

MINUTES
GOVERNOR'S TASK FORCE ON
ENDOWMENTS AND PHILANTHROPY
Northwest Power Planning Council Conference Room
Thursday, July 19, 2007, 10 a.m.- 1:00 p.m.

Members Present:

Sue Talbot, Chair	Brian Magee
Barbara Anthony	Tim McCauley
Linda Coulston	Dennis Peterson
Donna Davis	Bill Pratt
Spence Hegstad	Jim Soft
Jean Jenkins	Peter Sullivan
Bill Kearns	Bob Vogel
Amy Kelley	

NEW MEMBER

There were introductions and welcomes to Bill Kearns, who is a board member of the Montana Community Foundation and a founder and director of the Broadwater County Community Foundation.

JUNE MINUTES

There were no corrections noted. Dennis made a motion to accept the minutes as distributed; Barb seconded the motion. All approved by voice vote.

NOTE FROM SID

Sue read a note from Sid, who was unable to attend. She reported some good news: on June 28 she attended the 20th anniversary meeting of the Charlotte Martin Foundation (along with the Governor, First Lady, and advisor Jan Lombardi) at which they announced Montana grants. Bonnie Sachetello-Sawyer, the CMF Montana trustee introduced the Governor and told the group that the "\$1 million for Montana" initiative (<http://www.charlottesmartin.org/montana.htm>) was the direct result of her participation in the Governor's Conversation. Sid passed on her kudos to the Task Force and all those who helped make the Conversation a success.

FUNDRAISING/FINANCIAL STATUS

Brian reported that \$3,875 came in to MNA for the TF in June: \$3,000 of that was from entities (e.g. Universities and hospitals) and \$875 was from individual donors. Unless the TF has other wishes for the money, Brian is allocating it to general fund. He noted that the TF fundraising campaign is really kicking in –checks are coming in almost every day. The balance in the Conversation fund remains the same at ~\$6,000. \$2,200 was in general account at end of May; now that balance is approximately \$6,000. Brian gave Sue the list of June and July donors so that she can send thank you notes. Tim said that he would be sending a check shortly.

UPDATE ON INDIAN PHILANTHROPY PROJECT

Bill reported that letters have gone out to representatives of Indian Country, nonprofit infrastructure organizations, philanthropy foundations, and state government inviting them to serve as an organizing committee for the Indian Philanthropy and Nonprofit Group. Major Robinson will be making personal follow-up phone calls to encourage Indian invitees' participation. The organizing committee is strongly encouraging Major to take a leadership role in the effort after he leaves his position as Coordinator of Indian Affairs this fall.

The group hammered out a rough agenda for a first gathering of the core group. They are hoping to have the Governor open the proceedings and to have the Lt. Governor attend most of the event. They expect that early on the core group would be getting to know each other and learning more about what the project is about; strategy and structure will come later, at which point they'd want to invite national people who can share their wisdom and experience.

There was some discussion of support for travel expenses. BSI will serve as the fiscal sponsor for the project; they received a 2-year grant from the Steele-Reese foundation and one thing they want to focus on is Indian philanthropy. Major asked if there might be money from that grant for travel support. Mike will have to visit Steele-Reese about that possibility. Bill suggested that perhaps \$1,000 of the Conversation budget could be put toward travel expenses. They are looking at four meetings next year, of 10-12 people, half of which will be traveling. Bill will come back to the TF at a later date if they want to request money for this purpose. That said, the Futures Committee is not done with its work, and they don't want to drain the account before coming up with recommendations. It would be nice to have a bunch of people participating in funding this project.

Linda asked whether they would be looking at economic development issues. Bill said that the focus is both on Indian philanthropy and on nonprofit infrastructure and that naturally there is a connection with economic development on reservations. Linda suggested contacting the Udall Center in Arizona — **she will send her contacts to Bill** — as they have worked on economic development in tribal communities. Sue noted her appreciation for the group moving forward at a steady pace but not too fast, building trust from the start.

LUNCH & LEARN

Sue reported on the meeting held by the L&L organizing committee (Sue, Brian, John Eastman, Jim Soft). A brochure is in progress; Sue read the draft content (written by John Eastman), which included the schedule of sessions. Amy questioned whether the brochure would need a registration form; Brian said no, they will be conducting registration on line. Amy asked if she could get photos and quotes from previous participants; Jim said that John is working on getting quotes from recognized names in the various fields that are our target audiences. The brochure will be distributed both by mail and in pdf form on the Internet (with the registration hyperlinked). Barb asked whether Great Northern charges for use of their Helena facility – Carroll College would

provide a room for free. Sue passed around the tentative budget, based on 500 attendance @ an average of \$50 per person. Barb asked whether we'd be putting notices in association newsletters; Brian said yes.

