

RHS Foundation Special Board Meeting 10/20/21

Present (16): Marie Gernes, Kate Mead, Bryan Huggins, Erik Lundy, Rose Green, AJ Johnson, Heather Puri, Sam Aden, Haleigh Biancalana, Blair Ryan, Charlotte Lozier, DeMario Luttrell, Nate Nielsen, Mak Suceska, Dylan Huey, Jackson Dahlquist

Needed for Quorum: 12

Also attending: legal counsel, Gordon Fischer, Gordon Fischer Law Firm, P.C

1. **President's Updates (Kate)**

- a. Lots of work over the weekend on forms and amendments needed for 1023 submission and 990s ready to file.
- b. All docs noted here on on Board Portal (linked)
- c. Votes coming up for permission on payment
- d. Upcoming meeting/ work session, dates TBD.

2. **Amended and Restated (Revised) Articles of Incorporation (Gordon)**

- a. Available on Portal, Gordon walking Board through with updates from original 1984 text
- b. Articles of Incorporation are essentially our founding documents.
- c. Sections/ concepts Gordon noted:
 - i. just Roosevelt High School Foundation on file w/ Sec of State, not "the"
 - ii. *Inurement* highlighted- means this is all nonprofit, and no one can profit off of RHSF.
 - iii. Not intending to influence legislation or participate in political campaigns.
 - iv. Required to have a Registered Agent
 1. Question to Board: should we hire a separate company to handle this requirement professionally? This may also be an item to show changes moving forward?
 2. Members- none- not helpful in the nonprofit world generally, so not included or needed here.
 - v. Article X- Powers highlighted no self-dealing, excess business-holdings, or taxable expenditures
 - vi. Article XI- If RHSF is ever dissolved, funds must be dispersed to other 501(c)3s or government entities
 - vii. Article XII- Indemnification- protects officers from any liability with exceptions for fraud, and other violations.
 - viii. Q&A/ Clarifications
 1. Agent qualifications? Agent is not qualified or required to be credentialed, however, hiring a professional corporation (CT Corporation) would provide certitude in how we are mitigating and remediating this problem.
 2. How are investments allowed for our endowment? Just private inurement is prohibited i.e. not for any one Board member's benefit, but still allowed to invest as an organization via Endowment funds.
 3. Why reviewing these now?
 - a. Moving forward, best practice to review these Articles every 3-5 years. Current Articles are very brief and old, do not serve growing needs of RHSF.
 - b. 1023 requires Articles of Incorporation, so needed to ensure as strong as possible.

- d. Vote to Approve new Articles: Rose- motion to approve, Blair 2nd, all approved.

3. Four 990 Policies (Gordon & Heather)

(All links to PDFs via [Board Portal](#))

- a. Why prioritizing these and needing to vote tonight?
 - i. There are 10 policies and procedures the IRS mentions within its Form 990- not required by law but certainly best practice and recommended for submission.
 - ii. Not adopting all 10 tonight for brevity's sake
 - iii. Four highlighted tonight b/c required by federal law; 3 suggested by accountant and Gordon added one
- b. [IRS Form 990 Review Policy](#)
 - i. Will be attached to Form 1023 application
 - ii. Whole problem started b/c 990s weren't done; this policy proposes an annual review policy:
 - 1. Summary: Exec Committee to submit Form 990 to Board and every Board Member (email) at least 60 days before filing. Each Board member given opportunity to respond to EC, silence = agreement, allows for special board meetings to be called, providing evidence this policy has been followed, and provisions to amend policy
 - iii. Q&A/ Clarifications:
 - 1. Important to set up moving forward for future Boards
 - 2. RHSF moving forward with consistency
 - 3. Do we have to adjust end of year policy for this fiscal year?
 - a. Filing deadline for 990s is 15th day of 5th month following your year-end (Feb. 15). Extensions allowed for about 5-6 months.
 - b. Our fiscal year-end is August, so going forward it should be okay moving forward.
 - 4. Can we hire someone to do this so it never happens again? YES!
 - a. Working with RSM on fiscal year 2018-19, and willing to put together a proposal to do this on an annual basis.
 - iv. Vote: AJ motion to adopt as submitted; Marie 2nd; All approve

(to note) All corporations and nonprofits are required to have the following 3 policies

c. [Conflict of Interest Policy](#)

- i. Board members have a fiduciary duty to act in the best interests of the nonprofit. If there is a conflict of interest, or even the appearance of a conflict of interest, that poses a problem. This policy defines and sets forth a process to disclose conflicts of interest.
- ii. All Board members will need to fill this out annually, and notify Foundation in writing.
- iii. Q&A:
 - 1. Annual statements? Yes. Also periodic reviews recommended. First fiscal year meetings moving forward.
- iv. Vote: Erik motion to approve; Mak 2nd; All approve
- v. ****Next steps**** Please email to Kari ASAP (will follow up via email as well), e signatures work well

d. Document Retention and Destruction Policy

- i. Details what needs to be kept, and how long. Digital files usually fine.
- ii. Both aspects important: keep things as long as needed, and also to destroy
- iii. Vote: Sam: motion to approve, Blair 2nd, all approve

e. Whistleblower Policy

- i. Outlines reporting procedures, including: non-retaliation, open-door policy, writing encouraged, sharing complaints with Exec Committee or President or individual member of Exec or any Board member
- ii. Vote: AJ motion to approve, Dylan 2nd, all approve

4. 990s Preparation: Contract & Payment, Moving Forward

- a. RSM's charge is \$750 per unfiled 990 (3 now): total is \$2250
- b. We are currently not able to do the current 990 filing for the past fiscal year; can prepare but cannot file until status is reinstated. First deadline will be Feb. 15.
- c. We cannot file the 1023 form for Reinstatement until all 990s have been filed and reviewed.
 - i. 2 reasons: 1) we need information from 990s to fully complete the 1023; 2) IRS won't accept 1023 until 990s are filed.
 - ii. Once those are passed we'll do this year's 990.
- d. We have to mail in the 2017-2018 filing, can efile 2018-2019. Since coming in by different means, important to
- e. Vote: Erik motion to approve; Blair 2nd; all approve

5. Moving forward:

- a. Kate: Does anyone object to getting an email about an emergency meeting about 990 preparation? No objection.
- b. Updates coming later this week on potential timeline, as we have information from Kathy, and for a potential work session
- c. Potential emergency meeting solely for 990 reinstatement.

6. Q&A or Clarifications/ Discussion?

- a. AJ: The road seems clear and not an option, just need to follow the expert advice.
- b. Kate: Policies we'll need to review in future meetings are up on the Portal, please skim through as you can and then plan to read more in-depth as we prepare to review them at upcoming meetings.
 - i. Gordon suggests passing the Bylaws and other policies and procedures soon-ish, so that we can attach to Form 1023. Next week or in another special meeting soon. These policies and procedures are recommended by the IRS.
- c. What is next step on getting communication ready for donors?
 - i. Establishing fiscal agency with Community Foundation after last week's meeting was a huge first step.
 - ii. Rose is meeting with the Capital Campaign committee this week to determine next steps, too.