

The Haven Governance Meeting

8.10.2022

Discussion of Relationship of The Haven & The Butterfly Foundation

Aimee: This is a obviously a big decision for the Haven's board to be making and they're that that big decision is dependent on a lot of smaller but sentinel decisions that you all need to make as a board. So thank you for that. I do also want to acknowledge that in my conversations with you, that there were more than a couple folks that would appreciate. Barbara starting at the very beginning, you know, what's, what brought about the founding the idea of having the butterfly foundation what are the purposes a couple of people asked me made that decision, that sort of thing. So there's, in an effort to get everybody on the same understanding, in addition to the granular level with the roadmap that we've got up on the screen right now, hopefully you see that kind of going back to the ABCs and making sure everybody knows what's being discussed and why. And then, and then we have the roadmap and I can show you how much progress that you all have made in the last few months and where the next steps are.

Barbara: Alright, so maybe we need to talk about how the foundation ideas started first, and Jeanie, if I could ask I feel like you're probably the person that's most aware. Explain it the best.

Jeanie: I mean, it goes back quite a way. When we have had numerous discussions about the amount of money that we have in reserves with a haven and how we're going to manage that what we're going to do in combination with the ongoing prospect of merging with another agency in some in some form. So it's always been a concern of The Haven that we have to align with another agency just because of the way that the funding works. For our services. And what's once we had accumulated a certain amount of money, we felt like that was really at risk for being swallowed up by an acquiring agency. And then we don't have the ability to use those funds that we worked so hard to accumulate for serving the women that we serve. So we're trying to find a way to protect those funds and ensure that they were always going to be used to carry out our mission not be swallowed up into someone else's operating fine. That's one reason. Then other reasons have come out in discussion. One is protecting us from protecting those funds from any potential creditors or for liabilities if there wouldn't be a claim against that haven. That was a concern. Another reason would be to allow the haven to focus on using those funds in a strategic manner or either improving the physical location of the Haven or developing a new program, separate from the way that our current board always operates, which is really focused on the day to day operations. So there have been many reasons for it. I think we've ended up feeling very confident that it's a good way to segregate those funds so that they can be used with better intention and not just used for operations and to protect them to make sure that they are used to carry out the mission. Does that align with other people's understandings?

Barbara: Absolutely. And I think it started at a time when we were possibly thinking about being joining the organization.

Jeanie: Yeah, there were active conversations going on where we felt I was the only question I would have had is what was that about? But you just like I said, it's been as long as I've been on the board that's been a topic of conversation. Every from time to time it comes up in you know, either our funders

are telling us that were too small or other organizations or there's no conversations that the trend is for these health homes to manage all the services that small agencies like ours will continue. So you know, those have always been considerations. And even this last one where we really had a serious consideration, where I felt like it was the closest we've ever been to joining another organization. question was asked, flat out what's going to be left at the Haven? Basically, they we would have been part of that other organization, they would have had control over all our assets.

Rebecca: May I asked how long ago that last conversation was.

Jeanie: That was last year in 2021 and it was with Easter Seals Blake foundation.

Aimee: Do you see the table? Okay, good. All right. So, this is the roadmap that we started out with. Back in April, I think Barbara, you gave me the green light to go ahead and start with the team up application. And so Patti Caldwell has been working with us and this is a roadmap that she and I have been tracking as you as the board progresses and we're going through due diligence, and if anybody needs it, I can point you to the chat, the documents there for print out. And you've also for those of you who just joined you have had this in board packets for the last couple months. Okay. So where have you been? You have started on the due diligence and have really made some progress with that we've reviewed the funding streams at the Haven including contributions to the development of regular operations. Cynthia provided that at the regular board meeting back in May. We let's see. This is pending collets go for the development committee to do the same kind of board education around what does the Haven do around fund development activities, fundraising, the number of staff that are donors, that sort of thing to give you a baseline and then we've had all of these tasks completed. We've got two CPA opinions on economic interest test one from Will Conway's office and one from Jack Roberts office. They came in about the same week and we have provided the board with the foundational documents for the butterfly foundation. All have read those. And then we've had a panel presentation by Susie Huhn, Mark Clark and Brenda Goldsmith, who all have real life experience in the kind of relationship that the Haven board is setting up with the butterfly foundation. So we had several models presented to the board. And Julie spent a lot of time making sure that you all had that written transcript to reference as well as the Zoom recording, to go back and take a look at. Then last month, we had nonprofit tax lawyer from Ballard Spahr, her name is Kendis Muscheid, and then our longtime CPA Jack Roberts came and presented to the board and you have the questions for possible updated structure where the two of them outline options. If you choose a then what are the implications and what are the activities that need to happen in order to safeguard the Haven. So she gave us several options there to look at. And that leads us to where we are now. Today. At this juncture, we would be entering into finishing up the discussion about what path does the Board want to take with regard to the foundation or an LLC or using a community foundation or designated fund within the Haven's budget that can't be touched? There were options to choose from, that are outlined in that questions for possible choices. From there, then the task becomes really getting into the weeds that kind of the 1023 form Jeanie was what that form is touching upon a lot of these kinds of questions that this board needs to talk through in order to be all on the same understanding. So these include things like what are the primary roles for the Haven and the Butterfly Foundation? What are the scopes of work for the Haven proper and the Butterfly Foundation? And you can see the bulleted questions and I'm sure that more questions will arise but these are the big, big sections. How do we protect the funds from being subjected to any lawsuits and settlements? This all came from what Patti and I heard some of you when we met with Patti for the first time or to say that these were the concerns that the Haven board had initiated. Jeanie, we incorporated

