

Veterans Services Foundation Board of Trustees
ELECTRONIC *DRAFT* Meeting Minutes
September 17, 2020

A meeting of the Veterans Services Foundation (VSF) Board of Trustees was held electronically on September 17, 2020. The meeting was called to order at 11 AM.

TRUSTEES PRESENT

- William Ashton, *Chairman, Joint Leadership Council, Ex-officio/voting*
- Allan Burke
- Nicole Carry
- Kyle Craig
- Anthony Gitalado, *awaiting reappointment*
- Paul Haughton
- Jack Hilgers, *awaiting reappointment*
- Carlos Hopkins, *Secretary of Veterans and Defense Affairs, Ex-officio/voting, joined at 11:05AM*
- Tammi Lambert, *Board of Veterans Services Vice Chair, Ex-officio/voting*
- Jack Lanier, *P&P Committee Assistant Chair*
- John Lesinski, *Chairman, Veterans Services Foundation*
- Walter Stosch, *Finance Committee Chair*
- Jarris Taylor, Jr.
- Bruce Waxman
- Valerie Zimmerman

TRUSTEES ABSENT

- Robin Beres

VSF STAFF PRESENT

- Karla Boughey, *Executive Director- ex-officio/non-voting*

DVS STAFF PRESENT

- Nicole Anderson, *Director, Transition and Employment Programs*
- LeAnna Craig, *Interim Director, Virginia Veteran and Family Support*
- Steve Combs, *Deputy Commissioner, joined at 11:39AM*
- Tammy Davidson, *Chief Financial Officer- ex officio/non-voting, VSF Treasurer*
- Glendalyn Glover, *Administrative Assistant*
- Ross Koenig, *V3 Program Manager*
- John Maxwell, *Commissioner*
- Martina Murray, *Director, Education Programs*
- Jordan Stewart
- Beverly VanTull, *Virginia Women Veterans Program Manager*
- Annie Walker, *Deputy Commissioner*

OFFICE OF THE ATTORNEY GENERAL

- Josh Laws

GUESTS PRESENT

- Rick Oertel

Materials Attached

- September 17, 2020 Approved Meeting Agenda (Attachment One)
- VSF FY19 Audit Report (Attachment Two)
- DVS-VSF MOU, Rider, General Fund Allocation, VSF Budget by Activity (Attachment Three)
- FY20 Fourth Quarter Financial Report (Attachment Four)
- General Fund Appropriation Request (Attachment Five)

Opening and Pledge of Allegiance

Board Chair Lesinski, called the meeting to order at 11 AM. He then led the group in reciting the Pledge of Allegiance.

Roll Call of Trustees and Quorum Determination

A roll call was conducted and with 11 of 18 trustees present, a quorum was established.

Introduction of Staff and Visitors

Board Chair Lesinski welcomed guests to include Rick Oertel and DVS Staff.

Approval of Agenda

Mr. Jack Lanier moved to approve the Agenda. Ms. Valerie Zimmerman seconded the motion. A roll call vote was taken and 13 out of 13 Trustees voted to approve the Agenda.

Review and Approval of Minutes

Electronic copies were previously emailed to the Trustees and posted on the Commonwealth Calendar and VSF website of the minutes from the June 24, 2020 meeting.

Mr. Paul Houghton moved to approve the June 24, 2020 minutes, Secretary Hopkins seconds the motion. A roll call vote was taken and 13 out of 13 trustees voted to approve.

PRESENTATIONS

Chairman's Report

Chair Lesinski narrated a slide deck that indicated the raised over \$637,000 in FY20 and VSF was able to renew the major donors to include Altria, Smithfield, and Dominion. The Chair also believes that COVID-19 will pose challenges in fundraising in FY21. Chair Lesinski also noted that VSF welcomes new members; Mr. Kyle Craig, Dr. Jarris Taylor, Mr. Bruce Waxman, and Ms. Valerie Zimmerman. Chairman Lesinski set a fundraising goal of \$675,000 for FY21 and believes this can be achieved by renewing major donors, expanding the donor database, and developing and executing a small donor program. Chair Lesinski would like to increase outreach to include social media, conference attendance, and VSOs. He also gave an HR update on the new FTE that will be hired this fall. Chair Lesinski described the collaboration of VSF and DVS and the upcoming edits to the MOU and Rider to get VSF more in sync with DVS. Chair Lesinski noted that the end to the eviction moratorium is going to create substantial veteran needs that VSF will be able to help with. Chair Lesinski noted the great beneficial conversations beginning with the Community

College System. Chair Lesinski shared his video that was created and used on the website. It has been shared with the Trustees.

VSF Overview for New Trustees

Chair Lesinski welcomed the new Trustees and Deputy Commissioner Annie Walker.

Deputy Commissioner Annie Walker addressed the Trustees and introduced them to VITE. Deputy Commissioner Walker was joined by Nicole Anderson, Ross Koenig, Martina Murray, and Heverly Van Tull, all of DVS.

