

MINUTES  
BOARD OF DIRECTORS  
SOCIETY OF PROFESSIONAL JOURNALISTS FOUNDATION  
MONDAY, SEPTEMBER 14, 2020  
ZOOM CALL

**MEETING CALLED TO ORDER**

The Zoom meeting was called to order at 2:02pm EDT. Members present: President Irwin Gratz; Vice President Hagit Limor; Secretary Sonny Albarado; Treasurer Howard Dubin; board members April Bethea, Fred Brown, David Carlson, David Cuillier, Jay Evensen, Paul Fletcher, Todd Gillman, Matthew Hall, Evelyn Hsu, Bill Ketter, Jane Kirtley, Frank LoMonte, Patricia Gallagher Newberry, Sue Porter, Andy Schotz, Battinto Batts, Michael Bolden, Kelly Hawes, Alex Jones, Sally Lehrman, J. Alex Tarquinio. Members absent: board members Russell Pulliam and Sonya Ross. Also present: SPJ Executive Director John Shertzer, Development Director Larry Messing, Journalist-on-Call Rod Hicks, Education Director Karyn Nishimura Sneath and Controller Jake Koenig.

Gratz noted the success of the Day of Giving Back which raised \$40,000 for the Journalists' Emergency Fund.

**Minutes Approval**

Limor made a motion to approve minutes from April 18, 2020 and May 9, 2020 meetings. Dubin seconded.

Changes noted include

“Million” misspelled on 4/18 minutes.

“Through” should be “Threw” on 4/18 minutes.

Return from executive session should be noted on 5/9 minutes.

Minutes with changed were approved unanimously.

**SPJ Foundation President's Report**

Gratz submitted his President's Report for review. No questions were asked.

**SPJ President's Report**

Gallagher Newberry submitted her President's Report for review. She noted that SPJ delivered a "homerun" conference and is pleased to hand off to Matt Hall. Hagit thanked her for her service for the year.

### **Treasurer's Report**

Dubin noted the Foundation's assets have generally maintained throughout the downturn in the economy. He noted the following assets for the last year:

Currently: \$13,337,000

6 months prior: \$13,153,000

1 year prior: \$13,792,000

2 year prior: \$12,818,000

Dubin noted that reports have been a little slower to come due to COVID and the departure of the staff accountant. Jake Koenig has been doing a "heroic" job. It was noted that we should look at expenses to see what new projects can be funded by the Foundation. A question was asked to define what the purpose of the Fellowship Account was. It was explained that it provides \$75,000 per year for an editorial writer fellowship.

### **Executive Directors Report**

Shertzer submitted the Executive Director's Report.

LoMonte asked why the travel budget was running above budget. Koenig explained that it included Shertzer and Messing's trip to NYC to see Craig Newmark, as well as travel by Hicks.

Brown asked for the status for an update on Craig Newmark. Shertzer noted that Newmark is focused on ethics and false equivalency and explained that after a number of conversations we have mutually agreed to take a brief break while we complete the strategic plan. Brown asked if we had sales data for the Ethics Book. Shertzer responded that he would look for the statistics.

Tarquinio noted her relationship with Craig Newmark.

Shertzer introduced Sneath, who provided a background on herself. Shertzer noted he was in the final stages of negotiating a contract with a company to handle the logistics for the next conference.

Bethea encouraged the board to review the strategic plan that was submitted by John.

Shertzer said that the 2021 budget would be presented later in the year (perhaps November) once SPJ and the Foundation has gotten through three-quarters of the year so as to have a better idea of budgetary needs. Koenig noted that short year taxes will be filed for August 2019 through December 2019. This will later be followed by a full 2020 year filing. For efficiency sake, the next audit will be a an 18 month audit. Regarding the upcoming budget, Koenig noted that Google and Facebook were moved to SPJ's budgeting to simplify the finances.

Koenig also noted that we sold less assets when the market was down, which will help us in the long run.

### **Journalist on Call Report**

Hicks submitted his report for review. He noted that he had wrapped up a series of webinars for journalism students that were well attended with 60 to 90 at each.

The Journalist Emergency Fund committee had the difficult job of reviewing all of the applications received for assistance. In all, 141 grants were awarded up to \$500 each. Albarado noted that Hicks' assistance was extremely helpful to the committee.

### **Committee Reports**

#### **Grants**

The Pulliam Award was given to the Charleston Post Courier.

#### **Development**

Messing presented his report, noting the \$40,000 anonymous gift that was received. A gift was received from the same donor in 2018 and 2017 for \$33,000. Gillman asked if there was a policy regarding accepting anonymous gifts. Shertzer responded that we will look at best practices among other nonprofit journalism groups.

#### **Awards**

Porter requested judges for next year's Sigma Delta Chi Awards.

#### **Publications**

Brown requested updated sales numbers for the Ethics Book. Walker suggested that we more aggressively market the Ethics Book as a school text. Quill continues to perform well under Lou Harry's leadership.

## **SPJ 2021 Goals**

Shertzer presented the Foundation's organizational goals for 2021.

Ketter noted that the Foundation needed to more aggressively push for additional support for the Journalist on Call role. Limor noted that the intent was for the Foundation to gradually reduce its support of this program. Lehrman suggested that the Journalist on Call have a greater focus on diversity in journalism, which Hsu seconded. In addition, Hsu suggested there could also be a focus on news deserts, in addition to trust.

