



ASOR Fall Executive Committee Meeting

December 9, 2020

via Zoom 12:30-3:00 ET

Present: Richard Coffman (Chair of the Board); Sharon Herbert (President); Chuck Jones (Vice President); Ann-Marie Knoblauch (Secretary); Jane DeRose Evans; Eric Meyers; Andy Vaughn (Executive Director), Susan Ackerman (Past President); Lynn Swartz Dodd. Absent: Heather McKee (Treasurer). Late: Joe Seger.  
Guest: Meagan Shirley

Business and Action Items 12:30-2:00

**1. Call to Order (Richard Coffman)**

- The meeting was called to order at 12:35 PM

**2. Approval of Agenda (Richard Coffman)**

- **BE IT RESOLVED:** The agenda is approved by unanimous consent.

**3. Approval of the Minutes from the September 17, 2020 EC Zoom Meeting (Richard Coffman)**

- Sharon thanked Ann-Marie for the minutes of recent complex discussions and meetings
- **BE IT RESOLVED:** The minutes are approved by unanimous consent.

**4. Treasurer's Report (Heather McKee 10 minutes)**

**5. Finance Committee Discussion and Action Items (Andy Vaughn 45 minutes)**

**1. Review and discussion of financial position**

**vi. Balance Sheet Summary (Exhibit B)**

- Andy shared Exhibit B, the Audited Balance Sheet Comparison going back to 2009, highlighting certain points in the report.
- The Net Assets Without Donor Restrictions Available for Operations is \$423,259. Also on the balance sheet is a liability for \$118,700 (This is the PPP loan, which we anticipate will be forgiven.) When the PPP loan is forgiven, our Net Assets Without Donor Restrictions Available for Operations will be ~\$542,000.
- The memo refers to a \$5000 operating loss. This is explained in the Budget-to-

Actual (Exhibit C) and accompanying notes (Exhibit D): there are some adjusting entries from previous years to adjusted an understatement of book net revenue. Without this adjustment (restatement) from prior years, we would have an \$8000 surplus.

- Andy thanked Sheldon Fox who spent a great deal of time reviewing old accounts and cleaning them up; leaving us with a better presentation of our balance sheet for our external auditing firm—thus saving ASOR money on our audit.
- Andy then discussed the Board Designated Publications Fund. We have a goal to keep that at about \$100,000. Andy acknowledged Eric Meyers and others who were involved in helping create that fund by foregoing editorial compensation. As of 30 June, the amount in the fund was around \$120,000, as of today is around \$135,000.
- Andy then discussed Fixed Assets (which includes real estate). Andy noted that while the James Strange Center has boosted our Net Assets Without Donor Restrictions (because if the property is sold it becomes an unrestricted asset). As a result of depreciation, this number went down by about \$21,000 (\$1,117,270 in 2019 to \$1,096,032 in 2020). The land of the James Strange Center is valued at around \$700,000, and the building is being depreciated over years, so we can expect the Fixed Asset, net to decrease around \$20,000 a year for the next 30 years; though our property taxes will be based on fair market value.
- Susan asked about adjustments for increasing property value over time; Andy explained that while the property value will presumably go up, from an accounting standpoint it will not affect ASOR's numbers unless the building were sold.
- The good news is that with the size of our budget and the size of our operations, we are in a very stable place to make it through tough times.
- Andy then turned to the category of Net Assets with Donor Restrictions. This includes both temporary restricted funds and permanently restricted funds.
- \$293,581 represents funds received that are obligated to be spent on something else (unspent grant money, gifts designated to particular restricted funds, etc.). This cannot be spent on operating costs. About \$125,000 of the total here is in the building fund. The Finance Committee is recommending that the Building Fund be reclassified as a Board-designated Fund. If the Building Fund money is reclassified, it would become a line item under Net Assets Without Donor Restrictions called Board Designated-Building Fund.
- The "Held Under Endowment" category jumped from \$1,933,554 in 2019 to \$2,735,950 in 2020 due market gains and several large gifts, including P.E. MacAllister's Legacy Gift of \$500,000 and Steve Dana's donation of \$209,000 to the Dana Excavation Fellowship Fund.
- Richard affirmed Andy's points, and summarized. Sheldon cleaned up many accounts, which has been very helpful. But what is important is that at the end of the day we are up \$67,000 in cash, and that's a good thing, especially in a pandemic.
- Andy then reviewed the Finance Committee Memo and Report, highlighting the page that includes the balance of various accounts as of 30 November.
- Between various cash accounts (including temporary restricted) we have almost \$760,000 in the bank; under Board Designated Accounts we had \$133,000; under General Endowment for Operations, it was right at \$1,500,000; the accounts with donor restrictions (all the named accounts) is at \$1,700,000.
- We are stable in spite of the challenges caused by the ongoing pandemic.