Ms. Nicole Anderson, the Director of Transition and Employment programs explained the various transition events that occurred in the spring and 2020 Military and Veterans Affairs Conference, supported over 427 employers and hosted four workshops after the conference on veteran hiring needs and how to address a COVID-19 work environment. There are two upcoming networking events and are hoping to increase the number of transitioning veterans and military spouses they're able to reach.

Mr. Ross Keonig, V3 program manager explained the program and they're nearly to the Governor's goal of 65,000 veterans reached. V3 works with organizations to train and educate employers on how to hire veterans. The program has remained strong despite the COVID-19 environment.

Ms. Martina Murray, Director of Education programs introduced herself and explained that the Education Program touches VSF through the Altria grant. They help provide field training to veterans in their job field. They are also in conversation to discuss how Altria can continue to support VSF and address unspent funding due to COVID 19. Executive Director Boughey and Ms. Murray have started a conversation with the Community College System to figure out how to best utilize funds to support veterans in the VCCS.

Ms. Bev Van Tull, Manager of the Virginia Women's Veteran Program. They work to provide access to community resources to educate and empower female veterans. The largest opportunity to connect with women veterans and the 2020 conference was totally virtual. VSF assisted in the transition of the summit, reaching 1300 women across the country and internationally.

Deputy Commissioner Walker and Chair Lesinski asked if there were questions. There were none.

Chair Lesinski invited Leanna Craig to address the Board.

Ms. Leanna Craig, Interim Director of VVFS, they are in the hybrid model to work with the communities to meet their needs.

Mr. Matt Leslie, Deputy Director of VVFS, is the DVS representative on various homeless veteran groups and programs and the Governor's veteran suicide prevention initiative.

Executive Director Boughey welcomed the members and gave them a brief overview of the Board including requirements such as FOIA, Conflict of Interest training, Roberts Rule of Order, and the bio information form.

Swearing In of Trustees

Secretary Hopkins performed the swearing in of Mr. Kyle Craig, Dr. Jarris Taylor, Jr., Mr. Bruce Waxman, and Ms. Valerie Zimmerman.

REPORTS

Board of Veterans Services

Ms. Tammi Lambert, Vice Chair of the Board of Veterans Services noted the BVS met electronically on September 16, 2020 with the goal of shaping state veterans policies and priorities. At their last meeting they facilitated engagement between Board members and DVS leaders. The next meeting is going to be November 13, 2020. Chair Lesinski asked if there were questions. There were none.

Joint Leadership Council

This report was given after Ms. Leanna Craig's comments to accommodate schedule conflicts for the Trustees.

Mr. Bill Ashton noted the most recent meeting occurred in July 2020. The legislative initiatives due date has been extended to October 2020. He will provide the initiatives once they decided on. Their next meeting is October 21, 2020 at the Virginia War Memorial. Mr. Ashton asked if there were questions. There were none.

Department of Veterans Services

Commissioner Maxwell stated that DVS has opened almost all of their facilities. They are open for in person business by appointment only. The VVFS program continues to provide service to veterans and are expecting veteran homelessness to increase once the moratorium on eviction is over. The Commissioner recognizes that new veteran contact is down, but the number of veteran contacts overall is up. DVS is heavily involved in getting veterans connected to services. The cemeteries have reopened for full services. The cemetery at Amelia just received a five-million-dollar grant to build a new committal ceremony facility. The care centers have operated normally during the pandemic and have been actively engaging in pandemic preparedness and prevention. The Virginia War Memorial is now back open to the public. Chair Lesinski asked if there were questions. Mr. Bruce Waxman noted the outstanding work of DVS. Commissioner Maxwell noted his appreciation for VSF's support and collaboration. Chair Lesinski asked about the two new care centers and their progress. Commissioner Maxwell noted both care centers are on schedule to open in 2022.

Virginia Veterans Services Foundation

Executive Director, Karla Boughey noted that this would also serve as a development report. Executive Director Boughey noted that donations as of September 2020 are down from September 2018 and September 2019. Executive Director Boughey showed the Patriots Day Constant Contact message and shared the distribution statistics, to include 31 legislators opening the email. Executive Director Boughey noted that VSF must grow the contact list. VSF will send a direct letter to legislators with a request of support. Executive Director Boughey highlighted the third-party donations, such as Amazon Smile, Benevity, CVC, and Kroger. Executive Director Boughey explained she would like to reach out to various businesses to discuss potential donations and will be reaching out to Trustees for assistance with this. Executive Director Boughey asked if there were questions. There were none.

Committee Appointments and Future Meeting Dates

Chair Lesinski shared the slate of Committee Appointments. The Development Committee will have Ms. Robin Beres and Mr. Allan Burke as the Assistant Chair. The Policies and Procedures Committee will have Dr. Jack Lanier as Chair. The Finance Committee will have Senator Stosch as Chair and Mr. Paul Haughton as Assistant Chair. The 2021 VSF Board of Trustee meeting dates are March 25, 2021, June 10, 2021, September 16, 2021, and December 9, 2021.

