

**American Schools of Oriental Research
Finance Committee Report
Board of Trustees Meeting
April 29, 2017**

To the ASOR Board of Trustees:

Enclosed, for your review, are the following documents and information:

- March 31, 2017 Memberships and Subscriptions Cash Flow Report (Exhibit A)
- March 31, 2017 Investment Report (Exhibit B)
- FY 2017 Budget to Forecast and [Proposed] FY 2018 Budget (Exhibit C)
- Notes to FY 2017 Forecast and [Proposed] FY 2018 Budget (Exhibit D)
- ASOR Investment Allocations (Exhibit E)
- Minutes from the November Finance Committee Meeting (Exhibit F)
- Minutes from the December Finance Committee Conference Call (Exhibit G)

PROJECTED FY 2017 BUDGET TO FORECAST SPREADSHEET

Consistent with the FY 2017 Budget, ASOR is projected to break even or generate a modest increase in unrestricted assets available for operations (*i.e.*, unrestricted net income). *See* Exhibit C. The following points merit further consideration.

Subscriptions and Memberships Revenue (Note 11). Membership revenue should be flat even though memberships are at an all-time high (1,800). There are two reasons: a) in February 2017, ASOR lowered rates by up to 30% for early career members, graduate students, and undergraduates; b) the increase in membership will be experienced from an accrual standpoint mostly in FY18. Institutional Subscriptions are slightly lower this year. Ina Omerefendic is leading an effort to work with our journal editors to reverse that trend.

Annual Fund Contributions (Note 15). The FY 2016 Budget calls for \$80,000. However, to date, ASOR has only received \$49,000, and we must receive at least \$31,000 more before June 30 to make budget – or cuts will have to be made in other areas. Development in general is strong this year (\$193,000 to date from 262 discrete donors), but we are lagging in the Annual Fund.

FY 2016 INVESTMENT RESULTS (THROUGH MARCH 31, 2017)

ASOR investment returns for the fiscal year to date have been 11.3% compared to our benchmark of 11.2%. Last Fiscal Year ASOR experienced some losses due to the Sequoia Fund investment in Valeant (VRX). ASOR lowered our investment in Sequoia, which subsequently divested itself of VRX. Exhibit E contains a summary of our investment allocations which are all in line with our investment and spending policies.

{PROPOSED} FY 2018 BUDGET

The [Proposed] FY 2018 Budget is presented alongside the Comparison of FY 2017 Forecast Spreadsheet. *See Exhibit C.* The [Proposed] FY 2018 Budget assumes that ASOR will receive a cooperative agreement for work with the Department of State with a performance period of March 31, 2017, to March 31, 2018. ASOR has received a letter of intent for the agreement, but the award has not been finalized. The budget also assumes smaller grants from the Whiting Foundation and the continuation of a cooperative agreement with the Getty Conservation Institute. If these amounts are not awarded, we will need to revise the budget. Such revenues and corresponding expenses are listed as in/out categories as much as possible.

In summary, ASOR is positioned to appropriately manage its expenses should the grants not be renewed or the projected revenue streams not materialize. If there is a major change in revenue, a revised FY 2018 Budget will be presented to the Executive Committee.

LEGAL PROCEEDINGS

In late 2015, ASOR was served with a lawsuit, styled *Klenck v. American Schools of Oriental Research, et. al*; Case No.: 16-2015-CA-005978 in the Circuit Court of Duval County (Jacksonville), Florida. Plaintiff Joel D. Klenck, a Florida resident and self-employed “professional archaeologist,” represented himself in the suit. ASOR was represented by the Houston office of Arnold & Porter, LLP, and the Jacksonville office of Holland & Knight, LLP, two venerable national defense firms. Klenck has accepted a settlement with ASOR, and the case is now resolved.

In closing, ASOR remains financially healthy, is on track to meet the FY 2017 Budget, assuming that trustees and others contribute to the Annual Fund so that we can reach our goal of \$80,000. Things also look positive moving forward to FY 2018. If you have any questions about this Report or ASOR’s finances prior to the April 29, 2017, Board meeting, please call or email me.

