



Virtual Board Meeting Minutes

18 November 2020

1300-1600 Eastern

ATTENDING		
Hal Rosen (Chair)	Tony Leketa (Vice-Chair)	Tim Byers (Secretary)
Suzanne DiGeronimo	Gary Engle	Angie Martinez
Gene Lupia	Dave Nash	John Peabody (Treasurer)
Julie Fisher** (invited)	Bob Schlesinger	Susan Thames
Roger Wozny** (invited)	Heather Wishart-Smith (SAME President)** (invited; part time)	Mark Handley (SAME President-Elect)**(invited; part time)
Joe Schroedel (Executive Director)**	Eddie Gonzalez (SAME staff)**	Will Hoffman (SAME staff)**

**Non-voting

The meeting was called to order at 1303. The Agenda for the meeting is attached. Following the Pledge of Allegiance, roll was taken; a quorum was in attendance.

Opening Remarks: Joe Schroedel commented on the support between and connection of the Society with the Foundation. He opined that the newly appointed joint task force of Society and Foundation members will help unify the Society and Foundation and further the objectives and missions of both. He shared a letter from John Hart (Columbia, SC member) to the effect that “SAME has meant a lot to me over the years.” He closed his comments noting that SAME and its membership will continue to invest in SAME and the Foundation.

Mark Handley, SAME President-Elect and co-chair of the Society-Foundation governance task force opined that the task force will confirm that unity of effort between Society and Foundation. “We are one Society moving forward.” He explained that the efforts of the task force were well underway and that a briefing of the Society and Foundation Presidents was planned for late November.

Investment Update: Gary Engle, chair of the Board’s investment committee, reported that the Foundation portfolio was performing well. As of the end of September 2020, the investment portfolio, including funds of the Foundation and funds invested by the Foundation on behalf of posts totaled \$2,348,952 of which \$1,161,682 was Foundation funds, and that the rate of return for the year since January 1 was 6.63%.

Will Hoffman, senior Society accountant reported that the Foundation was managing funds for 8 posts, and that the total invested for those posts as of the end of September totaled approximately \$1,267,000. It was reported that the Boston Post and Hampton Roads Post are considering investing with the Foundation.

It was decided that the Foundation should make a further concerted effort to explain to the posts the benefits of the Post funds investment policy. Roger Wozny volunteered to assist with this through the policy he had previously developed for the Foundation, working in conjunction with Jane Penny in her role as chair of marketing and communications. In addition, Gary Engle offered to speak with the Society’s regional vice presidents about the benefits of the post funds policy.

Financial Update: Will Hoffman then provided an overview of the 2020 finances of the Foundation as of 30 September. Revenue was reported as \$134,717. Of the revenue, \$118,729 was reported as contributions which includes \$35,000 from the Baswell estate. On the expense side, Will Hoffman reported a total of \$46,395. The larger individual expenses include \$11,860 for professional services fees for accounting services largely pertaining to the close-out of the 2019 books and records and preparation of the annual tax return. The membership fundraising expenses were reported as \$11,664 for printing and production, and the scholarship expense from the camp program underwriting was reported out as \$13,750.

Will reported that the Foundation's tax return (form 990) for tax year 2019, signed by the Executive Director, was filed the previous week. The final audit report, which comes as a joint audit report for the Society and Foundation, was being finalized by the outside auditors.

Financial Framework: John Peabody, Foundation Treasurer, gave a report on the development of the financial "framework" for the Foundation to include a budgeting process and revenue predictions. He reported that without the staff support from the Society, the Foundation would be operating at a significant loss, spending down its accumulated assets. He reported that he has his committee organized and expected to have more to report by way of the framework at the next Board meeting.

Joint Foundation-Society "Governance" Task Force Status: Dave Nash, chair of the governance and nominations committee and co-chair of the joint Society and Foundation task force studying the relationships and interconnections of the Society and Foundation, reported that the task force has had multiple meetings and has a near-final draft of a Memorandum of Understanding to be presented to the Presidents of the two organizations later this month. Dave Nash explained that the purpose of the task force is to optimize the functioning of the Society and Foundation by effective interaction between the organizations to foster collaboration and communication between the two, guided by the Society's Strategic Plan. Mark Handley, Society President-Elect and co-chair of the task force, offered support for Dave Nash's description of the purpose and intent of the task force.

