

TRHS Foundation Special Board Meeting 10/13/21

Present (15): Rose Green, Kate Mead, AJ Johnson, Ted Stroope, Marie Gernes, Nate Nielsen, Heather Puri, Julianne Hilmes-Bartlett, DeMario Luttrell, Steve Malone, Dylan Huey, Abby Zegers, Bryan Huggins, Blair Ryan, Jackson Dahlquist

Needed for Quorum: 11

1. **Legal: Community Foundation Recommendation.** We are recommending tonight to use Community Foundation as a fiscal agent, holder of our funds until 501(c)3 is reinstated by IRS
 - a. Benefit of this: it lets us continue to do our work as a Foundation and for us to issue tax receipts with integrity; access and training to donor portal and donor information, not proprietary to CF
 - b. Condition of release of funds: reinstatement of 501(c)3
 - c. Cost: 2% fee (lowest GDMCF issues)
 - d. 3 Documents from Community Foundation shared with Board:
 - i. 2 explanatory documents from the Community Foundation, and the governing agreement.
 1. Agreement: Gordon advised us to sign, looked to be a standard agreement and given expedited timing advise is to move forward
 2. 2 explanatory documents: Fiscal Sponsorship Policy and Donor-Initiated Fundraising Policy
 - e. Clarifications & Questions from Board:
 - i. If we decide not to do this, it's \$0 allowable fundraising. This allows us to access 98% of the funds raised from revocation (4/13/21) until reinstatement; though we are still exploring the exact requirements of each time period to ensure we're in full compliance.
 - ii. We cannot spend funds until 501(c)3 is *reinstated* (not filing date)
 - iii. Energy for now is three missing Forms 990 and Form 1023
 - iv. Can IRS freeze funds from when we were not a 501(c)3? Yes, possibly. Though in these cases they are looking for nonprofits to be back on track. Typically reinstatement is retroactive, though not guaranteed.
 - f. Vote: Demario, Motion to retain CF as fiscal agent; Abby 2nd. Vote: all approve
2. **Legal: Form 1023**
 - a. CPAs that Exec Committee has spoken to have recommended that Gordon put together Form 1023 and be ready to submit next week.
 - i. Accounting firms advised that a 1023 is less a financial form and more of a legal form, and directed us toward legal advice.
 - ii. For maximum speed & efficiency, an accountant working on 990s and Gordon working on 1023 will help us move as quickly as possibly
 - b. New engagement letter from Gordon shared in chat; covers legal fees except for \$850 fee to IRS and \$20 to IA Secretary of State
 - i. Funds are coming from unrestricted general funds
 - c. Goal is to submit early next week. Optimistic timeline might be a few months, since we are including a request for expedited relief and retroactive reinstatement. No guarantees, again, but we're moving as quickly as we can.
 - i. 3 Reasons for requesting expedited relief: Capital Campaign and donor confidence; operating during the school year with scholarships and teacher grants; not a fault of the organization, given that we were told 990s had been submitted and upon realizing status

was revoked, we took quick action to work to remedy to hire expert counsel and accounting advice

- d. Vote: Jackson motions to approve; Julianne 2nds, Vote: all approve

3. Accounting: Update on Work with RSM and 990s

- a. Several Exec team members spoke with 3-4 accounting firms to try to find someone who could work on an expedited timeline to submit all three 990s.
- b. Recommendation is to retain RSM: working with an attorney along with accountants; clear understanding and expertise of process, diligence in responses
- c. Working on new 990s this week and next weekend, will be ready to submit next week. Will also review Gordon's work on the 1023.
- d. Timing estimate was 3 hours to review and then begin amendment processes; minimum contract is \$1050
- e. Agreements shared in chat.
- f. Nate: motion to approve; AJ 2nd, all approve

4. Next Steps

- a. Board Emails - Heads-Up
 - i. Keep an eye on email next Monday or early Tuesday for completed forms of reinstatements. Please carefully review, we will discuss these at the Wednesday meeting and recommend approval then. Goal is to approve on Wednesday and efile on Thursday 10/21/21
 - ii. Policies and procedures to review as well, to ensure we're in a good position as a Foundation moving forward and assist with presenting ourselves best to our donors
 - iii. Planning on at least weekly updates as we move through this process, but will keep you posted more often as needed.
- b. General Feedback:
 - i. Nate suggested extending timeline of meetings to 1.5 hrs to ensure completion of agenda; AJ offered advice to have no end time listed but to work through each month.
 - ii. Will add to 10/20 agenda as well.