Respectfully submitted,

Christopher White, Treasurer
cjwhite1976@gmail.com

AMERICAN SCHOOLS OF ORIENTAL RESEARCH
Memberships and Subscriptions Cash Flow Report
March 31, 2017

FY14	FY15	FY16	FY17
Jul-13 \$ 12,555.21	Jul-14 \$ 19,464.10	Jul-15 \$ 20,184.05	Jul-16 \$ 08,075.95
Aug-13 \$ 14,240.79	Aug-14 \$ 15,412.24	Aug-15 \$ 17,814.85	Aug-16 \$ 11,261.95
Sep-13 \$ 20,853.02	Sep-14 \$ 15,767.14	Sep-15 \$ 17,216.18	Sep-16 \$ 17,368.75
\$ 47,649.02	\$ 50,643.48	\$ 55,215.08	\$ 36,706.65
Oct-13 \$ 22,647.20	Oct-14 \$ 23,627.90	Oct-15 \$ 23,756.07	Oct-16 \$ 27,360.48
Nov-13 \$ 39,995.89	Nov-14 \$ 30,206.55	Nov-15 \$ 30,920.85	Nov-16 \$ 39,314.05
Dec-13 \$ 94,598.75	Dec-14 \$ 99,197.37	Dec-15 \$ 76,287.25	Dec-16 \$ 84,937.85
\$ 157,241.84	\$ 153,031.82	\$ 130,964.17	\$ 151,612.38
Jan-14 \$ 66,030.64	Jan-15 \$ 65,932.25	Jan-16 \$ 84,353.69	Jan-17 \$ 73,289.94
Feb-14 \$ 48,068.13	Feb-15 \$ 40,380.27	Feb-16 \$ 40,320.62	Feb-17 \$ 52,896.36
Mar-14 \$ 31,383.60	Mar-15 \$ 31,315.78	Mar-16 \$ 27,759.51	Mar-17 \$ 28,330.16
\$ 145,482.37	\$ 137,628.30	\$ 152,433.82	\$ 154,516.46
Apr-14 \$ 18,589.08	Apr-15 \$ 19,949.51	Apr-16 \$ 20,457.75	Apr-17 \$ 10,015.04
May-14 \$ 18,454.36	May-15 \$ 19,321.26	May-16 \$ 21,430.04	May-17 \$
Jun-14 \$ 25,324.67	Jun-15 \$ 25,058.86	Jun-16 \$ 24,871.44	Jun-17 \$
\$ 62,368.11	\$ 64,329.63	\$ 66,759.23	\$ 10,015.04
\$ 412,741.34	\$ 405,633.23	\$ 405,372.30	\$ 352,850.53
Total FY14	Total FY15	Total FY16	Total FY17
\$ 12,080.01	\$ (7,108.11)	\$ (260.93)	\$ (52,521.77)
Compared to FY13	Compared to FY14	Compared to FY15	Compared to FY16

