

THE CENTURION FOUNDATION
Regular Board of Directors Meeting
Tuesday, November 10, 2020
Remote Participation Via Zoom Video Conference
5:15 PM

DRAFT MINUTES

1. Call to Order

A quorum of voting members was established.

K. Volpe, President, called the meeting to order at 5:17 P.M.

Board Members Present

Voting Members:

Kip Volpe, *President*
Michael Bracht, *VP*
Jed Lightcap, *Treasurer*
Peter Backus, *At-Large*
Kevin Bedient, *At-Large*
Michael Bracht, *At-Large*
Michael Franks, *At-Large*
Rudy Garcia, *At-Large*
LeRoy Godfrey, *At-Large*
Ben Ladrido, *At-Large*
Zach Lambright, *At-Large*
Stan Spackeen, *At-Large*

Ex-Officio Non-Voting Members:

Michael Osborne, *Immediate Past President*
Don Coleman, *President, The New Centurions*
Chris Hanson, *Executive Director*

Board Members Absent

Johnny Helenbolt, *Secretary*
Tom Miller, *Ex-Officio; President, The Centurions*
Walter Brewer, *At-Large*
A.J. Emami, *At-Large*
Jay Hanson, *At-Large*
John Lewis, *At-Large*
Bill Lloyd, *At-Large*
Rob Purvis, *At-Large*

Guests

None present

2. Opening Remarks

K. Volpe welcomed the Board members and reviewed the agenda.

3. Approval of July 21, 2020 Minutes

K. Volpe presented the draft minutes of the July 21, 2020, Board meeting for approval.

MOTION to approve the July 21, 2020, Board meeting minutes; seconded and APPROVED.

4. Reports

A. Treasurer

No report; will be covered at the next meeting.

B. Marketing Committee

B. Ladrido discussed the work to-date of the Committee and reviewed the levels of giving Patron (\$25-999), Ambassador (\$1,000-2,999), Provider (\$3,000-4,999), Builder (\$5,000-9,999), and Founder (\$10,000+). C. Hanson reported that the Foundation's website and donation page has been completed and is now live at <https://www.thecenturions.com/the-centurion-foundation>.

5. Old Business

A. Qualifying Charitable Organization (QCO) Discussion

J. Lightcap led a presentation on the QCO program that detailed its provisions and requirements, benefits to the Foundation and Centurions Members, and implementation approach. The Board discussed pursuing QCO status for the Foundation; key discussion points:

- Obtaining QCO status would open a new revenue source for the Foundation and would be part of the Foundation's strategic approach;
- Marketing and promotion would include presentations and messaging to the Centurions' Membership, updating the Foundation's brochure, website, newsletter, booth at The Centurions' annual Event, reaching external audiences, and other efforts;
- Being designated as a QCO would allow giving to our selected charities as a group, not just as individual Members; and

MOTION to approve moving forward with submitting an application for the Foundation to be designated as a QCO; seconded and **APPROVED**.

The Foundation will make the QCO presentation to The New Centurions' Board of Directors at its next meeting on November 18, 2020.

6. New Business

No new business was discussed.

7. Next Meeting Date & Adjournment

The next meeting date is to be determined. With there being no further business, the meeting was adjourned at 6:06 PM.

The Centurion Foundation: A Qualified Charitable Organization

Expanding the Centurions brand through charitable giving via a Tax Credit strategy

Centurions Operating Structure

**The Centurions
501(c)(3)
Event**

Organizes and operates our annual Event

**The New Centurions
501(c)(7)
Membership**

Houses our Membership activities.

**The Centurion Foundation
501(c)(3)
Foundation**

Furtheres our mission statement through charitable giving. Creates a mechanism to receive legacy gifts and manage Centurion Foundation investment account.

Each entity operates under their own set of bylaws and governing boards.

The Centurions Mission Statement

The Centurions support Southern Arizona charities that provide services to underserved community members in the areas of healthcare, education, and mentorship with an emphasis on improving children's lives.

The Centurion Foundation: Source of Funds

Excess Event Funds

Funds already going to QCOs; create legal barrier; leverage our Charitable Selection Committee.



Direct Charitable Donations

Available to both Centurions and non-Centurions

Donation results in QCO tax credit (\$400/\$800).



Bequests / CRUTs / RMDs

Create Centurions and non-Centurions estate planning opportunities.