**vii. Review Fiscal Year 2020 Audited Financial Statements (Exhibit A)**

- Andy first noted that the Auditors found our books to be clean. The SAS114 letter given to the Finance Committee gave the same report.

- Andy noted that the auditor's report showed the same information he had provided on the summary page (Exhibit B) in a different format, and includes the PPP loan of \$118,000 under liabilities, though we are assuming it will be forgiven.
- Our total net assets have moved from around \$3,600,000 to \$4,700,000 mostly due to the MacAllister and Dana gifts, and we paid off the line of credit (\$325,000).
- Andy noted the Statement of Functional Expenses is worth looking at (page 5 of the audit). This is more than just operations. Andy reviewed some of the ways that the numbers on this page may look misleading (for example, Academic Programs and Policy Support showed a increase of \$550,000. We did not make that in operations in one year; rather, it includes the MacAllister and Dana gifts that were placed into permanently restricted accounts that support Academic Programs and Policy Support.) Other categories operate in similar ways, including Journals, CHI, the Annual Meeting and Books. Some categories (such as meetings) have revenue and expenses that are more closely correlated to operational net revenue for one fiscal year, and some correlated to changes in temporarily and permanently restricted accounts.
- The Management and General category includes gifts going into Permanent Restricted or Temporary Restricted, but also includes all membership fees and other unrestricted.
- Andy noted that at the bottom of page nine notice line about PPP loan indicating that we expect it to be forgiven, which is why it's included in the summary spreadsheet.
- Andy also highlighted that during the course of the audit, it became apparent that the way that we had set up the building fund made it completely temporarily restricted (rather than "board-designated"). The auditors noted that we should "retire" the original building fund if we want this fund to be board-designated.
- Richard thanked to Andy and Sheldon for cleaning up what needed to be cleaned up.

**iii. Review Budget to Actual showing operating profit or loss (Exhibits C and D)**

- Andy noted that this exhibit shows from an operational standpoint how we get to the \$5000 operating loss. If we had not restated net revenue for books, it would have been about \$8,000 surplus.

**viii. Review of Investment Balances and Returns (Exhibit E, Exhibit F, and balances listed in Finance Committee Report).**

- Andy noted that the spreadsheets in the exhibits are pretty self-explanatory.
- He called special attention to the Clearview Fiduciary Alliance Summary of Investment Returns (Exhibit F), which analyzes how we are doing on our endowments. For the one year that the BB&T Team (Scott & Stringfellow) was managing the account, ASOR was up 12%, and in the top quartile compared with more than 1100 other non-profits.
- The Wright Myers fund is the account we use to measure our self-managed approach. For the last year our self-service funds have been in the third quartile, but longer term they have been near the very top.
- With the current volatile market, it's the right decision to use Scott & Stringfellow.
- Susan asked for clarification on the sample size of 1100 non-profit portfolios. Andy explained that for some (77) they track themselves, for others they then acquire metrics from different endowments. They have access to a lot of information going back several years.

- **Action Items**

- The Executive Committee reviewed ten motions coming from the Finance Committee:
- Susan asked about the mention in the Finance Committee’s memo about hiring an outside management firm.
- Andy explained that the hire was a management decision made by Andy and Heather in consultation with Richard and Sharon to hire an outside firm to review finances and provide external controls.
- Sharon noted it is on the agenda (under 2.c.i).

**i. Motion from the Finance Committee: To receive FY2020 Audit**

**BE IT RESOLVED** that the ASOR Executive Committee receive the Fiscal Year 2020 Audited Financial Statements that have been reviewed and discussed by the Finance Committee. (Note: this is not a vote to approve, but a vote to receive the completed audit. This vote signifies that the Executive Committee has reviewed and discussed the audit.)

No discussion.

**Unanimously approved**

**ii. Motion from the Finance Committee: To add a new “Authorized Investment Type” to the ASOR Investment and Spending Policy (Exhibit G.1 of the Finance Committee Report)**

**BE IT RESOLVED** that the ASOR Executive Committee accept the recommendation and further recommend that ASOR Board of Trustees amends ASOR’s Investment and Spending Policy to include a new Authorized Investment Type: “A collection of equities and / or fixed income securities managed by investment professionals. Such managed securities will conform to ASOR’s allocation targets and ranges, and trading decisions for individual securities will not be made by ASOR management.”