your bullet pointed thoughts that you had sent out to the Haven board some time ago into this. And so that's where we are with priority number five, and then we move into Okay, so after we've talked about what the roles and how the structure is going to be between the two 501c3's, then what policies need to be adopted? So this goes back to what Kendis was stressing last month, about being very intentional about how the Haven board and now the Butterfly Foundation as a separate entity sets up the policies and the relationships while everyone is getting along. While there is good will around the table, and while there's historical memory of what the whole purpose was in the first place. So that's policies and then after that's waded through and decided upon, then you start moving into well okay, what are the first three to five year goals for the Haven Butterfly Foundation in relationship to the Haven. And then finally, once that setup, then you would typically pull the trigger and decide what assets real and cash that you wanted to turn over to the foundation. So you can see you've made a lot of progress in a pretty short period of time. And now you're at a big crossroad as a governing board so back to you Miss Barbara.

Barbara: Sorry I'm having trouble reading the fonts on here. I really honestly am a bit unsure of the answers to these questions and where we need to go. Let's say to me, the most important things are protecting the money from being used for things that we don't want to use for protecting us from lawsuits. But I really have you know, even having a legal background and reading some of the what Kendis and the other Christina I believe sent. I found difficult to really understand what the best path forward is. So I'm certainly willing, hoping that somebody would like to propose an answer to some of the questions.

Aimee: Susie Huhn, Mark Clark, Brenda Goldsmith, Kendis Muscheid and Jack Roberts all have offered themselves and their time to the board if you want to have any or all of them come back.

Barbara: I don't know if that would really be clear on any of these questions.

Jeanie: We're probably going to have to start and just discuss them one at a time.

Rebecca: Was this document sent in an email? I can't find it is in the chat.

Aimee: It's been in the board packets.

Tara: I think several of the questions that I've been asked could really be addressed by bites, heeding their suggestion of narrowing articles of incorporation. You know, focus in so that it doesn't say United States and make it more specific to what we need to do. I think that'll take care of a lot of the questions that are on the roadmap for, you know, not not the amount of money but that'll definitely protect our assets better if we are able to amend the Articles of Incorporation. And I don't know what kind of process that takes but that's the one thing that stood out to me.

Barbara: I agree with that. Totally. I thought we had talked a little bit about that. Actually.

Tara: We might have I had to leave the last meeting early. So forgive me. I'm not sure if you did.

Barbara: That's it's always good. I mean, I do think we've talked about that. It seems to be some agreement. I'm a little fuzzy today. So it's past you know, thanks.

Jeanie: I don't know if we need to have this conversation with with one of the attorneys. You know, there are always reasons for leaving that something broad because then it doesn't limit you. You know,

you can always dream up certain scenarios where you don't want to be limited by a narrow focus. I mean, say the Haven was acquired by El Rio which we would you know, say that happens and or maybe I should pick a different doesn't matter. And, and, you know, whatever down The Haven continues, but you know, but there is really like the foundation doesn't really have any, any way to support that population directly. Maybe we do want it to go to the unreal foundation. I mean, would that be possible to combine those foundations? And would we want that and why wouldn't you want that? You know, those are things we did kind of have to think about like, would that be okay with us? I guess in this scenario of El Rio, you could argue that that might be okay with us, you know, if we could, if that happened, but as long as Haven exists as a separate entity, and people are clear about the mission, I'm not sure that having a broad statement like that puts us in too much Jeopardy, but what how could it harm us by making it too narrow? I just think we have to discuss that as well.