Finance Committee, Walter Stosch (Attachment Two)

Senator Walter Stosch reported on 2019 Audit Report and found that there were no adverse comments and all balances were correct. Senator Stosch explained the VSF-DVS MOU and Rider and its revisions. The revisions include the reimbursement from VSF to DVS for support services provided. The goal is to maximize fundraising results. There is a proposed modification to the VSF budget and a request for a change in the appropriation act. This would include support for compensation to increase the salary for the new

FTE, and the salary and benefits for the Executive Director. The Finance Committee recommends approval to the Board. The Committee also recommends approval of the 4th Quarter Financial Report. Chair Lesinski asked if there were questions. There were none.

Procedures and Policy Committee (Attachment Three)

Dr. Jack Lanier noted that he recently became the Chair of the Procedures and Policy Committee, so they have not had a meeting. He plans to have a meeting before the new full meeting of the Board of Trustees. Dr. Jack Lanier thanked Mr. Jack Hilgers for his hard work on the committee. Mr. Jack Hilgers noted that there will be a committee report with a plan for the upcoming year. There is currently an initiative to make a Code change to allow agents and advisors. There is a change to one of the Joint Policies regarding how operations are run at DVS Headquarters that will be in front of the full Board before the next meeting. Dr. Jack Lanier called for volunteers to serve on the Procedures and Policy Committee. Chair Lesinski echoed Dr. Lanier's appreciation of Mr. Hilgers.

Review of FY20 Fourth Quarter Financial Report (Attachment Four)

Mrs. Davidson noted VSF ended the year by receiving \$652,536.59 in donations. Expenses were relatively low for FY20 because of the pandemic but can be expected to go up in FY21. For FY20 expenses were \$359,169.22 which left income over expenditures at \$293,367.37 and a total balance of 1,928,722.09. Chair Lesinski asked if there were questions. There were none.

UNFINISHED BUSINESS

Proposed Revisions FY21 Budget

Ms. Davidson noted that there was only one revision requested. The current request supplements the salary of the new FTE with foundation funds-not donor funds. The VSF support fund would be bumped up from \$10,000 to \$30,000. This would move \$20,000 from VVCC because this allocation was previously overfunded, making it a safe place to reallocate that money. A potential future change could occur with the Women's Summit. She will address this at the December meeting.

Ms. Davidson is also going to reach out to the Department of Planning and Budget to ask for an additional \$50,000 in the form of a general fund appropriation. Dr. Jack Lanier asked if this request is a one time increase or an increase to the base budget. It is an increase to the base budget. (Attachment Five)

Chair Lesinski asked if there were questions. There were none.

Other Unfinished Business

None

NEW BUSINESS

Approval of Committee Appointments and Future Meeting Dates

Ms. Valerie Zimmerman moved to approve the committee appointments and future meeting dates. Ms. Nicole Carry seconded the motion. A roll call vote was taken and 10 of 10 trustees voted to approve the committee appointments and future meeting dates.

Approval of Finance Committee Recommendations

Senator Stosch moved to put the VSF Budget by Activity and the Appropriation Request into a block (Block 1). Mr. Paul Haughton seconded the motion. A roll call vote was taken and 11 of 11 Trustees voted to move those items into a block.

Mr. Paul Haughton moved to put the VSF-DVS MOU and Rider and VSF to DVS General Fund Allocation into a block (Block 2). Dr. Jack Lanier seconded the motion. A roll call vote was taken and 11 of 11 Trustees voted to move those items into a block.

Senator Walter Stosch moved to approve Block 1. Ms. Valerie Zimmerman seconded the motion. A roll call vote was taken and 11 out of 11 Trustees voted to approve Block 1.

Senator Walter Stosch moved to approve Block 2. Mr. Allan Burke seconded the motion. A roll call vote was taken and there were 10 ayes and one nay.

Approval of 4th Quarter Financial Report

Senator Walter Stosch moved to approve the 4th Quarter Financial Report. Dr. Jack Lanier seconded the motion. A roll call vote was taken and 11 of 11 trustees voted to approve the 4th Quarter Financial Report.

Other New Business

PUBLIC COMMENT PERIOD

There were no comments.

Adjournment

A final roll call was taken and 10 out of 14 Trustees were present. Dr. Jack Lanier moved to adjourn the meeting and Mr. Bruce Waxman seconded the motion. The meeting adjourned at 1:00PM.

Veterans Services Foundation Board of Trustees
ELECTRONIC Meeting
September 17, 2020
11:00 AM – 1:00 PM

