

Annual Plan Conversations – Advancement and Finance and Administration Departments.mp4

Elena Lappen: [00:00:10] Great. Just wait about a minute more and then we'll get started. All right. Hello, everybody, welcome to the annual Plan Conversation series. Welcome back to those of you that have been joining us for the previous sessions. Today is the third of four sessions in this series, and we're here with the advancement and the finance and administration departments. I'm Elena Lappen and Senior Movement Communications Specialist at the Foundation. I'm based in San Francisco. Actually, quite sunny today. I'll be facilitating our conversation. We have people who've joined us here in the Zoom room, people streaming live on YouTube. Thank you all for coming. And hello if you're watching this recording in the future as well. Today's session is part of a series of open conversations between executives and other senior leaders at the Foundation and the rest of the movement to talk about the Foundation's annual plan, which was finalized and released earlier this month. In the session, you'll be able to ask questions about the annual plan, share your comments, share your ideas, and get aligned for the work that's upcoming in this year ahead. This is a reminder that the meeting is covered by the friendly space policy. So we welcome any and all questions of yours that are asked with curiosity and civility. In terms of how today's hour will be structured, I'm going to ask the speaker we have to today to introduce themselves and then we will watch a few minutes of their annual plan videos that they filmed that were shared on Meta. And that'll give us an introduction to the topic today. And then we'll get to open conversation. The rest is just going to be open conversation.

Elena Lappen: [00:02:37] We have questions that have been submitted ahead of time. And as usual, we'll also be taking questions from the Zoom chat and the YouTube chat. Those in the Zoom room are, of course, welcome to unmute and ask their question. If you want to add yourself to the queue and you're in the Zoom room, just ask that you do it in the chat using this so that we can keep an eye on me on the chat. We don't have to worry about the handriase feature if you do on you and ask a question, just a reminder to keep your question or comment as concise as possible to get as many people an opportunity to speak as we can. The meeting is being recorded. It's going to be posted on the annual plan Meta page afterwards. And I'll also be posting the transcript. And if there are questions that we don't get to answer during the session, I will post the answers to those questions also. So I want to invite everybody in the Zoom room to make sure that your screen name is what you'd like to be called during the session and add your pronouns if you feel comfortable. I have to do this myself. So click the top in the top right corner of your screen, there are three dots. Click that and then click rename. Add your name and your pronouns if you feel comfortable. OK, great. So first, let's get our two speakers today to introduce themselves. If you could just say your

name, your title and where you're based. That would be fantastic. We'll start with Lisa.

Lisa Seitz Gruwell: [00:04:14] Hi, thank you. I'm happy to be here. My name is Lisa Seitz Gruwell. I'm the Chief Advancement Officer at the Wikimedia Foundation. Pronouns are she and her and I, you know, I'm in charge of the department that leads fundraising, partnerships and grant making.

Elena Lappen: Thanks, Lisa. Jaime?

Jaime Villagomez: [00:04:39] Hi, welcome, everyone. I'm Jaime Villagomez. I'm the Chief Financial Officer here to talk about things in the finance realm, but also I also oversee the admin and the internal IT function in the Foundation. I'm based out of San Francisco, which has been my home for many years. So, again, welcome, everyone.

Elena Lappen: [00:05:07] Thanks so much. Great. So now we're going to show the short segments of the annual planned videos, these are just a minute or two long segments of longer videos that are available on Meta with subtitles in seven languages. So I encourage you to take a look at those and share with your communities if you find any of these topics interesting.

Lisa Seitz Gruwell: [00:05:34] I'm Lisa Seitz Gruwell. I'm the Chief Advancement Officer at the Wikimedia Foundation. So the Advancement Department is rolling out two exciting initiatives this year that will really secure the long term sustainability of the movement and of the Foundation. The first being the Wikimedia Endowment. We are about to hit our hundred million dollar goal and are spinning out from the Tides Foundation, where we began into our own standalone public charity. The second is Enterprise. We had a community conversation about Enterprise earlier this year, and in the next fiscal year, Enterprise will be operating in earnest and hopefully bringing in our first customers. And that really gives us security for the future. One of one of the things that's always kind of been concerning about our revenue picture is it really depends on people coming to Wikipedia dot org. With trends on the Internet, you know, you've seen what's happened to newspapers. Traffic can change really quickly and funding models can change quickly as well. And so having a way of funding the movement and funding the Foundation that does not rely on traffic to Wikipedia dot org gives us another added layer of security.

Jaime Villagomez: [00:07:10] Hi, I'm Jaime Villagomez, and my title is Chief Financial Officer. Specifically under the annual plan, what's new for the Finance and Administrative team: one of the new initiatives that we have is so far, so for Wikimedia Enterprises and the Endowment, we are moving. We are implementing those initiatives and some work has happened this year. So next year what we'll be doing

is will be establishing the new workflows to support those two particular entities, Wikimedia Enterprise and the Endowment as the Endowment moves from the Tides Foundation into its own 501(c)(3). The other area that is, I'd say not so new, but continues to be an area of focus is our focus, is the continuous process improvement. But what does that really mean? What that means is that we have workflows, people are doing work. How do we scale our systems, our processes, especially as the movement is growing and the Foundation is growing. So that's a key area of focus that is somewhat new. You know, we engaged on it last year, but we will continue to focus in this area.

