

American Guild of Organists

POLICIES FOR AGO FUNDS

Approved by AGO National Council August 12, 2024

Thanks to generous bequests and other gifts, the Guild has created permanently restricted, temporarily restricted, and unrestricted funds. This document has been prepared as a guide to ensure that the funds are used as the donors intended. Adherence to these policies will protect the financial foundation of the Guild for many years to come.

AGO leadership changes as the result of Guild elections. Each newly elected and appointed leader is encouraged to read this document to understand the purpose and the distribution policy specific to each fund.

Prepared by the Finance & Development Committee:

John S. Dixon CAGO, Treasurer/Councillor for Finance & Development

James E. Thomashower, Executive Director

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Summary of Funds

Unrestricted earnings:

AGO Endowment Fund
Druce Business Account
Gordon Young Fund
Herrmann/Swann Legacy Fund

Permanently restricted earnings:

Anderson Fund
Bedford Fund
New Organist Fund
Nita Akin Fund
Pogorzelski-Yankee Competition Fund
Pogorzelski-Yankee Scholarship Fund
Pogorzelski-Yankee Pipe Organ Fund
Sisler Fund
S. Lewis Elmer Fund
St. Cecilia Fund

Temporarily restricted distribution:

Lifetime Membership

Investment Policy

All funds other than cash held in our Chase operating account are held in investment accounts managed by our financial services advisor, Mercer. The Finance and Development Committee works with our Investment Advisor at Mercer to determine the most appropriate investment policies for each fund. These policies vary according to our investment goals, the general macroeconomic environment and other factors. Therefore, in a world that constantly changes, such policies are subject to continuous review by the Finance and Development Committee through regular discussion with our Investment Advisor, always seeking to balance the best possible return against the most appropriate risk for each fund.

Distribution Policy

We consider a 4% annual distribution to be consistent with our goals for long term financial health. The historical record of investment returns shows adhering to this policy ensures the Guild is only spending investment proceeds, not invading principal. In any financial year (September 1 - August 31) that maximum distribution is calculated as 4% of the rolling twelve-quarter average of the fund as of the prior May 31, being the closest date allowing timely preparation of the operating budget for the forthcoming financial year.

However, each fund has a specific distribution policy, as described below. Generally, to promote growth of restricted funds, the specified percentage will be set somewhat less than 4%, unless otherwise specified by the donor(s).

Unrestricted Funds

AGO ENDOWMENT FUND

HISTORY: The AGO Endowment Fund, established in 1994, provides annual support for the Guild's operating budget. Contributions to this fund arrive by bequests and other gifts that may include cash or stock. All of the income from the annual Gala fundraiser, which honors giants in our profession, is placed in the Endowment Fund.

DISTRIBUTION: The calculation of the maximum funding towards operations in any annual budget is as follows: 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year.

DRUCE BUSINESS ACCOUNT

HISTORY: The Guild's existing Business Account adopted a new identity, the Druce Business Account, with the generous 2018-2019 bequest of Geoffrey Druce, M.D. An organist and AGO member, Dr. Druce's career involved conducting extensive research on fruit flies. He worked both in Florida and Australia.

DISTRIBUTION: The calculation of the maximum funding towards operations in any annual budget is as follows: 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year.

GORDON YOUNG FUND

HISTORY: This fund honors the generous 1998 bequest of Gordon Young, Music Director at First Presbyterian Church in Detroit. He was on the organ faculty at Wayne State University and was a prominent and prolific composer of over 800 works.

DISTRIBUTION: The calculation of the maximum funding towards operations in any annual budget is as follows: 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year.

HERRMANN/SWANN LEGACY FUND

HISTORY: In 2019 the generous bequest of Christian Herrmann, M.D., was given to the AGO in honor of former AGO President Fred Swann. A distinguished faculty member of the UCLA Department of Neurology, Dr. Herrmann was also a pianist and organist. The purpose of the Herrmann/Swann Legacy Fund is to generate income for operational expenses and other programs approved by the National Council. This is by far our largest fund, and the impact of draws on the fund have to be carefully considered and understood.

DISTRIBUTION: The calculation of the funding to be included in any annual budget is 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year.

