02%)
Archival Worker's Emergency Fund (AWEF)	25,000	-	104,161	25,000.00	N/A	(79,161.39)	(76.00%)
Pinkett	5,968	6,000	7,425	(32.25)	(0.54%)	(1,457.58)	(19.63%)
Peterson	2,382	2,625	2,984	(243.05)	(9.26%)	(601.60)	(20.16%)
National Disaster Recovery	8,417	16,550	10,148				
Hamer Kegan	394	750	525	(356.25)	(47.50%)	(131.61)	(25.05%)
Ham	3,041	4,400	4,055	(1,358.75)	(30.88%)	(1,014.18)	(25.01%)
<u>In-Kind Contributions</u>							
SAA	42,764	40,418	41,857	2,345.99	5.80%	907.22	2.17%
Total Revenues	\$ 160,482	\$ 175,718	\$ 260,879	\$ (7,103.11)	(8.67%)	\$ (98,665.41)	(38.48%)

Expenses

	Projected FY '20			FY '21 Budget v. FY '20 Budget		FY '21 Budget v. FY '20 Actuals	
	<u>Fiscal '21</u>	<u>Fiscal '20</u>	<u>Actuals</u>	<u>\$ Difference</u>	<u>% Difference</u>	<u>\$ Difference</u>	<u>% Difference</u>
<u>Unrestricted Funds</u>							
Strategic Growth (Includes Awards Fund)	37,500	39,800	25,802	(2,300.00)	(5.78%)	11,697.74	45.34%
<u>Funds with Donor Restrictions</u>							
Mosaic Scholarship	5,300	5,300	10,204				
Archival Worker's Emergency Fund (AWEF)	25,000	-	106,800	25,000.00	N/A	(81,800.00)	(76.59%)
Pinkett	4,000	4,000	511	-	0.00%	3,488.82	682.50%
Peterson	2,100	2,100	1,102	-	0.00%	997.80	90.53%
National Disaster Recovery	7,271	7,800	-				
Hamer Kegan	500	500	1,000	-	0.00%	(500.00)	(50.00%)
Ham	11,180	11,383	20,971	(202.50)	(1.78%)	(9,790.57)	(46.69%)
<u>Administration</u>							
Foundation Administration	16,350	19,000	16,639	(2,650.00)	(13.95%)	(288.77)	(1.74%)
Foundation Development	50,264	60,246	45,339	(9,982.01)	(16.57%)	4,924.90	10.86%
Total Expenses	\$ 159,465	\$ 150,128	\$ 228,368	\$ 9,865.49	6.22%	\$ (68,903.25)	(30.17%)
Gain / (Loss) from Operations	\$ 1,017	\$ 25,590	\$ 32,511	\$ (16,968.59)	(96.02%)	(31,493.35)	(96.87%)
Transferred to Funds	-	-	-				
Net Gain / (Loss)	<u>\$ 1,017</u>	<u>\$ 25,590</u>	<u>\$ 32,511</u>				

**SAA Foundation
Budget Planner
Fiscal Year 2021**

Activity No.	Fund No.	Narrative	Account No.	Account Description	Line Amount	FY 2021 Budget		FY 2020 Estimated Actual		FY 2020 Budget	
						Activity Total	Line Amount		Line Amount	Activity Total	
1		Investment Income				\$35,905		47,943		\$44,625	
		Unrestricted Funds									
	31	Margaret Cross Norton	4700	Interest and Dividends	4,853		6,471		6,225		
	36	Henry Estate	4700		15,750		20,984		19,000		
	37	Strategic Growth (Includes Awards Fund)	4700		6,488		8,733		5,000		
	38	Awards (Retired Fund)	4700						2,800		
		Funds with Donor Restrictions									
	35	Mosaic Scholarship	4700		1,151		1,535		1,150		
	50	Archival Worker's Emergency Fund (AWEF)	4700		-		-		-		
	55	Pinkett	4700		2,576		3,435		3,200.00		
	58	Peterson	4700		1,152		1,537		1,500.00		
	59	National Disaster Recovery	4700		1,564		2,085		2,550.00		
	92	Hamer Kegan	4700		169		225		200.00		
	93	Ham	4700		2,203		2,937		3,000.00		
2		Donations				81,813		171,078.58		90,675	
		Unrestricted Funds									
	31	Margaret Cross Norton	4630	Contributions	2,967		3,492		1,300		
	36	Henry Estate	4630		1,000		903		5,000		
	37	Strategic Growth (Includes Awards Fund)	4630		28,578		33,801		48,500		
	38	Awards (Retired Fund)	4630						1,000		
		Funds with Donor Restrictions									
	35	Mosaic Scholarship	4650		11,730		13,803		15,000		
	50	Archival Worker's Emergency Fund (AWEF)	4650		25,000		104,161				
	55	Pinkett	4650		3,392		3,990		2,800		
	58	Peterson	4650		1,230		1,447		1,125		
	59	National Disaster Recovery	4650		6,854		8,063		14,000		
	92	Hamer Kegan	4690		225		300		550		
	93	Ham	4690		839		1,118		1,400		
3		Expenses				92,851		166,390		70,883	
		Unrestricted Funds									
	37	Strategic Growth	5385	Grants Program	21,300		18,400		21,300		
		Strategic Growth	5385	SAA Travel Awards Program	12,000		-		12,000		
			5385	SAA Awards Program	4,200		7,402		6,500		
		Funds with Donor Restrictions									
	35	Mosaic Scholarship	5385	Scholarship awards	5,300		10,204		5,300		
	50	Archival Worker's Emergency Fund (AWEF)	5385		25,000		106,800				
	55	Pinkett	5385	Awards	4,000		511		4,000		

**SAA Foundation
Budget Planner
Fiscal Year 2021**

						FY 2021	FY 2020		FY 2020		
						Budget	Estimated Actual		Budget		
Activity	Fund	Account				Line	Activity	Line		Line	Activity
No.	No.	No.	Account Description			Amount	Total	Amount		Amount	Total
4	58	Peterson	5385	Awards		2,100		1,102		2,100	
	59	National Disaster Recovery	5385	Awards		7,271		-		7,800	
	92	Hamer Kegan	5385	Awards		500		1,000		500	
	93	Ham	5230	Management Fee		930		922		1,003	
	93	Ham	5385	Scholarship		10,250		20,049		10,380	
	Foundation Administration						15,200		13,997		17,000
	a.	Investment Management	5230	Management Fee		13,200		13,274		14,000	
	b.	Legal	5280	Legal		2,000		723		3,000	
	c.	Postage	5300			500	1,150	458	2,642		2,000
	d.	Printing and Duplication	5400	Printing and Duplication		650		552			
5	c.	SAAF Board Annual Meeting Dinner at JAM 19	5290	Food and Beverage		-		2,090		2,000	
	d.	Allocated Effort and Shared Expenses					42,764		41,857		40,418
			5xxx	SAA Staff Effort/Expenses		42,764		41,857		40,418	
			4600	In-kind Donation from SAA		42,764		41,857		40,418	
	Foundation Development						7,500		3,482		19,828
		Implement Development Plan	5610	Member Travel		-		2,712		4,228	
	a.	Development Committee Planning Meeting (Fall 2019)	5290	Food and Beverage		-		-		600	
	b.	Development Consultant	5200	Consultants		7,500		770		15,000	
Total Income						\$ 160,482		\$ 260,879		\$ 175,718	
Total Expense						159,465		228,826		150,128	
Net Gain / (Loss)						\$ 1,017		\$ 32,053		\$ 25,590	