1. Opening and Pledge of Allegiance, Roll Call of Trustees, Quorum Determination, Introduction of Visitors, Approval of Agenda: John Lesinski, *Board Chair* (5 minutes)
2. Review and Approval of June 24, 2020 Board of Trustees Electronic Meeting Minutes: *Board Chair* (5 minutes)
3. Presentations:
 - a. Chairman's Report: *Board Chair* (15 minutes)
 - b. VSF Overview for New Trustees: John Lesinski, *Board Chair*, Karla Boughey, *VSF Executive Director* (15 minutes)
 - c. Swearing In of Trustees, Carlos Hopkins, *Secretary of Veterans and Defense Affairs* (10 minutes)
4. Reports:
 - a. Board of Veterans Services: *Michael Dick, Chair* (5 minutes)
 - b. JLC: *Bill Ashton, Chair* (5 minutes)
 - c. Department of Veterans Services: *John Maxwell, DVS Commissioner* (5 minutes)
 - d. Foundation Executive Director: *Karla Boughey* (5 minutes)
 - e. Board Chair: Committee Appointments and Proposed 2021 Meeting Dates: *John Lesinski* (5 minutes)
 - f. Development Committee Report: *John Lesinski* (5 minutes)
 - g. Finance Committee Report: Finance Committee Recommendations and Audit Report *Walter Stosch, Chair* (10 minutes)
 - h. Procedures and Policies Committee Report: *Jack Lanier* (5 minutes)
 - i. Review of FY19 Fourth Quarter Financial Report: *Tammy Davidson, VSF Treasurer, DVS Finance Director* (5 minutes)
5. Unfinished Business:
 - a. Proposed DVS Revisions FY21 Budget: *Tammy Davidson* (5 minutes)
 - b. Other Unfinished Business: *Board Chair* (1 minute)
6. New Business:
 - a. Approval of Committee Appointments and 2021 Meeting Dates – *Board Chair* (5 minutes)
 - b. Approval of Development Committee Recommendations, if required: *Board Chair* (5 minutes)
 - c. Approval of Finance Committee Recommendations: *Board Chair* (2 minutes)
 - d. Approval of Procedures and Policies Committee Recommendations: *Board Chair* (5 minutes)
 - e. Approval of 4th Quarter Financial Report: *Board Chair* (2 minutes)
 - f. Other New Business: *Board Chair* (2 minutes)
7. Public Comment (5 minutes)
8. Adjournment (Next Board Meeting: December 10, 2020, Virginia War Memorial)



VETERANS SERVICES FOUNDATION

REPORT ON AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Auditor of Public Accounts
Martha S. Mavredes, CPA

www.apa.virginia.gov

(804) 225-3350



AUDIT SUMMARY

Our audit of the Veterans Services Foundation, which receives administrative and other services from the Department of Veterans Services, for the fiscal year ended June 30, 2019, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and financial reporting system;
- no matters involving internal control and its operation necessary to bring to management's attention;
- no instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- adequate corrective action with respect to the audit finding included in the prior year's report.

FOUNDATION HIGHLIGHTS

The Veterans Services Foundation (Foundation) was established as a separate agency on July 1, 2017, within the Secretary of Veterans and Defense Affairs. Previously, the Foundation was managed as a separate fund within the Department of Veterans Services (Veterans Services). The Foundation collects and manages donations to support various Commonwealth administered programs for veterans. Veterans Services provides administrative support to the Foundation and donations for the Foundation are primarily received and deposited through the Veterans Services' finance department.

The following table summarizes financial activity for the Foundation for fiscal year 2019. The Foundation also receives General Fund appropriations of \$115,000, which are used to fund the director's salary and related benefits, but this financial activity is not included below.

Summary of Financial Activity Fiscal Year 2019

Beginning balance, July 1, 2018	\$ 1,605,313
Revenues:	
Donations	604,993
Interest	31,628
Total revenues	636,621
Transfers and expenses:	
Transfers to Veterans Services	650,000
Other expenses	1,560
Total transfers and expenses	651,560
Ending balance, June 30, 2019	<u>\$1,590,374</u>

Source: Commonwealth's accounting and financial reporting system

As shown above, the Foundation transferred \$650,000 to Veterans Services during the year to be used to fund various veterans' programs in accordance with any donor restrictions. Veterans Services spent the majority of these funds for the Virginia Veteran and Family Support Program (VVFS) and the Veteran Education, Transition, and Employment (VETE) program. The VVFS program provides behavioral health, rehabilitation services, and support to Virginia's veterans and their family members. The VETE program provides veterans access to training, licensure, and certification programs, as well as assisting institutions and employers in Virginia to become certified in approved veteran hiring programs.

The Foundation has a closing cash balance of over \$1.5 million at the end of fiscal year 2019. The Foundation Board's policy is to maintain a reserve of approximately \$800,000, in addition to the funding for the next year's expenses.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 5, 2020

The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Kenneth R. Plum
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Veterans Services Foundation** (Foundation) for the year ended June 30, 2019. The Foundation received administrative and other services from the Department of Veterans Services (Veterans Services). We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of recorded financial transactions in the Commonwealth's accounting and financial reporting system; review the adequacy of the Foundation's internal controls; test compliance with applicable laws, regulations, and donor restrictions; and review corrective actions of audit findings from prior year reports.

Audit Scope and Methodology

The Foundation's management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, and donor restrictions. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, and donor restrictions.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the Foundation's revenues and expenses.

We performed audit tests to determine whether the Foundation's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, and donor restrictions. Our audit procedures included inquiries of appropriate personnel, and inspection of documents and records. We performed analytical procedures, including a trend analysis. We also tested details of transactions to achieve our objectives. Our audit of the Foundation did not include controls and fiscal operations of Veterans Services that did not support services provided to the Foundation.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Conclusions

We found that the Foundation properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and financial reporting system. The financial information presented in this report came directly from the Commonwealth's accounting and financial reporting system.

