

**Virginia Veterans Services Foundation Board of Trustees
Tripartite Committee Meeting—Finance, Procedures and Policies, and Development**

**Virginia War Memorial
621 S. Belvidere Street
Richmond, Virginia, 23220**

**DRAFT Meeting Minutes
November 21, 2022**

A tripartite committee meeting of the Virginia Veterans Services Foundation (VSF) committees of Finance, Procedures and Policies, and Development was held on Monday, November 21st at the Virginia War Memorial, 621 S. Belvidere Street, Richmond, Virginia 23220. The meeting was called to order at 12:07 PM.

Trustees Present

- Paula Buckley
- Allan Burke
- Mike Coleman (*VSF Finance Chair*)
- Paul Haughton (*VSF Board Chair*)
- Jack Lanier (*VSF Procedures and Policies Chair*)
- Tim Pillion
- Jordan Stewart (*Designee of the Secretary of Veterans and Defense Affairs*)
- Bruce Waxman

Trustees Absent

- Kyle Craig
- John Esposito (*VSF Development Chair*)
- Phillip Jones
- Laura Schmiegel (*VSF 2nd Vice Chair*)
- Jarris Taylor
- Brad Williamson
- Michael Dick (*Board of Veterans Services Chair*)
- Denice Williams (*Joint Leadership Council Chair*)

VSF Staff Present

- Karla Boughey (*VSF Executive Director*)
- Katelyn Jordan (*VSF Coordinator*)

DVS Representatives Present

- Mario Avent
- Kim Barton (*DVS Deputy CFO/ VSF Treasurer*)
- Glendalynn Glover
- Jayla Plymouth

Materials Distributed and Attached

- Draft Tripartite Meeting Agenda (Attachment 1)
- Amended Tripartite Meeting Agenda (Attachment 2)
- VSF ByLaws (Attachment 3)
- VSF ByLaws with suggested edits made by the OAG (Attachment 4)
- VSF Policy 1- Interagency Relations (Attachment 5)
- VSF Policy 2- Foundation Administration and Operation (Attachment 6)
- VSF Policy 3- Planned Giving (Attachment 7)
- VSF Policy 4- Plans, Procedures and Policies (Attachment 8)
- VSF Policy 5- Electronic Meetings (Attachment 9)
- VSF-DVS Policy J11- Fundraising (Attachment 10)
- VSF-DVS Policy J12- In-Kind Donations (Attachment 11)
- VSF-DVS Policy J13- VSF Fund Management (Attachment 12)
- VSF-DVS Policy J14- Fund Allocation and Expenditure (Attachment 13)
- Mr. Mike Coleman Suggested Edits- VSF Policy 1 (Attachment 14)
- Mr. Mike Coleman Suggested Edits- VSF Policy 2 (Attachment 15)
- Mr. Mike Coleman Suggested Edits- VSF-DVS Policy J12 (Attachment 16)
- Mr. Mike Coleman Suggested Edits- VSF-DVS Policy J13 (Attachment 17)
- Draft Executive Committee Meeting Agenda (Attachment 18)
- Amended Executive Committee Meeting Agenda (Attachment 19)

I. Opening and Pledge of Allegiance

VSF Chair Haughton welcomed everyone, including new Trustee Tim Pillion and called the meeting to order at 12:07PM. Mr. Jack Lanier recognized and congratulated Mr. Phillip Jones on his election of Mayor of Newport News.

VSF Coordinator, Katelyn Jordan, led the group in reciting the Pledge of Allegiance.

II. Roll Call of Trustees and Quorum Determination

VSF Chair Haughton determined that there was a quorum. There were no objections.

III. Approval of the Agenda (Attachment 1)

The meeting agenda was previously sent to the trustees electronically, and there were limited printed copies available for the Board packets.

VSF Chair Haughton asked for a motion to make the following changes to the agenda:

1. rather than read "adjournment" make the change of "recess until 10:00 AM on December 8, 2022"
2. Move the review of Item 5, Review of Policy J14.5, to the first item on the agenda for the Procedures and Policies Committee.

Mr. Lanier **moved** to consider the above changes as presented and Finance Chair Coleman **seconded** the motion.

Ms. Buckley inquired as to why we were making the policy changes and reminded the board of her non-profit background and the roots of VSF in fundraising. Mr. Lanier stated that these changes were to highlight the mission of the organization and would not "get into the weeds."

There was no further discussion and the motion passed unanimously.

