

**SPECIAL MEETING OF THE BRGHI FINANCE and EXECUTIVE COMMITTEES with FOUNDATION
TRUSTEES and GUNSTON HALL STAFF
GUNSTON HALL
FRIDAY, APRIL 6, 2018**

The Board of Regents of Gunston Hall, Inc. (BRGHI) Finance and Executive Committees and the Gunston Hall Foundation (Foundation) Trustees met jointly at Gunston Hall on April 6, 2018 at 11AM. Sara Hill, Foundation president, presided.

Present:

Anna Duff (President, National Society Colonial Dames of America)
Helen Bragg Cleary (First Regent)
Nancy McAteer (Vice Regent)
Margo Caylor (Recording Secretary)
Avery Jenkins (Treasurer)
Kit Davis (Assistant Treasurer)
Sara Hill (Foundation President)
Allison Brokaw
Jean Grainger
Ellen Holt
Patricia Montague
Lou Perry
Anne Riley
Kathie Shutkin
Virginia Snider
Rowena Van Dyke
Scott Stroh (Gunston Hall Executive Director)
Lena McAllister (Gunston Hall Administrative Specialist)
Dan Weaver (Councilor, Buchanan & Mitchell, PC, Auditor)

Quorum established.

The meeting was called to discuss the roles of the Foundation and BRGHI since both are repositories of funds for Gunston Hall. Currently the Foundation is acting as an endowment and providing about 5% annually to the BRGHI for Gunston Hall's operating expenses.

Dan Weaver, auditor for both the Foundation and BRGHI, stated that it is not required for a 501(c)3 organization to have a foundation because it can accomplish the same goals. Some of the reasons to have a separate foundation might be to have a large fundraising board or, if

there were generous individual contributors, to have a private foundation that would not jeopardize the status of the BRGHI.

Sara Hill explained that the Foundation is a Type II supporting entity. It was originally incorporated in 1972 to serve as an endowment since the Board of Regents was not incorporated at that time. Now that the BRGHI is incorporated as a 501(c)(3), two fundraising organizations exist with no clearly defined fundraising goals for each.

Scott Stroh stated that the other museums owned by the Commonwealth have at least one "foundation" that is the private fundraising arm of the agency. The museum board has a memorandum of understanding with the agency that defines the parameters of the relationship and dictates support generated through the foundation. Scott noted that Jamestown/Yorktown has five affiliated nonprofit organizations with strictly regulated parameters, i.e. 2007 Celebration, 2019 Commemoration, Collections, the Foundation, and one just for the ships.

With Commonwealth of Virginia appropriations to Gunston Hall declining 35% in the last several years, it is more important than ever that we raise supplementary private funds to support our growing staff and the master plan.

Nancy McAteer asked if the BRGHI could focus on collecting funds from members of the Colonial Dames because all members of the BRGHI must be Colonial Dames. Then the Foundation would fundraise from individual donors and grants that would be earmarked for specific purposes such as endowment. Dan Weaver stated that that should not be a problem. Treating the Foundation as an endowment is perfectly fine and makes sense. The contributions would be held in the Foundation with the Foundation determining how much money to transfer each year and the BRGHI deciding how to spend it. This is how the Foundation has operated since its inception with a majority of trustees being sitting Regents. We could also decide to have the Foundation trustees elected by the BRGHI which would allow for diversity by enabling community members to serve.

Helen Bragg Cleary noted that the BRGHI could hold funds for annual operating expenses and restricted gifts, i.e., the Garden Fund, and the Foundation would serve as an endowment fund. Discussion ensued regarding various possibilities. The sense was that the BRGHI needed to retain control of how the Foundation funds would be spent but that it would be very positive to allow non-Dames to be included as Foundation trustees.

In addition to deciding how Foundation trustees should be chosen, Kit Davis stated the need for a gift acceptance policy that includes the Foundation and one for undesignated bequests.

Planned giving is another topic to consider. The Board of Regents needs to decide how to proceed and send its recommendations to the Foundation.

Sara Hill stated it would be a good idea to take the next 6 months and go over all of the details so that the goals of the Foundation and method of electing trustees would be in place by October of 2019. Most of the sitting Regents currently serving on the Foundation Board will be retiring then which would allow for a smooth transition.

Dan Weaver agreed to review the legal and accounting memorandums that the Foundation had received on the topic and confer with Scott Stroh about how other museum agency boards work. He also wanted to review the IRS public support test for both 509(a) organizations before he gave a recommendation.

The meeting was adjourned at 11:48AM.

Respectfully submitted,

Margo Caylor, Secretary