

SPJ/SDX Meeting Minutes

April 26, 2003 - Indianapolis, Indiana

MEETING CALLED TO ORDER

SPJ President Robert Leger and SDX Foundation President Sue Porter called the meeting to order at 4:20 p.m. on Saturday, April 26, 2003, at the Eugene S. Pulliam National Journalism Center in Indianapolis, Indiana.

ROLL CALL

The following board members were in attendance for all or a portion of the meeting:

SPJ President Robert Leger
SPJ President-elect Mac McKerral
SPJ Secretary-Treasurer Irwin Gratz
SPJ Immediate Past President Al Cross
SPJ Vice President of Campus Chapter Affairs Jim Highland
SPJ Directors At-Large Jim Parker and Christine Tatum
SPJ Campus Advisers At-Large Mead Loop and David Carlson
SPJ Student Representatives Jeff Douglas and Autumn Sanders
SPJ Regional Directors Guy Baehr, Jonathan Hunley, Holly Fisher, Bruce Cadwallader, Vicky Katz Whitaker, Dave Aeikens, Kerri Fivecoat-Campbell, Travis Poling, Paul Husselbee, Steve Maynard, Mark Scarp and Clint Brewer

SDX Foundation President Sue Porter
SDX Foundation Vice President Steve Geimann
SDX Foundation Secretary Frank Gibson
SDX Foundation Treasurer Howard Dubin
SDX Board members Paul McMasters, Betsy Ashton, Fred Brown, Todd Gillman, Kelly Hawes, Jane Kirtley, Tony Mauro and Georgiana Vines.

Executive Director Terry Harper and other staff members also were present.

AUDIT REPORT

Executive Director Harper introduced Joe VandeBosche from BKD LLP, the Society's and Foundation's independent auditor, to present the audit reports. VandeBosche reviewed the materials that were provided to board members in advance of the meeting and explained that the firm offered an unqualified opinion for both the Society and the Foundation.

SPJ statements showed a drop in invested reserves, contributions and unrestricted net assets. Expenses also are down, but so is income. Organizations need six months to two years of operating reserves to be considered healthy; SPJ currently has a four-month reserve.

Related to the SDX Foundation, VandeBosche said the balance sheet looked healthy. There was an unrealized loss in value of the investment portfolio, but that was not unusual given recent market conditions. The Foundation had unrestricted reserves of \$2.3 million at the end of the fiscal year. Expenses were fairly comparable to the prior year.

The group discussed a comment about one of the board members managing the organization's financial resources and felt that was inaccurately outlined in BKD's management letter. McMasters explained that a committee exists to review all financial decisions. Evidence of the committee's activities should be better documented in the future.

VandeBosche explained that weaknesses in internal controls had been identified and that current staff leadership had taken action to correct those issues.

VandeBosche noted that the Foundation's Quill Endowment was close to reaching its corpus and suggested the board consider suspending spending from this fund for a limited time. Board members pointed out that the original agreement with this fund was that only interest and income would be used to support Quill. The Foundation's five percent policy does not apply to this fund.

VandeBosche also recommended that staff develop an Accounting Policies and Procedures Manual and a better method to track pledges.

APPROVAL OF MINUTES

Upon proper motion and second by Vines and Geimann, respectively, the joint boards approved the minutes of the September 12, 2002, joint boards of directors meeting.

REPORT OF THE SPJ PRESIDENT

President Leger referenced his written report presented in the board packet.

REPORT OF THE SDX PRESIDENT

President Sue Porter commented on her written report presented in the board packet and summarized the Foundation board's retreat from the previous day. The facilitator's recommendations should be ready in two weeks.

It is added parenthetically to these minutes that the executive committees of both the Society and Foundation will be meeting on July 12, 2003, in conjunction with the SDX Awards Banquet I Washington, D.C., to review and discuss the report, as well as other relationship issues.

Porter commented on committee meetings that took place prior to the joint meeting and mentioned the work of the various committees and staff. She asked Kirtley to comment on the Projects Committee's work. The committee will focus on identifying projects of interest to the Foundation. Project purposes will include freedom of information/First Amendment issues, ethics in journalism, professional development and promotion of diversity. The committee will be recommending two programs already approved by the Foundation: A national study about the need for journalism organizations. What needs are out there, and how can they be filled? The study would address why people join, why they drop out, and the functions of journalism associations. The second is an in-depth study of the 20-plus state access audits. Analyze what's been done and provide resources and guidance for other states to do the same thing. Other project ideas should be submitted to Kirtley by June 6 for consideration.

Porter has reactivated the Mission Committee with the membership being comprised of Gillman, Hawes and Gibson, and that committee will be focusing on a plan of work, as well as the Foundation's strategic plan.

GRANT PROGRESS REPORTS

CONVENTION GRANT

Harper distributed a report on Foundation grants made to SPJ in the past year. He explained how Foundation funds had been used to date for the SPJ Convention. Programming funds were prorated based on the total number of professional development sessions minus those sessions that were specifically sponsored.

SPJ ETHICS IN JOURNALISM WEEK

Harper explained that several thousand dollars remains from the 2003 Ethics Week grant, and SPJ is prepared to return that amount to the Foundation, or, board members can elect to have SPJ use those funds for next year's program.

AWARDS COORDINATOR

Harper shared that the awards coordinator grant funded half the salary and expenses related to SPJ's awards coordinator -- that equals the portion of time the awards coordinator attributes to work with the Mark of Excellence Awards program. Baker & Hostetler have identified this program as a qualified

educational program.

WEB SITE MAINTENANCE

Harper updated the group on recent Web site activities and explained that SPJ would not be seeking to renew this grant in the coming year.

RAINBOW SOURCEBOOK

Board members were directed to the joint board book for an update on the Rainbow Sourcebook, a grant-funded project of the SPJ Diversity Committee.

GRANTS FOR CONSIDERATION

Leger explained that the SPJ board of directors suggested the following priorities for grant approval by the Foundation board: SPJ grant requests, Investigative Reporters and Editors request, Reporters Committee for Freedom of the Press request, and the Iowa Consortium request.

IRE/SPJ COLLABORATION REVIEW

The group reviewed the past year's collaboration with Investigative Reporters and Editors to produce a series of Better Watchdog Workshops. The group agreed that the project was a good learning experience for future joint partnerships.

In the future, the Foundation will set more complete parameters for such projects. It was determined that a revised reporting system was needed so that only programs that were funded with Foundation funds would be included in the grant reports. There will be increased financial accountability and the Foundation will sign off on any promotional materials prior to publication.

More complete guidelines will be established should any programs be held in conjunction with SPJ regional conferences. SPJ will consider removing the programs from the regional schedule altogether, and partnering with individual chapters on the conferences.

SPJ will do a better job of having marketing materials on hand at the Better Watchdog Workshops in the future.

MEETING ADJOURNED

There being no further business to come before the board, Presidents Leger and Porter declared the meeting adjourned at 6:05 p.m. on Saturday, April 26, 2003.