

**Veterans Services Foundation
Board of Trustees
Meeting Minutes
November 5, 2014**

A meeting of the Veterans Services Foundation (VSF) Board of Trustees was held on Wednesday, November 5, 2014 at the Sitter & Barfoot Veterans Care Center, 1601 Broad Rock Boulevard, Richmond, VA.

Members Present

- James Boyd
- Frank Driscoll
- Frank Finelli
- John Newby, (Ex officio, voting, Commissioner of Department of Veterans Services (DVS))
- Chip Moran, (Ex officio voting Joint Leadership Council (JLC) of Veterans Service Organizations Chair)
- Tom Gordy
- Don Kaiserman (Ex officio voting, Board of Veterans Services (BVS) Chair)
- Jack Kavanaugh
- William Lechler
- John Lesinski
- Kathleen B. Levingston
- Al Pianalto
- Rich Schollmann (Board Chair)
- Pat Webb
- Randall West
- Frank Wickersham
- Matice Wright

Members Absent

- Brad Antle
- Meade Spotts

VSF Staff and Advisors Present

- Tammy Davidson, Ex officio, non-voting, VSF Treasurer
- Jack Hilgers, Ex officio, non-voting, VSF Executive Director

Commonwealth of Virginia Officials Present

- John Crooks, Department of Planning and Budget (DPB)
- Leslie Frasier, representing Secretary John Harvey
- Allen Fryman, DVS
- Brandi Jancaitis, DVS
- Andrew Schwartz, DVS
- Danielle Weaver, DVS

Materials Distributed and Attached

- Meeting Agenda (*Attachment 1*)

- Board of Veterans Services Chair Report (*Attachment 2*)
- Joint Leadership Council of Veterans Service Organizations Chair Report (*Attachment 3*)
- Department of Veterans Services Commissioner's Report (*Attachment 4*)
- VSF Income (*Attachment 5*)
- VSF Expenses (*Attachment 6*)
- FY 14-15 Events (*Attachment 7*)
- Veterans Services Fund Quarterly Report (*Attachment 8*)
- FY15 Goals and Objectives (*Attachment 9*)
- VSF Planned Giving Program (*Attachment 10*)
- VSF-DVS Joint Policies #6, 6a, 7, 8, 9, 10 (*Attachment 11*)
- Code of Virginia Chapter – Willis, Trusts, Fiduciaries (*Attachment 12*)
- Index Page for Trustee Handbook 11/5/14 (*Attachment 13*)

Materials Distributed But Not Included

- Board Roster 7-22-14 Rev
- Virginia Wounded Warrior Program (VWWP) Update
- Yellow Ribbon Fund 2014 Annual Report
- Yellow Ribbon Fund Update

Materials Available But Not Included

- VSF Meeting Minutes for August 6, 2014

Opening and Pledge of Allegiance

Chair Rich Schollmann welcomed everyone and called the meeting to order at 11:18 a.m.

Mr. Don Kaiserman led the board in the Pledge of Allegiance.

Roll Call of Trustees and Quorum Determination

With 17 of 19 members or their authorized representatives present, a quorum was determined. Executive Director Jack Hilgers introduced the DVS members present and their names are recorded above.

Chair Schollmann welcomed the one new board member Ms. Kathleen B. Levingston and new Commissioner John L. Newby II. The Chair then presented them with VSF lapel pins. Each gave a brief sketch of their background.

Approval of Agenda

Chair Schollmann made one change to the agenda. He moved item VI. c (the Commissioner's DVS report) to follow item II (Approval of the minutes of the last meeting). He then asked for a motion to approve the agenda as presented with the one change (*Attachment 1*). The agenda previously was forwarded to the Foundation members electronically and was in the materials distributed.

Mr. Frank Finelli **moved** to approve the agenda with the change as submitted and Mr. Jack Kavanaugh **seconded** the motion. There was no discussion and the motion **passed unanimously**.

Review and Approval of August 6, 2014 Meeting Minutes

Chair Schollmann stated that the August 6, 2014 meeting minutes were previously forwarded to the Foundation members electronically. Hard copies are available if anyone desired to see them.

Chair Schollmann asked for a motion to approve the August 6, 2014 Board meeting minutes. Mr. Tom Gordy **moved** to approve the minutes and Mr. Kavanaugh **seconded** the motion. There was no discussion and the motion **passed unanimously**.

Department of Veterans Services Report

Commissioner John Newby stated that the DVS report is included in the material provided (*Attachment 4*) and that he would be addressing other pressing issues confronting DVS.

The Commissioner wants open communication with the board to help DVS head in the right direction. To that end he has had productive meetings this week with Mr. Schollmann and Mr. Hilgers. The number one item that is on his agenda is to put the DVS benefits offices in order because that once the health care issues with the U.S. Department of Veterans Affairs (USDVA) are corrected the next major issue will be improving veterans benefits services. This service has been neglected by USDVA and as a result the DVS Benefits Program has not gotten the support it needs. DVS Benefits has great staff, but they do not have enough staff to service the great numbers of veterans that come to their offices for help every day and thousands are being turned away because of lack of staff. This is a major issue with Secretary Harvey that needs to be corrected.

The Commissioner said that he believes that DVS needs to do more branding of the Department and its services. The Department needs to better state what it is and what services are provided. He would like to have a Department retreat for DVS staff so that everyone can become more familiar with and understand all of the services provided to Virginia's veterans and their families.

The Commissioner then discussed the Budget. There is a 2.4 Billion cut across the board due to lack of revenue coming in to support state government. DVS has had to take a 5% cut in the 2015 budget that the Department was able to make without dropping staff and services. The Budget for 2016 is still in the works and the Department is expecting deeper cuts. The DVS Virginia Wounded Warrior Program (VWWP) and Cemetery Services will be needing help with unfilled personnel shortfalls projected from the 2016 budget cuts.

The Commissioner stated that he is pleased to be in a position to help the Department accomplish its goals and he thanked everyone present for their dedication and commitment to veterans and their families.

Tour of Care Center

Ms. Sandra Ranicki then introduced herself and gave a brief bio. She explained that SBVCC is a Skilled Nursing Center and operates without general funds. They are totally funded by their revenue and provide a significant savings to veterans. The facility has 160 private rooms with private baths and is constructing 40 new private rooms. The facility staff provide all needed services to support the residents.

Ms. Ranicki then took the Board members on a 20 minute tour of the facility.

PRESENTATIONS

VWWP Update

Ms. Bandei Jancaitis gave an update on VWWP with a power point presentation. VWWP has developed a "dash board" set of charts to help explain the services they provide.

Ms. Jancaitis said that VWWP recently lost three staff members and these positions will be filled as soon as possible so that service can continue to be provided to Virginia's veterans and their families. They have a goal for FY15 to provide 6,050 services during the year. This translates to about 1,500 services per quarter and they are behind in the first quarter by about 350 services, they pick up during the winter and the goal should be reached, personnel shortages notwithstanding. She followed with charts on Mission Healthy Families and

Mission Healthy Relationships, New Services by Nature of Request, and Numbers of Veterans and Dependents served.

Ms. Jancaitis introduced the Board to the projected changes to the way VWWP will handle financial assistance. Currently, the focus is on emergency financial assistance (EFA) to help veterans and their families in need deal with their finances. In this process, VWWP acts as a last resort, meaning that the needy veteran or family members must exhaust all other sources of charitable support before VWWP will assist them. This has been very successful, but there is a need to shift to funding for clinical or traumatic brain injury services covering treatment fees when the veteran would not otherwise have access. EFA will still be available, but the focus would shift to treatment versus emergency support.

Ms. Jancaitis briefly covered the successful Women Veterans Conference and the Homeless Boot Camp and their accomplishments. She showed the Coordinated Assessment and Housing Placement System that organizes providing shelter in a managed system. She concluded with a success story from the Homeless Boot Camp regarding a homeless veteran being served in a coordinated effort across many agencies.

Mr. Al Pianalto asked if the Financial Assistance Program is totally funded through donations. Ms. Jancaitis said that it generally is and explained how this process works and the intensive background check VWWP does before expending funds to veterans in need.

Mr. Frank Driscoll asked if the Section 8 program is associated with VWWP. Ms. Jancaitis explained the program and how it works with VWWP. She also explained the building of affordable housing. Commissioner Newby pointed out that there will always be someone that falls into homelessness.

Chair Schollmann thanked Ms. Jancaitis for the update and information.

Chair Schollmann called for a lunch break at 12:46 p.m. He called the meeting back to order at 12:58 p.m.

Commissioner Newby had to leave for another meeting and appointed Ms. Tammy Davidson as his representative for the rest of the meeting.

V3 Update

Mr. Andrew Schwartz provided the following information on the status of the V3 Program:

- V3 Score
 - 224 V3 Member Companies
 - 8,100 Jobs Pledged
 - 6,525 Actual Hires Reported

- After Action on V3 Training Days / V3 Curriculum
 - -General Curriculum
 - -Customized Curriculum
 - -Manufacturing Curriculum

- New Contract with PD Systems
 - New Curriculum: Healthcare, Adv. Manufacturing, STEM
 - Increased training days
 - New hire – Training Coordinator

- Goals: Doubled – ways to meet expectations

- Increase training days
 - Train-the-trainer (LVERs, Private Sector partners)
 - Authorized third-party trainers – Developing SOPs
 - Web-based training (interactive) – Go To Webinar
- VSF Companies: This fiscal year there have been eight of eleven companies trained have been certified; **46 jobs pledged; 108 Actual Hires Reported.**
 - Altria – Certified 4/17/14 – 5 Pledged – 7 Hires Reported
 - Eastern Virginia Medical School –Certified 1/1/14 – 7 Pledged – 16 Reported
 - WR Systems – Certified 9/5/14 – 3 Pledged – 7 Hires Reported
 - Pilot Media – Certified 3/18/13 – 2 Pledged – No reports
 - University of Virginia – Not Certified
 - City of Virginia Beach – Certified 8/16/13 – 15 Pledged – 3 Hires Reported
 - Carillion Clinics – Certified 8/2/2013 – 1 Pledged – 27 Hires Reported
 - Southern States – Certified 8/8/2013 – 1 Pledged – 48 Hires Reported
 - College of William & Mary – Certified 9/16/2013 – 12 Pledged – No Reports
 - Dish Network – Not Certified
 - Alstom Power – Not Certified

Mr. Finelli inquired about the donation from Altria for the V3 program. He wanted to know if the donation is restricted. Mr. Schwartz explained that Altria had made the funds available contingent on the submission of a grant proposal by DVS requesting the funding tied to specific programs to be provided and results obtained. None of the Altria funds are available for use outside of the requirements contained in the grant.

Mr. Schwartz introduced Mr. Allen Fryman who is the new Virginia Transition Assistance Program (VTAP) Coordinator and briefly explained Mr. Fryman's duties. Mr. Schwartz asked the Board if Mr. Fryman could provide a presentation on VTAP at the next board meeting.

Mr. Gordy asked Mr. Schwartz what short falls V3 was experiencing that additional funds would satisfy. Mr. Schwartz responded that he would like to make V3 a household name.

Mr. Driscoll explained that he has been assisting Seabees with their transition from military to civilian life and helping them with how to dress for success.

Chair Schollmann thanked Mr. Schwartz for the update and information and said that they would see about scheduling a presentation on the Virginia Transition Assistance Program at the March Board meeting.

Yellow Ribbon Fund

Mr. Frank Wickersham gave a presentation on the Yellow Ribbon Fund and provided all present with two brochures: the Yellow Ribbon Fund 2014 Annual Report; and Yellow Ribbon Fund Update. He explained that this is an organization that in which he is very active and that it is endorsed by the Military Officers Association of America (MOAA). He explained that the Yellow Ribbon Fund is looking for strategic alignments and would like to partner with VSF and VWWP.

Chair Schollmann thanked Mr. Wickersham for the information.

Mr. Frank Finelli had to leave at 1:30 pm.

REPORTS

Chair Schollmann called for the remainder of the reports, noting that the Commissioner had given the DVS report earlier.

Board of Veterans Services (BVS) Report

Mr. Kaiserman said that Tuesday's November 4 election produced a great response to the Constitutional amendment regarding military spouses' real estate tax exemption. The acceptance was 88% of the votes cast. He surveyed many voters exiting the polls on this issue and received very good responses. He said that this is what happens when everyone works as a team. He thanked the DVS, JLC, BVS and Virginia War Memorial teams and many Delegates for getting out the vote.

Mr. Kaiserman then gave a brief review of the BVS Report (*Attachment 2*). He stated that five of the BVS members are members of the General Assembly and that they are needed to move the veterans' programs. He is also working on getting the BVS as protective as the JLC.

