



## SAME Foundation Board Meeting Minutes January 30, 2020

### **Opening**

The Board meeting was set for two parts, with the morning session focusing on the “closing” of the “old board” and the transition to the “new board” chaired by John Mogge. The afternoon session focused on the direction of the “new board,” and was chaired by Hal Rosen as the successor Chair.

John Mogge opened the morning session at 09:00 January 30, 2020 and gave opening remarks. This was John’s final meeting as Board Chair. He thanked the other outgoing board members (Julie Fisher, Bud Griffis, Mike Loose, Bob Van Antwerp and Roger Wozny), welcomed new board members (Suzanne DiGeronimo, Dave Nash, Bob Schlesinger and Susan Thames), and thanked Hal Rosen and Tony Leketa for taking on the new leadership and also thanked Gary Engle for continuing as the Foundation investment committee chair in collaboration with the investment committee of the Society. John also welcomed as guests the current national Society President, Buddy Barnes, and the in-coming in May Society national President, Heather Wishart-Smith.

John commented upon his 3-year term as Chair that included the development of the policies (investment, stewardship, post funds) and processes (compelling purpose and internal communications) developed by the Board, without which the Foundation could not operate in furtherance of its intended purposes. He thanked individually each Board member that chaired and supported those efforts. John informed further that with these things in place and with the initial fundraising drive, the Foundation could now proceed in “regular order,” shifting its focus to concentrate on fundraising and the building of the Foundation and its philanthropic purposes.

### **Foundation History**

Joe Schroedel, Society and Foundation Executive Director and Hal Rosen next presented some history of the Foundation particularly for the benefit of the new Board members. It was explained that the Founding Board that consisted of Del Eulberg, Bud Griffis, Mike Loose, Bob Van Antwerp and Roger Wozny, dealt in 2016 with the foundational structure of the Foundation including such things as setting the “fit” of the Foundation with the Society, establishing bylaws, determining place of incorporation, and making necessary filings with governmental authorities (including the Internal Revenue Service filing to gain 501(c)(3) status).

As set up, the Board was reminded that the Foundation is a support organization within the meaning of IRS regulations designed to “support” the Society, its mission and its strategic plan. As such, the Foundation’s strategic plan is embedded within the Society’s strategic plan. The purpose of the Foundation is to serve as the philanthropic arm of the Society. Hal Rosen pointed out that the Society and the Foundation are autonomous and could be considered “separate but equal” organizations with slight checks and balances.

### **Compelling Purpose and Internal Communications**

John then led discussion about the compelling purpose of the Foundation and the responsibilities of the Board members to the donors. This was followed with some discussion, led by Gene Lupia, about

the different types of gifts the Foundation may receive, including restricted and unrestricted donations, the restrictions of which must be honored, yet at the same time be in furtherance of the Foundation's compelling purpose. The Leader Development Program ("LDP") was pointed out as a key example of an important Foundation investment. Gary Engle further reminded all that the Foundation "deliverables" must be in furtherance of the compelling need. The suggestion was made by Suzanne DiGeronimo to "prioritize" the list of deliverables included in the compelling need report/statement.

### **Governance Update**

John Mogge then led discussion about what it will take to move the Foundation forward with "regular order." He also emphasized the importance of maintaining transparency. The gist of the discussion was that all Foundation Board meeting minutes and founding documents and developed policies and procedures are available on the Society website and should continue.

In order to create openings on the Board for new Board members, six Board members (listed above) completed their 3-year terms and were leaving the Board. Julie Fisher reminded everyone of her earlier May 7th, 2019 announcement that her Board term would be ending as of December 31, 2019, not certain that this was fully recognized. With the limited Board size, she explained her reasoning was to give other Society leaders an opportunity to serve on the Foundation Board. In addition to Julie, some vacating Board members offered to provide continuing limited service as volunteers to assist the Board.

On the governance subject, in addition to the already elected President and Vice-President positions, to complete the officer positions, John Peabody was unanimously elected as Foundation Treasurer. On this position, it was discussed that a position description for Treasurer must be developed. Joe Schroedel offered that the starting point for the development of the position description would be with the staff accounting department, with consideration being given to the current role of the national Society Treasurer. The position description will be developed in conjunction with John Peabody and then presented to the Board for discussion.

The election of Secretary of the Foundation was also completed. Tim Byers offered to take this on and was unanimously elected Secretary. It was decided that this position too warranted a position description, which it was agreed will also be initially drafted by Society staff and then presented to the Board for discussion.

### **Finance Update**

Will Hoffman, Society staff Senior Accountant, reported that the Foundation's books for 2019 had not been closed. He reported that the projected net income for the year looked to be closing at \$137K. Will reported on the expenses, including the costs of underwriting the LDP (Leader Development Program) and the STEM camps. Exact numbers will be reported once the Society completes its end-of-year accounting.

Will reported that the annual drive fundraiser that kicked off in June 2019 had received \$164K. Hal stated that the fundraiser was significantly more successful than the consultant, Impact Communications, had expected. Donations are still being received. (The then-latest donation was received from John Mogge and his wife the evening before the Board meeting; additional donations have come in since including a couple \$1000 donations.)

The subject of establishing a budget was also discussed. Joe Schroedel presented a pro forma budget for 2020 that contemplated Foundation financial support for various programs. The subject was tabled for further discussion at the next Board meeting.

