

**Society of American Archivists Foundation
Board of Directors Meeting
August 10, 2021
Virtual Meeting**

**FY 2022 Proposed Budget Narrative:
SAA Foundation
(Prepared by Director of Finance Peter Carlson)**

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

Following are some highlights of the FY 2022 Foundation budget:

- Contributions are budgeted to be \$7,600 (9.29%) *higher* than the FY 2021 budget estimate and \$18,331 (17.01%) lower than the FY 2021 estimated actuals. The variance with FY '21 actuals reflects the unique circumstances that gave rise to the Archival Worker's Emergency Fund (AWEF). The FY 2022 amounts are based on FY 2021 data and assume roughly equal contributions across most funds. It is assumed that AWEF donation will taper off as this temporary fund is sun-downed, and includes a stretch goal of increasing fund raising for the Strategic Growth Fund by \$10,015, or 35.4%. Given current effort allocation and the lack of devoted staff, it is crucial that we are strategic in our appeals for the FY22 campaign.
- Investment income is estimated to be the same as FY 2021 actuals and \$3,805 (10.6%) less than 2021 budget estimates. 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 similar to FY 2021 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 \$8,604 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 \$1,715 (3.57%).

For Discussion:

1. 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. 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 2022 payout rate is as follows:

For the current period, the net asset value of the Foundation is \$2,188,161
Less the net asset value of the endowed Ham Scholarship Fund of \$146,431;
Less the net asset value of the restricted NDRFA of \$82,480;
Less the net asset value of the Hamer-Kegan endowment of \$7,306;
Less the net asset value of the AWEF of \$10,902;
Less the cash liability to SAA (due to/due from) of \$486,673;
Yields adjusted total net assets available for payout of \$1,454,369.

Based on an expense budget of \$80,404, and with net Unrestricted assets (minus liabilities) of \$1,454,369, the payout rate for FY22 would be 5.53%.

RECOMMENDATION 1

THAT a payout rate of 5.53% 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 2022.

Support Statement: A payout rate of 5.53% 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 2022, with an adjusted fund balance of \$1,454,369, the payout of 5.53% will yield \$80,404 in available funding.

RECOMMENDATION 2

THAT the proposed Fiscal Year 2022 Budget, with revenues of \$171,228, expenses of \$171,869, and a projected net loss of \$642, be approved.

Society of American Archivist Foundation
Income Statement
Fiscal 2022 Budget

Income & Donations

	<u>Fiscal '22</u>	<u>Fiscal '21</u>	<u>Projected FY '21 Actuals</u>	<u>FY '22 Budget v. FY '21 Budget</u>		<u>FY '22 Budget v. FY '21 Actual</u>	
				<u>\$ Difference</u>	<u>% Difference</u>	<u>\$ Difference</u>	<u>% Difference</u>
<u>Unrestricted Funds</u>							
Margaret Cross Norton	5,200	7,820	5,190	(2,619.75)	(33.50%)	10.00	0.19%
Henry Estate	16,182	16,750	16,182	(568.00)	(3.39%)	-	0.00%
Strategic Growth (Includes Awards Fund)	44,385	35,066	34,370	9,319.16	26.58%	10,014.66	29.14%
Awards (Retired Fund)	-	-	-	-	N/A	-	N/A
<u>Funds with Donor Restrictions</u>							
Mosaic Scholarship	31,100	12,881	26,580	18,219.04	141.44%	4,520.00	17.01%
Archival Worker's Emergency Fund (AWEF)	6,000	25,000	37,365	(19,000.00)	(76.00%)	(31,365.00)	(83.94%)
Pinkett	6,070	5,968	6,990	102.25	1.71%	(920.00)	(13.16%)
Peterson	1,570	2,382	1,617	(811.95)	(34.09%)	(47.00)	(2.91%)
National Disaster Recovery	7,880	8,417	7,880	-	0.00%	-	0.00%
Hamer Kegan	219	394	235	(174.75)	(44.38%)	(16.00)	(6.81%)
Ham	2,907	3,041	3,435	(134.25)	(4.41%)	(528.00)	(15.37%)
<u>In-Kind Contributions</u>							
SAA	49,715	42,764	48,000	6,951.32	16.26%	1,715.10	3.57%
Total Revenues	\$ 171,228	\$ 160,482	\$ 187,844	\$ 11,283.08	6.70%	\$ (16,616.24)	(8.85%)

