



## BOARD OF DIRECTORS MEETING

February 23, 2017

10:00 a.m. – 2:00 p.m.

### MINUTES

**Attendees:** Susie Nelson, Tres Ross, Bob Boone, Sue Sergi, Diane Hinkle, Michelle Foster, Adam Sanders

**Attendees via Teleconference:** Bob Orndorff, Susan Landis, Tom Tinder, Patricia Watson, and Michael Whalton

**Excused:** David Ziegler

**Staff:** Paul Daugherty (President and CEO), Hilaria Swisher (Office Assistant), Tasha Anderson (USDA Program Coordinator), and Grace McDaniel (Program Coordinator)

#### **Call to Order**

Chair Susie Nelson called the meeting to order at 10:00 am with quorum.

#### **Approval of Minutes**

*Ms. Diane Hinkle moved to approve the minutes of the December 15, 2016 meeting of the Board of Directors. Mr. Tres Ross seconded the motion. Passed unanimously.*

#### **Updating Board & Staff COI:**

- The Staff COI, Confidentiality, and Whistle Blower policies were briefly reviewed. Those attending in person began to sign. Chair Nelson decided to give those members until lunch to review. Hilaria will send copies to those on the phone.

#### **Finance & Administration Committee Report**

- eCratchit joined via teleconference 10:18 am. Mr. Ross gave the floor to Ed Mulerin and Justin Buchman from eCratchit. The finalized report was sent out early this morning. They are still making a few changes to the report, but nothing material. The eCratchit representatives then went on to give a high level overview on where Philanthropy WV expects to be in 2017. It was discussed that a part of the difference seen in the report from previous years is the frame of the Benedum grant; it came in much later in the year. Fiscal year 2016 was break-even or a slight loss. Philanthropy WV was slightly behind the plan in 2016. We expect 2017 to be higher and plan on a surplus at the end of the year. Paul can go over the detail sheet if the board wants. Paul reviewed some discrepancies in the report (for example the 2017 Corporate membership invoices are shown in 2016). He then reviewed Attachment C and went into detail of each line item under Expenses. An updated/completed Fiscal Year End 2016 will be sent out within the next two weeks. Mr. Tinder asked why it takes 7 weeks to finish out 2016, Mr. Mulerin responded that sometimes it does take a little bit of time. Mr. Tinder then asked why. Mr. Mulerin responded that because there is some back and forth between eCratchit and Philanthropy WV staff. Mr. Boone mentioned that there are 2014 and 2015 invoices that should have been written off, Paul gave the go ahead to write off those amounts. Ms. Foster asked if there is a standard time frame for writing off AR? Paul has asked that the finance committee draft a form for us to follow. Paul also mentioned that we are implementing a different program for registration and payment. Mr. Buchman stated that we have been cleaning up the process since the last audit and that we have gone through many rounds of cleanups. A discuss was had concerning the Benedum grant, which was received in December and why all of the funds were not booked for 2016. Mr. Boone explained that it comes down to a difference between cash versus accrual basis accounting. Mr. Boone then asked how Paul came up with the Benedum Grant separation. Paul stated that he looked staff time, his time and the programs offered in 2016, although the bulk of the grant will be booked in 2017. Ms. Hinkle asked about Jackson Butler (the Philanthropy WV Policy

- Fellow), if there are additional monies available for Mr. Butler for this year. Paul responded that there is not. Chair Nelson asked if there were any questions? There were none.
- Mr. Mulerin reviewed the 2017 Summary sheet January results. At this point we are well ahead of the plan. The Benedum money has now been released and everything is on track for 2017. eCratchit will be phasing the budget monthly which will allow more detailed monthly budget breakdowns. Mr. Boone had a question about wages. Mr. Buchman responded that we pay payroll a month ahead and that the January payroll paid in December was booked January. The payroll shown in the January summary includes all of January (paid in December) and all of February (paid in January). Mr. Boone and Mr. Buchman discussed accrual of payroll. Chair Nelson asked if there were any questions? Paul referenced Attachment D - Grant Tracking report. Mr. Walton asked how the USDA grant was coming along? Paul stated that he would discuss the grant in his Presidents report. *Mr. Boone Made a Motion to accept the Finance report. Ms. Sue Sergi seconded the motion. Passed unanimously.*
  - It was suggested to revisit the eCratchit contract to be sure timelines are being met. Mr. Sanders asked if the WVNPA also uses eCratchit and if so, why were our financial reports completed, but the WVNPA not? Paul explained that the WVNPA is under the Philanthropy WV umbrella. Mr. Sanders and Mr. Boone both stated that they are not impressed with eCratchit at this time.
  - Mr. Tinder asked for clarification from Paul on the Benedum Grant. Paul and Mr. Boone gave an in-depth explanation on the separation of the grant funds between 2016 and 2017 and the budget differences between cash versus accrual accounting. Chair Nelson asked that Paul work with the F&A committee to come up with a true answer to the question. Mr. Tinder commended Paul and the staff for the explanation with all of the notes shown on Attachments B & C. On those notes, 4 of them relate to interactions with eCratchit. Mr. Tinder asked those on the F&A committee or Paul if the relationship between Philanthropy WV and eCratchit is beneficial. Paul stated that this is the first year end wrap up we have had with them and would like to them this first quarter to see if things get better.