Chair Schollmann thanked Mr. Kaiserman for his report.

Joint Leadership Council (JLC) of Veterans Service Organizations Report

Mr. Chip Moran stated that DVS is headed in a new direction and that he had the opportunity to meet with Secretary Harvey and Commissioner Newby. They also meet with the Governor and explain what they feel is important in serving Virginia's veterans.

The October 15 JLC meeting (*Attachment 3*) was a great meeting and they receive a terrific lengthy briefing by the DVS Veterans Education, Training and Employment Program. The next meeting will be Thursday, December 18 after the Governor's proposed budget is announced. On January 15, 2015, JLC will hold its Conference at the General Assembly and all of the VSF Board members are invited to attend.

Chair Schollmann thanked Mr. Moran for the report.

Foundation Executive Director

Mr. Hilgers stated that he had reviewed the VSF Income (*Attachment 5*), Expenses (*Attachment 6*), and Events (*Attachment 7*) for FY15 during the Committee meetings. He asked if there were any further questions. None were posed.

Mr. Hilgers also stated that changes to the Development Committee (DevCom) FY15 Goals and Objectives are on hold along with the Planned Giving Policy as discussed in the DevCom meeting.

Mr. Hilgers noted that the DevCom had voted to remove the statement "Support updating the Virginia Tech report of veterans' unmet needs." from the second DevCom goal because it was not supported by the JLC. He pointed out that was still a DVS objective and will remain in as part of the second goal. This issue, along with the others discussed during the Development Committee meeting, will be included in the March 25, 2015 meeting agenda, therefore, additional action on this agenda item should be deferred until that meeting.

He reviewed Policy #9 and the discussion during the Development Committee meeting and said that the Policy should be approved as presented and the issues raised during the DevCom meeting will be addressed at the March Board meeting.

Mr. Hilgers pointed out that there was a set of Code of Virginia sections on Wills, Trusts, and Fiduciaries and an updated Index Sheet for the Trustee Handbook located at the end of the materials handed out. Please replace the index page and add the Code of Virginia sections to the members' handbooks.

Mr. Hilgers said that Conflict of Interest Statements by all Board members will be due on 15 December 2014 instead of 15 January 2015 and that a reminder will be forwarded to the members to comply with this requirement.

Chair Schollmann thanked Mr. Hilgers for his report and said that if there was no objection, further discussion of the FY15 Goals and Objectives would be deferred until the March meeting. No objection was posed.

Board Chair

Chair Schollmann stated that he had no new information to provide.

Development Committee

Mr. Pat Webb reviewed today's DevCom meeting. The Committee recommends the Board approve the DevCom Appointment, VSF-DVS Joint Policy Updates, and VSF FY15 Fund First Quarter Report. The Committee will defer action on the second DevCom goal and objective for FY15 pending a review by the Commissioner on the needs of the V3 and other DVS programs. The Committee also recommends that VSF-DVS Joint Policy #9 be reviewed regarding the wording of subparagraphs J9.5B and C due to the excess of funds held by two programs and that this and the Endowment funds provided for V3 be discussed with the DVS Commissioner.

Finance Committee

Mr. Kavanaugh stated that the Finance Committee met earlier in which all Board members present participated. The Committee recommends the Board approve the VSF-DVS Joint Policy Updates, and VSF FY15 Fund First Quarter Report.

Veterans Services Fund FY14 Quarterly Report

Ms. Tammy Davidson stated that the FY14 Quarterly Report (*Attachment 8*) was reviewed earlier in the DevCom and FiCom meetings. She asked if there are any questions. None were heard.

UNFINISHED BUSINESS

FY 14 Committee Appointments

Chair Schollmann stated that it had been recommended that Ms. Kathleen B. Levingston serve on the Development Committee. A vote will take place under new business.

FY15 Goals and Objectives

Chair Schollmann stated that the FY15 Goals and Objectives were put on hold until the next Board meeting.

Other Unfinished Business

Chair Schollmann asked if there was any other Unfinished Business.

Mr. Bill Lechler pointed out that about four years ago a request was made for VWWP to show the average cost of unit of contact. He would like to bring this back to the floor and request that the VWWP Executive Director provide the information.

Ms. Jancaitis informed the Board that she would take the request back to the VWWP Executive Team to work on a cost per service unit metric. As she highlighted in her presentation of the services data dashboard earlier during this meeting, VWWP is placing great emphasis on services data and the addition of a financial metric may also serve to communicate VWWP value and the need for additional VSF donor support.

NEW BUSINESS

Approval of Committee Appointments

Chair Schollmann called for a motion to approve the Committee Appointment.

Mr. Driscoll **moved** to approve the Committee Appointment and Mr. Lechler **seconded** the motion. There was no discussion and the motion **passed unanimously**.

Approval of VSF-DVS Joint Policies Updates

Chair Schollmann called for a motion to approve the VSF-DVS Joint Policy Updates.

Mr. Lechler **moved** to approve the VSF-DVS Joint Policies Updates and Mr. Gordy **seconded** the motion. There was no discussion and the motion **passed unanimously**.

Approval of VSF FY14 Fund First Quarter Report

Chair Schollmann called for a motion to approve the First Quarter Financial Report.

Mr. Gordy **moved** to approve the VSF FY14 Fund First Quarter Report and Mr. Kavanaugh **seconded** the motion. There was no discussion and the motion **passed unanimously**.

Approval of Goals and Objectives

Chair Schollmann stated that Goals and Objectives had been deferred until the next meeting.

Other New Business

Chair Schollmann asked if there was any other new business. None was heard.

Public Comment Period

Chair Schollmann asked if there was any public comment. None was presented,

Adjournment

The meeting adjourned at 2:02 p.m. The next meeting on March 25, 2015 and the May 6, 2015 meeting will be held at Virginia War Memorial.

ATTACHMENT 1

Veterans Services Foundation Board of Trustees Sitter & Barfoot Veterans Care Center 1601 Broad Rock Boulevard, Richmond, VA

November 5, 2014

11:15 a.m. – 2:30 p.m.

Development Committee Meeting 10:00 a.m. – 10:45 a.m.

Finance Committee Meeting 10:45 a.m. – 11:15 a.m.

- I. Opening and Pledge of Allegiance, Roll Call of Trustees, Quorum Determination, Introduction of New Member and Visitors, Approval of Agenda – *Board Chair* (3 minutes)
- II. Review and Approval of August 6, 2014 Meeting Minutes – *Board Chair* (2 minutes)
- III. Tour of Care Center – *Sandra Ranicki* (40 minutes)
- IV. Presentations
 - a. VWWP Update – *Brandi Jancaitis* (10 minutes)
 - b. V3 Update – *Andy Schwartz* (10 minutes)
 - c. Yellow Ribbon Fund – *Frank Wickersham* (10 minutes)
- V. Working Lunch about 12:30 – 12:45
- VI. Reports:
 - a. Board of Veterans Services – *Don Kaiserman* (5 minutes)
 - b. JLC – *Chip Moran* (5 minutes)
 - c. Department of Veterans Services – *John Newby* (10 minutes)
 - d. Foundation Executive Director (Including VSF-DVS Policy Updates and Other Policy Considerations)– *Jack Hilgers* (10 minutes)
 - e. Board Chair – *Rich Schollmann* (2 minutes)
 - f. Development Committee – *Brad Antle* (3 minutes)
 - g. Finance Committee – *Jack Kavanaugh* (3 minutes)
 - h. Veterans Services Fund FY15 Quarterly Report – *Tammy Davidson* (5 minutes)
- VII. Unfinished Business:
 - a. FY14 Committee Appointment – *Board Chair* (3 minutes)
 - b. FY15 Goals and Objectives – *Board Chair* (5 minutes)
 - c. Other Unfinished Business – *Board Chair* (5 minutes)
- VIII. New Business:
 - a. Approval of Committee Appointment – *Board Chair* (2 minutes)
 - b. Approval of VSF-DVS Joint Policy Updates – *Board Chair* (2 Minutes)
 - c. Approval of VSF FY15 Fund 1st Quarter Report – *Board Chair* (2 minutes)
 - d. Approval of FY15 Goals and Objectives – *Board Chair* (2 minutes)
 - e. Other New Business – *Board Chair* (2 minutes)
- XI. Public Comment Period. (10 minutes)
- X. Adjournment (Next Board Meeting: March 25, 2015, location TBD)

Note: All times approximate.

ATTACHMENT 2

*Donald B. Kaiserman,
Chairman*

*Johnny G. Johnson,
Vice Chairman*

*Susan B. Hippen,
Secretary*

*Delegate Richard L.
Anderson*

*Delegate Mamye E.
BaCote*

L. Max Beyer

William G. Haneke

James O. Icenhour, Jr.

Thad A. Jones

Don Lecky

Sandra D. Love

William Nicholas

Belinda Pinckney

Senator Toddy Puller

Senator Bryce Reeves

*Delegate Christopher P.
Stolle*

*Chip Moran,
Chairman, Joint
Leadership Council of
Veterans Service
Organizations*

*Richard A. Schollmann,
Chairman, Veterans
Services Foundation*

*John L. Newby II,
Commissioner of
Veterans Services*

BVS REPORT TO THE VETERANS SERVICES FOUNDATION November 5, 2014

The Board of Veterans Services (BVS) met on October 7. At the meeting, the BVS:

- Received an overview of current operations and projects at the Virginia Veterans Care Center (VVCC) from Bill Van Thiel, Administrator;
- Received an overview of current operations and projects at Sitter & Barfoot Veterans Care Center (SBVCC) from Sandra Ranicki, Administrator;
- Toured SBVCC (led by SBVCC Administrator Sandra Ranicki);
- Reviewed the status of the Hampton Roads and Northern Virginia Veterans Care Center projects;
- Adopted the BVS 2015 meeting schedule/action plan (see attached).

I know I speak for all of the Board when I say how much we look forward to our continued partnership with the VSF in 2014-2015.

Respectfully submitted,

Donald B. Kaiserman
Chairman

Board of Veterans Services
2015 Meeting Schedule and Action Plan

January 12

- Committee reports (including issues for full Board)
- 2015 General Assembly session:
 - Overview (dates, meetings, etc.)
 - BVS and JLC 2015 initiatives
 - Governor's introduced budget and legislative package
 - Other veterans legislation
 - General Assembly Military and Veterans Caucus
- DVS operational briefing – committee chair and DVS director (TBD)
- Review and endorse the Compact with Virginia's Veterans

January – May

- Board members visit DVS facilities, meet with DVS directors and staff
- Committees review service area plans (part of strategic plan) with DVS directors
- Committee meetings: review/discuss DVS operations and identify issues to bring to full Board
- Committees research issues and prepare reports for May 12 meeting

May 12 meeting

- Review 2015 General Assembly Session: budget and legislation
- Committee reports (issues for full Board, potential initiatives for 2016 General Assembly, etc.)
- DVS operational briefings – committee chairs and DVS directors (TBD)

May – July

- Board members visit DVS facilities, meet with DVS directors
- Committee meetings: review/discuss DVS operations and identify issues to bring to full Board
- Committees research issues and prepare point papers for July 21 meeting

July 21 meeting

- Committee reports (issues for full Board, potential initiatives for 2016 General Assembly, etc.)
- Review, discuss, and approve BVS 2016 initiatives
- Review, discuss, and support JLC 2016 initiatives
- DVS operational briefings – committee chairs and DVS directors (TBD)

August 15 (NLT)

- Submit BVS 2016 initiatives to DVS for transmission to Governor
- (Tentative): BVS-JLC Veterans Roundtable with Governor McAuliffe

October 26 meeting

- Committee reports (issues for full Board, potential initiatives for 2016 General Assembly, etc.) Adopt 2016 Meeting Schedule
- Adopt 2016 Action Plan
- DVS operational briefings – committee chairs and DVS directors (TBD)
- Review DVS Strategic Plan and Compact with Virginia's Veterans

ATTACHMENT 3

*Air Force Association
American Ex-Prisoners
of War*

*American Legion
AMVETS*

*Association of the United
States Army*

*Disabled American
Veterans*

Fleet Reserve

Association

*Korean War Veterans
Association*

*Legion of Valor of the
U.S., Inc.*

Marine Corps League

*Military Order of the
Purple Heart*

Military Officers

Association of America

*Military Order of the
World Wars*

*National Association for
Uniformed Services*

*Navy Seabee Veterans of
America*

Non-Commissioned

Officers Association

*Paralyzed Veterans of
America*

*Reserve Officers
Association*

*Roanoke Valley Veterans
Council*

Veterans of Foreign Wars

*Vietnam Veterans of
America*

*Virginia Army/Air
National Guard*

Enlisted Association

*Virginia National Guard
Association*

*Women Marines
Association*

JLC Report to the Veterans Services Foundation

November 5, 2014

The Joint Leadership Council of Veterans Service Organizations (the JLC) met on October 15, 2014. At the meeting, the JLC:

- Reviewed the status of, and reaffirmed the JLC's commitment to, the six initiatives adopted July 16, 2014 for consideration by the Governor and General Assembly for the 2015 session (summary sheet attached).
- Received an extensive briefing on the G.I. Bill and student veterans from Annie Walker, Director of the Veterans Education, Training, and Employment (VETE) section of the Department of Veterans Services (DVS); Bob Larned, Executive Director of Military Education with ecpi University; and student veterans from ecpi.