There was limited discussion of the fact that the E&M Fund that had earlier been transferred from the Society to the Foundation contained restricted funds that could not be spent. For multiple years, the Society and its Academy of Fellows represented to sustaining member firms that a percentage of the “cost” of buying tables for the Golden Eagle Dinner would be held in perpetuity in the E&M Fund, thus restricting that portion of funds. The Foundation is holding approximately \$274K in such restricted funds and is honoring the restrictions as required.

Gene Lupia made the point that there would have to be good financial reporting about donations particularly with regard to restricted donations. Hal made the point that sound financial reporting would be key to successful stewardship and communication with donors. The honoring of all restrictions is an absolute necessity; not honoring restrictions, whether by oversight or otherwise, could cause the Foundation to lose its 501(c)(3) designation.

Suzanne DiGeronimo explained that the New York City Post scholarship fund provides scholarships only from earnings and that the corpus of the fund is retained as endowment. Gene Lupia reminded the Board that the Foundation will be obligated to communicate to donors what the Foundation spends on operations versus programs and on the growth of the endowment.

John Mogge explained that the urgency of fundraising is to be able to accommodate new programming support without impacting the corpus.

Gary Engle then led discussion about the post funds that had been placed in the hands of the Foundation for management. Will Hoffman reported that the Foundation is currently hosting funds for six posts. He also reported that no Post has taken a withdrawal. Will Hoffman explained that the post funds managed by the Foundation remain as post funds on the books and records and, as such, are not included in the financials as Foundation funds. Gary reported the excellent returns that were being generated on behalf of the posts.

John Mogge reminded all that when we talk about the Foundation to others, we should talk about the service we provide to the posts. The Foundation advances post needs, giving them more resources to put towards scholarships or other forms of impact.

Dave Nash asked about how the holding of post funds helps the Foundation. John Mogge explained that the benefit to the posts in having the Foundation invest post funds is two-fold. It removes the investment and accounting burden from the posts, and it can reduce overall costs and fees to investment advisors. Mike Loose added that this can give the posts more resources. The larger the corpus invested, the lower the fees for everyone.

Joe Schroedel reminded the Board members that the posts collectively hold about \$20 million in scholarship funds. The Foundation can help posts not resourced enough to manage those funds.

Administrative fees reduce the larger the investment fund becomes. Suzanne added that the Foundation can capitalize from messaging about the support it gives to the posts.

### **Investment Committee Update**

Gary Engle, Chair of the Foundation Investment Committee, briefed the Board on the rates of return to the Foundation and to the individual posts. For new Board members, he explained that the Society and the Foundation have a joint investment committee. Two separate investment advisors are engaged, with the Foundation using one. Both the Society and the Foundation are satisfied with the process and results.

In response to a question raised at the previous Board meeting about how the Investment Policy accommodates sudden “catastrophic” type events that require prompt portfolio decision making, Gary reported that he had been working with the investment advisor to develop a proposed addition to the Investment Policy that would require in such conditions prompt communication from the investment advisor to both Gary and the Board Chair so that the Board could call for an emergency Board meeting and/or briefing if needed. Gary presented the draft addition to the Investment Policy (See attachment 2). On motion by Dave Nash and a second by Tim Byers, the proposal was voted upon in the afternoon session and unanimously approved. John Mogge added that our ability to anticipate market conditions could only add to donor confidence in the Foundation.

Next, Joe Schroedel explained to the Board the proposed relocation of the national Society offices and a possible sale of the Society’s Century House office building. Joe also explained his preference that proceeds from such a sale be placed with the Foundation and that he was promoting that idea with the Society leadership. He also explained that such a sale would be income tax free. Suzanne suggested we will need a thorough conversation about how the Foundation should deal with funds held by the Foundation related to the sale of the building.

### **LDP Update**

Angie Goral has chaired the Foundation committee overseeing the Leader Development Program that is underwritten financially by the Foundation. Angie reported that the current LDP class was to the point of working on and completing their closing team projects. Each member of the class was asked to undertake a project that would benefit the Society. They could work alone or in groups. Eleven of the 17 members of the LDP class joined together to develop an application (“app”) that would improve the summer STEM camps. Angie reported that the benefits in administration, communications and management of the camps are clear and that we are already seeing how this program will contribute.

Susan Thames reported that the program was received well and is robust. Susan served as the mentor coordinator and reported that the mentors helped keep everyone motivated. She invited Board members to volunteer as mentors for the upcoming second LDP class.

John Mogge challenged all Board members to get to know the LDP class individuals and to connect with the participants. Foundation Board members could serve as either instructors or as mentors for the LDP (as well as any Society Fellow). Joe Schroedel added that with the mix of civilians and active duty military in the LDP class, this first program has brought about leadership development to both the military and civilian sectors.

### **Bylaws Revisions**

Hal Rosen reviewed the bylaws changes much of which had already been approved by the Foundation Board and remain to be approved by the Society Board. The changes involve extending the Board term from 2 to 3 years. This in turn extended the term of the officers to 3 years as well. A few added changes were proposed to align the roles of the Vice President and the Chair of the Investment Committee and also to more accurately describe the functions of the Executive Director (See attachment 3). Hal went through the track changes for the Board. Mike Loose proposed one further change that was approved (also reflected in attachment 3). The full set of changes was approved by the Board for presentation to the Society Executive Committee and Board of Direction.

There was discussion about why it is that changes to Foundation bylaws need to be approved by the Society Board. The answer provided by a number of the Board members is that while the Foundation is an autonomous entity conducting all Foundation business, the Foundation as a support organization is tied to the Society, and, secondly, that this was one of the checks and balances between the Society and the Foundation inserted into the bylaws intentionally to assure coordinated effort by Society and Foundation.