Elena Lappen: [00:08:49] So I want to start the discussion with the same question that I'm posing across sections, the video allowed you both to highlight a number of different things that a very high level that represent changes under this year's annual plan. But I want to ask each of you to zero in on one project or one initiative, one priority that really represents a big change for your department this year. And talk about what that means to the movement, why it's relevant to the movement. So we can start with Lisa.

Lisa Seitz Gruwell: [00:09:28] Yeah, I think the thing that I'm most excited about is, is the Wikimedia Endowment. You know, it's a project that I have been here at the Foundation for about ten years, believe it or not. And the Endowment is something I I, you know, kind of started maybe in my second year, started selling people on this notion of the Endowment. And, you know, there was a lot of kind of apprehension to do it because it was, you know, well, will it mean that we won't be able to fund the stuff that we want to fund this year if we're going to be saving all this money for the future? And, you know, it took a lot of convincing and a lot of faith, right, to to get people to to think about what are the things we could be doing now that help the movement in 20, 30, 40, 50 years and changing that time frame, changing that thinking. Like I say, you know, didn't didn't happen automatically and we set this big goal of one hundred million and, you know, there was lots of, you know, is that too big? Is that too small? And I'm really excited that we're about to hit that goal and that that is something permanent, right, for the for the for the movement.

Lisa Seitz Gruwell: [00:10:43] Right. And for for the Foundation. For the projects that will always be there. Right. And there's not too many things you get to do over the course of your career that are lot that will outlive you. Right. And the Endowment is a permanent thing and it's always going to be there. So that is the thing that I am I am most excited about. And I think it's the biggest change. Right. It gives it gives us a level of security that allows us honestly to think more long term with plans and to act more, you know, more boldly. Right. Because we have this base of financial support that's always going to be there for the projects. And, you know, now we're taking the Endowment into kind of its next phase, creating it as a standalone

entity and continuing. Right. The next campaign will be will be developing and launching sometime in the next year. And all of that right is is just, like I say, really rewarding work because it's so lasting.

Elena Lappen: [00:11:43] Thanks, Lisa, same question to you Jaime: one project or initiative and why it's relevant to the movement?

Jaime Villagomez: [00:11:49] Thank you. First of all, it's hard to identify one thing because there's really a lot of amazing things that that the movement is doing. So I'm just going to highlight one of which which is the new grant making strategy. And the the reason that that's so I think exciting is for a couple of reasons. One is we've been able to provide an increased amount of resources for grant making. And the other thing is how it's lived into the Movement Strategy: intentionality about expanding the impact it has around the world and the like. The specific thing that we're focused on is, of course, we need to be able to move the funds right from our point of presence all over the world. And so I'm also very enthusiastic, excited about the work that my department is doing in partnership with Lisa's department to be able to find ways to be able to make that happen more easily, more quickly. So that's just one example where there's a lot of synergy between what we're doing for the movement and a specific thing that's going on within my department.

Elena Lappen: [00:13:11] Thanks Jaime, yeah, I want to pick up on the new grants strategy, actually, because we have a lot of questions about that. So maybe if if one of you could just describe give like a very short, simple description of the changes under the new strategy, concretely the differences in how funds will be allocated and how decisions will be made, I think that a lot of the questions are coming in from those two things.

Lisa Seitz Gruwell: [00:13:37] Yeah, absolutely. So let me first kind of describe, you know, sort of what what used to be and kind of kind of where we're we're going. Right. We used to have these grant programs that were global: Annual Plan Grants, Simple Annual Plan Grants, Rapid Grants, Project Grants. Right. And there was different criteria for those different pools and a lot of like, you know, progression moving from rapid to project, simple to eventually APG. And it took really quite a long time. And a lot of the a lot of the the steps that took you from one area to the other were around things like governance. Right. Which we've learned those barriers are not equal right around the world. Right. It's really, really hard to set up a public charity right. In in some parts of the world. It's not you know, it's relatively simple in the U.S. and Europe, and it is super, super hard in a place like India. And so a lot of these rules that we had set up, we found were kind of prohibitive to growth in in places that are are according to Movement Strategy. Right. According to the Strategic Direction around knowledge equity are really critical places

for us to grow.