Exhibit B: FY 17 Investment Report

	FY17		Net Change	Contrib.	Distrib.	FY17 to date	FY17	Custom
	30-Jun-16	31-Mar-17				Invest. Return	% Return	Benchmark
ASOR Fellowships:								
Harris Fell. - Sequoia Fund	\$ 12,259.24	\$ 12,820.66	\$ 561.42	\$ -	\$ 990.96	\$ 1,552.38	12.7%	
Harris Fell. - Charles Schwab	\$ 116,370.61	\$ 124,551.86	\$ 8,181.25	\$ 990.96	\$ 5,403.00	\$ 12,593.29	10.8%	
1) Total Harris Fellowship	\$ 128,629.85	\$ 137,372.52	\$ 8,742.67	\$ 990.96	\$ 6,393.96	\$ 14,145.67	11.0%	
Platt Fellowship - Sequoia	\$ 23,178.16	\$ 24,239.61	\$ 1,061.45	\$ -	\$ 1,873.57	\$ 2,935.02	12.7%	
Platt Fell. - Charles Schwab	\$ 213,884.30	\$ 227,265.34	\$ 13,381.04	\$ 1,873.57	\$ 12,069.00	\$ 23,576.47	11.0%	
2) Total Platt Fellowship	\$ 237,062.46	\$ 251,504.95	\$ 14,442.49	\$ 1,873.57	\$ 13,942.57	\$ 26,511.49	11.2%	
3) Wright/Meyers Fund	\$ 77,096.95	\$ 83,061.75	\$ 5,964.80		\$ 2,990.00	\$ 8,954.80	11.6%	
4) PE MacAllister Fund	\$ 120,506.62	\$ 140,528.80	\$ 20,022.18	\$ 10,000.00	\$ 4,377.00	\$ 14,399.18	11.9%	
5) Strange-Midkiff Fund	\$ 59,471.12	\$ 85,083.44	\$ 25,612.32	\$ 20,290.00	\$ 2,067.00	\$ 7,389.32	12.4%	
6) Carol & Eric Meyers Fund	\$ 65,056.69	\$ 131,832.79	\$ 66,776.10	\$ 57,415.00	\$ 2,378.00	\$ 11,739.10	18.0%	
7) Joe Seger Excavation Fund	\$ 44,696.14	\$ 54,690.91	\$ 9,994.77	\$ 6,800.08	\$ 1,301.00	\$ 4,495.69	10.1%	
Total ASOR Fellowships	\$ 732,519.83	\$ 884,075.16	\$ 141,560.56	\$ 90,569.53	\$ 32,148.53	\$ 83,139.56	11.3%	11.10%
ASOR Endowment:								
1) Endowment (ASOR) - Schwab	\$ 630,470.36	\$ 689,394.10	\$ 58,923.74	\$ 4,340.00	\$ 17,445.00	\$ 72,028.74	11.4%	
Endowment - Sequoia	\$ 49,360.69	\$ 51,621.18	\$ 2,260.49	\$ -	\$ 4,340.00	\$ 6,600.49	13.4%	
Total ASOR Endowment	\$ 679,831.05	\$ 741,015.28	\$ 61,184.23	\$ 4,340.00	\$ 21,785.00	\$ 78,629.23	11.6%	11.10%
Publications OF	\$ 103,949.30	\$ 113,126.89	\$ 9,177.59			\$ 9,177.59	8.8%	
INVESTMENTS SUBTOTAL	\$ 1,516,300.18	\$ 1,738,217.33	\$ 211,922.38	\$ 94,909.53	\$ 53,933.53	\$ 170,946.38	11.3%	11.10%
1) Temp. Restricted - Citizens								
Citizens Savings TR	\$ 210,484.81	\$ 227,952.28						
Citizens Savings - CHI	\$ 247,314.16	\$ 4,008.04						
2) ASOR General Fund	\$ 89,442.12	\$ 144,781.27						
Citizens Savings	\$ 481,563.37	\$ 514,691.62						
Citizens Bank Checking	\$ 2,657.03	\$ 4,178.16						
	\$ 573,662.52	\$ 663,651.05						
GRAND TOTAL	\$ 2,300,447.51	\$ 2,629,820.66	\$ 211,922.38	\$ 94,909.53	\$ 53,933.53	\$ 170,946.38		
Nies Fund - Citigroup	\$ 462,472.78	\$ 474,051.95	\$ 11,579.17			\$ 11,579.17	2.5%	

