



**THE NEW CENTURIONS (Membership)
Board of Directors Regular Meeting
Wednesday, November 18, 2020
Via Video Conference
4:00 PM**

MINUTES

1. Call to Order

A quorum of voting members was established.

Don Coleman, President, called the meeting to order at 4:04 P.M.

Board Members Present

Voting Members:

Don Coleman, *President*

Dan Nentl, *Vice President*

Greg Amado, *Treasurer*

Jeff Ronstadt, *Secretary*

Kevin Bedient, *Social Chairman*

Jack Harris, *At-Large*

Bryan Hannley, *At-Large*

Ex-Officio Non-Voting Members:

Steve Shepherd, *Immediate Past President*

Sean Murray, *Membership Chairman*

Jim Tofel, *Rookie Chairman*

Chris Hanson, *Executive Director*

Guests

Tom Miller, *President, The Centurions*

Steve Vorholzer, *Vice-President, The Centurions*

Kip Volpe, *President, The Centurion Foundation*

Jed Lightcap, *Treasurer, The Centurion Foundation*

Board Members Absent

None

2. Consent Agenda

A. Approve October 8, 2020 Minutes

B. Approve October 2020 Financial Statements

MOTION to approve the consent agenda items. Seconded and **APPROVED**.

3. Centurion Foundation Qualified Charitable Organization (QCO)—Presentation & Discussion

K. Volpe and J. Lightcap delivered a presentation and led a discussion on The Centurion Foundation's application for QCO status (*Attachment 1*); key discussion points:

- The Foundation is in the process of completing and submitting a QCO application to the Arizona Department of Revenue;
- A key requirement for QCO is that 50 percent of The Foundation's annual budget would need to be delivered directly to "qualifying individuals" as defined by the State's regulations;

- QCO status would represent a shift to the organization's culture and approach to charity support, but would be in line with the current charity selection process;
- There would be an opportunity to tie the program in to The Centurions' annual Event's marketing and promotion efforts;
- The Board members and the Charity Selection Committee chairman expressed strong support for the Foundation's QCO application.

4. President's Report

D. Coleman discussed several items:

- We are continuing to pursue efforts to keep Members actively engaged and energized during the COVID pandemic;
- Several Board members are tracking closely the state and local government's COVID restrictions and requirements to help determine when and how to offer social events safely;
- We are looking at how best to engage with the community and the charities we are supporting; and
- An Event planning team is closely monitoring options for holding our annual Event in May along with all alternatives, such as rescheduling to the fall and other fundraising programs. T. Miller reported that October 15 is reserved at Kino as a back-up date for our 2021 Event.

5. Committee Reports & Discussion

A. Membership

- a.) New Member Candidates. S. Murray discussed his plans for promoting the need for high quality candidates throughout the year and collecting preliminary contacts, including at all Membership meetings, newsletter, and other means.
- b.) Rookies Update. J. Tofel discussed the Rookies' roles in supporting the November Membership Meeting; there is no mandate for Rookies to attend the meeting due to COVID.

B. Social

K. Bedient reported on plans for the upcoming November Membership Meeting. Planning for future social events will be based on the outcome of the November meeting along with government COVID restrictions.

C. Charity Selection

There has been no recent Charity Selection Committee activity.

6. Executive Director's Report

C. Hanson provided updates on a number of activities, including:

- The A/R aging report now has only one Member that is 30 days past-due in their dues payments; Steve Thrush, Jim Yeager, and Ladd Kleiman have recently terminated their Membership.
- Working with The Centurions Foundation on finalizing the content for the recently launched web page and online donation form, as well as the QCO application.

- Met with Larry Kelsey and working with him on our insurance policy renewals for 2021 for The Centurions and The New Centurions, and an estimate for The Centurion Foundation's D&O coverage.
- Continued to collect COVID-19 waiver and release forms from Members.
- Continuing to follow up with our selected charities to gauge their needs and how we could help; currently soliciting \$25 gift cards for Youth On Their Own in lieu of donated items.
- We received a \$261 discount to our December rent payment from the Community Foundation Campus for them recently shutting the Campus down for a week to clean from a COVID exposure.
- The Gaslight Theatre has canceled all of its performances for the rest of the year, including their holiday matinee shows.
- Submitted project proposals to Catchafire under our no-cost grant from the Community Foundation of Southern Arizona, including to rework and revise our Event sales tracking spreadsheet.

7. Old Business

No old business was discussed.

8. New Business

A. Potential Additional Charity and/or Family Support

The Board discussed potential efforts to support local charities and families in need, such as a food and/or toy drive; there was a general consensus to:

- Identify families to which we might make donations,
- consider using current sales captains and Rookie classes as teams to raise donations, and
- identify a Member(s) to help lead this effort with full support from the Office.

B. 2021 Membership Dues Plan—Discussion and Action

The Board discussed the draft *Proposed 2021 Dues Policy* outline as distributed in advance of the meeting (*Attachment 2*). The key points being to:

- Retain 2021 dues at the current levels, reopen a 30-day window to allow those Active Members who have not requested the \$250 dues reduction to do so for 2021, and
- provide the Steak Fry and Lobster Party to Senior and Life Members at no cost.

