

EAST BRANDYWINE FOUNDATION
April 7, 2022

Those in Attendance:

Kyle P. Scribner, Board of Supervisors Chairman
Carl K. Croft, Board of Supervisors Vice-Chairman
Jason R. Winters, Board of Supervisors Member
Becky Corbin, Member
Mark Kocsi, Chief of Police
Luke Reven, Township Manager
Lisa Valaitis, Township Treasurer

Opening of Meeting

The East Brandywine Foundation meeting of Thursday, April 7, 2022 was called to order by Chairman Scribner at 10:19 a.m. The meeting was held at the East Brandywine Township Municipal Complex.

Public Comments on Agenda Items

There were no public comments on agenda items.

Approval of Minutes of October 7, 2021

Chairman Scribner noted that Mr. Winters was the only Board member present at the October 7, 2021 Foundation meeting. It was noted for the record that Chairman Scribner, Vice-Chairman Croft, and Ms. Corbin were not present at the October 7, 2021 meeting. Mr. Winters motioned to approve the October 7, 2021 meeting minutes. Motion passed 1-0. Chairman Scribner, Vice-Chairman Croft, and Ms. Corbin abstained.

Financial Report

- **Account Balances**
- **Summary of Activity October 5, 2021 to December 31, 2021**
- **Summary of Activity January 1, 2021 to December 31, 2021**
- **Summary of Activity January 1, 2022 to April 4, 2022**

Mr. Reven noted that the Foundation has a single bank account. Within that bank account, there are different subaccounts that are tracked in the accounting software for the purpose of memorializing each donor's intent. Mr. Reven reported that the Foundation's checking account balance was \$117,707.34 as of April 4, 2022.

Mr. Reven recommended that the Foundation Board of Trustees approve the financial activity that occurred since the last Foundation meeting. Chairman Scribner made a motion to approve the financial activity. Mr. Winters seconded the motion, with all members voting Aye. Motion passed 4-0.

- **Reorganization of Donation Categories for Bondsville Mill Park**

Ms. Valaitis discussed the recent additional categories that were added to Quickbooks which further breaks down the Bondsville Mill Park donations. Bondsville Mill Park now has the following donation categories: gardens & grounds, buildings & restorations, grants, and unrestricted. These additional categories were set up to memorialize donor intent.

At 10:33 p.m., Mr. Winters left the meeting.

Withdrawal of Funds Request for Bondsville Mill Park Gardens

Ms. Sandy Moser, who is a member of the Bondsville Mill Committee, requested a withdrawal of \$3,197.58 from the Foundation's Bondsville Mill account for the purchase of plants for the Bondsville Mill Park amphitheater garden. She presented a recent photograph of the amphitheater garden along with a list of plants needed for the amphitheater. Ms. Moser explained that the Bondsville Mill Committee is in the process of purchasing plants from several nurseries for the amphitheater garden. The withdrawal amount requested is based on donations to the Foundation specifically earmarked for the gardens and an approved grant of \$869.60 from the Hardy Plant Society which was awarded for plants for the amphitheater garden. Ms. Moser presented a plant list and garden design. Ms. Moser also noted for the record that a second grant application for \$4,500.00 was submitted for the purpose of purchasing the remaining plants needed for the amphitheater. Notification of the grant award is expected in August 2022. Mr. Reven noted that her request involves both the garden fund and the grand fund. Neither category has the full funding for her request. Mr. Reven asked Ms. Moser if she has a preference as to which category the funds are taken out of first. Ms. Moser noted that she did not have a preference.

Mr. Reven explained that the majority of expenditures in the Foundation are directly associated with a fundraiser. There was a discussion about fundraisers and fundraiser expenses and how these fundraisers are approved. Mr. Reven explained that fundraisers are approved by the Board of Supervisors through the annual budget process. Fundraisers net more revenue than expenses and the excess funds remain in the Foundation. Vice-Chairman Croft noted that expenditures such as what Ms. Moser is requesting, need to be approved by the Foundation Board of Trustees.

