

**MINUTES**  
**GOVERNOR'S TASK FORCE ON  
ENDOWMENTS AND PHILANTHROPY**  
Northwest Power Planning Council Conference Room  
Thursday, June 21, 2007, 10 a.m.- 1:00 p.m.

**Members Present:**

Sue Talbot, Chair	Amy Kelley
Sid Armstrong	Galen McKibben
Linda Coulston	Dennis Peterson
Donna Davis	Bill Pratt
Dorcie Dvarishkis	Judy Wing

**APPROVAL OF MAY MINUTES**

There were no errors noted or corrections requested. Bill made a motion to accept the minutes as distributed; Sid seconded the motion. All approved by voice vote.

**MISCELLANEOUS BUSINESS**

Sue noted a correction to the financial statements: The donation from the Governor's Office of Community Service was given to the Governor's Conversation, not to lobbying.

Bill notified all about an article of interest in the June edition of Nonprofit Quarterly entitled "Rural Grantmaking for What?" in which the author (Rick Cohen) thanks Senator Baucus for "taking on the cause of American foundations' inadequate grantmaking to rural nonprofits." The article is available on line:

<http://www.nonprofitquarterly.org/section/884.html>

The Big Sky Institute has distributed its Organizational Effectiveness Grantmaking Program Concept Summary paper. This is a cooperative effort to bring together 5-6 foundations to talk about creating a grant pool to make organizational effectiveness grants for the purpose of hiring consultants. They have raised \$35,000 so far, and are hoping to leverage these dollars with local and regional foundations. They are still addressing the issue of what the geographic focus should be.

**UPDATE ON UPMIFA**

Sue read a June 20th e-mail from Jim Soft:

Since I will be in Idaho on Thursday, I wanted to share some thoughts regarding UPMIFA and the confusion that seems to be going around regarding applicability of the new UPMIFA law.

Several emails I have been copied on suggest that UPMIFA does not apply to existing endowments generated by the Tax Credit. The argument goes to the MT Tax Credit law meaning of "permanent, irrevocable fund..." etc. as "trumping" the new UPMIFA law. I strongly disagree.

Section 9 of the new UPMIFA (SB 434) clearly states that UPMIFA does apply to institutional funds existing at the time of UPMIFA enactment.

The word "permanent..." in the Tax Credit Law was strategically used in 1997 to distinguish between an endowment that was set up for a period of years (e.g. a ten year endowment) vs. an Endowment that must go on in perpetuity (e.g. "permanent" endowment). The term permanent is not related to the concept of "historic dollar value." Tying "permanent" to "historic dollar value" as some have suggested defeats the whole reason UPMIFA was crafted and adopted by Montana and further suggests that UMIFA is still the governing statute for permanent endowments when UMIFA has been replaced by UPMIFA.

All the more the need for L/Ls in the fall.

### **NATIVE AMERICAN PHILANTHROPY INITIATIVE**

Since Major wasn't able to attend the meeting, Sid gave an update on the project. *(NOTE: Major will be leaving the Governor's office at end of summer, but would like to continue on with Task Force).* The group has been meeting regularly. One idea that came up was that Major's job, which has included increasing philanthropic resources, should be an institutionalized function within the Governor's Office of Economic Development. In the interview process applicants should be asked about their experience with nonprofits.

For the benefit of those TF members who'd not heard of the project previously, Bill provided a summary. Several Native Americans participated in the Conversation, making a number of recommendations for increasing Native American philanthropy. Andrea Alexander (Potlach Foundation) really pushed expanding Indian philanthropy in the state. Mike Schectman, Sid, and Bill met with Major Robinson after the Conversation (his focus is on Indian Development within the Governor's Office of Economic Development). They began to talk about the importance of building philanthropy and infrastructure/capacity for Indian nonprofits and tribal colleges. They discussed how they might bring people together to talk about these issues. They identified three audiences at the start: Native American communities, those delivering services to the reservation, and foundations. Foundations are expressing interest, but need more information in order to talk to their trustees. They decided later that state government also needs to participate. The effort has the Governor's support, and it builds on a national movement in Native American philanthropy.

Bill said that they are sending out letters of invitation to 18 individuals (half of which are tribal members, half not) to participate in the project. They want to have representatives from foundations, nonprofits, and state government. At the next meeting they plan to put together a strategy for the first group meeting. Sue asked if it would be strategically important to move those meetings around to different locations in the state? Bill will raise that issue; it will be a matter of funding and time. Judy suggested getting Head Start involved – they were integral to her work in the past on reservations in Montana.