We noted no matters involving internal control and its operation that we consider necessary to be reported to management. The results of our tests of compliance with applicable laws, regulations, and donor restrictions disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Foundation has taken adequate corrective action with respect to the audit finding reported in the prior year that is not repeated in this letter.

Exit Conference and Report Distribution

We discussed this report with management on June 26, 2020.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

LCW:vks

VETERANS SERVICES FOUNDATION

As of June 30, 2019

BOARD OF TRUSTEES

Francis Finelli
Chairman

Brad Antle
Jim Boyd
Allen Burke
Nicole Carry
Frank Driscoll
Anthony Gitalado
Paul Haughton, Jr.
Jack Hilgers
Carlos Hopkins

Jim Icenhour
Jack Lanier
John Lesinski
Thomas Mulrine
Al Pianalto
Meade Spotts
Walter Stosch
Frank Wickersham, III
Matice Wright

OFFICIALS

Karla Boughey
Executive Director

Tammy Davidson
Treasurer for the Veterans Services Foundation and
Director of Finance for the Department of Veterans Services



COMMONWEALTH of VIRGINIA

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

DRAFT MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is between the Department of Veterans Services (DVS) 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 with both agencies functioning as partners to provide for their shared mission to support Virginia's veterans and their families. This MOU recognizes that the DVS – VSF team must have clear and transparent communications and mutual understanding of requirements for resourcing programs and services in order to provide effective support to enable the expansion of support for the veteran community. Therefore:

1. DVS and VSF shall participate in a united front to develop and fund programs that support Virginia veterans and their families; therefore, both agencies shall work together to:
 - a. Build relationships between VSF and DVS personnel, in general and on a functional and regional basis.
 - b. Conduct fundraising planning and execution to seek, promote, track, and stimulate contributions to support veterans' programs and services, and raise awareness about those programs and veterans issues across the Commonwealth, while targeting those veterans programs that can benefit most from VSF support.
 - c. Appoint staff members to monitor, coordinate, and expedite the terms and conditions of this MOU and act as agency agents for administration and act as liaison between DVS and VSF.
 - d. Keep each other informed of initiatives and activities, including those involving the executive and legislative branches of state government, which relate to our shared objective, and coordinate as appropriate.
 - e. Establish and maintain joint policies 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.
 - f. Pursue the goal to make Virginia the most veteran-friendly state in the nation.
- d. Participate in a biennial review of this MOU and revise it as necessary.

2. VSF raises funds and awareness in support of DVS programs and services across the Commonwealth and provides continuing support to DVS as follows:
 - a. Transfer funds to supplement funding for DVS programs and services in accordance with jointly agreed VSF Funding Guidelines, fund balances, and approved budgets.
 - b. Reimburse DVS for the Auditor of Public Accounts (APA) annual audits (*Code of Virginia* § 2.2-2717), unless APA waives the cost of VSF audits.
 - c. Reimburse DVS periodically on a mutually agreed upon basis for personnel costs incurred in supporting the VSF with administration, accounting, Fiscal Officer oversight, procurement, payroll, year-end financial reporting, DPB Budgeting/PB system entry, technical assistance, communications & public relations, marketing, human resources, and information technology. See attached Rider for details.
3. DVS serves the veterans community and provides administrative and operational expertise to VSF in support of its fundraising and community awareness responsibilities as follows:
 - a. Furnish personnel and financial support, within DVS capabilities, to assist with VSF administration, accounting, technical assistance, public relations, marketing, and fundraising programs. VSF administration includes assisting with agendas, logistics (e.g., space for VSF meetings and staff members), transcription of minutes, and other necessary activities to support all VSF Board and Committee meetings and staff activities.
 - b. Provide substantive input on DVS and veteran population requirements and priorities to guide VSF fundraising.
 - c. Provide technical assistance regarding contracting initiatives and grants.
4. ~~This Memorandum of Understanding shall be reviewed within 90 days of the assumption of a new Board Chair.~~ This Memorandum of Understanding shall be reviewed periodically but not less than biennially.

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 M. Maxwell, Commissioner
 Department of Veterans Services

 Date

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

 Date

Annual Rider to DVS-VSF MOU

Dated

September 17, 2020

1. The Memorandum of Understanding (MOU) between the Department of Veterans Services (DVS) and the Veterans Services Foundation (VSF) augments the provisions of the Code of Virginia §2.2-2000 et seq., §2.2-2715 et seq. This Rider to the MOU section 2.C supplements the Appropriation Act allotment of \$160,000.00 to VSF for services provided to the Foundation by DVS.

2. This Rider is based on the premise that the DVS – VSF team must strive to maximize return on the allotment to resource services for effective mutual support. Both agencies recognize that the \$160,000.00 is a reasonable amount for current required services and that the allotment is a set amount and will not increase with personnel and other services costs ~~appropriated~~ allotted to agencies by the state to cover increased expenditures placed upon the agency. The VSF Executive Director and the DVS Chief Financial Officer will review this amount periodically and at least annually to ensure it remains a reasonable amount.

