

**Procedures and Policies Committee Meeting Minutes**  
**Veterans Services Foundation Board**  
Century Link Offices  
8145 Staples Mill Road, Richmond, Virginia 23228  
**May 22, 2019**  
**11:00 a.m. – 2:00 p.m.**

The Veterans Services Foundation (VSF) Board of Trustees Procedures and Policies Committee (P&PCom) met on Wednesday, May 22, 2019 at the Century Link Offices, 8145 Staples Mill Road, Richmond, Virginia.

**PROCEDURES AND POLICIES COMMITTEE MEMBERS PRESENT**

- Jack Lanier (*VSF Second Vice Chair*)
- Al Pianalto (*VSF First Vice Chair*)
- Rich Schollmann

**PROCEDURES AND POLICIES COMMITTEE MEMBERS ABSENT**

- Tom Mulrine (*P&PCom Chair*)

**VSF ADVISOR PRESENT**

- Jack Hilgers (*non-voting Advisor*)

**VSF STAFF PRESENT**

- Karla Williams Boughey (*non-voting, VSF Executive Director*)

**DVS REPRESENTATIVES PRESENT**

- Tiffany Robertson (*Department of Veterans Services (DVS) Staff*)

**Materials Distributed and Edited**

- Amended Procedures and Policies Meeting Agenda (*Attachment 1*)
- Revised P&P Com Plan for Future Tasks (*Edited*) (*Attachment 2*)
- Revised VSF Trustees' Bylaws (*Edited*) (*Attachment 3*)
- Office of the Attorney General (OAG) comments on Bylaws (*Attachment 4*)
- Feedback on previous OAG suggestions (*Attachment 5*)
- DVS-VSF MOU (*Attachment 6*)
- Potential Code of Virginia Changes (*Edited*) (*Attachment 7*)
- Policy F1 (*Edited*) (*Attachment 8*)
- Policy F2 (*Edited*) (*Attachment 9*)

**Opening Remarks**

Mr. Rich Schollmann welcomed everyone and called the meeting to order at 11:01a.m. **A quorum was determined.**

**Approval of Agenda**

Mr. Schollmann asked for a motion to approve the agenda. (*Attachment 1*) Mr. Jack Lanier suggested adding the word "Agenda". Mr. Al Pianalto **moved** to approve the agenda as amended, and Mr. Lanier **seconded** the motion. There was no discussion and the motion passed unanimously.

**Approval of Minutes of March 13, 2019 Meeting**

Copies of the minutes from the March 13, 2019 P&PCom meeting were sent out electronically prior to the meeting. Paper copies were available as well. Mr. Lanier suggested adding the word "Minutes" to the front. Mr. Schollmann asked for a motion to approve the minutes from the March 13, 2019 P&PCom meeting. Mr.

Pianalto **moved** to approve the amended minutes, and Mr. Lanier **seconded** the motion. There was no discussion and the motion passed unanimously.

### **Unfinished Business**

#### **a. Modifications to P&P Committee Plan**

Mr. Hilgers reviewed the modifications to the P&P Committee Plan (*Attachment 2*). Additional revisions were discussed and are reflected in the attached document. Mr. Hilgers suggested combining all of the definitions from all of the policies, putting them in one document and assigning a policy number. This Plan is a working document and changes will be made as needed.

#### **b. VSF Trustees Draft Bylaws Updates**

Mr. Hilgers reviewed the proposed changes on the bylaws handout (*Attachment 3*). Mr. Hilgers passed out copies of comments from the Office of the Attorney General (OAG) regarding the bylaws (*Attachment 4*). Committee members referred to the document as the bylaws were discussed. Additional revisions were discussed and are reflected in the attached document. Mr. Hilgers passed out a second document that provides feedback on previous suggestions made by the OAG (*Attachment 5*).

#### **c. DVS-VSF MOU Review Status**

Mr. Hilgers reviewed the proposed changes to the DVS-VSF MOU (*Attachment 6*). The committee is waiting for DVS to give their input. The latest version was sent to DVS in late April. No action is required by the committee at this time.

#### **d. Review of potential Code of Virginia Changes**

Mr. Hilgers reviewed the proposed changes to the Code of Virginia (*Attachment 7*). Additional revisions were discussed and are reflected in the attached document. Ms. Boughey asked if a budget amendment was also needed to cover the cost of Advisor's travel. This potential Code Changes will be brought up at the next VSF Board meeting. No action is required by the committee at this time.

### **A WORKING LUNCH WAS PROVIDED**

#### **e. Review of Draft VSF Policies F1 and F2**

Mr. Hilgers reviewed Policy F1 (*Attachment 8*) and Policy F2 (*Attachment 9*). The letter 'F' is used prior to the number to indicate a Foundation policy. Additional revisions were discussed and are reflected in the attached documents. F1 is on hold until the updated MOU is in place. While F2 does not depend on F1 being passed, the committee would like to present the policies in groups rather than one at a time.

#### **f. Other Unfinished Business**

At the last P&P Committee meeting, the status of the secretary was discussed. It was the general consensus of the committee that Ms. Tiffany Robertson would make a great secretary. The bylaws state that the secretary and treasurer are unelected officers. Ms. Robertson's current duties reflect the position of secretary. Mr. Lanier **made** the motion to bring before the board that the P&P Committee recommends that Ms. Robertson be appointed as secretary, and Mr. Pianalto **seconded** the motion. There was no further discussion, and the motion passed unanimously.

Mr. Hilgers said that the committee was responsible for a periodic review of the VSF Biennial Fiscal Year Schedule and to assure that required actions have been or need to be taken. Ms. Boughey said that requests were sent to DVS for FY20 Budget adjustments and a proposed biennial budget for FY21-22, but DVS has not responded yet. Mr. Schollmann said that the Nominating Committee had completed its work and would send a report to Trustees Chair Finelli.

### **New Business**

#### **a. Recommend approval of P&P Committee Plan Changes**

This is a working document. No action is needed at this time.

**b. Recommend Approval of Draft Trustees' Bylaws Updates**

Mr. Schollmann called for a motion to recommend approval of the Bylaws Updates with amendments made at the meeting. Mr. Pianalto **made** the motion, and Mr. Lanier **seconded** the motion. There was no discussion, and the motion passed unanimously.

**c. Recommend Approval of DVS-VSF MOU**

No action is required by the committee at this time.

**d. Possible Recommend Approval of Draft VSF Policies F1 and F2**

No action is needed at this time.

**e. Other New Business**

There was no other new business.

**Public Comment**

No members of the public were present.

**Adjournment**

Mr. Schollmann asked for a motion to adjourn. Mr. Lanier **made** the motion, and Mr. Pianalto **seconded** the motion. There was no discussion, and the motion passed unanimously. The meeting adjourned at 1:06pm.

**Veterans Services Foundation Board of Trustees  
Procedures and Policy Committee (P&PCom)  
Century Link Offices at 8145 Staples Mill Road  
Glen Allen, Virginia 23228  
May 22, 2019  
11:00 a.m. – 2:00 p.m.**

**DRAFT AGENDA**

- I. Opening, Roll Call, Quorum Determination.
- II. Approval of Agenda – *Committee Chair*
- III. Approval of Minutes of March 13, 2019 Meeting – *Committee Chair*
- IV. Unfinished Business
  - a. Modifications to P&PCom Plan – *Jack Hilgers*
  - b. VSF Trustees Draft Bylaws updates – *Jack Hilgers*
  - c. DVS-VSF MOU Review Status – *Jack Hilgers*
  - d. Review of potential Code of Virginia Changes – *Jack Hilgers*
  - e. Review of Draft VSF Policies F1 and F2 – *Jack Hilgers*
  - f. Other Unfinished Business – *Committee Chair*
- V. New Business
  - a. Recommend Approval of P&PCom Plan Changes – *Committee Chair*
  - b. Recommend Approval of Draft Trustees' Bylaws Updates – *Committee Chair*
  - c. Recommend Approval of DVS-VSF MOU – *Committee Chair*
  - d. Possible Recommend Approval of Draft VSF Policies F1 and F2 – *Committee Chair*
  - e. Other New Business – *Committee Chair*
- VI. Public Comment
- VII. Adjournment.

**ATTACHMENT 1**

## Procedures and Policy Committee Plan 2019

5-22-2019

The purpose of the Procedures and Policy Committee (P&PCom) Plan is to develop and review the Veterans Services Foundation (VSF) bylaws, policies, and other related documents

**1. Introduction.** The plan is based on the following sections of the VSF Trustees' Bylaws.

1.01 **Procedures:** All trustees' business procedures shall be conducted in accordance with the Code of Virginia, the VSF trustees' bylaws, and the current edition of Robert's Rules of Order Newly Revised, in order of descending precedence. VSF and its board of trustees operate on the Commonwealth fiscal year; July 1 through June 30, as do trustees' appointments. The board of trustees exercises its governance of the VSF organization through the administration and operational direction contained in the VSF policies.

6.03.3 **Procedures and Policies:** The procedures and policies committee shall support the board's responsibility for the conduct of business and operational direction, including planning, of the VSF organization. In support of procedures, the committee shall be responsible for the formulation of revisions to the: (a) VSF charter; (b) board of trustees' bylaws; (c) trustees' general biennial schedule; and (d) goals and objectives of the VSF board and its committees, in coordination with those committees. Regarding the operational direction of the VSF organization, the committee shall develop, document, and review revisions to the: (e) Strategic Plan and subsidiary plans; (f) VSF Policies, Joint VSF-DVS Policies, and other directives; and g) DVS-VSF Memorandum of Understanding. The committee also shall be responsible for such other business as may come before it.

The plan includes revision of:

- a. One current VSF Policy "Initiation and Change Procedures" and
- b. Eleven VSF-DVS Joint Policies which are:
  1. VSF-DVS Inter-Agency Procedures [short title];
  2. VSF Operations;
  3. VSF-DVS Fundraising;
  4. VSF-DVS Veterans Services Fund – Processing of Financial Donations;
  5. VSF-DVS Control of In-Kind Donations;
  6. Virginia Veteran and Family Support Program Subsidiary Fund;
  7. Veterans Care Centers Residents' Assistance Subsidiary Funds;
  8. Cemeteries Assistance Subsidiary Fund;
  9. Subsidiary Fund Balances;
  10. Veterans Services Non-General [sic] Fund – Processing of Financial Requests;
  11. Veterans Services Fund – Planned Giving.

There are other VSF and VSF-DVS documents that relate to the policies at hand, but are not included. They should be formalized in current policies or as separate policies and plans. They are, in no particular order of importance:

- a. DVS-VSF MOU;
- b. VSF Trustees Duties;

- c. Veterans Services Organizational Chart;
- d. American Association of Fundraising Professionals Ethical Principles;
- e. Financial Procedures for VSF as of July 1, 2017;
- f. VSF Funding Guidelines for DVS;
- g. VSF Strategic Plan;
- h. VSF Strategy Plan 2017-2021;
- i. Annual VSF Board and Committee Goals and Objectives;
- j. VSF Biennial Fiscal Year Planning Schedule.

**2. Common Terminology.** Prior P&PCom reports stated that the revisions shall be guided by the Virginia Code Commission’s rules for drafting Code of Virginia legislation including using short titles and very limited use of acronyms (the Commission does not use acronyms) and common terminology as follows:

“Use common terms for the Foundation and the Department in all Joint VSF-DVS documents has been expanded to include terminology used by the Virginia Code Commission as contained in Attachment 1 – Virginia Code Commission List of Technical Changes.

“Use common terms for the Foundation and the Department in all documents, as follows:

- The Department – use DVS
- Commissioner of the Department – DVS Commissioner
- Commissioner of Veteran Services – DVS Commissioner
- Refer to the sub-units within DVS (Care Centers, Cemeteries, VVFS, etc.) as Divisions
- Refer to individual DVS programs (Homeless, V3, Transition, etc.) within DVS Divisions as Programs
- The Foundation – use VSF *or* *Foundation*
- Foundation Chairman – VSF Chair
- VSF Development Committee – VSF DevCom
- VSF Finance Committee – VSF FiCom
- Review other terms for commonality and continuity

**3. Definitions.** *Consideration should be given to consolidating definitions spread through all policies and placing them in a separate policy.*

- *Fundraising: Begins with planning (including assessing needs and funding sources), soliciting, raising, receiving, and accepting funds or other in-kind gifts and ends with their being deposited in the Veterans Services Fund or turnover to VSF and a receipt issued to the donor.*
- *Fund Management: Includes recording, responding, accounting, and reporting donations, primarily in the Veterans Services Fund but also in state general and non-general funding for veterans and their families.*
- *Fund Allocations and Expenditures: Is concerned with appropriating, allocating, and expending financial donations from the Veterans Services Fund.*

**4. Methodology.** As contained in prior P&PCom reports to the VSF Board, the plan was as follows:

“Due to a great deal of redundancy in the policies, the Committee recommend they be combined in accordance with VSF tasks set forth in the Code and in the actual order in which they may be performed:

- a. accepting revenue and raising revenue – fundraising;
- b. fund administration; and
- c. providing funding for veterans programs – allocations for expenditure.

Also, care needs to be taken to not reduce policies to the extent that we understand them but other readers may need greater explanation. Policies basically are manuals for both direction and education of the reader.

“The Committee recommended reorganization of VSF-DVS Joint Policies as follows:

Policy 1 (Coordination between VSF, DVS, BVS, and JLC (more concisely, Inter-agency Procedures)), retain, update, and include the DVS-VSF MOU as an attachment

Policy 2 (Foundation Operations), retain, update and include most of Joint Policy 10, Veterans Services Organizational Chart, AAFP Ethical Principles as attachments.