IV. Finance Committee

NEW BUSINESS:

Finance Chair Coleman informed the committee members that VSF had received two requests for additional funding. The first request was from The Veterans Education, Transition, and Employment Program (VETE) pertaining to the Altria grant for \$22,500 for refurbished laptops to be given to military students. Mr. Coleman stated that after looking into the funding, he has additional questions, and has requested additional information from Ms. Tammy Davidson and Ms. Kim Barton with DVS. He does not think that it will pass the board.

Mr. Coleman stated that the second funding request was from the Virginia Veteran and Family Support Program (VVFS) for an increase from \$350,000 to \$450,000 for the reprogramming of funds to be used for direct services, support for homeless veterans, and Mission Healthy Relationships. The funds would be able to be used at their discretion. This will need the appropriation to be taken out of the VSF Support Fund. This is an increased required of \$240,000 which would come from VSF's pot of money. This additional \$150,000 would come from VSF's Support Fund.

Chair Haughton stated that this funding allocation would have three itemized categorizes.

ED Boughey inquired about the funding guidelines. Mr. Coleman stated that those would be looked at during recommended policy changes. ED Boughey then asked for clarification as to how much would come out of the VSF Support Fund? Mr. Coleman responded with \$150,000.

Ms. Paula Buckley asked if this monetary request aligned with the daily Foundation operations. ED Boughey asked whether the committees would need to pass the changes to the funding guidelines before they passed the proposed changes in funding.

Mr. Coleman said that the total request from VVFS was for \$450,000. The Finance Committee is recommending that VSF gives VVFS \$500,000. Mr. Coleman said that the Finance Committee is also recommending that \$150,000 would come out of "Other Donations-Restricted."

Mr. Coleman said that these are the people that are on the ground supporting the veterans and what they need, and VSF should not set roadblocks in funding.

VSF Chair Haughton said that the issue of giving VVFS more latitude in utilization of funds has been boiling for quite some time, but "the stars had just never aligned." He reiterated the importance of having the support of the Governor, Secretary of Veterans and Defense Affairs, and the Commissioner of DVS. He said that it is time to put the mistrust behind VSF. The divorce in 2017 was "nasty" and a lot of those feelings are incorporated into VSF's policies. Chair Haughton said that we need to move past this and one way to kickstart this is to give directors more latitude rather than specificity on how they spend funds. The responsibility lies within the Department of Auditors. Chair Haughton said that he hopes everyone supports what the Finance Committee is trying to do with VVFS.

Finance Chair Coleman said the committees could either table the motion to investigate the policy changes or move forward with the motion. He reiterated the importance of giving to support our veterans. Procedures and Policies Chair Lanier stated that the policy changes should come first as they require the Commissioner's approval. VSF Chair Haughton clarified that it is only the Joint Policies that need the Commissioner's approval, not the funding guidelines. He continued to say the committees could table this portion until the members go through the policies, and the group would revisit it before the development committee.

Finance Chair Coleman inquired a Roberts Rules question about whether the committees would vote and reject or table the motion. VSF Chair Haughton stated that he would table this issue prior to item 6 of the agenda.

Mr. Brad Williamson stated that he was not clear on the exact proposal of the Finance Committee. He inquired if the funds were moving from restricted to discretionary funds. Finance Chair Coleman stated that the program that the funds are restricted to is VVFS, and VSF would be allowing them to take the funds and divide them between the three categories depending on the allocation of the donor.

ED Boughey asked again about the funding guidelines. Finance Chair Coleman asked where the VSF funding guidelines were. ED Boughey clarified that they were a part of the working documents included in the Trustee Handbook.

VSF Chair Haughton stated that when VSF had passed a budget last year, VSF had told VVFS that they had a certain amount of money.

Assistant Secretary Jordan Stewart asked if this money was coming out of the VSF Support Fund.

Finance Chair Coleman **moved to increase funds to VVFS from \$350,000 to \$500,000 and give VVFS the authority to spend said funds between direct veteran services, homeless veteran support, and the mission healthy relationships as they see fit.**

Procedures and Policies Chair Mr. Lanier **seconded** the motion. There was no discussion, and the motion passed with one abstention. Mr. Brad Williamson **abstained**.

VSF Chair Haughton stated that Sitter Barfoot Veterans Care Center has \$7,500 allocated for indigent needs, and according to their administrator the center would like those funds moved to other donations restricted as they do not have any indigent needs. Ms. Buckley inquired as to whether the Indigent Needs Fund to completely go away.

ED Boughey responded that VSF can possibly reallocate the Indigent Needs Fund to the Donation Restricted Fund to allow for flexibility in spending. Ms. Buckley stated the importance of unrestricted funds and said that VSF wants to have funds labeled as unrestricted whenever they can.