Mr. Jim Buczala commented that if Foundation donations are set aside specifically for Bondsville Mill, that the staff should have the authority to disperse those Foundation funds with the approval of the Bondsville Mill Committee. He asked if the Foundation Board needs to formally approve the disbursement of these funds. Vice-President Croft commented that approval by the Foundation Board is required under tax laws. Mr. Buczala noted that making requests for Foundation funds is limited to the Foundation's meeting schedule. There was a lengthy discussion regarding the proper method for spending Foundation Funds and obtaining Foundation Board approval. Possible solutions discussed were permitting approvals via email, holding special meetings, and holding meetings more often. There was also a discussion about updating the bylaws.

Ms. Corbin made a motion to approve the request for payment to the Bondsville Mill Committee in the amount of \$3,197.58. Chairman Scribner seconded the motion. Vice-Chairman Croft requested the motion be amended to specify drawing the \$869.60 from the grant account first. Ms. Corbin made an amended motion to approve the request for payment to the Bondsville Mill Committee in the amount of \$3,197.58, drawing the \$869.60 from the grant account first and then draw the balance of 3,197.58 from the gardens and grounds category. Vice-Chairman Croft seconded the motion, with all members voting Aye. Motion passed 3-0.

Ms. Moser discussed future Bondsville Mill Committee projects and corresponding spending needs to complete the amphitheater garden as well as two potential pending grants. The cost of the additional plants needed is approximately \$6,000. There is a pending grant which applies specifically to the remaining plants needed and five additional benches for the amphitheater. The grant total award would be \$9,397. The second grant would award approximately \$9,500 for thirteen backless benches that will go in the Culp's clearing garden. Ms. Moser commented that she is planning to purchase plants prior to the grant award and she requested to be reimbursed by the Foundation, if and when the grant is awarded. She will provide invoices to document her out of pocket costs.

Vice-Chairman Croft made a motion to reimburse Ms. Moser in this case with the understanding that this is an exception. Ms. Corbin seconded the motion, with all members voting Aye. Motion approved 3-0.

There was a discussion regarding who the applicant is on Ms. Moser's grant applications. There was a discussion regarding types of grants. Mr. Reven noted that grant applications for grants that require a match of funds or financial commitment should not be applied for with the Foundation as applicant without approval of the Board of Trustees. Ms. Moser noted that the grant applications she has submitted have no matching funds commitments.

Ms. Corbin made a motion to appoint Sandy Moser and Jim Buczala as grant coordinators, for those grants that go through the Foundation and are non-matching grants. Vice-Chairman Croft seconded the motion, with all members voting Aye. Motion passed 3-0.

The grant coordinators, Sandy Moser and Jim Buczala, may apply for Foundation grants that do not have a committal of matching funds. Foundation grants that require a financial commitment must be brought before the Foundation Board of Trustees for approval before submitting an application. Mr. Buczala commented that Foundation grant applications for the Bondsville Mill Park should have approval from the Bondsville Mill Committee as a matter of protocol prior to going before the Foundation Trustees.

Discussion on Outsourcing Management of the Foundation

Mr. Reven discussed the option of hiring a management company to manage the Foundation. He recommended they invite the Chester County Foundation to come and make a presentation about providing staffing, banking, and tax filing services to the Foundation Board of Trustees. Mr. Reven also noted that his role in with the Foundation is not defined. Mr. Croft and Ms. Corbin both commented that there are significant costs to hire an outside management company. Chairman Scribner suggested utilizing resident volunteers who have 501(c)3 experience. Vice-Chairman Croft commented that the Foundation Board of Trustees need to phase Mr. Reven's involvement in the Foundation out. However this will take time because the Foundation Board still has a vacancy. There was a discussion regarding filling the one remaining vacancy. Chairman Scribner noted that the Township should advertise for the open position on the Foundation Board and the Budget Committee in the Milemarker newsletter and online. Chief Kocsi suggested checking with CCATO and PSATS because these organizations may have expertise in non-profits that could be helpful. Mr. Reven reiterated that issues such as legal, insurance, accounting, and the bylaws could all be expertly handled if we hired an outside management company.