Policy 3 (VSF Fundraising), update and combine policies 3 and 5 and include accepting and raising revenue and in-kind donations contained in other policies

Policy 4 (Veterans Services Fund Management), update and combine policies 4, 9, and part of 10 and include administration contained in other policies and Financial Procedures for VSF July 1, 2017

Policy 5 (Veterans Services Fund Allocation and Expenditures), new policy 5 containing policies 6, 6A, 7, and 8 and include providing funding for expenditures contained in other policies and VSF Funding Guidelines for DVS

Policy 6, (Planned Giving) containing policy 11 on Planned Giving updated.

“Planned Giving is a separate policy because attorneys ask for the VSF Policy on Planned Giving and it both would be awkward to include it in combined Joint Policy 3 on Fundraising and its application is strictly at the discretion of VSF.

***Trustees’ duties and responsibilities will be included in the trustees’ bylaws.***

***The changes to documents will use the Virginia Code Commission standard practice of lining out text to be changed and inserting new text in italics. For ease of identification, changes will be in bold. Rationale for the changes will be presented separately. The “red line” convention provides both colored underlining and highlighting, and rationale in one document. While convenient, multiple changes get lost and it can become confusing. Therefore, the “red line” method will not be used.***

Additionally, current VSF Policy 1 (Policy Initiation and Change Procedures) should be included into a new policy created for VSF Planning and Development incorporating the VSF Strategic Plan and its subsidiary VSF Strategy Plan 2017-2012 updated, ***as indicated below.***

Also consideration should be given to changing the numbers or using a different way of identifying them because there will be both VSF Policies and VSF-DVS Joint Policies as follows:

VSF Policies would be current Joint Policies:

- F1.* (Inter-agency Relations);
- F2.* (VSF Administration and Operations);
- F3.* (Planned Giving); and
- F4.* a new VSF Policy on Planning and Organizational Development *incorporating current VSF Policy 1 (Policy Initiation and Change Procedures)* with Annual Goals and Objectives and Biennial Schedule attached.

VSF-DVS Joint Policies would be:

- J1.* (Fundraising),
- J2. (Control of In-kind Donations)*
- J3.* (Veterans Services Fund Management), and
- J4.* (Veterans Services Fund Allocations and Expenditures).

Again from the prior P&PCom reports to the VSF Board:

“The Committee recommended that the policies should be presented to the Board for approval as VSF and Joint VSF-DVS packages and not individually in order that they can be evaluated as a whole and not piecemeal. The new Planning document may be presented separately.

**5. Priorities.** Consider the following priorities, recognizing that certain documents must be approved before others can be pursued:

a. By June 2019 Board meeting:

- 1) Bylaws – Done, but requires OAG review*
- 2) DVS-VSF MOU – To DVS for review*
- 3) Review potential Code of Virginia Changes*
- 4) Review Draft VSF Policies F1 and F2*

b. By September 2019 board meeting, blocks of VSF Policies:

VSF Policy #F1 on Inter-agency Relations – Last approved 8-3-16 – working draft available

VSF Policy #F2 on VSF Administration and Operations – Last approved 8-3-16

VSF Policy #F3 on Planned Giving – Last reviewed 11-9-16, can be reviewed by the board

VSF Policy #F4 on Planning and Development – To be completed

c. By December 2019 board meeting, blocks of VSF-DVS Joint Policies:

Joint VSF-DVS Policy #J1 on Fundraising – Last approved 8-3-16 – working draft available



*Joint VSF-DVS Policy #J2 on Control of In-kind Donations – Last approved 8-3-16*

Joint VSF-DVS Policy #J3 on Veterans Services Fund Management – Last approved 8-3-16

Joint VSF-DVS Policy #J4 on Veterans Services Fund Allocations and Expenditures – 8-3-16

**6, Application.**

a. Propose Jack Hilgers take the lead in collecting relevant information and consolidating various policies and attendant attachments. He has the institutional knowledge and knows the key DVS players apart from the Commissioner and Deputy.

b. Draft documents would be provided to committee members, including informal members, Frank Finelli, Walter Stosch, Paul Haughton for review and editing. As appropriate in dealing with the development and administrative aspects Nicole Carry, John Lesinski, and Karla Boughey would be included.

c. Edited drafts would be returned to Jack Hilgers for corrections and re-review by the participants. This would continue until a consensus is reached, at which time the drafts would be distributed to the other board members for comment.

d. The finalized drafts would be sent to the OAG Representative for review to ensure they are in conformity with the Code of Virginia and then distributed to board members for approval.

## ATTACHMENT 1

### **Virginia Code Commission List of Technical Changes**

- Striking out the words/phrases: "thereof," "the same," "therein," herein," "wherein," "thereto," "whereby," "thereafter," "therefrom," "hereof," "hereunder," "thereunder" and replacing such words with clearer, more explanatory language.
- Striking plural words used after identical singular words on the basis of § 1-227, which states that throughout the Code any word used in the singular includes the plural.
- Replacing the phrase "county, city, or town" with the word "locality" on the basis of § 1-221, which states that throughout the Code, "locality" means a county, city, or town."
- Replacing the word "must" with the word "shall" as necessary.
- Replacing the phrase "shall be" with the word "is" or "does" as necessary.
- Replacement of the phrase "shall have the authority to" with the word "may."
- Spelling out the numbers one through nine.
- Using numerals for the numbers 10 or more, except when the numbers begins a sentence or subdivision.
- Replacing the word "which" with the word "that" as necessary.
- Replacing the phrase "goods or chattels" with the modern term "personal property."
- Replacing the phrase "deed or will" with the term "written instrument" to account for all types of written instruments that are used to convey gifts of personal property. (Chapter 1)
- Use of the phrase "tenants by the entirety" instead of "tenancy by the entireties" for consistency
- Language is updated to reflect the merger of law and equity in Virginia (replacing "bill in equity" with "petition," replacing "bill of complaint" with "complaint," replacing "suit" with "action," removal of the phrase "of equity" after "circuit court," replacing "decree" and "personal decree" with "order," strike reference to "corporation court"
- Replacement of the phrase "husband and wife" with "spouse" or "spouses" for consistency.
- Replacing the phrase "admitted to record" with the word "recorded."
- Replacing the word "attorney's" with the word "attorney" when referring to "attorney fees."
- Replacing the word "Virginia" with the phrase "the Commonwealth," and striking the words "of Virginia" after the word "Commonwealth."

### **DLS Drafting Policy Relating to Gender-Neutral Terms**

- Except when otherwise required for context, draft in accordance with the rule of construction set forth in Va. Code § 1-216 that provides a word used in the masculine includes the feminine and neuter.
  - Delete "or she"
  - Delete "or her"
  - Delete "or herself"

- Except when otherwise required for context, standardize use of the following gender-neutral terms when drafting and make the following references consistent:
  - "husband" or "wife" to "spouse"
  - "father" or "mother" to "parent"
  - "grandfather" or "grandmother" to "grandparent"
  - "stepfather/step-father" or "stepmother/step-mother" to "step-parent"
  - "father-in-law" or "mother-in-law" to "parent-in-law"
  - "son" or "daughter" to "child"
  - "grandson" or "granddaughter" to "grandchild"
  - "stepson/step-son" or "stepdaughter/step-daughter" to "stepchild"
  - "son-in-law" or "daughter-in-law" to "child-in-law"
  - "brother" or "sister" to "sibling"
  - "stepbrother/step-brother" or "stepsister/step-sister" to "step-sibling"
  - "brother-in-law" or "sister-in-law" to "sibling-in-law"
  - "half-brother" or "half-sister" to "half-sibling"
  - "widow" or "widower" to "surviving spouse"

**VETERANS SERVICES FOUNDATION**  
**Board of Trustees**  
**BYLAWS**  
**DRAFT**

**Article I – Authority Purposes, and Procedures**

- 1.01 **Authority:** Pursuant to Virginia Code § 2.2-2715, et seq., the Virginia Veterans Services Foundation (VSF) is a state agency of the Commonwealth. The Code reference, which is attached to these bylaws, forms the Charter or Constitution of VSF setting forth: (a) the name of the organization; (b) its purpose and mission; (c) membership; (d) meetings; (e) reporting requirements; (f) authority; and (g) financial requirements. VSF is under the Secretary of Veterans and Defense Affairs as set forth in § 2.2-230.
- 1.02 **Purpose:** These bylaws describe how the board of trustees exercises its governance through board: (a) officers; (b) administrative support; (c) meeting procedures; (d) committees; (e) protocol, governance, and communications; (f) bylaws review and amendment.
- 1.03 **Procedures:** All trustees' business procedures shall be conducted in accordance with the Code of Virginia, the VSF trustees' bylaws, and the current edition of Robert's Rules of Order Newly Revised, in order of descending precedence. VSF and its board of trustees operate on the Commonwealth fiscal year; July 1 through June 30, as do trustees' appointments. The board of trustees exercises its governance of the VSF organization through the administration and operational direction contained in the VSF policies, ~~which form the standing rules or orders of VSF.~~

**Article II – Trustees and Other Board Members**

- 2.01 **General Powers:** Pursuant to Code of Virginia § 2.2-2715, as may hereafter be amended, the VSF is governed by a board of trustees who will be responsible for the administrative, fiscal and programmatic activities of VSF. The board shall comply with its enabling legislation and bylaws, and applicable federal and state laws and regulations in its: (a) use of public, private and charitable funds, including grant proceeds; (b) operation and management of the VSF; and (c) selection of an Executive Director and staff.
- 2.02 **Duties:**
- (a) *Respect and support the Code of Virginia, VSF trustees' bylaws, policies, and board decisions;*

**ATTACHMENT 3**

- (b) Uphold the mission of VSF on behalf of all Virginia veterans and their families and, as required, examine, clarify, and re-define the VSF mission, goals, objectives, and priorities;**
- (c) Further the goals and objectives of VSF to the best of their ability including:
  - (1) Raise funds and other resources, including personal, to ensure funds are available to support programs and services for Virginia veterans and their families.**
  - (2) Develop and ensure sound implementation of VSF budgets and allocations of funds and their expenditures so that VSF remains financially solvent;**
  - (3) Provide financial oversight to ensure that the financial affairs of VSF are conducted in a responsible and transparent manner with due regard for fiduciary responsibilities to donors and the public.****
- (d) Demonstrate due diligence and dedication in preparation and attendance at scheduled board and committee meetings, special events, and other activities on behalf of VSF;**
- (e) Ensure VSF's legal and ethical integrity and accountability;**
- (f) Oversee VSF's operations and make sure that the VSF staff and other related parties act legally.**
- (g) Assure compliance with the requirements of the Virginia Freedom of Information Act when ~~three or more trustees meet to discuss VSF business.~~**
- ~~(h) Avoid conflicts of interest or the appearance of conflicts of interest and recuse oneself if they occur;~~ Assure compliance with the provisions of the State and Local Government Conflicts of Interest Act;**
- (i) Provide effective organizational planning and monitor implementation;**
- (j) Enhance VSF's public standing in the Virginia community;**
- ~~(k) Select the Executive Director and assess their performance;~~ Select and assess the performance of the Executive Director;**
- (l) Assess VSF board and organizational performance to strengthen VSF's services;**
- (m) Exercise all responsibilities with care and skill in a reasonable and prudent manner.**

### 2.03 Responsibilities:

- (a) The VSF board of trustees is a public entity and must behave with the utmost integrity and assure that VSF abides by the law. Trustees have as their first and foremost duty – fiduciary responsibility for the public good – the interests of the public at large and**

veterans in particular. Trustees must be independent and objective arbitrators of the public and veterans interests and ensure the integrity of the Veterans Services Fund.

*(b) Trustees shall inform themselves and consult with other governmental and charitable organizations to gain a broad understanding of the requirements of their position. Additionally, trustees shall obtain information that can be presented to the board for consideration to enhance VSF functioning and other related matters. Such information permits trustees to ensure the overall integrity of service to veterans and the public.*

- 2.04 ~~**Non-trustee Board membership:** The VSF Executive Director, Secretary, and Treasurer serve as ex officio non-voting board members. The board may appoint citizens with particular knowledge or experience as advisors to the board and to committees. Advisors shall serve under the same conditions, including term limits, as board trustees, except that they shall serve in a non-voting capacity.~~

### Article III – Officers

- 3.01 Officers of the VSF: The officers of the VSF shall consist of a Chairman (the Chair), Vice Chairmen (Vice Chairs), Secretary, and Treasurer. Other officers, including assistant and subordinate officers, may from time to time be appointed by the board. Any two or more offices may be held by the same person. The Secretary and Treasurer are non-elected officers provided by the Department of Veterans Services in accordance with Code of Virginia § 2.2-2715.G.
- 3.02 Duties of the Chair: The Chair shall: (a) preside over all meetings of the board unless absent; (b) have general supervision of the affairs of the board; and (c) shall perform all other such executive duties as are reasonably necessary or are properly required by the board. The Chair may appoint committee members from within the board of trustees as deemed necessary or appropriate to carry out the purposes of VSF.
- 3.03 Duties of the First Vice Chair: Upon the death, resignation, absence, or disability of the Chair, or upon the Chair's refusal to act, the Vice Chair shall perform the duties of the Chair only so long as the Chair is absent or disabled. In all other instances as determined by the board, the Vice Chair shall serve for the remainder of the Chair's term or until a substitute is elected by the board. In the event that an issue arises concerning whether or not the Vice Chair should assume or retain the duties of the Chair, the issue shall be decided by a majority vote of the board, excluding the Vice Chair.
- 3.04 Duties of the Second Vice Chair: The Second Vice Chair shall act in the absence, for whatever reason, of the Chair and First Vice Chair under the same provisions of those set forth for the First Vice Chair.
- 3.05 Other duties as assigned: When not performing the duties of the Chair, the Vice Chairs shall perform such duties as may be assigned by the Chair. The Chair and Vice Chairs shall continue to serve on the board committees to which they were assigned, but not as Committee Chairs or Vice Chairs.

