

MINUTES

**GOVERNOR'S TASK FORCE ON
ENDOWMENTS AND PHILANTHROPY**

Montana School Boards Association Conference Room
Thursday, April 21, 2005

Present:

Sue Talbot, chair	Sharen Peters
Barbara Anthony	Dennis Peterson
Sid Armstrong	Peter Sullivan
Linda Coulston	Josh Turner
John Eastman	Bob Vogel
Judy Held (via VisionNet)	Jay Vogelsang
Amy Kelley	Ralph Yaeger
Brian Magee	

APPROVAL OF MARCH MINUTES

Sue asked if any changes need to be made to the March minutes. Hearing no requests, the group unanimously approved the minutes by voice vote.

FINANCIAL REPORT

Sue went through the list of past contributors and organized them on a spreadsheet, marking those who'd not given since January 2003. She passed around the list, asking attendees to mark their initials next to those they'd take responsibility for asking. Sue suggested asking in the same month or season in which the entity gave previously.

Ralph distributed the Task Force Statement of Activities from March 1, 2005 through March 31, 2005. It showed \$126.93 in contributions (from the Sid Armstrong foundation) and \$1,191.75 in expenses for and ending fund balance of \$7,898.12. Ralph reported that he'd spoken with Spence Hegstad, and that the Fish, Wildlife & Parks Foundation would be making a contribution soon.

Barb suggested that former donors be asked to put the Task Force contribution as a line item in their budget, under "Marketing." That should be mentioned in the solicitation letter: "Help us market the tax credit..." She stressed that people want to know what they are getting for their contribution, that we need a strong selling point.

Judy Held reported that she'd been asked to make a presentation about the Task Force at the annual Montana Healthcare Communications & Development Association (MHCCDA) meeting in May at Chico Hot Springs. She'd planned to present the case for giving to the Task Force, how it has already helped the member organizations, and why they should put it as a line item in their annual budget, as well as report on the status of the endowment tax credit. However, she no longer is able to attend; **Dennis volunteered to rearrange his schedule so that he could go and make that presentation.** Sid suggested that using the fact sheet the TF created for legislators would be a good handout. **Amy will update the handout with the current list of TF members.**

Sid suggested that the Hospital Association be asked to put a blurb in their newsletter about contributing to the Task Force. Dennis reiterated that we need to be asking BOTH the hospitals AND the hospital foundations to put the contribution in their annual budget. **Ralph will send Dennis 50 remittance envelopes to use in his fundraising effort.**

Dennis noted that neither St. Vincent's nor Bozeman Deaconess was on the list of contributors. **Sue and Ralph will put together a schedule of when various entities – including the hospitals – need to be asked.** Ralph reiterated that the ongoing fundraising is really paying off; the Task Force has never had this much money in the bank after a legislative session.

Sid suggested that when the Task Force meets with the Governor and Lt. Governor, we ask if their names can be used in conjunction with our fundraising efforts. She suggested seeking a meeting date toward the end of May. Sue suggested meeting with them immediately before the May 19 meeting. **Sid will check if that is possible.** Josh suggested that another fundraising hook is that the Task Force is celebrating its 10th Anniversary this year, which is also an ideal reason for calling a Governor's Conversation this fall. All agreed that should be on the agenda for the meeting with the Governor.

Barb offered to make the case to churches, since she has been collaborating with them as part of her job. She noted that there aren't many churches on the list of donors to the Task Force. Barb thought that it would be helpful to create a presentation packet for TF members to use.

John Eastman asked Judy if she was comfortable about the Task Force mission statement and its agenda for the coming 12 months. This led to some discussion about better defining the fundraising pitch. Judy suggested the following points (in no particular order):

- the new website
- the Mission – what the TF does to promote philanthropy in the state
- the Governor's Conversation
- the link with the MT Nonprofit Assoc.
- the work of Jim Soft, John Scibek, and others on federal legislation
- our work with state and federal legislators and our influence with them
- the Lunch & Learn seminars

Barb asked how we answer the question "What happens with the Tax Credit in 2007?" Dennis reminded that we have to begin that effort now to make sure it gets renewed – thanking legislators, and sharing local stories about how well it's worked. He agreed with Judy's point about our influence with legislators, and added "information sharing." Judy suggested giving our contributors regular e-mail updates – perhaps sending them the minutes? All agreed this was a good idea; Barb thought it would serve as a thanks for their support.