Part of the task force's "charter" was to review and report recommendations of new Board members for the Foundation. It was reported that 3 nominations were received for 3 vacancies. Dave Nash reported that the task force had unanimously recommended all 3 candidates for appointment. According to the Foundation Bylaws, Foundation Board appointments are to be made by the Executive Committee of the Society's Board of Direction. The appointments will be undertaken by the Society in a process determined by the Society. Once the appointments are made, the nominees will be notified.

Recognizing a need for the Foundation to maintain record of Board member backgrounds and experiences that can identify "gaps" in its membership (and also a need to record start dates for each Board member), Dave Nash and Eddie Gonzalez presented a "matrix form" to be completed by each Board member and returned to Eddie Gonzalez. All Board members were asked to provide to Eddie Gonzalez the information needed to complete the matrix for themselves.

Staff Information Flow Re Donations: Will Hoffman reported on the internal staff processing of donations. Donations received thru the mails are (1) recorded by the accounting department, (2) information is then forwarded from accounting to the membership department for member recording, (3) non-member donations are recorded into a database maintained by the accounting department, (4) donations received directly thru the website record automatically and are reviewed by accounting and

membership departments, (5) acknowledgment “tax letters” are prepared by the Membership Coordinator, Katja Watts, (6) are signed by Executive Director, and (7) mailed to every donor regardless of amount donated, (8) a list of donations of \$1000 and more is separately prepared monthly by the membership coordinator and forwarded to the Executive Director and Foundation President for special thank you notes per the stewardship policy.

Donations beyond the “standard” web credit card donations and check receipts, such as donations of marketable securities, are managed hands-on by the Society accounting department. As explained by Will Hoffman, for marketable securities, the transfer agent designated by the donor undertakes the transfer directly to a designated Foundation account. Per the Stewardship Policy, the donated marketable securities are then liquidated with the funds then posted into the Foundation’s investment account for investment per the Foundation Investment Policy. A specific donation “tax letter” for the donation of marketable securities is prepared by the accounting department and signed by the Executive Director.

Fundraising Strategic Plan: Hal Rosen acknowledged that some parts of the fundraising plan remain slow while at the same time the second installment of the annual fund member drive is proceeding well. Fundraising will be a long slow process with “dividends” from the efforts taking perhaps years. Nonetheless, there is a consensus that more has to be done and sooner rather than later to move fundraising along. While the fundraising strategic plan itself calls for a professional consultant to review the plan, Hal Rosen reported that in his opinion such a review would not be cost effective. Joe Schroedel voiced agreement, and discussion seemed to confirm that view.

As to the hiring by SAME of a staff person to support the Foundation and its fundraising efforts, Joe Schroedel explained that he anticipated a possibility to make that hire as a contract consultant and that he fully supported such a hire. Hal Rosen expressed that the position description needs to be finalized. Gene Lupia reminded that the position was intended to undertake fundraising efforts as well as undertake administrative staff support for the Foundation. Joe Schroedel and Hal Rosen are to coordinate further.

Discussion ensued about revisions to the Foundation webpages to the effect that each type of donation included in the fundraising strategic plan, i.e. (1) annual member fund drive, (2) planned giving, and (3) corporate campaign, would have its own webpage with narrative explanations, references and links. This approach is to be developed by the marketing and communications committee chaired by Jane Penny.

Annual Fund Drive: Bob Schlesinger gave a status report on the extended Founding Donor campaign. Last calendar year, the effort raised approximately \$160,000. By the fundraising strategic plan, the effort anticipated raising \$200,000. The donations appear to be falling short. As of 17 November, Bob Schlesinger reported that the total received is \$52,922. It was noted though that many donors wait until near year-end to complete their donations. With this in mind, it was suggested that one additional email be sent to membership reminding all that the Founding Donor campaign is forever closing 31 December.

ACTION: Send follow-up email early to mid-Dec to SAME members on donation to be recognized as Founding Doner: POC: Hal Rosen

This brought about discussion of the Founding Donor recognition in TME. An interim list of the donors by donor category was published previously in TME. It was discussed and agreed that the “final” complete list of Founding Donors by accumulated donation totals, as required by the Stewardship Policy, would be posted in the TME issue following the close of the Founding Donor campaign in the TME issue best determined by the Communications department.