3.06 Duties of the Secretary: The Secretary shall:

- (a) keep the minutes of the meetings of the board and of the Executive Committee and be the custodian of the minutes and other such records of the board;
- (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; ~~and~~
- (c) post minutes of meetings to the Commonwealth Calendar and to the website of VSF in accordance with §2.2-3707.1 of the Code of Virginia;
- (d)~~The Secretary also shall~~ be the VSF *recording and* corresponding Secretary; *and*
- (e)~~In addition, the Secretary shall in general~~ perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the Chair or by the board *and its policies*.

3.07 Duties of the Treasurer: The Treasurer shall be the financial officer for the Board and shall:

- (a) keep accurate, auditable records of:
  - (1) Non-general Fund donations and grants received and expenditures made from the Fund; and
  - (2) General Fund allocations for authorized expenditures;
- (b)~~The Treasurer shall~~ submit a quarterly report to the board and the Commissioner of Veterans Services on VSF's funding levels and services; *and*
- (c)~~The Treasurer acts without bond because financial controls exist to assure fiscal accountability;~~
- (c) *perform such other duties as from time to time may be assigned by the Chair or by the board and its policies.*

3.08 Term of service: Elected officers shall serve a term of one year. Officers shall be eligible for reelection, not to exceed two years of consecutive service.

3.09 Elections: Election of officers will be held every year during the regular fourth quarter (April – June) meeting. If a quorum is not present, elections will be held at the next meeting at which there is a quorum. Elections shall be by voice vote. Elections shall be decided by a majority of the votes cast. If a candidate fails to achieve a majority vote on the first ballot, the two candidates with the most votes will be voted on by a second ballot.

Newly elected Chairs shall assume the responsibility of the position to which they were elected on 1 July of the year for which they are elected.

- 3.10 Nominations. The Nominating Committee shall post a call for nominations for Chair and Vice Chairs from the board no later than 10 working days following the committee's first meeting. The VSF Executive Director may forward the call on behalf of the committee, if the Committee Chair so requests. Trustees of the board may nominate themselves for officer positions to the Chair of the Nominating Committee. Board trustees may be nominated regardless of time served or time remaining on the board, except that board trustees who are completing their last year of service of a four-year term shall not be eligible for nomination. Notwithstanding the foregoing, a trustee who is completing the last year of service may be nominated if, at the time of the nomination, the trustee has been reappointed for another four-year term. Ex officio trustees, the Secretary, and Treasurer shall not be eligible to serve as Board Chair or Vice Chairs. The Nominating Committee should give priority to nominating trustees for office whose terms of appointment on the board do not expire simultaneously so the board will not be without a presiding officer.
- 3.10.1 Presentation of Nominations. The Nominating Committee shall meet at least fifteen working days prior to the fourth quarter (April – June) board meeting to determine the nominations to be presented to the board at that meeting. The recommendation of the nominating committee shall be distributed with the announcement of the fourth quarter meeting of the board. At the fourth quarter meeting, the Nominating Committee shall present candidates for each office for election at that meeting. Nominations from the floor may be made prior to such election.
- 3.10.2 Committee Vacancies. In the event a trustee of the Nominating Committee cannot serve or becomes a candidate for an office for which the committee is selecting candidates, he shall resign from the committee immediately and the Board Chair shall immediately appoint a replacement.
- 3.10.3 Chair and Vice Chair Vacancies and Absences. In the event of a vacancy in the Chair or Vice Chair positions, the board may: (a) in the case of vacancy in the position of Chair or Vice Chairs, have the next Vice Chair complete the unexpired term; or (b) elect a Nominating Committee and at the board's next meeting, elect officers to fill the vacant positions. In the event of the temporary absence of the Chair, First Vice Chair, and Second Vice Chair, the board shall select one of its non-ex officio trustees to preside.

#### **Article IV – Administrative Support**

- 4.01 Administrative and other services: DVS is designated to provide VSF with administrative, staff, and other services in accordance with §2.2-2715.E.
- 4.02 Executive Director: The board may hire a VSF Executive Director who shall serve as specified in §2.2-2715.1. In addition, the Executive Director shall have such powers, duties, and responsibilities as set forth in a job description approved by the board, or as may be assigned by the board from time to time.



- 4.03 Executive Director Selection: If the board chooses to employ an Executive Director, selection shall be made from a group of eligible candidates recruited through the Virginia Department of Human Resources Management Policy 2.10 – Hiring. The selection panel shall consist of at least four trustees, one of which shall be the Board Chair.
- 4.04 Executive Director Duties: The Executive Director’s duties shall include:
- (a) supporting the efforts of VSF to seek, promote, and stimulate contributions to the Fund; ~~including:~~
  - (b) planning and implementing an effective capacity-building and development strategy consistent with the programs and mission emphasis of DVS;
  - (c) establishing and maintaining productive on-going relationships with legislative and development entities at the municipal, regional, state, and national levels;
  - (d) coordinating and sustaining state legislative and funding efforts in support of VSF;
  - (e) supporting efforts to more effectively brand and market veterans’ services;
  - (f) performing the duties of the VSF Freedom of Information Act Officer in accordance with the Freedom of Information Act (FOIA);
  - (g) managing VSF’s finance (e.g., accountability) initiatives in collaboration with DVS’ Director of Finance and DVS finance staff; and
  - (h) coordinating with DVS in its efforts to support VSF, including:
    - (1) assisting the Procedures and Policy Committee in developing DVS and VSF policies and procedures related to mutual support of both agencies; and
    - (2) serving as the VSF liaison to DVS for coordination of development activities with public and private development-related organizations and other interested parties.
  - (i) ~~The Executive Director shall~~ **ensure**ing that the reports required of VSF are submitted including those required by §2.2-2715.B of the Code of Virginia; **and**
  - (j) *performing such other duties as from time to time may be assigned by the Chair or by the board and its policies.*

## **Article V – Meetings**

- 5.01 Meetings: The board shall meet at least quarterly, at a time and place determined by the trustees *through the trustees’ Chair*. Additional meetings may be called by the Board Chair or at the request of at least four trustees. Board committees shall meet as required by

the board of trustees or the committee chairs. ***The VSF Executive Director, Secretary, and Treasurer shall attend all board of trustees meetings.*** Meetings shall be conducted in accordance and the provisions of the Virginia Freedom of Information Act (FOIA).

5.02 Quorum and Manner of Acting. A majority of the voting trustees of the board who are serving shall constitute a quorum for the transaction of business. The act of a majority of the trustees present at any meeting at which a quorum is present shall be the act of the board. In the absence of a quorum, a majority of the trustees present may adjourn the meeting until a quorum is attained or convene either a special or emergency meeting of the executive committee or other committees to consider the business at hand.

5.03 Meeting Procedures:

5.03.1 Meeting Notification. Meetings, including work sessions, are assemblages of the committee trustees. No business shall be conducted unless a quorum of voting trustees is determined. All meetings, except as noted in 5.03.6 below, shall be open to the public and notice of the date, time, location, and purpose or agenda of the meeting shall be posted on the Commonwealth Calendar, on the VSF website, and in a prominent public location. The notice shall state whether public comment will be received. All board and committee meeting notifications shall comply with the provisions of FOIA.

5.03.2 Regular Meetings. The VSF board shall meet at least four times each year on such dates and in such places as recommended by the Board Chair. Regular meetings shall be announced to the VSF board trustees, DVS staff, and the public at least 10 days prior to the day the regular meeting is to be convened.

5.03.3 Special Meetings. Special ***board*** meetings may be called by the Board ***Chair***, or ***committee meetings by the*** Committee Chairs, or by any three committee trustees at such dates, times, and places, with agenda, as may be specified in the call for such meeting in accordance with §2.2-3707 of the Code of Virginia, ***or as hereafter may be amended.*** For special meetings, seven days' notice shall be given.

5.03.4 Emergency Meetings. Emergency meetings may be called by giving reasonable notice to all trustees and the public whenever in the judgment of the Board or Committee Chair, in consultation with the VSF Executive Director and the Secretary of Veterans and Defense Affairs, there is an emergency as defined by §2.2-3701, Code of Virginia, ***or as hereafter may be amended*** . A quorum of voting trustees shall be sufficient to transact any business with respect to said emergency.

5.03.5 Conduct of Business. The published agenda shall be followed, unless modified by a majority vote of trustees present. Votes on substantive matters shall be taken by a vote of all trustees present supporting, opposing, or abstaining from the matter. No proxies, secret, or written ballots are authorized in any board or committee meeting and votes cannot be taken by telephone or other electronic communication means. Minutes shall be recorded of board and committee meetings and shall be deemed public records and subject to the provisions of FOIA. ***A copy of the minutes of each board and committee***

*meeting will be provided to the trustees and other interested parties no later than 10 working days after the conclusion of the meeting.*

- 5.03.6 Closed Meetings. The conduct of closed meetings shall be governed by the provisions of §2.2-3711 of the Code of Virginia, *or as hereafter may be amended*. Closed meetings cannot be conducted electronically. ~~Any resolution, ordinance, rule, contract, regulation, or motion discussed in a closed meeting shall not become effective unless the committee, following the closed meeting, reconvenes in open meeting, clearly identifies the substance of the action to be taken, and takes a vote of the trustees on such resolution, motion, or other form of action.~~

## Article VI – Committees

- 6.01 VSF Committees: Activities of the board of trustees shall be organized and coordinated through its committees. The committees of VSF board of trustees shall be the Executive Committee, three Standing Committees, and a Special Committee for nominations. Other Ad Hoc committees and sub-committees may be established as required. ~~Any committee may include both trustees and non-trustees among its members.~~ Unless otherwise specifically provided by the board of trustees, ~~decisions or~~ recommendations of committees are advisory and must be ratified by the board. Trustees ~~and advisors~~ may serve on more than one committee and trustees may participate in the proceedings as voting members. All committee meetings shall be scheduled to permit broad participation and comply with the provisions of FOIA.
- 6.02 Executive Committee. The executive committee shall consist of the current board Officers, Committee Chairs or Assistant Chairs, Secretary of Veterans and Defense Affairs, and Executive Director. The Executive Committee's central purpose is to assist the board function efficiently and effectively by reviewing matters presented to it by the standing, special, and ad hoc committees and providing its recommendations to the board for action. In addition, it is responsible for relations with affiliated boards and councils and other veterans organizations and shall recommend means by which the board can assess its effectiveness. The Executive Committee shall meet upon the call of the Board Chair and shall keep regular minutes of their proceedings to report to the board at its next regular meeting.
- 6.03 Standing Committees. The Chairs, Assistant Chairs, and trustees of the three standing committees shall be appointed by the Board Chair, after consultation with the parties involved. Trustee board officers, ex officio trustees, and non-trustee officers, ~~and advisors~~ shall not be eligible for appointment as Committee Chairs. The appointments shall be approved by the board at the meeting at which the appointments are proposed by the Board Chair. A trustee may volunteer to serve on one or more committees. Each member of a committee shall serve until the end of the fiscal year in which he is appointed and shall be eligible for reappointment.

A quorum of each of the standing committees shall consist of a majority of trustees. The Board Chair, Vice Chairs, and ex officio board trustees are deemed committee members for all purposes, including a quorum. The agenda for each regular board of trustees meeting shall include a report by each standing committee to the board.

The standing committees are as follows:

6.03.1 Development. The development committee supports the board's responsibility for:

- (a) relations with affiliated foundations and organizations;
- (b) making recommendations to the board on matters and policies pertaining to VSF's seeking, promoting, and stimulating contributions and other sources of revenue for the Veterans Services Fund;
- (c) both community (including veterans and military) and public (state-wide) relations;
- (d) VSF development policies; ~~and~~
- (e) such other business as may come before it; *and*
- (f) ~~When directed, it~~ *organizes* fundraising programs, including capital campaigns.

6.03.2 Finance. The finance committee supports the board's responsibilities for Veterans Services Fund administration, the budget process, accountability, and fiscal efficiency in general. The committee is responsible for:

- (a) making recommendations to the board on matters pertaining to Veterans Services Fund expenditures;
- (b) development and maintenance of VSF fiscal policies;
- (c) oversight of the fiscal accounts;
- (d) preparation of a biennial and annual budget and budget adjustments for presentation to the board of trustees for approval;
- (e) those aspects of performance budgeting pertaining to VSF;
- (f) contracts and the impact of the foregoing on the overall fiscal condition, mission, and purpose of VSF; and
- (g) such other business as may come before it.

The committee oversees the internal review function of procedures contained in Code of Virginia §2.2-2718.C and receives the annual report of the Auditor of Public Accounts.

6.03.3 Procedures and Policies: The procedures and policies committee shall support the board's responsibility for the conduct of business and operational direction, including planning, of the VSF organization.

(a) In support of procedures, the committee shall be responsible for the formulation of *proposed* revisions to the:

(1) VSF charter;

(2) board of trustees' bylaws;

(3) trustees' general biennial schedule; and

(4) goals and objectives of the VSF board and its committees, in ~~coronation~~ *coordination* with those committees.

(b) Regarding the operational direction of the VSF organization, the committee shall develop, document, and review revisions to the:

(1) Strategic Plan and subsidiary plans;

(2) VSF Policies, Joint VSF-DVS Policies, and other directives; and

(3) DVS-VSF Memorandum of Understanding.

(c) The committee also shall be responsible for such other business as may come before it.

6.04 Nominating Committee. The Nominating Committee is a special committee responsible for nominating board trustees for Board Chair and Vice Chair positions. The board shall elect annually, at its regular March meeting of the board, a Nominating Committee of an odd number of not less than three or more than five voting trustees. Current board officers and ex officio trustees shall not serve on the committee. The committee shall meet at the same meeting during which it is created to elect its chair or as soon thereafter as possible. The Nominating Committee may be assisted in its duties by the VSF Executive Director, if the committee so desires. The Nominating Committee shall terminate upon presentation of nominations to the board of trustees.