### **Marketing Committee Update**

Jane Penny has chaired the marketing committee for the Foundation. She commented that the marketing committee must link with investment, stewardship and communications committees as the Foundation moves forward with fundraising. She proposed the idea of combining the communications and marketing efforts into one Foundation committee.

Jane and her group contributed to the development of the “flyer” that was used to communicate to Society membership the “message” for the fundraiser that was part of the initial annual fund effort that commenced this past June. She reported that the next step is to prepare a similar “message” for a planned giving campaign by will. Her group will also coordinate marketing materials for a second annual fundraiser that will get underway following JETC.

### **Stewardship Committee Update**

Gene Lupia led the stewardship group through multiple drafts of a Stewardship Policy which the Board earlier agreed to adopt with the understanding that improvements and changes would be later made as the needs became apparent. Gene reported that the group will likely propose to the Board some changes to the Stewardship Policy in the third quarter of 2020. Gene further informed that “best” stewardship includes “thanking donors” and that this rests upon all members of the Board.

Gene reminded the Board that donors often look to available public information, such as Charity Navigator or Guide Star to gauge the cost effectiveness and value of charitable organizations. He reminded the Board that it must remain alert to this or we will lose prospective donors.

### **Internal Communications Update**

Roger Wozny has chaired the effort to communicate the Foundation’s efforts internally within the Society, particularly to the Society posts. His Power Points have been very effective in achieving the purpose. Roger reported that those efforts need to continue. He advised that he will provide updates to the slides as the Board requests. (Note this is currently awaiting consensus on the release of a revised organization chart; the chart is one of the slides.)

## **Lunch Break**

That closed out the morning session of the Board meeting. It was followed by a working lunch. The afternoon Board session began approximately 13:30, now chaired by Hal Rosen. Those Board members that were in attendance earlier but were departing from the Board were invited and chose to remain for some continuing portions of the Board meeting.

## **Society-Foundation Guidance**

Buddy Barnes, as Society President and on behalf of himself and the incoming President, Heather Wishart-Smith, provided the Foundation with a written “letter of intent” setting forth the means of dialogue and operation between the Society and the Foundation. (See attachment 4). Buddy explained the new Society Strategic Plan 2025 and the Foundation’s fit into that plan. He further explained that the national Leader Development Program currently being supported by the Foundation should remain a cornerstone of the Foundation’s efforts in the years ahead and that the graduations from the Program at JETCs should be a showcase from which to promote recognition of the Foundation both within SAME and outside the Society. The continuing support of the SAME STEM camps too are another cornerstone. Emphasis now is being placed on growing the Foundation corpus thru effective large-scale fundraising. In closing, the guidance confirms “the significant *impact* the SAME Foundation will have on the Society’s legacy of fostering quality leaders for our nation, our profession and SAME.”

Discussion followed about the role of the Society vis-à-vis the compelling focus of the Foundation. The consensus was that the Society would present to the Foundation its needs from the Foundation centered on the compelling purpose of the Foundation –developing engineering leadership for the nation. It would then be to the Foundation to decide if Society “wants” meet the Foundation compelling purpose.

## **Fundraising Focus**

Hal Rosen led off discussion of the focus on fundraising to include a repeat of the earlier annual fund drive from membership, a planned giving campaign, and a corporate fundraising effort including internal and external (to SAME) companies. Hal used a revised draft of the Foundation org chart to reflect these efforts, explaining that fundraising would entail (1) getting educated about ways and means, (2) followed by campaign planning and then (3) followed by implementation of the fundraising plans. All Board members were asked to participate in some form or fashion with fundraising.

There followed discussion about whether fundraising would/should “target” SAME internally, both toward individual members and sustaining members. John Mogge explained the rationale earlier that fundraising efforts toward SAME internally were purposely limited because of concerns about impact on memberships and also economic conditions. The Foundation did undertake the membership annual fund drive largely to “test” the Foundation messaging and capabilities and to get some fundraising underway to meet already committed funding while preserving existing corpus (which was in fact achieved).

Some discussion also ensued about a fundraising goal for budgeting purposes. This topic was tabled until more focus is given on fundraising planning.

### **Corporate Fundraising Presentation**

To kick off corporate fundraising thinking, Hal invited two representatives from the development department of a major 501(c)(3) private art museum (Phillips Collection, Washington, DC) to present guidance to the Board on the fundamentals of corporate fundraising. These individuals presented as volunteers to the Foundation to share “lessons learned” over their years of experience. Because some Board members were not in attendance, this part of the meeting was recorded by Eddie and is available for anyone wishing to “rehear” or hear this presentation and discussion.

Hal introduced Karen Bassiri, director of corporate fundraising at Phillips. Her lengthy resume includes fundraising on behalf the Viet Nam War Memorial and the National Law Enforcement Officers Memorial Fund. Ms. Bassiri opened by explaining that the fundraising process includes (1) identifying donor prospects, (2) cultivating those prospects, (3) securing gifts, (4) stewardship of those gifts, and (5) laying groundwork for continued support. She stated the preference for identifying prospects from known individuals or companies and individuals with companies rather than “cold-calling.” According to Ms. Bassiri, “it is all about relationships.” She explained that different corporations have different motivations in giving and that we will need to understand the corporate motivations. She suggested we could contact our own individual donors to ask if they can suggest or lead to corporate donors. She also suggested we could research donors to other organizations that support the same purposes as the Foundation and reach out to their donor bases and that we could even then cross-reference donors. She expressed the belief that the focuses of the Society and Foundation on STEM and leadership and veteran transition are well received programs. She also told us that acquiring large gifts will require patience and great cultivation.

