



APPROVED MINUTES
MEETING OF THE BOARD OF DIRECTORS
Greater LA Education Foundation

Thursday, May 14, 2020

A meeting of the Board of Directors of the Greater Los Angeles Education Foundation was held on Thursday, May 14, 2019 via Zoom video conference.

Present: Debra Duardo, Monte Perez, Gloria Rogers and Patricia Smith, Candace Bond McKeever
Absent: Capri Maddox
Others Present: John Garcia, Daisy Esqueda, Michele Biagioni, Matthew Jaffke, Steven Purcell, Kristina Romero, Tony Fukuhara, Armen Gregorian

CALL TO ORDER

Dr. Duardo called the meeting to order at 10:07 a.m. She acknowledged that the regularly scheduled meeting scheduled for April 13 had to be cancelled due to the current health crisis, so that meeting's agenda items were rolled into the May meeting.

Dr. Duardo asked to adjust the agenda order to allow for the Foundation's auditing firm, Quigley and Miron, to address item #5 (e) "990 Filing Status Update" immediately after item # 3 "Review and Approval of Minutes".

Ms. Gloria Rogers MOVED to accept to make recommended adjustment to the agenda. The motion was SECONDED by Ms. Candace Bond McKeever. All in favor, none opposed.

COMMUNICATIONS (PUBLIC COMMENTS)

None.

APPROVAL OF MINUTES

The Board reviewed the meeting minutes for the meeting of January 13, 2020.

990 FILING UPDATE

Ms. Smith shared that at the October 2019 board of directors meeting, the foundation's auditing firm, Quigley and Miron, presented draft copies of the audited financial statements for FY 2018-19.



At the January 2020 meeting, the board of directors reviewed a draft copy of the foundation's IRS 990 tax form. Subsequently, the auditor assigned to conduct the audit left the firm. A new auditor was assigned to finalize the audit and to prepare a revised 990 tax form. The new auditor determined some changes were necessary to both the audit report and the 990 tax form, and Grants Development staff has provided him the information he has requested and answers to his questions about the foundation's operations.

Ms. Pat Smith introduced Armen Gregorian and Tony Fukuhara of Quigley and Miron to review a draft copy of the 990 form and share additional comments with the board of directors regarding the audited financial statements and the 990 tax filing.

Mr. Gregorian shared that there have been new updates to accounting standards over the past year that have come into play to improve transparency and processes in nonprofit financial statements.

Mr. Gregorian went on to share that the organization's net income did not change, the only change was the stable liability. Overall income did not change as well.

One question came up when reviewing the 990 Schedule J, which requires information on the method used to determine CEO's salary. This information will be sent to Mr. Gregorian to be included in the Schedule J.

PRESIDENT'S REPORT

Dr. Garcia provided an update on Greater LA's COVID response efforts. Dr. Garcia shared the following updates:

- Raised over \$1.6 Million from philanthropic partners and individuals including (Ballmer Group, W.M. Keck Foundation, Amgen Foundation, Snap Foundation, CCF Response Fund, Wells Fargo)
- Partnered with the Governor's Office/CA Department of Education Closing the Digital Divide Task Force to receive devices for LA County districts
- Provided nearly 5,000 WiFi devices with connectivity to students in need
- Supported a partnership with LA County Department of Public Health, LACOE, and LA Mayors Fund to provide childcare/basic needs to essential workers (provided \$50k for emergency kits)
- Provided 2,500 books to our early childhood education partners
- Received \$25k from Best Buy to provide Garvey Unified teachers Geek Squad support



- Provided LACOE with additional capacity and training to support distance learning, college access, and mental health needs
- Partnered with SoCal Grantmakers to host a conversation with funders related to the current health crisis and its impact on schools and families

Dr. Garcia shared that the organization is transitioning to be more of a thought leader, which involves hosting webinars, putting out a series of blogs, and engaging with external partners.

Dr. Garcia followed with an update on the organization's fiscal sponsorship. Funds were raised through the fiscal sponsorship for COVID response efforts as well as traditional programs (i.e., Community Schools, research project on LACOE's Road to Success Academy). Greater LA will begin to think about its fundraising efforts and how they will have to shift in light of the pandemic.

Ms. McKeever raised a concern that wealthy donor types are unsure how they can help underserved students and ensure there is equity in learning. She recommended GLA develop a marketing one-pager with contact information that can be easily shared to give direction to those that want to help out.

Dr. Garcia shared that Greater LA is consulting with Deidre Lind to do outreach and partnering with groups like Southern CA Grantmakers that promote funds. He highlighted that there are different types of focus areas of the funds so there is a bit of competition.

Dr. Garcia asked for support from the Board to connect Greater LA to any leads they may have.

Ms. Rogers asked if any districts have contacted Greater LA or LACOE to say they have a donor but don't know how to go about it. Are districts doing their own outreach to donors?

Dr. Duardo shared that contact from districts have been for individual support, devices, etc. Greater LA and LACOE made sure distribution of devices was equitable.