Two key meetings are on the horizon for the JLC:

- December 17: budget and legislative review prior to 2015 General Assembly session;
- January 15: annual JLC Conference at the General Assembly (chance for JLC members and guest to meet with leaders of the Executive and Legislative branches).

The JLC looks forward to continuing our partnership with the VSF in support of Virginia's veterans in 2015.

Respectfully submitted,

Thomas "Chip" Moran
Chairman

Summary of JLC 2015 Initiatives

<i>Initiative</i>	<i>Recommendation</i>
JLC 2015-01	That the Governor and General Assembly support the hiring, training, and retention of Department of Veterans Services (DVS) claims agents by approving additional funding in FY16.
JLC 2015-02	That the Governor and General Assembly support the delivery of mental health and rehabilitative services for Virginia veterans, Guardsmen, Reservists, and family members through continued and increased funding for the Virginia Wounded Warrior Program (VWWP) in the FY16 budget
JLC 2015-03	That the Governor and General Assembly authorize five additional positions for the Virginia War Memorial in FY16 and appropriate the necessary funding for these positions.
JLC 2015-04	That the Governor and the General Assembly support the further reduction of veteran homelessness by approving additional funding in FY16 for: <ul style="list-style-type: none"> a) Department of Housing and Community Development (DHCD) to support increases in general statewide homeless prevention, rapid re-housing, and permanent supportive housing funding to help veterans living in rural areas and/or ineligible for VA services. b) DHCD for development of a statewide homeless data warehouse system to permit a better understanding of the needs of veterans accessing mainstream homeless services. c) DVS/VWWP to add three new Housing Resource Specialist (HRS) positions in order to expand coverage to Roanoke and Northern Virginia, and to add a second HRS position in Hampton Roads. d) DVS/VWWP to add one position to work with the criminal justice system to facilitate statewide coordination of federal, state, and community resources.
JLC 2015-05	That the General Assembly and the Governor approve the establishment of a veterans' lottery as part of the Compact with Virginia's Veterans to supplement the General Fund's support of approved veteran's requirements, with any residual lottery funding reverting back to Education.
JLC 2015-06	That the Governor and General Assembly continue state support for the Hampton Roads and Northern Virginia veterans care center construction projects and continue certification of the availability of 35% state funding to match the federal grant funds, thereby maintaining both projects on the VA Priority List Group 1.

ATTACHMENT 4



COMMONWEALTH of VIRGINIA

Department of Veterans Services

John L. Newby II
Commissioner

Telephone: (804) 786-0286
Fax: (804) 786-0302

Memorandum for: Chairman Richard A. Schollmann
Members, Veterans Services Foundation

From: John L. Newby II, Commissioner

Date: November 5, 2014

Subject: Department of Veterans Services report

I am honored to join the Veterans Services Foundation (VSF) as your Commissioner of the Department of Veterans Services (DVS). I look forward to continuing the legacy of service that Commissioner Paul Galanti instilled here and to building on the outstanding partnership he established with the VSF. I have already met many of you, and look forward to personally talking with those I have not yet had the pleasure to meet.

I will work hard to keep the lines of communication open with you, and look forward to receiving your feedback in return. In this report, I will touch on two key topics: the Governor's support of veterans issues (including recent initiatives) and the state budget situation.

Governor's support of veterans issues

Governor McAuliffe has made *Veterans and Military Families* one of his nine 2014 Governor's Enterprise Strategic Priorities. Key veterans priorities for the Governor are:

1. Workforce: Create seamless transitions for Virginia's veterans with high quality education and workforce services that accelerate career opportunities;
2. Homeless: Increase affordable housing opportunities and veterans support programs; and
3. Family support: Ensure that Virginia remains the preeminent state for military personnel, their families and veterans.

Demonstrating his commitment to these priorities, the Governor has:

1. Signed Executive Order (EO) 23, *Establishing the New Virginia Economy Workforce Initiative*, which sets two goals for DVS and its partners:
 - o Double the number of veterans hired through the Virginia Values Veterans (V3) Program; and
 - o Secure pledges of commitment from 10,000 Virginia businesses to hire veterans through the “*Our Patriot Pledge*.”
2. Set the goal of ending veteran homelessness by the end of 2015 (achieve functional zero).
 - o On behalf of the Commonwealth, Governor McAuliffe signed the national “Mayor’s Challenge” to end veterans homelessness;
 - o Governor McAuliffe affirmed this commitment in EO32 (*Advancing Virginia’s Housing Policy*).
3. Held a statewide summit to identify ways to improve access to health care, including behavioral health care. DVS and the Virginia Wounded Warrior Program will be key players in this initiative.

We need your help to ensure our veterans can secure employment. Please encourage Virginia businesses – large and small – to take the “*Our Patriot Pledge*” to hire veterans by visiting the V3 website at <http://www.dvsv3.com/>.

State Budget

State revenue shortfalls are impacting all state agencies, DVS included. The General Assembly met in special session in September, and passed legislation requiring significant spending reductions. As part of the budget he introduces in December, Governor McAuliffe is required to present savings strategies totaling \$272 million in FY2016. The Governor is also required to reduce state agency spending by \$102 million in FY2015.

To meet these requirements, all state agencies were required to submit budget reduction strategies totaling 5% of the General Fund appropriation in FY2015 and 7% in FY2016. The FY2016 reductions will form the “base” – i.e. the starting point – for the FY2017 appropriation. In other words, these could become permanent cuts. The Governor, the Cabinet, and state budget officials are carefully reviewing each proposal. I do not know yet what the final outcome will be, but I will communicate this to you as soon as I know.

In all of this, my first priority is protecting our core services and our DVS employees – they are at the heart of all that we do. Governor McAuliffe and Secretary Harvey are committed to delivering excellent services to Virginia’s veterans, military, and their families.

I will keep you updated on these and other issues, and will let you know if there are opportunities for the VSF to provide increased levels of support to help us make it through these challenging times and address unfunded deficiencies in DVS programs and services. We could not ask for better partners in these and all times than the VSF. Thank you all that you do.

ATTACHMENT 5

VSF INCOME FOR FY15*

Unaudited

October 31, 2014

Income

VWWP

Combat Veterans Motorcycle Assn	30,000.00
McDonalds Tidewater Assn	18,555.40
Ronald Minton Golf Tournament	12,022.30
Prince William Cruisers	7,900.00
Bailey's Crossroads Rotary Club	5,000.00
Childress Foundation	5,000.00
Attorney General Mark Herring	5,000.00
Lakeview Development Corp	4,709.09
American Legion Riders Post 146	4,523.00
10 IS Booster Club, Langley AFB	3,007.56
Southwestern Computer Consultants	3,000.00
RECO Foundation	3,000.00
Papa John's Team, United	2,960.80
Wolf Creek Country Club	2,235.00
Leuter Ranhorn Restaurant Group	2,080.32
H-Assets Investments	2,000.00
Eva's Salon	2,000.00
Wilderness Baptist Church	2,000.00
Southern Knights Cruisers	1,941.00
Schuyler Community Center	1,629.16
Centurion Chapel, Ft Monroe	1,610.00
Associated Builders & Contractors	1,565.00
Cellebration Christian Fellowship	1,265.00
Dominion Foundation	1,000.00
Augusta Expo	1,000.00
Sub-Total	125,003.63
Individual Donors	<u>20,141.13</u>
VWWP Revenue Balance	145,144.76

Care Centers

VVCC	5,382.63
SBVCC	3,035.00

Cemeteries

Amelia	250.00
Dublin	500.00
Suffolk	500.00

V3

Altria Group, Inc.	100,000.00
Federal Street Consulting	500.00
Enterprise Management Systems	500.00
SHINE Systems Technology	1,000.00
Printpack, Inc.	500.00
Dominion Foundation	10,000.00
RR Donnelley	500.00
VWWP Homeless Boot Camp	5,000.00
Virginia Housing Development Authority	5,000.00

Foundation Endowment

Individual Donors	250.00
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Non-VWWP Total 117,927.63

Total FY15 Income 263,072.39

*Does not include In-kind Donations, Grants, or Interest

ATTACHMENT 6
VSF Support Fund Expenses
Revised 6-30-14

FY 2009	-0-	+ DVS Expenses (Tvl)	1,497.88
FY 2010	5,117.89	- Website	1,713.33 = 3,404.56
FY 2011	3,778.62	- Website	2,217.70 = 1,560.92
FY 2012	15,659.91	- NVWG	13,600.00 = 2,059.91
FY 2013	9,453.95	- Golf Carts (2)	7,200.00 = 2,621.77
FY 2014	3,000.54		3,000.54 = <u>3,000.54</u>

Total		14,145.58
Less DVS Expenses (2009)		12,647.70
Average Per Year		2,529.54

Detail for FY 2010

Travel*	2,196.13
Public Relations	763.77
APA Audit	340.00
Admin	104.09
Misc	.57

*Travel included some DVS legislative requirements.

Detail for FY 2011

Travel	1,475.11
Public Relations	85.70
Misc	.11

Detail for FY 2012

Travel	1,759.66
Web Services	190.00
On-line Donation Svcs	106.15
Misc	4.10

Detail for FY2013

Travel	1,702.10
Lapel Pins	436.00
Public Relations	103.74
Web Services	115.00
On-line Donation Svcs	30.66
Professional Subscription	42.50
Admin	179.20
Misc	12.57

Detail for FY 2014

Travel	1,825.01	
Advertising		750.00
Web Services	.06	
Admin	161.80	
On-line Donation Svcs		38.73
Professional Membership	150.00	
Professional Subscription		<u>75.00</u>
		3,000.54

Detail for FY 2015 (September 30, 2014)

Travel	222.29	
(Golf Cart		3,600.00)