Dave Nash opened a question and answer period by asking Ms. Bassiri if she thought the Foundation should hire someone with fundraising experience to help the Foundation break into successful fundraising. The response was that the Foundation should have its own staff member, which would provide greater impact than hiring consultants. As she explained, a staff member would provide institutional knowledge, always a benefit, and would coordinate with other staff essential to the fundraising. In response to a follow-on question about cost, she offered that the Foundation should be able to hire in the range of \$75-100K. She further suggested that our requirements should be kept general. From this dialogue, there was a consensus, perhaps unanimous, that the Foundation should have a staff “development manager.” Joe Schroedel offered that the Society could support that hire financially. Ms. Bassiri suggested that the Foundation could post the availability of the position with the Association of Fundraising Professionals and the Chronicles of Philanthropy and American Society of Association Executives. She also offered to review a short-list of candidates for us.

Ms. Bassiri was thanked with the presentation of a framed Certificate of Appreciation from the Society.

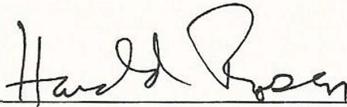
### **New Business**

The question had previously been raised by Tony Leketa regarding the number of Board meetings. It was the unanimous consent of the Board to schedule four Board meetings annually to be held in conjunction with the Society’s Capital Week, JETC, Post Leaders Workshop and Small Business Conference. In addition, it was understood that additional meetings could be called by telephone if and as needed.

Another issue raised by Heather Wishart-Smith was whether the “promised” benefits to donors advertised with the annual fundraiser were being met. Eddie Gonzalez agreed to follow thru with this. It is expected that catch up is needed and that promised benefits not already bestowed would be provided during JETC2020.

There being no further business, the meeting was adjourned at 16:03.

Date: 24 March 2020

  
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Hal Rosen/Tim Byers

Attachments:

1. Meeting Agenda with “action tracker” (without other enclosures)
2. Approved addition to Investment Policy (to address “catastrophic” market changes)
3. Approved bylaw changes (redline) to be presented to Society XC and Board
4. FY2020 Society/Foundation Guidance dated Jan 30, 2020



# SAME Foundation Board Meeting Agenda

January 29-30, 2020

SAME National Office, Alexandria, VA

ATTACHMENT 1

## Foundation Board

Invited		
Tim Byers	Gary Engle	Julie Fisher (vacating)
Angie Goral*	Bud Griffis (vacating)	Tony Leketa* (present on 1/29)
Mike Loose (vacating)	Gene Lupia	John Mogge (vacating)
John Peabody	Jane Penny	Hal Rosen
Joe Schroedel**	Bob Van Antwerp (vacating, not attending)	Roger Wozny (vacating)*
Susan Thames	Suzanne DiGeronimo	Dave Nash
Bob Schlesinger*		
Heather Wishart-Smith**	Buddy Barnes**	Eddie Gonzalez (staff)**

\*Call-in

\*\*Non-voting

### GoToMeeting Details

To view the presentations: <https://global.gotomeeting.com/join/276517413>

To hear the audio:

United States (Toll Free): [1 877 568 4106](tel:18775684106)

United States: [1 \(571\) 317-3129](tel:15713173129)

Access Code: 276-517-413

### Handouts:

- Reference Guide
- Roster
- Draft Budget
- Org Chart

### BOARD TRANSITION DINNER AGENDA

Wednesday, January 29, 2020

TIME	AGENDA ITEM	Discussion Leader or Briefer
1830-2030	Cocktails/Dinner (at Century House)	John Mogge

### BOARD TRANSITION AGENDA

Thursday, January 30, 2020

TIME	MORNING AGENDA	Discussion Leader or Briefer
0800	Breakfast	N/A
0900	a. Board Call to Order b. Pledge of Allegiance	John Mogge
0905	Welcome a. Introductions	John Mogge

	b. Welcome Incoming BD Members c. Goals for the Day (Morning and Afternoon)	
0915	Foundation History	Hal Rosen and Joe Schroedel
0925	Compelling Purpose and Foundation Policies	John Mogge
0945	Society/Foundation Communications SOP	Buddy Barnes
1000	Governance Update	John Mogge
1015	Finance Update a. Post Funds Policy Review b. 2019 Fundraising Results c. Preliminary Budget (pass out draft)	Will Hoffman
1045	Investment Committee Update a. Investment Policy Review b. Changes to Policy	Gary Engle
1100	LDP Update	Angie Goral
1115	Centennial Update & Questions	Tony Leketa
1130	Revised Bylaws Update	Hal Rosen
1145	Marketing Committee Update	Jane Penny
1200	Stewardship Update	Gene Lupia/Julie Fisher
1215	Internal Outreach Update	Roger Wozny
<b>1230</b>	<b>Working Lunch</b> Pair Ups on Key Transitions: <ul style="list-style-type: none"> <li>• John to Hal</li> <li>• Gary to Tony</li> <li>• Gene and Stewardship Team</li> <li>• Jane and Marketing Team</li> </ul> Recognize Outgoing BD Members	John Mogge  Buddy Barnes/John Mogge
1330	Outgoing BD invited to remain as guests or depart	Buddy Barnes