Exhibit C: FY17 Budget to Forecast and FY18 Budget

		FY17 Budget	FY17 Forecast	FY18 Budget
	INCOME			
1	-Annual Meeting Registration fees and other income	\$ 225,000.00	\$ 224,855.00	\$ 230,000.00
2	-Other educational events (conservation workshop)			\$ 35,000.00
	Archaeological and Policy Support:			
3	-Fellowships for Dig Scholarships (Heritage, Platt, membership etc. distribution)	\$ 50,000.00	\$ 48,000.00	\$ 50,000.00
3	-Fellowships funds placed in endowment (e.g., MacAllister, Strange/Midkiff, Meyers)	\$ 25,000.00	\$ 89,000.00	\$ 40,000.00
3	-Field Research Support Awarded (Harris and Seger distribution)	\$ 5,000.00	\$ 5,000.00	\$ 7,500.00
3	-Field Research funds placed in endowment (Harris, Seger, Geraty)	\$ 25,000.00	\$ 6,000.00	\$ 60,000.00
3	-Fellowships for members (e.g., travel to collections; Dever Fellowship)	\$ -	\$ 11,000.00	\$ 11,000.00
4	-Support for Online Media and FOA TR Releases	\$ 38,000.00	\$ 25,000.00	\$ 25,250.00
5	-Nies Trust income	\$ 20,000.00	\$ 20,600.00	\$ 20,000.00
6	Cultural Heritage Initiatives (CHI)			
7	-CHI revenue for continuing ASOR staff salaries	\$ 20,000.00	\$ 36,875.00	\$ 58,500.00
8	-CHI employees (DOS and other foundation projects)	\$ 285,000.00	\$ 242,000.00	\$ 337,000.00
6	-CHI travel expenses (DOS and other grants)	\$ 25,000.00	\$ 8,000.00	\$ 34,212.50
6	-CHI equipment and/or rent	\$ 5,000.00	\$ 1,500.00	\$ 3,000.00
9	-CHI contractors (DOS and Whiting and GCI)	\$ 225,000.00	\$ 35,000.00	\$ 333,900.00
6	-CHI revenue for supplies and other	\$ 2,500.00	\$ 1,500.00	\$ 4,500.00
6	-CHI revenue for indirect costs (will be used for some ASOR staff and digital media)	\$ 106,000.00	\$ 129,901.00	\$ 133,014.38
6	-CHI other direct costs (CHM)	\$ 60,000.00	\$ 60,000.00	\$ 54,000.00
10	-CHI designated revenue and grants (e.g. Arches)	\$ 75,000.00	\$ 26,000.00	\$ 65,000.00
6	-Money set aside for CHI audit		\$ 9,000.00	\$ 6,000.00
	Journals/Memberships:			
11	-Subscriptions/memberships	\$ 400,000.00	\$ 380,000.00	\$ 400,000.00
12	-Royalties and advertising	\$ 50,000.00	\$ 54,350.00	\$ 56,000.00
13	-Support from OF and gifts	\$ 500.00	\$ 250.00	
14	-Other Journal Support	\$ 1,000.00		\$ -
	Books:			
13	-Funds from Opportunity Fund	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
13	-Sales revenue designated for Opportunity Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
	- Book subventions			
	Undesignated Revenue:			
15	-Annual fund contributions	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
16	-Institutional memberships	\$ 80,000.00	\$ 73,000.00	\$ 75,000.00
17	-Distribution from Endowment	\$ 22,400.00	\$ 23,427.00	\$ 24,000.00
18	-Investment income	\$ 3,500.00	\$ 4,800.00	\$ 4,000.00
19	-Administrative fees and misc. income	\$ 8,000.00	\$ 7,400.00	\$ 7,750.00
	Other Designated Revenue:			
20	-Designated gifts for Endowment	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
21	-Other designated gifts	\$ 1,600.00		
22	-Development Fund and designated gifts	\$ 1,000.00	\$ 1,500.00	\$ 2,500.00
23	-NEH Summit	\$ 5,000.00		
	In-kind Donations:			
24	-Rent subvention from BU	\$ 34,000.00	\$ 34,000.00	\$ -
25	-Other In kind, including legal	\$ 50,000.00	\$ 50,000.00	\$ 25,000.00
	Total Income	\$ 1,968,500.00	\$ 1,727,958.00	\$ 2,222,126.88