VSF Chair Haughton said to Ms. Kim Barton to look at Sitter Barfoot's donation history and see the last time they received a donation for indigent funds.

Finance Chair Coleman said that VSF would need a ruling from the OAG as to what the Board has the authority to do in this situation. He asked when the last transaction was for Operation Family Care Giver. ED Boughey said that it was when Carol Berg was still with the Foundation and VSF after much research, could not track the funder

VSF Chair Haughton stated that he would make a list of items to bring to the OAG, but the Board might not get a ruling before the December meeting.

V. Procedures and Policies Committee

**a. Review of VSF ByLaws Reviewed by the Office of the Attorney General
(Attachment 4)**

Procedures and Policies Chair Dr. Lanier began by directing the committees to look at the suggested edits made by the OAG to VSF's ByLaws. Dr. Lanier added the additional edit of changing the Title of Article I to now read "Authority, Purpose and Procedures."

Mr. Waxman stated that on page 1, Section 2.2(b)1 that "personal" must be a typo. VSF Chair Haughton clarified that it was not a typo.

Mr. Waxman stated that in Section 2.2(3)(d)(h) that "state and local" needed to be capitalized. He also inquired as to whether there needed to be a citation here.

Mr. Waxman directed the committees to look at Section 2.33(a) and inquired as to what it meant by "Trustees must be independent and objective arbitrators of the public and veterans' interests and ensure the integrity of the Veterans Services Fund." He suggested that "arbitrators" might should read as "advocates."

Procedures and Policies Chair Dr. Lanier stated that this was debated, and that the committee needed clarification on this.

VSF Chair Haughton stated that this was the policy that VSF had when the current Board leadership had when they came on. The “arbitrator” portion was to ensure that Trustees comply with the integrity of the Board.

Dr. Lanier advised that “arbitrators” be left.

VSF Chair Haughton responded with the Board’s efforts to move on from old issues of mistrust, and that it might be more appropriate to use “advocate” instead of arbitrator.”

Mr. Waxman edited “VSF” in Section 3.2 to now read “VVSF”

Mr. Waxman edited Section 4.4(q) to add “the” before “Auditor of Public Accounts”

Mr. Waxman edited Section 5.1 to read “Meetings shall be conducted in accordance WITH the provisions of the Virginia Freedom of Information Act (FOIA).”

Mr. Waxman highlighted the edits made by the OAG to Section 5.3-5, 5.3-6, and 5.3-7 to conform the VSF ByLaws to the Electronic Meetings Policy Number 5.

Dr. Lanier asked for a motion to make the edits to the ByLaws effective.

Assistant Secretary Stewart asked if Section 9.03 needed to be edited. It was noted to add “and amended effective December 8, 2022” to the final sentence of Section 9.03.

Mr. Waxman asked if these need to be run by the OAG.

VSF Chairman Haughton said no as they were editorial.

Finance Chair Coleman **moved** to accept the changes to the VSF ByLaws. Mr. Tim Pillion **seconded** the motion. There was no discussion, and the motion passed unanimously.

b. Biennial Review of VSF Policies

- i. Review of VSF-DVS Policy J14- Veterans Services Fund Allocation and Expenditure (*Attachment 13*)

The Board was directed to J14.1 “Purpose” and it was questioned whether the words “appropriating, allotting, and allocating” were needed. Procedures and Policies Chair Dr. Lanier suggested that these seem similar. Chair Haughton stated that this was getting into the weeds. The Board left Section J14.1 as is.

Finance Chair Mr. Coleman recommends to the committee two deletions in Section J14.5.

Paragraph A – ‘One hundred percent of all contributions to VSF shall be used in direct support of Virginia veterans and their families in crises or in need of assistance.’ The intent is to change the philosophy to where certain amount of funds that are not restricted can be used for other things, other than direct support of veterans.

Paragraph H - 'Donations shall only be used for program expenses for direct services for veterans and their families and not related to administrative funding.

Chair Haughton states that these deletions were to create additional flexibility, and said that the current policies and procedures constrain the Board's fundraising efforts. He says that any money the Foundation has as of December 8th will stay for the direct needs of Virginia veterans, but this change would only impact the funds received after December 8th, 2022.

ED Boughey asked to add a date for the changes to take place

Chair Haughton stated that a way to maneuver the policy change is to not hand out the current brochures indicating a conflict with the policy.

Mr. Waxman suggested a handout.