6.05 Ad Hoc Committees. The Board Chair may, or upon direction by the board shall, appoint a committee to address a specific issue or manage a project not otherwise under the responsibility of a standing committee. Any ad hoc committee shall terminate upon fulfilling its appointed task.

6.06 Subcommittees. Committees may appoint subcommittees of not less than one board trustee from within their trustee memberships to consider such specific business as required, subject to board approval of such subcommittee's creation. Subcommittees ~~with one or~~

~~more trustees and non-trustees as members~~ shall abide by Article V of these bylaws and the requirements of FOIA.

- 6.07 Foundation Staff Participation. The Executive Director, Secretary, or Treasurer shall participate in committee and sub-committee meetings as non-voting members, unless excused by the Committee or Sub-committee Chair.
- 6.08 Committee Reports. The Committee Chair, Assistant Chair or a designated committee representative shall report the status of issues before it at each board meeting. Committee members may submit minority reports to the board of trustees.

## Article VII – The Veterans Services Fund

- 7.01 The Fund: The Fund is composed of revenues as stated in the Code of Virginia §2.2-2718, primarily to provide funding for DVS veterans programs and services. It also funds VSF operations to support veterans programs and services and is not an auxiliary or reserve fund for DVS or VSF.
- 7.02 Fund Allocations: Allocation of funds for DVS programs' *subsidiary funds* from the Veterans Services Fund may only be authorized by the majority vote of trustees present at a meeting in which there is a quorum.

## Article VIII – Protocol, Governance, and Communications

- 8.01 Protocol: The board is the ultimate authority in VSF. Its authority to act is vested in the body (i.e., majority) of the board, not in committees or individual trustees, regardless of their position. Individual trustees are all equals among equals and both elected officers of the board and the Executive Director only have authority delegated by the board.
- 8.02 Governance: In accordance with Roberts Rules of Order Newly Revised, the Board Chair is a facilitator who promotes efficient and effective board functioning that shall best contribute to the determination of proper policies, wise planning, intelligent and considerate observance of the rights of all concerned. The Board Chair's goal in the foregoing is to maintain the independence of the board so that it effectively contributes to the current and future enhancement of the mission of VSF.
- 8.03 Communication Authority: The Board Chair is the board's only official spokesperson, particularly as the Chair serves as an ex officio trustee of the Board of Veterans Services (BVS) and the Joint Leadership Council (JLC) of Veterans Service Organizations. This is relevant in dealing with DVS, other agencies, and public sector organizations and individuals. The ~~Secretary of Veterans and Defense Affairs, and the~~ VSF Executive Director, *trustees, and other interested parties* support the Board Chair and must consult with the Board Chair and receive the Chair's consent before presenting VSF's position on an issue. In other cases, the Chair may appoint a Vice Chair or a board trustee or trustees to represent the board on particular occasions. On those occasions, specific instructions will be provided to those trustees. Trustees may speak as private citizens as long as they

specify that they are presenting their personal views and are not speaking for the VSF board of trustees.

### **Article IX – Miscellaneous**

- 9.01 Review, Adoption, and Amendment of Bylaws: These bylaws shall be reviewed biennially and shall be adopted and amended by a two-thirds majority vote of all board trustees, excluding any vacant positions. Notice regarding matters related to the bylaws shall be given to all trustees 10 days prior to voting.
- 9.02 Procedure: Except as otherwise provided by these bylaws, every attempt should be made to conduct meetings of the board in accordance with the current edition of Robert's Rules of Order Newly Revised.
- 9.03 Effective Date of Bylaws and Amendments: These bylaws and any amendments shall become effective on November 8, 2018. All former bylaws of VSF will hereby be repealed on November 8, 2018. *Amended on June 13, 2019.*

Jack Higgins

From: "Frank Finelli" <Frank.Finelli@carlyle.com>  
Date: Tuesday, May 14, 2019 6:06 PM  
To: <jackhiggins@earthlink.net>  
Subject: FW: VSF Bylaws

Jack, Flora did get back to us.

I am off to Tokyo and then Hong Kong for meetings tomorrow morning, so will be largely out of pocket until May 22. Have a blessed week, thanks, Frank

From: Frank Finelli  
Sent: Tuesday, May 14, 2019 6:00 PM  
To: Hezel, Flora L. <FHezel@oag.state.va.us>  
Cc: Tom Mulrine <mulrinelaw@aol.com>; Karla Boughey <karla.boughey@vsf.virginia.gov>  
Subject: RE: VSF Bylaws

Flora, thanks so much for getting back to us with these comments. Understand about the other doc, that was just editorial notes.

On the HR point, we only have 1 employee at the moment, so may need to revisit this since it would not seem to make sense to develop an independent HR policy. Would there be a way to simply refer to some standard DHRM policies as a guide and address the issue that way?

I am enroute Asia for meetings in the morning, so may be delayed in corresponding, should there be anything further. Have a great week, thanks, Frank 202-384-4773

From: Hezel, Flora L. <FHezel@oag.state.va.us<mailto:FHezel@oag.state.va.us>>  
Sent: Tuesday, May 14, 2019 3:32 PM  
To: Frank Finelli <Frank.Finelli@carlyle.com<mailto:Frank.Finelli@carlyle.com>>  
Cc: Tom Mulrine <mulrinelaw@aol.com<mailto:mulrinelaw@aol.com>>; Karla Boughey <karla.boughey@vsf.virginia.gov<mailto:karla.boughey@vsf.virginia.gov>>  
Subject: RE: VSF Bylaws

Frank,

i have the following suggestions -

- 2.02(g) - change to "Assure compliance with the requirements of the Virginia Freedom of Information Act."
- 2.02(h) - change to "Assure compliance with the provisions of the State and Local Government Conflicts of Interest Act."
- 2.02(k) - change "their" to "his or her"

4.03 - I stand by my previous recommendation that hiring policies should be set forth in an actual human resource policy developed by the board in conjunction with DHRM's recommendations for developing same, rather than in a bylaw. However, this is the board's decision to include such a provision in its bylaws versus an internal policy.

8.03 - In the third sentence, strike "The Secretary of Veterans and Defense Affairs." The board does not have the authority to tell the Secretary whom he must consult before speaking.

The document titled OAG Reps Bylaw Changes 3-12-19 appears to be a summary prepared by someone of the committee's analysis of the recommendations the OAG noted on the last version of the bylaws it reviewed in March, rather than the feedback it provided, so I will not comment on it.

Flora T Hezel  
Senior Assistant Attorney General  
Office of the Attorney General  
202 North 9th Street  
Richmond, Virginia 23219  
(804) 786-8587 Office  
FHezel@oag.state.va.us <mailto:FHezel@oag.state.va.us>  
<http://www.ag.virginia.gov>

[cid:image001.jpg@01D50A7E.D0A18120] <[https://urldefense.proofpoint.com/v2/url?u=http-3A\\_www.ag.virginia.gov\\_&d=DwMFAg&c=j-nA3Q9dJPTIYHCTRq2RnPl8nsgHrV5qv84k9CV5po&r=RyonjJH4MTof9eox19ywNuyQYwvWVwHkE\\_4&m=JJuRHfHfsmg5L6nl6p4c8io6YFhz8KIDnGf](https://urldefense.proofpoint.com/v2/url?u=http-3A_www.ag.virginia.gov_&d=DwMFAg&c=j-nA3Q9dJPTIYHCTRq2RnPl8nsgHrV5qv84k9CV5po&r=RyonjJH4MTof9eox19ywNuyQYwvWVwHkE_4&m=JJuRHfHfsmg5L6nl6p4c8io6YFhz8KIDnGf)>  
[cid:image002.jpg@01D50A7E.D0A18120] <[https://urldefense.proofpoint.com/v2/url?u=https-3A\\_twitter.com\\_AGMerkHarring&d=DwMFAg&c=j-nA3Q9dJPTIYHCTRq2RnPl8nsgHrV5qv84k9CV5po&r=RyonjJH4MTof9eox19ywNuyQYwvWVwHkE\\_4&m=JJuRHfHfsmg5L6nl6p4c8io6YFhz8KIDnGf](https://urldefense.proofpoint.com/v2/url?u=https-3A_www.facebook.com_AGMerkHarring&d=DwMFAg&c=j-nA3Q9dJPTIYHCTRq2RnPl8nsgHrV5qv84k9CV5po&r=RyonjJH4MTof9eox19ywNuyQYwvWVwHkE_4&m=JJuRHfHfsmg5L6nl6p4c8io6YFhz8KIDnGf-k55wDQ9LAXEoUaQppvFHU0WlMhI5o--a4&e=>[cid:image003.jpg@01D50A7E.D0A18120] <<a href=)>

From: Frank Finelli [mailto:Frank.Finelli@carlyle.com]  
Sent: Sunday, May 05, 2019 10:02 PM  
To: Hezel, Flora L.  
Cc: Tom Mulrine; Karla Boughey  
Subject: VSF Bylaws



## **The OAG Representative's Recommendations on the VSF Trustees Bylaws of 3-12-2019**

The recommendations regarding the Code of Virginia are fully appreciated and incorporated in the bylaws. There were several friendly suggestions that were considered as follows:

**2.02 Trustees responsibilities.** The oath administered required by Section 49-1 of the Code only refers to supporting the Constitution of the United States and the Constitution of the Commonwealth of Virginia and states that the trustee will faithfully and impartially discharge all duties incumbent on the trustee. There are no explicit duties or responsibilities listed; therefore, they have been included, as approved by the VSF board of trustees on March 28, 2019.

**4.03 Executive Director Selection.** The trustees do not have a Human Resources Policy. In accordance with guidance received from the Department of Human Resources Management, DHRM Policy 2.10 is recognized as the guidelines for hiring and sets forth the requirement for the selection panel consistent with Code section 2.2-2715.1.A

**5.03.1 Meeting Notification.** It is recognized that this section could be simplified, but it includes an additional requirement of providing a purpose or agenda of the meeting in the announcement and sets forth a reminder for the benefit of trustees who have not memorized the FOIA requirements.

**5.03.3 Special Meetings.** Conforms to the additional notice deadline in bylaws section 5.03.2 and is considered necessary so that trustees may have time to prepare for the issues to be raised at the meetings.

**Article VIII – Protocol, Governance, and Communications.** This article and the sections, including communications, are considered important to the good order and discipline of the functioning of the board of trustees and will be retained as modified.

Also, there has been an additional sentence added to section 5.03.5 requiring a copy of the minutes be provided to trustees upon posting to the Commonwealth Calendar and the VSF website.



# COMMONWEALTH of VIRGINIA

*Department of Veterans Services  
and  
Veterans Services Foundation  
Board of Trustees*

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is between the Department of Veterans Services (DVS or the Department) and the Veterans Services Foundation (VSF) *that augments the provisions of the Code of Virginia §2.2-2000 et seq., §2.2-2715 et seq., and the Appropriation Act to provide for the mutual support on both agencies' common goal of furnishing services to Commonwealth veterans and their families. This MOU* and recognizes that:

- ~~1. DVS and VSF are separate government agencies of the Commonwealth under the Secretary of Veterans and Defense Affairs (Code of Virginia § 2.2-221); and~~
- ~~2. VSF is tasked to "(i) administer the Veterans Services Fund (the Fund); (ii) provide funding for veterans services and programs in the Commonwealth through the Fund, and (iii) accept and raise revenue from all sources including private source fundraising to support the Fund." (Code of Virginia §2.2-2715); and~~
- ~~3. VSF has the authority to make "allocations of revenue from the Fund to the Department of Veterans Services to provide supplemental funding for the Department's services and programs" (Code of Virginia §2.2-2716.1); and~~
- ~~4. Ongoing administrative support is required for VSF to accomplish its tasks and to ensure that all financial transactions conform with policies and procedures of central state controlling agencies; and~~
- ~~5. The Secretary of Veterans and Defense Affairs has designated DVS to provide administrative support to VSF; and~~
6. 1. DVS must have a clear understanding of VSF's requirements in order to provide effective administrative support; and
7. 2. VSF must have a clear understanding of the level of support that DVS can provide with available resources; and,
8. 3. DVS and VSF will work together to achieve the purposes for which the Foundation was created. Therefore:

A. ***Within VSF capabilities and support from DVS appropriations***, VSF agrees to provide continuing support to DVS as follows:

- 1) As required, conduct fundraising planning and execution to seek, promote, and stimulate contributions to support DVS programs and services.
- 2) Provide Fund administration oversight to ensure internal controls are effective.
- 3) Participate with DVS in the internal operating budget development process in order to provide timely information for authorized Department requests and expenditures in accordance with joint VSF-DVS policies.
- 4) Advise DVS, as necessary, during the state development process to help ensure that the Appropriations Act reflects the appropriation (spending authority) needed to support expenditure of donated funds in support of DVS programs and services.
- 5) In conjunction with DVS, establish and maintain joint policies **relating to fundraising, supporting** administration of the ***Veterans Services Fund (the Fund)***, transfer of supplemental funding to DVS, ***VSF Funding Guidelines, fundraising***, and other joint policies to facilitate the purposes of this MOU.
- 6) Promote DVS programs and services in all VSF activities.
- 7) Reimburse DVS for the Auditor of Public Accounts annual audits (*Code of Virginia § 2.2-2717*).
- 8) Transfer funds to supplement funding for DVS programs and services ***in accordance with jointly agreed VSF Funding Guidelines, fund balances, and approved budgets***.
- ~~9) Keep DVS informed of all VSF initiatives and activities, including those involving the executive and legislative branches of state government, and coordinate with DVS those that have a mutual impact.~~
- ~~10) 9) Request technical and other assistance from DVS in a timely manner.~~
- ~~10) Provide reimbursable contingency funds from the VSF Endowment Fund to DVS in accordance with mutually acceptable DVS funding requests.~~

B. ***Within DVS capabilities under amount appropriated for VSF support***, DVS agrees to provide continuing support to VSF as follows:

- 1) Provide a staff member to act as VSF's agent for administration and act as the liaison between DVS and VSF.
- 2) ~~Furnish personnel and financial support, within DVS capabilities, to~~ Assist with ***supporting*** VSF public relations, marketing, and fundraising programs.