EXPENSES				
1	-Annual meeting expenses	\$ 121,000.00	\$ 112,578.66	\$ 120,000.00
2	-Other Educational Events			\$ 27,500.00
3	-Fellowships for Dig Scholarships (Heritage, Platt, membership etc. distribution)	\$ 50,000.00	\$ 48,000.00	\$ 50,000.00
3	-Fellowships funds placed in endowment (e.g., MacAllister, Strange/Midkiff, Meyers)	\$ 25,000.00	\$ 89,000.00	\$ 40,000.00
3	-Field Research Support Awarded (Harris and Seger distribution)	\$ 5,000.00	\$ 5,000.00	\$ 7,500.00
3	-Field Research funds placed in endowment (Harris, Seger, Geraty)	\$ 25,000.00	\$ 6,000.00	\$ 60,000.00
3	-Fellowships for members (e.g., travel to collections; Dever Fellowship)	\$ -	\$ 11,000.00	\$ 11,000.00
5	-Nies Trust expenses	\$ 12,500.00	\$ 13,100.00	\$ 12,500.00
8	-New employees for CHI projects (DOS and other foundations)	\$ 285,000.00	\$ 242,000.00	\$ 337,000.00
8	-CHI travel expenses (DOS and other grants)	\$ 25,000.00	\$ 8,000.00	\$ 34,212.50
8	-CHI equipment and/or rent	\$ 5,000.00	\$ 1,500.00	\$ 3,000.00
8	-CHI contractors (DOS and Whiting and GCI)	\$ 225,000.00	\$ 35,000.00	\$ 333,900.00
8	-CHI revenue for supplies and other	\$ 2,500.00	\$ 1,500.00	\$ 4,500.00
8	-CHI other direct costs (CHM)	\$ 70,000.00	\$ 60,000.00	\$ 54,000.00
8	-CHI designated revenue and grants (e.g. Arches)	\$ 62,250.00	\$ 26,000.00	\$ 65,000.00
8	-Money set aside for audit	\$ 6,000.00	\$ 9,000.00	\$ 6,000.00
26	-Chair support (moved from allocable exp.)	\$ 7,500.00	\$ 10,500.00	\$ 12,500.00
26	-Travel for arch. Support	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
26	-Meetings (moved from allocable exp.)	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
	-NEH summit	\$ 5,000.00		\$ -
27	-Website (moved from allocable exp.)	\$ 15,000.00	\$ 21,200.00	\$ 10,000.00
28	-Presidential discretionary expenses	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
29	-Archives: Consultant, travel, supplies	\$ 3,000.00	\$ 40.00	\$ 500.00
	Journals/Memberships:			
30	-BASOR (2 issues per year)	\$ 76,000.00	\$ 76,000.00	\$ 76,000.00
30	-NEA (4 issues per year)	\$ 68,000.00	\$ 65,000.00	\$ 68,000.00
30	-JCS (ASOR portion)	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
7	-JCS (Nies Trust portion)	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
30	-JSTOR	\$ 8,000.00	\$ 7,650.00	\$ 8,000.00
30	-Other journal expenses	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00
31	-Membership, FOA & Informz expenses	\$ 27,500.00	\$ 30,000.00	\$ 30,000.00
13	-Book production	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
13	-Transfer of book revenue to Opportunity Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
20	-Designated gifts for Endowment	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
21	-Other designated gifts		\$ -	\$ -
32	-Salaries and benefits	\$ 570,000.00	\$ 583,000.00	\$ 600,000.00
24	-Rent and moving expenses	\$ 34,000.00	\$ 50,000.00	\$ 46,000.00
33	-Telephone and Utilities	\$ 7,500.00	\$ 7,500.00	\$ 8,000.00
33	-Postage, Postage mach. and Copier	\$ 12,500.00	\$ 8,500.00	\$ 12,500.00
33	-Bank charges	\$ 8,000.00	\$ 7,500.00	\$ 8,000.00
33	-Insurance	\$ 12,000.00	\$ 9,500.00	\$ 11,935.00
33	-Audit	\$ 25,000.00	\$ 18,000.00	\$ 19,000.00
33	-Equipment and supplies (incl. computers)	\$ 11,000.00	\$ 8,000.00	\$ 9,000.00
33	-Avecetra expenses	\$ 11,000.00	\$ 8,400.00	\$ 8,600.00
33	-Office events, Jibrin, Payroll services, consulting	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
33	-Dues, etc.	\$ 8,000.00	\$ 8,000.00	\$ 9,000.00
33	-Travel	\$ 15,000.00	\$ 13,500.00	\$ 15,000.00
25	-Other in kind, including legal	\$ 50,000.00	\$ 50,000.00	\$ 25,000.00
22	-Development	\$ 5,000.00	\$ 7,500.00	\$ 7,500.00
34	-Depreciation	\$ 4,000.00	\$ 4,000.00	\$ 5,000.00
35	-Bad Debts			
36	Misc Expense			
37	Fixed Assets			
	Total Expenses	\$ 1,968,500.00	\$ 1,727,718.66	\$ 2,221,897.50
		\$ -	\$ 239.34	\$ 229.38

Exhibit D (notes to FY17 Forecast and FY18 Budget)