Jacque: If there's a change in or incorporation into another organization, you know, I kind of foresee the real danger to be somehow a board who, if it's too broad or the foundation using the money for a source that doesn't benefit the Haven I don't think we can foresee every scenario.

Barbara: I don't know I'm a little less concerned. I think you're right that we can anticipate everything absolutely. In all the years that The Havens been in existence, has there ever been a board that tried to move it in, you know, not caring for the basic values? I'm a little more concerned about but I didn't know it. I know maybe that's because we have one pending right now although that one I'm not disappoint, particularly worried about but it certainly people get sued all the time. And we were once before and that was you know? Maybe priorities what we just sent out some and their steps and then you have serious questions and maybe those that's right out. I think those are pretty good. Like see how we feel about them? I don't know that. The first one is protected. Invest windfall we've received by the Haven think there's something in there too, that?

Aimee: You know, a recommendation that that seems to be prudent is that The Haven be able to appoint the board of the foundation. And so if for whatever reason, you know, playing the devil's advocate down the road, if The Haven lost control of appointing the board of the Foundation, and the Foundation decided to go in a different direction with The Haven you know, still be an important benefactor or, or or not, or would it become something that was partially controlled by The Haven. r people that are like minded with The Haven?

Jeanie: Yeah, I think in the document, it should say that the foundation supports The Haven so long as The Haven exists as a as an entity and in the case where it merges or is acquired with another agency that the foundation operates to its best, to the best of its ability to still support the mission of The Haven until such time where that viability doesn't exist and then The Haven founded the Butterfly Foundation can be wound down and combined with with another like minded organization, I don't know how to word that but I don't see why the Butterfly Foundation would continue for very long if The Haven was acquired by another agency, I don't know if that's imminent, if that will ever happen. Or you know, if it's just a contingency we need to put in there. You know, we've been talking about this, like I said, for as long as I've been on this board, and it hasn't happened, but that doesn't mean it couldn't happen next year.

Aimee: I think it's definitely worth putting in there like that Jeanie.

Rebecca: I have a question. So what's different outside of The Haven. If you look at this broad brush, the foundation purpose for applying for grant as long as it serves women and falls within the confines of that language.

Jeanie: They can apply for a grant but we don't really award. Do we have any plans to award grants? I don't think so.

Rebecca: Is there any legal liability if it's if it's like that, I'm just questioning? Is there any legal liability that something outside the Haven might ask for funds? Some entity?

Barbara: They can ask for anything they want you to ask them and I don't think yeah, I mean, we support that even so I don't think grant.

Rebecca: Yeah, but that's what I'm asking you about the language. I don't know.

Jeanie: There's no there's no requirement that you fund anything.

Rebecca: So then why not boil it down to that? Why not say the foundation purpose is The Haven.

Barbara: Because if The Haven is maybe taken over, maybe we don't. That's what I was thinking don't necessarily, you know, if we just want to fund The Haven, we don't even wouldn't even need a foundation and maybe not.

Jeanie: And I think that the language might have been drawn that way or first at our first pass. There was kind of an understanding that was not correct that the Butterfly Foundation needed to be somewhat independent from The Haven in order to have the liability protection, but we've since come to understand that that's not true. Okay, so that's, that's why it was written that way, but now that we've sort of modified the thinking a bit and understand that we can still achieve that and be a supporting organization and probably modify that language a little bit. You know, that'll be our next meeting with the attorney to work on that language.

Colette: Because I think Jeanie, originally, because there have been so many conversations with because of all the uncertainty in funding that we want. When we finally got sworn swash for first time. We were trying to protect that and that The Haven and change, we would have that those assets to be able to support what the Haven mission was, you know, give out scholarships or to you know, help women get the treatment. And that's my memory. Yeah, now that's changed so language can change.

Barbara: This, down here, one of these steps it's talking about it says eliminate the need for professional fundraising activity by The Haven. I'm really expecting that that's going to go to the foundation.

Jeanie: I don't think so. But I think over time, it might be more efficient to The Haven out there. We don't really have a step at The Haven for that. We don't have board members that do that. So it's a possibility. I don't think it's a requirement.

Barbara: Okay. I agree with that.

Jeanie: And that was actually, you know, somewhat influenced by the interest of Margaret to do public relations and development efforts, because she had some ideas around just working on development. So I don't think that we were trying to take anything away from what The Haven already does, other than, you know, just expand it and make it you know, the focus of one or two people.

