

**Veterans Services Foundation
Board of Trustees
Meeting Minutes
August 5, 2009**

DRAFT

A meeting of the Veterans Services Foundation (VSF) Board of Trustees was held on Wednesday, August 5, 2009 at the Sitter & Barfoot Veterans Care Center, 1601 Broad Rock Boulevard, Richmond.

Members Present

- James Boyd
- Daniel Boyer
- Vincent Burgess
- Juanita Farrow
- Jack Hilgers (Ex-officio/Nonvoting)
- Leroy Gross
- William Lechler
- David Richardson
- Meade Spotts
- Randall West
- Frank Wickersham (Chair)
- Kathleen Wilder

Members Absent

- Robert Archer
- Supriya Christopher
- Paul Galanti
- Donald Hall
- Adam Harrell
- Frederic Leigh
- David Orso
- Leo Wardrup

Commonwealth of Virginia Officials Present

- Anne Atkins, Department of Veterans Services (DVS)
- Steve Combs, (DVS)
- Donald Ferguson, Office of the Attorney General
- Judy Reid, DVS
- Danielle Weaver, DVS
- Cathy Wilson, Virginia Wounded Warrior Program (VWWP), DVS

Development Committee Advisors Present

- Lew Deal
- Martin Steiner

Materials Distributed

- Meeting Agenda (*Attachment 1*)
- Amendments to Minutes of VSF Meeting of May 6, 2009 (*Attachment 2*)
- Board of Veterans Services Chair Report (*Attachment 3*)
- Joint Leadership Council of Veterans Service Organizations Chair Report (*Attachment 4*)
- Commissioner's Report (*Attachment 5*)
- Fundraising Results (*Attachment 6*)
- American Association of Fundraising Professionals Ethical Principles (*Attachment 7*)
- "Victory for Vets" Golf Tournament brochure.
- Veterans Services Fund Quarterly Report, for quarter ending June 30, 2009 (*Attachment 10*)
- VSF – Goals and Objectives for FY09 with Outcomes (*Attachment 11*)
- DVS-VSF FY10 Programs' Budget Adjustments (*Attachment 12*)
- VSF-DVS Joint Policy #7 (Care Centers Residents' Assistance Subsidiary Funds) (*Attachment 13*)
- VSF-DVS Joint Policy #8 (Cemeteries Assistance Subsidiary Fund) (*Attachment 14*)
- Code of Virginia Amendment (*Attachment 15*)
- VSF Reconciliation of Fund Distributions (*Attachment 16*)
- VSF Goals and Objectives for FY10 (*Attachment 17*)
- Nominating Committee Report (*Attachment 18*)

Opening and Pledge of Allegiance

VSF Chair Frank Wickersham welcomed everyone and called the meeting of the VSF Board of Trustees to order at 11:35 a.m. The members recited the pledge of allegiance to the American Flag.

Roll Call of Members and Quorum Determination

The roll was called with eleven of the nineteen voting members recorded as present. A quorum was determined. Chair Wickersham welcomed everyone in attendance.

Approval of Agenda

Chair Wickersham called for changes to the agenda. See *Attachment 1*. Hearing none, the agenda was adopted as drafted.

Review and Approval of May 6, 2009 Meeting Minutes

The Chair then asked for approval of the May 6, 2009 minutes. In the materials distributed are two pages that have been updated. The underlined sections are amendments to the original minutes. (See *Attachment 2*.) The members reviewed the amendments without comment.

The Chair asked if there was a motion to approve the minutes, as amended. Mr. David Richardson **moved** to approve the minutes as amended, which was **seconded** by Mr. Meade Spotts. The motion passed unanimously without discussion.

REPORTS

Board of Veterans Services Report

BVS Chairman Wickersham accepted Mr. Paul Galanti's report in his absence. The report is included as Attachment 3 to these minutes.

Joint Leadership Council of Veterans Service Organizations Report

Report delivered by JLC Chairman Mr. Dan Boyer, is included as Attachment 4 to these minutes. Mr. Boyer highlighted three areas of the report briefly; Unclaimed Veterans Cremated Remains, JLC member VSO's support of VWWP fundraising efforts, and the legislative objectives for 2010 that are attached to Attachment 4.

Mr. Boyer then announced that the JLC has been in existing for six years as of last month. Several representatives have completed their term limits of six years and will be leaving this month at the next meeting. Six current members will remain with the JLC, nine alternates will step up and eight new nominees will become primary members.

Department of Veterans Services Report

The report delivered by Commissioner Vince Burgess is included as Attachment 5 to these minutes. Commissioner Burgess briefly reviewed the budget contingency cuts submitted to the Secretary's office on July 22. Commissioner Burgess explained that if the Governor's office comes back with a 15% cut, it will mean that in the last 18 months DVS has taken a 29% overall cut in general funds.

Commissioner Burgess has directed that provision of direct coverage to veterans would remain a top priority, but some cuts may be unavoidable. The budget cuts could affect some of DVS major programs such as VWWP.

There are many upcoming challenges with new funding needed for on-going projects. The Southwest Virginia Cemetery will open next fall and will need some staff during FY10. The Hampton Roads Care Center may receive funding to move forward with construction. Sitter and Barfoot Care Center will be adding a wing in October and new staff will be needed. Virginia's veterans cemeteries need new equipment. The purchase of burial vaults is another priority.

Foundation Executive Director Report

The Foundation Fundraising Report delivered by VSF Executive Director, Mr. Jack Hilgers, is at Attachment 6 to these minutes. He noted that there is a difference in the VWWP funds set forth in the report compared to the fourth quarter Fund report to be discussed later. This difference is the result of total funds raised versus funds remaining after the expenses for conducting the "Painting a Moving Train" conference were deducted.

Mr. Hilgers briefly discussed the need for VSF to follow the principles set forth in American Association of Fundraising Professionals Ethical Principals. (See Attachment Z.) To ignore the principles would place the Foundation's credibility at risk.

VSF-DVS Joint Policies Numbered 7 & 8 were reviewed regarding the handling of Care Center and Cemeteries expenses, respectively. (See Attachments 13 & 14.) The changes parallel the VSF-DVS Joint Policy on VWWP expenses approved by the Foundation Board at its May 6, 2009 meeting. The objective of the changes is to streamline the processes and eliminate unnecessary paperwork. Dr. Leroy Gross asked if there were copies of DVS Forms 13 & 14 available, which were eliminated from the former policies in the change. Mr. Hilgers said that he had not brought copies to the meeting because they had been covered at the previous Board meeting. He added that all of the information is covered in the CARS reporting system for income and expenditures.

The Code of Virginia amendment, contained in Attachment 10, was covered. Mr. Hilgers pointed out that the change was needed as set forth in the rationale listed at the bottom of the attachment.

Mr. Hilgers then announced that two golf tournaments are coming up for the weekend. The "Victory for Vets" golf tournament will be held on Friday, August 7, 2009 at the Lakeview Golf Club in Harrisonburg, Virginia, which is covered in the brochure that was distributed. The George C. Marshall tournament will be on Monday, August 10 at the Lexington Golf and Country Club, in Lexington, Virginia. Tee-off time for both is 9 a.m.

Executive Committee Report

Committee Chair Wickersham explained that this committee did not meet since the last Board meeting. The Committee did receive the report from the Nominating Committee and said that action on that report would be taken under New Business.

Development Committee Report

Mr. Richardson delivered the report in the absence of the Committee Chair and Vice Chair who could not attend. The report, with its recommendations, is at Attachment 8. He said that the Committee now has a very good base line of materials for fund raising.

Ms. Kathleen Wilder presented the VWWP presentation with Mr. Fred Leigh's assistance to a Rotary Club in Northern Virginia. Though they did not receive donations at the meeting, they had very positive responses to their presentation and a promise of support. She complimented Ms. Anne Atkins and all who had put the power-point presentation together.

Ms. Atkins and Mr. Martin Steiner have done extensive work and a terrific job on setting up the Foundation website and it should soon be a reality. The Foundation will soon be able to receive contributions via on-line.