Lisa Seitz Gruwell: [00:14:58] So we thought about what if we regionalize this approach. Right. So that, you know, the criteria that people are using to evaluate grants are more, more, more specific to the area as opposed to global. And if those grants are being evaluated by people from the region as opposed to a global, you know, a global body that that may know very little about, about communities that are half a world away. So that's the general approach, is that we're moving moving the decision making from kind of a centralized body and centralized staff to it to smaller regional committees that will be making these decisions that are supported by regional staff. And some of the implications of this or are, you know, I'm already seeing. Right. So, you know, our program officer in Spanish, when she meets when she has meetings in which she's talking to community members right they're meeting in Spanish. Right. They're not meeting in English. Right. And so barriers like that are getting kind of torn down also with this approach. And we're just excited that we think we think this is going to bring in more grantees, particularly in places that have been underserved in the movement.

Elena Lappen: [00:16:22] So you mentioned staff that is based in these different regions. My understanding, too, and we have a question about this, is around the regional committees. How does that fit into the new strategy?

Lisa Seitz Gruwell: [00:16:39] Yeah, I guess that one's for me, too, I will say so. You know, we put out a call for four regional committees. We're creating seven regional committees that have up to 10 members. And so this is going to involve a lot of people, like up to 70 community members that are serving on these committees. You know, there's a committee for Africa, for example, that will be of Africans making decisions about grants in Africa that are supported by a program officer that's based in Kenya. So that's that's the big change. Right. So we've we're still in the process of hiring staff and have seven regions around the world that are we're supporting with regional staff.

Elena Lappen: [00:17:24] And in a new regional model, I thought this question was interesting in a model where we have regionally based and regional committees for decision making around grants. What's the plan to ensure that no new regional silos are created under this system, things that might arise like duplication of efforts in different regions if we're not coordinating? What are your thoughts on that?

Lisa Seitz Gruwell: [00:17:50] Yeah. Yeah, it's interesting, right? I think both models have sort of an extreme of, you know, of if you lean too far into either model, there is there's there's a downside. Right. And the downside of of of decentralization is, is what you just said, right? It is it is disparate and it can be siloed and all of that. And

the downside of kind of the other extreme of the model of centralization or of of centralization is, you know, that that you're looking at solutions that are cookie cutter, that don't take into consideration the local you know, the local elements. And, you know, it's the round round hole, square peg thing. Right, with with with that extreme. And so kind of what you do is you try to look for ways to avoid the negative while taking advantage of all of the positive. And one of the ways that we're doing that with this decentralization model is we've hired a new Learning and Evaluation Specialist. That's her entire role is going to be coordinating the learnings of of the different grantees, making sure that learnings are shared when there's something is working really well in one region that the whole you know, the whole world knows about it. And that's not to say that, you know, something that works in Ghana is going to work in Sweden, but we will be sharing that knowledge and sharing that that information.

Elena Lappen: [00:19:21] Thank you so both of you touched a little bit on how this new grants strategy answers some of the calls from Movement Strategy. I want to turn to a question that we got in the YouTube chat about Movement Strategy more generally. The question is, how is the spending under this annual plan distributed on the different recommendations in the Movement Strategy and how much, if anything, is spent on activities that are not applicable towards the Movement Strategy recommendations?

Jaime Villagomez: [00:19:54] That's very discrete question. I can't say that right off the top, I can I think I can answer that in the level of granularity that the question was asked. So what I'll do is describe the approach. So under the annual plan, we laid out a series of objectives for Movement Strategy and we've allocated budget. We've increased the budget specifically to the the work around the implementation. We've characterized the implementation into different categories. So one example was grant making. So we understand that to be able to participate in this whole discussion about the Movement Charter and the Global Council as we need to be able to have engagement. So there's there's grant that have been budgeted to be able to enable that those sorts of activities. And so when you think about the other piece of it is we want to make sure that whether it's the the activities around that translation, so much more has been devoted to engaging the community. So consultations, as is another example, is a place where we've increased the amount of budget focus so that we've got to be able we provided the capacity to be able to engage with with the communities on these important topics.

Elena Lappen: [00:21:23] And just to clarify, the grants that are the grants budget that is set up to support the Movement Charter and other Movement Strategy recommendations directly, is that separate from the increase in grants budget that's covered by the new grants strategy, or is that part of the same budget?

Jaime Villagomez: [00:21:43] I'll take the first round and then I'll detail one, Lisa can say, is that the we have a budget, a budget for for grant making, but it's as Lisa was describing regionally, we have different regions. So there's allocations for those regions so that there's clarity. Same thing. So there's a delineation for the different categories of grant making so that we have some clarity. So when it's time to be able to grant those make those grants for Movement Strategy, we have a discrete budget set aside for that. Would you like to add anything else to that, Lisa?

Lisa Seitz Gruwell: [00:22:22] Yeah, I mean, I think that that covers it, I think, you know, there's going to be kind of increased clarity around around what happens with Movement Strategy as that process continues to try to develop. You know, and honestly, more as we've gotten more clarity since we've since we made the budget. So we made the budget fairly flexible to to be able to respond to what happens with Movement Strategy as those those conversations continue. So, you know, for example, hubs right is a big topic. You know, there's there's no budget necessarily specifically for hubs, but we do have one general budget where those kinds of things could be launched from. If you know, the Movement Strategy, the movement, the Global Council gets to a point in this fiscal year where they're ready to do that. But as of now, right, the budget's fairly flexible because I think on the on the movement conversation side, the Movement Strategy side, there's not a lot that's quote unquote shovel ready to to fund.