1. **Annual meeting income/expenses:** Income includes registration fees, exhibitor fees, program advertising, grants (TFBA, AIIrS), hotel concessions and reimbursements from research centers. Income also includes a \$10,000 settlement for breach of contract by the hotel (wedding issue). Income is forecasted to remain the same in FY18 because higher registration will be offset by less advantageous concessions are. Expenses are anticipated to be slightly higher in Boston.
2. **Other education events (conservation workshop):** There may be an additional event on the Sunday after the Annual Meeting.
3. **Fellowship and grants income and expenses:** The scholarships and grants are an in/out items for unrestricted purposes. The revenues listed for endowments are the contributions made in FY17, and the expenses are the transfers of those contributions to the permanently restricted accounts.
4. **Support for Online Media and FOA Income / expenses:** The TR account still has an approximately \$15,000 balance to use for the FOA program in FY18 and beyond. About \$15,000 was spent from TR in FY17. The revenue includes a \$10,000 gift from Norma Kershaw to support News@ASOR. Other expenses related to FOA and online media were supported from undesignated revenue in FY16.
5. **Nies Trust Income:** Funds provided by a trust held with Citibank.
6. **Cultural Heritage Initiatives:** Almost all of the revenue and expenses for FY17 is from a cooperative agreement with the Department of State. The FY18 budget reflects the following: a) remainder of a separate cooperative agreement with the DOS (April 1, 2017 – March 31, 2018); b) projected revenue from a Whiting Foundation grant; and projected revenue from a Getty cooperative agreement for the development of Arches.
7. **Revenue for continuing ASOR staff:** Includes funds from DOS for Andy's salary and funds from Getty for Andy's and Selma's salaries.
8. **Revenue for CHI employees:** These are employees whose salaries are funded by grants from DOS, Getty, and Whiting. These employees are not continuing absent of dedicated grant funding.
9. **CHI Contractors:** This is a large category that includes a) contractors from the DOS cooperative agreement; and b) contractors and sub-awards for the Mosul project proposed to the Whiting Foundation.
10. **CHI Designated Revenue:** For FY18, the main revenue is from the Getty to support Arches Development. This is an in/out category for our unrestricted budget.
11. **Subscription and membership and journal expenses:** The FY17 budget revenue is projected to come in below our targets. The ASOR staff continues to work on ways to recoup those customers and see revenue grow by 3% per year. The FY membership numbers are up, but this is offset by the reductions for early career, graduate, and undergraduate memberships (e.g., the early career rate is 31% lower than in FY16; the graduate rate is 22% lower). We have diversified other revenue for ASOR, but we need to see this revenue start growing again, even if only slightly.
12. **Royalties and advertising:** Income from JSTOR, Logos, and other vendors. We project this revenue will be flat in FY18 because royalties from Logos have tapered off.

13. **Books** proceeds from Opportunity Fund and from sales. Mostly in and out item for the budget.
14. There were small amount of **designated revenue** for journals from other support or gifts in FY16. That revenue was not there in FY17, and it not expected in FY18
15. **Annual Fund.** FY16 came in slightly above budget. We are projecting FY17 to be at the budgeted level, but we need the help of our trustees to make that goal.
16. **Institutional memberships** have leveled out to about 75 member institutions. We are down slightly for FY17.
17. **Endowment distribution.** There is a slight increase each year in the endowment distribution due to positive market returns and steady but modest contributions to the endowment.
18. **Interest income** remains small due to low rates.
19. **Administrative fees and misc. income.** We are projecting this fee (1% of restricted accounts) to have only modest growth in FY18.
20. **Designated gifts for endowment:** Each year we have a few donors who designate their giving our endowment for operations. This category is an in/out item for our unrestricted budget.
21. **Other designated gifts:** These are gifts (not grants) that support specific projects not covered elsewhere in the budget. We have the category as a place holder in case such gifts are received. None are budgeted for FY18.
22. **Development designated gifts:** Supports entertainment events, fundraising, and travel for development. The level is dependent on donors who contribute to this category. These gifts offset development costs (see the expense line), but this is not an in/out category. Expenses exceed revenue.
23. **The NEH Summit:** This event was held in FY16, but funds did not materialize for FY17. None are projected for FY18.
24. **Rent.** This is in-kind support from Boston University. This support has ended as of May 31, 2017. Rent will be a small expense in FY17 and a significant expense in FY18. The expense for future years will depend on whether or not ASOR can find an academic home with complimentary or reduced rent.
25. **Other In-kind gifts (including legal).** In/out items that do not affect the profit/loss of the organization. The principal in-kind gift is legal services performed by Arnold and Porter, our law firm. The value varies greatly from year to year.
26. **Designated categories** in Archaeology and Policy Support. “Chair Supports” contains \$10,000 for the LCP project. This is a new (annual) expense to support a project that will advance the strategic plan.
27. **Website:** This expense has been higher in FY16 and FY17 as we hired a branding consultant and then a graduate student to implement our new website. This expense will be reduced in FY18, but it is still much higher than previous years. We anticipate that this expense will continue.
28. **Presidential discretionary expenses.** This modest category allows the ASOR President to undertake discretionary spending.
29. **Archives:** This category has been reduced for 3+ years because we have not raised funds for the archives. It is primarily supported from unrestricted funds. The board should discuss how ASOR can maintain our archives program.