MOTION to approve *Proposed 2021 Dues Policy*, as distributed. Seconded and **APPROVED**.

9. Action Items

- A. C. Hanson will finalize and distribute the draft letters to Active and Life/Senior Members in follow up to the approved 2021 dues plan; due: November 25.
- B. C. Hanson will follow up with attorney Chris Weller at Farhang & Medcoff on their recent presentation on COVID liability; due November 25.
- C. D. Coleman and C. Hanson will set the date for the next Board meeting; due by December 13.

10. Adjournment

With there being no further business, the meeting was adjourned at 5:13 PM.

ATTACHMENT 1



Proposed 2021 Dues Policy

- Retain dues at current levels for 2021: \$1,200 Active, \$400 Senior, and \$300 Life.
- Reopen a 30-day window to allow those Active Members who have not requested the \$250 dues reduction to do so.
 - An Active Member must request the dues reduction in writing
 - Any other requirements or provisions?
- Life and Senior Members and a guest will be offered the Steak Fry and Lobster Party to attend at no cost.
- A letter will be sent to all Active Members and one to all Life and Senior Members, including:
 - Explanation of the dues policy for 2021 (and the dues reduction opportunity for Actives, and Steak and Lobster at no cost to Life & Senior Members)
 - Dues to remain the same due to supporting the organization's operations
 - Reminder about ability to request flexibility in dues payments per our Bylaws
 - The pause in social activities is temporary and we are actively looking to restart our events
 - We are monitoring the COVID situation very closely are in regular contact with Kino Sports Complex and local officials regarding options for holding our next Event in 2021.
 - We are also exploring other options in addition to, or in place of, our annual Event.

Draft Email to Active Members:

Fellow Active Members:

We hope that you and your family are doing well and staying healthy during these challenging times.

We're looking forward to fully returning to our social events in way that is safe and compliant with all applicable requirements as soon as it's possible.

Being a Centurion is an honor and a great privilege. Along with that comes a responsibility to the group. Likewise, it's the Board of Directors' responsibility to ensure that we maintain a healthy and well-functioning organization. To that end, the Board has decided to maintain the current dues structure for 2021.

However, we also recognize that some fellow Centurions may be experiencing challenges due to COVID. An Active Member who is experiencing a hardship may request a \$250 reduction to their 2021 dues if they have not previously requested a refund or reduction. Any hardship request must be made in writing to Don Coleman and/or Chris Hanson by December 20, 2020.

We also have a group in place that is monitoring the COVID situation very closely and are in regular contact with Kino Sports Complex. We're looking at our options for holding our next Event in 2021, whether in May or moved back to the fall. We're also exploring other options in addition to, or in place of, our annual Event.

We welcome your thoughts and input as always. We're at our best as Centurions when we all take responsibility and support the organization and are here for each other when it counts.

We will get through all of this, stronger and better than ever!

Faternally,

Don Coleman

Tom Miller

President, The New Centurions President, The Centurions

Draft Email to Life & Senior Members:

Fellow Life and Senior Members:

We hope that you and your family are doing well and staying healthy during these challenging times.

We're looking forward to fully returning to our social events in way that is safe and compliant with all applicable requirements as soon as it's possible.

Being a Centurion is an honor and a great privilege. Along with that comes a responsibility to the group. Likewise, it's the Board of Directors' responsibility to ensure that we maintain a healthy and well-functioning organization. To that end, the Board has decided to maintain the current dues structure for 2021.

We are very glad to announce that the Steak Fry and Lobster Party will be provided to Life and Senior Members this coming year—along with a guest—at no additional charge. The Board is looking to help offset not being able to hold social events in 2020.

We also have a group in place that is monitoring the COVID situation very closely are in regular contact with Kino Sports Complex. We're looking at our options for holding our next Event in 2021, whether in May or moved back to the fall. We're also exploring other options in addition to, or in place of, our annual Event.

We welcome your thoughts and input as always. We're at our best as Centurions when we all take responsibility and support the organization and are here for each other when it counts.

We will get through all of this, stronger and better than ever!

Faternally,

Don Coleman

President, The New Centurions

Tom Miller

President, The Centurions

ATTACHMENT 2

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

Net Available 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

\$200K of Excess Event Funds

\$80K of Member Contributions

\$10K of Non-Member Contributions

\$10K of Bequests, Cruts

\$300K of Total Funds

Current Use of Funds

\$25K for after-school literacy programs (Literacy Connects)

\$30K for new parents (Parent Aid)

\$30K for homeless teenagers (YOTO)

Potential future use of Funds

\$90K for TMC greatest need (TMC)

\$85K carried forward for future considerations

\$25K for school lunch debts

\$15K for admin expenses

*Our Event is currently funding \$85K to YOTO, Parent Aid, Literacy Connects; our giving since 2015:

\$207K - Big Brothers Big Sisters

\$118K - Tu Nidito

\$65K - Boys to Men Mentoring

\$50K - Boys & Girls Clubs of Tucson

\$45K - Youth on Their Own

\$20K - San Miguel High School

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...