

Minutes of the ASNE Foundation Board of Directors Meeting Sept. 28, 2000 – Four Seasons Hotel, Austin, Texas

The ASNE Foundation Board of Directors met September 28 on the call of President Edward L. Seaton.

Directors Attending:

Edward L. Seaton, The Manhattan (Kan.) Mercury, president
Richard A. Oppel, Austin (Texas) American-Statesman, vice president
Deborah Howell, Newhouse News Service, Washington, treasurer
Leonard Downie Jr., The Washington Post
Robert H. Giles, The Nieman Foundation, Cambridge, Mass.
Tim J. McGuire, Star Tribune, Minneapolis
Michael Parks, Pasadena, Calif.

Directors Attending by Telephone:

Clark Hoyt, Knight Ridder, Washington
Howard A. Tyner, Chicago Tribune

Others Attending:

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

Directors Not Attending:

N. Christian Anderson III, The Orange County Register, Santa Ana, Calif.

The minutes of the spring meeting were approved.

Ms. Howell, reporting as treasurer, noted that the Foundation's unrestricted funds increased since June 30, 1999 to a total of \$1.562 million. In total, the foundation had \$2.8 million under management, invested primarily in certificates of deposit and money market funds. On September 25, the \$242,479 invested in the Merrill Lynch S&P500 index fund had a market value of \$259,400.

The 1999 major solicitation requested unrestricted contributions. In past years, we solicited funds for diversity and another major project like readership. Unrestricted contributions in 99-00 were \$127,450, and contributions for diversity totaled \$131,437, including News Lab advertising of \$27,531. For comparison, in 1998 unrestricted contributions were \$70,611, while diversity income was \$213,835, including \$25,608 for News Lab advertising and \$25,000 from the Chicago Tribune Foundation whose guidelines prevent it from giving every year. With Knight Foundation's annual grant of \$75,000 arriving last week, we should have enough diversity reserves to fund projects in 00-01. The following year could require a subsidy from ASNEF unrestricted funds.

The treasurer's report was approved.

Mr. Bosley reported we had received a clean audit of the Foundation's 1999-2000 year ending June 30. The audit made a procedural recommendation that ASNE bank statements should come to Mr. Bosley for approval before being processed by the finance manager. Mr. Bosley said that policy would be implemented.

It was moved by Mr. Hoyt and seconded by Ms. Howell that the Foundation move over a four-year period to invest 50 percent of its unrestricted funds in conservative mutual funds rather than hold to the currently approved limit of \$500,000. After a discussion, the motion was approved and Mr. Seaton asked that Mr. Bosley confer with Ms. Howell and Mr. Hoyt to develop a plan for fulfilling this strategy.

Discussions turned to fund-raising for the coming year. Mr. Seaton suggested, and the board agreed, that we should emphasize designating diversity gifts more in the next corporate and member solicitations. Mr. Seaton asked board members to examine the solicitation list and results and follow up wherever they may be of help. Also, he suggested any additions/changes to the list be given to himself or Mr. Bosley so that it can be updated before the next round of solicitations.

Ms. Howell suggested a different approach to individual ASNE members might be effective and volunteered to write separate letters to "high-income" members asking for increased support. The board accepted her offer. Mr. Bosley said he would coordinate the solicitation with Ms. Howell.

A discussion ensued on the possibility of pursuing an endowment for the foundation. There was consensus that this was an idea that merited consideration. Protection of ASNE's programs and its independent voice, the board agreed, were strong reasons to explore the possibility of an endowment fund-raising effort. Several members agreed to assist by gathering exploratory information. Mr. Seaton appointed Ms. Howell, Mr. Hoyt and Mr. Downie to a sub-committee to report to him on the efficacy of such an effort. The committee's goal would be to report findings and recommendations to the board at the April 2001 meeting in Washington.

Ms. Klos reported that the high school journalism initiative was off to a strong start and that, soon, host universities for summer teacher workshops would be chosen. By year's end, the first newspaper-school partnerships would also be identified. The new Web site, www.highschooljournalism.org, is close to being up and running. Ms. Klos said the final proposal for long-term funding was being prepared for December delivery to the Knight Foundation Board. Also, Knight has awarded ASNE slightly more than \$1 million for a three-year extension of the Institute for Journalism Excellence.

Ms. Klos reported that McCormick Tribune Foundation awarded ASNE a \$245,000 grant to extend the Journalism Credibility Project into its fourth year and that the Freedom Forum has approved another year's funding for the International Journalism Exchange.

Ms. Bowman reported that eight of a potential ten job fairs have been scheduled and that a workshop to assist editors in dealing with demographic change in small and medium-size communities is being planned.

Mr. Oppel reported that the Freedom Forum/ASNE/APME initiative to put more beginning journalists in small newspaper newsrooms was getting off the ground and the first journalist would soon be placed. In all 50 journalists will receive two-year fellowships in this innovative program.

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