Elena Lappen: [00:23:34] Thanks for that clarification, so I have another question submitted about the grants budget in relation to the larger, Thriving Movement budget you published that the Thriving Movement budget under this annual plan is increasing by one hundred and fifty seven percent to thirty six point seven million. Grants for communities are increasing to fifteen point six million. So this person is wondering where is the rest of the money allocated and how will that money go to supporting the movement since it is part of the Thriving Movement budget?

Jaime Villagomez: [00:24:11] Yeah, thank you for that question, the the other there's two other categories, the principal other category is we describe under the annual plan as technical infrastructure and the reason why that's important and that includes all the engineering, the the engineering, the product development, the release, the support of the website. And so that is the next largest piece of it from recollection, I believe that is that represents of the increase about 30, 40 percent of the increase. And then the rest of the increases, we have support for the movement. So, for example, litigation support out of the Legal team when their case cases all around the world, we have provided specific capacity as well as budget to be able to support in those kinds of cases. So those are the other two categories. Again, the largest is like this whole category of technical infrastructure that we we've described under the annual plan.

Elena Lappen: [00:25:13] Can you flesh out a little bit more the connection between the technical infrastructure and why that belongs in the thriving movement priority rather than maybe some more technical section of the of the annual plan.

Jaime Villagomez: [00:25:29] Our goal is to be able to connect into these priority areas, and so when we when you see how we've organized it, we've got a Thriving Movement and Platform Evolution is more of a discovery effort. So machine learning, AI some of these other activities. But what we've connected is we've tended to connect those activities that we believe support the movement. So if you think about communities, there are initiatives and under the technical infrastructure that look at how we can deliver deal with latency issues. So we are deploying a new caching center in Europe. So that's why it really helps the communities that we're serving, because how we receive Wikipedia and its projects is pretty important. So latency issues a problem. New features and functions that are designed locally for the underserved communities are important. So that's why we've created this connectivity between technical, really more technical outcomes rather than infrastructure. The thing of a hardware or software.

Lisa Seitz Gruwell: [00:26:36] And I just add that the the technical team is the Tech and Product team or really big teams at the Foundation, and their work shows up in a bunch of different priorities. So, you know, those that are in Thriving Movement tend to be you know, they're kind of categorized there, tend to be ones that are making tools specifically for editors. Right. So there's the Community Tech team. These are things that the community has specifically asked for that we're responding to. Those tend to be the technical, you know, the the Tech and Product work that gets categorized in Thriving Movement versus, you know, infrastructure or versus just kind of the core operations.

Elena Lappen: [00:27:21] Thank you for that. That's really helpful. I want to turn back to Enterprise, which we touched on. I believe we touched on it, but no, I guess we haven't really touched on Enterprise yet. We have a question from the YouTube chat about enterprise. If big tech is furthering our mission through the Wikimedia enterprise, shouldn't we pay them for doing our work rather than charge for knowledge getting shared?

Lisa Seitz Gruwell: [00:27:49] That is a fascinating question, no one's ever suggested to me that we should use donor donor dollars to fund big tech. I usually get the opposite. I you know, I don't I don't think we should because, you know, you you all, the volunteers, are creating creating this resource for the world. And we're a nonprofit and we're here to serve serve a mission. The big tech companies there that their underlying objective obviously is to make a profit. And,

you know, they're doing quite well at that. And there's nothing wrong with that. Right? There's nothing wrong with companies making a profit. But I think for our our mission. Right, isn't it is not to help big tech companies be more profitable. Right. Our mission is to to to help distribute free knowledge throughout the world, create and distribute free knowledge throughout the world. And I'm not sure that us paying big tech companies would increase that that that wave of, increase our ability to reach our mission. In fact, it would probably undermine it. So I I appreciate the question. It's definitely interesting. It's an interesting think thinking question. Right. That kind of turns on its head the questions I usually get. So it is it is a challenging question and one the one that I appreciate.

Elena Lappen: [00:29:26] Now, it's nice to be challenged in that way, cool. OK, great. We have another question from the YouTube chat that is about the new regional I believe it's pertaining to the new regional grant making strategy, but it could pertain to grants in the past as well. Does the foundation publish how funds are distributed by region? If so, where can I find that information? And if not yet, is there are there plans to do that going forward?

Lisa Seitz Gruwell: [00:29:55] So, yes, we do last year was the first year we put out a grant making report, so that is available on Meta, we can we can share the link. I can I can find that and show the link. And we are also working right now on the next grant making report that and it breaks down spending by region in there, as well as spending by income level spending by all kinds of things. There's tons of graphs in this in this report. It's pretty thorough. Big, big shot up to Guillaume on my team, who does an excellent job on this report. And you can expect to see a new one sometime later in the quarter.

