

Minutes of the ASNE Foundation Board of Directors Meeting

Nov. 8, 2001 -- The Marquette Hotel, Minneapolis

The ASNE Foundation Board of Directors met Nov. 8 on the call of President Edward L. Seaton.

Directors Attending:

Edward L. Seaton, The Manhattan (Kan.) Mercury, president
Tim J. McGuire, Star Tribune, Minneapolis, vice president
Deborah Howell, Newhouse News Service, Washington, treasurer
Diane H. McFarlin, Sarasota (Fla.) Herald-Tribune

Others Attending:

Scott Bosley, ASNE executive director, ASNEF secretary and assistant treasurer
Bobbi Bowman, ASNE diversity director
Kevin M. Goldberg, Cohn and Marks, legal counsel
Diana Mitsu Klos, ASNE senior project director
Richard M. Schmidt Jr., Cohn and Marks, legal counsel

Directors Attending by Telephone:

Leonard Downie Jr., The Washington Post
Robert H. Giles, The Nieman Foundation, Cambridge, Mass.
Clark Hoyt, Knight Ridder, Washington
Robert W. Mong, The Dallas Morning News
Richard A. Oppel, Austin (Texas) American-Statesman
Howard A. Tyner, Chicago Tribune

The minutes of the spring meeting were approved.

Ms. Howell, reporting as treasurer, noted that the Foundation's unrestricted funds had increased by \$115,742 since July 2000 to a total of \$1.678 million. The foundation had nearly \$2.8 million, invested primarily in certificates of deposit and money market funds. Our investment in the Merrill Lynch S&P Index fund, at a cost of \$259,622 was valued at \$201,544 on Oct. 30.

Ms. Howell and Mr. Seaton pointed out that, since October of 2000, no further investments had been made in the S&P Fund. Though the board has authorized moving to 50 percent equity investments over time as certificates of deposit mature, we have in the interim been holding funds in a money market account.

Unrestricted contributions for the fiscal year totaled \$130,420, similar to the \$127,450 raised in 1999-2000. Contributions from individuals increased while corporate contributions declined.

The treasurer's report was approved. Mr. Bosley reported that our audit was nearly complete and that there were no issues. We agreed to do the audit on a later schedule to save \$2,000 on the cost by getting away from the auditor's "busy" period.

After a discussion on investment strategy, it was agreed we would continue to delay further equity investment until we were able to re-evaluate our investment policy. Mr. Seaton appointed a committee of Ms. Howell, Mr. Hoyt and Mr. Downie, working with Mr. Bosley. They were directed to explore the possibility of the foundation engaging professional fund management advice and developing an investment strategy. The committee will report to Mr. Seaton.

The board decided, unanimously, to seek undesignated gifts rather than designating any particular project or cause in the 2001-2002 general solicitation. Separately some approaches would be made to foundations for diversity funding where we will face a shortfall by the end of the current fiscal year unless additional funding is obtained.

A discussion of ASNE's need for an endowment campaign began with a presentation of a rationale that had been written by a committee of Mr. Downie, Ms. Howell and Mr. Hoyt in consultation with Mr. Seaton. Several members of the board had been in conversation with potential funders and determined that although raising an endowment for ASNE was plausible, this effort should be delayed because of the current difficult economic environment. The board agreed on the rationale (Attachment A) as presented but decided not to proceed with fund-raising for this purpose until conditions change.

Mr. Bosley reported that the Awards Committee had received a \$10,000 grant from The Freedom Forum to support \$2,500 awards over the next four years to make diversity writing a category in the annual competition. Also, Mr. Bosley reported that a number of projects were under way by committees, all of which would be covered by the \$55,500 allotted for such work at the spring meeting. These include support for a book, "Leading by Example" and for the first ASNE Distinguished Leadership Award by the Leadership Committee, publication of reports by the Ethics and Values and FOI Committees, support of the FOI Summit meeting and a combined meeting by the Interactive and Freedom of Information committees.

Ms. Klos reported on the strong success in the first year of the High School Project, supported by the Knight Foundation. All goals were exceeded: 200 teachers were trained in summer programs at six universities, more than 40 newspaper-school partnerships (double the promised number) had been launched and the Web site, www.highschooljournalism.org, is drawing high traffic and becoming the go-to destination for students, teachers, professionals and others who work to improve high school journalism. Funding is in place for the next two years.

Ms. Klos reported that the Journalism Credibility Project, in its fourth year, was taking the conversation deeper into the field and this year would do nearly 40 programs at journalism meetings throughout the country, sharing the findings and putting them in the context of newspaper case studies. Ms. Klos reported on another successful summer for the Institute for Journalism Excellence and that funding from the Knight Foundation is in place through 2003.

Also, Ms. Klos reported that the International Journalism Exchange, postponed by the September 11 terrorist attacks, would now begin in early January and that all 10 selected editors would still be participating. Mr. Bosley said that Freedom Forum funding for this program would run out after the Fall 2002 program and another funder is being sought. An approach is being made to the Ford Foundation and an answer should be forthcoming by January. Other options are also being explored.

Ms. Bowman reported on the continuing success of job fairs and that 23 journalists of color were now employed at small newspapers under the aegis of the Freedom Forum/ASNE/APME partnership that provides stipends and other support for two years.

The board then approved the following banking resolution:

RESOLVED that Dreyfus, Merrill Lynch, Vanguard and United Bank are hereby designated as depositories for the funds of this Foundation and that said banks are hereby authorized and directed to pay checks and other orders for the payment of money drawn in the name of this Foundation when signed by either Edward Seaton, president; Deborah Howell, treasurer; or J. Scott Bosley, secretary/assistant treasurer. And that said banks shall not be required to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds.

The meeting was adjourned.

J. Scott Bosley
Secretary and assistant treasurer