

Endowment Fund Application/Procedure Revisions

June 25, 2015

Dear Board Members,

With the exception of staff salaries/expenses and the Theatre Organ Journal, the Endowment Fund expends more of ATOS' funds than any other program/expense area. Because of this, the Endowment Fund trustees believe that we need to make several changes to current procedures dealing with the application process, the review, and awarding of grants. There are three proposals: Number one deals with changes to the application process; Number Two references implementing a "Technical Advisory Board" to administer the technical aspects of a grant request; and Number Three presents a list of parameters for criteria in awarding grants.

Proposal #1: The current application form for grants is not adequate to give the Trustees and technical advisory board the necessary information to properly make decisions concerning thousands of ATOS dollars. We offer the following changes/additions to the application form:

- Change application due date to February 1 from April 15.

Justification: To allow for more time to garner pertinent information concerning awarding of the grant.

- Require all documents to be submitted in pdf format.

Justification: getting requests in several different formats is difficult to say the least. They come in as emails, pdf, jpg and Word files and putting them all together is difficult and requires several programs to view and evaluate them.

- Require information concerning the ownership of the organ receiving the grant. This is of paramount importance and should be included on the application.

Justification: Ownership of the instrument is important for IRS compliance

- Include a brief history/compilation of the chapter's activities for the past 5-10 years. Also include proposed and scheduled chapter activities for the upcoming year.

Justification: Chapter history gives the trustees valuable information on the processes of the chapter and its viability for the future and current chapter activity gives an indication of chapter vitality and strength.

- Include documentation on who will do the work (vendors), be it professionals or volunteers...and their experience dealing with theatre organs.

Justification: Confirm information on vendors and generate information to make certain the vendors are qualified to work on theatre pipe organs. Include qualifications of volunteers that will do the actual physical work with oversight by a professional advisor...and that said professionals are familiar with the unique requirement for theatre organ design, restoration and installation.

- Require extensive installation/venue pictures, a detailed time line of the installation from inception to planned completion.

Justification: The technical review of the request would be based on actual facts. While we certainly can't afford to send a technician to review every grant in person we reserve the right to do so.

- Proof of CURRENT 501(c)(3) status is required. Submit last year's IRS form 990, 990-N or 990-EZ. Many chapters have not followed IRS procedures and could therefore be in non-compliance at best or have had their 501(c)(3) status revoked as a worst-case scenario.

Justification: Giving money to a non 501(c)(3) entity could put ATOS 501(c)(3) status in jeopardy.

- Include potential public performance usage estimation for the instrument.

Justification: Indicates value received from funding in relation to public exposure

- Require a detailed follow-up report from chapter/venue on exactly how the funds were used prior to final payment from ATOS. Include pictures and commentary.

Justification: To show how money was actually spent and quality of workmanship. Allows ATOS to be able to document how we fulfill our mission...which could open up grant/funding opportunities for ATOS from major corporations and foundations.

- Get permission to publish completed grant activities in the TOJ and on website.

Justification: Show membership and potential donors how their money is being used.

- All grant requests should have a minimum of two bids.

Justification: Requires chapter to "shop" vendors for best prices. Also could influence cost of project if vendors knew there is competitive bidding.

Proposal #2

- To validate the technical approval portion of the review process we suggest a technical advisory board made up of three organ technicians who can be professional and non-professional...the only prerequisite being that they are respected by fellow technicians as doing exemplary work...and are not connected in any way with the project they are reviewing.

Justification: Presently one technical advisor is responsible for approving/disapproving all grant requests. If that individual is involved financially in any of the projects an additional technical advisor is needed...a technical advisory board would be free from any encumbrances or conflicts of interest accusations.

Proposal #3:

- The newly formed Financial Committee will monitor the investment practices for the fund so that is one area that is not the concern of the trustees. With that said, the ATOS Endowment Fund Resolution and Declaration of Trust does state that the responsibility of the trustees is to oversee "the grant requests themselves; the criteria, qualifications and appropriateness of the requests; and how the available grant dollars would be dispersed". The following are the primary parameters for awarding a grant.

- ✓ Ability for chapter/venue to self or partially fund the project (Matching funds for ATOS grant).
- ✓ Artistic merit...is the proposed project essential to a functional/well "rounded" instrument?
- ✓ Chapter affiliation
- ✓ Completion of Grant "project" (not completed organ necessarily) must occur within one year of grant approval.
- ✓ Exposure the organ will get with the general public
- ✓ Ownership of organ for IRS purposes
- ✓ Previous funding to the chapter/venue/organ by the ATOS Endowment Fund
- ✓ Repairs necessary to keep an organ playing
- ✓ Technical approval for the project

Respectfully submitted,

John Ledwon Chair and Trustee

Bill Coale Trustee

Peter Crotty Trustee

Mike Hutcherson Trustee

Bob Maney Trustee

Jack Moelmann Advisor