Finance Committee Report

The report was delivered by Mr. Bill Lechler in the absence of the Committee Chair and Vice Chair who could not attend. The report, with its recommendations, is at Attachment 9.

The Finance Committee met on July 29, 2009 at Old Dominion University. The minutes of that meeting have been sent to Board members and have been posted.

Mr. Mike Rogers briefed the committee on the DVS budget reductions that may have an effect on the Foundation. Mr. Rogers suggested that some of these costs may be offset by Foundation funds.

Mr. Lechler thanked Mr. Rogers for all of his work in helping and producing the Foundation reports.

Veterans Services Fund Quarterly Report

Report delivered by Mr. Hilgers in Mr. Rogers absence. Changes to the report were discussed by Mr. Hilgers and he recommended approval by the Board.. The report is at *Attachment 10*.

Mr. Hilgers discussed the FY10 DVS-VSF budget and the minor changes made to clarify the data. He also covered the cost of Foundation operations, including those for the website and its maintenance, the need for fundraising software for a database, and the availability of funds to handle daily expenses. The FY10 amended budget is at *Attachment 12*.

The Board recessed for lunch between 12:05 p.m. and 12:25 p.m.

OLD BUSINESS

Review of FY09 & FY10 Goals and Objectives

Chair Wickersham reviewed the success the Board had in accomplishing the FY09 goals and objectives. He congratulated the Board on its accomplishments over the past year. The discussion of FY10 goals and objectives was deferred to New Business. The FY09 goals, objectives, and outcomes are at *Attachment 11*.

Other Old Business.

There was no other old business.

NEW BUSINESS

Approval of the VSF Fund Quarterly Report

The Chair asked for a motion to approve the VSF Fund Quarterly Report (*Attachment 10*) for forwarding to the Commissioner as recommended by the Development and Finance Committees.

Mr. Spotts **moved** to approve the report. Mr. Boyer **seconded** the motion. The motion passed unanimously.

Approval of FY10 Budget Adjustment

The Chair asked for a motion to approve the FY10 DVS-VSF amended budget (*Attachment 12*) and that the Foundation Executive Director be authorized to expend Foundation Support Funds on a Foundation web site and operations as recommended by the Development and Finance Committees.

Mr. Spotts **moved** to approve the FY10 budget adjustment and authority to expend operational funds. Mr. Lechler **seconded** the motion. The motion passed unanimously without discussion.

Approval of VSF-DVS Joint Policies #7 & #8

The Chair asked if there is a motion to approve the VSF-DVS Joint Policies #7 & #8 as recommended by the Development and Finance Committees. See the following:

- VSF–DVS Joint Policy #7 (Care Centers Residents’ Assistance Subsidiary Funds) (*Attachment 13*)
- VSF-DVS Joint Policy #8 (Cemeteries Assistance Subsidiary Fund) (*Attachment 14*)

Mr. Spotts **moved** to approve the policies. Mr. Boyer **seconded** the motion. The motion passed unanimously without discussion.

Approval of Code Amendment

The Chair asked if there is a motion to approve the Code of Virginia amendments (*Attachment 15*) as recommended by the Development and Finance Committees.

Mr. Spotts **moved** to approve the Code amendments. Commissioner Burgess **seconded** the motion. The motion passed unanimously without discussion.

Approval of Fund Reconciliations

The Chair asked if there is a motion to approve the VSF Reconciliation of Fund Distributions (*Attachment 16*) as explained and recommended by the Finance Committee. Specifically, that:

- the SBVCC Opening Ceremony/Portrait account be closed and the balance of \$3,098.57 be transferred to the SBVCC Other Equipment account;
- the VVCC be authorized to retain \$5,070.75 transferred without VSF authority in FY06;
- the \$14,929.65 in interest distributed without authorization in prior fiscal years be retained by the receiving DVS programs;
- and the accounts be considered reconciled.

Mr. Spotts **moved** to approve the reconciliations. Mr. Lechler **seconded** the motion. The motion passed unanimously without discussion.

Approval of FY10 Goals and Objectives

The Chair asked if there is a motion to approve the FY10 Goals and Objectives (*Attachment 17*) as developed and recommended by the Development and Finance Committees.

Mr. Boyer **moved** to approve the FY10 Goals and Objectives. Mr. Lechler **seconded** the motion. The motion passed unanimously without discussion.

Other New Business

Chair Wickersham called for other new business. Hearing none, the Chair called for Public Comment.

Public Comment Period

There was no public comment. No members of the public were in attendance.

Election of Board Chair, 1st and 2nd Vice Chairs

Chair Wickersham said that the Nominating Committee Report (*Attachment 18*) had been distributed to all Board members before the meeting. The Committee made the following recommendations: David Richardson, Board Chair; Robert Archer, 1st Vice Chair; and Meade Spotts, 2nd Vice Chair.

The Chair called for nominations from the floor. Hearing no nominations from the floor Chair Wickersham then entertained a motion to approve the slate as presented by the nominating committee.

Mr. Lechler **moved** to approve the nominations. Mr. Boyer **seconded** the motion. The motion passed unanimously.

Chair Wickersham congratulated the newly elected officers and thanked the Nominating Committee for doing an excellent job. He noted that the recommendation of the Committee to incorporate their procedures in the bylaws should move forward. Mr. Wickersham then turned the gavel over to Foundation Board Chair Dave Richardson.

Adjourn

The meeting adjourned at 1:45 p.m

The next meeting of the Veterans Services Foundation Board of Trustees tentatively will be held on Thursday, November 12, 2009 at 11 a.m. at the Sitter & Barfoot Veterans Care Center, Richmond.

ATTACHMENT 1

**Veterans Services Foundation Board of Trustees
Sitter & Barfoot Veterans Care Center
1601 Broad Rock Blvd, Richmond
August 5 2009
11:00a.m. – 1:30 p.m.**

**Development Committee Meeting
10:00 a.m. – 11:00 a.m.**

- I. Opening and Pledge of Allegiance, Roll Call of Trustees, Quorum Determination, Introduction of Members, Staff, and Visitors, Welcome New Member and Volunteers, Approval of Agenda – *Board Chair* (15 minutes)
- II. Review and Approval of May 6, 2009 Meeting Minutes – *Board Chair* (5 minutes)
- III. Reports:
 - a. Board of Veterans Services – *Paul Galanti* (5 minutes)
 - b. JLC - *Dan Boyer* (5 minutes)
 - c. Department of Veterans Services – *Vince Burgess* (15 minutes)
 - d. Foundation Executive Director Report – *Jack Hilgers* (5 minutes)
 - e. Executive Committee – *Frank Wickersham* (5 minutes)
Report on Actions Taken/Required
 - f. Development Committee – *Supriya Christopher* (10 minutes)
Report of Development Committee Activities
 - g. Finance Committee – *Adam Harrell* (10 minutes)
Report of Finance Committee Activities
 - h. Veterans Service Fund Quarterly Report – *Mike Rogers* (5 minutes)
- VII. Working Lunch
- IV. Old Business:
 - a. Review of FY09 Goals and FY10 Requirements – *Board Chair* (5 minutes)
 - b. Other Old Business – *Board Chair* (5 minutes)
- V. New Business:
 - a. Approval of VSF Fund Quarterly Report – *Board Chair* (2 minutes)
 - b. Approval of FY10 Budget Adjustments – *Board Chair* (2 minutes)
 - c. Approval of VSF-DVS Joint Policies #7 and #8 – *Board Chair* (2 minutes)
 - d. Approval of Code Amendment – *Board Chair* (2 minutes)
 - e. Approval of Fund Reconciliations – *Board Chair* (2 minutes)
 - f. Approval of FY10 Goals and Objectives – *Board Chair* (2 minutes)
 - g. Other New Business – *Board Chair* (5 minutes)
- VI. Public Comment Period. (10 minutes)
- VII. Election of Board Chair, 1st and 2nd Vice Chairs – *Board Chair* (5 minutes)
- VIII. Adjournment (Next Board Meeting: November 12, 2009, Sitter & Barfoot VCC)

ATTACHMENT 2

Development Committee Report

The report was delivered by Committee Chair, Ms. Supriya Christopher. Ms. Christopher covered the VWWP slide presentation which is in the works to be finalized. The presentation will be a usable tool to assist fundraising efforts. Martin Steiner has done some extensive work, in conjunction with Ms. Atkins, toward putting together a VSF website. The Committee recommends to move forward with the policy and procedures, FY10 budget, and establishing the website. The Committee also supports the FY09 budget for the VWWP. Ms. Christopher extended a special thanks to all of the DVS staff for being very supportive.