Ms. Buckley said to the Board that "fundraising begins at home." She reiterated the importance of letters to businesses and donors. She highlighted the Dominion Energy Charity Classic donation and the work of ED Boughey to secure that. She ended her remarks by saying that by having the 100% donation statement, people know that their money is going directly to supporting veterans.

Chair Haughton said that rarely is any foundation able to say that they give 100% of their funds.

Finance Chair Mr. Coleman called for the question, and restated his motion to **delete paragraphs A & H in Section J14.5.**

Chair Haughton **seconded** the motion, with a request for an individual vote.

Haughton- Yes

Buckley- No

Burke- Yes

Coleman- Yes

Lanier- Yes

Pillion- Yes

Waxman- Yes

Williamson- Yes

The motion carries.

- ii. **Review of Edits to VSF Policy 2- Foundation, Administration and Operation (Attachment 6)**

Finance Chair Mr. Coleman made the following recommendations to VSF Policy 2:

(Page 2, F2.9 and F2.10) 'Secretary provided by DVS...' and 'Treasurer provided by DVS...'

Assistant Secretary Stewart inquired as to whether the addition of "by DVS" was necessary if this was in the Code of Virginia.

Finance Chair Coleman stated that due to the amount of people who look at the policy, he thought it made sense to line them up with the Code.

Assistant Secretary Stewart asked whether the addition of the Treasurer will allow for them to work directly with the Board for approvals.

Procedures and Policies Chair Dr. Lanier responded "Yes."

Assistant Secretary Stewart asked if there would be safe guards in place for the Board to work directly with the Treasurer. The Treasurer is a part-time position.

Ms. Buckley stated that Board Members come and go, but they need someone who knows the basics here.

Finance Chair Coleman restated VSF's mission to raise funds and support veterans. He explained that the Treasurer is appointed by the Commissioner, and that state regulations on finance should not fall on the ED. He stated that the ED should be focused on growing funding and that state employees are given the rules and regulations.

Assistant Secretary Stewart reiterated her concerns about having the Treasurer concerned with the day-to-day work of the Foundation, and that there might not be fail safes for what is going on. She explained that the Agency Head is responsible for the inner workings.

Finance Chair Coleman asked "who is the Agency Head?"

Assistant Secretary Stewart stated that Karla Boughey was VSF's Agency Head.

Procedures and Policies Chair Lanier asked if Stewart could clarify Karla's role in terms of what Coleman has proposed.

Assistant Secretary Stewart stated that there has to be the role of the Agency Head, and a fail sage to assure continuity.

Chair Haughton asked for a **motion** to table the changes to VSF Policy 2 Sections F2.9 and F2.10. He moved to increase (Page 10, Appendix c, Section2A to change 10% to "15% of the Unrestricted Donor Fund." Chair Haughton also **moved** to table edits to 5D, 5E, and Paragraph 6 on page 12 for further study.

Procedures and Policies Chair Lanier asked if there was a second to the motion. There was no second or discussion. The Board then reverted back to Finance Chair Coleman's original motion of the changes.

The edits on Page 2, F2.9 and F2.10 were Tabled.

(Page 10, Appendix C, Section 2) Add: "The VSF shall not use more than 10 percent of the Unrestricted Donor Fund each year for administrative purposes."

Chair Haughton **moved** to amend "10 percent" to "15 percent."

There was no second. The following ensued for discussion:

Ms. Buckley asked if the Foundation had been meeting our finance goals.

Finance Chair Coleman **asked for all in favor** of not more than 10% for administrative purposes.

The motion passes with one opposition of Ms. Paula Buckley.

(Page 10, Appendix C, Section 2): Deletion of: "The unrestricted donor funds shall only be used for supporting the needs of veterans and their families. Revenues from the Unrestricted Donor Fund cannot directly be used to cover VSF or DVS expenses. These expenses re made from the Foundation Support Fund."

Finance Chair Coleman calls for the question. There was no discussion. The motion passes with one opposition of Ms. Paula Buckley.

All in favor with exception of Ms. Buckley.

(Page 10; Appendix C, Section 3B) Deletion of: "This fund shall not be used for administrative or fundraising purposes."

Finance Chair Coleman calls for the question. There was no discussion. The motion passes with one opposition of Ms. Paula Buckley.

(Page 11, Appendix C, Section 5D) Replacement of "Executive Director" with "Treasurer." Deletion of "Executive Director up to and including \$5,000. Amounts above \$5,000 shall be authorized by the Board of Trustees." Replace with "VSF Board in the annual budget for Foundation Support. Additional funding may be provided with the approval of the Board of Trustees."

The motion is tabled with no discussion.

(Page 11, Appendix C, Section 5E) Replacement of "Executive Director" with "Treasurer."