Restricted Funds

SUZANNE AND MARK ANDERSON CONVENTION HOUSING SCHOLARSHIP FOR YOUNG PROFESSIONALS (Permanently Restricted)

HISTORY: Mark and Suzanne B. Anderson started these scholarships anonymously in 2016. Since then, they have established an endowed fund to continue providing housing scholarships to young professionals wishing to attend the AGO's biennial National Convention. In 2022, Suzanne and Mark agreed to name these scholarships in order to promote the opportunity for young organists to attend AGO conventions.

The Suzanne and Mark Anderson Convention Housing Scholarships for Young Professionals are intended to cover hotel costs (ideally double occupancy) for young professionals staying at the convention hotel during an AGO National Convention. The number of hotel nights will depend on the funds available and the cost of room nights at the convention hotel.

The calculation of the maximum funding is as follows: 3.5% of the rolling twelve-quarter average of the fund at May 31 two years prior to the convention added to 3.5% of the rolling twelve-quarter average of the fund at May 31 the year prior to the convention.

Starting in 2024, the Director of Education on AGO HQ staff will work with the convention's Young Organist Committee to create the application, advertise the scholarship, and choose the recipients. Applicants must be between the ages of 18 and 35 at the time of application. They must be studying organ and/or have graduated from an accredited degree-granting institution within the past ten years.

DISTRIBUTION: The Committee for Conventions approves the line item in the Convention's budget to be funded from this source, and the Convention is then responsible for paying for the rooms used. The AGO's Executive Director will approve reimbursement according to the invoice for the hotel master account, with prompt payment being made by the AGO's Financial Manager to the Convention's checking account. The amount remitted to fund these scholarships should then be transferred from the Anderson fund to the Chase checking account to replenish the operating account.

MICHAEL BEDFORD NEW MUSIC FUND (Permanently Restricted)

HISTORY: The Michael Bedford New Music Fund was created in 2022 in honor of our AGO Past President (2016-2022), in recognition of his extraordinary service to the AGO, and in celebration of his distinguished career as an award-winning composer. This fund provides loans to AGO conventions to support the commissioning of new music. The loans must be repaid at the end of each convention so the process can be continued for future conventions.

DISTRIBUTION: The fund will loan up to \$20,000 for new music commissioned by a national convention, and up to \$7,500 for new music commissioned by any regional convention. Since 50% deposits to composers on commissioned works are one of the earliest cash outflows for any convention, the Convention Coordinator may request a loan from the Bedford New Music Fund by e-mail not more than 18 months from the date of the convention, and a preliminary budget must be submitted with the loan request showing, in particular, the total budget for commissioning new music. As a condition of the loan, each convention shall

agree in writing not to spend more than twice the amount of the loan on total commissions of new music for that convention, and this total shall be included in the convention's budget and subject to approval by the Committee for Conventions. The loan agreement shall specify that repayment of the loan is due to AGO National within 30 days of the conclusion of the convention, so that future conventions may benefit from similar loans from the fund. AGO National shall not provide further loans for this purpose to any convention.

NEW ORGANIST FUND (Permanently Restricted)

HISTORY: The New Organist Fund was established in 1993 to support AGO programs dedicated to developing a new generation of organists. Inaugural contributions were made in honor of three extraordinary leaders of the Guild: M. Searle Wright, FAGO; Roberta Bitgood, FAGO, ChM; and Leslie P. Spelman, FAGO. Today the New Organist Fund shelters permanently restricted donations to named scholarships and to a general fund for the support and development of new organists. Contributions may be made either to the general corpus of the New Organist Fund or to any of the named scholarships.

DISTRIBUTION: Full accounting of the New Organist Fund, its individual scholarships, additions, and total value are maintained by the AGO Headquarters' Financial Manager. A fully funded named scholarship requires a minimum balance of \$15,000. Scholarships are awarded each year to students who attend Pipe Organ Encounters and other programs. Scholarship recipients receive information about the donor or honoree, which is the AGO's way of paying tribute to the named scholarship's honoree in perpetuity. The calculation of the maximum funding is 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year.