### STATUS OF MCF PARTICIPATION ON TASK FORCE

Sue reported that she has called Stan Nicholson numerous times with no return contact. Judy's sense is that he is very busy, and if he hasn't responded yet he simply can't do it at this time. Sue asked for guidance; the group decided Sue should follow up once more with Stan, and then ask board member Bill Kearns about participation. *[NOTE: Sue did invite Bill to join the TF to represent MCF, and he agreed.]*

### FUNDRAISING AND FINANCIAL STATUS

Sue sent a fundraising letter to all TF Active and Advisory members. **Amy needs to correct on the TF director those addresses that came back as incorrect (Dennis has Marilyn Frazier's current address and will pass it on to Amy).**

Brian gave Sue a financial update showing a zero balance in the Lobbying account (all bills have been paid); \$6,734 in the Conversation account; and \$3,826 in the General account. \$2,075 has come in since the fundraising campaign began in May. Brian noted those who'd given before May. The May financial statements have not yet been prepared. MNA's accounting practice is to consider all funds for the TF "restricted" – they are only released when there are expenses. That makes it difficult at any one time to say how much is left in the various accounts. Bill said that St. Pete's will be sending \$500.

Sue passed around the list of previous donors who've either given or pledged, with notations on those that still need to be contacted, so members could volunteer to follow up with them. Sue read a note attached to the contribution by Vern Peterson: "you folks are doing good work for us all." **Sue will ask Vern if we can quote him in a future fundraising letter.** Sid suggested we think about the possibility of using some of the \$6,000 in the Conversation budget for the Indian Philanthropy project, since it's the first proposal out of the Conversation that we're following through on. Bill suggested that funding decisions be put on hold until the Futures Committee makes its recommendations.

Jean Jenkins reported to Sue about the donors she'd contacted (Sue reiterated how important the follow-up phone calls have been): N. Valley Hospital is giving \$250; Bozeman Deaconess \$250; and St. Luke's Healthcare (Ronan) will be sending an undetermined amount. Jean said that many people have been asking for an invoice, so Sue drafted one and distributed it to others.

Sid said she needs a contact at the Central Montana Foundation in order to follow up. Sue noted that she'd already sent a letter to all of the local community foundations; one came back as undeliverable – perhaps it doesn't exist any more. Sue thought that by the July meeting we should have a good sense of how the fundraising campaign is going.

### LUNCH & LEARN

Both Jim and John Eastman feel that this event can be a fundraiser for the TF. They will work to get it sponsored by the trust companies and others – something they could do as

part of their marketing strategy. The TF has not asked them for money in the current campaign, anticipating the sponsorship request.

Brian, Laurie, Sue, and John had a telemeeting already (they are still working on the budget). The first thing they discussed was: *Who is the audience?* The primary focus – and thus the marketing – will be professional advisors. *Do we include DOR?* At some point they offered to participate. Some were concerned that it might be an imposition, asking them to travel all over the state (Missoula, Bozeman, Helena, Great Falls, Billings, Kalispell, Sidney, Butte). One suggestion was to see if DOR wanted to add anything to the manual. For now that is the plan. Sid suggested we definitely ask them to participate in places like Helena, and find out whether they'd like to travel to other places. From the perspective of a state employee, Donna said that we shouldn't assume it's an imposition – many of them would love to travel to outlying communities, present a friendly face. It's part of their job. She said that Dan Bucks is marvelous in terms of PR, outreach, helping taxpayers; she thinks they'd be delighted to participate.

Another question was: *How do we pay for it?* Brian and Jim will be pursuing sponsorships. Judy suggested Galusha. Bill suggested Dain Rauscher in Great Falls. Dennis said that the US Trust contact would be Deb Moretto, in Helena. **Linda Carlson will talk to Jim Scott from Billings First Interstate Bank. Sid will ask Steve Polhemus about Wells Fargo** (although he is not with them anymore, now with First Interstate).

Another question was: *What do we want to accomplish?* Jim thought they would want to share the most recent information on:

- Montana Endowment Tax Credit (the differences in new bill, SB 150)
- UPMIFA
- IRA rollover
- Charitable Annuity Exemption Act

They discussed the idea of a *video conference* and/or *webinar*; there were some issues about cost and whether communities have accessibility. Judy said that the U of M Business School has great facilities that can reach out to rural communities. A webinar is easier in many ways, but not as good as a video conference in terms of real exchange – a lot of the important information comes out in the Q&A. People pointed out that webinar participants can ask questions – they just can't see the other participants. Bill suggested reconsidering this – a webinar is an excellent means of outreach and may be lower cost. Sue will ask the L&L organizing committee.

