

Budget Discussion of Non-Annual Meeting Discretionary Spending— Comments and Thoughts by Andy Vaughn

The following is a list of program areas or initiatives where feedback is requested so that I can prepare the budget for Fiscal Year 2022 (programs/initiatives listed in alphabetical order):

1. **Books:** For reasons outlined in the budget notes, books used a considerable amount of unrestricted dollars in FY20 and this year (FY21). In Fiscal year 2020, the shortfall was a result of recognizing expenses from prior years that were identified in the audit. For FY21, we budgeted to use the Opportunity to cover part of book production (if needed), and an accounting change in FY21 will mean that much of the unfavorable impact will be lower in future years. Fortunately, ASOR has a Board-designated fund (Opportunity Fund) to support ASOR Books, and we will likely need to use the OF to support shortfalls this year (FY21) and maybe next year (FY22). We also made a commitment to use the OF to offset subventions for those members who cannot afford to pay that cost.

The question for the EC is whether we want to continue using the OF to cover large shortfalls, or whether we want that to come out of operating dollars. For the FY21 forecast, I limited the use of the Opportunity Fund to \$12,500. For the last decade the shortfalls have been supported mostly by unrestricted revenue, with the Opportunity Fund being used when needed. The question for the EC is how we want to structure our budgets going forward. I recommend that we continue to use the OF sparingly so that it can be available to meet unexpected shortfalls, and to support subventions for members who cannot otherwise provide them (as per the previous vote by the Board in December).

2. **Cultural Heritage.** To date (since 2014), ASOR has limited cultural heritage activities to those that we can fund with designated dollars—both gifts and grants. For Fiscal Year 2020 (forecasted), cultural heritage activities were beneficial to our bottom line for operations by at least \$40,000. Contributions to our bottom line include indirect dollars (\$17,000 as of 3/31/21) and salaries of continuing ASOR staff that were paid by CHI-designated revenue.

At present, I do not think that we should budget unrestricted funds on an ongoing basis, but I would like feedback from the EC about whether or not we should consider a one-time investment for grant-writing support in Fiscal Year 2021.

3. **Diversity Initiatives:** To date, direct (non-staff related) costs for diversity initiatives have been funded by designated gifts and the PPP loan—I think that all of the costs will be supported by designated gifts, but there may be some overlap after June 30th. Diversity is obviously critical for ASOR, and we need to find funds to support a mentoring program at the Annual Meeting. Once we endow the BIPOC Fellowship Fund (will produce \$10,000 per year), we need to think about funding all underserved groups and all people of color.

My recommendation for Diversity Initiatives is that ASOR work with the Development Committee to set a goal for designated giving in FY2021—somewhere between \$50,000 to \$75,000. I recommend that we move forward with launching those initiatives with the understanding that we

would need to spend prior-year surplus if the fund-raising for designated revenue is not successful. We have been successful to date, so I am optimistic that we would once again be successful. Committing the use of prior-year surplus (only if necessary) would enable ASOR to continue with programming without interruption—we are already doing a lot in FY2021.

4. **Levantine Ceramics Project (LCP):** This is a separate topic and agenda item, so I will not repeat everything in this summary. As stated in the separate documented, my recommendation is that the LCP be treated the same as other programs (Cultural Heritage, Diversity, Webinars).
5. **Friends of ASOR (FOA) and ANE Today:** The FOA program began with a gift of \$100,000 from Steve Dana to support direct expenses. This initial, generous gift was depleted about three years ago, and ASOR funded the direct costs for the Ancient Near East Today (ANE Today) through unrestricted operating dollars and with some designated giving. For FY2021, FOA will generate more revenue favorable to our bottom line for operations than what is expended for ANE Today and other direct expenses. This trend for increased revenue directly related to FOA was part of a 5-year budget plan to ensure that FOA was sustainable.

During the previous three years, the FOA outreach program and ANE Today have helped recruit new public members. A few of these public members have made four-figure and five-figure gifts. Thus, the FOA program has been a net positive for operations even when direct revenue did not meet direct expenses (for ANE Today).

The long-term budget for FOA forecasts increasing revenues to the point where FOA will generate \$100,000 per year in revenue that will support ASOR's bottom line for operations. We are on track to reach that level in 3-4 years. My recommendation is that we continue the current course with FOA, and I suggest that we budget for FOA (and the webinars and travel programs) to support direct expenses—and continue to support staff costs as well.