NITA AKIN COMPETITION FUND (Permanently Restricted)

HISTORY: The Nita Akin Competition Fund was established in 1984 to support the ongoing operations of the National Young Artists Competition in Organ Performance (NYACOP). Nita Akin was a devoted teacher and one of the early American pioneers in the field of organ performance. A student of Charles Courboin, she taught hundreds of students during her long and distinguished career as organist at the First Methodist Church in Wichita Falls, Texas, and as

professor of organ at Midwestern University. Nita was a selfless, inspiring giver, and never charged any student for the lessons she provided.

DISTRIBUTION: The calculation of the maximum funding in any annual budget is 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year.

RONALD G. POGORZELSKI AND LESTER D. YANKEE ANNUAL COMPETITION ENDOWMENT (Permanently Restricted)

HISTORY: This endowed fund was established in 2010 through a permanently restricted gift of \$300,000 to create an annual competition to be known as the Ronald G. Pogorzelski and Lester D. Yankee Annual Competition. The premise of the competition is to foster and promote the creation of original compositions using the full tonal capability of the R.J. Brunner tracker pipe organ bequeathed to the AGO through the Pogorzelski/Yankee estate and currently housed at Indiana University of Pennsylvania.

DISTRIBUTION: The governing board of the AGO is responsible for establishing such rules and procedures for the operation of this competition as will tend to stimulate interest and for awarding a meaningful prize to the winner of the competition. The AGO may utilize not more than five percent (5%) of the total value of the endowment on the first day of each year, during such year for the competition. No portion of the endowment's income or principal may be used to support the general overhead of the AGO. Expenses associated with the competition shall be paid from the operating account in accordance with the annual budget approved by National Council. At the end of the competition cycle, reimbursement should be made promptly to the operating account from the fund.

RONALD G. POGORZELSKI AND LESTER D. YANKEE PIPE ORGAN FUND (Permanently Restricted)

HISTORY: The Ronald G. Pogorzelski and Lester D. Yankee Pipe Organ Endowment began in 2010 with a permanently restricted gift of \$200,000 to maintain the R.J. Brunner tracker pipe organ that was bequeathed to the AGO through the Pogorzelski/Yankee Estate. This instrument is currently on loan to the Indiana University of Pennsylvania.

DISTRIBUTION: The objective of the Pogorzelski/Yankee Pipe Organ Endowment is to provide ongoing maintenance for the R.J. Brunner tracker organ. No portion of this fund's income or principal may be used to support the general overhead of the AGO. The AGO may utilize no more than five percent (5%) of the total value of the endowment on the first day of each year, during such year, for maintenance of the organ. Requests for reimbursement of maintenance expenses shall be presented by the curator of the organ to the AGO's Executive Director for approval, prompt payment from the operating account, and reimbursement to the operating account from the fund until the annual limit is reached.

RONALD G. POGORZELSKI AND LESTER D. YANKEE MEMORIAL
SCHOLARSHIP ENDOWMENT (Permanently Restricted)

HISTORY: This fund was established in 2010 with the residual portion of the Pogorzelski/Yankee estate – after the Pipe Organ and Annual Competition Endowments were created – to provide one or more scholarships to be called the Ronald G. Pogorzelski and Lester D. Yankee Memorial Scholarship. These scholarships will be awarded on the basis of financial need and demonstrated enthusiasm and ability with the pipe organ, through a competition with rules and procedures established by the governing board of the AGO. Fewer, more substantial scholarships, rather than larger numbers of more modest scholarships, are to be awarded per the donors' directive. The scholarships are to be used for the purpose of paying tuition and living expenses for one year. A recipient may apply for an additional scholarship. Recipients must agree to commit a significant portion of the two years following graduation to teaching, performing, or conducting other serious endeavors directly connected to the organ.

DISTRIBUTION: The AGO shall utilize not less than four percent (4%) and not more than five percent (5%) of the total value of the endowment on the first day of each year during such year.

HAMPSON A. SISLER FUND (Permanently Restricted)

HISTORY: This fund was established in 2022 by the bequest of Hampson A. Sisler, who remains the youngest organist to become a Fellow of the American

Guild of Organists, which he accomplished at the age of 17. The purpose of the fund is to assist in the purchase of, or improvements to, pipe organs in churches where the incumbent organist holds either the FAGO or AAGO certificate.