Elena Lappen: [00:30:47] Great. Yeah, and if we have any time to find that link during this session, if it comes up here. Oh, great. Somebody shared it in the zoom chat and I will. We can share it. Chris, if you could also share that in the YouTube chat that would be great. So that everybody has a reference. Thank you. OK, good. So we talked a little bit about the budget growth in the Thriving Movement priority area. We have a question about growth and budget just generally: what's the rationale for the big growth in budget this year? Under this annual plan, the total expenses are set to increase from one hundred and twelve million to one hundred and fifty million. Can you talk about that?

Jaime Villagomez: [00:31:29] Yeah, sure, I'd love to take that question, so I begin with last year was this year of uncertainty. And so when we thought about the plan in the first place, it was actually one hundred and thirty million. But because of the impact of covid, we took some prudent steps and so we reduced the budget. Fortunately, through the middle of the year, we saw the outcomes of the fundraising activities and we saw that we had the ability to be able to take

action in the second half of the year. And so there is a chart in the annual plan that describes the impact of the decisions that were deferred in the beginning of the year. And that we implement in the second half of the year, whether it is additional adds to different parts of the organization to grant making activities, so on and so forth, so that represents an increase from going to approximately one hundred and ten million dollars, one hundred and twelve million dollars to one hundred and twenty five dollars million. So much more comparable to the one hundred and thirty million dollars. So really, the decisions that discrete decisions that you see investments in the annual plan is the movement from one hundred twenty five million to one hundred and fifty million. A big piece of it is the grant making increase, increases also a Thriving Movement that I described. So really the thing to be able to understand is that there are two drivers to the growth in the budget, in the spending. What is the deferred decisions that only get implemented in the second half of the year, and so in this year, we see the full impact, 12 month impact. And the second piece, the amount from one twenty five to one fifty are the discrete decisions that we made under this annual plan that we described in the plan itself.

Elena Lappen: [00:33:28] Thanks. I also understand that, there's a year over year and maybe you can clarify this for me Jaime, that year over a year, there are increasing demands on maintaining our technical infrastructure that ends up costing more every year as well, that those costs are not static. Is that part of the increase or did I misunderstand that?

Jaime Villagomez: [00:33:51] That is certainly part of the increase. And so I mentioned as an example, the new caching center in Europe. And so that was implemented towards the end of the fiscal year. So many of the costs that are associated with that new caching center will only be experienced in this new fiscal year. So that would be one great example. The other examples that we have is, yes, building security protocols based on the added activity of being able to add more additional points of security, single points of failures. So we had staff that we've added to SRE as an example. So there are definitely a series of activities that are I think when I look at the total, I'd say, a good amount, there are three areas. So one is technical. So additions to spending and technical infrastructure to support the the increasing volume, the needs of the movement, the differences in the communities around the world.

Elena Lappen: [00:35:03] Thank you. I want to go back to Wikimedia Enterprise touched on this a little while ago, but there's a more pointed question about the decision of where funds, how decisions will be made about funds that will come in from Wikimedia Enterprise. You talk about Wikimedia Enterprise as creating a new revenue stream for the movement. As Enterprise begins to bring in funds, which it would be great if you want to clarify when we expect that to happen. I know

that there are many variables involved in that. But if you want to give some context, as enterprise begins to bring in funds, how are you going to decide where those funds go? Will that information be public and will community members have a say?

Lisa Seitz Gruwell: [00:35:49] Yeah, I could say I'll say this, I mean, I'll answer the first part of the or the second part of the question that you asked it kind of inside there about about when we expect revenue from from Enterprise. You know, I mean, it takes a while to get a business to a place where it's profitable. We're hopeful, you know, not just bringing in revenue, but but, you know, turning a profit. Right. We're hoping to get there this this year. May take two years and it's going to be something that hopefully, hopefully grows right every year. But, you know, there's still a lot of uncertainty, I think, in terms of how much revenue Enterprise is going to going to bring in. So planning for what it could pay for is is difficult right at this at this stage, because we don't have any data on on how much revenue it's it's going to produce. But then the second thing I'll say is we don't, you know, kind of our approach and Jaime can speak more to this. Right. We haven't really designated, you know, a particular in my team's not involved, but we don't designate a particular revenue stream for a particular purpose.

Lisa Seitz Gruwell: [00:37:01] Right. We we we raise funds or generate funds into kind of a central pot, goes through a budgeting process, you know, very much like like this one or a grant making process through to, you know, regional committees. So we haven't done that. Right. We haven't designated we don't say money raised from email in the United States is going to go, you know, is going to pay for this. You know, most of our revenue, in fact, is unrestricted, even even for major gifts. So we're really rare in terms of nonprofits in that regard. So right now, particularly with the uncertainty about when revenue would come in and how much revenue would come in, you know, there's no specific plan to spend it in any particular way. And the default right with all of our revenue is that it's it's kind of all goes to one place and, you know, and then there's a budgeting process that that decides how it's spent.

