

The American Schools of Oriental Research
Finance & Executive Committees Meeting
November 23, 2002 -

The issue was raised of our response in case of war. We should take into account the antiques market, especially regarding Iraq. It is the tendency of the Embassies overseas to give a very early warning to American entities.

5. by Edward Lugenbeal

The news concerning ASOR's investment portfolio for fiscal year 2002 is positive. The total value of ASOR's portfolio decreased by \$19,935, dropping from \$784,301 as of June 30, 2001 to \$764,363 as of June 30, 2002. Realized and unrealized investment losses during fiscal year 2002 totaled \$32,653, but these losses were offset by investment income of \$26,357, resulting in an overall loss of \$6,296, less than 1% of portfolio value. In a 12 month period in which leading market indices, such as the Dow Jones Index, lost approximately 25% of their value, a 1% loss is (ironically) extremely good news! The decision by Ingrid Wood and the finance committee to place 86% of the portfolio in cash was a very wise decision. The 14% of the portfolio that remained invested in equities and bonds tracked market performance quite closely, losing 24% of its value. Lugenbeal noted that ASOR and the finance committee face a difficult and important decision in determining when to "come out of the bunker" and reinvest ASOR's cash.

Lugenbeal reported that ASOR's accounting system is now all on an accrual basis, an achievement that should provide more accurate information about where the organization stands financially. He noted, however, that ASOR's budgeting and internal management tracking systems continue to be done on a cash basis, making comparison and reconciliation of internal management reports with the accrual-based financial statements difficult.

A management report comparing Budget vs. Actual was distributed. Attention was focused on Column H, line 174 of the report which showed a gain of \$3,554 for fiscal year 2002. Lugenbeal then distributed draft copies of the audited financial statements for the year and reviewed the "Statement of Activities and Changes in Net Assets" (the income statement), noting that the draft audited statement showed a loss of \$50,992 in unrestricted funds for the year and a total loss in assets for the year of \$269,198 which constitutes a 23% decrease in the organization's assets during fiscal year 2002. Lugenbeal observed that the audit was still in progress and although the total loss in assets was likely correct, the allocations between unrestricted, temporarily restricted, and permanently restricted in the audited statements would probably change. The final audited statements, f v ies and Chan

prior to Fiscal Year 2002 were recognized as contribution income in the years the pledges were made. Some of these pledges were made with the expectation that the money would be paid and spent in later years. Therefore, a drop in net assets towards the end of the campaign after an increase in the beginning when most of the pledges were made is to be expected. However, Lugenbeal noted that in spite of the Torch Campaign, ASOR's total assets at the end of Fiscal Year 2002 appeared to be slightly less than when the Torch Campaign began, from which it can be inferred that not all the losses in FY2002 were expected!

Lugenbeal noted that page 3 of the distributed draft audited statements showed a deficit of \$172,000 in unrestricted assets. He stated that this figure was likely incorrect and as the audit developed this figure would probably change substantially and positively because the allocations between unrestricted, partially restricted and permanently restricted would be corrected. The final audited results, he concluded, might still show a deficit in unrestricted assets, but probably only a slight deficit. One reason that ASOR has been able to pay its bills in spite of the paucity of unrestricted funds, Lugenbeal speculated, could be the \$80,000 in deferred income already received from the next three issues of NEA. Rudy Dorneman pointed out that we are ahead in the Annual Meeting budget and other areas, which helps maintain a positive cash flow.

A question was raised about the decrease of funds in the Permanently Restricted category. Lugenbeal explained that this was due to movement to other categories (a shift that was approved by the donor and ASOR's board).

Larry Geraty wondered if, from a management point of view, Ed Lugenbeal had some recommendations. Ed responded that ASOR was in need of as many unrestricted pledges and contributions as possible and that from a system point of view the organization needed to complete the conversion to accrual-based accounting in Fiscal Year 2004 by transitioning to a fully accrual based budgeting system based directly upon the accounting reports. Ed stated that he was encouraged by what ASOR was getting out of its new, accrual-based accounting system and was looking forward to completing the transition to an accrual-based budgeting system.