Colette: We also got that larger organizations larger than ourselves, you know, they all have foundations, where they raise the money and that we might be able to get, you know, bigger donors if we had a foundation so it was really about bringing more money, you know, the quest and people leaving The Haven substantial amounts of money or donations. That was the thought process I remember.

Rebecca: Yeah. And the other thing, with people going through treatment, and getting their lives back together. Often they want to give back to an organization that helps them by experience working in the field. And this provides a benefit for that too, because they can make a contribution you know, some of these people don't really go out there and be really successful some way or another.

Jeanie: Yeah, and I think it'll help us do that. I mean, we aren't ready, but with ambition to be much more formalized and handle more professionally probably than we have in the past. I think overall, The Haven has evolved into a much more accessible agency and when it comes to things like that. We already we already get a lot of contributions like that from previous clients and their families.

Barbara: I guess one of my issues not really sure where we need to start. I mean, I know what we have done but question about how much we're prepared to build The Haven is an important one that we need to talk about it but we just don't.

Aimee: What's available?

Barbara: Well, we know what's sure I mean, we know how much we have. But we have to keep a certain amount.

Rebecca: You know some organizations do. I've been involved in that a few times where they, whatever comes in, there's a certain percentage that goes to the foundation that might be something to think about.

Jeanie: I think we need to get back to the form 1023. I mean, or do we need to back up? I mean, the questions are the questions that run Christina's laws list about the 1023 plans out there. And then the questions posed by there. In all of those needs to be answered before, I'm sure that we voted at one point forward with the foundation. We have formed it. We need to back up that far.

Rebecca: The critical list of what we need to do in order to be able to buy it?

Jeanie: There were some questions that we needed to answer with the attorney to complete the form 1023.

Barbara: They have done a lot on it. I mean, it was it was quite a bit of a done.

Rebecca: Do we have that in front of us or is that something we need to look at?

Jeanie: We do. the questions from Kendis we're about changing the bylaws. So the questions about from the attorney do we have that?

Barbara: I'm not sure if you do have it. I don't even think we had the we certainly didn't have the whole form. I mean they had that.

Aimee: There's an online directory form there was an email from Christina was on June 27. That has the folder that go out to went out to the Governance Committee. The people who were at the meeting myself, Barbara, etc.

Rebecca: Okay. So we don't have the questions. Can we see those questions? It's hard to get a sense of what the issues are without knowing what the questions are.

Aimee: And I also if I may interject, Kendis was the articles of incorporation from the bylaws so let's remind everybody about that you have questions in a form you could send them to me okay.

Jeanie: Will the foundation engage in fundraising activities for other organizations? If yes, describe the arrangements and include all the organizations in which you raise funds and attach copies of all contracts. So if we are engaging in finance for the Haven than we would have to say yes to that, and to say we may. We may engage in fundraising activities even as such plans are developed. We don't have any contracts or we don't need to provide them.

Aimee: Jeanie, would you mind giving me the date but the timestamp of the email that I'm looking for.

Jeanie: June 27 at 12:17pm.

Jeanie: Will you maintain separate accounts for any contributor under which the contributor has the right to advise us for distributions of funds? We typically that would be a donor restricted fund and we have had those in the past and I don't see any reason why we'd say no to that. I think we would answer yes to that. The next question is do you or will you make grants loans or other distributions to organizations? If yes, you must answer the next six questions. In all of these, I would say our intent, at least at the initiation of foundation is to only make grants distributions back to the Haven. But we don't want to say that we can't do it to any other organization because if the Haven were to be acquired by another organization, then we would have discretion want to have discretion on what happens to the foundation funds at that point, whether they see them as a subsidiary of another group where we find more we dissolve the foundation and foundation and existence and purpose and what option to look at for which we are putting into these questions so.

Aimee: I recommend the next meeting to determine the questions and proceed because it'll involve them. It just seems like we keep getting stuck on that going forward. Onto the next steps. I think that would be helpful. So the next steps would be to go back and talk about some of those things.

Jeanie: Well, I think you know, we can kind of sum up our conversation with this well, actually, we can answer that question of do we need to change the articles of incorporation or not? Without talking with the without having another conversation with Attorney where that takes us in terms of the policies that are in the roadmap.

Aimee: Two hours, which would mean I would come back to the committee and ask for an extension. I understand that they have done that on a case by case basis.

Jeanie: was on telling message that message until today so let's unite follow up and prioritize work on prioritizing over time and see what we can get from her or narrow down what questions we still really have to answer.