\$100K RMD donations



FOUNDATION FUNDS - All funds collected will directly benefit Low-income Arizona Residents. We anticipate less than a 10% cost of overhead.

Frequently Asked Questions

What is an Arizona tax credit?

A tax credit is better than a tax deduction. It is a dollar-for-dollar reduction of your tax. Arizona has 4 main tax credits. You can donate to all 4 with a 5yr. carryforward if unused. **Would you rather send a check to Phoenix--or keep your money locally?**

What are the differences of the 4 tax credits?

- Qualifying Charitable Organization - new name for the “working poor” credit. \$400/\$800 max credit. Individuals only.
- Qualifying Foster Charitable Organization - supports foster care organizations. \$500/\$1000 max credit. Individuals only.
- School Tuition Organization - supports private schools. \$1183/\$2365 max credit. Individuals/Corporations.
- Public School Credit - credit supports public schools right down to specific programs, sports and clubs. \$200/\$400. Individuals only.

Frequently Asked Questions - cont'd

What credit are we looking at applying for?

Qualifying Charitable Organization - donors receive a \$400/\$800 Arizona tax credit.

Why don't I just donate direct?

You could. But why not leverage our Charitable Selection Committee and be a part of gifting with a larger purpose and strengthen our brand and brotherhood?

Are we going to take a cut to cover our overhead?

Our intent is for as many dollars to make their way into the hands of the needy. The Foundation will have minimal overhead expenses (accounting/allocated labor dollars). We will eventually move to a third party accountant/fiduciary to keep independence and foster oversight.

QCO Qualification as outlined by AZ DOR

- Is exempt from federal income taxes under Section 501(c)(3), or is a designated community action agency that receives community services block grant program monies pursuant to 42 United States Code Section 9901.
- Provides services that meet immediate basic needs.
- Serves Arizona residents who receive temporary assistance for needy families (TANF) benefits, are low income residents whose household income is less than 150 percent of the federal poverty level, or are chronically ill or physically disabled individuals.
- Spends at least 50% of its budget on qualified services to qualified Arizona residents.
- Affirms that it will continue spending at least 50% of its budget on qualified services to qualified Arizona residents.

Money is required to DIRECTLY support low income Arizona residents. Donating funds to TMC for opioid prevention or other prior projects gifted would not qualify. Each dollar must be tied to a qualifying Arizona resident.

How can we make a QCO happen?

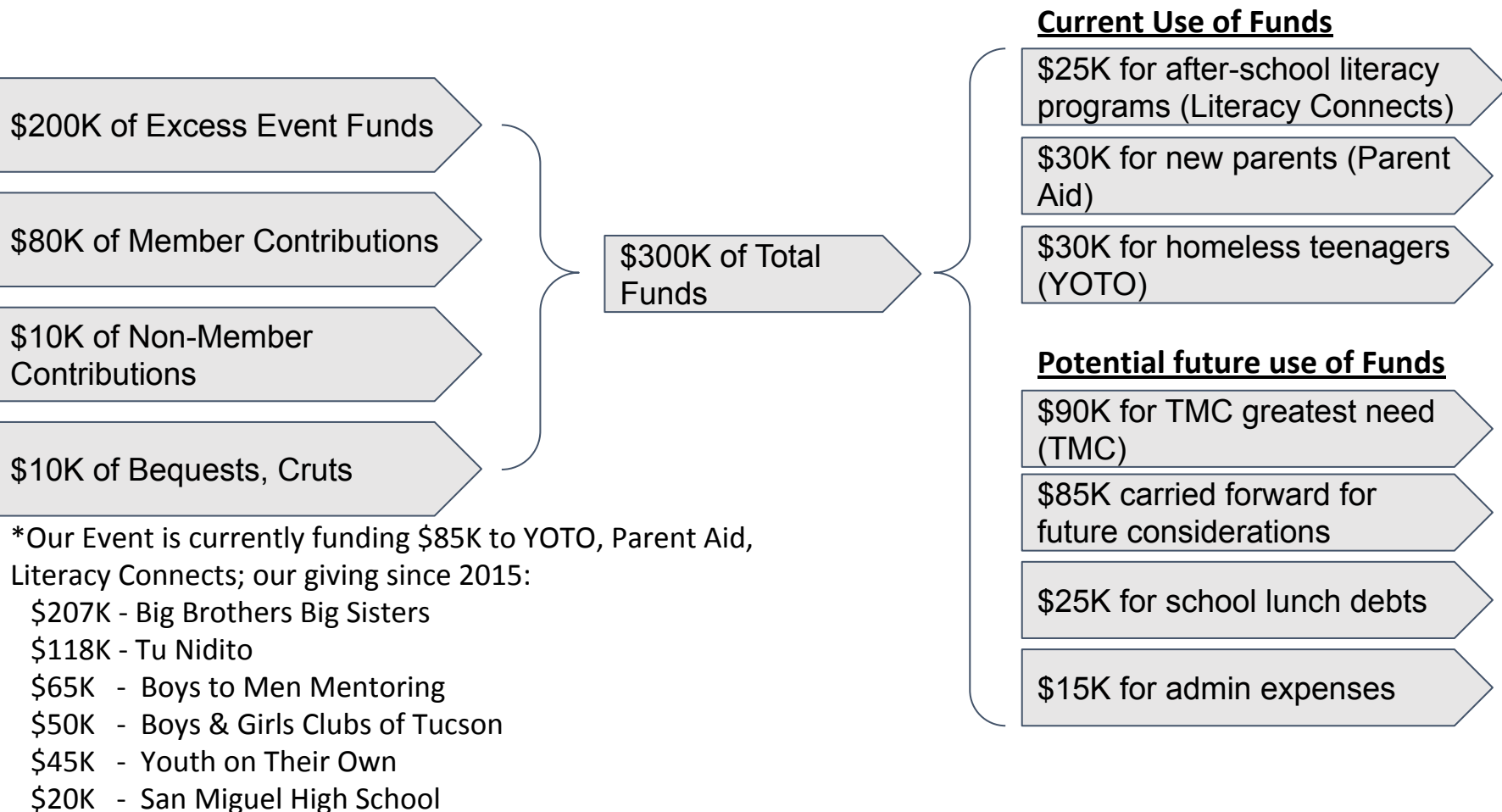
Money is required to DIRECTLY support low income Arizona residents. Each dollar must be tied to an qualifying Arizona resident.