30. **Journals:** Direct expenses for our journals. JCS has run over budget for several years, and that overage has been supported by the Nies Trust. Those excess funds in the Nies Trust will be expended in FY17 or FY18, so this poses a problem in future years in terms of sustainability. The JSTOR expense is what ASOR pays for the online posting of our current journals.
31. **Membership, FOA & Informz expenses:** These expenses relate primarily to our e-mail blast vendor (InFormz) and FOA outreach expenses.
32. **Salaries.** The FY17 forecast is close to the budget, but it slightly higher because the board approved a couple raises after the budget was set last year. We forecast a slight increase to the salary pool for FY18. We had hoped to have enough funds for an associate executive director, but that is not currently possible (without increased giving to the Annual Fund) because of the increased rent and moving expenses as well as increasing to direct program (e.g., LCP).
33. **Allocable Expenses:** Almost all expenses were within the budget or slightly lower. Budget for FY18 based on forecasts for FY17.
34. **Depreciation:** Estimate of a calculation provided to ASOR during our annual audit.
35. **Bad Debts:** Fortunately, we do not anticipate any bad debts in FY17 or FY18. This category is used when we have an unpaid pledge that was recognized in a previous year. This is also used for other revenue that has been previously recognized but does not materialize.
36. **Misc. Expense:** This expense number is the sum of what could not be reconciled in the audit. This category is a place holder for the budget to actual report (this is the budget to forecast report).
37. **Fixed Assets:** Page one of the balance sheet of the audit contains an increase in fixed assets. The amount of fixed assets purchased in FY15 must be subtracted from the Subtotal of unrestricted net assets for operations in order to tie out to the balance sheet on the audit. This category is a place holder for the budget to actual report.

Exhibit E

ASOR Investment Allocations (as of Wednesday, April 12, 2017)

Endowment investments = \$733,286

- Large Cap (45%) = 0.1% underweight
- Small Cap (15%) = 0.1% overweight
- International (20%) = at target percentage
- Fixed Income (15%) = at target percentage
- Cash (5%) = at target percentage

Harris Endowment = \$129,676

- Large Cap (45%) = 0.1% underweight
- Small Cap (15%) = 0.1% overweight
- International (20%) = 0.1% underweight
- Fixed Income (15%) = at target percentage
- Cash (5%) = at target percentage

MacAllister Endowment = \$138,523

- Large Cap (45%) = 0.1% underweight
- Small Cap (15%) = 0.1% overweight
- International (20%) = 0.1% underweight
- Fixed Income (15%) = at target percentage
- Cash (5%) = at target percentage

Eric and Carol Meyers Endowment = \$129,865

- Large Cap (45%) = 0.1% underweight
- Small Cap (15%) = 0.1% underweight
- International (20%) = 0.1% underweight
- Fixed Income (15%) = at target percentage
- Cash (5%) = 0.2% overweight

Meyers-Wright Endowment = \$81,064

- Large Cap (45%) = 0.2% underweight
- Small Cap (15%) = at target percentage
- International (20%) = 0.1% overweight
- Fixed Income (15%) = 0.1% overweight
- Cash (5%) = at target percentage

Opportunity Fund = \$113,002

- Large Cap (25-35%) = 36.9%
- Small Cap (5-10%) = 11.7%
- International (10-15%) = 12.9%
- Fixed Income and Cash (40-60%) = 38.6%

Platt Endowment = \$244,274

- Large Cap (45%) = 0.1% underweight
- Small Cap (15%) = 0.1% overweight
- International (20%) = at target percentage
- Fixed Income (15%) = at target percentage
- Cash (5%) = at target percentage

