

Minutes from Board of Directors Meeting February 12, 2009

The meeting was held beginning at 4:15 pm at the Foundation Office with the following members present: Frank Comfort, Dora McCarty, Leo Parchesky, Tom Shannon, Susan Storch, Robert Hogan, Lowell Coolidge and Marilyn Bok. A quorum was present. Bill Ransom was on vacation and Joe Picco was unable to attend.

Approval of Minutes: Leo Parchesky moved the approval of the minutes of December 11, 2008 and the February Board report. It was seconded by Dora McCarty and carried.

Board Governance Issues: Action Items

1. Board Resignations: Marilyn read brief email messages from Deb Bastian and Barbara Lester both of whom were resigning from the Board effective immediately. Lowell Coolidge moved the acceptance of the resignations with regret. It was seconded by Leo Parchesky and carried. Marilyn passed around thank you letters to former Board members Anastasia McMahon Farrell and George Houser and asked Board members to write a note if they wished to.

2. New Contracts– Marilyn reported that the **Endless Mountains Heritage Region** wishes to set up any agency endowment funds with a contribution of \$500 and a donor wishes to start a donor designated fund for **Catholic Charities Tompkins-Tioga Outreach Center** for their charitable activities in Tioga County, NY. We have signed contracts from both along with the down payments. Marilyn asked for approval to enter into these contracts. Tom Shannon moved the approval of the contracts and the authorization for Marilyn to sign. It was seconded by Frank Comfort and carried. Marilyn stated she is still working on the third contract for the Babe & George Tymoski Scholarship Fund.

3. Recommendations of the Finance/Investment Committee –

a. Continue Dollar Cost Averaging Kerriagan Estate Funds for the Next 3 months/then

Reevaluate Strategy – Marilyn stated the recommendation of the F&I Committee was to keep putting \$10,000 a month for the next three months into the market from our endowment savings account.

b. Stay the Course with Present Investment Instruments – The recommendation is for no changes to our present investment instruments.

c. Review Investment & Spending Policy Changes in Regard to Fund Allocation and Risk Exposure – The Finance/Investment committee will be reviewing the I&S Policies for fund allocation and risk exposure under present market conditions.

d. Change Keeffe Reward Fund Investments to Come under Short & Intermediate Term Funds Policy-Invest in CD's for now – Marilyn stated that because of present market conditions and the fact that we are responsible for returning the original \$60,040 investment within eight years and the fund had dropped to \$52,000 that we take these funds out of the endowment account and purchase a one year CD.

e. Develop a Written Policy on Handling Non-Endowed Shorter Term Funds – The Finance/Investment Committee discovered that our present I&S Policies only cover endowment funds. Therefore they wish to develop policies for handling non-endowed, pass-through and shorter term funds.

f. Price out Alternative Financial Management Services – Due to the complexity of our financial accounting system Marilyn had asked that the committee to consider looking into back-office services or the purchase of the financial software recommended by other community foundations and our national association. Marilyn had obtained a quote from FIMS and had inquired about those community foundations in PA that were offering back-office services. She could only find one and wrote to the Harrisburg Community Foundation but has not heard back yet.

Dora McCarty moved the Board accept all the recommendations of the Finance/Investment committee. It was seconded by Tom Shannon and carried.

4. Audit Letter of Engagement – Marilyn reported she had not received the letter of engagement from LaBarr & LaBarr to do an audit this year. She explained that because we had received over \$350,000 in funds we would need an audit for the first time. We would be the third one in line and that means our audit

would not be done until mid June. Therefore we would not have audited financial statements in time to put in our 2008 Annual Report. The Board decided to put unaudited statements in our annual report rather than move the annual meeting to fall. They also agreed on a motion by Lowell Coolidge, seconded by Bob Hogan and carried to not shop for additional quotes on doing an audit.

5. Agenda for Board Retreat – Marilyn went through the list of retreat agenda ideas. The Board agreed to work through this list: emergency succession planning; regular succession planning; duties of CEO vs. Duties of Board Chair; fundraising for operating, endowment and capital campaign; how do we become proactive rather than reactive; and what decisions do we trust staff to make.