3. The allocation of funds for FY 2021 is set forth in the attachment (VSF to DVS General Fund Allocation For FY2021) based on the following criteria:

- A. The amounts allocated to personnel for their services are based on the hourly median salary for the position without fringe benefits, unless an individual is employed more than 72.5% of the time in VSF business.
- B. The cost of equipment, supplies, and other support shall be based on a share of the charges incurred by DVS as assessed by other supporting state agencies (e.g., VITA, DGS, DOA) and state rates for travel and lodging.
- C. The allocation of funds for mutual marketing, outreach, public relations, and fundraising is needed to raise awareness and VSF funds for DVS programs across the Commonwealth, while targeting those veterans programs that can benefit most from VSF support.

4. VSF shall reimburse DVS semiannually in July and January in the amount of \$70,000.00 for each six month period and use the residual of \$20,000.00 during May-June for reconciliation of costs.

5. This Rider and the attached Annual Allocation of Funds shall be reviewed annually during the May-June period for the next fiscal year and approved by both VSF and DVS at the VSF June quarterly meeting.

John M. Maxwell, Commissioner
Department of Veterans Services

Date

John Lesinski, Chairman
Veterans Services Foundation
Board of Trustees,
as ratified by the Board

Date

VSF to DVS General Fund Allocation
 7/1/20
 For FY2021

As of 9/1/2020

	DVS FY20 Est %HrsPerYr	DVS-VSF FY20 Est For FY21	NOTES AND RECOMMENDATIONS
Full time employee = 2080 hours per year P-14 Employee = 1508 hours per year			Without Fringe Benefits
Hours Per Year %'s are close approximations			
DVS Support			
DVS Full Time P-14			
Max. 29 HpW Jordan Stewart	100% 1508	34,090.60	
DVS Administration			
Admin/Receptionist Glendalynn Glover	5% 104	2,240.35	
Executive Admin Kendra Ellison	2% 42	1,318.18	
DVS Communications			
Communications Director Tina Parlett-Calhoun	5% 104	4,713.93	
Asst. Communications Director Jeb	5% 104	3,646.26	
DVS HR			
HR Personnel Lisa Cates	2% 42	1,951.00	
DVS Finance			
DVS CFO	15% 312	19,171.14	
Syreeta Thomas, Income and Expenditure Tracking	50% 1040	35,935.00	
Deborah Ramsey, Handling donations AR & AP in CARDINAL	15% 226	10,780.50	
Asst. Finance Mgmt, P-14 Judy Ried Deposits & Verification	15% 226	4,725.00	
Belly Denton, Purchasing	2% 42	1,448.00	
Maria Bryant VSF Payroll	2% 42	1,437.40	
DVS IT			
IT Personnel	2% 42	2,040.44	
Equipment, Supplies, Support (Share of VITA Charges Incl.)			
VITA Equipment		4,859.04	3 computers, 3 emails, 3 desk phones, 2 cell phones, 1 lap top
Office Supplies/Support		3,000.00	
Rent		3,654.84	229 sqft @ \$15.96 GSA Rent Rate
PB,CARDINAL and PMIS Charges		100.00	
Trustees Meeting Travel and Lodging per Year		\$ 11,000.00	The amount covers all trustees involved based on meetings in Richmond. U.S. GSA 2019 mileage rate is 0.58 per mile, but may increase to 0.60 in 12/2020. Includes lunches at the meeting and a one night stay for two trustees from SW Virginia. DVS personnel costs are included.
Direct Targeted Marketing, Donor Contact, Awareness and Fundraising in collaboration with DVS Communications		13,888.32	DVS-VSF Marketing, Outreach, Public Relations; incl. Website coordinaton, VSO Solicitation, Veterans' Lists, etc.
MAX TOTALS		\$ 160,000.00	

**Veterans Services Foundation
Budget, by Activity
FY 2021**

Activity	Fund 09410 Balance July 1, 2020 Adjusted	FY 2021 Budget YTD
Virginia Veterans Care Center:		
Indigent Resident Needs	36,134.07	2,000.00
Activities/Carnival Fund	18,541.07	7,000.00
Operation Holiday Spirit	96,240.93	21,000.00
Unit Projects & Functions	-	31,500.00
Other Donations Restricted	22,572.13	10,500.00
Total VVCC Funds	171,488.20	72,000.00
Sitter & Barfoot VCC:		
Indigent Resident Needs	6,242.52	1,000.00
Activities Fund	17,521.84	16,500.00
Other Donations Restricted	8,058.00	10,500.00
Total SBVCC Funds	31,822.36	28,000.00
Cemetery Funds:		
Va Veterans Cemeteries- Other Donations Restricted	842.00	500.00
Va Veterans Cemetery--Amelia	13,969.38	5,000.00
Memorial Cemetery--Suffolk	21,415.98	5,000.00
SW Va Veterans Cemetery--Dublin	10,956.79	5,000.00
Total Cemetery Support Funds	47,184.15	15,500.00
Virginia Veterans' and Family Support		
Outreach Services	-	-
Direct Veterans Services	7,481.74	240,000.00
Enabling Veterans Services	-	-
Homeless Veterans Fund	160,039.32	210,000.00
Operation Family Caregiver Grant	923.99	-
Other Donations Restricted	349,565.93	-
Total VVFS Funds	518,010.98	450,000.00
Benefits Funds:	1,495.52	1,000.00
Veteran Education, Transition and Employment		
V-3 Fund	309,184.41	100,000.00