Meeting Frequency/Schedule

There was a discussion about the Foundation's future meeting frequency. Ms. Corbin suggested the Foundation meet quarterly, noting that meeting twice a year is not adequate.

Vice-Chairman Croft made a motion that the Foundation meet quarterly. Chairman Scribner seconded the motion, with all members voting Aye. Motion passed 3-0.

Spending Authority of Foundation Staff

Mr. Reven noted that his spending authority for the Township is very clear. However, it is not clear what authority staff has to purchase items the Foundation needs such as new checks. Vice-Chairman Croft commented that this needs to be included in the rewriting of the Foundation organization documents. Mr. Reven reported that the check signing for the Foundation is setup the same as the Township.

Application for Sales Tax Exemption

Mr. Reven reported that the Township has a sales tax exemption, however the Foundation, although eligible to request a Pennsylvania sales tax exemption, it has not submitted that request. The staff would like to submit a Pennsylvania Sales Tax Exemption request for the Foundation.

Chairman Scribner made a motion that the Foundation apply for a Pennsylvania sales tax exemption. Ms. Corbin seconded the motion, with all members voting Aye. Motion passed 3-0.

Updating Existing Bylaws

Mr. Reven recommended a person be designated as a lead on revising the Foundation Bylaws. Vice-Chairman Croft suggested asking the Township Solicitor to review the Foundation Bylaws. Mr. Reven noted that the Foundation does not have an attorney. Ms. Corbin suggested employing the services of legal counsel and paying them to rewrite basic bylaws for the Foundation. Chairman Scribner commented that he was interested in receiving proposals for this service. Mr. Reven will ask Buckley Brion if they will update the existing bylaws.

Chairman Scribner made a motion to seek proposals from our East Brandywine Township's current law firm as well as others for an RFP regarding the Bylaw changes and questions stated earlier. Ms. Corbin seconded the motion, with all members voting Aye. Motion passed 3-0.

BCO-10 Charitable Organization Registration Statement Filing

Ms. Valaitis reported that the Foundation has not filed a BCO-10 Charitable Organization Registration Form. The Foundation needs to file this form. She noted that a recent IRS Form 990EZ must be submitted with the BCO-10 registration. The IRS Form 990EZ will be submitted by the IRS deadline of May 15, 2022. Ms. Valaitis noted that there are costs associated with the BCO-10 filing. She asked how these costs should be allocated within the subaccounts of the Foundation. Mr. Reven pointed out that there is an unrestricted account within the Foundation, however this account presently has a negative balance. Vice-Chairman Croft commented that the unrestricted account is where the administrative and accounting costs should be paid from. Mr. Reven noted that BCO-10 instructions state that when your accumulated contributions exceed \$25,000, then you are required to start filing an annual BCO-10. He noted that there will be monthly fees starting after the month that the Foundation reached \$25,000 in accumulated contributions. There was a discussion regarding whether the rule is accumulated contributions totaling \$25,000 or \$25,000 contributions per year. Vice-Chairman Croft suggested asking the Township's accounting firm to file the BCO-10. Mr. Reven's interpretation is that the Foundation will owe fees for every month after the \$25,000 accumulated donations and there are no funds in the unrestricted account to cover these fees. Ms. Valaitis noted that there is also a standard \$100 filing fee.

Vice-Chairman Croft made a motion to approve the \$100 filing fee. Chairman Scribner seconded the motion, with all members voting Aye. Motion passed 3-0.

Public Comments on Non-agenda Items

There were no public comments on non-agenda items.

Adjournment

Chairman Scribner made a motion to adjourn the meeting at 11:30 a.m. Vice-Chairman Croft seconded the motion, with all members voting Aye. Motion passed 3-0.

Respectfully submitted,



Lisa Valaitis,
East Brandywine Foundation Secretary & Treasurer
East Brandywine Township Treasurer