6. Request to Provide Fiscal Sponsorship to Autism Group Forming – Marilyn reported she had met with a small group of people interested in setting up a non-profit organization to benefit families dealing with members with Autism. She had shared with them information on how to go about obtaining an EIN number, becoming incorporated, developing by-laws and filing for 501(c)(3). They had requested the CFTT sponsor them for a community funding raising event but when Marilyn shared our sponsorship policy with them and they discovered they would need to purchase insurance they withdrew their request.

7. Applying for EITC Innovative Educational Program – Marilyn explained that the CFTT is now once again registered in the Scholarship Program of the Educational Improvement Tax Credit Program of PA. \$9,000 of the \$10,000 given to the CFTT by First Citizens National Bank will be used to offer tuition scholarships to needy families sending their children to eligible PA schools. She has sent letters to all the eligible schools in the three PA counties to enroll those who wish to participate. Six have responded. In reviewing the state program Marilyn would like to have the CFTT enroll in a second program called the Innovative Educational Program. She sent letters to all the school districts in Bradford and Sullivan Counties to see if any of them would be interested in participating. To date two have responded-Athens and Towanda. Dora McCarty moved that CFTT enroll in the Innovative Educational Program. It was seconded by Susan Storch and carried.

8. Adoption of a List of Grants from 2008 Funds – Lowell Coolidge moved the approval of these grants: Carantouan Greenway-\$693; Finkle Rosenberg scholarship-\$2,000; Bradford County Unrestricted-\$400 to Jordan Wilcox family; Sullivan County Unrestricted-\$200 Sullivan County Library and \$300 to the Sullivan County Food Bank; Katherine Kerrigan Rural Ministries-\$3,800 and \$8,000 to Waverly scholarships; Athens Area School District-\$2715 for scholarships & awards; and Ben Franklin Trust-\$639. It was seconded by Susan Storch and carried.

9. Computer Backup Service – Marilyn explained the audit committee had suggested we needed to regularly backup our files and store them offsite. Marilyn obtained a quote from CQ Services which includes software and installation on site and at CQ, weekly backups, one large monthly backup and unlimited space. The cost quoted was \$150 set up fee and \$15/month. Lowell Coolidge moved Marilyn proceed with accepting the quote but try to negotiate a reduction in the monthly charge. It was seconded by Bob Hogan and carried.

10. Extension Request from Sullivan County Recreational Group – Marilyn read a request from the Sullivan County Recreational Group to extend their grant for one more year since they were having more difficulty fundraising than they had expected. “Susan Storch moved the Board extend the grant for one more year. It was seconded by Lowell Coolidge and carried with one abstention, Frank Comfort since he sits on their board.

11. Request to Produce a Brochure with Tioga County NY Nonprofits – Marilyn stated the CFTT had been asked to join other foundations in Tioga County, NY in producing a brochure that would list the foundations and give a write-up on each of them. Approximate cost would be around \$500 for 500 brochures with our share about \$100. Lowell Coolidge moved we join with the other foundations in producing the brochure. It was seconded by Tom Shannon and carried.

12. Providing Recognition for Former Board Members – Marilyn discussed two ideas on ways to honor former Board members: buy a plaque for the front office or frame 8x10 pictures and hang them on the wall outside the Board room. The Board liked the idea but agreed to set some guidelines: Board members would have had to serve for at least a year and have attended 2/3 of the Board meetings. Marilyn will research Board attendance for those former Board members who met the length of service criteria. She will provide this information to the Board in time for their next meeting.