Altria Grant	326,452.24	90,000.00
Women's Summit	20,000.00	10,000.00
VETE Other Donations Restricted	-	-
Total VETE Funds	655,636.65	200,000.00
VSF Support Funds:	10,000.00	30,000.00
VSF Unrestricted Revenue		
Appropriated Funds	193,321.01	-
Donor Funds	192,177.96	-
Interest	107,585.26	-
Total VSF Unrestricted Revenue	493,084.23	-
Grand Total All 09410 Funds	1,928,722.09	796,500.00
	BALANCE	

**Veterans Services Foundation
Statement of Assets
For the Month Ended June 30, 2020 (FM12)
FY 2020 Year-To-Date
(Unaudited)**

Assets:

Cash held by State Treasurer	1,928,722.09
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Total Assets	\$ 1,928,722.09
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Fund Balances:

Restricted Fund Balances:

Restricted for WVCC Activities	171,488.20
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Restricted for SBVCC Activities	31,822.36
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Restricted for Cemetery Funds	47,184.15
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Restricted for VVFS Funds	518,010.98
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Restricted for Benefits Funds	1,495.52
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Restricted for VETE Funds	655,636.65
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Restricted for VSF Support Funds	1,211.09
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Total Restricted Fund Balances	1,426,848.95
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VSF Unrestricted Revenue	501,873.14
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Total Fund Balances	\$ 1,928,722.09
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Notes:

- 1 All cash is held by the State Treasurer.
- 2 Restricted fund balances are donations given for a specific purpose, or are funds authorized by the Foundation for a specific expenditure purpose.
- 3 VSF Unrestricted Revenue Fund Balance represents the funds remaining from the VSF base funding.

Veterans Services Foundation
Cash Balances
For the Month Ended June 30, 2020 (FM12)
FY 2020 Year-To-Date



171,488.20	VVCC
31,822.36	SBVCC
47,184.15	CEMETERIES
1,211.09	VSF SUPPORT
655,636.65	VETE
518,010.98	VVFS
501,873.14	VSF UNRESTRICTED REVENUE
<u>1,495.52</u>	BENEFITS
1,928,722.09	

Veterans Services Foundation
Statement of Income, Expenditures and Changes in Funds Balances
For the Month Ended June 30, 2020 (FM12)
FY 2020 Year-To-Date
(Unaudited)

INCOME:

Y-T-D Actual

Restricted gifts received for:

Virginia Veterans Care Center	38,209.00
Sitter & Barfoot VCC	11,886.00
Cemetery Funds	5,558.00
VVFS Funds	218,608.23
Benefits Funds	170.00
VETE Funds	210,031.00
VSF Support Funds	100.00
VSF Unrestricted Revenue	169,974.36
TOTAL INCOME	652,536.59

EXPENDITURES:

VVCC Indigent Resident Needs	414.90
VVCC Activities/ Carnival Funds--Activities with Residents	1,051.41
VVCC Operation Holiday Spirit	11,760.57
VVCC Unit Projects & Functions	
VVCC Other Donations Restricted	7,106.20
SBVCC Indigent Resident Needs	-
SBVCC Activities Funds	2,627.18
SBVCC Other Donations Restricted	10,500.00
Va Veterans Cemeteries- Other Donations Restricted	-
Va Veterans Cemetery--Amelia	-
Memorial Cemetery--Suffolk	-
SW Va Veterans Cemetery--Dublin	-
VVFS Outreach Services	-
VVFS Direct Veterans Services	129,597.10
VVFS Enabling Veterans Services	-
VVFS Homeless Veterans Funds	160,422.95
VVFS Operation Family Caregiver Grant	-
Benefits Funds	-
VETE V-3 Fund	-
VETE Altra Grant	26,800.00
VETE Women's Summit Funds	-
VETE Other Donations Restricted	-
VSF Support Funds--Operating Expenditures and Web Site	8,888.91
VSF Unrestricted Revenue	-
TOTAL EXPENDITURES	359,169.22
Excess of Income over Expenditures	293,367.37
Beginning Fund Balances	1,635,354.72
Ending Fund Balances	1,928,722.09

NOTES:

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

Veterans Services Foundation
Schedule of Receipts, Expenditures and Budget, by Activity
For the Month Ended June 30, 2020 (FM12)
FY 2020 Year-To-Date
(Unaudited)