Lastly, Dr. Garcia shared that Greater LA is in the midst of hiring a Director of Development and External Engagement to focus on development strategy, donor/partnership cultivation, donor/partnership management, and internal collaboration.

Timeline for hiring

- Review Apps: Mid-Apr to Mid-May



- Interviews: Late May - Early June
- Offer Made: Mid-Jun
- Start Date: Early July

FINANCE

ACCEPTANCE OF FUNDS

Dr. Duardo invited Ms. Smith to review the Acceptance of Funds for the period of January 1 through March 31, 2020. For the third quarter of 2019-2020, the Acceptance of Funds includes funds donated to the Foundation and managed outside the CCF fiscal sponsorship.

It was **MOVED** to approve the Acceptance of Funds by Ms. McKeever; **SECONDED** by Ms. Rogers. All in favor; none opposed.

STATEMENT OF ACTIVITIES AND STATEMENT OF FINANCIAL POSITION

Ms. Smith went on to present the Statement of Activities and Statement of Financial Position. During the first quarter, LACOE's Grants Development team reached out to LACOE programs with fund balances to encourage them to use unspent funds. Efforts have focused particularly on programs that have not shown much activity over the last year or longer. Some have been discontinued, while other programs have committed to finding ways to spend down their fund balance.

The Statement of Financial Position includes transactions reported and recorded through March 31. Grant funds that have been spent directly from the Fiscal Sponsorship fund do not appear in the Foundation's QuickBooks system.

Greater LA and LACOE staff have discussed how to consolidate financial reports that represent two sets of books (QuickBooks and CCF Fiscal Sponsorship Fund) and have not been able to determine how best to do this, in part because of the potential ramifications to annual audits and tax filings. Therefore, Greater LA has decided to transition all bookkeeping services to a professional bookkeeping agency. Greater LA staff has been reviewing qualifications and pricing of professional bookkeeping services and intend to select a firm by June 30.

It was **MOVED** to approve the Third Quarter Statement of Activities and Financial Position by Ms. McKeever; **SECONDED** by Ms. Rogers. All in favor; none opposed.

Ms. Rogers asked if Greater LA had looked into applying for PPP.



Dr. Garcia shared that Greater LA did look into applying for PPP and had a conversation with Ms. Smith about it. The Greater LA team had heard from nonprofits that they had been having trouble financially so Greater LA looked at its own financial situation and determined that the organization has enough support for a year and a half. Ultimately, the team decided against applying considering how great the need is for other organizations.

BUDGET VS. ACTUALS

Ms. Smith went on to review the Budget versus Actual report (Attachment D) report which reflects transactions recorded at end of the Third Quarter. More expenditures are expected to be reflected in the last quarter of the fiscal year with the addition of Foundation staff; payments due on various LACOE events and programs; and Greater LA start-up/expansion costs.

Ms. Smith reiterated that this report reflects activity in the Legacy Funds and the use of two Hopewell grants in the CCF Fiscal sponsorship fund that are designated for the foundation's salaries and operational costs.

INTERNAL CONTROLS

Ms. Smith moved the discussion along internal controls. She shared that the Greater LA team is outsourcing accounting and bookkeeping. She reminded that group that Greater LA's internal Controls will need to be revised to incorporate Foundation staff roles and responsibilities, separation of duties, integration of the external bookkeeping/accounting firm, and reporting to the Board. The current Internal Controls were developed when LACOE's Grants Development unit provided all Foundation staff functions. The continued role of LACOE's Grants Development team is being reviewed to adapt to the changes at the Foundation. LACOE will work with the Foundation on relevant Internal Controls affecting Legacy Funds at the Foundation.

In addition to revising sections to reflect duties reassigned to the Foundation President, Ms. Smith shared that changes must be made to address credit card usage, online banking, and online donations.

AUDIT COMMITTEE



The last item Ms. Smith addressed was the establishment of an audit committee. Ms. Smith shared that with increased income for the Foundation, the Board must determine if the threshold meets Audit Committee requirements.

Ms. McKeever stated that it was time to establish an audit committee as the organization continues to get donations. Dr. Perez agreed that a sub-committee was needed and one should be constituted.

ESTABLISHING COMMITTEES

EXECUTIVE COMMITTEE

Dr. Duardo shared that the bylaws state that “the Board may appoint one or more committees, each consisting of two or more Directors, and delegate to such committees any of the authority of the Board with exceptions.”

More specifically, the revised bylaws include a section on the role of an Executive Committee:

Section 2. Executive Committee. The Board by resolution shall create an Executive Committee, consisting of no more than three (3) voting members, one of whom shall be the Superintendent or her designee. The other two voting members shall be appointed by the Board. The Executive Committee shall have such powers and duties, not inconsistent with subsection (1) hereof or any existing delegation of powers to a committee of Directors, as may be provided in the resolution creating such committee as initially adopted or as thereafter supplemented or amended by further resolution adopted by similar vote. Additionally, the Executive Committee will have and may exercise when the Board is not in session all Board powers in the management of the Foundation’s business and affairs other than the powers listed in subsection (1) hereof; provided, however, that all actions of the Executive Committee will be presented at the next Board meeting.