DISCUSSION ITEMS – Board Governance Issues

- 1. Correspondence Report** – There was no report since Joe Picco was not present. Susan Storch took the correspondence for April.
- 2. Update on Capital Campaign for Operating Funds** – Marilyn reported there have been no new pledges since our last meeting. We have 31 pledges to date totaling \$46,110 or 15.4% of our goal. Payments to date amount to \$29,646. Thirteen pledges are paid in full.
- 3. 2008 Profit & Loss, Balance Sheet, Accounts Receivable, Investments, Budget vs. Actual Income and Expenditures to Date** – The Profit and Loss Statement for all transactions since we started shows total income as of 12/31/08 of \$808,375 and net ordinary income of \$725,333. For all of 2008 the total income was \$340,039 and net ordinary income was \$312,172. The Balance Sheet as of 12/31/08 showed total Current Assets of \$647,797 with \$56 in our C&N checking account, \$12,997 in our C&N operating fund savings account, \$77,254 in our C&N endowment fund account, \$269,989 in our Vanguard & American Endowment Accounts, \$15,453 in Vanguard Money Market Account, and \$252,152 in CDs. Accounts Receivable totaled \$19,896. Total Income received in 2008 was \$395,323. Operating expenses for 2008 total \$27,278. The Budget vs. Actual report shows that for 2008 we have raised 46.8% of budgeted operating income and spent 87.0% of budgeted expenses. The Board accepted and filed these reports for audit. Susan Storch moved the payment of bills (Bok reimbursement of \$50.69 for postage & Christmas decorations). It was seconded by Frank Comfort and carried. Marilyn reported the CFTT had received 68 shares of P&G stock in December that did not get sold right away because of a miscommunication with P&G. At the time they were given the price/share was \$60. When Marilyn went to sell them in January the price had dropped to \$52/share. The Board recommended we make an exception to our policy and hold on to these shares awhile longer until the price/share increases since P&G is very good stock to own and pays great dividends. The Board suggested Marilyn call Debbie Scott to see if this will have any impact on the amount the donor can claim on their income tax. Marilyn read a letter from Vanguard stating that we could now purchase Admiral Shares in our Wellesley Income Fund since it had over \$100,000 in it. Our present Investor Shares would be turned into Admiral Shares if we did not object. The Board was in agreement to converting to Admiral Shares.
- 4. Advertising for 2008** – Marilyn passed out a summary sheet showing our advertising buys for 2008 and the free advertising we received. We spent \$2,558 in ad buys and \$185 in ad production costs.
- 5. Vehicle Donation Program** – Marilyn reported she had made contact with the car donation program and feels the CFTT has nothing to lose and potential income to gain. We do not put any of our cash at risk, it will not take a lot of staff time, and comes highly recommended. They will give us what we need to put it on our website. Anyone with a car to donate calls this toll free number, they make arrangements for the car to be picked up, take it to an auction house, and take care of all the paperwork with car titles. When the car is sold, they take out the car pick-up fees and split the balance 70% for us and 30% for them. The closest organization to us doing this is in Wilkes Barre in PA and Albany in NYS. Marilyn is to proceed with her research on this program but the Board expressed some enthusiasm with the fact it would also help clean up the environment.
- 6. Gas Company Proposal for Fortuna Energy** – Marilyn passed around a copy of the grant application she submitted to Fortuna Energy asking them for funds to set up an endowment fund that would give off grants to address the problems caused by the gas play. It has been a week since she sent it in.
- 7. Update on Jordan Wilcox** – Marilyn stated she was looking for help in identifying the school social workers in every school district in each of the four counties. The Board stated they felt the persons we need to reach are the school nurses. Dora stated the Sullivan county school nurse was Sandra Richmond. No one else offered to help gather this information.
- 8. Honoring Senator Madigan** – Lowell Coolidge stated that Arnie Kriner had spoken to Senator Madigan about starting a scholarship or some other kind of fund and that Roger had expressed some interest. What we need to do next is set up a meeting among Lowell, Marilyn, Susan, Bill Ransom and Roger.

Adjournment: The meeting adjourned at 6:15 pm.

Next Regular Meeting Date: Will be on Thursday, April 9, 2009 at CFTT Office, 104 W. Lockhart Street, Unit 2 starting at 4:00 pm.

The Board Retreat will be held on March 12, 2009 at the CFTT Office from 4:00 pm – 8:00 pm.

Respectfully submitted as a true and accurate copy of the minutes of the February 12, 2009 Board meeting.

Joseph Picco, Secretary Date