#### AFTERNOON AGENDA

1330	Board Call to Order – Quorum Established	New BOD President
1335	Foundation Guidance from Society	Buddy Barnes
1350	New Board President Introduction (Committees, Officers, Focuses)	New BOD President
1400	Fundraising Strategy Outline <ol style="list-style-type: none"> <li>1. Annual Giving</li> <li>2. Planned Giving</li> <li>3. Corporate Giving</li> <li>4. Centennial Campaign/Endowment</li> </ol>	New BOD President
1420	Guest Speaker “Basics of Corporate Fundraising”	New BOD President
1500	Discussion-Corporate Fundraising and Centennial Campaign	New BOD President
1530	Discussion-Planned Giving Campaign	New BOD President
1540	Discussion-Annual Member Giving Campaigns	New BOD President
1550	Review of Action Assignments	Eddie Gonzalez
1600	Adjourn	New BOD President

## Action Tracker

Meeting	Action	Responsible	Estimated Completion
Mar 11, 2019	Develop external fundraising flyer/communication piece based on the internal piece – produced internally.	Jane	JETC 2020
Mar 11, 2019	JETC 2020 – consider how LDP class will present their experience to FDN BOD. LDP TF to provide assessment of program to Foundation.	Eddie	First draft completed. Planning ongoing.
Nov. 20, 2019	Establish a Foundation budget with expenses and fundraising targets	Board	Ongoing
Nov. 20, 2019	Aggregate fundraising ideas/options into a single fundraising plan.	Hal; Board	Ongoing
Nov. 20, 2019	Add a Foundation briefing to a future RVP call. Arrange with Mark Handley.	Eddie; Jill; Hal	TBD
Jan 30, 2020	Include the purpose statement and update Internal Communications slides.	Roger; Hal	JETC
Jan 30, 2020	Distribute current LDP contact information, bios, and project descriptions to the Board. Provide contact information for new class when selected	Eddie	CapWeek
Jan 30, 2020	Draft Develop Manager position description	Eddie; Hal; Joe	CapWeek
Jan 30, 2020	Draft position descriptions for Treasurer and Secretary	Eddie; Will; Hal; Joe	CapWeek

in the Investment Advisor's economic outlook, perceived market risks, or other relevant factors that could affect invested assets.

- 11) Meet with the Investment Committee quarterly to review portfolio structure, strategy and investment performance.
- 12) In the event of an unforeseen event with the potential to materially impact the Foundation investments in a negative way, the Investment Advisor shall immediately contact the Chair of the SAME Investment Committee and the Foundation Investment Chair to discuss what actions may need to be taken by the Investment Managers. These two Investment Committee leaders have the responsibility to immediately alert the SAME and Foundation leadership on the courses of action being taken in such occurrences.

#### **E. Investment Managers**

Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, and constraints as outlined in this Policy. Specific responsibilities of the Investment Manager(s) shall include:

- 1) The timely investment of principal and interest into securities permitted by this policy and in accordance to the specific investment discipline and process for which the manager was hired;
- 2) Reporting investment performance results, quarterly to the Investment Advisor;
- 3) Informing the Investment Advisor of any material change in its investment management process, organization or personnel (e.g., changes in ownership, structure, portfolio management personnel, investment philosophy, etc.);
- 4) Voting proxies, on behalf of the organization, and communicating such voting records to the Board upon request.

#### **INVESTMENT OBJECTIVES**

The Foundation's investment objectives are:

- 1) Moderate Growth
- 2) Periodic capital investments and expenditures
- 3) Maximize returns in keeping within parameters #1 and #2 listed above

#### **TIME HORIZON**

The time horizon for investment purposes shall be 3-5 years. Investment performance and strategy will be monitored on a regular basis and adjusted as deemed appropriate.

**BYLAWS  
OF THE  
SOCIETY OF AMERICAN MILITARY ENGINEERS FOUNDATION  
A Nonprofit Corporation  
Adopted April 28, 2016  
Amended by Foundation Board January 30, 2020 rev  
Approved by the Society Board [Date TBD]**

**ARTICLE 1. GENERAL**

- 1.1 Name.** The name of the corporation is the Society of American Military Engineers Foundation (the "Foundation").
- 1.2 Incorporation.** The Foundation is a nonprofit corporation without members, incorporated in the District of Columbia. The principal office of the Foundation is as determined by the Foundation Board of Directors.
- 1.3 Affiliation.** The Foundation is affiliated with the Society of American Military Engineers (the "Society").
- 1.4 Purposes.** The purposes of the Foundation are as stated in the Articles of Incorporation.

**ARTICLE 2. MANAGEMENT**

- 2.1 Foundation Board of Directors.** The Foundation shall be managed by its Board of Directors (the "Foundation Board").

**2.1.1 Responsibilities of the Foundation Board.** The Foundation Board shall have fiduciary, legal, strategic and fundraising responsibilities, including the responsibilities of planning, developing and implementing the cultivation, solicitation and stewardship of Foundation supporters and funds, and determining and implementing appropriate development and fund management policies. The Foundation Board shall establish the policies and programs of the Foundation, and exercise all such powers of the Foundation and do all such lawful acts and things as are permitted by statute, the Articles of Incorporation and these Bylaws.

**2.1.2 Chair of the Foundation Board.** The Chair of the Foundation Board shall be a member in good standing of the Society and shall have served on the Society's Board of Direction or the Foundation Board of Directors or the Foundation's Council of Trustees. The Chair of the Foundation Board shall be appointed by the Board of Direction of the Society. The Chair of the Foundation Board shall also serve as President of the Foundation.

**2.1.3 Composition of the Foundation Board.** The Foundation Board shall consist of

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up to fifteen (15) Directors but not less than five (5) Directors. All Directors must be members in good standing of the Society throughout their term of membership on the Foundation Board. All Directors other than the Chair of the Foundation Board shall be appointed by the Executive Committee of the Society's Board of Direction. All Board appointments shall give due consideration to contribution levels to the Foundation. The Executive Director shall serve on the Foundation Board in an *ex-officio*, non-voting capacity.