How could this work?

For Example:

- Ask YOTO for a list of homeless teenagers and tie directly to students.
- Ask Parent Aid for a list of new parents and provide diapers, etc.
- Ask TMC for a list of unpaid medical bills for low income patients.
- Ask a low income public school for a list of unpaid lunch accounts.
- What other ideas do you have? Single mothers, immigrant children, trade school education debt for the low income? JTED fees? JobPath?

Flow of Funds Example



Sample Budget

		2021	2022	2023	2024	2025
	Receipts:					
	Excess Event Funds	200,000	225,000	250,000	275,000	300,000
	Member Contributions	80,000	85,000	90,000	100,000	110,000
	Non-Member Contributions	10,000	15,000	20,000	25,000	30,000
	Bequests, Cruts, etc	10,000	10,000	10,000	20,000	30,000
	Total:	\$300,000	\$335,000	\$370,000	\$420,000	\$470,000
	Qualifying Expenditures:					
	Literacy Connects	25,000	25,000	25,000	25,000	25,000
	TMC Greatest Need	90,000	90,000	90,000	90,000	90,000
	Partent Aid	30,000	30,000	30,000	30,000	30,000
	Yoto	30,000	30,000	30,000	30,000	30,000
	School Lunch Debts	25,000	25,000	25,000	25,000	25,000
	Total:	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
	Non-Qualifying Expenditures:					
	Admin Expenses	15,000	15,000	15,000	15,000	15,000
	Total:	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
	Total Qualifying & Non-Qualifying Expenditures	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000
	Change in Net Assets	\$85,000	\$120,000	\$155,000	\$205,000	\$255,000
	Growth of Net Assets	\$85,000	\$205,000	\$360,000	\$565,000	\$820,000
	50% of Budgeted Qual. & Non-Qual. Expenditures	\$107,500	\$107,500	\$107,500	\$107,500	\$107,500
	Qual. Expenditures > 50% of Total Expenditures	YES	YES	YES	YES	YES

Expanding The Centurions Brand

- What better way to celebrate our work...
 - a. Giving at a granular level
 - b. TV, print, radio coverage--timing of gifts prior to Event should draw increased "free coverage" to help sell tickets
 - c. Ties into "Event" promotions
 - d. Reach a larger audience with our giving
 - e. Further ties the Event, Membership and Foundation together for one common purpose
 - f. More...