ATTACHMENT 7
VSF and VWWP Fundraising* Events FY14 & 15

Date	What	Where	POC	Donation
7/4/13	Childress Celebration*	Powhatan	Clyde Childress	5,000.00
7/16/13	HR Autobody Assn*	Virginia Beach	Carole Dale	4,000.00
7/20/13	VIADA Fundraiser*	Portsmouth	Stella Salyer	5,000.00
7/27/13	CVMA Bull Run III*	Manassas	Ross Woodley	21,000.00
8/3/13	Wings/Wheels Show*	Hot Springs	Ben Shaw	1,149.16
8/3/13	Eco Challenge*	Williamsburg	Kevin Warrick	500.00
8/4/13	MOAA Golf T*	Lexington	Pat Webb	17,500.00
8/10/13	So Knights Car Show*	Petersburg	Ricky Williams	5,395.00
8/17/13	Wnded Warrior Fest*	Fredericksburg	Kennith Harvey	Cancelled
8/26-31/13	Pappa Johns Pizza*	Hampton Roads	Elizabeth Costy	2,960.80
8/30/13	Fitness Challenge*	Ft. Lee	Travis Mason	Cancelled
9/7/13	Pr William Cruisers*	Alexandria	Steve Schlifflett	6,300.00
9/7/13	Flying Squirrels *	Richmond	Martha Utley	1,571.55
9/7/13	Augusta Expo*	Fishersville	Bob Stolarz	2,400.00
9/19/13	Bosh Global Svcs Fr*	Newport News	Harry Davis	10,284.42
9/26/13	Alpha 4 Booster Run	Langley AFB	Anthony Guzzardo	1,000.00
9/28/13	Honor Ride for WW*	Zion Crossroads	Scott & Becky Selzer	233.00
10/4/13	KC Golf Tournament*	Hartfield	Al Langer	7,293.27
10/6/13	Polo Match*	Charlottesville	Martha M/Camille S.	10,734.87
10/18/13	10 IS BC Fun Run*	Langley AFB	Joe Sheve	4,057.56
10/18-19/13	Veterans Appreciation*	Longwood Univ	Crystal Thbault	1,770.68
11/2/13	Un-refiner Golf T*	Newport News	Vern Bartels	1,237.00
11/5/13	James City Rotary*	Williamsburg	Martin Steiner	500.00
11/9/13	ATA Blackbelt OH*	Moneta	Nik Harvey	Cancelled
11/9/13	Whitts Motorcycle R*	Manassas	Chris Taylor	2,475.00
11/23/13	Vets Musical Show*	Powhatan	Ruth Boatwright	2,931.96
12/1/13	Mercedes Benz Club*	Virginia Beach	Bobby Ross	1,045.00
1/25/14	JROTC Drill Meet*	Virginia Beach	Captain Hunt	1,500.00
3/15/14	Band Concert*	Lynchburg	Nelson Smither	2,728.00
3/28/14	VA-ACME Golf T*	Virginia Beach	Mike Camden	
5/1-31/14	MacD Honor Wounded*	Hampton Roads	Jenn Tracy	18,555.40
5/3/14	Clay Shoot*	Lexington	Ross Schmoll	
5/3/14	Powhatan BBQ*	Amelia	Meg Anderson	1,909.84
5/4/14	Dart Tournament	Newport News	Bart Consford	4,150.00
5/9/14	GStek Golf Toun*	Portsmouth	Gene Strother	3,967.00
5/15-19/14	McGeorge Mercedes B*	Richmond	Jack Hilgers	1,100.00
5/16/14	Ruritan Dinner*	Dayton	Ben Shaw	500.00
5/16-17/14	St. Rod Car Show*	Williamsburg	Larry Anderson	1,800.00
5/17/14	Cole HarleyDav Run*	Bluefield, WV	Stephanie Gwaltney	
5/18/14	Fun Clay Shoot*	Lynchburg	Hunt Asbury	2,009.00
5/21/14	Safety Ride*	Ft Eustis	David Clay	29.00
5/23-26/14	Thunder for the Cause*	Fredericksburg	Gary Everett	411.00
6/7/14	Glen Allen Youth AA*	Richmond	Dan Schmitt	5,000.00
6/14/14	AmerLeg Riders 146*	Hopewell	Dennis Hubbes	4,523.00
6/14/14	Richmond Ch AACA*	Richmond Raceway	Joe Guckert	710.00
6/16/14	Wolf Creek Golf T*	Bastain	Ken Franklin	2,235.00
6/18/14	Dahlgren Shave Off*	Dahlgren	Brody Mier	745.00
6/22/14	Veterans Concert*	Gloucester Ct House	Becky Richmond	595.00
6/27/14	Jaycees Golf Tourn*	Petersburg	Matthew Clark	525.00
6/28/14	Minton Golf Tourn*	Troutville	Ron Minton	12,022.30
6/28/14	Langley Yacht Club Race*	Hampton	Gary Herbert	400.00
6/30/14	10 IS Boostter Club Run*	Langley AFB	Joe Sheve	3,007.56

VSF and VWWP Fundraising* Events FY15

7/5/14	Independence Day Cel*	Powhatan	Clyde Childress	5,060.00
7/26/14	Music Festival/Car Sho*	Buena Vista	Larry Tolly	500.00
7/26/14	CVMC Bull Run III*	Manassas	Bruce Hewston	30,000.00
8/4/14	MOAA Golf Tour*	Lexington	Pat Webb	
8/23/14	Agusta Expo Concert*	Lynchburg	Bob Stolarz	900.00
8/24/14	Kickball Fundraiser*	Richmond	Seaver Woolfolk	
8/30/14	Longboards*	Newport News	Sarah Long	2,080.32
9/1/14	Lakeview Golf T*	Harrisonburg	Mike Goodin	4,709.09
9/14/14	Amazing 2 Wheel Ch*	Richmond	Lanee Vango	
9/14/14	5K Run/Walk*	Roanoke	Matt Wade	
9/15/14	SCCI Golf Tourn*	Ruther Glen	Jeff Goodman	3,000.00
9/20/14	Honor Ride*	Troy	Becky Selzer	650.00
9/20/14	Layman Farms*	Blue Ridge	Sharon Layman	
9/20/14	Prince Wm Cruisers CS*	Manassas	Steve Shifflett	12,900.00
9/27/14	ALRiders Ride & BBQ*	King George	Steven Heitmeyer	
10/3/14	Trivaina Opening*	Newport News	Cheryl Carpenter	
10/4/14	So.Knights Car Show*	Petersburg	Ricky Williams	2,621.00
10/10/14	KCA 3349 Golf T*	Hartfield	Al Langer	
10/12/14	Gospel Singing*	Spotsylvania	Jim Rose	2,000.00
10/20-26/14	Papa Johns Pizza*	VA Peninsula	Elizabeth Costy	
10/26/14	MC Marathon*	Washington DC	Leslie Hanson	
10/28/14	Hard Times Concert*	Fredericksburg	Glen Melvin	
11/1/14	Whitts Motorcycle R*	Manassas	Chris Taylor	
11/1-30/14	McD Honor Wounded*	Hampton Roads	Jenn Tracy	
11/11/14	Warwick Moose*	Newport News	Raymond Bliss	
11/11/14	Schoko Market Fndrser*	Richmond		
11/22/14	Moose Lodge 699*	Richmond	Chuck Lorenz	
1/17/14	UR Law Students Concr*	Richmond	Eric Postow	
3/24/15	VA-ACME Golf Tourn*	Virginia Beach	Nora Graves	
4/24-25/15	Tdwtr ST & Rod Assn*	Williamsburg	Ron Buchanan	
4/25/15	Spotsylvania Mall	Spotsylvania	Don Thodos	
6/8/15	VA Tech Golf Tourn*	Blacksburg	Wayne Zellers	
7/3/15	Independence Day Cel*	Powhatan	Clyde Childress	

ATTACHMENT 8

**Veterans Services Foundation
Statement of Assets
September 30, 2014
(Unaudited)**

Assets:

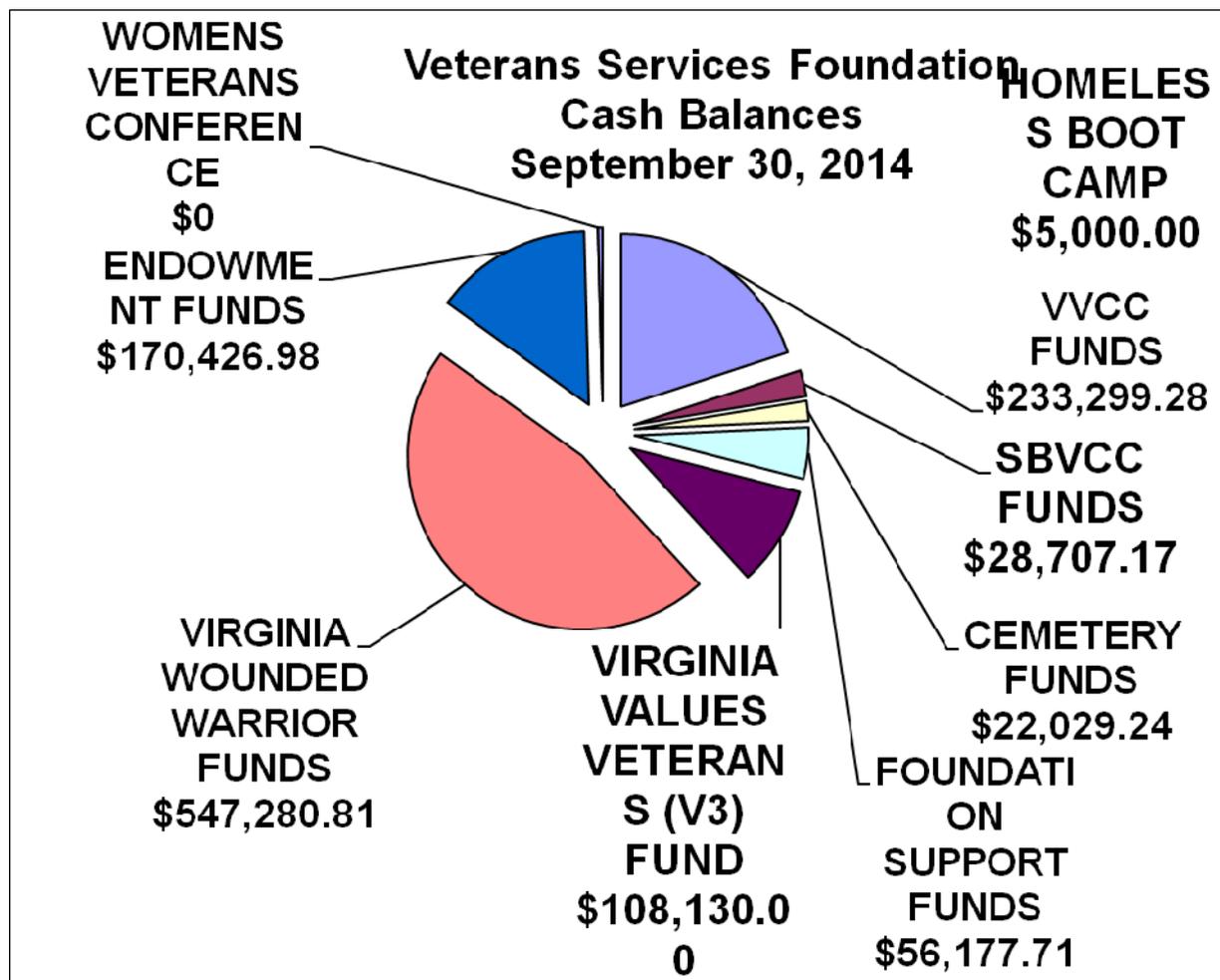
Cash held by State Treasurer	1,171,051.19
Total Assets	<u>\$ 1,171,051.19</u>

Fund Balances:

Restricted Fund Balances:	
Restricted for VVCC Activities	233,299.28
Restricted for SBVCC Activities	28,707.17
Restricted for Cemetery Operations	22,029.24
Restricted for VWWP Funds	547,280.81
Restricted for Virginia Values Veterans (V3) Fund	108,130.00
Restricted for Foundation Support Fund	56,177.71
Total Restricted Fund Balances	995,624.21
Women's Veterans Conference	0.00
Homeless Boot Camp	5,000.00
Endowment Fund Balances	170,426.98
Total Fund Balances	<u>\$ 1,171,051.19</u>

Notes:

- 1 All cash is held by the State Treasurer.
- 2 Restricted fund balances are donations given for a specific purpose, or are funds authorized by the Foundation for a specific expenditure purpose.
- 3 Endowment Fund Balance represents the funds remaining from the base funding that are not authorized for expenditure.



233,299.28	VVCC
28,707.17	SBVCC
22,029.24	CEMETERIES
56,177.71	FOUNDATION SUPPORT
108,130.00	VIRGINIA VALUES VETERANS (V3) FUND
547,280.81	VWWP
170,426.98	ENDOWMENT
-	WOMENS VETERANS CONFERENCE
5,000.00	HOMELESS BOOT CAMP
<u>1,171,051.19</u>	

Veterans Services Foundation
Statement of Income, Expenditures and Changes in Fund Balances
For the Month Ended September 30, 2014
(Unaudited)

INCOME:	Y-T-D Actual
Restricted gifts received for:	
Virginia Veterans Care Center	4,632.63
Sitter & Barfoot Veterans Care Center	3,035.00
Cemetery Funds	250.00
VWWP Funds	97,684.40
Virginia Values Veterans (V3) Fund	103,000.00
Foundation Support Fund	-
Womens Veterans Conference	-
Homeless Boot Camp	5,000.00
Endowment Fund	250.00
TOTAL INCOME	213,852.03
EXPENDITURES:	
VVCC Indigent Resident Needs	33.13
VVCC Rehabilitation Equipment	
VVCC Activity Fund--Activities with Residents	1,100.76
VVCC Operation Holiday Spirit	60.00
VVCC Carnival Expenses	1,947.88
VVCC Restricted-Other	
SBVCC Other Donations	
SBVCC Activities Fund	683.80
SBVCC Operation Holiday Spirit	
SBVCC Other Equipment	
SBVCC Indigent Resident Needs	6.65
VWWP Enabling Veterans Services	75.00
VWWP Outreach Services/Grant Matching	8,052.62
VWWP Direct Veterans Services	25,997.03
VWWP Homeless Veterans Fund	
Virginia Values Veterans (V3) Fund	
Foundation Support Fund--Operating Expenditures and Web Site	3,822.29
Womens Veterans Conference	3,750.00
Homeless Boot Camp	
Dublin Cemetery Avenue of Flags	
TOTAL EXPENDITURES	45,529.16
Excess of Income over Expenditures	168,322.87
Beginning Fund Balances	1,002,728.32
Ending Fund Balances	1,171,051.19

NOTES:

1. The purpose of restricted gifts is detailed on the Schedule of Receipts, Expenditures and Budget, by Activity.

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Veterans Services Foundation
Schedule of Receipts, Expenditures and Budget, by Activity
For the Month Ended September 30, 2014
(Unaudited)

Activity	Beginning Balance July 1, 2014 (Adjusted)	Receipts	Expenditures	Ending Balance September 30, 2014	FY 2015 Budget	Donations Needed to Meet Budget
Virginia Veterans Care Center:						
Indigent Resident Needs	16,688.89	2,250.20	33.13	18,905.96	2,000.00	-
Activities Fund	13,824.41	350.00	1,100.76	13,073.65	5,000.00	-
Operation Holiday Spirit	78,575.01	1,732.43	60.00	80,247.44	19,000.00	-
Carnival Fund	3,615.66	200.00	1,947.88	1,867.78	4,000.00	184.34
Rehabilitation Equipment	23,751.03			23,751.03	5,000.00	-
Other Equipment	17,061.97			17,061.97	5,000.00	-
Unit Projects and Functions	13,310.63			13,310.63	1,500.00	-
Other Donations Restricted for use at VVCC	64,980.82	100.00		65,080.82	500.00	-
Total VVCC	231,808.42	4,632.63	3,141.77	233,299.28	42,000.00	184.34
Sitter & Barfoot Veterans Care Center:						
Indigent Resident Needs	921.86		6.65	915.21	1,000.00	78.14
Activities Fund				13,463.41		-

	11,862.21	2,285.00	683.80		13,000.00	
Operation Holiday Spirit	-			-	5,000.00	5,000.00
Other Equipment	-			-	4,500.00	4,500.00
Other Donations Restricted for use at SBVCC	13,578.55	750.00		14,328.55	4,500.00	-
Total SBVCC	26,362.62	3,035.00	690.45	28,707.17	28,000.00	9,578.14

Cemetery Funds:

Virginia Veterans Cemeteries	750.00			750.00	1,200.00	450.00
Virginia Veterans Cemetery--Amelia	4,956.38	250.00		5,206.38	2,800.00	-
Albert G. Horton Jr. Memorial Cemetery--Suffolk	7,931.07			7,931.07	1,000.00	-
SW Virginia Veterans Cemetery--Dublin	8,141.79			8,141.79	-	-
Total Cemetery Support Funds	21,779.24	250.00	-	22,029.24	5,000.00	450.00

VWWP Funds:

Outreach Services/Grant Matching	75,000.00		8,052.62	66,947.38	75,000.00	-
Direct Veterans Services	150,000.00		25,997.03	124,002.97	150,000.00	-
Enabling Veterans Services	25,000.00		75.00	24,925.00	25,000.00	-
Homeless Veterans Fund	50,000.00			50,000.00	50,000.00	-
Other Donations Restricted for use by VWWP	183,721.06	97,684.40		281,405.46	-	-

Total VWWP Funds	483,721.06	97,684.40	34,124.65	547,280.81	300,000.00	-
Virginia Values Veterans (V3) Fund	5,130.00	103,000.00		108,130.00	-	-
Foundation Support Fund	60,000.00		3,822.29	56,177.71	60,000.00	-
Women's Veterans Conference	3,750.00		3,750.00	-	-	-
Homeless Boot Camp	-	5,000.00	-	5,000.00	-	-
Endowment Fund	170,176.98	250.00	-	170,426.98	-	-
Grand Total All Funds	1,002,728.32	213,852.03	45,529.16	1,171,051.19	435,000.00	10,212.48

ATTACHMENT 9
Proposed VSF Goals and Objectives for FY2015

VSF Development Committee Responsibilities:

Goal: Support DVS and VSF executive and legislative direction to realize \$300,000 in FY15 for the Virginia Wounded Warrior Program (VWWP) as a top priority.

Objective(s): Maintain an agenda of fundraising events, corporate outreach and individual contribution plans, a capability to respond to ad hoc opportunities, and coordination with DVS/VWWP staff designed to raise at least \$ 75,000 per quarter.

Goal: Organize seeking, promoting, and stimulating contributions for the Fund to initiate funding for the unmet needs of DVS programs giving high priority to fundraising for improving the services to veterans in Virginia.

Objective: Maintain an agenda of unmet funding needs. Determine what elements of fundraising program will best assist VWWP, Homeless Veterans, Care Centers, Cemeteries, and Benefits Agents. Support updating the Virginia Tech report of veterans' unmet needs.

Goal: Build partnerships with VSOs, corporations, and individuals by creating methods of getting commitments for other potential supporters/donors to contribute and be recognized for their support.

Objective(s): Establish targeted sponsored activities to which sponsors can attach their identification (name or logo/brand) to build a core of annual activities that will sustain sponsors who can identify with veterans' sacrifices. In each instance, the activity should be able to be budgeted and that budget becomes the benchmark to attract funds. Establish rewards within the supported programs and for individual and organizational donors to attract additional funds.

Goal: Enhance the image of the Foundation through imaging/branding of its fundraising programs as a conduit for addressing unmet veterans' needs among stakeholders and the community at large.

Objective(s): Coordinate through DVS communications office on communications efforts. Coordinate with VWWP communications program. Maintain and refine the Foundation web site. Develop additional forms of donor recognition and identify donors. Develop specific recognition programs that give donors a sense of pride and ownership. Be clear on relationships with all stakeholders, including DVS staff.

ATTACHMENT 10

Veterans Services Foundation (VSF) Planned Giving Program

Meaning of Symbols

- Currently available and being accomplished
- Currently not available or capable of being accomplished
- ? Status in question, may need work, being worked

Conditions for VSF consideration:

- VSF has been operating for more than 10 years;
- The board of directors is interested in supporting a planned giving program;
- VSF's gift acceptance policies establish the use/disposal of revenue and in-kind gifts, but not securities;
- VSF's fundraising program has a consistent record of growth, both in number of donors and number of gifts;
- The pool of donors has a diverse age range with many approaching retirement or retired;
- VSF has been notified in the past of the desire to submit a bequest gift;
- VSF has a Website through which it can announce a planned giving program;
- Communicate on a regular basis with its constituency other than sending thank-you letters;
- Have an annual giving program for ongoing operating needs;
- Have resources to conduct a marketing campaign to attract the right supporters;
- Dedicated staff positions needed to conduct a full Planned Giving Program including follow up with estate attorneys and personal representatives at least twice a year on the status of bequest gifts and would require one full time employee and a part-time attorney;
- The most basic Planned Giving program would require about two full days each week dedicated to donor visits, phone calls and other follow up, continuous marketing efforts, and gift administration;
- Have a stockbrokerage account;
- Undertake legal action to resolve a legacy gift;
- Have the resources, primarily personnel, available to pursue such a program within the near future;
- A program will take seven to ten or more years to begin to see financial revenues from the effort.
- The program must be able to assure confidentiality, if requested by the donor.

Policy needed to support a Bequest Program should include;

- Scope of the Planned Giving Program
- Role of VSF Executive Director and capacity to handle program requirements;
- How bequests are approved for receipt and management by the VSF;
- Establish and define role of VSF Development Committee's Planned Gift Subcommittee;
- Types of assets that will be accepted through a bequest and under what circumstances will they be accepted;
- Minimum dollar value/face value of the respective bequest being considered for acceptance;
- Prohibition on the Foundation or an individual at the Foundation acting as executor of an estate;
- ? Procedures to be followed to consider and accept or disclaim bequests;
- ? How realized bequests will be determined as available, valued, acknowledged, and recognized;
- ? Confidentiality;
- Establish a dedicated staff position for planned giving operations;
- Define how unrealized bequests will be valued, acknowledged, recorded, and tracked;

- Availability and use of outside (i.e., DVS) state resources (e.g. OAG, VRS, etc);
- Availability of non-OAG/non-state legal resources (e.g., private contractors, for legal and investment services);
- The acceptance of restricted or unrestricted gifts and how they will be designated (all to current budget, split – by either a dollar amount or percentage – between endowment and current budget, or all to quasi-endowment);
- Conduct a marketing campaign announcing the VSF Planned Giving Program;
- Procedures to follow and administer the legal process once a bequest gift has matured for timely distribution of funds.

ATTACHMENT 11

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES Virginia Wounded Warrior Program Subsidiary Fund Policy and Procedures

DRAFT

J6.1 Purpose

The purpose of this policy is to establish operating procedures for the Virginia Wounded Warrior Program (VWWP) Subsidiary Fund. This Fund is a subsidiary fund of the Veterans Services Fund, which is administered by the Veterans Services Foundation (VSF) Board of Trustees (the Trustees). The VWWP is operated by the Virginia Department of Veterans Services (DVS).

J6.2 Application

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

J6.3 Interpretation

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

J6.4 Overview

- A. The VSF in conjunction with the VWWP solicits and accepts donations to foster the aims of the program. *The use, allocation, and expenditure of donations shall be controlled by §64.2-1100 et seq.*
- B. VWWP donations are placed into the VWWP Subsidiary Fund of the Veterans Services Fund. All donations shall be managed in accordance with the provisions of §§ 2.2-2715 et seqq. of the Code of Virginia, applicable sections of the Virginia Appropriations Act, and Commonwealth of Virginia regulations.
- C. Two primary sub-funds are established. The VWWP Veterans Services Sub-fund supports veterans of any era who are Virginia residents, members of the National Guard or Virginia members of the Armed Forces Reserves not on active federal service, and the family members of these veterans and service members. The VWWP Support Sub-fund may be used for VWWP operations, personnel, equipment, or other administrative requirements. Additional Services or Support sub-funds may be established as required.
- D. The VWWP Executive Director submits budget requests to the Veterans Services Foundation outlining anticipated donations and expenditures. Anticipated donations are furnished by the VSF. This normally is submitted on an annual basis at the request of the VSF Executive Director or DVS Director of Finance. By approval of a budget for each DVS program, the Trustees delegate expenditure authority to DVS program directors/administrators to facilitate expenditure of budgeted funds.

J6.5 Definitions of Expenses

- A. Administrative Expenses:** This measure reflects what percent of its total budget VSF or a DVS program spends on overhead, administrative staff and associated costs, and organizational meetings. For VWWP, these expenses, which may include some of Grant Matching and Enabling Veterans Services depending on the nature of the expense, fall under the Support Fund. This percentage is obtained by dividing the program's administrative expenses by its total functional expenses.
- B. Fundraising Expenses:** This measure reflects what a VSF or a DVS program spends to raise money. Fundraising expenses can include campaign printing, publicity, mailing, and staffing and costs incurred in soliciting donations, memberships, and grants. For VWWP, these expenses fall under the Support Fund. Dividing VSF or a DVS program's fundraising expenses by its total functional expenses yields this percentage.
- C. Program Expenses:** This measure reflects what percent of its total budget VSF or a DVS program spends on the programs and services it exists to deliver (e.g., to veterans and their families, either directly or indirectly). For VWWP, these include expenses associated with Outreach Services and Direct Veterans Services, but may or may not include Grant Matching or Enabling Veterans Services if they don't fall under Administrative expenses. Dividing VSF or a DVS program's expenses by its total functional expenses yields this percentage.

J6.6 Policy

- A. It is the policy of VSF and DVS, in coordination with the VWWP Subsidiary Fund Committee, to oversee and ensure that monies collected for the VWWP Subsidiary Fund are properly deposited, managed and expended.
- B. It is the policy of VSF and DVS to delegate expenditure authority to the VWWP Executive Director.

J6.7 VWWP Subsidiary Fund Committee

- A. The Committee shall direct and administer the VWWP Subsidiary Fund, including the budgeting of expenditures, for the support of eligible recipients. Such direction and administration will be in accordance with this policy and the direction of the Veterans Services Foundation Board of Trustees.
- B. The Committee shall consist of:
 - VWWP Executive Director (serves as Chairman of the Committee)
 - VWWP Regional Directors
 - DVS Director of Finance or his/her designee*
 - VSF Executive Director or his/her designee*(* For budget formulation only.)

J6.8 VWWP 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, 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 or as needs arise.

- B. Review the recommendations to ensure that they fall within the scope of the intent of the VWWP and the VSF. No later than mid April, the Committee shall develop an annual working budget for the coming fiscal year.
- C. Establish and maintain written criteria for VWWP Subsidiary Fund expenditures, subject to the approval of the DVS Commissioner.
- D. Through the DVS Commissioner, submit the budget to the Trustees for review and approval.
- E. Submit to the VSF Executive Director for approval any requested changes to the approved budget prior to implementation of any changes.
- F. Submit a quarterly report that summarizes allocated financial funding levels and services expenditures made from allocated funds to the Trustees for their information and review. Additional reports may be requested on a more frequent basis.