Finance Committee Report

The report was delivered by Committee Chair, Mr. Adam Harrell. Mr. Harrell reviewed the meeting they had on April 29 at ODU. The Committee was joined by Dr. Leroy Gross, who participated in the meeting. The minutes of that meeting have been distributed.

The short meeting today was to approve a request for VWWP budget for the remainder of FY09, which the Committee recommends the Board accept.

The Committee recommends that the Board approve the quarterly report. Mr. Rogers will discuss this as the next agenda item.

The Committee reviewed all proposed policies and recommend that they be adopted.

The FY10 budget for care centers, ~~and~~ cemeteries, and Foundation operations was also reviewed and the Committee recommends the approval of the budget, which includes transferring Endowment Fund interest estimated at about \$2,000.00 to be received in the fourth quarter of FY09 to the Veterans Support Fund for Foundation operations, particularly funding for the Foundation web site. The Veterans Services Fund currently has a balance of \$1,350.00 thanks to a generous contribution from one of the Trustees. The fourth quarter interest should put the Fund in excess of \$3,300.00.

The committee also recommends the use of paper for meetings be reduced whenever possible.

Veterans Services Fund Quarterly Report

Report delivered by Mr. Rogers, DVS Director of Finance and Administration is included as Attachment 7 to these minutes.

Mr. Rogers stated that the state code requires a quarterly report financial from the Foundation. He reviewed the balance sheet, allocations, and the different activities that are in the budget for each DVS program. Don Hall asked about the portraits project costs. Mr. Rogers explained that this project was paid and that unused monies will revert back to the Foundation after consultation with the SBVCC.

OLD BUSINESS

Nominations for Board Chair, 1ST and 2nd Vice Chairs

Chair Wickersham discussed the need for nominations and that he has not received any to date. Therefore, he will appoint a nominating committee to get nominations. The committee will consist of Mr. Lechler, who will be chair, with Ms. Christopher and Mr. Hall as members. Chair Wickersham thanked them for volunteering for this committee. Chair Wickersham will forward direction to the committee after this meeting concludes.

Other Old Business. There was no other old business.

NEW BUSINESS

Approval of the VSF Fund Quarterly Report

The Chair asked for a motion to approve the VSF Fund Quarterly Report for forwarding to the Commissioner.

Mr. Lechler made a **motion** to approve the report. Mr. Hall **seconded** the motion. The motion passed unanimously.

Approval of FY09 Budget Adjustment for VWWP and FY10 Budgets for DVS Programs

The Chair asked for a motion to that effect. [The FY10 Budgets are at Attachment 14.](#)

Mr. Harrell made a **motion** to approve the FY09 budget for VWWP and the FY10 Budget for the other DVS programs. Mr. Boyer **seconded** the motion. The motion passed unanimously.

Approval of VSF Policy and VSF-DVS Joint Policies

The Chair asked if there is a motion to approve the one VSF policy and the five VSF-DVS joint policies. See the following:

- VSF – Policy #1 (Procedures for Policy Development and Approval) ([Attachment 8](#))
- VSF-DVS Joint Policy #1 (Coordination between VSF and DVS with BVS and JLC) ([Attachment 9](#))
- VSF-DVS Joint Policy #2 (Foundation Operations) ([Attachment 10](#))
- VSF-DVS Joint Policy #3 (Fundraising Policy and Procedures) ([Attachment 11](#))
- VSF-DVS Joint Policy #4 (Processing Financial Donations) ([Attachment 12](#))
- VSF-DVS Joint Policy #6 (VWWP Support Fund Policy and Procedures) ([Attachment 13](#))

Mr. Meade made a **motion** to approve the policies. Commissioner Burgess **seconded** the motion. The motion passed unanimously.

ATTACHMENT 3

BOARD OF VETERANS SERVICES REPORT TO VETERANS SERVICES FOUNDATION August 5, 2009

The Board of Veterans Services met on July 15, 2009. At the meeting, the BVS:

- Received reports from the Joint Leadership Council of Veterans Service Organizations and the Veterans Services Foundation
- Received the report of the Department of Veterans Services, including an operational update on the Sitter & Barfoot Veterans Care Center and a report on the most recent round of state budget reductions
- Received reports from the standing committees of the BVS

The October 28 BVS meeting will be held at the Sitter & Barfoot Veterans Care Center in Richmond.

Respectfully submitted,

Paul E. Galanti
Chairman

ATTACHMENT 4

JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS REPORT TO VETERANS SERVICES FOUNDATION AUGUST 5, 2009

The Joint Leadership Council of Veterans Service Organizations (the JLC) met on May 20, 2009. The JLC:

- Had a presentation from the Executive Director of the Virginia War Memorial (VWM) on one-time funding needed to open the Paul & Phyllis Galanti Education Center and on-going operational funding needs for the VWM
- Had a presentation from the state Department of Human Resource Management (DHRM) on the new state policy for veterans preference in state hiring
- Received reports from the Board of Veterans Services, the Veterans Services Foundation, the Department of Veterans Services, and the JLC representative to the Virginia Citizen-Soldier Support Council
- Voted to enter into the Memorandum of Understanding on Funeral Honors for Unclaimed Veterans Cremated Remains. The MOU was signed on June 16, 2009
- Received a report on JLC fundraising support for the Virginia Wounded Warrior Program (VWWP). The creation of the VWWP was a JLC initiative, and JLC member-VSO support of VWWP fundraising efforts is critical. In FY09, the VSOs represented on the JLC had donated over \$39,000 in support of the VWWP
- Received the report of the ad-hoc committee appointed to review JLC Powers and Duties
- Received the recommendations of the nominating committee for officers for 2009-2010
- Held a preliminary discussion of potential legislative objectives for 2010 (see attached excerpt from the draft minutes of the 5/20/09 JLC meeting). JLC Legislative Objectives for 2010 will be finalized at the August 12 meeting.

The next JLC meeting will be held on Wednesday, August 12, 2009 at the American Legion Building in Richmond.

Respectfully submitted,

Daniel D. Boyer
Chairman

Attachment to JLC report to the VSF, 8/5/09
Excerpt from Draft Minutes of 5/22/09 JLC meeting

Initial Review: JLC 2010 Legislative Objectives

Chairman Boyer called the members attention to the handout titled "AUSA Proposed State Legislative Objectives 2010," submitted by Mr. Wilder ... Chairman Boyer reviewed each of the proposed objectives in turn, asking for a preliminary vote on whether to include the objective among the JLC 2010 Legislative Objectives. Finally, he asked for a legislative sponsor for each proposed objective.

1. Real Estate Tax Relief for 100% Disabled Veterans: the Council members agreed to include this as a preliminary objective for 2010. The DAV will be the sponsor
2. Burial Vaults for Virginia State Veterans Cemeteries: the Council members agreed to include this as a preliminary objective for 2010. The VFW will be the sponsor
3. Continue Funding for the Virginia Wounded Warrior Program: the Council members agreed this should be a legislative objective for 2010 if it is not included as part of the base budget for the Department of Veterans Services or if additional funding is needed beyond that included in the base budget
4. Military Family Relief Fund: the Council members agreed to include this as a preliminary objective for 2010. The Virginia National Guard Association will be the sponsor
5. Special Veterans Court: the Council members agreed to include this as a preliminary objective for 2010. Bill Townsley will be the sponsor

Chairman Boyer introduced two additional objectives for consideration: support for the Virginia War Memorial and funding for the Automated Claims Processing System.