Expenses

	<u>Fiscal '22</u>	<u>Fiscal '21</u>	<u>Projected FY '21 Actuals</u>	<u>FY '22 Budget v. FY '21 Budget</u>		<u>FY '22 Budget v. FY '21 Actual</u>	
				<u>\$ Difference</u>	<u>% Difference</u>	<u>\$ Difference</u>	<u>% Difference</u>
<u>Unrestricted Funds</u>							
Strategic Growth (Includes Awards Fund)	43,000	37,500	32,888	5,500.00	14.67%	10,112.00	30.75%
<u>Funds with Donor Restrictions</u>							
Mosaic Scholarship	5,200	5,300	5,104	-	0.00%	-	0.00%
Archival Worker's Emergency Fund (AWEF)	6,000	25,000	44,825	(19,000.00)	(76.00%)	(38,825.00)	(86.61%)
Pinkett	4,000	4,000	104	-	0.00%	3,896.00	3746.15%
Peterson	1,600	2,100	49	(500.00)	(23.81%)	1,551.00	3165.31%
National Disaster Recovery	8,604	7,271	10,000	-	0.00%	-	0.00%
Hamer Kegan	500	500	500	-	0.00%	-	0.00%
Ham	11,500	11,180	11,249	320.00	2.86%	251.00	2.23%
<u>Administration</u>							
Foundation Administration	21,750	16,350	17,746	5,400.00	33.03%	4,004.00	22.56%
Foundation Development	69,715	50,264	55,500	19,451.32	38.70%	14,215.10	25.61%
Total Expenses	\$ 171,869	\$ 159,465	\$ 177,965	\$ 11,171.32	7.78%	\$ (6,095.73)	(3.43%)
Gain / (Loss) from Operations	\$ (642)	\$ 1,017	\$ 9,879	\$ 111.75	(163.06%)	(10,520.51)	(106.49%)
Transferred to Funds	-	-	-	-	-	-	-
Net Gain / (Loss)	\$ (642)	\$ 1,017	\$ 9,879				

**SAA Foundation
Budget Planner
Fiscal Year 2022**

Activity No.	Fund No.	Narrative	Account No.	Account Description	FY 2022 Budget		FY 2021 Estimated Actual		FY 2021 Budget
					Line Amount	Activity Total	Line Amount		Line Amount
1		Investment Income				\$32,100		\$32,100	
		Unrestricted Funds							
	31	Margaret Cross Norton	4700	Interest and Dividends	4,450		4,450		4853.25
	36	Henry Estate	4700		14,610		14,610		15750
	37	Strategic Growth (Includes Awards Fund)	4700		6,080		6,080		6487.5
	38	Awards (Retired Fund)	4700						
		Funds with Donor Restrictions							
	35	Mosaic Scholarship	4700	Interest and Dividends	1,100		1,100		1150.958
	50	Archival Worker's Emergency Fund (AWEF)	4700		-		-		0
	55	Pinkett	4700		2,390		2,390		2576.25
	58	Peterson	4700		1,070		1,070		1152
	59	National Disaster Recovery	4700		1,450		1,450		1563.75
	92	Hamer Kegan	4700		155		155		168.75
	93	Ham	4700		795		795		2202.75
2		Donations				\$89,413		\$107,744	
		Unrestricted Funds							
	31	Margaret Cross Norton	4630	Contributions	750		740		2966.5
	36	Henry Estate	4630		1,572		1,572		1000
	37	Strategic Growth (Includes Awards Fund)	4630		38,305		28,290		28578
	38	Awards (Retired Fund)	4630						
		Funds with Donor Restrictions							
	35	Mosaic Scholarship	4650		30,000		25,480		11730
	50	Archival Worker's Emergency Fund (AWEF)	4650		6,000		37,365		25000
	55	Pinkett	4650		3,680		4,600		3391.5
	58	Peterson	4650		500		547		1229.95
	59	National Disaster Recovery	4650		6,430		6,430		6853.55
	92	Hamer Kegan	4690		64		80		225
	93	Ham	4690		2,112		2,640		838.5
3		Expenses				80,404		104,719	
		Unrestricted Funds							
	37	Strategic Growth	5385	Grants Program	30,000		28,419		21300
		Strategic Growth	5381	SAA Annual Meeting Awards Program	12,000		3,969		12000

**SAA Foundation
Budget Planner
Fiscal Year 2022**

Activity No.	Fund No.	Narrative	Account No.	Account Description	FY 2022 Budget		FY 2021 Estimated Actual		FY 2021 Budget
					Line Amount	Activity Total	Line Amount		Line Amount
	37		5380	SAA Awards Program	1,000		500		4200
	Funds with Donor Restrictions								
	35	Mosaic Scholarship	5385	Scholarship awards	5,200		5,104		5300
	50	Archival Worker's Emergency Fund (AWEF)	5385	Awards	6,000		44,825		25000
	55	Pinkett	5385	Awards	4,000		104		4000
	58	Peterson	5385	Awards	1,600		49		2100
	59	National Disaster Recovery	5385	Awards	8,604		10,000		7270.833
	92	Hamer Kegan	5385	Awards	500		500		500
	93	Ham	5230	Management Fee	1,000		950		930
	93	Ham	5385	Scholarship	10,500		10,299		10250
4	Foundation Administration					21,750		17,746	
	a.	Investment Management	5230	Management Fee	16,250		15,360		13200
	b.	Legal	5280	Legal	3,500		1,421		2000
	c.	Postage	5300		500		300		500
	d.	Printing and Duplication	5400	Printing and Duplication	1,500		665		650
	c.		5290	Food and Beverage	-		-		0
	d.	Allocated Effort and Shared Expenses				49,715		48,000	
			5xxx	SAA Staff Effort/Expenses	49,715		48,000		42763.78
			4600	In-kind Donation from SAA	49,715		48,000		42763.78
5	Foundation Development					20,000		7,500	
		Implement Development Plan	5610	Member Travel					0
	a.	Development Committee Planning Meeting (Fall 2019)	5290	Food and Beverage					0
	b.	Development Consultant	5200	Consultants	20,000		7,500		7500
				Total Income		\$ 171,228		\$ 187,844	
				Total Expense		171,869		177,965	
				Net Gain / (Loss)		\$ (642)		\$ 9,879	