**2.1.4 Term of Directors.** All Directors of the Foundation Board shall serve three (3) ~~two (2)~~ year terms. Terms shall be staggered. Directors may serve two (2) consecutive three (3) year terms.

**2.1.5 Vacancies.** A Director vacancy shall be filled for the unexpired portion of the term by appointment of the Executive Committee of the Society.

**2.1.6 Resignation or Removal of Directors.** A Director may resign at any time by giving written notice of such resignation to the Secretary. Any Director may be removed by a two-thirds (2/3) vote of the Foundation Board.

**2.1.7 Board Quorum.** The presence of a majority of Directors at a meeting of the Board shall constitute a quorum. Where a quorum is present, a majority of votes carries any action except where provided otherwise by law or by these Bylaws.

**2.1.8 Board Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Foundation Board may be taken without a meeting if all members of the Foundation Board consent in writing to such action.

**2.1.9 Monetary Commitment.** Members of the Foundation Board are expected to make an annual monetary contribution to the Foundation during their term of office.

**2.2 Foundation Council of Trustees.** The Foundation shall also have a Council of Trustees (the "Council of Trustees").

**2.2.1 Responsibilities of the Council of Trustees.** The Council of Trustees shall serve as philanthropic and financial advisors to the Foundation Board. Primary responsibilities of the Council of Trustees include making recommendations and overseeing finances of the Foundation and reporting to the Foundation Board. The Council of Trustees may assist the Foundation with other activities and programs, as well as accepting assignments from the Foundation Board and managing programs pursuant to instructions from the Foundation Board. The Council of Trustees will not have fiduciary responsibilities to the Foundation or Foundation Board and shall not be deemed investment advisors to the Foundation, and shall serve the Foundation in a consulting capacity only.

**2.2.2 Composition of the Council of Trustees.** The Council of Trustees shall consist of a minimum of five (5) members appointed by the Foundation Board, one (1) of which shall be a current Foundation Board member who shall serve as Chair of the Council of Trustees. Except for the Chair of the Council, who also is a member of the Foundation Board, members of the Council of Trustees shall not be entitled to vote on matters brought before the Foundation Board.

**2.3 Executive Director.** The Foundation shall have an Executive Director who shall be responsible for ~~the~~ executive support management of the Foundation. The Executive Director of the Society shall serve as the Executive Director of the Foundation unless otherwise determined by the Society's Board of Direction.

**2.3.1 Responsibilities of the Executive Director.** The Executive Director ~~shall serve as the chief staff officer of the Foundation and~~ shall be responsible to the Foundation Board and President for the effective administration ~~and operation~~ of the Foundation ~~and its headquarters~~ in accordance with the provisions of the Articles of Incorporation, the Bylaws and policies established by the Foundation Board and the Society Board of Direction. ~~The Executive Director shall also serve as management interface between the Foundation and the Society and shall facilitate communication and interface between the Foundation Board and the Council of Trustees.~~

### ARTICLE 3. OFFICERS

**3.1 Officers.** The Officers of the Foundation shall be a President, a Vice President, a Secretary, and a Treasurer, who are elected by and from the Foundation Board members. All Officers shall exercise such powers and perform such duties as shall be set forth in these Bylaws and as may be determined from time to time by the Foundation Board. ~~Any number of~~ Offices may be held by the same person, provided, however, in no event shall the same individual serve as President and Treasurer.

#### 3.1.1 President.

**3.1.1.1 Qualifications.** The President shall be ~~the Chair a member~~ of the Foundation Board.

**3.1.1.2 Term.** The President shall serve a ~~three (3) two (2)~~ year term and may be elected to serve ~~an~~ additional terms.

**3.1.1.3 Vacancy.** Vacancy in the office of President shall be filled for the unexpired portion of the term by the Vice President.

**3.1.1.4 Compensation.** The President does not receive compensation for services but may be reimbursed for expenses.

**3.1.1.5 Duties.** The President, by virtue of office, shall chair the Foundation Board and preside at all meetings of the Foundation Board. The President shall be an *ex-officio* member of all Foundation Board committees. ~~The President shall also be a non-voting member of the Society Board of Direction and of its Executive Committee.~~ The President, in coordination with the Executive Director, shall provide reports of the financial and operating status of the Foundation annually to the Society Board of Direction and its Executive Committee and annually to the Society membership. ~~a report of the financial and operational status of the Foundation.~~

### 3.1.2 Vice President.

**3.1.2.1 Qualifications.** The Vice President shall be a member of the Foundation Board.

**3.1.2.2 Term.** The Vice President shall serve a ~~three (3) two (2)~~ year term and may be elected to serve an additional terms.

**3.1.2.3 Vacancy.** Vacancy in the office of Vice President shall be filled for the unexpired portion of the term by a qualified member of the Foundation Board as determined and appointed by the Foundation Board.

**3.1.2.3.1 Vacancy Exception.** If a vacancy occurs concurrently in the offices of President and Vice President, the Secretary or Treasurer who has served on the Foundation Board for the longest period of time shall assume the President's duties and the other individual shall assume the Vice President's duties. An election shall be conducted by the Foundation Board within sixty (60) days to elect a President and Vice President to fill the unexpired terms.

**3.1.2.4 Compensation.** The Vice President does not receive compensation for services but may be reimbursed for expenses.