Jaime Villagomez: [00:38:06] Just a couple of points there that Lisa described exactly, I think, especially given the uncertainty and the evolving nature of the movement strategy activity itself pretends to have some flexibility about these things at this stage. You know, as things evolve over time, you know, things could be more definitive or they may need to be more flexible. I think in particular, given the more macro level issues, what Lisa noted, I think, really is the right thing to do at this point in time, which is to keep keep these budgets flexible, to go through an annual planning process, to share the plan with the various stakeholders, including the community, so that people are giving their views, their insights and their perspectives on the things that we're doing. And the and the money that is raised for the

movement can be filtered and refined and focused in that way.

Elena Lappen: [00:39:12] Thank you. We have Kevin asking a live question here in the Zoom room. Kevin, if you want to unmute and ask a question and then I know we have some questions submitted in the YouTube channel soon after that.

Kevin Li: [00:39:24] Thanks so much for and thank you to Lisa, Jamie, for being here today. I really appreciate the time that you're taking to answer questions. My questions more sort of like process, little question about about finance and and the process of reaching the Foundation's budget and also transparency. So as as you know, for for most of the time that I've been and editor, the Foundation has submitted its annual plan to the Funds Dissemination Committee, which is a community elected committee for review and comment as part of the annual grant process that the committee engages in. And for that was like a critical level of transparency to sort of because that the committee was the only community elected committee with budgetary authority that was not, you know, sort of the Board of Trustees level body. And and I'm curious to hear, since this is not have you found other ways of subjecting the Foundation's budget and plan to community review since the time that the last annual plan was submitted to the funds to some committee in twenty eighteen, the foundation's budget has increased substantially. And I mean, my sense is it's roughly doubled. And one frustration that I've heard from among community members is that, you know, the plan is not has not been getting more detailed at the same rate. There are people among the people that I've talked to who are frustrated that for every one million dollars, there isn't even a one paragraph explanation of the staff or of where that money is going and leading to sort of a sense that more staff is being brought on to manage the community in some way. And so I'm curious to hear whether there are plans to submit the entire budget or substantially the plan to a community body for review in the future.

Jaime Villagomez: [00:41:35] So let me let me take that in pieces, so thank you for the question. So, yes, over the last series of years, we've piloted different mechanisms to be able to describe the things that we have included in the annual plan from detailed representations of the plan to individual consultations. So when you so our goal right now is to be able to describe the plan discreetly. And so grant making is a great example. There is a consultative, detailed approach towards to that activity or that intention itself. Based on that, based on that more detail of the consultation, that input comes back through the grant making team and it informs the way in which you put the plan together. So many of the layers of the things that we're doing: technical, even on the technology side that Lisa referred to. So we've created, I think, these layers in the moment you see these videos, you see other activities. So in partnership with the Movement Communications team, we are also piloting new ways to be able to share the things that we're doing, how we're doing and what we're spending

on it. The other thing that we've been sharing on a recurring basis is we share out from the on a quarterly basis the progress that we're making through the year against these objectives. So, again, the goal is to say these are the objectives that we are working through. This is the progress that we're able to achieve. These are the changes that we're doing. And so that there's more information that sharing being shared throughout throughout the year. The other question to ask about future intentionality, we understand that through the formation of the global the Movement Charter in the Global Council, there will be new practices and protocols to be able to determine how plans are going to be reviewed, how resources are going to be allocated. And I know that that that is one of the key Movement Strategy recommendations. And so we understand that once those recommendations turn into implementation plans, we will we will follow those practices. We will follow those recommendations.

Elena Lappen: [00:44:14] We have a question here from the YouTube chat, it's about the funding of hubs. Could hubs get organizational help from the Foundation, for example, dedicated staff, time for individual house with at least one half time employee? Or do the jobs have to be more independent from the Foundation? And I'll preface this by saying that I know that hubs are still in their very early stages of being talked about, of being developed. But I'm wondering if one of you or both could share your early thinking around what this might look like.

Lisa Seitz Gruwell: [00:44:49] Yeah, yeah, I mean, I I think it is probably too early to to answer that, so I'm not sure we you know, the the concept of a hub I think is still in development. So what support they would need or want? I don't have a super clear sense of that yet. But I do think this notion of, you know, the the Foundation providing support to to movement organizations is is one that that that we want to grow. You know, for example, we've heard a lot, you know, that that different movement organizations would love to have more training from the Foundation, for example, on fundraising. And that's something my team is is is planning to do this year, is offer some some trainings around fundraising for anybody in the movement who's who's interested. So, yeah, I generally think the answer is, is yes to the the concept of of providing support. There's some level of specificity in that question that I probably can't commit to because I don't know what the hubs are yet. But that that notion, that concept is something that that we're we're open to and we're starting to implement on some of that in in response to very specific requests like fundraising training.