The Council members agreed to add support to the Virginia War Memorial to the preliminary list of 2010 Legislative Objectives, but decided to leave the Automated Claims Processing System off the list for the time being, pending further developments.

One other potential objective was discussed in detail: unemployment compensation for military spouses. Wes Edwards said that MOAA would take the lead on researching this issue.

ATTACHMENT 5

DEPARTMENT OF VETERANS SERVICES REPORT TO VETERANS SERVICES FOUNDATION August 5, 2009

State Budget Reductions

- State agencies instructed to submit 5, 10, and 15 percent reduction plans by July 22
- Agencies must submit budget reduction proposals for FY10, FY11, and FY12
- As with the previous rounds of budget cuts, DVS goal is to minimize cuts in direct services to veterans
- Applies only to General Fund (Benefits, Cemeteries, Wounded Warrior, Virginia War Memorial, and Administration)
- Does not apply to Non-General Fund (Care Centers, SAA)
- Budget reduction targets:
 - 5% = \$370,264
 - 10% = \$740,528
 - 15% = \$1,110,792
- Previous General Fund budget reductions:
 - FY08: \$288,236
 - FY09 Round 1: \$38,642
 - FY09 Round 2: \$586,689
 - FY10 Round 1: \$596,380

DVS Budget Challenges for 2010-2012

Project	Goal	Challenges
Southwest Virginia Veterans Cemetery	Open the cemetery in Fall 2010	<ul style="list-style-type: none">• \$45,000 - \$50,000 will be needed in FY10• \$300,000 per year in FY11/12 and ongoing• \$30,000+ (one-time) for road signs in FY11• Low burial rate the first few years means 90 to 95% of funding must come from GF (70% GF at other two cemeteries)
Hampton Roads Veterans Care Center	Start design as soon as federal matching funds	<ul style="list-style-type: none">• Federal grant funds may be available in FY10 due to ARRA• Two years to design and build means

	are available	<p>care center could open in FY12</p> <ul style="list-style-type: none"> • VVCC cash reserves exhausted by opening SBVCC. VVCC and SBVCC will not have cash reserves to support HRVCC start up • GF support will be needed during start up
Sitter & Barfoot Veterans Care Center Addition	Start design and construction as soon as federal matching funds are available	<ul style="list-style-type: none"> • Federal grant funds may be available in FY10 due to ARRA • Shorter design/construction timetable means addition could open in FY11 • VVCC cash reserves exhausted by opening SBVCC. VVCC and SBVCC will not have cash reserves to support start up • GF support will be needed during start up
Virginia Veterans Cemetery Equipment Replacement	Ensure Virginia Veterans Cemetery has proper equipment to conduct operations	<ul style="list-style-type: none"> • Cemetery has been operational for 12 years and some original equipment is wearing out and needs to be replaced • Includes: dump truck, backhoe, two pickup trucks, three mowers, and other equipment

Other Challenges

Project	Goal	Challenges
Northern Virginia Veterans Care Center	Start design and construction as soon as federal matching funds are available	<ul style="list-style-type: none"> • DVS completing application for federal grant assistance • Despite extensive discussions, agreement could not be reached with GMU on potential location and partnership • DVS continues to search for potential location and partnership
Burial vaults for state veterans cemeteries	Rectify disparity (highlighted by JLC) between national cemeteries and Virginia state veterans cemeteries	<ul style="list-style-type: none"> • Maximize federal grant opportunities to reduce or eliminate the disparity • Use state resources wisely to offer maximum benefit and services to Virginia's veterans and their families

Respectfully submitted

Vincent M. Burgess, Commissioner

ATTCHMENT 6

VSF-DVS FUNDRAISING RESULTS FOR FY09*

Reconciled but Unaudited

June 30, 2009

Income

VSF-VWWP	
Lakeview Golf Club	29,182.94
MFSC	15,271.76
VSO's	39,241.52
Board Members	3,200.00
Robinson HS DECA	1,200.00
HUM Church/Case	6,000.00
DSCR Women's Club	2,000.00
Individual Donors	<u>7,005.00</u>
VSF-VWWP Total	103,101.22
DVS-VWWP	
VWWP/Virginia Tech**	<u>16,400.00</u>
DVS-VWWP Total	16,400.00
DVS-VSF VWWP Total Balance	119,501.22
Horton Cemetery	850.00
DAVA & DAV	6,405.80
US Navy Veterans Assn	2,500.00
Dublin Cemetery	
Carneal-Drew Fndtn	1,000.00
Amelia Cemetery	30.00
Foundation Support Fund	1,350.00
Foundation Endowment	<u>150.00</u>
Non-VWWP Total Balance	12,285.80
Total FY09 Income	131,787.02

*Does not include Care Centers, Grants, or Interest

** Painting a Moving Train Agreement Income/Contribution

ATTACHMENT 7

AMERICAN ASSOCIATION OF FUNDRAISING PROFESSIONALS

ETHICAL PRINCIPLES

Adopted 1964; amended Sept. 2007

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism.

Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled.

To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust
- act according to the highest goals and visions of their organizations, professions, clients and consciences
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose
- improve their professional knowledge and skills, so that their performance will better serve others
- demonstrate concern for the interests and well-being of individuals affected by their actions
- value the privacy, freedom of choice and interests of all those affected by their actions
- foster cultural diversity and pluralistic values and treat all people with dignity and respect
- affirm, through personal giving, a commitment to philanthropy and its role in society
- adhere to the spirit as well as the letter of all applicable laws and regulations
- advocate within their organizations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offense or professional misconduct
- bring credit to the fundraising profession by their public demeanor

- encourage colleagues to embrace and practice these ethical principles and standards
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy

ETHICAL STANDARDS

Furthermore, while striving to act according to the above values, AFP members, both individual and business, agree to abide (and to ensure, to the best of their ability, that all members of their staff abide) by the AFP standards. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

Member Obligations

1. Members shall not engage in activities that harm the members' organizations, clients or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.
7. Members shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.
8. Members shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.
9. Members shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Members shall address and rectify any inadvertent infringement that may occur.
10. Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.
11. Members shall refrain from any activity designed to disparage competitors untruthfully.

Solicitation and Use of Philanthropic Funds

12. Members shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.
13. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. Members shall take care to ensure that contributions are used in accordance with donors' intentions.

15. Members shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. Members shall obtain explicit consent by donors before altering the conditions of financial transactions.

Presentation of Information

17. Members shall not disclose privileged or confidential information to unauthorized parties.
18. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client and shall not be transferred or utilized except on behalf of that organization or client.
19. Members shall give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

Compensation and Contracts

21. Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).
22. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. Members shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. Members shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.
25. Any member receiving funds on behalf of a donor or client must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.

ATTACHMENT 8

DEVELOPMENT COMMITTEE REPORT

August 5, 2009

The Development Committee met this morning and I am pleased that many members were able to attend.

The Fundraising results for FY09 have been presented. We are pleased that the Foundation and DVS Virginia Wounded Warrior Program (VWWP) team were successful in meeting the goal through donations, revenue raising, and a grant.

The VWWP power-point presentation to be used in fundraising is finished as is a fundraising brochure. The presentation has been distributed and used. The brochure is being distributed.

Anne Atkins and Martin Steiner have done extensive work on setting up the Foundation website and it should soon a reality.

We reviewed our FY09 goals and objectives and are pleased with the progress the committee has made. We have considered the goals and objectives for FY10, in conjunction with our retreat results and individual Trustee's responsibilities, and propose they be adopted.

The committee reviewed the two proposed policies and recommends they be adopted by the Board.

The committee also reviewed the proposed FY10 budget amendment, particularly the funding of the Foundation Support Fund for operations and our website and strongly recommends its adoption. We also recommend approval of the related amendment to the Code of Virginia and the end of year 4th quarter Veterans Services Fund Report.

The Development Committee continues to appreciate the support it is receiving from the DVS staff.

That concludes the Development Committee report.