J6.9 Procedures for Receiving and Administering Funds

Procedures for donation acceptance and accountability are contained in VSF-DVS Joint Policy Number 4 (Processing Financial Donations).

J6.10 Procedures for Expending Donated Funds

- A. Expenditure requests, regardless of the purpose, shall be submitted to the Committee Chairman (VWWP Executive Director) for approval. The Committee Chairman may refer the request to the Committee for consideration or take direct action.
- B. The Committee Chairman or the Committee shall evaluate the request to ensure it meets the following criteria:
 - 1. 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.
 - 2. The expense is reasonable and practical.
 - 3. The expense is timely.
 - 4. The expenditure does not conflict or overlap with other requests or expenditures.
- C. After approval by the Committee Chairman, the purchase/expenditure will be made in accordance with Commonwealth of Virginia regulations. Purchases of goods and services that are received by the purchasing agency are controlled by the state procurement manual. Direct veterans assistance expenditures are considered benevolent gifts provided to veterans and their families.
- D. The VWWP Executive Director, based on Committee recommendations, may establish Memorandums of Understanding (MOUs) with VWWP regional consortia to allocate funds for outreach services, direct veterans services, and support services expenditures. Outreach services, direct veterans services, and support services are defined as follows:

1. Outreach services are those that would raise awareness of the need and eligibility for services of VWWP among the public, veterans, and their families so that (1) those in need are encouraged to come forward for treatment; and (2) the broader public will know the services available and be a catalyst to strengthen outreach to those in need.
 2. Direct veterans services are those that provide resources to veterans and their families to aid in their recovery and/or improve their quality of life. This shall include emergency financial assistance or other resources to address the immediate needs of eligible veterans and their families, including homeless veterans.
 3. Support services are those that shall be used only to support program operational costs such as, but not limited to, fundraising and events. Expenditures shall not come from funds raised for outreach or direct support of veterans and their families.
- E. Allocations to VWWP Regional Consortia shall be based on the discretion of the VWWP Executive Director and will be part of the annual budget submissions to the Committee. Expenditures shall follow state procurement laws for everything except gifts. VWWP Regional Consortia shall maintain records of expenditures in accordance with the state Auditor of Public Accounts standards and submit monthly reports to the VWWP Executive Director. The VWWP Executive Director shall submit quarterly reports of CSB expenditures to the Foundation.
- F. If a question exists regarding the propriety of a purchase or veterans direct assistance expenditure, it shall be referred to the VSF Executive Director and the DVS Director of Finance.
- G. In addition to the 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 also shall include under funded or unfunded needs, if any.
- H. Financial records shall be maintained according to the State Comptroller and shall be subject to audit by the Auditor of Public Accounts.

J6.11 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 board members at least ten (10) days prior to the vote. Biennial review of this policy is the responsibility of the VSF Finance Committee in conjunction with the VWWP Executive Director.

J6.12 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees and the DVS Commissioner ratify the policy. May 6, 2009. Revisions approved: March 24, 2010, November 3, 2010, May 4, 2011, May 1, 2013, *November 5, 2014*.

May 6, 2009

VIRGINIA VETERANS SERVICES FOUNDATION
VIRGINIA DEPARTMENT OF VETERANS SERVICES
Virginia Wounded Warrior Program Veterans Relief Fund
Policy and Procedures

J6A.1 Purpose

The purpose of this policy is to establish operating procedures for the Virginia Wounded Warrior Program (VWWP) Veterans Relief Fund. Revenue for this program is provided by the Veterans Services Fund, in a sub-fund titled VWWP Veterans Services. The VWWP is a business unit/division of the Virginia Department of Veterans Services (DVS).

J6A.2 Application

The DVS Director of Finance's Sitter & Barfoot Veterans Care Center (SBVCC) Finance Director and the VWWP Executive Director are responsible for the application of this policy.

J6A.3 Interpretation

The DVS Director of Finance, in consultation with the VSF Executive Director, is responsible for the interpretation of this policy.

J6A.4 Overview

VWWP shall maintain a \$4000 Veterans Relief Fund. The Executive Director of VWWP shall ensure that proper internal accounting controls are maintained relating to Veterans Relief expenditures and that Veterans Relief expenditures:

- A. Are only used for appropriate business purposes;
- B. Shall not be not used to circumvent State procurement requirements; and
- C. Are reconciled and replenished accurately and timely.

J6A.5 Policy

It is the policy of VSF and DVS to oversee and ensure that monies allocated to the VWWP Veterans Relief Fund are properly managed and expended. This Joint Policy supplements VSF-DVS Joint Inter-agency Policy No. 6.

J6A.6 VWWP Veterans Relief Fund Uses

- A. The CAPP Manual Topic 20330 governing "Petty Cash" shall be followed in accordance with Department of Accounts (DOA) regulations. The VSF-DVS policy and procedures for the VWWP Veterans Relief Fund is in addition to the CAPP Manual mandate and must be followed even though it is more stringent.
- B. The Veterans Relief Fund use is related to Direct Veterans Services in the chart of VWWP accounts and gratuitous expenditures outlined in VSF-DVS Joint Policy No. 6. The Fund shall be used for immediate payments to vendors for emergency items necessary to serve the veteran or the veteran's family for which delayed payment is unacceptable. Checks shall be made payable to vendors directly, on behalf of the veteran, and not made payable directly to the veteran or the veteran's family. No one check shall exceed \$500.00

- C. Use of Veterans Relief Fund revenues for employee travel advances or travel expenses is prohibited. Sales Tax exemption certificates shall be utilized for all vendors paid from the Veterans Relief Fund. The DVS individual making the expenditure is responsible for ensuring that no sales tax is included.

J6A.7 VWWP Veterans Relief Fund Procedures

- A. All individuals utilizing Veterans Relief funds are to first prepare a “Petty Cash” slip indicating the amount to be advanced, the business purpose, and the cost and object codes of the item to be financed, and obtain the approval of the Executive Director of the VWWP. The approved slip is presented to the Veterans Relief Fund Custodian to obtain the required check for payment from the SBVCC Finance Director’s office as required by DOA.
- B. Within 24 hours of making the expenditure, the responsible individual making the payment shall provide the Fund Custodian with an original receipt, invoice, sales slip, or cash register ticket that itemizes the items or services for which funds have been expended, the date, and the amount paid to provide business case justification. The Fund Custodian shall validate each individual transaction as it occurs.
- C. SBVCC Finance Director shall reconcile the fund and request replenishment as needed.

J6A.8 Financial Accountability

- A. Segregation of duties is a basic, key internal control used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of their jobs. No single individual should have control over the custody, authorization, reconciliation, and recordkeeping functions related to the processing of a transaction or operation. However, the Veterans Relief Fund account shall be centrally managed by the SBVCC Finance Office.
- B. The grid contained in Appendix A outlines the segregation of duties for the DVS participants. While the grid was designed to provide optimal internal controls, it is not all-inclusive and may be modified, but only to the extent that key control activities are adequately maintained. Modifications shall be submitted to the DVS Director of Finance and the VSF Executive Director for their approval.

J6A.9 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 board members at least ten (10) days prior to the vote. Biennial review of this policy is the responsibility of the VSF Finance Committee in conjunction with the VWWP Executive Director.

J6A.10 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees and the DVS Commissioner ratify the policy. Reviewed May 1, 2013, **November 5, 2014**.

November 3, 2010.

Department of Veterans Services
Veterans Relief Fund Management Responsibilities
Appendix A

	FINANCIAL DIRECTOR SBVCC	EXECUTIVE ASSISTANT/ CUSTODIAN VWWP	EXECUTIVE DIRECTOR VWWP
Physically maintains and safeguards relief funds/checkbook		X	
Requests, acknowledges receipt of, and uses relief funds to make purchase		X	
Approves relief fund transactions			X
Signs checks and reconciles relief fund/disbursements	X		
Codes purchases to the proper cost and object codes		X	
Reviews and approves reconciliation			X
Requests replenishment	X		

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Veterans Care Centers Residents' Assistance Subsidiary Funds Policy and Procedures

DRAFT

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 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

- A. 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.
- E. 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. *The use, allocation, and expenditure of donations shall be controlled by §64.2-1100 et seq.*
- B. 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.
- C. For each of the Care Centers, DVS staff shall submit at least an annual budget request to the Veterans Services Foundation, outlining expected donations and expenditures for the up-coming fiscal year. By approval of a budget for each DVS program, the Trustees 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 Definitions of Expenses

- D. Administrative Expenses:** This measure reflects what percent of its total budget VSF or a DVS program spends on overhead, administrative staff and associated costs, and organizational meetings. For Care Centers, these expenses primarily are carried by the Commonwealth. This percentage is obtained by dividing the program's administrative expenses by its total functional expenses.
- E. Fundraising Expenses:** This measure reflects what a VSF or a DVS program spends to raise money. Fundraising expenses can include campaign printing, publicity, mailing, and staffing and costs incurred in soliciting donations, memberships, and grants. For Care Centers, these expenses primarily are carried by the Commonwealth or VSF. Dividing VSF or a DVS program's fundraising expenses by its total functional expenses yields this percentage.
- F. Program Expenses:** This measure reflects what percent of its total budget VSF or a DVS program spends on the programs and services it exists to deliver (e.g., to veterans and their families, either directly or indirectly). For Care Centers, these include expenses associated with resident needs, activities, rehabilitation, equipment, special functions, and other services. Dividing VSF or a DVS program's expenses by its total functional expenses yields this percentage. For Care Centers, this should equal 100%.

J7.6 Policy

It is the policy of VSF and DVS, in coordination with the Subsidiary Fund 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.

J7.7 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.

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 or his/her designee*
 - VSF Executive Director or his/her designee*
- (*For budget purposes only.)

J7.8 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 or as needs arise.

B. Review the recommendations to ensure that the requests fall within the scope of the intent of the Veterans Services Fund and are consistent with Facility and resident needs. No later than mid-April, the Committee shall develop an annual working budget for the coming fiscal year. The base budget allocation is contained in the current year Appropriations Act under “Dedicated Special Revenue”. This amount may be changed with sufficient justification if funds are available upon approval of the Department of Planning and Budget. This amount is apportioned in accordance with the past expenditures of each Care Center and the apportionment can be changed with prior approval of the Foundation.

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. Such changes must contain sufficient justification and funds must be available for the request that must be approved by the Department of Planning and Budget. Such supplemental requests will be submitted through DVS Commissioner to the Foundation so that they can be considered at its next quarterly meeting.

E. Submit a quarterly report that summarizes allocated financial funding levels and services expenditures made from allocated funds to the Trustees for their information and review. Additional reports may be requested on a more frequent basis.

J7.9 Procedures for Receiving and Administering Funds

Procedures for donation acceptance and accountability are contained in VSF-DVS Joint Policy Number 4 (*Processing Financial Donations*).

J7.10 Procedures for Expending Donated Funds

- A. Expenditure requests, regardless of the purpose, shall be submitted to the Committee Chairman/Care Center Administrator for approval. The Committee Chairman also may refer the request to the Committee for consideration or take direct action.
- B. The Committee Chairman/Care Center Administrator or the Committee shall evaluate the request to ensure it meets the following criteria:
 1. 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.
 2. The expense is reasonable and practical.
 3. The expense is timely.
 4. The expenditure does not conflict or overlap with other requests or expenditures.
- C. 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.
- D. After approval by the Committee Chairman/Care Center Administrator, the purchase/expenditure will be made in accordance with Commonwealth of Virginia regulations.

- E. 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, if any.

- F. Financial records shall be maintained according to the state Comptroller and shall be subject to audit by the Auditor of Public Accounts.

J7.11 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. Biennial review of this policy is the responsibility of the VSF Finance Committee in conjunction with the Care Centers Administrators.

On adoption, this policy supersedes DVS Administration Policy 7.

J7.12 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. Revisions approved November 2, 2011, August 7, 2013, November 6, 2013, ***November 5, 2014***.

VIRGINIA VETERANS SERVICES FOUNDATION
VIRGINIA DEPARTMENT OF VETERANS SERVICES

Cemeteries Assistance Subsidiary Fund
Policy and Procedures

Draft

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 in Dublin) operated by the Virginia Department of Veterans Services (DVS). The Cemeteries Assistance Subsidiary 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 the Cemeteries Director 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

- A. 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.
- B. Donations are placed into the Cemeteries subsidiary 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. At the discretion of the Foundation Board of Trustees, unneeded amounts shall be reallocated. Procedures are contained in VSF-DVS Joint Policy Number 9 (Subsidiary Fund Balances).
- C. 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. *The use, allocation, and expenditure of donations shall be controlled by §64.2-1100 et seq.*
- D. For each of the cemeteries, DVS staff will submit at least an annual budget request to the Veterans Services Foundation, outlining expected donations and expenditures for the upcoming fiscal year. By approval of a budget for each DVS program, the Trustees delegate expenditure authority to the

Cemeteries Assistance Subsidiary Fund Chairman/Cemeteries Director or its Committee to facilitate expenditure of budgeted funds.