Seeger Endowment = \$53,915

- Large Cap (45%) = 0.2% underweight
- Small Cap (15%) = 0.7% overweight
- International (20%) = 0.1% overweight
- Fixed Income (15%) = at target percentage
- Cash (5%) = 0.7% underweight

Strange / Midkiff = \$83,597

- Large Cap (45%) = 0.1% underweight
- Small Cap (15%) = 0.1% overweight
- International (20%) = 0.1% overweight
- Fixed Income (15%) = 0.1% underweight
- Cash (5%) = 0.1% overweight

Exhibit F—Minutes (November 2016)

**ASOR Finance Committee Meeting Minutes
La Cantera Resort and Spa, San Antonio, Texas
November 19, 2016, ASOR Suite (Room 5181)**

Present: Christopher White, Susan Ackerman, Jeff Blakely, Richard Coffman, Geoff Emberling, Danielle Fatkin, Charles Jones, Ann-Marie Knoblauch, Selma Omerefendic (nv), B. W. Ruffner, Andy Vaughn (nv),

Absent: Vivian Bull.

1. Meeting was called to order by Treasurer Chris White at approximately 11:30AM CST. Chris extended a welcome and asked for introductions. The agenda was approved by acclamation.
2. Finance Committee was asked to review and approve the April 16, 2016, Finance Committee Meeting Minutes (Exhibit I from Finance Committee only exhibits). Moved, seconded, and passed unanimously.
3. Finance Committee was asked to review and approve the FY 2016, Audited Financial Statements (posted separately). Discussion ensued. Moved, seconded, and passed unanimously.
4. Finance Committee was asked to review and accept auditor letter (Exhibit F from Finance Committee only exhibits). Discussion ensued. Moved, seconded, and passed unanimously.
5. Discussion items: The Finance Committee discussed the 2016 Budget to Actual Spreadsheet and Notes (Exhibit A). The Committee then discussed the need for a conference call in December to approve the Form 990 from FY16. The Committee also reviewed a report on the investment distributions (Exhibits C and D) and discussed ASOR's investments that are made according to ASOR's Investment and Spending Policies.
6. The Finance Committee recommended the following new or updated policies to the EC and Board: Capitalization Policy (increasing fixed assets from \$500 to \$2,500); Travel and Entertainment Policy (distributed separately); Gift Acceptance Policy (distributed separately). Discussion ensued. All were moved, second, and passed unanimously.
7. The Finance Committee was asked to review and approve FY 2016, Journals Escrow Recommendation (Exhibit E). Moved, seconded, and passed unanimously.
8. The Finance Committee reviewed Conflicts of Interest Summary (Exhibit H) and determined that there were no material conflicts of interest. Discussion ensued. Moved, seconded, and passed unanimously.
9. Adjourned at approximately 11:40AM.

Exhibit G—Minutes (January 2017)

ASOR Finance Committee Conference Call Minutes Monday, January 2, 2017, at 10:00am EST

Present by telephone: Chris White (chair), Susan Ackerman, Geoff Emberling, Helen Dixon, Andy Vaughn (nv), Richard Coffman

Absent: Vivian Bull, Jeff Blakely, Ann-Marie Knoblauch, Chuck Jones, Selma Omerefendic (nv), B.W. Ruffner

1. Called to order at 10:05AM by Treasurer Chris White.
2. Discussion and Approval of FY16 Form 990.
 - a. The treasurer reviewed some key points about the 990 including pages 1 and 6. He also reviewed the conflict of interest question.
 - b. President Susan Ackerman asked a question about those possible conflicts, and that question was answered to everyone's satisfaction.
 - c. Susan also asked about "excess gifts" on page 48 of the PDF. Andy Vaughn replied that it was his understanding that these gifts were from FY12 through FY16 but that we would check with the auditors to confirm. [Chris White subsequently checked with the auditors and confirmed that this was indeed the case].
 - d. Chris White asked for a motion to approve the filing of the 990. Helen Dixon moved (and Geoff Emberling second) that the Finance Committee approve the filing of the 990 with the understanding that the treasurer will report back to the Finance Committee on the question about page 48 of the PDF. [As noted above, Chris White reported back by e-mail after communicating with the auditors]. Approved unanimously.

Call adjourned at 10:22AM.