Elena Lappen: [00:46:17] Thank you. We have we have a multipart question about the Endowment here from the Zoom chat, and then I will take a question live in the same room after that. The multipart question about the Endowment: first, how many people will work for the endowment and what are the expected administration costs? And will it

be an actively managed fund? Or is the fund based on an index of not much management is needed?

Lisa Seitz Gruwell: [00:46:48] Yeah, I'll take that. So in terms of how many people work on the Endowment, we have three people on the fundraising team who the majority of their time is on the Endowment. But, you know, we sort of split our time. Like I work across a bunch of different things. And, you know, probably 20 percent of my time is is on the Endowment, you know, more more different during different parts of the year than others. And so there's a lot of people who who work, you know, a small percentage of their time. There's people in Finance, people and Legal people in Communications sometimes that work on the Endowment. But there's really three people who, like I said, the majority of their time is is on the Endowment. And then the expected administrative costs per year: we're developing that budget now for when there isn't is a new (c)(3). It's in it's in the range of about a million dollars to cover all of the costs that I just that I just mentioned. In addition about that, I guess the last part of the question is about the fund. Is it is it managed or based on an index? It's based on several indices. Right. We're not the the fund manager. Right. Where the fund is managed by the Tides Foundation right now, they're not picking individual stocks. They're investing in in large, large index and mutual funds. The investment policy is on Meta. We can share that as well. So you can get a sense of of how the fund is invested. But, yeah, it is it is somewhere in between what you're describing there: not actively managed, more passively managed in the with regard to, like I say, not not not picking individual stocks but managing but but is invested in large funds that is managed by a fund manager.

Elena Lappen: [00:48:55] Thanks, just a quick follow up on that, you mentioned that a number of people in the Advancement department spend part of their time working on the Endowment. Can you talk a little bit about what work goes into the Endowment, like what types of workflows, what roles are people filling to make this possible?

Lisa Seitz Gruwell: [00:49:15] Yeah, yeah. I mean, it's about to change, right? But up until this point, the bulk of the work around the Endowment has been fundraising. And that's, you know, that's going to continue to be true. But there's going to be other things added as well. So with. You know, so the fundraising work, right, so, you know, for example, we have somebody on the team that manages events and sometimes we do events like fundraising events specifically for the Endowment. Sometimes we do fundraising events that are more, you know, more general, or sometimes we do fundraising events that are geared specifically for the annual fund. So it really depends on the model we've used is really donor driven. So, you know, if we go to a donor and they're interested in funding the Endowment and it's somebody who works on the annual fund who's meeting with that donor. Right. They can pivot right into to talking to them about the Endowment. They

don't have to say, hey, well, I'm the annual fund person. Let me put you in contact with my colleague. You know, so that's generally how we've tried to build the team and have it, like I say, be focused on what the donor wants to do. You know, although there are some folks that work primarily on the Endowment. Going forward, you know, the Endowment is going to be is you know, we haven't made any distributions out of the Endowment going forward. But that's about to change. Right. So when at the hundred million point when we launch into this new (c)(3) too which maybe around January, you know, we will start making investments back into the projects with the investment income that's generated from the endowment. That will be part of the work as well going forward.

Elena Lappen: [00:51:05] Yeah, absolutely great. Musa. You have a question in the Zoom room. Do you want to unmuted and ask your question?

Musa Umar Ahmad: [00:51:16] I already am.

Elena Lappen: [00:51:18] And yes, we can hear you.

Musa Umar Ahmad: [00:51:22] Yes, I'm in my own experience that can actually be good for, you know, I'm having a lot of issues with my network, so I know. So it's time for me to this because I own my network, so it's like being cool. All like to watch this whole thing because I almost feel

Elena Lappen: [00:52:01] Like it's OK. You can watch it later. If you have a specific question, though, it's a little hard to hear you. Maybe if you could put your mic closer to your mouth and just ask the specific question.

Musa Umar Ahmad: [00:52:15] Ok, thank you, thank you.

Elena Lappen: [00:52:24] I think you're muted.

Lisa Seitz Gruwell: [00:52:28] Yes.

Musa Umar Ahmad: [00:52:30] You've got to go. Yes, hello.

Elena Lappen: [00:52:37] We can hear you, but maybe can't hear us. If you want to, it seems like maybe the connection is not good at all. I'll invite you to type your question into the chat. That way we can make sure we can hear it. That would be better.

Musa Umar Ahmad: OK, thank you. Thank you.

Elena Lappen: Thank you so much Musa. We'll wait for your question. And in the meantime, we have a question from the YouTube chat. Let's see what percentage of income or grant income in particular is

restricted funding. What is the nature of this restricted funding or activity?

Lisa Seitz Gruwell: [00:53:22] Either Jaime or I can answer that. This is something we work like many things in in partnership. So the overwhelming majority of our funding is is unrestricted. You our major gifts make up, you know, around 10 percent and then the portion of our major gifts that are restricted are even smaller than that. So it's somewhere around five percent, isn't it? I mean, it's it's it's it's a really small chunk of our budget compared to a lot of nonprofits. And that gives us a lot of flexibility.