DISTRIBUTION: The calculation of the maximum funding in any annual budget is 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year.

S. LEWIS ELMER FUND (Permanently Restricted)

HISTORY: The S. Lewis Elmer Award is presented each year to the candidate who attains the single highest score in the Fellow of AGO (FAGO), Associate of AGO (AAGO), and Choir Master (ChM) certification exams. A cash award is made in addition to a handsome certificate that affirms the honor. S. Lewis Elmer was Warden and President of the AGO (1943-1958). The S. Lewis Elmer Fund was established in 1968, and the first award was presented to Robert Cundick in 1970. Today, annual earnings from the S. Lewis Elmer Fund are also used to fund FAGO, AAGO and ChM certification prize awards.

DISTRIBUTION: The calculation of the maximum funding in any annual budget is as follows: 4.0% of the rolling twelve-quarter average of the fund at May 31 prior to the start of the financial year. The Director of Education determines the value of the awards. Once they are paid from the operating account, the Executive Director approves reimbursement as a transfer from the fund.

ST. CECILIA RECITAL FUND (Permanently Restricted)

HISTORY: The St. Cecilia Recital Fund was established in 2007 through the generosity of Marianne Webb, Professor of Music and Distinguished University Organist at Southern Illinois University Carbondale, in gratitude to God for a lifelong career as a concert organist and educator. Miss Webb's endowment, established in perpetuity, presents a world-renowned concert organist in recital during each biennial National Convention of the AGO ("Convention").

The St. Cecilia Recital takes place during the Convention in a dramatic venue with an excellent pipe organ, good acoustics, and the ability to accommodate all Convention attendees, who are given priority seating, and members of the host

community as space permits. An evening recital is desirable, to be followed by an artist's reception open to all Convention attendees. The Convention budget provides complimentary convention registration, meals, lodging, and hospitality for the St. Cecilia recitalist, as well as the costs of any publicity beyond the full-page advertisement that is described below.

DISTRIBUTION: The calculation of the maximum funding is as follows: 3.0% of the rolling twelve-quarter average of the fund at May 31 two years prior to the recital added to 3.0% of the rolling twelve-quarter average of the fund at May 31 the year prior to the recital. In accordance with Marianne Webb's bequest, this funding is restricted to paying the artist's fee and travel; to paying for the reception; and to buying one full-page display advertisement in *The American Organist* magazine announcing the St. Cecilia Recital.

The Committee for Conventions approves the line items in the Convention's budget to be funded from this source, and the Convention is then responsible for paying the artist and other vendors. The AGO's Financial Manager may remit preliminary reimbursement to the Convention's checking account one month before the Convention starts, and the balance shortly after the Convention concludes, according to final invoices submitted by the Convention treasurer to the AGO's Executive Director for approval. The entire amount actually sent to the Convention's account should then be requested from the St. Cecilia Recital Fund as a transfer to the Chase checking account to replenish the operating account.

Temporarily Restricted Funds

LIFETIME MEMBERSHIP (Temporarily Restricted)

HISTORY: AGO members may declare their timeless support for the Guild by making a commitment of membership for life. Once an AGO member has made this decision and either paid the current membership in full or established a short-term payment plan, the new Lifetime Member need pay no further dues either to the national organization or the member's primary chapter. When the Lifetime Member dies, the balance paid for that membership is transferred to one of these four endowment funds of the member's choosing: AGO Endowment Fund; New Organist Fund; Nita Akin Fund; or the Gordon Young Fund. Each Lifetime Member's name will be published annually in The American Organist magazine and posted on the AGO Website.

DISTRIBUTION: As soon as possible after the start of the Membership Year (July 1), the Financial Manager should calculate the total funding required to cover national and chapter dues for each living Lifetime Member. This amount should be transferred to the Chase operating account and chapter portions duly forwarded to the appropriate chapters.

At the same time, the balance remaining in the fund for any Lifetime Member who has died during the previous membership year should be disbursed to the fund previously requested by the deceased member. (Conversely, if a Lifetime member dies before completing the gift, the development office should request from the administrator of the estate that payment of the balance be made to honor the full commitment, placing such monies directly in the fund designated as the ultimate destination for the residual fund balance for that deceased member.)