ATTACHMENT 9

FINANCE COMMITTEE REPORT

August 5, 2009

The Finance Committee met on July 29, 2009 at ODU. Chair Adam Harrell was absent because he is recovering from fractured vertebra. He is doing well and wishes us all the best. Committee Vice Chair Leo Wardrup presided in Mr. Harrell's place.

The minutes of the Committee meeting in July have been distributed.

The material I will be discussing during this report is in the packet of handouts you have before you.

The Veteran Services Fund Quarterly Report format and Fund information was reviewed and we recommended removing minor sub accounts and placing them under Other Donations in the case of the care centers. It further recommended splitting the VWWP account into two sub-accounts. One that reflects VWWP funds that are unrestricted for expense purposes and one dedicated to direct support of veterans and their families. The Committee recommends that the Board approve the Quarterly Report with the amendments. Jack Hilgers will fill you in on the details after I'm finished.

Mike Rogers briefed us on development of the Foundation budget and the possible effect of budget reductions to DVS that may have an effect on the Foundation. Some examples may be: eliminating per diem for meetings, except for overnight stays; requiring use of state fleet rates or state contracted rental cars for travel; reduced cost of meals at meetings; limiting meetings to those required by the Code of Virginia (i.e., keep additional meetings, that result in additional costs, to a minimum and allow only those that are mission critical); reduced paper usage and printing services (as previously proposed by the FiCom); anticipate reduced DVS staff man-hours available for Foundation support; etc. Mr. Rogers mentioned that some of these reductions may be off set by use of Foundation funds at the Board's discretion.

Mr. Hilgers mentioned that there had been several proposals regarding hiring a full-time fundraising consultant who would be compensated based on a percentage of contributions. He provided all in attendance with copies of the American Association of Fundraising Professionals (AAFP) "Ethical Principles." Article 21, in part, states AAFP "Members shall not accept compensation or enter into a contract that is based on a percentage of contributions..." and pointed out that this position is also held by the American Institute of Philanthropy, the American Association of Fund-Raising Counsel, and other reputable fundraising associations. Percentage based payment for services is considered unethical by professional fundraising organizations. Vice Chair Wardrup stated that the Commonwealth, the Department of Veterans Services, and the Foundation cannot expose itself to criticism in this or any other way because they hold the public trust, which cannot be violated. FiCom does not support such an endeavor and recommends that the Trustees likewise refrain from doing so.

The two proposed VSF-DVS Joint Policies that have been presented were reviewed. We support the joint revision of the two VSF-DVS policies and recommend their adoption.

The proposed change to the Code of Virginia regarding clarifying Foundation authorized expenditures and deleting out-of-date language was reviewed and we strongly recommends that the Board support the amendment.

The Committee also reviewed the detailed FY10 budget adjustments to the Foundation Support Fund (i.e., transferring FY09 Endowment Fund interest received in the 4th quarter of FY09 in the amount of \$3,242.07 to the foundation support account of operations and the establishing a web site, as approved at the last Board meeting). The Committee recommends the FY10 budget as amended be approved and that the Executive Director be authorized to expend Foundation Support Funds on a Foundation web site and operations.

Three Veterans Services sub-fund reconciliations were reviewed. The Committee recommends that the S&BVCC Opening Ceremony/Portrait account be closed and the balance of \$3, 098.57 be transferred to the S&BVCC Other Equipment account; that the VVCC be authorized to retain \$5,070.75 transferred without VSF authority in FY06; that \$14,929.65 in interest distributed without authorization in prior fiscal years be retained by the receiving DVS programs; and that the accounts be considered reconciled.

The Finance Committee also discussed FY09 Goal accomplishment and suggested FY10 Goals for the Boards approval.

That completes our report.

ATTACHMENT 10

Veterans Services Foundation Balance Sheet June 30, 2009 (Unaudited)

Assets:

Cash held by State Treasurer	555,658.62
Total Assets	<u>\$ 555,658.62</u>

Fund Balances:

Restricted Fund Balances:	
Restricted for VVCC Activities	135,680.65
Restricted for SBVCC Activities	11,941.47
Restricted for VWWP Support Fund	112,453.26
Restricted for Cemetery Operations	13,944.45
Restricted for Foundation Support Fund	1,350.00
Total Restricted Fund Balances	275,369.83
Endowment Fund Balance	280,288.79
Total Fund Balances	<u>\$ 555,658.62</u>

NOTES:

1All cash is held by the State Treasurer.

2Restricted fund balances are donations given for a specific purpose, or are funds authorized by the Foundation for a specific expenditure purpose.

Veterans Services Foundation
Statement of Income, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2009
(Unaudited)

INCOME:	Y-T-D Actual
Restricted gifts received for:	
Virginia Veterans Care Center	47,737.35
Sitter & Barfoot Veterans Care Center	8,849.17
Cemetery Operations Fund	10,785.80
VWWP Support Fund	112,453.26
Foundation Support Fund	1,350.00
Total Restricted Gift Income	181,175.58
Interest Earned	8,594.27
Donations Received	167.50
Total Increase in Endowment Fund	8,761.77
TOTAL INCOME	189,937.35
EXPENDITURES:	
VVCC Recreational Supplies	10,108.74
VVCC Miscellaneous Expenditures	10,868.29
VVCC for Mural painted on wall of 1 East	1,300.00
VVCC For Equipment	4,989.98
SBVCC Equipment	5,237.35
SBVCC Medical & Dental Supplies	999.00
SBVCC Personal Care Supplies	180.00
SBVCC Repair & Maintenance	903.57
SBVCC Portrait	6,608.50
SBVCC Miscellaneous Expenditures	50.75
Albert G. Horton, Jr. Memorial Cemetery Avenue of Flags	3,989.77
TOTAL EXPENDITURES	45,235.95
Excess of Income over Expenditures	144,701.40
Beginning Fund Balances	410,957.22
Ending Fund Balances	555,658.62

NOTES:

1. The purpose of restricted gifts is detailed on the Schedule of Receipts, Expenditures and Budget, by Activity.
2. Interest earned is always recorded in the Endowment Fund.

ATTACHMENT 11

VSF Goals and Objectives for FY09 Established August 6, 2008 Status as of June 30, 2009

VSF Development Committee Responsibilities:

Goal: Meet legislative mandate to raise \$150,000 in FY 09 for the Virginia Wounded Warrior Program (VWWP).

Objective: Raise at least \$ 40,000 per quarter.

Status: See current financial statement. Over \$112,000 has been collected for VWWP and with a recent grant approval, the goal has been exceeded in great part through the help of the DVS VWWP team.

Goal: Organize seeking, promoting, and stimulating contributions for the Fund to initiate funding for unmet needs.

Objective: Create multiple mechanisms for giving. An example is to develop pledge cards that explain types of contributions, target needs, and solicit funds. Ensure their broad dissemination.

Status: A fundraising plan has been developed and is being refined based on the fundraising conducted to date. A Foundation brochure and pledge cards have been developed along with a VWWP fundraising brochure and they are being broadly disseminated.

Goal: Build relations with VSOs, major corporations, and other potential supporters/donors.

Objective(s): Work through the JLC and board members with corporate connections to gain 100% support of VSOs and support of at least ten corporations on an on-going basis.

Status: Relations are being built with the afore mentioned organizations and individual donors. Additionally, community organizations have been added. This is an ongoing task, particularly with corporations.

Goal: Enhance the image the Foundation wishes to convey to its stakeholders and the community at large.

Objective(s): Build an integrated communications campaign. Key elements of that can include: the creation of an information brochure containing accomplishments; news releases and letters to the editor regarding opportunities and accomplishments; a quarterly or semiannual or annual report to stakeholders with recognition of supporters. Ensure broad dissemination of all.

Status: A branding and outreach plan has been developed for Foundation communications and is being refined based on experience gathered and the valued assistance of the DVS Director of Communications. News items have been released. An annual report to stakeholders will be produced after the end of FY09 to show accomplishments and recognize donors. Other forms of donor recognition are being developed. A VSF web site should be operational by the first quarter of FY10.

VSF Finance Committee Responsibilities:

Goal: Clarify existing financial reports so that they adhere to current accounting practices and reporting.