- 3) Provide financial management and accounting necessary to ensure compliance with receipt, accounting, and disbursement requirements set forth by the State Department of Accounts and the State Auditor of Public Accounts, and joint VSF-DVS policies in a manner that segregates VSF from DVS activities.
- 4) Provide assistance with the development of budgetary documents.
- 5) Provide monthly financial and quarterly detailed statements to VSF for internal and external use, including the preparation of the VSF quarterly financial report (*Code of Virginia* § 2.2-2715.A).
- 6) Provide staff to assist with agendas, logistics, transcription of minutes, and other necessary activities to support all VSF Board and Committee meetings (*Code of Virginia* § 2.2-3700 et seq. – the Virginia Freedom of Information Act).
- 7) Assist with the preparation of joint policies and procedures to support VSF **fundraising**, Fund administration, **Funding Guidelines**, **fundraising**, and accountability.
- 8) Provide technical assistance regarding contracting initiatives and grants.
- ~~9) Assist with the preparation of needed legislation.~~

~~10) 9) Provide space for VSF meetings and staff members.~~

~~11) 10) Provide funding for and process trustees' claims for travel, other actual expenses, and incidental expenses of VSF Board and Committee meetings.~~

C. Mutual DVS – VSF activities shall:

- 1) Appoint staff members to monitor, coordinate, and expedite the terms and conditions of this MOU.
- 2) ***Keep each other informed of initiatives and activities, including those involving the executive and legislative branches of state government, and coordinate as appropriate.***
- 3) Coordinate all fundraising activities with the other agency.
- ~~4) Provide assistance on an as-available and as-needed basis.~~
- ~~5) 4) Maintain their websites in a manner that is mutually supporting.~~
- ~~6) 5) ***Provide mutual DVS-VSF integrated controls in conjunction with the fiduciary responsibilities and purposes of VSF and DVS by exchanging a series of monthly reports in mutually agreeable formats by the 20<sup>th</sup> day of the following month, which will be reviewed and accepted by the receiving agency within seven business days of receipt.***~~
  - ~~a) ***The VSF Executive Director shall provide a listing of all donations received to the DVS Director of Finance.***~~
  - ~~b) ***The DVS Director of Finance shall provide a list of expenses that have been charged to VSF funds to the VSF Executive Director for approval. If expenses are disapproved, the expenses would be moved to an alternate source of DVS funding. The DVS Director of Finance shall notify the appropriate DVS Director that the***~~

*expenditure has been disapproved by the VSF.*

*c) The VSF Executive Director shall provide to DVS a donation pipeline report, which DVS will review and provide additional information about potential donors or events.*

7) 6) Participate in a biennial review of this MOU and revise it as necessary.

This agreement amplifies requirements contained in the *Code of Virginia*, and as such, may be changed or eliminated as or when the *Code of Virginia* so directs.

\_\_\_\_\_  
John L. Newby, II, Commissioner  
Department of Veterans Services

\_\_\_\_\_  
Date

\_\_\_\_\_  
Francis A. Finelli, Chairman  
Veterans Services Foundation  
Board of Trustees,  
as ratified by the Board on *Date*

\_\_\_\_\_  
Date

## § 2.2-2715. Code of Virginia

Title 2.2. Administration of Government » Chapter 27. Foundations and Other Collegial Bodies

### § 2.2-2715. Veterans Services Foundation; purpose; report; membership; terms; compensation; staff.

A. The Veterans Services Foundation (the Foundation) is established as an independent body politic and corporate agency of the Commonwealth supporting the interests of veterans and their families and contributors through the Secretary of Veterans and Defense Affairs and the programs and services of the Department of Veterans Services. The Foundation shall be governed and administered by a board of trustees. The membership of the Foundation shall be composed of the board of trustees, supporting staff, *agents, advisors*, donors, volunteers, and other interested parties.

B. The Foundation shall (i) administer the Veterans Services Fund (the Fund), (ii) provide funding for veterans services and programs in the Commonwealth through the Fund, and (iii) accept and raise revenue from all sources, including private source fundraising, to support the Fund. The Foundation shall submit a quarterly report to the Commissioner of Veterans Services on the Foundation's funding levels and services and an annual report to the Secretary of Veterans and Defense Affairs and the General Assembly on or before November 30 of each year. The quarterly report shall be submitted electronically. The annual report to the General Assembly shall be submitted for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

C. The board of trustees of the Foundation shall consist of the Secretary of Veterans and Defense Affairs and the Chairmen of the Board of Veterans Services and the Joint Leadership Council of Veterans Service Organizations or their designees, who shall serve as ex officio voting trustees, and 16 trustees to be appointed as follows: eight nonlegislative citizens appointed by the Governor; five nonlegislative citizens appointed by the Speaker of the House of Delegates; and three nonlegislative citizens appointed by the Senate Committee on Rules. A majority of the appointed trustees shall be active or retired chairmen, chief executive officers, or chief financial officers for large private corporations or nonprofit organizations or individuals who have extensive fundraising experience in the private sector. Trustees appointed shall, insofar as possible, be veterans. Each appointing authority shall endeavor to ensure a balanced representation *of the armed services*, among the officer and enlisted ranks, ~~of the armed services~~ and geographical representation on the board of trustees to facilitate fundraising efforts across the state. *The board of trustees may appoint nonlegislative citizens with particular knowledge or experience as advisors to the board and to committees. Advisors shall serve in a nonvoting capacity under such terms as the board trustees may prescribe. The Commissioner of Veterans Services or his designee shall serve as a nonvoting board advisor.*

Trustees shall be appointed for a term of four years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. All trustees may be reappointed. However, no trustee shall serve more than two consecutive four-year terms. The remainder of any term to

which a trustee is appointed to fill a vacancy shall not constitute a term in determining the trustee's eligibility for reappointment. Vacancies shall be filled in the same manner as the original appointments. ***Trustees who are completing a term and have submitted a request for reappointment shall continue to hold office until they are reappointed or their successors are appointed and qualified. Ex officio members of the board shall serve terms coincident with their terms of office.*** Any trustee may be removed at the pleasure of the appointing authority.

D. Trustees shall be reimbursed for their actual expenses incurred while attending meetings of the trustees or performing other duties. However, such reimbursement shall not exceed the per diem rate established for members of the General Assembly pursuant to § [30-19.12](#).

E. The Department of Veterans Services shall provide the Foundation with administrative and staff support and other services.

F. The trustees shall adopt bylaws governing their organization and procedures and may amend the same. The trustees shall elect from their number a chairman and such other officers as their bylaws may provide. Ex officio trustees shall not be eligible to serve as chairman. The trustees shall meet four times a year at such times as they deem appropriate or on call of the chairman. A majority of the voting trustees of the board of trustees shall constitute a quorum.

G. The Department of Veterans Services shall provide qualified finance and development personnel to perform the duties of the treasurer and secretary of the Foundation in accordance with the Foundation's directives. ***The Foundation secretary and treasurer shall be nonvoting ex officio officers and agents of the board of trustees.***

***H. The provisions of the State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.) shall apply to the members of the board and the employees of the Foundation.***

2003, cc. [657](#), [670](#); 2004, c. [697](#); 2006, c. [150](#); 2008, cc. [467](#), [486](#), [768](#), [872](#); 2009, c. [368](#); 2010, c. [64](#); 2011, cc. [780](#), [795](#), [858](#); 2014, cc. [115](#), [490](#); 2015, c. [137](#); 2016, c. [321](#); 2017, cc. [505](#), [622](#).

## **§ 2.2-2715.1. Executive Director.**

A. The Board may hire an Executive Director of the Foundation, who shall serve at the pleasure of the Board, to direct the day-to-day operations and activities of the Foundation and carry out the powers and duties conferred upon him by the trustees ***as an agent of the Board***. The Executive Director shall also exercise and perform such other powers and duties as may be lawfully delegated to him and such powers and duties as may be conferred or imposed upon him by law.

B. ***As directed by the board of trustees***, ~~F~~ the Executive Director may employ or retain such agents, ***advisors, volunteers***, or employees subordinate to him as necessary to fulfill the duties of the Foundation as conferred upon the Executive Director. Employees of the Foundation, including the Executive Director, shall be eligible for membership in the Virginia Retirement System and participation in all of the health and related insurance and other benefits, including premium conversion and flexible benefits, available to state employees as provided by law.

C. Notwithstanding any law or policy to the contrary, the Board shall exercise personnel authority over the Executive Director and other employees of the Board.

2017, cc. [505](#), [622](#).

**§ 2.2-2716. Authority of Foundation.**

The Foundation has the authority to:

1. Administer the Veterans Services Fund, request appropriations, and make allocations of revenue from the Fund to the Department of Veterans Services to provide supplemental funding for the Department's services and programs;
  2. Accept, hold, and administer gifts and bequests of money, securities, or other property, absolutely or in trust, for the purposes for which the Foundation is created;
  3. Enter into contracts and execute all instruments necessary and appropriate to carry out the Foundation's purposes;
  4. Take such actions as may be reasonably necessary to seek, promote, and stimulate contributions for the Fund;
  5. Develop other possible dedicated revenue sources for the Fund;
  6. Perform any lawful acts necessary or appropriate to carry out the purposes of the Foundation; and
  7. Develop policies and procedures applicable to the management and functioning of the Foundation and the Department of Veterans Services relating to (i) administration of the Fund, (ii) provision of funding for veterans services and programs through the Fund, and (iii) acceptance and fundraising to strengthen the structure of the Fund.
- 8. *Form committees and advisory councils which may include nonlegislative citizens who are not trustees.***

2003, cc. [657](#), [670](#); 2008, cc. [467](#), [486](#), [768](#), [872](#); 2011, c. [795](#); 2017, cc. [505](#), [622](#).

**§ 2.2-2717. Form of accounts and records; annual audit.**

The accounts and records of the Foundation showing the receipt and disbursement of funds from whatever source derived shall be established by the Auditor of Public Accounts in a manner similar to other organizations. The Auditor of Public Accounts or his legally authorized representative shall annually audit the accounts of the Foundation, and the cost of such audit services shall be borne by the Foundation.

2003, cc. [657](#), [670](#).



**§ 2.2-2718. Veterans Services Fund.**

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

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

C. The Fund shall be used solely for the purposes of carrying out the applicable provisions of this article. The unrestricted portion of the Fund may be used for Foundation expenses, subject to approval by the board of trustees. Allocations and expenditures of donated restricted funds shall be in accordance with the provisions of the Uniform Prudent Management of Institutional Funds Act (§ [64.2-1100](#) et seq.). Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written authorization of the Executive Director with the approval of the board of trustees.

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

2003, cc. [657](#), [670](#); 2010, c. [369](#); 2017, cc. [505](#), [622](#).

**§ 2.2-2719. Gifts and bequests; exemption from taxation.**

Gifts and bequests of money, securities, or other property to the Fund, and the interest or income therefrom, shall be deemed gifts to the Commonwealth, and the Fund shall be exempt from all state and local taxes. Unless otherwise restricted by the terms of the gift or bequest, the Foundation may sell, exchange, or otherwise dispose of such gifts and bequests. The proceeds from such transactions shall be deposited to the credit of the Fund. The Foundation may actively solicit private donations for the Fund.

2003, cc. [657](#), [670](#).

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

**VIRGINIA VETERANS SERVICES FOUNDATION**  
**~~Coordination~~ Inter-Agency Relations between the**  
**Veterans Services Foundation**  
**and**  
**the Department of Veterans Services including the**  
**Board of Veterans Services and the**  
**Joint Leadership Council of Veterans Service Organizations**  
**Policy and Procedures**  
**Short Title – Inter-Agency Relations**

**DRAFT**

**F1.1 Purpose**

The purpose of this policy is to establish guidelines and ~~procedures~~ *policy* for coordination between the Virginia Veterans Services Foundation (VSF) and the Virginia Department of Veterans Services (DVS) including the Board of Veterans Services (BVS) and the Joint Leadership Council of Veterans Service Organizations (JLC).

**F1.2 Application**

The ~~Chairman~~ of the VSF Board of Trustees (the trustees) ~~and the DVS Commissioner or their designee(s)~~, with advice from the VSF Executive Director, *DVS Commissioner*, and Chairmen of BVS and JLC *or their designees* shall be responsible for the application of this policy.

**F1.3 Interpretation**

The VSF Trustees ~~Chairman~~ (*Board Chair*) or his/her designee, in consultation with the ~~Commissioner of Veterans Services~~ *Secretary of Veterans and Defense Affairs* shall be responsible for the interpretation of this policy.