No discussion.

**Unanimously approved.**

**iii. Motion from the Finance Committee: To establish the Herbert Warren Mason Endowment (Exhibit H of the Finance Committee Report)**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board of Trustees formally establish the Herbert Mason Fund using language found in Exhibit H of the Finance Committee Report—in the Motion to Establish Herbert Warren Mason Endowment. (Note: based on auditors and the lawyers, ASOR management may edit Exhibit H before presenting it for Board approval at the December 16 Board meeting).

Discussion:

- Andy noted that the final clause was included so that of Richard could review the language of Exhibits H and I in case it needed any adjustments before

Board approval.

- Susan proposed edits to the language in Exhibit H, including bullet 5 removing the comma after “campaign”, as well as rewording bullet 5 point two to clarify the language and create parallelism in the list.
- Andy asked Susan to send her recommended changes to him.
- Jane asked why the resolution was coming to the EC after it had already been advertised on the ASOR website.
- Andy explained that the process for each of our named funds involves first raising the money, then moving it into permanently restricted funds along with guidance on how the money is to be used, which is what we are doing now.
- Andy called attention to the final bullet point of Exhibit H, which indicates that ASOR will carry out the spirit of the fund if circumstances change.

**Unanimously approved.**

**iv. Motion from the Finance Committee: To establish a Board-Designated Building Fund**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board retire the current Temporarily Restricted Building Fund and establish a Board- Designated Building Fund in its place using language filed in Exhibit I of the Finance Committee Report—Motion to Establish Board-Designated Building Fund.

Discussion:

- Susan noted that in American English “upkeep” is not a verb (under the second bullet point)
- Andy noted that is an important word to use because it was in the original fundraising materials.

**Unanimously approved.**

**v. Motion from the Finance Committee: To add the Mason Endowment to “Appendix I Investment Targets and Ranges” of the ASOR Investment and Spending Policy.**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board of Trustees amends “Appendix I— Investment Targets and Ranges” of the ASOR Investment and Spending Policy to add (include) the following new endowment fund: “Hebert Warren Mason Endowment (including accumulated earnings)” with the same percentages as other named funds (45% Large Cap; 15% Small Cap; 20% International Equities; 15% Fixed Income; 5% Cash).

Discussion:

- Andy: noted that for resolutions 5 and 6, now that we’ve voted to approve the funds, we have to put it into our spending policy—this is necessary administrative follow up.

**Unanimously approved.**

**vi. Motion from the Finance Committee: To add the Board-Designated Building Fund to “Appendix I—Investment Targets and Ranges” of the ASOR Investment and**

## **Spending Policy.**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board of Trustees amends “Appendix I— Investment Targets and Ranges” of the ASOR Investment and Spending Policy to add (include) the following new fund: “Board-Designated Building Fund (including accumulated earnings)” with the same percentages as other named funds (45% Large Cap; 15% Small Cap; 20% International Equities; 15% Fixed Income; 5% Cash).

No discussion.

**Unanimously approved.**

### **vii. Motion from the Finance Committee: To add the Mason Endowment to “Appendix II—Spending Policies of the ASOR Investment and Spending Policy”**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board of Trustees amend “Appendix II— Spending Policies” in the ASOR Investment and Spending Policy to add a new account: “Herbert Warren Mason Endowment” with a 5% distribution rate.

No discussion.

**Unanimously approved.**

### **viii. Motion from the Finance Committee: To add Board-Designated Building Fund to “Appendix II—Spending Policies of the ASOR Investment and Spending Policy”**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board of Trustees amends “Appendix II— Spending Policies” of the ASOR Investment and Spending Policy to add a new account: “Board- Designated Building Fund” with a 5% distribution rate (after the Fund reaches a market value of \$500,000).

Discussion:

- Andy commented that this is explained in the Finance Committee Memo. When we raised the money for purchasing ASOR’s new building, the intent was to raise money that would endow the operations of the office so that it would not be a drain on the budget in the future. The decision was made not to draw on the account until it had sufficient funds.
- This is a Board-designated fund, the Board can make a vote to change how the money is spent.
- Susan noted that this was viable because the building we ended up purchasing was less expensive than anticipated, leaving a surplus in the fundraising target that was used to set up this fund.