**3.1.2.5 Duties.** The Vice President shall act in place of the President when the President is unavailable. The Vice President shall also perform ~~these other~~ duties ~~that are~~ assigned by the Foundation Board.

### 3.1.3 Secretary.

**3.1.3.1 Qualifications.** The Secretary shall be a member of the Foundation Board.

**3.1.3.2 Term.** The Secretary shall serve a ~~three (3) two (2)~~ year term and may be elected to serve an additional terms.

**3.1.3.3 Vacancy.** Vacancy in the office of Secretary shall be filled for the unexpired portion of the term by a qualified member of the Foundation Board as determined and appointed by the Foundation Board.

**3.1.3.4 Compensation.** The Secretary does not receive compensation for services but may be reimbursed for expenses.

**3.1.3.5 Duties.** The Secretary shall maintain or supervise the maintenance of the corporate records of the Foundation and shall oversee minutes of act as Secretary at all meetings of the Foundation Board, and is be responsible for corporate notices, ~~agendas and minutes~~. The Secretary shall also perform these additional duties ~~that are~~ assigned by the Foundation Board.

**3.1.4 Treasurer.**

**3.1.4.1 Qualifications.** The Treasurer shall be a member of the Foundation Board.

**3.1.4.2 Term.** The Treasurer shall serve a ~~three (3)~~ two (2) year term and may be elected to serve an additional terms.

**3.1.4.3 Vacancy.** Vacancy in the office of Treasurer shall be filled for the unexpired portion of the term by a qualified member of the Foundation Board as determined and appointed by the Foundation Board.

**3.1.4.4 Compensation.** The Treasurer does not receive compensation for services but may be reimbursed for expenses.

**3.1.4.5 Duties.** The Treasurer shall ~~serve~~ as the financial officer of the Foundation, responsible for oversight of its revenues and expenditures and shall ~~reporting~~ on the financial affairs of the Foundation to the Foundation Board and to the Society's Board of Direction. The Treasurer shall ~~also~~ perform these additional ~~that are~~ duties assigned by the Foundation Board.

**ARTICLE 4. MEETINGS**

**4.1 Meetings.** Meetings of the Foundation Board shall be called by the President at the time and place of choosing. Advance notice of meetings and the business to be conducted shall be provided to the Foundation Board. Meetings of the Council of Trustees shall be called by the Chair of the Council of Trustees with advance notice of the time and place of meeting and the business to be conducted.

**ARTICLE 5. COMMITTEES**

**5.1 Committees.** The Foundation Board has the authority and responsibility to create and disband committees as necessary, establish duties, set criteria and credentials of committee members, and approve committee appointments as recommended by the President. Committee members shall serve for one (1) year unless extended by reappointment or terminated by action of the Foundation Board. Committees composed exclusively of Foundation Board members may be delegated Board authority; all other committees shall be advisory.

**ARTICLE 6. ADMINISTRATIVE**

**6.1 Auditors.** Auditors may be appointed or terminated by the Foundation Board as determined by the Board.

**6.2 Indemnification.** Directors, Officers, and other authorized agents of the Foundation

shall be indemnified by the Foundation against claims for liability arising in connection with their positions in the Foundation or activities on behalf of the Foundation to the full extent permitted by law.

**6.3 Fiscal Year.** The fiscal year of the Foundation shall be the calendar year.

**6.4 Conflict of Interest.** A Conflict of Interest shall be defined as any activity, transaction, relationship, service, or consideration that is, or appears to be, contrary to the best interests of the Foundation, or in which the interests of an individual or another organization other than the Foundation has the potential to be placed above those of the Foundation. Any interested Officer, Director, or other individual must disclose in writing the existence of any actual or possible Conflict of Interest and all material facts pertaining thereto to the Foundation Board. A signed Conflict of Interest statement shall be required annually from all members of the Foundation Board and the Council of Trustees.

**6.5 Limitations.** All policies and activities of the Foundation shall be consistent with applicable federal, state and local antitrust, trade, regulation, or other legal requirements. No Foundation policies or activities shall contravene the governing documents of the Society. No Officer, Director, committee member, employee, agent, or representative of the Foundation shall have any right, authority, or power to expend money of the Foundation, to incur liability on its behalf, or to make any commitment that shall be deemed to bind or involve the Foundation in any expense or financial liability, unless such expenditure, liability, or commitment has been budgeted or otherwise authorized by the Foundation Board.

**6.6 Parliamentary Authority.** The rules contained in the current edition of Robert's Rules of Order, Newly Revised, shall govern the Foundation in all cases to which they are applicable and in which they are not inconsistent with the laws of the District of Columbia or with the Foundation's Bylaws.

## **ARTICLE 7. AMENDMENTS**

**7.1 Amendments.** These Bylaws may be amended at any meeting of the Foundation Board by a majority vote where a quorum is in attendance, provided, however, that no change to these Bylaws will become effective until approved by the Society Board of Direction.



## **FY 2020 Guidance to the SAME Foundation Board**

**30 Jan 2020**

**1. SAME Foundation Success:** Since 2016, the SAME Foundation Founding Board and First Board have worked tirelessly to create a Foundation that is now operating effectively and responsibly. Beyond that tough task, Foundation support for SAME has exceeded our expectations in several areas: early implementation of the Post Funds Policy; support of the new National Leader Development Program (LDP) and Camp programs. Even further, your early fundraising successes bode well for the expansion of your support. Congratulations on a job exceptionally well done. To the new members of the Foundation Board, welcome and thanks in advance for your contributions to the Foundation's impact.

