

# TDGF Committee Meeting – Monday, February 8, 2021



## Agenda

3:00pm – 5:00pm, via Zoom

### 3:00pm, Information, Reports, Discussion and/or Action Items

1. January Meeting Minutes
2. Thank You's
3. Treasurer's Report, including Annual Appeal
4. Board Update
5. Scholarship Update
6. General Committee Workings
7. 501c3 Update
8. Survey and Discussion Results and Future Plans
9. TD News – may change depending on space available
  - March – Article of thanks featuring a couple of the November grants
  - April – Annual Thank You
  - May - TBD
10. Whatever else

### Next Meeting:

Monday, March 8 2021, 3:00pm via Zoom or in the Board Room at Northwoods Clubhouse.

**Remote Participation** (same URL, ID and Password for all meetings):

<https://us02web.zoom.us/j/85656662859?pwd=N09pTzBUN0RCa0pZcERyNkUzTXZVQT09>

Meeting ID: : **856 5666 2859**

Password: **760561**

One tap mobile

+16699006833,,85656662859#,,,,,0#,,760561# US (San Jose)

Find your local number for audio only: <https://us02web.zoom.us/j/kuQ9H5dD4>

## **Board**

An elected group of individuals who jointly manage an organization's business and appoint officers

As determined by the organization's by-laws

Establish policy

Make key decisions

## **Committee**

Members of a larger body appointed and delegated to

Promote a cause

Represent the larger organization for a specific purpose/function

## Internal Document — Not for Circulation

We are associated with an extremely talented and dedicated group of professionals, that is a given. Some of the office processes and financial reporting systems, however, are not always user friendly and in some cases reflect poorly on our fund. Additionally, we are in the dark regarding investment strategies resulting in losses which will ultimately reduce the amounts of awards. Please know these issues pre-date most members' tenure on the committee and have been thoroughly vetted multiple times over the past years.

The following are the central issues prompting the investigation of whether having our own 501c3 would be warranted.

### **DATA**

We are only able to obtain an Excel spreadsheet containing 1170 transactions over 21 columns of information encompassing all transactions (donations, awards, in-kind donations for auctions, other expenses) from inception to current date. No specific reports are available. This presents an extraordinary amount of work for committee personnel to extract data needed and places the responsibility of correctness on us. The acquisition of Classy has solved some of this issue, but only for July 2020 and forward, not for 2014-June 2020 contributions.

### **TIMELINESS REGARDING DONATIONS**

The cashing of donor checks is not always done in a timely manner. They are entered manually and too often with great gaps between their receipt and when they are entered in the system and deposited in the bank. Example: one donor asked why her early December check had not yet been cashed in mid-January. Often our thank you notes are received by donors before their checks are cashed.

Classy issues a payout report of online donations weekly, which can be imported directly into an accounting system. They choose to do manual entry.

### **INTEREST/DIVIDENDS AND FEES**

At the beginning when we were small, fees were offset by the interest/dividends earned. Now that our balance is significantly larger, this is no longer the case. For example, in Q3 2020 (the latest accounting available), interest/dividend income was \$818.95 while the fees charged were \$2,027.41, leaving a deficit of \$1,208.46. Ultimately this deficit reduces the amount available for grants and scholarships, most notably the IMPACT scholarship since that account has the largest balance.

### **INVESTMENTS**

We have no knowledge, input or information, on how our funds are invested. There is an investment committee; however, we know nothing about that committee's investment strategies.

### **BOARD**

At one point our committee chair had a place at the table; however, he relinquished that seat because of dysfunction.

# **Benefits & Considerations of Obtaining a 501c3**

(from a legal perspective)

## **Benefits**

We run our own operation.

We establish office systems that work for us and give us the information we need.

We have closer contact with donors. There is no longer an intermediary. We can ensure a more timely response to donors.

No fees paid to another organization.

We control investment decisions and we can earn a higher rate on our funds.

## **Considerations**

A 501c3 is a business. Who is the entity responsible for running it?

Initial and Annual documents must be filed. They are fairly simple but there are penalties if a filing is missed:

- Statement of Information to the California Secretary of State (initial)
- California Franchise State tax form (initial and annual)
- IRS tax form (initial and annual)

Highly recommend working with a CPA who is familiar with non-profit tax law.