**Unanimously approved.**

### **ix. Motion from the Finance Committee: to amend the Distribution Rate for the ASOR General Endowment in “Appendix II—Spending Policies of the ASOR Investment and Spending Policy.” See Exhibit G.5.c for rationale.**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board of Trustees amends “Appendix II Spending Policies” of the ASOR Investment and Spending Policy to increase the

distribution rate for the “ASOR General Endowment” from 3.5% to 5%.

Discussion:

- Susan noted that she doesn’t necessarily object, but would like more clarity on the history of this decision as well as the rationale.
- Andy explained that the decision goes back to 1998 and the Torch Campaign. The goal was to raise \$2,000,000 for the endowment for operations to produce \$100,000 a year. The Torch Campaign was successful in many ways, but did not reach its goal. Discussions about what an appropriate distribution would be goes back to 2008, when Sheldon Fox was the treasurer. Conversations at this time included bringing up the distribution to 5% once there was enough money in the account.
- Andy recommends that we move to a 5% distribution. With P.E. MacAllister’s legacy gift we have surpassed the \$1,000,000 goal intermediate goal from the Building a Foundation Campaign.
- Susan recommended that the wording of the rationale be clarified.

**Unanimously approved.**

- x. Motion from the Finance Committee: To recognize and thank Heather McKee for her service as ASOR Treasurer for the past three years.**

**BE IT RESOLVED** that the ASOR Executive Committee adopts the recommendation and further recommends that the ASOR Board of Trustees recognize and thank Heather McKee for her service as ASOR Treasurer for the past three years.

Discussion

- Eric added: with enthusiasm!

**Unanimously approved.**

**c. Additional Discussion Item(s):**

- i. Discussion of financial oversight (see Finance Committee memo reporting on the engagement of Todd Mann Management Group [TMMG] and Charity CFO)**

- Sharon explained that we have been without internal professional accounting since Selma left, and this is not best practices. A new system is being established with entries made by ASOR staff, with monthly external oversight by David Steffens (CPA). An external auditing oversight will provide external controls. This will come at a cost of \$1500 per month, but it will better align ASOR with current best practices.
- Richard agreed that this new system will save time for ASOR staff and provide control measures.
- Susan asked what the time saved by ASOR staff will be used for (mostly Britta)
- Andy explained that Britta has done nearly everything for ASOR, and there will be tasks for her to do.
- Discussion also turned to the annual audit, and that it might be time to put it out to bid.

- ii. Other discussion item(s) that may arise.**

- No discussion

## 6. Appointment of Jennie Ebeling for three-year term as Editor of ASOR–ARS

i. Motion from the Publications Committee:

**BE IT RESOLVED** that the ASOR Executive Committee adopts the motion from the Publications Committee and further recommends that the ASOR Board of Trustees appoint Jennie Ebeling as Editor of the *ASOR Archaeological Report Series (ASOR–ARS)* for a three-year term, beginning January 1, 2021, and ending December 31, 2023.

Discussion

- Sharon noted that the Publications Committee strongly endorses Jennie, whose statement and CV have been provided.

**Unanimously approved.**

## 7. ASOR’s Name Change (Sharon Herbert and Richard Coffman 1:30-1:45)

- Sharon noted that approximately 400 members responded to the vote (American Society of Overseas Research vs. American Schools of Overseas Research). About 1/3 more voted for “society” over “schools”.
- Richard wrote the motion, and with this motion we are empowering the executive director, president, and chair of the board to take whatever steps necessary to change the name.

Sharon moved, Ann-Marie seconded.

### **Motion to Ratify Membership Vote to Formally Change the Name of the Corporation**

**WHEREFORE**, by democratic vote of the Corporation membership eligible to vote pursuant to Article II of the Corporation Bylaws, which was electronically conducted by the Corporation, from October 28, 2020 through November 6, 2020, and overseen by the Corporation Secretary and Executive Director, the Corporation membership voted to formally change the name of the Corporation to the American Society of Overseas Research;

I HEREBY move (i) that the membership’s vote be ratified by the Board of Trustees, (ii) that the name of the Corporation be formally changed to the American Society of Overseas Research, and (iii) that the President, Chairman of the Board, and Executive Director be empowered to do whatever must be done, with all expediency, to effect the formal name change in the Corporation’s Bylaws, books, and records, as well as across all public-facing and membership-facing platforms, media, and communications.

No Discussion.

**Unanimously approved.**

## 8. Proposal from Publication Committee that Opportunity Fund be used for book subventions. (Sharon Herbert 1:45-2:00)

- Sharon explained a proposal from the Publications Committee, that some part of the Opportunity Fund be used to buy subventions for selected authors who could not otherwise afford the subvention required for the Archaeological Report Series. This could especially help first time and early career authors.