Planned Giving: The planned giving campaign’s 3-year effort contemplates a first year “test” effort by which 24 to 36 members will be identified as potential planned givers and to pair those members with Society leadership, past or present, mostly Fellows, to further engagement by the identified potential donors. This will involve some “training” and education by all involved. Suzanne DiGeronimo is working the concept and identifying potential involvements with Hal Rosen.

Corporate Campaign: Hal Rosen provided limited additional information on the effort to gain outside SAME corporate support from the military industrial complex that derives so much of its revenues from the Department of Defense. The concept of this Corporate Partnership Centennial Campaign is to invite leadership from lead revenue companies in various industry segments, e.g. aircraft, ship, and vehicle manufacture, weaponry, electronics, etc., that most likely already support STEM and transitioning military, to engage with the Foundation in a round-table of ideas to support the mutuality of the individual companies’ missions and the missions of the Society and Foundation. Hal Rosen reported that Lockheed-Martin (\$50B 2018 revenue) has not filled its vacant position of director of community relations and that it is proving difficult to find anyone to talk with about the concept. Messages to Raytheon Technologies (\$25B 2018 revenue) and Northrup-Grumman (\$25B 2018 revenue) have likewise gone unanswered. An effort to reach Norman Augustine, first recipient of the Academy’s Golden Eagle Award and former chair of Lockheed-Martin has likewise been unsuccessful. It seems that COVID, with both layoffs and at-home work without direct company phone access, has reduced communicability.

On the positive side, a contact with Battelle Memorial Institute (\$440M 2018 from Special Operations Command) was made through the virtual Small Business Conference, and that is being pursued.

Stewardship Policy Update: Gene Lupia, chair of the stewardship committee, reminded the Board that the stewardship policy was approved last year with the understanding that it would be annually reviewed for changes as stewardship questions and issues suggested. He arranged that the full policy be distributed in advance of the Board meeting. At the meeting, he asked for update suggestions. Gary Engle suggested that the policy include explanation of the process for donating stocks to supplement the section already included in the policy that briefly addresses the donation of marketable securities. It was agreed. Gene Lupia expressed that some minor edits were in order and that between himself and Julie Fisher, they would carry a full set of proposed changes to the next Board meeting for approval.

LDP Update: Angie Martinez and Susan Thames provided an update on the Leader Development Program. They reported that the second class with 18 “students” is well underway and coalescing as a group, and that the nomination process for the third class is closing on 7 December 2021.

Angie Martinez reported that because the program has become fully “virtual,” it is less expensive to conduct. Joe Schroedel mentioned that the program has always been a hybrid of virtual and in-person gatherings. With the cost reductions, Angie Martinez suggested that the program be enlarged. Tim

Byers noted the importance that the program retains its personal connections and that growth should be controlled to insure that.

The program has had rave reviews from all those connected with it. Both Angie Martinez and Susan Thames were thanked for their efforts in carrying the Foundation banner beyond simply underwriting the program financially and into operational leadership roles with the program. Tim Byers was also thanked for giving his time and effort to serve as an instructor.

Other Business: A question was raised about the scheduling of the Board's meetings for 2021. It was agreed that the Board would hold to the previously agreed upon scheduling of four meetings per year. It was suggested that rather than limit the scheduling around the four major events conducted by the Society per year, the Foundation should hold its meetings on a calendar quarter basis so that quarterly financial data would be readily available. It was agreed. The next Board meeting is to be scheduled for late January 2021.

ACTION: Send out doodle poll to select January BOD date. POC: Eddie Gonzalez

Meeting Minutes: Tim Byers asked that the Board approve the minutes of the meeting of 13 August 2020. By motion of Tony Leketa, seconded by Susan Thames, the minutes were unanimously approved.

Close: That closed discussion of the agenda items and other business items raised. With Thanksgiving well wishes by all, the meeting was adjourned at 1604.

Date: 6 Dec 2020

A handwritten signature in black ink, appearing to read "Timothy Byers", with a long, sweeping horizontal stroke extending to the right.

Timothy Byers, Secretary