Objective: Produce finance reports that can be easily understood by Trustees, DVS staff, donors and potential donors, and other stakeholders.

Status: Basically completed.

Goal: Clarify existing Foundation Policies and establish other policies as needed for the effective administration of the Fund.

Objective(s): Ensure the four Foundation policies published as DVS policies meet the requirement(s) for which they were published. Examine areas that have no policy that need information provided.

Status: One VSF policy and five VSF-DVS joint policies have been approved. Of the five, two are revisions of former DVS policies. Two more revisions of former DVS policies should be approved at the August 2009 VSF meeting and one other by November 2009.

Goal: Maintain a sustainable Fund endowment.

Objective: Establish an endowment level that will support contingency needs requirements from revenues generated.

Status: An Endowment Fund has been established and procedures are being developed to raise the Fund to a level where it can support Foundation operations and meet contingency needs.

Goal: Ensure Fund integrity.

Objective: Balance fundraising income and expenses to assure as close to 100% support to veterans programs as can be possible is achieved.

Status: A VSF-DVS joint policy on Foundation operations has been established and one of its objectives will be to maximize support to veterans programs.

ATTACHMENT 12

Veterans Services Foundation Budget for FY 2010 (Unaudited)

Activity	Balance June 30, 2009	FY 2009 Budget	FY 2010 Budget
Virginia Veterans Care Center:			
Indigent Resident Needs	10,631.20	6,500.00	6,500.00
Activities Fund	800.67	4,100.00	4,100.00
Operation Holiday Spirit	61,102.68	18,000.00	19,000.00
Carnival Fund	82.60	5,400.00	6,000.00
Rehabilitation Equipment	7,022.78	9,500.00	9,500.00
Other Equipment	21,652.35	11,900.00	12,900.00
Other Donations Restricted for use at VVCC	34,388.37		
Total VVCC	135,680.65	55,400.00	58,000.00
Sitter & Barfoot Veterans Care Center:			
Indigent Resident Needs	319.59		2,000.00
Activities Fund	454.74	4,500.00	5,593.00
Other Equipment	257.15	11,250.00	5,000.00
Aquarium Project	-	4,800.00	5,100.00
Other Donations Restricted for use at SBVCC	10,909.99	8,400.00	200.00
Total SBVCC	11,941.47	28,950.00	17,893.00
Cemetery Support Funds:			
Virginia Veterans Cemetery--Amelia	5,007.81	530.00	500.00
Albert G. Horton Jr. Memorial Cemetery--Suffolk	7,936.64	6,300.00	400.00
SW Virginia Veterans Cemetery--Dublin	1,000.00	-	
Total Cemetery Support Funds	13,944.45	6,830.00	900.00
VWWP Support Funds:			
Designated for VWWP Needs	9,352.04		
Designated for direct support of Veterans	103,101.22	15,000.00	
Total VWWP Support Funds	112,453.26	15,000.00	-

Foundation Support Fund	4,592.07	3,300.00
Endowment Fund	277,046.72	
Grand Total All Funds	555,658.62	106,180.00 80,093.00

ATTACHMENT 13

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Veterans Care Centers Residents' Assistance Subsidiary Funds Policy and Procedures

J7.1 Purpose

The purpose of this policy is to establish operating procedures for the Virginia Veterans Care Center Residents' Assistance Subsidiary Fund, and the Sitter & Barfoot Veterans Care Center Residents' Assistance Subsidiary Fund. These are subsidiary funds of the Veterans Services Fund, which is administered by the Veterans Services Foundation Board of Trustees (the Trustees). The Virginia Veterans Care Center (VVCC) and the Sitter & Barfoot Veterans Care Center (SBVCC) are operated by the Virginia Department of Veterans Services (DVS).

J7.2 Application

The VSF Executive Director in conjunction with the DVS Director of Finance and Administration, and the Administrators of the VVCC and the SBVCC are responsible for the application of this policy.

J7.3 Interpretation

The DVS Commissioner, in consultation with the VSF Board of Trustees' Chairman, is responsible for the interpretation of this policy.

J7.4 Overview

Each care center, in conjunction with the VSF, solicits and accepts donations as a means of providing recreation, entertainment, social activities, equipment, and supplies for its residents, outside the scope of funds appropriated for the general benefit of the residents. In addition, to foster community involvement and outreach, each care center solicits donations to support specific activities for the benefit of care center residents, such as during Operation Holiday Spirit.

Donations are placed into a subsidiary fund of the Veterans Services Fund. Donations made for a specific purpose are placed in restricted sub-funds, so that the donated funds are only used in accordance with the wishes of the donor

All donations will be deposited in the Veterans Services Fund and shall be managed in accordance with §§ 2.2-2715 et seqq. Code of Virginia, applicable sections of the current Virginia Appropriations Act, and Commonwealth of Virginia regulations.

For each of the Care Centers, DVS staff shall submit an annual budget request to the Veterans Services Foundation, outlining expected donations and expenditures for the upcoming fiscal year. Ultimate expenditure authority lies with the Trustees. The Trustees may delegate expenditure authority to the Care Center Residents' Assistance Subsidiary Fund Chairman/Care Center Administrator or its Committees (the Committees) to facilitate expenditure of budgeted funds.

J7.5 Policy

It is the policy of VSF and DVS, in coordination with the Committees, to oversee and ensure that monies collected for the Virginia Veterans Care Center Residents' Assistance Subsidiary Fund, and the Sitter & Barfoot Veterans Care Center Residents' Assistance Subsidiary Fund are properly deposited, managed and expended.

J7.6 Veterans Care Center Residents' Assistance Subsidiary Fund Committees

The Committees shall direct and administer their Subsidiary Funds, including the budgeting of supplies, materials, equipment and expenditures not within the scope of operational funds of each care center, for the recreation, entertainment and benefit of the residents. Such direction and administration will be in accordance with this policy and the direction of the Veterans Services Foundation Board of Trustees.

Each Committee shall consist of:

- Care Center Administrator (serves as Chairman of the Committee)
 - Care Center Director of Admissions and Public Relations
 - Care Center Financial Manager
 - DVS Director of Finance and Administration or his/her designee*
 - VSF Executive Director or his/her designee*
- (*For budget purposes only.)

J7.7 Veterans Care Center Residents' Assistance Subsidiary Fund Committee Duties

The duties of the Committee shall be as follows:

- A. Request input and recommendations from the Department of Veterans Services, the Board of Veterans Services, and the Joint Leadership Council of Veterans Service Organizations, and other interested veterans and veterans support groups regarding potential needs and activities for the coming fiscal year.
- B. Review the requests to ensure that the requests fall within the scope of the intent of the Veterans Services Fund. No later than March 31, the Committee shall develop an annual working budget for the coming fiscal year.
- C. Through the DVS Commissioner, submit the budget to the Trustees for review and approval.
- D. Submit to the Trustees for approval any requested changes to the approved operating budgets prior to implementation of any changes.
- E. Submit a quarterly financial funding levels and services report to the Trustees for their information and review. Additional reports may be requested on a more frequent basis.

J7.8 Procedures for Receiving and Administering Funds

Procedures for donation acceptance and accountability are contained in VSF-DVS Joint Policy Number 4.

J7.9 Procedures for Expending Donated Funds

Expenditure requests, regardless of the purpose, and shall be submitted to the Committee Chairman/Care Center Administrator for approval. Former Expenditure Request Forms (DVS Form 13) may be used at the discretion of the Chairman/Care Center Administrator. The Chairman also may refer the request to the Committee for consideration or take direct action.

The Committee Chairman/Care Center Administrator or the Committee shall evaluate the request to ensure it meets the following criteria:

- A. Funds are available for the purchase or expenditure; and the expense conforms to the intent of the designated donation and the approved budget. Deviations from the approved budget shall be approved by the Trustees.
- B. The expense is reasonable and practical.
- C. The expense is timely.
- D. The expenditure does not conflict or overlap with other requests or expenditures.