J8.5 Definitions of Expenses

- G. Administrative Expenses:** This measure reflects what percent of its total budget VSF or a DVS program spends on overhead, administrative staff and associated costs, and organizational meetings. For Cemeteries, these expenses primarily are carried by the Commonwealth. This percentage is obtained by dividing the program's administrative expenses by its total functional expenses.
- H. Fundraising Expenses:** This measure reflects what a VSF or a DVS program spends to raise money. Fundraising expenses can include campaign printing, publicity, mailing, and staffing and costs incurred in soliciting donations, memberships, and grants. For Cemeteries, these expenses fall to the Commonwealth or VSF. Dividing VSF or a DVS program's fundraising expenses by its total functional expenses yields this percentage.
- I. Program Expenses:** This measure reflects what percent of its total budget VSF or a DVS program spends on the programs and services it exists to deliver (e.g., to veterans and their families, either directly or indirectly). For Cemeteries, these include expenses associated with beautification and other cemetery enhancements that directly support veterans who choose to be interred there and veterans' next of kin who appreciate the care the remains receive. Dividing VSF or a DVS program's expenses by its total functional expenses yields this percentage. For Cemeteries, this should equal 100%.

J8.6 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.

J8.7 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 or his/her designee*
- VSF Executive Director or his/her designee*
(*For budget purposes only.)

J8.8 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 or as needs arise.

- B. Review the recommendations to ensure that the requests fall within the scope of the intent of the Veterans Services Fund. No later than mid April, the Committee shall develop an annual working budget for the coming fiscal year. The base budget allocation is contained in the current year Appropriations Act under “Dedicated Special Revenue”. This amount may be changed with sufficient justification if funds are available upon approval of the Department of Planning and Budget.
- 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. Such changes must contain sufficient justification and funds must be available for the request that must be approved by the Department of Planning and Budget. Such supplemental requests will be submitted through DVS Commissioner to the Foundation so that they can be considered at its next quarterly meeting.
- E. Submit a quarterly report that summarizes allocated financial funding levels and services expenditures made from allocated funds to the Trustees for their information and review. Additional reports may be requested on a more frequent basis.

J8.9 Procedures for Receiving and Administering Funds

Procedures for donation acceptance and accountability are contained in VSF-DVS Joint Policy Number 4 (*Processing Financial Donations*).

J8.10 Procedures for Expending Donated Funds

- A. Expenditure, regardless of purpose, shall be submitted to the Committee Chairman/Cemeteries Director for approval. The Committee Chairman also may refer the request to the Committee for consideration or take direct action.
- B. The Committee Chairman/Cemeteries Director or the Committee then shall evaluate the request to ensure it meets the following criteria:
 1. 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.
 2. The expense is reasonable and practical.
 3. The expense is timely.
 4. The expenditure does not conflict or overlap with other requests or expenditures.
- C. 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.
- D. After being approved by the Committee Chairman/Cemeteries Director, the purchase/ expenditure will be made in accordance with Commonwealth of Virginia regulations.

- E. In addition to the 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 and unfunded needs, if any.

- F. Financial records shall be maintained according to the state Comptroller and shall be subject to audit by the Auditor of Public Accounts.

J8.11 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. Biennial review of this policy is the responsibility of the VSF Finance Committee in conjunction with the Cemeteries Director.

On adoption, this policy supersedes DVS Administration Policy 18.

J8.12 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. Revisions approved August 3, 2011, August 7, 2013, November 6, 2013, ***November 5, 2014.***

**VIRGINIA VETERANS SERVICES FOUNDATION
VIRGINIA DEPARTMENT OF VETERANS SERVICES
Subsidiary Fund Balances
Policy and Procedures**

DRAFT

J9.1 Purpose

The purpose of this policy is to establish operating procedures for subsidiary fund balances in the funds maintained by the Veterans Services Foundation (VSF) for accounts held on its own behalf and on behalf of the Virginia Department of Veterans Services (DVS) and its veterans programs

J9.2 Application

The VSF Executive Director, in conjunction with the DVS Director of Finance, and the program administrators/directors are responsible for the application of this policy.

J9.3 Interpretation

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

J9.4 Overview

- F.* The VSF in conjunction with and on behalf of DVS programs and services solicits and accepts donations to foster the aims of each program. ***The use, allocation, and expenditure of donations shall be controlled by §64.2-1100 et seq.***
- A.* Donations are placed into program subsidiary funds of the Veterans Services Fund. All donations shall be managed in accordance with the provisions of §§ 2.2-2715 et seqq. of the Code of Virginia, applicable sections of the Virginia Appropriations Act, and Commonwealth of Virginia regulations.
- B.* Donors expect that their contributions will be used as they have specified in a prompt and timely manner by the VSF and DVS programs and services. If donations are not so used, then the Foundation, DVS, and the Commonwealth can be exposed to criticism because they hold the public trust, which cannot be violated.
- C.* Additionally, when there are excesses of donated funds, a disconnect is created between requested income and expenses that directly carries over to appropriated funds for DVS and its programs. This disconnect can cause DVS general funding to be lost when general fund budget reductions occur.
- D.* There are two possible exceptions to prompt and timely expenditure of subsidiary funds: (1) donations that are held for nonrecurring expenses such as construction, technology, and others that transcend one year's operations; and (2) those funds held for contingency purposes because revenues in any one given year may not be sufficient to fund recurring annual expenses.

J9.5 Policy

- A. It is the policy of VSF and DVS to oversee and ensure that monies collected for VSF subsidiary funds are promptly and properly expended, unless they are held for nonrecurring expenses or contingencies.
- B. It is the policy for VSF and DVS that subsidiary funds held for nonrecurring expenses shall not exceed the estimated cost of the nonrecurring expense and funds held for contingency purposes shall not exceed the total of two year's expenditures.
- C. It is the policy of VSF and DVS that contingency funds that have not been used for over two years shall be transferred to the program sub-fund titled "Other Donations Restricted for use at _____ (the name of the program in question; e.g. cemeteries). If balances in the "Other Donations Restricted..." sub-fund continue to grow, then the Foundation may allocate such funds for use by other VSF or DVS programs – providing the funds were donated without a specific purpose designated. For those donations with a purpose designated, the contributions received will be used as specified by the donor. However, if the purpose of the donation has been met or no longer exists, the remaining funds may be used at the discretion of the VSF Board of Trustees to provide other support to Virginia's veterans and their families. All DVS reallocations shall have the concurrence of the Commissioner.

J9.6 Subsidiary Fund Procedures

- A. Foundation and DVS activities shall justify their need to retain excess funds by submitting an annual spending plan that details excess fund use.
- ~~B. The spending plans will be due with the annual FY budget submissions. **As an exception, a report shall be due by November 30, 2010, unless one has been submitted prior to the effective date of the Policy.**~~
- C. If a question exists regarding the propriety of a fund overage, it shall be referred to the VSF Executive Director and the DVS Director of Finance for mutual resolution between the Foundation, DVS, and the program involved.
- D. In addition to the annual spending plan, other reports on expenditures may be requested as required by the DVS Commissioner, the Trustees or others for review. Expenditure reports also shall include under funded or unfunded needs, if any.
- E. Financial records shall be maintained according to the State Comptroller's guidance and shall be audited by the Auditor of Public Accounts.

J9.7 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 board members at least ten (10) days prior to the vote. Biennial review of this policy is the responsibility of the VSF Executive Committee in conjunction with the DVS Director of Finance.

J9.8 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees and the DVS Commissioner ratify the policy. Revisions approved: May 4, 2011, August 7, 2013, *November 5, 2014*.

VIRGINIA VETERANS SERVICES FOUNDATION
VIRGINIA DEPARTMENT OF VETERANS SERVICES
Veterans Services Endowment – Processing of Financial Requests
Policy and Procedures

DRAFT

J10.1 Purpose

- A. The Virginia Veterans Services Fund (the Fund), administered by the Virginia Veterans Services Foundation (VSF), is a special non-reverting trust fund on the books of the Commonwealth Comptroller. The Endowment portion of the Fund primarily includes such funds as was or may be appropriated by the General Assembly. Its primary purpose is for supporting Foundation operations and serving as a reserve of funds for contingency purposes
- B. This policy sets forth the procedures to be followed when allocating and expending the financial assets of the Endowment Fund.

J10.2 References

This policy is made in accordance with Code of Virginia § 2.2-2718, the Department of Veterans Services (DVS) DVS-VSF Memorandum of Understanding, and the VSF Bylaws. *The use, allocation, and expenditure of funds shall be controlled by §64.2-1100 et seq.*

J10.3 Application

The Executive Director of the VSF and the DVS Director of Finance or their designee(s) shall be responsible for the application of this policy.

J10.4 Interpretation

The Chairman of the Board of Trustees of the VSF (the Trustees), with the assistance of the Foundation Executive Committee, is responsible for the interpretation of this policy.

J10.5 Overview

- A. The Foundation Endowment Fund was established from Commonwealth non-general funds to provide the Foundation with an initial endowment to support unfunded DVS contingencies and VSF operations. The Endowment Fund is the only stable asset VSF has.
- B. The endowment initially supported unmet DVS needs by providing funding for several DVS projects related to benefits and the care centers, but did not support one other request. These expenses were covered by Veterans Services Fund earned interest, however, the state had stopped distributing earned interest to all state non-general funds as a budget reduction measure during fiscal year 2009.
- C. The Foundation Support Fund was created as a subsidiary fund of the Endowment Fund to cover VSF operating expenses. Its expenditures are limited by current editions of the Commonwealth Appropriations Act.
- D. The Endowment Fund, through the Foundation Support Fund, advanced funds to cover several DVS projects until these expenditures were replaced with donations.

J10.6 Policy

It is the policy of VSF and DVS, in coordination with the Trustees Finance Committee and VSF Executive Director, to oversee and ensure that monies in the Endowment Fund are properly managed, allocated, and expended.

J10.7 Definitions

The definitions contained in VSF-DVS Joint Policy 4 apply to this policy along with the following:

- A. Administrative Expenses:** This measure reflects what percent of its total budget VSF or a DVS program spends on overhead, administrative staff and associated costs, and organizational meetings. For VSF operations, these expenses, which include staff, travel, and other administrative expenses, fall under the Foundation Support Fund. This percentage is obtained by dividing the VSF administrative expenses by its total functional expenses.
- B. Endowment Fund:** As used by the VSF, it primarily consists of funds originally appropriated by the General Assembly and interest received from the Veterans Services Fund. It may also contain other revenues transferred from other state programs established for the Fund's benefit; interest derived from the Fund, and designated gifts. Revenues from the Endowment Fund cannot directly be used to cover VSF or DVS expenses. This is accomplished through the Foundation Support Fund.
- C. Fundraising Expenses:** This measure reflects what the VSF spends to raise money. Fundraising expenses can include campaign printing, publicity, mailing, and staffing and costs incurred in soliciting donations, memberships, and grants. For the VSF, these expenses fall under the Foundation Support Fund. Dividing VSF fundraising expenses by its total functional expenses yields this percentage.
- D. Contingency:** This is a situation where a VSF or DVS urgent need exists for funds that are not available from appropriated general or nongeneral funds.
- E. Foundation Operations:** They are the functions performed in support of VSF-DVS Joint Policy 2.
- F. Foundation Support Fund:** This is a sub-fund of the Endowment Fund from which expenditures for VSF operations are authorized. The base budget allocation is contained in the current year Appropriations Act under "Dedicated Special Revenue". This amount may be changed with sufficient justification if funds are available upon approval of the Department of Planning and Budget. It may be used to provide temporary expenditures for DVS programs, but this is done with the understanding that such funds will be replaced with fundraising. It also is available to support minor contingencies.
- G. Program Expenses:** This measure reflects what percent of its total budget the Foundation spends on the programs and services it exists to deliver (e.g., to veterans and their families, either directly or indirectly). For the VSF, these include contingency expenses associated with DVS programs, if they don't fall under Administrative Expenses. Dividing these expenses by the VSF total functional expenses yields this percentage.

J10.8 Authorization and Procedures to Receive, Accept, and Record Financial Donations and Appropriations

The authorization and procedures to receive, accept, and record financial donations are contained in VSF-DVS Joint Policy 4. The procedures for accepting and recording appropriated funds are contained in state financial regulations. Funds received for the Endowment Fund will be processed through the DVS Director of Finance for the VSF.

