



SIA Endowment Framework

Overview

The SIA Endowment was established by the Board of Directors to invest a significant component of investment returns from the Association’s operating reserve towards potential SIA member benefits that might not have been funded through the annual operating budget. The SIA operating reserve was established to maintain a minimum of one year’s revenue in reserve for emergency funding needs to support operations (e.g., the global pandemic).

Funding Structure

The mechanism for establishing the amount of investment returns to make available for the endowment investment each year is as follows:

- The quantum for the calculation of the endowment payout is the average amount of the reserve at the end of each of the last three calendar years prior to the budget year in question (e.g., 2023 would be based on the average of 2020 – 2022).
- The payout amount will be periodically established by the SIA Board but has been initially established at 4%. This will be multiplied against the quantum established from calculation above to determine the endowment payout for the particular year.

[As a reference from the Congressional Research Service in March 2023 – “Across endowment size classes, average payout rates have generally fluctuated between 4% and 5% (with some exceptions). The average payout rate across institutions with the smallest endowments (under \$25 million) has tended to be closer to 4%. The average payout rate for institutions with large endowments (over \$1 billion) has generally been above 4.5%, although the average payout rate for this size category fell to 3.9% in 2022.” www.crsreports.congress.gov/product/pdf/IN/IN12126]

- In a budget year where there has been an operating loss for SIA, in the year prior to the budget year in question, the amount of this loss will be subtracted from the endowment payout. For example, SIA experienced a \$107K operating loss in 2022 and this amount will be subtracted from the Endowment payout for 2023.

SIA Endowment Committee Role

The role of the SIA Endowment Committee is to solicit, review and approve potential investment opportunities recommended by SIA Committees, SIA members, and the professional staff. The Committee will establish guidelines for all elements of the Endowment Committee.

The ongoing role of the Endowment Committee will be to encourage a wide range of prospective proposals for Endowment funded initiatives. The Committee will review all qualified submissions and then ultimately make funding recommendations to the EC/Board.

SIA Endowment Committee Participants

The goal for establishing members of the Endowment Committee is to have a broad range of members reflecting a comprehensive set of perspectives on different prospective initiatives that could provide

value to SIA members. Ideally each of the relevant committees to the SIA Board would be represented on the committee. The SIA staff member supporting the committee will be the CEO of the Association.

The founding SIA Endowment Committee Participants are as follows:

- Don Erickson, derickson@securityindustry.org (CEO SIA)
- John E. Mack III, JMack@imperialcapital.com (Chair Endowment Committee, past SIA Board member and Treasurer)
- James Rothstein, jrothstein@securityindustry.org (SIA Chair)
- Teresa Wu, Teresa.WU@us.idemia.com (SIA Data Privacy Advisory Board Chair; SIA Board member)
- Pierre Trapanese, ptrapanese@northlandcontrols.com (Immediate Past SIA Chair)
- Jake Brown, jake@secureaccessds.com (Chair, RISE Steering Committee)
- Rita Mounir, rita@allthenticate.com (Vice Chair, SIA Membership Committee)
- Holly Borgmann, (hborgmann@adt.com) (Vice-Chair, SIA GR Committee; SIA Board member)
- Peter Boriskin, Peter.Boriskin@assaabloy.com, (SIA Standards Committee Chair)
- Kasia Hanson, kasia.l.hanson@intel.com, (Immediate Past Chair, SIA Women in Security Forum)
- Andrew Elvish, aelvish@genetec.com, (SIA Executive Council member)
- Kerri Sutherland, Kerri.Sutherland@axis.com, (FAST Chair)
- Angela Parker, angela.parker@aus.com (SIA Board member)
- Chris Peckham, chrispeckham@olliviercorp.com (SIA Learning and Development Chair)

Goals for Supported Investments

- To be determined by the committee
- Consistent with SIA Board Strategic Framework
- Funding new programs that may be able to become self-sustaining.

Cycle Timing for Decision Making

In a normal year the Committee should make their final decision on new initiatives to be funded by the time the final budget is submitted to the full SIA Board for approval in October of the year prior to the budget year in question. The committee will determine all the other timing milestones that can lead to a final approval, as described above

Reporting

Each year following the initial year of implementation for a new Endowment funded initiative, the CEO will be responsible for providing a short report to the committee on the outcome of the new initiative.