

Illinois Attorney General's Charitable Advisory Council

Meeting Minutes

December 12, 2016

The 2016 Annual Meeting for the Charitable Advisory Council was held on Monday, December 12th, at 10:30 a.m. in Room 9-031 of the James R. Thompson Center, Chicago, Illinois. In total, 32 individuals attended the meeting.

PRESENT:

Jodi Adler, The Law Project
Jason Baxendale, Chicago Community Trust
Joy Boruff, The Moline Community Foundation
Delia Coleman, Forefront
Kim Coventry, Richard H. Driehaus Foundation
Gillian Darlow, Polk Bros. Foundation
Greg DiDomenico, Community Memorial Foundation
Joan Dixon, Community Foundation of East Central Illinois
Peter Fissinger, Campbell & Company
Emily Friedman, John D. & Catherine T. MacArthur Foundation
Graham Grady, Lloyd A. Fry Foundation
Jack Kaplan, United Way of Illinois
Scott, McFarland, Serve Illinois Commission
Zena Naiditch, Equip for Equality
Joe Neri, IFF
James Parsons, The Brinson Foundation
David Rosen, Jewish Federation of Metropolitan Chicago
Doug Schenkelberg, Chicago Coalition for the Homeless
Richard Sevcik, Perkins Coie
Charles Slamar, Charles Slamar & Associates
Susan Snyder, Northern Trust Company

In addition, the following staff members from the Illinois Attorney General's Office were present:

Therese Harris, Theresa Geary, Barry Goldberg, Pasquale Esposito, Kristin Louis, Matthew Shapiro, and Pooja Shah.

Others in attendance include:

Alex Armour, Illinois Treasurer's Office; Jean Butzen, Mission + Strategy; Linda Wagner, Chicago Foundation for Women.

Members not in attendance:

David Chernoff, Good City NFP; Rose Doherty, Legacy Professionals, LLP; LauraJane Hyde, Gilda's Club Chicago; Rosealyn Priester, Faith in Place; and Eric Weinheimer, Forefront.

I. Welcoming Remarks—Attorney General Madigan

The Attorney General opened the meeting at 10:33 a.m.

II. Review and Approve 2014 Annual Meeting Minutes

Therese Harris asked members to review the minutes from the 2014 Annual Meeting. Scott McFarland motioned to approve the minutes and David Rosen seconded. A voice vote occurred with all members voting in favor of approving the minutes. There were no objections.

III. Old Business

Therese Harris asked if there was any old business that needed to be discussed.

No comments were received.

IV. New Business

a. Executive Committee Report — David Rosen

i. OMA Requirement

David Rosen asked for Membership List to be passed around and explained that the membership was divided into two classes – Class A and Class B – to stagger the terms of members. He shared that members are required to complete the electronic Open Meetings Act (OMA) training.

David Rosen explained that the CAC Charter needs to be updated to reflect the OMA training requirement.

b. Review and Approve Charter

Greg DiDomenico motioned to approve adding the OMA training requirement to the Charter and Jody Adler second. A voice vote occurred with all members voting in favor of approving the addition. There were no objections.

c. Committee Reports — Therese Harris and Theresa Geary

Theresa Geary explained that one Charitable Information Session was held in 2015 on the southside of Chicago. Overall, the Attorney General's Office has provided training on charitable trust requirements and best practices for 250 people through the Charitable Information Sessions.

Therese Harris explained that in 2015 there was one Legislative Committee meeting to discuss the Illinois Trust Code. The meeting included a discussion on the objections to the ITC and these concerns have been shared with the committee, the Attorney General's legislative staff and the proponents. It is anticipated that this legislation will be introduced again this spring, and members are to watch for the updated language.

Susan Snyder asked if the existing issues would be discussed with the proponents for the spring session. Therese Harris shared that the remaining concerns will be shared with the Chicago Bar Association.

d. Updates for the 2016 NASCO Conference and the Single Portal Initiative — Therese Harris

Therese Harris shared information from the 2016 National Association of State Charity Officials Conference which includes representations from state attorney generals and 16 secretary of state offices, and other state government agencies which oversee charities

for their state. The Conference was held in October 2016 and discussions included donor advised funds, endowments, non-traditional philanthropy, cyber security and interstate cases. In addition, the Conference discussed the ongoing Multistate Filing System or Single Portal Initiative. To support the portal, a not-for-profit corporation was formed to raise funds for developing the portal. Thirteen states are working towards a single portal and some of the smaller states will launch first to test the system.

e. Mission Sustainability Initiative – Forefront

Delia Coleman of Forefront shared an overview of their Mission Sustainability Initiative (MSI). Focusing on Chicagoland, Forefront has been reviewing mergers, acquisitions and other strategic restructuring to support nonprofit's missions. They have received commitments to fund the onetime expenses that NFP experience as they undergo strategic restructuring and are assisting 20 organizations review and assess their feasibility for restructuring. They are also working to create pro bono connections.

f. Merger Study

Gillian Darlow of Polk Bros. Foundation shared that the Merger Study developed out of a listening session they held with approximately 250 grantees. Polk Bros. Foundation was funding approximately one merger per a year. However, in the last four years, they have funded 10 mergers and have dedicated funding to restructuring initiatives. They want to help nonprofits consider strategic options.

Jean Butzen of Mission + Strategies commissioned the study to look at merger strategies in Chicagoland. Kellogg did the research piece. The conclusion from their work is that mergers should be considered as one option for strategic restructuring.

They have developed a microsite which will include podcasts from the case studies conducted as well as a toolkit with additional resources. This toolkit will be customized to Chicago. These resources are – or will be – available to download for free.

g. Updates from the Law Project and the Treasurer's Sustainability Fund

Jody Adler shared that The Law Project's Pro Bono Legal Assistance is expanding projects on employment policies, by laws, and to additional communities. The Law Project is focusing on neighborhoods impacted by gentrification and displacement issues. They are working to expand the nonprofit guide to social enterprise to assist nonprofits think about revenue streams and the organization will be expanding to represent these organizations in early 2017.

The Law Project is also part of the Nonprofit Support Network which is a capacity building group which will kick off in 2017 with various partners to build pro bono capacity.

Alex Armour of the Illinois Treasurer's Office shared updates on their Sustainability Fund which will go live in February 2017. The fund is aimed at nonprofit organizations with operating budgets of less than \$1,000,000 focusing on housing, food, and workforce development. Grants will be awarded up to \$25,000 to selected organizations. The fund is approximately \$3,600,000 currently and they will begin announcing awardees in March or April and then release a second application in May or June for another round

of funding.

Therese Harris suggested adding links to these initiatives on the CAC portion of the website and asked members for help in drafting an introduction for the site.

V. Public Comment

Graham Grady asked if the Purple Book needs to be updated.

Delia Coleman of Forefront shared that the book does need to be updated and Graham Grady and Scott McFarland volunteered to help.

Joy Boruff asked if all of the new nonprofits and registered organizations are based in Illinois. Therese Harris shared that not all solicit in Illinois or based in Illinois.

Joy Boruff asked about the difference between multistatelisting.org and the Single Portal Initiative. Therese Harris shared that there is a uniform form that some states accept available online, which differs from the Single Portal. The Single Portal would allow for electronic filing to one or more states via an online portal.

Scott McFarland shared that Serve Illinois is looking for nominations for the Governor's Volunteer Service Awards and the Governor's Home Town Award.

VI. Closing

Graham Grady motion to adjourn the meeting at 11:37 a.m. and Scott McFarland seconded. A voice vote occurred with all members voting in favor of approving the minutes. There were no objections.