**F1.4 References**

- A. *Virginia Code (the Code) §2.2-230 states the agencies for which the Secretary of Veterans and Defense Affairs is responsible to the Governor. The Code §2.2-2000 establishes DVS and its divisions. The Code §2.2-2452 and §2.2-2681 establishes BVS and JLC respectively as a policy board and advisory council to DVS. The Code §2.2-2715 establishes VSF as an independent agency supporting the interests of veterans and their families and contributors through the Secretary of Veterans Services and the programs and services of DVS. A chart at Appendix A displays these government activities and their relationships. The Virginia War Memorial Foundation (VWMF) Board is in Appendix A, but is under the supervision of the DVS Commissioner and is included under exceptions to this policy in section F1.9.*

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

- B. Virginia Code §2.2-2001.A authorizes DVS to establish, operate, administer and maintain offices and programs related to services for veterans of the armed forces of the United States and their Virginia-domiciled spouses, orphans and dependents. The DVS Commissioner heads DVS and is supported by, and supports, the BVS, the JLC, and the VSF.
- C. Virginia Code §2.2-2715.B. provides for VSF to (i) administer the Veterans Services Fund (the Fund), (ii) provide funding for veterans services and programs through the Fund, and (iii) raise revenue from all sources to support the Fund. ~~VSF is an independent agency under the Secretary of Veterans and Defense Affairs and receives administrative and other services from DVS.~~ VSF and DVS are mutually supporting agencies.
- D. The Memorandum of Understanding (*MOU*) between VSF and DVS (*see Appendix B*) sets forth the relationships between the two agencies and provides the basis for this policy.
- E. Virginia Code §2.2-2715.C. specifies that the ~~Commissioner of Veterans Services Secretary of Veterans and Defense Affairs~~ and the Chairmen of ~~the Board of Veterans Services and the Joint Leadership Council of Veterans Service Organizations~~ *BVS and JLC* serve as ex officio voting trustees of the board of trustees of VSF. *The DVS Commissioner or his designee is an advisor to the VSF board.*
- F. *Virginia Code §2.2-2103 states that, "Upon request, all agencies and political subdivisions of the Commonwealth shall assist any authority, board, commission, council or other collegial body established in this title in carrying out the respective duties for which each was created."*

## F1.5 Overview of VSF and DVS

- A. VSF is responsible for providing direct mutual support to DVS in a manner similar to the Virginia Departments of General Services and Virginia Information Technologies agencies that provide general mutual support to the Virginia State government.
- B. Direct mutual support means VSF specifically supports DVS and is authorized to answer directly to DVS' request for assistance. This is in contrast to general mutual support where one agency supports all state agencies as a whole and not any particular one agency alone. Additionally, DVS provides direct mutual support to VSF in support of both agencies' common goal of providing services to veterans and their families, because of each agency's: (1) assigned tasks; (2) position relative to each other; (3) common goals; and (4) inherent capabilities.
- C. Mutual support is a ~~form of~~ partnership to accomplish a common goal and means that each counterpart has a degree of authority over the other in actions that have mutual effects and that mutual costs and benefits are shared as equitably as possible. The mutual

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

relationship exists between DVS and VSF because each agency was established to provide effective and efficient services. ~~while Each gathers, collects,~~ uses, and preserves resources for current and future contingencies and maintains financial accountability and integrity through separate independent operations. The relationship is built on mutual respect for the different purpose or mission, authority, and responsibility of the two agencies and their common goal. The elements of that mutual support are contained in a DVS-VSF ~~memorandum of understanding~~ **MOU** and supporting Joint VSF-DVS Policies ~~and procedures~~.

- D. In the context of the DVS and VSF relationship, the DVS Commissioner or *VSF* Executive Director, who receives assistance from each other’s agency or capabilities, is responsible for ensuring the supported agency understands the assistance required.

**F1.6 Overview of BVS and JLC**

- A. BVS is a policy board that advises the DVS Commissioner on veterans issues, delivery of services, plans, projects and policies and procedures. BVS also makes recommendations to DVS and ~~the~~ VSF regarding gifts, grants and other resources from public and private entities in support of services to veterans.
- B. JLC is an advisory council that advises *the General Assembly and* the DVS Commissioner on support for veterans services and programs and addressing veterans issues (i.e., needs) not currently provided.

**F1.7 Policy**

- A. It is the policy of VSF and DVS to ensure cooperative and efficient inter-relationships between VSF, DVS, BVS, and JLC.
- B. VSF shall entertain only funding requests that have been reviewed and approved by DVS.

**F1.8 Procedures**

- A. Detailed procedures for VSF and DVS are contained in VSF-DVS Joint Policies ~~2-1~~ through ~~11~~ **4**.
- B. In most cases, the procedure for commencing interactions between DVS, BVS, JLC and VSF is for JLC to identify an unmet need. The need then would be passed to BVS for its insight and recommendations on best practices, management and performance requirements, non-profit operations and other considerations. BVS then would validate the requirement and pass its recommendation to DVS for consideration. DVS may consider internal resources or external resources, including VSF resources, to address the unmet need.
- C. When BVS identifies a need, it would be passed to JLC for validation. If validated, it then would be passed to DVS for consideration, in consultation with BVS. DVS may consider internal resources or external resources, including VSF resources, to address the need.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

- D. DVS needs typically should be passed to BVS for vetting and recommendations, and then passed to JLC, VSF, or another agency, as appropriate.

**F1.9 Exceptions**

- A. Exceptions to this policy shall be determined by VSF in consultation with DVS *and the Secretary of Veterans and Defense Affairs*. BVS, JLC and other activity(ies) involved, if any, may be consulted by DVS.
- B. JLC under Code of Virginia §2.2-2682.C "...may apply for funds from VSF to enable it to better carry out its objectives. JLC shall not impose unreasonable burdens or costs in connection with requests of agencies." Such applications shall be made through the DVS Commissioner, without the necessary involvement of BVS as the Commissioner may determine.
- C. BVS under Code of Virginia §2.2-2454.9."Provide recommendations to the Department of Veterans Services and the Veterans Services Foundation ... regarding gift, grants, and other resources from public and private entities and organizations to support veterans services."
- D. *The Virginia War Memorial is a Division of DVS (§2.2-2001.3). A not-for-profit 501 (c) (3) organization, the Virginia War Memorial Foundation, supports the Virginia War Memorial's financial needs beyond those provided by the General Assembly and the Governor. The War Memorial Foundation is under the supervision of the DVS Commissioner (§2.2-2001.3.F).*
- E. Joint VSF and DVS relations with other entities, including the Virginia War Memorial Foundation Board of Trustees, shall be governed by the mutual interests of both parties.

**F1.10 Adoption and Amendment**

This policy may be adopted and amended by a majority vote of the VSF Board of Trustees after consultation with the Secretary of Veterans and Defense Affairs and *advice of the DVS Commissioner of Veterans Services*. Notice regarding such actions shall be given to ~~the Commissioner and~~ all Trustees at least ten (10) days prior to the vote being taken. Biennial review of this policy is the responsibility of the VSF ~~Executive Committee Procedures and Policy Committee~~.

On adoption, this policy supersedes DVS Administration Policy 34 *and VSF-DVS Joint Policy 1*.

**F1.11 Policy Review Date**

*The policy review date is the date the policy was reviewed without revisions made. Reviewed: November 9, 2016 TBD.*

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

**F1.12 Policy Effective Date**

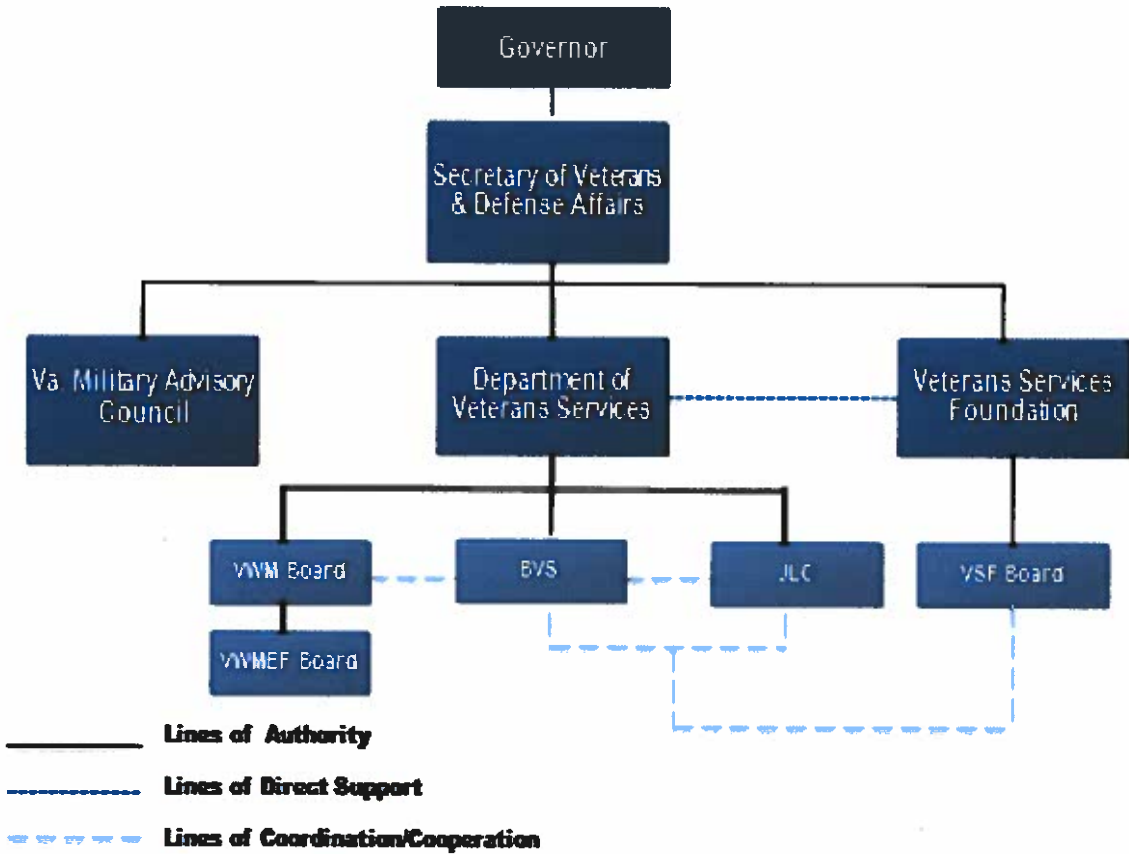
The effective date of the policy, or policy revision, shall be the date the VSF Trustees ~~and the DVS Commissioner~~ ratify the policy. ~~Revised August 6, 2014, August 3, 2016, November 9, 2017.~~

~~May 6, 2009~~  
TBD

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

**Appendix A**

**Virginia Veterans Affairs Organization**

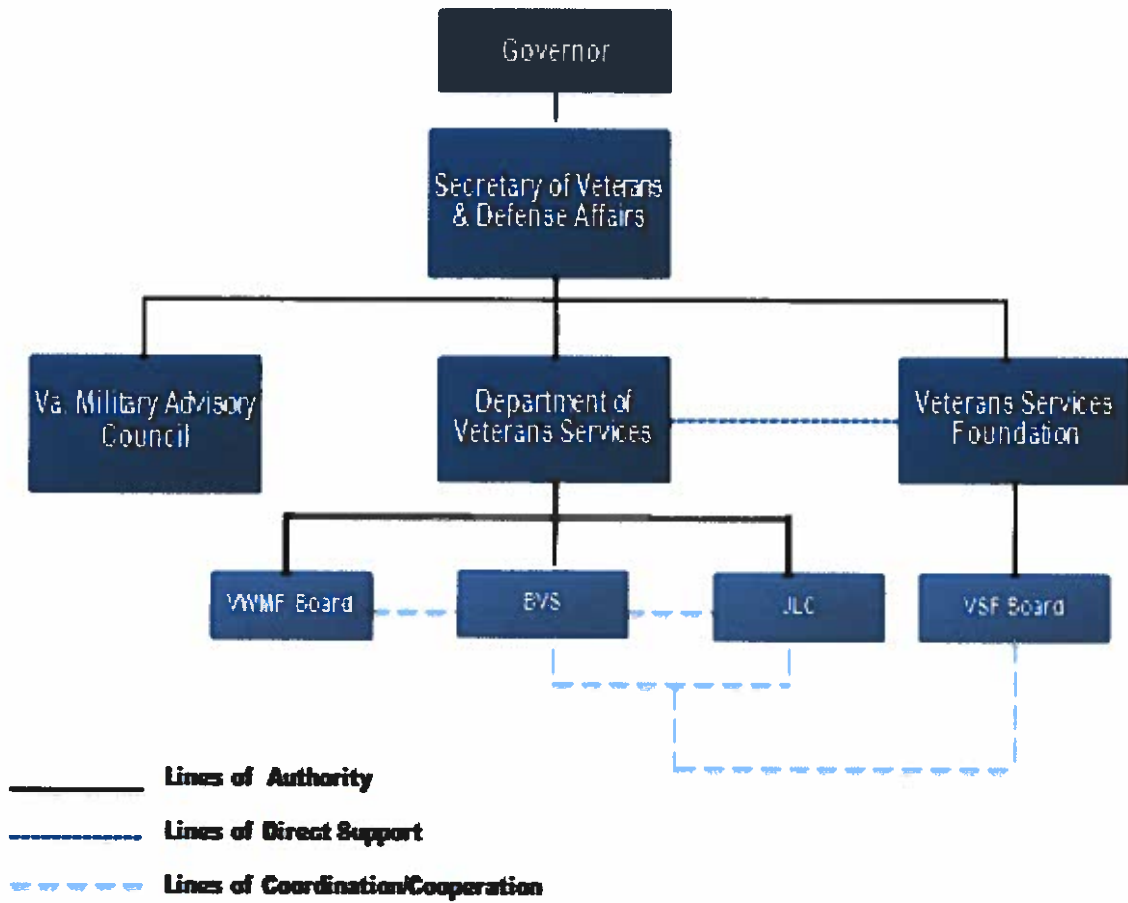


Effective until January 1, 2020

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

**Appendix A**

**Virginia Veterans Affairs Organization**



Effective January 1, 2020



VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

**Appendix B**

**Department of Veterans Services  
and  
Veterans Services Foundation  
Board of Trustees**

**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is between the Department of Veterans Services (DVS or the Department) and the Veterans Services Foundation (VSF) and recognizes that:

1. DVS and VSF are separate government agencies of the Commonwealth under the Secretary of Veterans and Defense Affairs (*Code of Virginia* § 2.2-221); and
2. VSF is tasked to “(i) administer the Veterans Services Fund (the Fund); (ii) provide funding for veterans services and programs in the Commonwealth through the Fund, and (iii) accept and raise revenue from all sources including private source fundraising to support the Fund.” (*Code of Virginia* §2.2-2715); and
3. VSF has the authority to make “allocations of revenue from the Fund to the Department of Veterans Services to provide supplemental funding for the Department's services and programs” (*Code of Virginia* §2.2-2716.1); and
4. Ongoing administrative support is required for VSF to accomplish its tasks and to ensure that all financial transactions conform with policies and procedures of central state controlling agencies; and
5. The Secretary of Veterans and Defense Affairs has designated DVS to provide administrative support to VSF; and
6. DVS must have a clear understanding of VSF’s requirements in order to provide effective administrative support; and
7. VSF must have a clear understanding of the level of support that DVS can provide with available resources; and,
8. DVS and VSF will work together to achieve the purposes for which the Foundation was created. Therefore:
  - A. VSF agrees to provide continuing support to DVS as follows:
    - 1) As required, conduct fundraising planning and execution to seek, promote, and stimulate contributions to support DVS programs and services.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

- 2) Provide Fund administration oversight to ensure internal controls are effective.
- 3) Participate with DVS in the internal operating budget development process in order to provide timely information for authorized Department requests and expenditures in accordance with joint VSF-DVS policies.
- 4) Advise DVS, as necessary, during the state development process to help ensure that the Appropriations Act reflects the appropriation (spending authority) needed to support expenditure of donated funds in support of DVS programs and services.
- 5) In conjunction with DVS, establish and maintain joint policies relating to fundraising, administration of the Fund, transfer of supplemental funding to DVS, and other joint policies to facilitate the purposes of this MOU.
- 6) Promote DVS programs and services in all VSF activities.
- 7) Reimburse DVS for the Auditor of Public Accounts annual audits (*Code of Virginia* § 2.2-2717).
- 8) Transfer funds to supplement funding for DVS programs and services.
- 9) Keep DVS informed of all VSF initiatives and activities, including those involving the executive and legislative branches of state government, and coordinate with DVS those that have a mutual impact.
- 10) Request technical and other assistance from DVS in a timely manner.
- 11) Provide reimbursable contingency funds from the VSF Endowment Fund to DVS in accordance with mutually acceptable DVS funding requests.