Report for America (RFA) is currently in the running for a \$100 million grant from the MacArthur Foundation. Jones said that greater partnerships would benefit the foundation, with Gallagher Newberry suggesting a potential partnership with RFA. Ketter noted his company works with RFA and he was unsure where SPJ might fit into their programs.

Hsu encouraged the board to think bigger. Lehrman and Jones noted that coverage at the state government level has shrunk as newsrooms have shrunk. Ketter mentioned that many states have relied on nonprofit newsrooms to provide news from state government.

Shertzer noted that the key feedback he is hearing is that the board wants more intentionality in future programming.

Jones asked if staff was focusing on legacy/planned giving. Shertzer responded that the staff was doing so and there are many opportunities for growth.

## **New Business**

### **Granting Process**

Kirtley reviewed the proposed new grants policy with the board. She said that the committee has not been getting needed reports from grantees. Schotz noted the committee has been concerned by the percentage of annual support given to SPJ versus external organizations. Currently, significantly more than 50 percent of giving goes to SPJ leaving not much for external applicants. Grant proposals submitted outside of grant cycles will rarely be considered, but must first be submitted to the committee for consideration before final approval by the full board.

Brown asked how much of past giving has gone to SPJ. Shertzer responded that the amount has been going down over the years. In the past it had been 75 percent or more given to SPJ.

Gratz noted that the wording needed to be adjusted to account for the corpus supporting both grants and the administrative expenses of the foundation. Kirtley agreed and said it was a mistake. She said the intention is for two-thirds of funds available for grants to go out in the first cycle and one-third in the second.

Lehrman said that the committee does not have much leftover currently to provide significant support for the outside proposals. The board needs to consider the true purpose of granting. Support SPJ or journalism in general?

Albarado made a motion to vote on the proposal  
Lehrman seconded.

Limor asked if local SPJ chapters were included in the 50 percent. Kirtley responded that local and regional SPJ asks would not be considered with SPJ's national asks. She noted that with the substantial requests the Foundation gets from SPJ, it provides very little left for outside gifts and she wonders if it's even worth it.

LoMonte noted that a conversation he had recently from someone that noted that philanthropy is about getting a job done that you want to get done. The Foundation needs to support organizations that are getting work done that the Foundation wants done. Do we frame funding cycles around work we want to see done? Batts noted that the Scripps Foundation has done this in the past. Lehrman cautioned that this sometimes forces organizations outside of their intended missions. She also noted that the foundation should make the process easier.

Porter noted that grant giving helps with development activities also.

Koenig said that the change in the fiscal years will allow the Grants Committee to receive the grants budget much earlier in their process.

Tarquinio said she did not support cutting any external grant giving.

Schotz said that there was an election cycle this year. He noted that usually one-third of the overall request amounts are SPJ. The committee is left providing the remaining approved proposals with token gifts.

Bethea asked if the Foundation would be able to tell organizations ahead of time how much the Foundation has to give out. Gratz responded no. Kirtley noted that, in the past, even the grants committee didn't get the final budget number until the last minute.

Bethea asked how we would communicate any changes to grantees. Kirtley responded that the Foundation would be sure to tell all future submitters. Bethea suggested that rules changes should be highlighted in the proposal guidelines with the effected date noted.

Lehrman asked to discuss further about the portion going to SPJ. Dubin noted that the Foundation is moving more toward an operating foundation versus a supporting foundation.

Albarado requested that the paragraph covering the percentage of corpus for grants should be corrected. Koenig suggested changing it to read that the excess will be distributed for grants after program and administrative expenses are covered.

Kirtley noted again that this new policy includes two annual cycles, which would be new. Each board meeting would be required to approve the committee's recommendation.

Walker asked if the SPJ board would need to comment on this policy. Gratz responded no as the Foundation is able to change its policy as needed. The policy can be noted that two-thirds of funds budgeted for grants will be distributed in the first cycle and one-third will be distributed in the second.

Limor thanked the committee for their work.

Policy was voted on and approved unanimously.

### **\$40,000 Gift Usage**

Gratz announced that the Foundation had received a \$40,000 unrestricted unanimous gift through a donor advised fund. Messing noted that the foundation received \$33,000 in 2018 and 2017 from the same donor advised fund.

Gillman asked Messing if the Foundation knew where these funds came from or if the donor advised fund manager would let us know. Messing said that the donors wish to remain anonymous and Gillman noted his uncomfortableness with not knowing who this donor was. Shertzer responded that SPJ Foundation staff will look at peer organizations' policies regarding this.

Gratz said that the board will delay voting on the usage for these funds until this research is completed.

### **Foundation Board Review Committee**

Gratz asked for names from those interested in serving on a committee to review Foundation policies to create a single document holding all. . Those interested can shoot Gratz an email if interested.

**Board Nominations**

Limor presented the 2020-2021 slate of officers for the Foundation. Gratz thanked Lehrman for her service on her board as she is stepping down.

LoMonte made a motion to approve the slate.

Jones seconded

Slate was approved unanimously.

Gratz noted that the board would have to meet again in November to approve the budget and offered November 21, 2020 from 12pm to 3pm as the time.

Gillman made a motion to adjourn the meeting

LoMonte seconded.

Approved unanimously/

Meeting was adjourned at 4:15pm EDT.