Lugenbeal also reviewed the preliminary financial results for the first quarter of Fiscal Year 2002 (July – September 2002). The preliminary Statement of Activities and Changes in Net Assets that was distributed showed a net loss of \$21,925 for the quarter, but Lugenbeal was not sure that included the corporate dues. ASOR recognizes a quarter of the dues each quarter. Recognition of \$25,000 in dues would bring the first quarter of FY2003 into the black.

BE IT RESOLVED that the budget report be received.

identify some projects and specific programs of research activity that might attract funds. Ed Gilbert thinks we need specific projects. He suggests that we talk to Mary Ellen Lane of CAORC to see how we can work more closely with them. Rudy Dornemann and Larry Geraty met with her three weeks ago. Larry Geraty would like to see a list of projects in terms of our Mission. Martha Joukowsky suggested that we approach Lane for advice and counsel. P.E. MacAllister asked for a statement of what we expect in pledges this year. Holly Andrews reported that we expect \$81,000 this year.

7. CAP Report by David McCreery

David distributed lists of ASOR Affiliated Projects for 2002-

The Directors' Tour needs funding and has received discussion by CAMP. This could be incorporated with the Lecture Series and the PR program, though we will need more publicity.

Suzanne Richard has formal representation of ASOR in all eleven regions in North American regional groups. Doug will request \$1,500 as an increase in budget for the Regional Groups to be used to offer student awards etc.

9. COP Report by Larry Herr

Although we are behind with *NEA*, six or seven issues are almost ready. By this time next year we may be caught up or close to caught up. Planned special issues include those concentrating on Petra, houses, dance, and others, including the archaeology of death. Ted Lewis has found an assistant who is handling requesting photo permissions. COP voted to establish a new book series: small books for the undergraduate textbook market. The titles will be such as "The Archaeology of Jordan" or other areas and periods. They look for sales in the thousands in the textbook market. This steering committee of scholar/teachers is established to work by email: Ted Banning, Joanna Smith, Liz Bloch-Smith, Billie Jean Collins, and doubtless others to follow.

Billie Jean Collins reports that the book list this year (distributed) contains six items, including two Annuals. The Book Sales Report (distributed) shows that we have made \$21,000 the first quarter of this fiscal year. This bodes well for the bottom line for the year. We have gone to a second edition of Beth Nakhai's book. This is for the first time in ASOR's history. Chris is now full-time with the title of Membership Services Manager. Billie Jean asks what our options are with Academic Services when they do not respond. How will we get our data from them? It was decided that Rudy should call them first, then get a lawyer if necessary.

BE IT RESOLVED that the Executive Committee adopt the Committee on Publications' Guidelines. Moved and Seconded. PASSED unanimously.

10. Personnel Committee by Nan Frederick

We have a *Policies and Procedures Manual*. The Executive Committee has just approved the COP part of this manual. Please read the *Manual* before taking actions. There will be revisions of the COP section to bring it into line with the existing *Policies and Procedures Manual*. The Personnel committee is designing a job description for Executive Director.

Larry Geraty reported that the Search committee for a new Executive Director will be formed of Larry Geraty (Chair), Joe Seger, Edward Gilbert, P.E. MacAllister, and Nan Frederick. He suggests that he add Jodi Magness and Deborah Brown to increase diversity of gender, geographical distribution, and age. Larry Geraty has not talked to the last two. This was received by consensus.

11. Executive Dir by Rudy Dornemann (distributed)

Rudy acknowledged the Boston office staff for their efforts in financial items, Annual Meeting, and other matters.

12. Old Business:

Larry Geraty reported that he had told Hershel Shanks that he, Larry, would bring up the matter

of the vote of the last Executive Committee about distributing the BAR CD-ROMs. The Executive Committee did not take action to revisit the question. PE MacAllister reminded the Executive Committee that Hershel Shanks will have a voice in a future program segment.

13. P.E. MacAllister has invited David Rosenstein to attend and observe the upcoming Board meeting, since he has been a consistent donor in the past. P.E. suggested that we should bring him onto to the Board in the spring, if he is so inclined.

14. Larry Geraty thanked the Executive Committee for their hard work, and especially the Treasurer for the clear explanation he gave the Board of our financial position. Nan Frederick thanked the Boston staff again.

15. Adjourned 5:49 PM.

Respectfully Submitted,

Jim Strange, Secretary