If a question exists regarding the propriety of an expenditure, it shall be referred to the VSF Executive Director and the DVS Director of Finance and Administration to determine if it meets the exception to the Fund Expenditure Rule contained in section 9.04 of the Board of Trustees Bylaws.

After approval by the Committee Chairman/Care Center Administrator, the purchase/expenditure will be made in accordance with Commonwealth of Virginia regulations.

In addition to the Quarterly Funding Levels and Services Report, other reports on expenditures shall be submitted quarterly, or as requested, to the DVS Commissioner, the Trustees, or others for review. Expenditure reports shall include under funded or unfunded needs and shall be submitted in addition to quarterly reports of funding levels and services required by the Foundation.

Financial records shall be maintained according to Commonwealth of Virginia regulations and shall be audited along with other financial records whenever the Auditor of Public Accounts performs its audit of DVS financial activities.

J7.10 Adoption and Amendment

This policy may be adopted and amended by a majority vote of the VSF Board of Trustees after consultation with the Commissioner of Veterans Services. Notice regarding such actions shall be given to the Commissioner and all board/council members at least ten (10) days prior to the vote being taken.

This policy supersedes DVS Administration Policy 7.

J7.11 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees ratifies the policy and it is signed by the Trustees Chairman and the DVS Commissioner.

August 5, 2009

ATTACHMENT 14

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Cemeteries Assistance Subsidiary Fund Policy and Procedures

J8.1 Purpose

The purpose of this policy is to establish operating procedures for the Cemeteries Assistance Subsidiary Fund for the benefit of Virginia veterans' cemeteries (e.g., the Virginia Veterans Cemetery in Amelia, the Albert G. Horton, Jr. Memorial Veterans Cemetery in Suffolk, and the Southwest Virginia Veterans Cemetery) operated by the Virginia Department of Veterans Services (DVS). The Cemeteries Assistance Subsidiary Fund (the sub-fund) is a subsidiary fund of the Veterans Services Fund, which is administered by the Veterans Services Foundation Board of Trustees (the Trustees).

J8.2 Application

The VSF Executive Director in conjunction with the DVS Director of Finance and Administration and the Cemeteries Directors are responsible for the application of this policy.

J8.3 Interpretation

The DVS Commissioner, in consultation with the VSF Board of Trustees' Chairman, is responsible for the interpretation of this policy.

J8.4 Overview

Each cemetery solicits and accepts donations for the purposes of enhancing cemetery operations and appearance by purchasing equipment/supplies and beautifying the grounds/buildings. These actions may be beyond the scope of funds appropriated for the operations of the cemeteries. In addition, to foster community involvement and outreach, donations can be solicited to support specific activities at the cemeteries to honor Virginia's departed veterans.

Donations are placed into the Cemeteries sub-fund of the Veterans Services Fund and accounted separately for each of the existing and future cemeteries. Donations made for a specific purpose are placed in restricted sub-funds, so that the donated funds are only used in accordance with the wish of the donor.

All donations will be deposited in the Veterans Services Fund and shall be managed in accordance with §§ 2.2-2715 et seq. Code of Virginia, applicable sections of the current Virginia Appropriations Act, and Commonwealth of Virginia regulations.

For each of the cemeteries, DVS staff will submit an annual budget request to the Veterans Services Foundation, outlining expected donations and expenditures for the

upcoming fiscal year. Ultimate expenditure authority lies with the Trustees. The Trustees may delegate expenditure authority to the Cemeteries Assistance Subsidiary Fund Chairman/Cemeteries Director or its Committee to facilitate expenditure of budgeted funds.

J8.5 Policy

It is the policy of VSF and DVS, in coordination with the Cemeteries Assistance Fund Committee (the Committee), to oversee and ensure that monies collected for the Cemeteries Assistance Subsidiary Fund are properly deposited, managed and expended.

J8.6 Cemeteries Assistance Subsidiary Fund Committee

The Committee shall direct and administer the Cemeteries Assistance Subsidiary Fund, including the budgeting of supplies, materials, equipment, and expenditures not covered by existing appropriations.

The Committee shall consist of the following:

- Cemeteries Director (Committee Chairman)
 - Cemetery Office Manager, Virginia Veterans Cemetery
 - Cemetery Office Manager, Albert G. Horton, Jr. Memorial Veterans Cemetery
 - Cemetery Office Manager Southwest Virginia Veterans Cemetery
 - Director of Finance and Administration or his/her designee*
 - VSF Executive Director or his/her designee*
- (*For budget purposes only.)

J8.7 Cemeteries Subsidiary Fund Committee Duties

The duties of the Committee shall be as follows:

- A. Request input and recommendations from the Department of Veterans Services, the Board of Veterans Services, and the Joint Leadership Council of Veterans Service Organizations, other interested veterans and veterans support groups regarding potential needs and activities for the coming fiscal year.
- B. Review the requests to ensure that the requests fall within the scope of the intent of the Veterans Services Fund. No later than March 31, the Committee shall develop an annual working budget for the coming fiscal year.
- C. Through the DVS Commissioner, submit the budget to the Trustees for review and approval.
- D. Submit to the Trustees for approval any requested changes to the approved operating budgets prior to implementation of any changes.
- E. Submit a quarterly financial funding levels and services report to the Trustees for their information and review. Additional reports may be requested on a more frequent basis.

J8.8 Procedures for Receiving and Administering Funds

Procedures for donation acceptance and accountability are contained in VSF-DVS Joint Policy Number 4.

J8.9 Procedures for Expending Donated Funds

Request for expenditure, regardless of purpose, and shall be submitted to the Committee Chairman/Cemeteries Director for approval. Former DVS Expenditure Request Form (DVS Form 15) may be used at the discretion of of the Chairman/Cemeteries Director. The Chairman also may refer the request to the Committee for consideration or take direct action.

The Committee Chairman/Cemeteries Director or the Committee then shall evaluate the request to ensure it meets the following criteria:

- A. Funds are available for the purchase or expenditure; and the expense conforms to the intent of the designated donation and the approved budget. Deviations from the approved budget shall be approved by the Trustees.
- B. The expense is reasonable and practical.
- C. The expense is timely.
- D. The expenditure does not conflict or overlap with other requests or expenditures.

If a question exists regarding the propriety of an expenditure, it shall be referred to the VSF Executive Director and the DVS Director of Finance and Administration to determine if it meets the exception to the Fund Expenditure Rule contained in section 9.04 of the Board of Trustees Bylaws.

After being approved by the Committee Chairman/Cemeteries Director, the purchase/expenditure will be made in accordance with Commonwealth of Virginia regulations.

Expenditure reports shall be submitted quarterly, or as requested, to the DVS Commissioner, the Trustees, or others for review. Expenditure reports shall include under funded and unfounded needs and shall be submitted in addition to quarterly reports of funding levels and services required by the Foundation.

Financial records shall be maintained according to Commonwealth of Virginia regulations and audited along with other financial records whenever the Auditor of Public Accounts performs its audit of DVS financial activities.

J8.10 Adoption and Amendment

This policy may be adopted and amended by a majority vote of the VSF Board of Trustees after consultation with the Commissioner of Veterans Services. Notice regarding such actions shall be given to the Commissioner and all board/council members at least ten (10) days prior to the vote being taken.

This policy supersedes DVS Administration Policy 18.

J8.11 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees ratifies the policy and it is signed by the Trustees Chairman and the DVS Commissioner.

August 5, 2009

ATTACHMENT 15

§ 2.2-2718. Veterans Services Fund established.

A. There is created the Veterans Services Fund (the Fund), a special nonreverting trust fund on the books of the Comptroller, to be administered by the Foundation.

B. The Fund shall include such funds as may be appropriated by the General Assembly; revenues transferred to the Fund from other state programs established for the Fund's benefit; and designated gifts, contributions and bequests of money, securities, or other property of whatsoever character. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it.