#### **Membership & Outreach Committee Report**

- Ms. Sergi stated that the new committee met last Thursday. She gave an update on the meeting.
  - The 2017 Annual Conference (Meaningful Action) is being planned; they are looking for ideas of site visits, speakers, workshops, etc.
  - The Community Foundations leadership retreat is planned in Martinsburg on June 13-14.
  - To date there are four webinars planned.
  - Paul is working on Corporate Responsibility summit with Bob Orndorff.
  - Foundation on the Hill March 20-22<sup>nd</sup>.
  - Leadership and Ethic academy will be planned for 2017.
  - Paul working on a regional forum to replace the Spring Regional Meeting.
  - The Policy Institute was successful, please refer to Attachment E.
- Ms. Sergi gave an update on membership renewals. There are 21 Private/Family and Community Foundations and 9 Corporate Foundations not yet renewed. The committee is working on an updated membership packet to be sent out.
- Ms. Sergi reviewed the M&C committee portion of the Strategic Plan.
- Chair Nelson asked Paul if anyone had confirmed his or her attendance of Foundations on the Hill? Mr. Boone and Mr. Sanders are considering it; Mr. Ross may be able to make it. Mr. Ross and Ms. Hinkle both feel that this is the perfect year to attend. Chair Nelson asked that board to put together some of the most important issues that need to be addressed with the representatives. Chair Nelson then asked for any questions for Ms. Sergi or Paul?
- Mr. Tinder asked if there were proposed new members criteria to approve? Ms. Sergi stated that the M&C committee discussed adding a professional advisors category. Paul has researched other states and found that they also include finance managers, lawyers, trusts, etc. and proposed that Philanthropy WV does the same, with dues of \$750 per member or a flat rate of \$2500 for more than three members. *Ms. Sergi made a motion to accept the proposal. Mr. Tinder stated that a non-solicitation policy and the statement "Membership does not include those who represent a member or serve on a board." be included. After discussion it was agreed to not include the non-solicitation policy. Motion seconded by Ms. Susan Landis. Passed unanimously*

#### **Joint Public Policy & Advocacy Committee**

- Ms. Hinkle gave the committee report. The joint public policy institute in Charleston just wrapped up. There were at least 70 in attendance. Ms. Hinkle felt that it was time very well spent. Ms. Hinkle then reviewed her notes on what was covered. Paul was asked to review the top public policy topics:

- Tax Reform on both the federal and state level is being discussed. There was a meeting the Friday prior to this meeting with the Senate Finance committee on the new tax structure. They are looking at changes in the middle and lower class tiers. It is of utmost importance to advocate on this.
- It is no small task to wade through all of the documents to pull out the most impactful to us. Therefore Jackson has been asked on every Friday to scan through all of the bills proposed for anything that may affect us.
- Ms. Hinkle asked Paul if Jackson's time was split evenly between Philanthropy WV and the WVNPA. Paul answered that it is not, but if the WVNPA wants to raise funds to pay for Jackson's time a split can be made.
- Ms. Hinkle stated that a co-chair is needed on the Public Policy committee, one for the Philanthropy WV side and one for the WVNPA side.
- Paul mentioned that a bill has been introduced to allow foundations to put money towards lobbying. The National council is fighting against this. The Forum is also bringing on a policy employee. Ms. Landis stated that impossible for all of us to participate in policy on the hill, but we could all make a difference by making contacts to all of our representatives and to make contacts often! Community foundations need create a roundtable with members of congress.
- Chair Nelson stated that an evaluation has been provided, see attachment F.
- For the Public Policy Institute next year, will it be in partnership with the WVNPA again? Ms. Foster asked about teaming up with groups like 'Our children are our future'? Paul stated that we would be happy to partner with them and that he will take it back to the Policy committee. Ms. Hinkle stated that a major challenge in the breakout sessions was the size of the groups. Great detail couldn't be discussed because of the large number of people in each session. Other challenges were discussed between Tasha and Ms. Hinkle. Mr. Walton stated that with the proposals at the state level to do away with income tax, we would no longer have NIP tax credits. Ms. Hinkle and Paul discussed this issue in depth.

#### **WV Nonprofit Association**

- Mr. Ross, Paul and Mr. Tinder gave an update on the WVNPA. The Board meeting was yesterday. They discussed public policy and membership growth and where they stand. Most of the discussion was on sponsorship and fundraising. They are working with Barbara Herrington and have had her put together some material for sponsorships. The material is a great start for where to go with sponsorships for the NPA. Mr. Ross stated that it is hard for the non-profits to raise money for sponsorships because they are busy raising money for themselves. Mr. Tinder had nothing further to add. Paul mentioned that Laura Lee provided an attachment.

