

5/19/10 Meeting

On the advice of the East Bay Community Foundation, Gerry Beemiller and Neil Davies met with Chris Sutherland of Sutherland-Edwards for an hour and a half at Boscos on 5/5/10. Chris currently consults to a number of very large philanthropic foundations but also provides services to smaller community foundations. She discussed some of the pros and cons of formation of a fund vs. a foundation. Her fees to facilitate a workshop for the community are prohibitive (\$5000). Her hourly rate is \$175/hr for consultation. Since then I've had discussions with Giles Miller regarding fees charged for the various types of funds. In addition I traveled to Crockett on May 11th and met with Jeanne Owens of the Crockett Community Foundation. Crockett gets restitution monies from a Co-generation plant and Unocal which will total about \$15M by 2025. It comes in roughly \$450K per year. The Crockett Community Foundation was of interest because the situation there has some parallels with Sunol:

Discussion of the different funds:

1. Crockett started out as an affiliate fund and morphed into an Agency fund. The Agency fund requires a 501(c) 3 and a board of directors. In this version of the fund, Crockett writes its own checks but oversight is still the responsibility of the EBCF. Fees are 1% per year and investment fees are the same. No set up fee. There are 7 to 13 on the Crockett board.
2. Donor Advised Fund. Setting up of a Donor Advised Fund (DAF) would be done under the umbrella of the East Bay Community Foundation. They would be responsible for meeting state and federal requirements. The minimum transaction amount is \$300. Fees are assessed at 1.25% per year and investment fees range from .2 - .75%. A group of Sunolians could function as "advisors" much like a board. A 501(c) 3 is required but no bylaws. Grant checks are written by the EBCF at the requests of the advisors. Ultimate authority lies with the EBCF. There is no set up fee.
3. The alternative is to continue on the path of formation of our own foundation. Costs will be doing our own tax return, some CPA/accounting fees, and making our own investments and grants.

Advice on community advisors (in the case of a DAF) or the board (in the case of an Agency fund or foundation):

Have 5 board members to start with:

- ◇ One from the advisory committee
- ◇ One from the school board
- ◇ Three elected from the community or membership (if we decide to have members)

Advice on relationship with the Advisory Committee:

Consultation with the Advisory committee could be simply done on an ad hoc basis. No need to codify this in governing documents other than a policy or procedure.

Suggestion:

Set up the Sunol Community Foundation as a DAF within EBCF. The 501(c) 3 articles are already created. This way compliance with the state and federal regulations are assured by the EBCF and we get created quickly. As time goes by we can also morph into an agency fund or even a foundation as required.

The above report was presented to the Committee during Comments from the Community because the Sunol Community Foundation yet again was not included in the Committee's agenda and therefore could not be discussed.