**2. SAME Strategic Plan 2025.** The SAME Board of Direction (BOD) ensured that the Foundation is fully integrated into Strategic Plan 2025. Hence, the stage is set for focusing the Foundation's support.

**3. Foundation Leadership.** As we begin FY 2020 with the first transition of Foundation Board Presidents, we want to thank John Mogge for his leadership as the Foundation Board's first President. John set the standard for ensuring that the Society was well informed and effectively supported. A significant aspect of John's leadership was his active engagement with the National Leadership Team. As Hal Rosen assumes the reigns, we look forward to continuing our close leadership collaboration.

**4. FY 2020 Guidance:** From the Society's perspective, the following are areas that warrant our attention:

**a. Foundation Support for SAME Programs:** We have not established the process by which the the SAME BOD decides and communicates program requirements to the Foundation Board. We welcome your ideas and perspective for consideration at the November BOD in Dallas, Texas.

**b. National Leader Development (LDP) Program Impact:** This program is key to developing our future leaders, hence we believe this should be the Foundation's cornerstone program, including financial support. Let's work together to develop metrics that help us understand the impact of the LDP and how to use the impact of this and other programs to enhance the Foundation's Fundraising efforts.

**c. JETC Leadership General Session:** Our initiative to establish an annual opportunity for the Foundation to host a significant event begins at JETC 2020 with the graduation of the first National LDP Class. We believe JETC is the right venue for showcasing the impact of the SAME Foundation, expanding Foundation awareness and providing opportunities for donations. We look forward to your thoughts.

**d. Camp Scholarship Commitment:** The Foundation Board approved an annual expense of \$20,000 through 2023 to support camp scholarships. It may be more appropriate for the National Office to support that request. Please examine that possibility with the National Office.

**e. Camp Mentor Leader Development Program:** SAME summer camps are a Society priority. The most difficult challenge faced every year is obtaining adequate camp mentors. Let's work together to ascertain how the Foundation might support a Camp Mentor Leader Development Program.

## **5. SAME Foundation Financial Growth:**

**a. Corpus:** The Foundation's initial corpus consisted of both restricted and unrestricted assets, thus limiting the Foundation's discretion. Hence, the SAME Foundation's priority effort must be growing the SAME Foundation's unrestricted corpus. To assist, we have asked the Executive Director to investigate the possibility of the National Office making annual unrestricted contributions.

**b. Annual Member Fundraising Campaign:** In January each year the National Office solicited donations from Life Members, collecting about \$20,000 annually. This campaign was superseded in June 2019 by the Inaugural Annual Member Fundraising Campaign which has garnered over \$129,000 from 449 donors in just six months. We look forward to supporting our Second Annual Member Campaign.

**c. Giving (Legacy) Fundraising Campaign:** Several members who gave substantially to the Inaugural Annual Member Fundraising Campaign have indicated that they intend to include SAME in their wills. Though this is deferred revenue, this campaign is critical to the long-term viability of the SAME Foundation. The generations of legacy members who have the inclination and the resources must be made aware soon of this critical opportunity as they review their estate plans. Let's establish a Giving (or legacy) Fundraising Campaign this year. The Executive Director is also examining the possibilities of affinity partner agreements with estate planners that may play a role in this campaign.

**d. Corporate Fundraising Campaign:** The corporate fundraising campaign is the most difficult. Your first stab at corporate fundraising provided useful insights. Let us know how we can support you in this pioneering effort.

**e. Investment Management:** The joint SAME and SAME Foundation Investment Committee has established a remarkable record. Of note, they recently implemented a smooth change in committee leadership and a change in management companies. Mark Handley continues to mentor the new team. Let's continue to foster the success of the investment committee.

**f. Post Funds Policy:** Thanks for accelerating the establishment of this service to posts. This program is extremely important in that it contributes immensely to the financial health of SAME by: eliminating risk to Post volunteers; providing posts with more active management of their scholarship assets; and providing a larger corpus that reduces administrative fees. Continue to work closely with the National Office to anticipate the need for a dedicated accounting professional to manage the SAME Foundation's financial matters, especially the Post Funds accounting and reporting requirements.

**6. Governance and Management:** The SAME Foundation Board has been extremely diligent in reporting progress to the SAME BOD and XC. The SAME XC conducts an annual Governance and Management Review each August at the Post Leader Workshop XC Meeting. This Review includes an assessment of

the SAME Foundation's governance and management. Continue to actively participate in the SAME XC's efforts to sustain the best possible governance and management for the Society.

**a. Succession Planning:** The execution of the Foundation Board Nominating Procedure (May, 2016) in 2019 was the second time the procedure has been used. The SAME Foundation Board must now establish an annual rhythm of keeping the board fresh.

**b. New Board Member Orientation:** The Foundation Transition Meeting provides a good basis for establishing a Foundation Board New Member Orientation Program. The SAME BOD New Member Orientation has matured and may be a useful starting point. We stand ready to support your efforts.

**c. Council of Trustees:** The SAME Foundation Bylaws provide for a Council of Trustees. We are here to support you as you consider the right timing and rationale for establishing the council.

**7. Staff Support:** In addition to financial management support mentioned (para 5.f.) and the dedicated liaison (Eddie Gonzalez), the National Office remains committed to support your administrative and communications needs as you establish the Secretary and Treasurer positions on the Board this year.

**8. Going Forward:** As we begin our second century, we look forward to the significant *impact* the SAME Foundation will have on the Society's legacy of fostering quality leaders for our nation, our profession and SAME. Thanks for your dedication to making that vision a reality.



Buddy Barnes  
SAME National President



Heather Wishart-Smith  
SAME National President Elect