~~C. Any moneys remaining in the Virginia Veterans Care Center Endowment Fund as of June 30, 2003, shall be transferred to the Veterans Services Fund on July 1, 2003. Based on an audited accounting of the June 30, 2003, balance, those transferred moneys from the Virginia Veterans Care Center Endowment Fund shall be used to support (i) capital repair and replacement projects and activities undertaken by the Department of Veterans Services, (ii) programs, activities, and services for residents of veterans care centers, or (iii) other programs, activities, and services provided by the Department of Veterans Services identified by such audit. It is the intent of the General Assembly that the transferred moneys from the Virginia Veterans Care Center Endowment Fund shall not be used as operating revenue for the veterans care centers, but shall be used according to the purposes identified by the audit of its accounts.~~

C. Fund resources shall be used solely for the purposes of carrying out the applicable provisions of §§ 2.2-2715, 2.2-2716, 2.2-2717, and this section. Fund resources may be used for Foundation expenses, subject to approval by the Board of Trustees. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request.

D. All money, securities, or other property designated for the Fund and any interest or income therefrom shall remain in the Fund and shall not revert to the general fund.

(2003, cc. 657, 670.)

Rationale:

1. Conforms to standard Code language regarding trust funds.
2. Specifies that Fund interest shall be credited to the Fund.
3. Removes dated material that should have been in an Enactment Clause.
4. Allows for use of the Fund for Foundation expenses implied in 2.2-2716.6.
5. Requires Board of Trustees approval of Foundation expenses.

ATTACHMENT 16

RECONCILIATION OF FUND DISTRIBUTIONS

S&BVCC Opening Ceremony and Portrait Project

Portrait Income	
Restricted	
MOAA VCOC	250.00
BVS	<u>1,850.00</u>
	2,100.00
Unrestricted	
Foundation – Up to:	10,000.00
Portrait Expenses	8,608.50
Less Restricted Funds	<u>2,100.00</u>
Deducted from Unrestricted	<u>6,508.50</u>
Balance	3,491.05
Additional Opening Ceremony Expenses	<u>392.93</u>
Account Balance (unrestricted funds)	3,098.57

Unauthorized distributions from the Endowment Fund to VVCC*

VVCC Local Fund	8/16/2005	3,641.55
VVCC Local Fund	8/16/2005	723.20
VVCC Local Fund	2/14/2005	<u>706.00</u>
Total		5,070.75

*Noted in Auditor of Public Accounts Audit of 1/1/2005 – 3/31/2006, specifics provided by Auditor Brandy Mikell. Distributions were made before the former DVS Director of Administration joined DVS, but they were not reconciled by him.

Unauthorized distribution of Endowment interest for FY04, FY05, FY06, FY07, FY08**

VVCC	13,822.89
S&BVCC	629.54
Amelia Cemetery	356.61
Suffolk Cemetery	<u>120.61</u>
Total	14,929.65

**Distribution of Endowment Fund interest was directed by former DVS Director of Finance and Administration without VSF approval and despite DVS Policy #23 that stated all interest shall accrue to the Foundation Endowment Fund (Unrestricted Fund).

ATTACHMENT 17

Draft VSF Goals and Objectives for FY10

VSF Development Committee Responsibilities:

Goal: Support DVS and VSF legislative mandate to raise \$150,000 in FY10 for the Virginia Wounded Warrior Program (VWWP).

Objective(s): Raise at least \$ 40,000 per quarter. Advance each Development Committee member's commitment to raise \$5,000 for 2009.

Goal: Organize seeking, promoting, and stimulating contributions for the Fund to initiate funding for the unmet needs of DVS programs.

Objective: Assist care centers and cemeteries in fundraising, with focus on the new cemetery in Dublin and the Sitter & Barfoot Care Center.

Goal: Consolidate relations with VSOs and build relations with major corporations, and other potential supporters/donors.

Objective(s): Continue to work through the JLC and board members with corporate connections to gain 100% support of VSOs and support of at least ten corporations on an on-going basis.

Goal: Enhance the image the Foundation wishes to convey to its stakeholders and the community at large.

Objective(s): Continue to ensure broad dissemination of all communications materials, launching and refinement of the Foundation web site, and development of forms of donor recognition. Develop specific recognition programs that give donors a sense of pride and ownership. Be clear on relationships with all stakeholders, including DVS staff.

Goal: Develop and maintain a statewide donor database using compatible fundraising software.

Objective(s): Combine available donor lists and contact past donors for contributions. Develop additional donor lists targeted to specific DVS programs in need.

VSF Finance Committee Responsibilities:

Goal: Clarify financial reports so they adhere to requisite accounting practices and procedures and better define available revenue and needs for expenditures in order to determine cash flow requirements.

Objective(s): Produce financial reports that can be easily understood by Trustees, DVS staff, donors, potential donors, and other stakeholders. Ensure statements are backed up with sufficient information on revenues and expenses, both for transparency and budget planning.

Goal: Clarify existing Foundation Policies and institute other policies as needed for the effective administration of the Fund by the Foundation and DVS.

Objective(s): Ensure the Foundation policies meet the requirements for which they were established. Review and revise the policy on in-kind contributions. Examine and advise the Board of Trustees on any financial issues for which new or revised policy guidance is necessary.

Goal: Continue to maintain a sustainable Fund endowment.

Objective: Maintain an endowment level that will support contingency needs from revenues generated.

Goal: Continue to ensure Fund integrity.

Objective(s): Allocate fundraising income and expenses to insure a maximum percentage of revenues go to support veterans and their families.

Goal: Assist DVS program managers in developing realistic budgets.

Objective: Participate, as requested by program managers, in FY budget development and interim reviews.

Goal: Provide briefings on Foundation finances that provide a better understanding of the issues involved.

Objective: Work with the DVS staff to ensure the Board of Trustees remains current on Foundation finances.

ATTACHMENT 18

VSF NOMINATING COMMITTEE REPORT July 29, 2009

At the May 6, 2009 the Foundation Board Chair appointed a Nominating Committee to fill the positions of Foundation Board Chair, 1st Vice Chair and 2nd Vice Chair for FY2010. The Nomination Committee consists of myself (Bill Lechler who was appointed Chair), Supriya Christopher, and Don Hall. The Nominating Committee was assisted in its duties by the Foundation Executive Director at my request because we had not received from the Board members any nominations or volunteers who were willing to be considered.

The guidance provided by Chair Wickersham was followed. There was a suggestion that a Nominating Committee member should be able to be nominated without resigning from the committee. This was considered and not followed because the Committee should not be a self-selecting body to maintain its integrity. In any case, the Committee members were chosen because they had expressed no desire to be nominated to a Board leadership position

Consideration was given to the following requirements:

1. In accordance with the Board Bylaws, the current Chair, and Vice Chairs are not eligible to be candidates for their current positions and the Ex Officio members of the Board are ineligible to serve as Board officers.
2. The candidates for Board Chair must have more than one year remaining on his/her term of Board appointment. Accordingly, the following Trustees would not be eligible for the position of Board Chair: Bob Archer, Juanita Farrow, Adam Harrell, David Orso, Randy West, Frank Wickersham, Kathleen Wilder. Their terms expire on 6/30/10. However, this restriction does not apply to candidates for the Vice Chairs.
4. The following members are eligible to be candidates for Board Chair: Jim Boyd, Supriya Christopher, Leroy Gross, Don Hall, Bill Lechler, Fred Leigh, Dave Richardson, Meade Spotts, and Leo Wardrup. However, Bill Lechler, Supriya Christopher, and Don Hall had previously declined nomination, as previously mentioned.

Additionally, consideration was given to those who had newly joined the board within the last few months, those who had said that they were not available to take a leadership position, and those who had been unable to participate in Board meetings.

The Nominating Committee conferred on 9 July, made some follow-up contacts, and determined that the following candidates be presented:

David Richardson	Board Chair
Robert Archer	1 st Vice Chair
Meade Spotts	2 nd Vice Chair

Nominations from the floor may be made at the Board meeting prior to the election.

Additionally, I would recommend that the procedure set forth by the Board Chair be incorporated into the Trustees Bylaws to enhance the integrity of the democratic procedure for the future.

Respectfully Submitted,
William M. Lechler
Nominating Committee Chair