Sponsors: Brian is working on Anderson Zurmuehlen CPAs. Plan B is to ask Dane Rauscher, who is working aggressively to build up their nonprofit clients and wants to partner with MNA on other projects. Jim suggested that they might want to pick up the whole tab and be the hero on this one -- we could make some banners and give them a nice presence. \$15,000 might not be too large a bill for a company their size. The other idea is to ask the trust companies to sponsor the sessions, as they did for the first round of L&Ls. Jim noted that the number of trusts before the first L&L sessions numbered in the 20s, and increased to more than 120 after -- it is absolutely in their interest to educate people on these issues. If we get someone to underwrite the seminars, the revenues will go to MNA and the TF. Jim will send out an e-mail to the TF membership about helping lobby potential sponsors after the strategy is set.

Jim said that there is lots of new material this year, along with a strong compliance motif. They are allotting 3 hours and offering 3 CE credits. He thought that we want to encourage charities to have their financial advisors and board members attend. MNA will do its own advertising of the event to the charitable community, and the financial advisors will be targeted directly. Jim suggested getting the charities to offer to pay the registration fee for their financial advisors/board members as a thank you, which would be mutually beneficial. Jim and John are working on the CE credits.

There was some discussion about the registration fee; many thought it was more than reasonable, especially considering the credits, lunch, and the manual. Sue noted that since education is part of our mission, we want to keep the fee low enough to allow people to attend.

Donna asked about possibility of having community co-hosts, such as the Library Foundation in Helena. Most felt that we couldn't coordinate that for every event, especially given we don't have a major sponsor yet. Dennis suggested that those organizations notify their members about the L&Ls, encourage them to attend, and take the opportunity to add a paragraph or two on their foundation. Most felt we could arrange for groups to have tables in the back, which could be announced by the main speaker at the event. Jim suggested that local nonprofits sponsor scholarships for people they want to attend, which is good advertising for them. Brian suggested that we offer the possibility of tables to the professional community as well.

SPENDING DOWN ENDOWMENTS

Referencing the article he'd asked TF members to read, Bill thought that the group should put some thought into this problem - especially of rural hospitals or other organizations in Montana draining their endowments. MCF had received \$25,000 grant from Robert Woods Foundation years ago to address the problems of rural hospitals, which proposed an endowment development effort. Bill is very concerned that a nonprofit that spends down its endowment is out of compliance with UPMIFA: using endowments as a "rainy

day fund" is not legal, unless otherwise specified in the gift agreement. Jim said that there is a section on it in the L&L agenda, along with other common frauds that people need to be educated on. Jim said that there is a structure in place - the hospital auditors need to say, "you deal with this or we call in the attorney general." He strongly felt that passing new laws was not the way to correct the problem; Bill agreed but emphasized that focused education on this point was critical.

FUTURES COMMITTEE REPORT

Sue suggested that the reason people haven't given the committee feedback on the draft report is because nothing is missing. Bill hoped so. He noted that he passed it on to Philanthropy NW and the Montana-Wyoming Funders Group (Kelly Bruggeman of 1st Interstate Bank is the contact). Sue asked Brian to confirm that they do not want to be fiscal sponsors long-term. Brian said no, the nature of fiscal sponsorship is short term. If it were to be long term, then it would be incorporated into what MNA does. The question is: what do we want to see happen in this state? The form/structure will follow – it will be the vehicle to get those desired things done. If the group decides to keep the TF within MNA, it could cut across many lines – education, policy, even providing services. It would fit nicely with the direction MNA is moving. Brian noted that charitable giving is part of their 8-point policy agenda. He thinks this process needs to run its course, looking at what the future TF looks like.

Bill Pratt commented that BSI was informed last week that the Ford Foundation will be providing them with a 2-year operational grant, which is very welcome since all of their other grant money is project based. He also noted that there's going to be a Chronicle of Philanthropy article on rural philanthropy, for which BSI has provided the author with substantial statistical information. Bill said that while out-of-state community foundations have remained pretty much static in terms of total grant making — about 2% — and regional grant making has seen some growth, it's the in-state foundation grant making that has skyrocketed — something like 200-300%. National foundation giving has decreased. When we look at the substantial growth in foundation assets, they aren't translating into more money coming into the rural states. Bill Kearns noted that, rather than people giving money to Red Cross or the Salvation Army, the current trend is for people like Bill Gates to start their own foundation - they want to be able to control what they do with their money. Sue asked Bill Pratt whether he sees a timeline for completing the information so that we can devote a whole meeting, or two, to discussion? Bill suggested that the September meeting focus on the future structure alternatives.

NEXT MEETING

The next meeting will be Thursday, September 20th. Amy will notify members in advance of the meeting of the location. The meeting adjourned 1 p.m.