**B. DVS agrees to provide continuing support to VSF as follows:**

- 1) Provide a staff member to act as VSF's agent for administration and act as the liaison between DVS and VSF.
- 2) Furnish personnel and financial support, within DVS capabilities, to assist with VSF public relations, marketing, and fundraising programs.
- 3) Provide financial management and accounting necessary to ensure compliance with receipt, accounting, and disbursement requirements set forth by the State Department of Accounts and the State Auditor of Public Accounts, and joint VSF-DVS policies in a manner that segregates VSF from DVS activities.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

- 4) Provide assistance with the development of budgetary documents.
- 5) Provide monthly financial and quarterly detailed statements to VSF for internal and external use, including the preparation of the VSF quarterly financial report (*Code of Virginia* § 2.2-2715.A).
- 6) Provide staff to assist with agendas, logistics, transcription of minutes, and other necessary activities to support all VSF Board and Committee meetings (*Code of Virginia* § 2.2-3700 et seq. – the Virginia Freedom of Information Act).
- 7) Assist with the preparation of joint policies and procedures to support VSF fundraising, Fund administration, and accountability.
- 8) Provide technical assistance regarding contracting initiatives and grants.
- 9) Assist with the preparation of needed legislation.
- 10) Provide space for VSF meetings and staff members.
- 11) Provide funding for and process trustees' claims for travel, other actual expenses, and incidental expenses of VSF Board and Committee meetings.

C. Mutual DVS – VSF activities shall:

- 1) Appoint staff members to monitor, coordinate, and expedite the terms and conditions of this MOU.
- 2) Coordinate all fundraising activities with the other agency.
- 3) Provide assistance on an as-available and as-needed basis.
- 4) Maintain their websites in a manner that is mutually supporting.
- 5) Participate in a biennial review of this MOU and revise it as necessary.

This agreement amplifies requirements contained in the *Code of Virginia*, and as such, may be changed or eliminated as or when the *Code of Virginia* so directs.

\_\_\_\_\_  
John L. Newby, II, Commissioner  
Department of Veterans Services

\_\_\_\_\_  
May 6, 2015  
Date

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective:
VSF Policy Number 1		Reviewed:

Richard A. Schollmann, Chairman  
 Veterans Services Foundation  
 Board of Trustees,  
 as ratified by the Board on May 6, 2015

May 6, 2015  
 Date

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

**VIRGINIA VETERANS SERVICES FOUNDATION**  
**~~VIRGINIA DEPARTMENT OF VETERANS SERVICES~~**

**Foundation Administration and Operations Policy and Procedures**  
**DRAFT**

**F2.1 Purpose**

This policy is established for the purpose of setting forth the *administrative and* operating procedures and technical requirements for the Virginia Veterans Services Foundation (VSF) *and board of trustees requirements not contained in the trustees' bylaws. It also addresses VSF* operations in support of the Virginia Department of Veterans Services (DVS), and to ensure that the administration and operations of VSF reflect the Commonwealth's and the Nation's honor and support for their veterans.

**F2.2 Application**

The VSF Executive Director, in conjunction with the ~~DVS Commissioner~~ *Chair of the VSF board of trustees (Board Chair)*, is responsible for the application of this policy.

**F2.3 Interpretation**

The Board Chair, in conjunction with the ~~DVS Commissioner~~ *Secretary of Veterans and Defense Affairs*, is responsible for the interpretation of this policy.

**F2.4 References**

Administration of ~~the Foundation~~ *VSF* is authorized under the Code of Virginia §§ 2.2-2715, et seq. The allocation and expenditure of funds shall be controlled by Code of Virginia §64.2-1100 et seq. Operation of VSF is subject to applicable state and federal laws and regulations, as well as policies and procedures established by the VSF trustees and the joint policies and procedures of VSF and DVS including the current DVS-VSF Memorandum of Understanding (MOU) ~~and observance of the Donor Bill of Rights contained in Appendix A. set forth in VSF Policy 1, Appendix B.~~

**F2.5 Overview**

- A. *Mission: VSF shall raise revenue from all sources, administer the Veterans Services Fund (the Fund), and provide funds for veterans' services and programs in Virginia.*
- B. VSF is a state philanthropic activity comprised of a governing board of trustees, supporting staff, donors, volunteers, and other interested parties. ~~It is authorized to administer the Veterans Services Fund (the Fund), provide funding for veterans services programs in the Commonwealth through the Fund, and raise revenue from all sources to support the Fund. [Redundant]~~
- C. The Code of Virginia §2.2-2715.E. states that DVS shall provide administrative, *staff*, and other services ~~including staff~~ to the VSF. The *DVS* administrative and other services provided to VSF are enumerated in the DVS-VSF MOU. VSF responsibilities to

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

DVS are contained in the ~~VSF Trustees bylaws and~~ the MOU *and the VSF policy on interagency relations.*

- D. ~~In accordance with the MOU, DVS provides a staff member to act as the VSF's agent for VSF administration and to act as the liaison between DVS and the Foundation. This staff member is appointed by the VSF Trustees as the VSF Executive Director. The Code of Virginia §2.2-2715.G. specifies that DVS shall provide qualified finance and development personnel to perform the duties of treasurer and secretary of VSF in accordance with VSF's directives.~~**

## **F2.6 Policy**

- A. VSF and DVS shall promote mutual support of each other and their activities in order to provide additional veterans services to eligible Virginia-domiciled veterans and their families in honor of veterans' service and sacrifice to the Commonwealth and the nation.
- B. All *VSF Policies and* VSF-DVS Joint Policies shall be reviewed at least every two years to ensure their currency and updated when required.
- C. VSF ~~and DVS~~ shall adhere to the Donor's Bill of Rights contained in Appendix A *and the Association of Fundraising Professional Code of Ethics in Appendix B.*
- D. *The VSF Finance Committee and VSF Executive Director shall oversee and ensure that monies in the Unrestricted Revenue and Support Funds are properly managed, allocated, and expended. [From Joint Policy 10 section J10.6]***

## **F2.7 VSF Administrative and Operational Responsibilities**

- A. The VSF Executive Director is responsible for ensuring the efficient and effective administration and operation of VSF and its Fund. In such capacity, the Executive Director acts as ~~the VSF Board Secretary and an~~ agent of the VSF trustees. The Executive Director also is responsible for supporting VSF's trustees and supervising other personnel (e.g., staff, volunteers, donors, etc.) who are involved in VSF operations.
- B. The Executive Director works *with a full-time assistant provided by DVS who acts as the trustees' board Secretary. The Executive Director also works* in close coordination with the ~~DVS Director of Development and the~~ DVS Director of Finance, who acts ~~respectively~~ as the trustees' board ~~Secretary and~~ Treasurer of the Fund.
- C. VSF ~~communications~~ *public relations* are coordinated by the VSF Executive Director with the DVS Director of Communications.
- D. The Executive Director is authorized to coordinate VSF administration and operations with DVS activities, including: DVS benefits services; care centers; cemeteries; ~~wounded warrior program~~ *veteran and family support*; veterans' education, *transition and employment*; and other DVS veterans programs. The VSF Executive Director also is authorized to have direct liaison with the Chairmen of the Board of Veterans Services and

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

the Joint Leadership Council of Veterans Service Organizations in consultation with the DVS Director of Policy and Planning.

- E. The Executive Director shall be assisted ~~in carrying out his duties~~ by the VSF Secretary and Treasurer who ~~shall be considered Deputy Executive Directors~~.

## F2.8 VSF Executive Director

- A. Executive Director Selection: The Executive Director shall be selected from a group of eligible candidates recruited through the Virginia Department of Human Resources Management Policy 2.10 – Hiring. The selection panel shall consist of at least four trustees, one of which shall be the Board Chair, and the ~~Department Commissioner~~ **Secretary of Veterans and Defense Affairs**. Once selected by the VSF trustees panel, the Executive Director shall be hired ~~by the Department~~ in accordance with §2.2-2715. ~~E 1~~.
- B. The VSF Executive Director reports to the Board Chair and is chief administrator of VSF **and is an agent of the trustees' board**. The Board Chair shall submit an evaluation of the Executive Director annually in ~~June to the DVS Commissioner~~ **October to the Secretary of Veterans and Defense Affairs**.
- C. The Executive Director's duties *are set forth in the trustees bylaws*. *In addition, they include:*
  - ~~Support the efforts of VSF to seek, promote, and stimulate contributions to the Fund, including;~~
  - 1. Implementing board of trustees VSF and joint VSF-DVS policies;*
  - 2. Assuring continuity of VSF administration and operations;*
  - 3. Promoting inter-agency relations and ensuring compliance with interagency agreements;*
  - 4. Managing VSF's finance (e.g., accountability) initiatives in collaboration with DVS Director of Finance and DVS finance staff. This includes making sub-fund adjustments of amounts less than \$10,000 within subsidiary accounts in the annual budget in accordance with funding levels established by the current edition of the Appropriations Act and Department of Planning and Budget adjustments to those funding levels. Amounts above \$10,000 shall be referred to the VSF Board Chair for action as set forth in section J2.11.D. Any changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting;*
  - ~~Develop VSF and DVS policies and procedures related to mutual support of both agencies.~~
  - ~~Serve as VSF and DVS daily point of contact and coordination for~~

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

~~development activities with public and private development related organizations and other interested activities.~~

5. Attending VSF trustees meetings as an ex-officio, non-voting participant and trustees committee meetings as a non-board advisor;
6. Reporting activities to the trustees as required, but at least at every board meeting;

~~Ensure Foundation reports are submitted as required.~~

7. *Conducting VSF orientation for new trustees and staff within 45 days of appointment;*
8. *Acting as the VSF point of contact for Auditor of Public Accounts audits;*
9. Performing other coordination and duties as necessary to support the mission and authority of VSF.

## **F2.9 Secretary**

- A. The Secretary shall be ~~the Department Director of Development who qualified in development~~ and shall be appointed by the board of trustees with the concurrence of the DVS Commissioner. The incumbent may be assisted by such DVS staff as required. The Secretary to the Board shall be considered an agent of the Board to act in VSF's behalf and only shall perform those duties and have such powers as designated by the board ~~in accordance with section 10.01 9.01 of the trustees' bylaws.~~
- B. The Secretary's duties *are set forth in the trustees' bylaws. In addition, they shall include:*
  - ~~Serve as the recording and corresponding Secretary of the Board of Trustees.~~
  - ~~Keep a true record of the Board's proceedings.~~
  - ~~Act as custodian of the Board minutes and other records in conjunction with DVS staff involved in maintain such records.~~
  - ~~At the Board Chair's request, communicate notice of meetings to trustees and other responsible and interested personnel.~~
  - ~~Post the minutes of the meetings to the Commonwealth calendar and the websites of the DVS and VSF on accordance with §2.2-3707.1 of the Code of Virginia.~~
  1. Initiating or responding to correspondence of interest and required of VSF *to include letters of acknowledgement and appreciation to all VSF donors;*
  2. Acting as VSF Development Manager when required by the Executive Director or Board Chair;



VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

3. Acting as Deputy Executive Director when required by the Executive Director or Board Chair.

## **F2.10 Treasurer**

- A. The Treasurer shall be ~~the Department Director of Finance in accordance with §2.2-2715.6~~ *qualified in finance and appointed by the Board of Trustees with the concurrence of the Commissioner of Veterans Services.* The incumbent may be assisted by such DVS staff as required. The Treasurer shall be an agent of the board to act on VSF's behalf and only shall perform those duties and have such powers as designated by the board. ~~in accordance with section 10.01-9.01 of the trustees' bylaws.~~
- B. The Treasurer's duties *are set forth in the trustees' bylaws. In addition, they shall include:*
  - ~~Serve as financial officer of the Board of Trustees.~~
  - ~~Keep accurate, auditable records of financial transactions received, managed, allocated, and expended by DVS and the Board from the Veterans Services Fund.~~
  1. Keeping VSF informed of DVS budgeting and financial activities.
    - ~~Submit a quarterly financial report to the Board and the DVS Commissioner on the Foundation's funding levels and services.~~
  2. Assisting the Auditor of Public Accounts with Foundation audits.
  3. Acting as Deputy Executive Director when required by the Executive Director or Board Chair.