J10.9 Managing Endowment and Foundation Support Funds

The Endowment Fund and Foundation Support Fund shall be managed by the Trustees and the Foundation Executive Director as follows:

- A. All balances in the Fund shall be maintained in an interest bearing account. Interest income generated by the Fund shall accrue to the Foundation Endowment Fund, unless otherwise directed by the Trustees or the current Commonwealth Appropriations Act.
- B. Upon completion of the activity for which Foundation Support Funds were used, the unspent portion of the appropriation for a specific activity shall remain in the Support Fund. However, the Support Fund shall not exceed the amount authorized by the Appropriations Act of the current year.
- C. At the end of each fiscal year, VSF Trustees shall review account balances to determine the requirements for the coming year.
- D. The DVS Director of Finance shall assist VSF in preparing quarterly reports to the VSF Trustees. These reports shall contain statements and schedules, as appropriate to identify the status of all monies deposited and expended in the Fund. Reports may be required more frequently by the Trustees. These reports will form the basis of a Foundation annual report.

J10.10 Budgeting Foundation Endowment and Support Funds

Expenditures may be approved from the Fund as outlined in the VSF Bylaws and applicable VSF and DVS policies on expenditures. The VSF Executive Director is responsible for directing and administering the Foundation Support Fund, including the budgeting of funds for supplies, materials, equipment, and other expenditures within authorized amounts. The duties of the Executive Director shall be as follows:

- A. Request input and recommendations from the Trustees and the Department of Veterans Services regarding potential needs and activities for the coming fiscal year or as needs arise.
- B. Review the recommendations to ensure that the requests fall within the scope of the intent of the Foundation Support Fund. No later than mid April, develop an annual working budget for the coming fiscal year. The base budget allocation is contained in the current year Appropriations Act under "Dedicated Special Revenue". This amount may be changed with sufficient justification if funds are available upon approval of the Department of Planning and Budget.
- C. Submit the budget to the Trustees for review and approval.
- E. Submit to the Trustees for approval any requested changes to the approved operating budgets prior to implementation of any changes. Such changes must contain sufficient justification and funds must be available for the request that must be approved by the Department of Planning and Budget. Such

supplemental requests will be submitted to the Foundation Trustees so that they can be considered at its next quarterly meeting.

F. Submit a quarterly report that summarizes allocated financial funding levels and services expenditures made from allocated funds to the Trustees for their information and review. Additional reports may be requested on a more frequent basis.

J10.11 Procedures for Requesting Foundation Endowment Funds

- A. Requests for allocations of endowment funds shall be made by the DVS Commissioner in writing to the VSF Chair, with a copy to the VSF Executive Director, at least ten working days before the VSF Finance Committee is scheduled to meet. Requests shall include:
1. The amount requested;
 2. When the allocation would be needed;
 3. How the allocation will be used;
 4. Detailed justification for the allocation;
 5. Whether other funds are available for the request and their sources;
 6. Whether the requested allocation will be replaced, and if so, when;
 7. Other information as may be specified by the situation.
- B. The VSF Trustees reserve the right to request additional information upon which an informed decision may be made.
- C. The Trustees decision will be included in the VSF Board of Trustees minutes.

J10.12 Procedures for Expending Foundation Support Funds

- A. Expenditure, regardless of purpose, shall be submitted to the VSF Executive Director for approval. The Executive Director shall evaluate the request to ensure it meets the following criteria:
1. 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.
 2. The expense is reasonable and practical.
 3. The expense is timely.
 4. The expenditure does not conflict or overlap with other requests or expenditures.
- B. If a question exists regarding the propriety of an expenditure, it shall be referred by the VSF Executive Director to the DVS Director of Finance.
- C. After being approved by the Executive Director, the purchase/expenditure will be made in accordance with Commonwealth of Virginia regulations.
- D. In addition to the 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 and unfunded needs, if any.

E. Financial records shall be maintained according to the state Comptroller and shall be subject to audit by the Auditor of Public Accounts.

J10.13 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 Trustees members at least ten (10) days prior to the vote being taken. Biennial review of this policy is the responsibility of the VSF Finance Committee.

J10.14 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees and the DVS Commissioner ratify the policy. *Revision approved: November 5, 2014.*

November 6, 2013

ATTACHMENT 12

Code of Virginia

Title 64.2 - WILLS, TRUSTS, AND FIDUCIARIES.

Chapter 11 - Uniform Prudent Management of Institutional Funds Act

§ 64.2-1100. Definitions.

In this chapter:

"Charitable purpose" means the relief of poverty, the advancement of education or religion, the promotion of health, the promotion of a governmental or municipal purpose, or any other purpose the achievement of which is beneficial to the community.

"Endowment fund" means an institutional fund or part thereof that, under the terms of a gift instrument, is not wholly expendable by the institution on a current basis. The term does not include assets that an institution designates as an endowment fund for its own use.

"Gift instrument" means a record or records, including an institutional solicitation, under which property is granted to, transferred to, or held by an institution as an institutional fund.

"Institution" means:

1. A person, other than an individual, organized and operated exclusively for charitable purposes;
2. A government or governmental subdivision, agency, or instrumentality, to the extent that it holds funds exclusively for a charitable purpose; or
3. A trust that had both charitable and noncharitable interests, after all noncharitable interests have terminated.

"Institutional fund" means a fund held by an institution exclusively for charitable purposes. The term does not include:

1. Program-related assets;
2. A fund held for an institution by a trustee that is not an institution, unless the fund is held by the trustee as a component trust of a community trust or foundation; or
3. A fund in which a beneficiary that is not an institution has an interest, other than an interest that could arise upon violation or failure of the purposes of the fund.

"Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

"Program-related asset" means an asset held by an institution primarily to accomplish a charitable purpose of the institution and not primarily for investment.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(1973, c. 167, § [55-268.1](#); 1995, c. [199](#); 1997, c. [219](#); 2008, c. [184](#), § 55-268.12; 2012, c. [614](#).)

§ 64.2-1101. Standard of conduct in managing and investing institutional fund.

A. Subject to the intent of a donor expressed in a gift instrument, an institution, in managing and investing an institutional fund, shall consider the charitable purposes of the institution and the purposes of the institutional fund.

B. In addition to complying with the duty of loyalty imposed by law other than this chapter, each person responsible for managing and investing an institutional fund shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

C. In managing and investing an institutional fund, an institution:

1. May incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the institution, and the skills available to the institution; and
2. Shall make a reasonable effort to verify facts relevant to the management and investment of the fund.

- D. An institution may pool two or more institutional funds for purposes of management and investment.
- E. Except as otherwise provided by a gift instrument, the following rules apply:
1. In managing and investing an institutional fund, the following factors, if relevant, shall be considered:
 - a. General economic conditions;
 - b. The possible effect of inflation or deflation;
 - c. The expected tax consequences, if any, of investment decisions or strategies;
 - d. The role that each investment or course of action plays within the overall investment portfolio of the fund;
 - e. The expected total return from income and the appreciation of investments;
 - f. Other resources of the institution;
 - g. The needs of the institution and the fund to make distributions and to preserve capital; and
 - h. An asset's special relationship or special value, if any, to the charitable purposes of the institution.
 2. Management and investment decisions about an individual asset shall be made not in isolation but rather in the context of the institutional fund's portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the fund and to the institution.
 3. Except as otherwise provided by law other than this chapter, an institution may invest in any kind of property or type of investment consistent with this section.
 4. An institution shall diversify the investments of an institutional fund unless the institution reasonably determines that, because of special circumstances, the purposes of the fund are better served without diversification.
 5. Within a reasonable time after receiving property, an institution shall make and carry out decisions concerning the retention or disposition of the property or to rebalance a portfolio, in order to bring the institutional fund into compliance with the purposes, terms, and distribution requirements of the institution as necessary to meet other circumstances of the institution and the requirements of this chapter.
 6. A person that has special skills or expertise, or is selected in reliance upon the person's representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing institutional funds.
- (1973, c. 167, §§ 55-268.4, 55-268.6; 2008, c. [184](#), § 55-268.13; 2012, c. [614](#).)

§ 64.2-1102. Appropriation for expenditure or accumulation of endowment fund; rules of construction.

- A. Subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. In making a determination to appropriate or accumulate, the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:
1. The duration and preservation of the endowment fund;
 2. The purposes of the institution and the endowment fund;
 3. General economic conditions;
 4. The possible effect of inflation or deflation;
 5. The expected total return from income and the appreciation of investments;
 6. Other resources of the institution; and
 7. The investment policy of the institution.
- B. To limit the authority to appropriate for expenditure or accumulate under subsection A, a gift instrument shall specifically state the limitation.
- C. Terms in a gift instrument designating a gift as an endowment, or a direction or authorization in the gift instrument to use only "income," "interest," "dividends," or "rents, issues, or profits," or "to preserve the principal intact," or words of similar import:

1. Create an endowment fund of permanent duration unless other language in the gift instrument limits the duration or purposes of the fund; and
2. Do not otherwise limit the authority to appropriate for expenditure or accumulate under subsection A. (1973, c. 167, §§ 55-268.2, 55-268.3; 2008, c. [184](#), § 55-268.14; 2012, c. [614](#).)

§ 64.2-1103. Delegation of management and investment functions.

A. Subject to any specific limitation set forth in a gift instrument or in law other than this chapter, an institution may delegate to an external agent the management and investment of an institutional fund to the extent that an institution could prudently delegate under the circumstances. An institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, in:

1. Selecting an agent;
2. Establishing the scope and terms of the delegation, consistent with the purposes of the institution and the institutional fund; and
3. Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation.

B. In performing a designated function, an agent owes a duty to the institution to exercise reasonable care to comply with the scope and terms of the delegation.

C. An institution that complies with subsection A is not liable for the decisions or actions of an agent to which the function was delegated.

D. By accepting delegation of a management or investment function from an institution that is subject to the laws of the Commonwealth, an agent submits to the jurisdiction of the courts of the Commonwealth in all proceedings arising from or related to the delegation or the performance of the delegated function.

E. An institution may delegate management and investment functions to its committees, officers, or employees as authorized by law of the Commonwealth other than this chapter.

(1973, c. 167, § 55-268.5; 2008, c. [184](#), § 55-268.15; 2012, c. [614](#).)

§ 64.2-1104. Release or modification of restrictions on management, investment, or purpose.

A. If the donor consents in a record, an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund. A release or modification may not allow a fund to be used for a purpose other than a charitable purpose of the institution.

B. The court, upon application of an institution, may modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or wasteful, if it impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund. The institution shall notify the Attorney General of the application, and the Attorney General shall be given an opportunity to be heard. To the extent practicable, any modification shall be made in accordance with the donor's probable intention.

C. If a particular charitable purpose or restriction contained in a gift instrument on the use of an institutional fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the court, upon application of an institution, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purposes expressed in the gift instrument. The institution shall notify the Attorney General of the application, and the Attorney General shall be given an opportunity to be heard.

D. If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, without application to the court but with the consent of the Attorney General, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purposes expressed in the gift instrument if the fund subject to the restriction has a total value of less than \$250,000.

E. If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, 60 days after notification to the Attorney General, may release or modify the restriction, in whole or part, if:

1. The institutional fund subject to the restriction has a total value of less than \$50,000;
2. More than 20 years have elapsed since the fund was established; and
3. The institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.

(1973, c. 167, § 55-268.7; 2008, c. [184](#), § 55-268.16; 2012, c. [614](#).)

§ 64.2-1105. Reviewing compliance.

Compliance with this chapter is determined in light of the facts and circumstances existing at the time a decision is made or action is taken, and not by hindsight.

(2008, c. [184](#), § 55-268.17; 2012, c. [614](#).)

§ 64.2-1106. Application to existing institutional funds.

This chapter applies to institutional funds existing on or established after July 1, 2008. As it applies to institutional funds existing on July 1, 2008, this article governs only decisions made or actions taken on or after that date.

(2008, c. [184](#), § 55-268.18; 2012, c. [614](#).)

§ 64.2-1107. Relation to Electronic Signatures in Global and National Commerce Act.

This chapter modifies, limits, and supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede § 101 of that act, 15 U.S.C. § 7001(a), or authorize electronic delivery of any of the notices described in § 103 of that act, 15 U.S.C. § 7001(b).

(2008, c. [184](#), § 55-268.19; 2012, c. [614](#).)

§ 64.2-1108. Uniformity of application and construction.

In applying and construing this uniform act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

(1973, c. 167, § 55-268.9; 2008, c. [184](#), § 55-268.20; 2012, c. [614](#).)

ATTACHMENT 13

VETERANS SERVICE FOUNDATION

Handbook
Updated November 5, 2014
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