#### **Executive Committee**

- Chair Nelson stated that the meeting was two weeks ago. There was extensive discussion about timeframe of the roll off of NPA from Philanthropy WV. Mr. Ross provided information on the WVNPA is thinking. Mr. Ross stated that the WVNPA is thinking the split will occur in 2018. He spoke to Laura Lee about applying for a 501.3.c. and she wants to start the process in late 2017. Laura Lee feels they can't break off until late 2018. They are still working out their finances and what it will take to do the breakoff. Chair Nelson stated that we don't want them to breakoff before they are financially stable. Do we have their financials? Paul stated that we normally have them at this meeting. Chair Nelson would like to see if they are sustainable. Mr. Tinder stated that there was a comment made that there is a planned joint meeting between the Philanthropy WV and NPA. They are attempting to schedule this now. This would be a good opportunity for Philanthropy WV to have the split off discussion with the leaders of the WVNPA. Paul will upload the WVNPA budget year to date to the portal now.
- If the finance committee can approve in time no need for the extension of the 990.

#### **UNFINISHED BUSINESS:**

##### **Strategic Plan Development & Proposals**

- Chair Nelson stated that the Membership and Program committee went through their section during their meeting to fill in their Goals. See the Attachment G. Paul stated that goal three still needs to be reviewed by the committee. Chair Nelson responded that each committee needs to be sure to review the goals and be sure that the goals and time frames can be met. This should be on every agenda for every committee meeting.
- Chair Nelson asked if any actions to be taken? Paul responded that we should take final actions at the May meeting.

## Revenue Generation

- Paul reviewed Attachment H in depth.
- Established measures in 2012 to save ourselves, those goals were closed out in 2015.
- Areas of growth: we have to hit 100 in memberships. We have the market on community foundations; our area of growth is private and family foundations.
- Sources of revenue:
  - Foundation investments:
  - Solicitations for philanthropic partnerships will go out by the 2<sup>nd</sup> quarter of this year.
  - Corporate Investments
- Paul then went through an exercise:
  - Paul went over the sponsorship, attachment I, form. Who does your investment, general banking, law firm, auditors, vendor for online platform, who do you use for your general liability insurance, marketing firm you use?
  - What are some vendors we can contact as exhibitors for events? We will use this information to create a contact list. The staff will work with this prospect list with our mission advancement committee. Questions/concerns? Michael – have some great categories/levels.
  - Development of an endowment is needed for sustainability for Philanthropy WV. Mr. Ross and Mr. Boone feel that it is very aggressive to try and have foundations fund an endowment. Mr. Ross feels that it may not happen. Paul reviewed different ways other states were able to create endowments.
- Strategic plan & Revenue: reviewed.

## UNFINISHED BUSINESS:

### Proposed Change of Agent:

- Paul stated that he has been doing a review of current insurance providers. We have re-signed with Rust because of the great deal we are receiving through them. The recommendation is that WVNPA has established an endorsed agent with Thornburg. Everything will remain the same, but just changing our agent of record. *Mr. Boone moved to approve the recommendation. Mr. Tinder seconded the motion. Passed unanimously.*

### Approval of Operating Guidelines between Philanthropy WV and the WVNPA

- Please refer to Attachment J. There was a need to define the rolls of Philanthropy WV with WVNPA, and to clear up a few issues. The governess committee of the WVNPA has reviewed this document. WE are currently waiting on the WVNPA to finalize the document. The governess committee keeps wanting to change minor things. The first step is to define Philanthropy WV's responsibilities at this time. An approval cannot be made until the WVNPA governess committee approves. Paul has asked if the executive committee can have the option to approve. He will present the finalized, approved document at the May meeting. April 5<sup>th</sup> is the next executive meeting. It was agreed to set an end date for changes from the WVNPA at the end of March. *Ms. Foster made a motion to delegate approval of the guidelines to the Executive committee. Ms. Hinkle seconded the motion. Passed unanimously.*

### President's Report:

- Paul introduced Tasha Anderson as the USDA Program Coordinator. Tasha gave a history on herself, where she is from and where is so far with her work as the Program Coordinator. Paul then went through and highlighted the following information in his report:
  - WV Flood Recovery next week,
  - corporate responsibility summit.
  - We have received Foundation Openness grants;
  - worried about WVPBS loss of funding,
  - Jackson is back and working on the legal side.
- Paul asked if there are there any questions? Ms. Sergi stated that the president's report is very thorough, and asked if it could be shortened.

### Meeting Adjournment:

- Chair Nelson asked if the board members had anything to share. Ms. Sergi asked about the May meeting. Paul stated that we would have a dinner with the meeting following the next day. The plan is to have everyone out the door no later than 2 or 3 PM. The meeting will be at the Pastoral Center in Charleston. *Ms. Hinkle made a motion to adjourn the meeting at 1:30 PM. Mr. Ross seconded the motion. Passed unanimously.*