Lisa Seitz Gruwell: [00:53:56] Is that right?

Jaime Villagomez: [00:53:57] That's right. That's right.

Lisa Seitz Gruwell: [00:53:58] So it's it's always changing, too.

Jaime Villagomez: [00:54:01] So well, as the pie increases that the restrictive portion of it has been pretty stable over the last series of years so that it might be three percent instead of five percent. But that's a good estimate.

Elena Lappen: [00:54:17] Great. Thank you. Let's see here. So we have a couple questions about the Equity Fund, which we haven't touched on yet in the session. There's a question about where the Equity Fund work falls under this year's annual plan that this person didn't see it explicitly mentioned in the top line objectives. So where does it fall under this year's annual plan? And do you have any updates on who the first round of Equity Fund grant recipients are? If not, when can we expect that?

Lisa Seitz Gruwell: [00:54:51] Yeah, I'll take that. So the Equity Fund, you know, the concepts of it are in in the annual plan. But, you know, there's not a line item because there's no new funding dedicated to the Equity Fund this year. That being said, a lot of grants are going to come out of the Equity Fund this year. So the second part of the question is when? When will there be grants coming out? I believe in the next month, there's going to be an announcement from the equity fund of of its first grantees. I know the committee has been working really hard. I'm an adviser to that committee and they, you know, are vetting a potential grantees kind of in the final stages of vetting final grantees right now. So I would expect you will hear from them, like I say, in the next month.

Elena Lappen: [00:55:53] Exciting. OK, great, let's see. All right, how this is this question is how do you determine what to invest the Foundation's excess assets in? What are they currently invested in and how much of that meets environmental and socially responsible standards?

Jaime Villagomez: [00:56:24] Yeah, that is a good question for me. So the first thing is, we also have an investment policy statement that we've developed with the audit committee. And in our case, our principal objective is capital preservation. What does that really mean? So capital preservation means that we want to be able to keep our investments in low risk, short duration investments, so we have it, we have three layers. So the first layer is ensuring that we have working capital of between six and nine months and at all times. We are very fortunate with the activities of the fundraising team, but we never know when there might be an economic shock. There might be a turn in the economy, there might be sediment differences. So we always want to be in a position that we can weather that at least that's that first stage of the search. So the first portion of it is six to nine months in really money market in our operating fund. The next level is fixed income, fixing some bonds, short duration bonds. So average duration in the—we're going to extend it a little bit—but in that two to three year range. And so we actually have a waterfall. Again, we want to ensure that we have cash that's coming back into the portfolio just in case we need to be able to use it.

Jaime Villagomez: [00:58:00] So, again, capital preservation and liquidity is our principal principal objectives for the for the money. A couple of years ago, we recognized the opportunity to be able to really pilot investments in sustainable and sustainable portfolios. And so we have roughly 10 percent, a target of 10 percent of the portfolio invested in a variety of different securities that have evidenced there. I can't remember the exact criteria set, but they've evidenced things like moving from fossil fuel to renewable energy. So there's a there's a list of securities that we've invested and that represents 10 percent or about between 15 and 20 million dollars. And but we still maintain the focus of capital preservation. So even in all of the portfolios, we keep an eye out for, like investing in things that have low risk and good return. We're not chasing returns and none of four and none of our portfolio. So we tend to stay away from equities because equities are are volatile. When you need them, they may drop in value. They may increase in value. So, again, most of our portfolio is meant to be held in highly liquid investments.

Elena Lappen: [00:59:31] I think we have time for one more question, I just want to go back quickly to the new grant making strategy, a question that I've seen in a couple of different channels, actually, because the new strategy is regionalized and we're increasing the budget to be able to direct more funds towards emerging communities. Certain that this new strategy would mean less funds for established communities are established affiliates. Can you talk about that before we wrap up? Yeah, that's a great question.

Lisa Seitz Gruwell: [01:00:01] So, you know, one of the great things about making the pie bigger is that there doesn't have to be any any

losers, right. In this situation. So every region is getting an increase. The biggest increases, however, are going to the places where, you know, that we've been historically under under funding. Right. So Africa, Asia, Latin America, Middle East, that's where we're directing the biggest increase. But the other regions, Europe, North America, are also also getting an increase is just a more modest increase than than the places that, like I say that that need to do catch up in order to make our funding more equitable.

Elena Lappen: [01:00:47] Well, that's a great note to end on. Thank you both so much for your answers today and thank you to everyone who joined us here in the Zoom room and on YouTube and everyone watching in the future. This recording will be posted. It will be available on the YouTube link that you've already used to join the stream. And we will have this recording also on comments along with the transcript. So encourage you, if you found this conversation interesting to share with your communities and you can ask any follow up questions to us on the annual plan Meta page. Thanks, everybody, for joining today.