In simpler terms, an Executive Committee can convene and make timely decisions in the best interest of the foundation. The role of an executive committee, as of all committees, is to help the board accomplish its work in the most efficient way.

The Executive Committee’s main purpose is to facilitate decision making between board meetings or in urgent and crisis circumstances, not unlike what we are experiencing now.



As the group thinks about growing the Greater LA board, Dr. Duardo shared that it is in the best interest of Greater LA to establish an Executive Committee. The creation of an Executive Committee would help Greater LA staff operationalize the functions of the Foundation.

Ms. Rogers asked how many members would sit on the Executive Committee. Mr. Jaffke shared that the Executive Committee should consist of no more than 3 voting members including the Superintendent of her designee.

Dr. Garcia shared that the Executive Committee would look at the President's performance and compensation.

It was **MOVED** to establish the Executive Committee by Ms. McKeever; **SECONDED** by Ms. Rogers. All in favor; none opposed.

Dr. Duardo opened the floor for nominations for Executive Committee members. She reminded the group that, per the bylaws, she or her designee must be on the committee and there cannot be more than three voting board members on the committee. Therefore, two board members need to be nominated to the committee.

Ms. McKeever **NOMINATED** Dr. Perez. Ms. Rogers **SECONDED** the nomination. Dr. Perez **ACCEPTED**.

Dr. Duardo **NOMINATED** Ms. McKeever. Ms. Rogers **SECONDED** the nomination. Ms. McKeever **ACCEPTED**.

BOARD DEVELOPMENT COMMITTEE

Dr. Duardo moved to the next item on the agenda – the establishment of a Board Development Committee. Dr. Duardo shared that, as the Bylaws state, “The Board by resolution may create a Board Development Committee. The primary responsibilities of the Board Development Committee are to identify, recruit, and nominate persons to serve as members and officers of the board and to provide development opportunities for board membership.”

This ad-hoc committee will meet monthly and will be tasked with identifying the skills and experience the Greater LA Board needs, as well as identify and recruit new board members.

Dr. Garcia shared that the committee would be tasked with identifying 1-2 new board members.



It was **MOVED** to establish the Executive Committee by Dr. Perez; **SECONDED** by Ms. McKeever. All in favor; none opposed.

Dr. Duardo opened the floor for nominations for the Board Development Committee members.

Ms. McKeever **NOMINATED** Ms. Capri Maddox. Dr. Garcia will follow up with Ms. Maddox to let her know she was nominated.

Dr. Duardo **NOMINATED** Ms. Rogers. Dr. Perez **SECONDED** the nomination. Ms. Rogers **ACCEPTED**.

OTHER BUSINESS

BOARD MEMBER RESIGNATION

Dr. Duardo addressed the resignation of Dr. Escalante. She shared that Dr. Escalante submitted his resignation letter in February.

Dr. Duardo thanked Dr. Escalante for his commitment to the Foundation.

LACOE IN-KIND SUPPORT TO GREATER LA FOR 2020-21

Dr. Duardo shared that, currently, LACOE provides the following in-kind support to the Foundation:

- Rent
- Telephone
- Office Supplies
- Equipment Rental

LACOE is in the process of determining its in-kind contribution to Greater LA for 2020-21.

Dr. Garcia shared that part of Greater LA's intent is for foundation to grow to an independent level of autonomy where the organization can support itself. Rent is biggest chunk of support LACOE provides. Given the current pandemic, it might be 6-12 months to figure out how foundations will be impacted, so Dr. Garcia shared that it may be best for Greater LA to continue to stay at LACOE for at least 6 months. He went on to explain that Greater LA will eventually need some separation to be independent and let go of the Brown Act requirements.



Greater LA has reevaluated its budget and is currently waiting on LACOE's budget to reassess.

PROPOSAL FOR SHIFTING GRANTS DEVELOPMENT TEAM RESPONSIBILITIES TO GREATER LA

Dr. Purcell provided an overview of the proposal to shift some responsibilities of the grant management team to Greater LA.

Dr. Purcell shared that Greater LA sees some of the work moving over but we do realize there are certain areas Greater LA will have to continue to work with the Grants Development team (i.e., employee contributions, identifying conflicts when LACOE departments are applying for grants, etc.)

BOARD MEETING CALENDAR

Dr. Duardo updated the Board regarding the revised meeting calendar. She shared that the next scheduled meeting is Thursday, August 6th at 10:00 AM. The location of the meeting will be determined as the date approaches and in accordance with LA County's COVID-19 regulations, but will most likely be remote.

ADJOURNMENT

It was **MOVED** to adjourn at 11:06 a.m. by Ms. McKeever; **SECONDED** by Dr. Perez. All in favor; none opposed.