*Who will do the marketing?* They discussed mailing brochures to the Bar Association, CPA Association, and the Financial Planners Association. The only group they didn't know how to contact was Insurance people. Sid suggested asking Peter Sullivan to follow up on that. Steve Daniels should be asked as well.

*When should the L&Ls be conducted?* They agreed that they should be held generally between October 2nd and early November. Sue said TF members should follow up with

John Eastman if anyone wants a specific date in a specific community. The sessions will last 2 hours. Judy Held had suggested 4 – she felt that people would go for the 4 CLE credits; Sue will talk with Jim about that. Many felt there wouldn't be enough time for questions if only 2 hours. Yellowstone is taking care of setting up the CLE credits. Galen asked whether we would offer on-line registration on the web site? Sue thought Brian was looking into that, that MNA has the capability.

*How are we divvying up the responsibilities?* Yellowstone will do the program planning; MNA the logistics; the Task Force volunteered Amy to design the brochure (John Eastman will follow up with her). The thought was to send something out relatively early – save the date – then do follow-up bombardment via the internet. Bill asked whether we had enough TF brochures to distribute at the various L&L sites? There will not be many left over after the legislator thank you letters and the fundraising requests. Dorcie suggested redesigning brochure to have a permanent part and an updateable insert with membership and donors. We will probably need 1,000 for the L&Ls, and we'll want some at MNA.

**Amy will redesign the brochure** so that is a 3-fold with a single panel (double-sided) insert (with donor list and TF membership). It was agreed that she should keep the same design otherwise. She should add a bullet about the tax credit renewal and change the address for donations to MNA. Dorcie suggested changing cover to say “since 1995” in order to keep it current.

#### **FUTURES SUBCOMMITTEE**

Bill created a DRAFT report for internal use only on the Philanthropic Environment – a snapshot of what things look like now (Sue passed around the single copy). The work of the committee has turned into a much larger project than they first thought, but it may have larger play than just this purpose – it will be a valuable document. Bill said that once they finalize the document it could be made available via our web site. They are now starting to look into alternatives for the future of the TF.

In addition to the Philanthropic Environment piece, Bill said that they'll also have a piece on the culture of the TF and another on alternative futures for the TF. They will lay out the pros and cons and costs of the various alternatives. He said that, bottom line, we know that we can sustain ourselves financially with what we are currently doing. But if we want to change what we want to do, that will change the financial needs – that's why he suggested holding off on making recommendations for how to use the money in the Conversation account.

Judy asked if Bill could share anything they've noted with the group today. Bill shared a few things: that the baby boomers are retiring with no plans set for that impact; that nonprofits are losing their EDs with no one to replace them; that philanthropy itself is more transparent, with more ways to give, and with some taking a closer look at abuses. Sid noted that there are no big surprises, but that it will be very good to have all of this information in one place.

Bill noted the “philanthropic divide”: even though giving in Montana has increased, the gap keeps getting bigger. We need to emphasize the positive – foundations don’t want to give just because you need it. They want to know how you are going to effectively and efficiently use a grant. The other thing they tried to do is put this information in a broader context than simply Montana – not in a complicated way, but here’s how Montana fits in with UPMIFA, e.g., or how MNA fits into the larger national movement. We don’t want to claim credit for having invented something. Sue noted that the report so far struck her as well organized and well written. Sid complimented Bill for doing most of the drafting; she said he was very patient with the rest of the group. Sid is convinced that this is something we’ll be able to give to funders; it is a good background piece that shows what the TF is doing.

Bill noted that one area where philanthropy has expanded is in workplace giving – he thanked Tim McCauly, Joy McGrath (MT Shares) and Becki Brandborg for their help on this section. It continues to increase in Montana, mirroring national trends at slightly higher than inflation. The average gift size has increased although the number of gifts has been stable. They need to add a section on electronic giving – Becki said it has increased substantially, now makes up 30+% of all state giving.

#### **LEGISLATOR PACKETS**

The members present added handwritten notes to the letters going out to all legislators who voted for the tax credit renewal bill. **Sue will mail them.**

#### **NEXT MEETING**

It was agreed that the next meeting would be on **July 19<sup>th</sup>**, at the Northwest Power Planning Council (as the DOL conference room is unavailable). **NOTE: IT WAS DECIDED THAT THERE WOULD BE NO AUGUST MEETING.**

The meeting adjourned 1:00 p.m.