



Providing Advocacy and Capital for the Advancement of Architecture in Minnesota

TO: Minnesota Architectural Foundation Board  
FROM: MAF Finance Committee  
DATE: May 12, 2009  
SUBJECT: "Cash" Guideline

The Finance Committee met on May 11 with the objective of developing a guideline for determining how much of our assets we should keep available for short-term use. The Board has not reviewed this matter for some time. Based on on-going donations, this has led to a situation where more than 50 percent of our assets are in cash (refer to attached spreadsheet).

To help determine a reasonable amount to keep in cash, the Committee reviewed our cash spending over the past three years (refer to attached spreadsheet). Based on this information, the Committee recommends that the Board set aside five percent of the three year average in each fund or the amount spent in the previous year, whichever represents the more probable need, plus ten percent. At the present time, that would equate to a total of \$44,390. The breakdown by fund is as follows:

Ellerbe Fund:	\$ 6,000 plus 10% = \$ 6,600
BHB Leadership Fund:	\$ 2,000 plus 10% = \$ 2,200
Rapson Fund:	\$10,500 plus 10% = \$11,500
Wigington Fund:	\$ 6,900 plus 10% = \$ 7,590
General Fund:	\$15,000 plus 10% = \$16,500

In round numbers, keeping this amount in cash, would mean we can invest the following additional dollars from each fund:

Ellerbe Fund:	\$20,000
BHB Leadership Fund:	\$ 3,400
Rapson Fund:	\$77,000
Wigington Fund:	\$26,000

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Wigington Fund:	\$26,000

Given the fact that the General Fund has an excess of cash, plus more than \$41,000 in investments, the Committee recommends the following:

- Retain \$16,500 in cash plus an additional \$10,000 in investments to cover potential special projects, which could be in the form of awards for specific outside projects (e.g. archiving Ralph's drawings) or for a specific Board project (e.g. advertising);
- Distribute the remaining \$62,000 to the BHB (\$16,000), Rapson (\$16,000) and Wigington (\$30,000) Funds.

The distribution among the funds is based on:

- Alicia's analysis that at the close of the current three-year plan, the only fund that will not be self-sustaining is Wigington. Depending on whether the current fund recipients attend graduate school, the fund will be either \$27,000 or \$39,000 short.
- The Ellerbe Firm has pledged to bring that fund up to self-sustaining status.

With this proposed redistribution, the total additional amount to be invested per fund is:

Ellerbe Fund:	\$20,000
BHB Leadership Fund:	\$19,400
Rapson Fund:	\$93,000
Wigington Fund:	\$56,000
General Fund:	*Retain \$10,000 in invested funds