- Eric and Joe and Andy all expressed strong support.
- Susan also expressed support, and noted that the application process is explained in the proposal. She further proposed that we encourage in-country stakeholders to apply.

Eric moved.

**BE IT RESOLVED** that the ASOR Executive Committee accepts the recommendation of the Publications Committee to set aside distributions from the Opportunity Fund to create a subvention grant that authors wishing to publish in one of the ASOR book series may apply for.

No Discussion.

**Unanimously approved.**

Break (2:00-2:10)

### **Discussion Items (2:10-3:00)**

#### **9. Report on 2020 VAM and Preliminary Plans for the 2021 Annual Meeting (Sharon Herbert, Andy Vaughn 2:10-2:30)**

- Sharon noted that there is a lot of detail about ASOR's 2020 Virtual Annual Meeting in the report. She asked the Executive Committee for anecdotal feedback.
- Joe noted that the participation in discussions were really well attended.
- Andy provided information about attendance at sessions in 2020, as well as looking ahead to 2021, which is expected will be a dual components with online and face-to-face, with the face-to-face component happening in November, and a virtual component in early December. Currently the plan is to have one registration fee for both components. ASOR will be holding a dual component meeting rather than a hybrid meeting (both virtual and in-person on separate dates rather than at the same time.)
- Andy noted that by setting our dates a head of time, a lot of our sessions will be attractive to MESA, SBL, etc. who may want to participate in the Virtual Annual Meeting in December. It is difficult to gauge how many participants in 2021 will want face-to-face, virtual or both.
- Joe Greene noted that having the papers up early was great, and would like that to continue. He asked for the rationale for having the face-to-face Annual Meeting occur before the Virtual Annual Meeting.
- Andy explained that the rationale is in the report, that not everyone right now is comfortable with an in-person conference.
- Chuck recommended that we inform participants that data about their conference activity is being gathered.
- Sharon noted that there would be a longer discussion at the next full board meeting with the co-chairs of the program committee.
- Susan asked whether it would be possible to give a reduced rate registration to people who only attend the virtual conference, noting that 2020's VAM had participation from six continents.
- Andy indicated that we've already announced that ASOR provides 25, 50 or 100% scholarships for any member who wants to come. Friends of ASOR webinars are raising money for those scholarships. He also hopes we'll increase participation of in-country stakeholders, as that aspect was successful this year.

- Richard asked about marketing the Annual Meeting to a constituency who has not attended the meeting in the past.
- Andy noted that the ASOR online video library is available for one year to all attendees of ASOR webinars and people who register for the Annual Meeting. The library includes the webinars and papers from the 2020 VAM.
- Andy also discussed reciprocal ads with other organizations
- Chuck asked about accessibility for classrooms who wish to use the video library content.
- Andy also mentioned a library of images.

#### **10. Achieving a carbon-neutral Annual Meeting by 2025 (Andy Vaughn, 2:30-2:40)**

- Andy referenced a poster presentation by Stephans and Hermann at the 2019 meeting about ASOR's Annual Meeting carbon footprint. This has prompted several members to ask ASOR to make carbon neutrality a priority.
- Andy predicted that societies like ASOR will be doing things differently 2025 and beyond, and that carbon neutrality is the right and moral thing to do, as well as a smart business move. The Program Committee is unanimously supportive of this initiative.
- Andy envisions three parts to this:
  - Reduce travel by meeting in a hub city
  - Reduce name badges, program books, etc. and work with hotels that are green
  - Buy carbon offsets, which should cost about \$10-15 per person.
- Susan asked about the impact that this priority would have on our current arrangement to meet with SBL whenever possible.

#### **11. Developments in ASOR Online Resources (Andy Vaughn, 2:40-2:50)**

- See report.

#### **12. Current Cultural Heritage Initiatives (Andy Vaughn, 2:50-3:00)**

- See report.
- Andy noted that ASOR currently has four grants with Libya, one should be finished by Dec 31. He has had conversations with the embassies in Algeria and Tunisia. About potential grants.
- The incoming administration in Washington, DC is interested in rebuilding ties that have been severed in the last four years. The programs we've been running have been replicable in other countries, and he is hoping to grow the CHI from \$200,000 a year to \$500,000 a year, as outlined in report.
- Eric noted that John Kerry has been very supportive of ASOR in the past, and moving forward he may be able to be of help.

Meeting adjourned at 3:11 PM

Respectfully Submitted,

Ann-Marie Knoblauch