Activity	Fund 09410		Expenditures YTD	Fund 09410		FY 2020 Budget YTD	FY 2020 Budget Balance YTD
	Balance July 1, 2019 Adjusted	Receipts YTD		Balance June 30, 2020 YTD	YTD		
Virginia Veterans Care Center:							
Indigent Resident Needs	35,348.87	1,200.00	414.80	36,134.07	2,000.00	1,848.10	
Activities/Carnival Fund	14,867.48	2,828.00	1,861.41	16,841.07	7,000.00	8,948.59	
Operation Holiday Spirit	88,808.50	21,383.00	11,788.57	88,240.93	21,000.00	8,238.43	
Unit Projects & Functions	-	-	-	-	51,800.00	51,800.00	
Other Donations Restricted	18,867.33	10,891.00	7,108.20	22,572.13	10,500.00	1,383.80	
Total VVCC Funds	158,812.28	36,298.00	28,333.08	171,488.20	92,000.00	71,668.92	
Sitter & Barfoot VCC:							
Indigent Resident Needs	8,242.62	-	-	8,242.62	1,000.00	1,000.00	
Activities Fund	18,749.02	400.00	2,827.18	17,521.84	18,800.00	13,872.82	
Other Donations Restricted	7,072.00	11,488.00	10,800.00	8,658.00	10,800.00	-	
Total SBVCC Funds	33,063.64	11,888.00	13,127.18	31,822.36	28,800.00	14,872.82	
Cemetery Funds:							
Va Veterans Cemeteries- Other Donations Restricted	842.00	-	-	842.00	800.00	500.00	
Va Veterans Cemetery-Amelia	8,661.38	5,308.00	-	13,969.38	5,000.00	5,000.00	
Memorial Cemetery-Suffolk	21,315.98	100.00	-	21,415.98	5,000.00	5,000.00	
SW Va Veterans Cemetery-Dublin	10,806.79	150.00	-	10,956.79	5,000.00	5,000.00	
Total Cemetery Support Funds	41,626.15	5,558.00	-	47,184.16	18,500.00	18,500.00	
Virginia Veterans' and Family Support							
Outreach Services	-	-	-	-	-	-	
Direct Veterans Services	128,213.10	384.00	129,597.10	-	240,000.00	110,402.90	
Enabling Veterans Services	-	-	-	-	-	-	
Homeless Veterans Fund	185,462.27	135,000.00	160,422.95	160,039.32	210,000.00	48,577.05	
Operation Family Caregiver Grant	923.99	-	-	923.99	-	-	
Other Donations Restricted	273,823.44	83,224.23	-	357,047.67	-	-	
Total VVFS Funds	589,422.80	218,608.23	290,020.05	518,010.98	450,000.00	199,879.95	
Benefits Funds:							
Veteran Education, Transition and Employment							
V-3 Fund	218,153.41	90,031.00	-	309,184.41	100,000.00	100,000.00	
Altria Grant	253,252.24	100,000.00	26,800.00	326,452.24	90,000.00	63,200.00	
Women's Summit	-	20,000.00	-	20,000.00	10,000.00	10,000.00	
VETE Other Donations Restricted	-	-	-	-	-	-	
Total VETE Funds	472,405.65	210,031.00	26,800.00	655,638.65	200,000.00	173,200.00	
VSF Support Funds:							
VSF Unrestricted Revenue							
Appropriated Funds	202,109.92	-	-	202,109.92	-	-	
Donor Funds	58,587.84	135,580.12	-	192,177.96	-	-	
Interest	73,181.02	34,394.24	-	107,585.26	-	-	
Total VSF Unrestricted Revenue	333,878.78	169,974.36	-	501,873.14	-	-	
Grand Total All 09410 Funds	1,635,354.72	662,836.69	358,168.22	1,928,722.09	796,500.00	437,338.78	
	BALANCE	CASH IN	CASH OUT	BALANCE			
Cash Transfers							
913 09410 Fund Balance	1,590,688.13	-	(438,292.12)	1,798,659.69			
812 09410 Fund Balance	44,666.59	435,292.12	-	130,062.40			
TOTAL CASH 09410 FUNDS	1,635,354.72			1,928,722.09			

To increase the GF Appropriation \$20,000 to allow for adequate funding to hire and retain a qualified employee for the FTE transferred from DVS in FY21. The current funded salary does not allow for the hiring and retention of a fully qualified individual.

Increase appropriation \$5,000 (GF) to allow for up to a 5% raise for the Executive Director should the Board desire to provide one. Currently there are no funds in the GF appropriation to allow for this.

\$25,000 GF to increase the current \$115,000 GF appropriated for an Executive Director to allow for fully loaded fringe to be available for the current FTE. When the FTE and appropriation of \$115,000 transferred from DVS to the Foundation, the amount was based upon the current Executive Director's compensation, which did not include healthcare. Healthcare for one employee costs an agency between \$8,232 & \$21,624 annually depending upon the level of coverage they elect. Without this increase, the Board would not be able to afford any changes in their current employee's Health insurance coverage nor would they have the ability to provide fully loaded salary and fringe should a new Executive Director come on board at some point in the future.

Total requested GF Increase - \$50,000.