Sid suggested we design and print a **new brochure**, which can be used as a thank you to donors and at events where a TF member is presenting. It would stress the 10-year anniversary and the involvement of the new Governor. **Josh and Sid will work on text/content; Amy will redesign and produce. Amy will get photos from Galen of Sue and the Governor/Lt. Governor.**

Ralph suggested updating the e-mail addresses on the list-serve we used in the 2004 Special Session. Sue suggested using the opportunity to provide a post-legislature update. **Ralph will send that update, along with a request for e-mail address corrections.**

PANEL ON NONPROFIT SECTOR FORUM

Brian handed out a flyer on the upcoming forum being held by the U.S. Senate Finance Committee's National Panel on the Nonprofit Sector. **He encouraged all to attend, and asked TF members to spread the word.**

Time: May 11 (Wednesday), 2:00pm-4:00pm

Venue: Myrna Loy Center

Co-Conveners: Montana Nonprofit Association, Montana Community Foundation, Montana Society of CPAs, The Governor's Task Force on Endowments and Philanthropy

Registration: Complete the [online form](#).

For additional information, contact: Brian Magee, Montana Nonprofit Association, bmagee@mtnonprofit.org or 406-449-3717

Brian stressed that it is an opportunity to have a direct impact on the report that the Panel submits to the Finance Committee, which is currently considering all sorts of legislation that could drastically alter the way nonprofits operate. The report can be viewed at <http://www.nonprofitpanel.org> or people can visit www.IndependentSector.org for more information.

Barb asked if the TF would be able to have a table with information at the event. Brian thought there would be tables for all of the conveners to display, as well as for the Panel to provide information. Barb suggested we display something vertical; Ralph said MCF has a tri-fold that it will use at the event, but that the TF could use one of the panels. Barb has one also. She suggested that all TF members attending wear nametags with "Task Force" clearly marked on it.

ENDOWMONTANA WEB SITE

Galen was unable to attend the meeting. Sue reiterated that all TF members should review the new site (<http://www.EndowMontana.org>) and forward any suggestions to Galen. **Amy will e-mail Galen updates to the membership list as well as minutes** (the most recent minutes on the site are from March 2003).

LUNCH & LEARN SESSIONS

John Eastman recommended that — after lengthy discussions with Jim, John Scibek, and others — the Lunch & Learn sessions NOT be held this fall. The reasoning is that the likelihood of the CARE Act passing Congress this spring is low, and having a focus on UMIFA (the Uniform Management of Institutional Funds Act, which establishes the basic rules of management of charitable endowments and must be adopted or modified by all states in 2007) or on the need to provide substantiation for electronic tax filers who claim the endowment tax credit is not enough of a draw. That said, he noted that SHOULD the CARE Act pass this spring, the TF should be willing and ready to move forward quickly to pull together the events.

Sid thought that made sense, and that the TF could focus its efforts on organizing a Governor's Conversation for this fall. Sue agreed, and reminded that the seminars need to be strong enough to offer CLE credits, both for recruiting participants and for charging enough to make the events pay for themselves. John suggested charging \$40 for the CLE, presentation, and manual.

MEETING WITH THE DEPARTMENT OF REVENUE

It was agreed that both Dan Bucks and Jim McKeon would be invited to attend the Task Force meeting either in June or July. **Sue will send a letter of invitation**, letting them know that we'd leave the agenda open for meeting with them at their convenience. The group brainstormed things to discuss with them:

- Thank you for past information provided
- Their perception of their experience with the tax credit – what's working and what's not
- What they think the TF can do to help in terms of educating people
- Would they put endowment tax credit educational info in their publications?
- Tax credit administrative rules: are there any that need to be refined or changed?

- Clarification as to whether contributions of a building as part of a Capital Campaign can count toward the endowment tax credit (there has been disagreement over how the law reads on this)
- Getting more timely information on the tax credit numbers – is there any way to get the figures sooner than a year and a half out? There are many organizations that would like to see the information. Can it be gathered sooner in a non-legislative year? What is the time frame that is convenient for the DOR?
- Can we get that information organized geographically in order to see what impact the tax credit is having in different parts of the state?
- Can they work with Turbo Tax, Tax Cut, and other tax preparation software companies to get the endowment tax credit forms included in their state tax packages to ensure that electronic filers submit that paperwork?
- Can they put a plug on their website for people who electronically file to make sure they submit the proper substantiation paperwork for credits claimed?
- Have they ever denied anyone claiming the endowment tax credit? Does it happen very often? Is there anything we can do to better educate people, thus saving the DOR time and money from investigating people who mis-claim?
- Review the the QEC form and current instructions that may be confusing to donors. The Task Force can assist in that process.

(There was some discussion about whether it is the responsibility of the foundation or nonprofit receiving the tax credit-generating gift to educate the donor about what s/he needs to provide the DOR, and whether smaller nonprofits are even considering using the tax credit because of intimidation over the requirements.)

It was agreed that this brainstorming would continue at the next meeting.

NEXT MEETING

It was agreed that the next meeting would be held on **Thursday, May 19, from 10 a.m. until 2 p.m. at the OLD MEETING PLACE: the Northwest Power and Conservation Council.** Amy will not be at the meeting.

Meeting adjourned at 1:30 p.m.