## **F2.11 Human Resources Management**

*By prior agreement with the Department of Human Resources Management (DHRM), VSF is supported by the DVS Human Resources staff and DHRM Policies pertain. The VSF trustees on August 10, 2017 approved the current DHRM leave policy for the Executive Director.*

## **F2.12 Execution of Contracts**

*The board of trustees may, except as by law, authorize any trustee or agent to execute any deed or other instrument. Any such authority may be general or confined to specific instances.*

## **F2.13 The Veterans Services Fund:**

- A. The Virginia Veterans Services Fund (the Fund), administered by VSF, is a special non-reverting trust fund on the books of the Commonwealth Comptroller. **[From Joint Policy 10 section J10.1]**
- B. *The accounts and records of VSF showing the receipt and disbursement of funds from whatever source derived shall be established by the Department of Accounts and Auditor of Public Accounts in a manner similar to other organizations. The Auditor of*

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

*Public Accounts or his legally authorized representative shall annually audit the accounts of VSF, and the cost of such audit services shall be borne by VSF in accordance with §2.2-2717 of the Code of Virginia.*

- C. *The Fund operating structure shall allow for separate current and non-current funds for annual operations as set forth in the Appropriations Act, reserves, specific funds for stand-alone projects, and endowments primarily to provide funding for DVS veterans programs and services. The Fund also finances VSF operations to support veterans programs and services and is not an auxiliary or reserve fund for DVS or VSF.*
- D. *Allocation of funds for DVS program subsidiary funds from the Fund may only be authorized by the majority vote of trustees present at a meeting in which there is a quorum.*
- E. *The Fund shall be used solely for the purposes of carrying out the applicable provisions of §2.2-2715 et seq. The unrestricted portion of the Fund may be used for VSF expenses, subject to approval by the Board of Trustees. Allocations and expenditures of donated restricted funds shall be in accordance with the provisions of § 64.2-1100 et seq. of the Code of Virginia. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrant issued by the Comptroller upon written authorization of the VSF Executive Director and approval of the Board.*
- F. *The ~~Non-General Fund~~ Unrestricted Revenue Fund portion of the Fund primarily includes such funds as was or may be appropriated by the General Assembly, unrestricted donations to VSF, interest accrued to the fund, and earned dividends. Its primary purpose is for supporting VSF operations and serving as a reserve of funds for ~~contingency~~ emergency purposes. *The procedures to be followed when allocating and expending the financial assets of the Unrestricted Revenue Fund are contained in Appendix C.* [From Joint Policy 10 section J10.1]*

## **F2.14 Financial Procedures**

- A. Expenditures for DVS activities approved by the trustees may be processed upon approval by the ~~head of the DVS~~ program *director* that has responsibility for the activity.
- B. All requests for reimbursement of trustees actual expenses incurred while attending meetings of the trustees or performing other duties shall be approved by the VSF Executive Director.
- C. Expenditures for authorized VSF operations shall require the pre-approval of the VSF Executive Director.
- D. *Reallocation of sub-fund amounts of \$10,000 or more shall be forwarded to the Board Chair for action as follows. Depending on the circumstances, the Board Chair may consider it or refer it to the VSF Finance Committee Chair. Alternatively, the Board Chair could refer it to a meeting of the Executive Committee or defer it until the next*

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

*board meeting. In any case, all changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.*

## **F2.15 Reports**

- A. The Code of Virginia requires that VSF shall submit a quarterly report to the DVS Commissioner on VSF's funding levels and services (The Funding Levels and Services Report). This report is compiled with the assistance of the DVS Director of Finance and the DVS Finance Staff.
- B. The Funding Levels and Services reports consist of: an Asset Sheet; a Statement of Income, Expenditures, and Changes in Fund Balances; and a Schedule of Receipts, Expenditures and Budget by activity.
- C. Another report is compiled from information submitted by DVS programs to form the annual budget. Reports on expenditures shall be submitted quarterly, or as requested, to the DVS Commissioner, the trustees, or others for review. These reports shall include under funded or unfunded needs, if any.
- D. VSF shall compile an annual report to the Secretary of Veterans and Defense Affairs, ~~and~~ the DVS Commissioner, *and the General Assembly* that shall be made available to the public which will provide annual financials, donors, and related information on the status of VSF. This report will be published *electronically* by 30 November of each year. *The annual report to the General Assembly shall be submitted for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.*
- E. These reports shall be available on the VSF website or on request from the Foundation Executive Director.

## **F2.16 Adoption and Amendment**

This policy may be adopted and amended by a majority vote of the VSF Board of Trustees ~~after consultation with the DVS Commissioner~~. Notice regarding such actions shall be given to ~~the Commissioner and~~ all trustees at least ten (10) days prior to the vote being taken. Biennial review of this policy is the responsibility of the VSF ~~Executive~~ *Procedures and Policy* Committee.

*On adoption, this policy supersedes VSF-DVS Joint Policies 2 (Foundation Operations) and 10 (Veterans Services Non-General Fund- Processing of Financial Requests).*

## **F2.17 Policy Review Date**

The policy review date is the date the policy was reviewed without revisions made. Reviewed ~~November 9, 2016~~ *TBD*.

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

**F2.18 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. ~~Revised May 4, 2011, May 1, 2013, August 6, 2014, August 3, 2016, July 1, 2017.~~

~~May 6, 2009~~  
TBD

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

# VIRGINIA VETERANS SERVICES FOUNDATION

## Foundation Administration and Operations Policy

### Appendix A

## VIRGINIA VETERANS SERVICES FOUNDATION ~~VIRGINIA DEPARTMENT OF VETERANS SERVICES~~

### **The Donor Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- II. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- III. To have access to the organization's most recent financial statements.
- IV. To be assured their gifts will be used for the purposes for which they were given.
- V. To receive appropriate acknowledgement and recognition.
- VI. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

---

*The Donor Bill of Rights was created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of*

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

*Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. It has been endorsed by numerous organizations. Association of Fundraising Professionals (AFP), all rights reserved. Reprinted with permission from the Association of Fundraising Professionals March 5, 2019.*

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

# VIRGINIA VETERANS SERVICES FOUNDATION

## Foundation Administration and Operations Policy

### Appendix B

# Association of Fundraising Professionals (AFP) Code of Ethical Standards

### *AFP Code of Ethical Principles Adopted 1964*

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

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

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

*AFP members both individual and business aspire to:*

- Practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust;
- Act according to the highest goals and visions of their organizations, professions, clients and consciences;
- Put philanthropic mission above personal gain;
- Inspire others through their own sense of dedication and high purpose;
- Improve their professional knowledge and skills, so that their performance will better serve others;
- Demonstrate concern for the interests and well-being of individuals affected by their actions;
- Value the privacy, freedom of choice and interests of all those affected by their actions;

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

- Foster cultural diversity and pluralistic values and treat all people with dignity and respect;
- Affirm, through personal giving, a commitment to philanthropy and its role in society;
- Adhere to the spirit as well as the letter of all applicable laws and regulations;
- Advocate within their organization's adherence to all applicable laws and regulations
- Avoid even the appearance of any criminal offense or professional misconduct;
- Bring credit to the fundraising profession by their public demeanor
- Encourage colleagues to embrace and practice these ethical principles and standards; and
- Be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.

### ***ETHICAL STANDARDS***

***Adopted 1964; amended Oct. 2014***

The Association of Fundraising Professionals believes that ethical behavior fosters the development and growth of fundraising professionals and the fundraising profession and enhances philanthropy and volunteerism. AFP Members recognize their responsibility to ethically generate or support ethical generation of philanthropic support. Violation of the standards may subject the member to disciplinary sanctions as provided in the AFP Ethics Enforcement Procedures. AFP members, both individual and business, agree to abide (and ensure, to the best of their ability, that all members of their staff abide) by the AFP standards.

### **PUBLIC TRUST, TRANSPARENCY & CONFLICTS OF INTEREST**

*Members shall:*

1. not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.
2. not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. comply with all applicable local, state, provincial and federal civil and criminal laws.
6. recognize their individual boundaries of professional competence.
7. present and supply products and/or services honestly and without misrepresentation.



VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

8. establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.
9. never knowingly infringe the intellectual property rights of other parties.
10. protect the confidentiality of all privileged information relating to the provider/client relationships.
11. never disparage competitors untruthfully.

**SOLICITATION & STEWARDSHIP OF PHILANTHROPIC FUNDS**

*Members shall:*

12. ensure that all solicitation and communication materials are accurate and correctly reflect their organization’s mission and use of solicited funds.
13. ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. ensure that contributions are used in accordance with donors’ intentions.
15. ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. obtain explicit consent by donors before altering the conditions of financial transactions.

**TREATMENT OF CONFIDENTIAL & PROPRIETARY INFORMATION**

*Members shall:*

17. not disclose privileged or confidential information to unauthorized parties.
18. adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client.
19. give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

## **COMPENSATION, BONUSES & FINDER'S FEES**

*Members shall:*

21. not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees.
22. be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. not pay finder's fees, commissions or percentage compensation based on contributions.
25. meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

---

Adopted 1964, Association of Fundraising Professionals (AFP). Copyright AFP, all rights reserved. Reprinted with permission from the Association of Fundraising Professionals. Permission re-granted to the Virginia Veterans Services Foundation on February 12, 2019.

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

# VIRGINIA VETERANS SERVICES FOUNDATION

## Foundation Administration and Operations Policy

### Appendix C

## Veterans Services Unrestricted Revenue Fund – Processing of Financial Requests Procedures

[From Joint Policy 10]

### 1. Overview

- A. The Foundation ~~Non-General~~ *Unrestricted Revenue* 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 ~~Non-General~~ *Unrestricted Revenue* 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. 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.~~
- B. The Foundation Support Fund was created as a subsidiary fund of the ~~Non-General~~ *Unrestricted Revenue* Fund to cover VSF operating expenses. Its expenditures are limited by current editions of the Commonwealth Appropriation Act.
- C. The ~~Non-General~~ *Unrestricted Revenue* Fund, through the Foundation Support Fund, advanced funds to cover several DVS projects until these expenditures were replaced with donations.

### 2. Definitions

The definitions contained in VSF Policy 4 [Location of Definitions TBD.] 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.

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

- B. Unrestricted Revenue 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 accrued, unrestricted donations, and dividends. Revenues from the Unrestricted Revenue 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 *planned* situation where a VSF or DVS **urgent** need exists for funds that are not **available allocated** from appropriated general, ~~or~~ non-general, *or donor funds*.
- E. Emergency:** *This is an unplanned situation where a VSF or DVS urgent need exists for funds that are not available from appropriated general or non-general funds.*
- F. Foundation Operations:** They are the functions performed in support of VSF Policy 2.
- G. Foundation Support Fund:** This is a sub-fund of the ~~Non-General Unrestricted Revenue~~ Fund from which expenditures for VSF operations are authorized by the Executive Director up to and including \$5,000. Amounts above \$5,000 shall be authorized by the Board of Trustees. The base budget allocation is contained in the current year Appropriation Act under “Dedicated Special Revenue”. This amount may be increased with sufficient justification if funds are available upon approval of the Board of Trustees and the Department of Planning and Budget. It may be used to provide temporary ~~contingency~~ **emergency** expenditures for DVS programs, but this is done with the understanding that such funds will be replaced with fundraising.
- H. Program Expenses:** This measure reflects what percent of its total budget the Foundation annually allocates to the DVS programs and services it exists to deliver (e.g., to veterans and their families, either directly or indirectly). For the VSF, these include ~~contingency~~ **emergency** 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.

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

### **3. 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~~ **Policies 1 and 2**. The procedures for accepting and recording appropriated funds are contained in state financial regulations. Funds received for the Unrestricted Revenue Fund will be processed through the DVS Director of Finance for the VSF.

### **4. Managing Endowment and Foundation Support Funds**

The Unrestricted Revenue Fund and Foundation Support Fund shall be managed by the trustees and VSF 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 VSF Unrestricted Revenue Fund, unless otherwise directed by the trustees or the current Commonwealth Appropriation 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 Appropriation 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 monthly and 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.

### **5. Budgeting Foundation Unrestricted Revenue 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 procedures to be followed by the Executive Director shall be:

- A. Request input and recommendations from the trustees and DVS 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 Appropriation 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.

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

- C. 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 to VSF trustees 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.

**6. Procedures for Requesting Foundation Unrestricted Revenue Funds**

- A. Requests for allocations of Unrestricted Revenue funds shall be made by the DVS Commissioner in writing to the VSF Board 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. Funds shall be allocated on a replaceable basis from DVS, when available.
- C. The VSF Trustees reserve the right to request additional information upon which an informed decision may be made.
- D. The Trustees decision will be included in the VSF Board of Trustees minutes.
- E. Final approval of the allocation must be received from the Department of Planning and Budget before the allocation of funds can be executed, if the amount required exceeds the authorized allocation in the current Appropriations Act.

**7. Procedures for Expending Foundation Support Funds**

- A. The Fund shall be used solely for the purposes of carrying out the applicable provisions of §2.2-2715 et seq. The unrestricted portion of the Fund may be used for VSF expenses, subject to approval by the Board of Trustees. Allocations and expenditures of donated restricted funds shall be in accordance with the provisions of §§ 64.2-1100 through 64.2-1108 of the Code of Virginia. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written authorization of the Executive Director and approval by the Board.

VSF Policy	VSF Administration & Operations Policy	
VSF Policy No. 2		

- B. Expenditures, 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.
  5. Whether the requested allocation will be replaced, and if so, when;
  6. Other information as may be specified by the situation.
- C. If a question exists regarding the propriety of each expenditure, it shall be referred by the VSF Executive Director to the Board Chair.
- D. After being approved by the Executive 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.