

YALSA Board of Directors Meeting
ALA Midwinter Meeting, Philadelphia
January 24 – 28, 2014

Topic: Prioritizing Endowment Funds

Background: It is board practice to regularly revisit the Morris and Leadership Endowments to determine how best interest from those funds can be used. With the recent transfer of oversight of the Margaret Edwards Trust to YALSA, a decision also needs to be made about how best to leverage those funds to support YALSA’s members and mission. Information about the three funds is provided below. The board needs to provide feedback to the Executive Director in terms of how these funds should be used in 2014.

Action Required: Action

Leadership Endowment

- **Purpose:** to support specific leadership development initiatives such as scholarships, fellowships and awards, mentoring programs, leadership institutes, travel and workshop grants, etc.
- **Fund (as of close of FY13):** \$72,426 (funds available for use: \$1,016)
- **Prior use:** Last year was the first time there was enough interest from the fund to be put toward a YALSA project. \$1,000 was used for the Dorothy Broderick Student Conference Scholarship. Lauren Woody, a student at the University of Washington, was the recipient.
- **Recommended 2014 use:** Dorothy Broderick Student Conference Scholarship

Morris Endowment

- **Purpose:** as per the terms of the endowment, net income and net appreciation of the Fund are to be used ... “for the purpose of funding programs, publications, events or awards in promotion of young adult literature.”
- **Fund (as of close of FY13):** \$702,603 (funds available for use: \$27,097)
- **Prior use:** interest from the Endowment has been used to support marketing book lists and awards (printing bookmarks, funding the Morris/NF event expenses), the symposium’s travel stipends to members and Teen Read Week™ promotion
- **Recommended 2014 use:**
 - \$10,000 for Teens’ Top Ten grants to give out for TRW
 - \$2,000 for symposium travel stipends
 - \$5,000 for conference expenses
 - \$2,200 for Morris/NF Program at Midwinter

- \$3,800 for Coffee Klatch at Annual
- \$2,000 to cover Great Books Giveaway shipping costs
- \$5,000 Marketing YALSA booklists and awards
 - Bookmarks (approx. \$3,000)
 - Develop digital downloads (\$2,000)
- \$3,000 continuing education
 - Literary evaluation e-course
 - Literary evaluation digital badge

Margaret Edwards Trust

- **Purpose:** as per Edwards' will, the Trust funds are for "the purpose of promoting the free reading of teenagers and young adults and the final decisions in this matter are to rest with my Trustees. I suggest such projects as billboards, newspaper ads, work in the streets of underprivileged neighborhoods, possibly a reading clinic, or whatever will promote reading for the enjoyment and enrichment of teenagers and young adults. I would like to see experimentation made with various approaches but I leave such decisions with the Trustees. If some project or projects seems likely to make a lasting contribution to the enrichment of youth through reading, the Trustees, in their sole and absolute discretion, can invest the entire principal of the trust in such project or projects."
- **Fund (as of Dec. 31, 2012):** \$838,837.25 (estimated funds available for use \$41,941)
- **Recommended 2014 Use:** see proposal below

Background

Two years ago the trustees of the Margaret Edwards Trust approached YALSA with the idea of transferring management of the Trust to YALSA. In the interim, YALSA worked with ALA to explore this idea, determined it to be feasible within the legal confines laid out in the trust, and have worked to facilitate the transfer. The transfer became official on 12/31/13.

About the transfer

- The funds will be treated by ALA/YALSA like an endowment in the sense that it will be managed by the ALA Endowment Trustees and subject to policies set forth by ALA and the ALA Endowment Trustees
- Due to the terms laid out in the initial Trust, the MAE Trust funds will not be co-mingled in the ALA Long Term Investment fund (LTI), as Morris and Leadership Endowment funds are
- YALSA will incur bank fees in relation to ALA's management of the Trust funds

Past Practice

The MAE Trust met quarterly to review grant applications received from various libraries, schools and other organizations who promoted young adult literature. They reviewed the applications, and disbursed the interest from the Trust via mini grants to the applicants with the strongest proposals. Grants typically ranged anywhere from \$100 to \$5,000.

In the past, the Edwards Trust also regularly supported the following annual YALSA activities:

- Award money for the MAE Award for Best YA Literature Program
- Cost of the Alex Award plaques
- Cost of the Edwards Award plaque and AV fees at the awards event

Recommended Practice for 2014

- Continue to fund the MAE Award for Best YA Literature Program, Alex Award and Edwards Award
- Use the remainder of funds (exact amount not yet known) to distribute grants to libraries via an application process to support the implementation of recommendations put forth in the call to action report on the future of teens and libraries, specifically those related to collection development:
 - Materials in the collections reflect the demographics of the community and the needs, interests, and preferences of the teens that each library serves, and exist in a variety of formats—video, audio, books, databases, e-content, etc. Collections include content created by teens and others in the community. Collections are made up of physical and digital materials that are easily accessible no matter where a teen is. Flexible circulation policies and systems allow teens to access what they need, when they need it, and for how long they need it. Collections include access to skilled people who can help teens as well as guiding them to materials.

Rationale

- Continuing to support the three YALSA awards helps ensure that YALSA has the funds needed to recognize outstanding members and YALSA's book awards
- Directing funds toward members in order to support them with implementing the changes called for in the final future of libraries and teens report provides members with both the support and financial resources they need to successfully implement change. Further, the grantees' projects can be used as an example or best practice for others who wish to revisit their collection development strategies to bring it them in line with the recommendations in the report.
- Distributing the funds via grants provides some continuity during this first year managing the Trust, because it continues the practice established by the trustees to issue mini grants

Recommended Board Actions

The Board directs the Executive Director to work with staff to create a grant making process in order to distribute funds to members in need of funds in order to align their library collection to the principles set forth in the future of teens and libraries final report.

The Board directs the President to revisit the funding priorities for the MAE Trust at the board's 2015 Midwinter Meeting in order to determine if funding priorities should remain the same or change for 2015.

Other

- The Trust is also transferring its archives, including some materials pertaining to Margaret Edwards, to YALSA for organizing and safe-keeping
- YALSA will issue a press release announcing the transfer of the Trust
- YALSA staff will work to keep the four former trustees informed and engaged in Trust related activities