Finance Chair Coleman withdraws his motion.

(Page 12, Appendix C, Section 6) Complete deletion.

Finance Chair Coleman withdraws his motion.

Finance Chair Coleman clarifies that the only approved edits by the Committees were to Appendix C, Sections 2A & 2B.

iii. Review of Edits to VSF Policy 1- Inter-Agency Relations (*Attachment 14*)

Finance Chair Coleman **withdrew** his recommended changes to VSF Policy 1.

Chair Haughton **moved** that the policy was reviewed as of December 8, 2022, with no changes. Finance Chair Coleman **seconded** the motion. The motion passed unanimously with no discussion.

iv. Review of VSF Policy 3- Planned Giving (*Attachment 7*)

Chair Haughton **moved** that the policy was reviewed as of December 8, 2022, with no changes. Procedures and Policies Chair Dr. Lanier **seconded** the motion. The motion passed unanimously with no discussion.

v. Review of VSF Policy 4- Plans, Procedures and Policies (*Attachment 8*)

Chair Haughton **moved** that the policy was reviewed as of December 8, 2022, with no changes. Finance Chair Coleman **seconded** the motion. The motion passed unanimously with no discussion.

vi. Review of VSF Policy 5- Electronic Meetings (*Attachment 9*)

Chair Haughton stated that this was previously discussed and reviewed. There was no motion or discussion.

vii. Review of VSF-DVS Policy J11- Fundraising (*Attachment 10*)

Chair Haughton **moved** that the policy was reviewed as of December 8, 2022, with no changes, therefore the Board does not have to ask Commissioner Gade for approval. Procedures and Policies Chair Dr. Lanier **seconded** the motion. The motion passed unanimously with no discussion.

viii. Review of VSF-DVS Policy J12- In-Kind Donations (*Attachment 11*)

Chair Haughton **moved** that the policy was reviewed as of December 8, 2022, with no changes. Procedures and Policies Chair Dr. Lanier **seconded** the motion. The motion passed unanimously with no discussion.

ix. Review of VSF-DVS Policy J13- VSF Fund Management (*Attachment 12*)

Chair Haughton **moved** that the policy was reviewed as of December 8, 2022, with no changes. Procedures and Policies Chair Dr. Lanier **seconded** the motion. The motion passed unanimously with no discussion.

Chair Haughton initiated a discussion on showing appreciation to VSF's donors. He inquired if VSF ever implemented such a program.

ED Boughey described the certificate that Board Members would deliver to donors who donated \$1,000.00 or more in the Board Member's area. This gave the Board Member a personal touch to the donor. She stated that the website needed to be updated to reflect accurate donor giving levels.

Chair Haughton asked how the Board was to know if it was okay with donors to post their name online.

ED Boughey responded that the Foundation does receive donations from those that do not want recognition, and that is indicated by the donor.

Chair Haughton stated that the guideline the Foundation is using now is that anyone who gives \$1,000 and above is getting a certificate. He expressed his fondness of the idea.

Mr. Williamson inquired as to if this was a current policy for VSF. He advised the Board to refer back to VSF-DVS Policy J11, delineating what we do for fundraising.

Mr. Waxman expressed agreement, and suggested that the VSF Development Committee should provide suggestions for appropriate means of recognition, and that this would be a better use of their time.

ED Boughey reminded the Board of her idea to have an event with former Board members at the Governor's Mansion to connect with donors and continue to develop a personal relationship with them.

Finance Chair Coleman inquired as to where the funds derive from for the certificates.

ED Boughey responded that the certificates were done in-house with the VSF Support Fund.

VI. Development Committee Meeting

No report from the VSF Development Committee.

VII. Public Comment

Chair Haughton inquired of Public Comment. There was none.

VIII. Recess

The VSF Joint Committee Meeting of Finance, Procedures and Policies, and Development is in recess until 10:00 AM on December 8, 2022 at the Virginia War Memorial. The meeting was recessed at 2:16 PM.

**Virginia Veterans Services Foundation Board of Trustees
Tripartite Committee Meeting—Finance, Procedures and Policies, and Development**

**Virginia War Memorial
621 S. Belvidere Street
Richmond, Virginia, 23220**

**DRAFT Meeting Minutes
December 8, 2022**

A tripartite committee meeting of the Virginia Veterans Services Foundation (VSF) committees of Finance, Procedures and Policies, and Development reconvened on Thursday, December 8, 2022 at the Virginia War Memorial, 621 S. Belvidere Street, Richmond, Virginia 23220. The meeting was called to order at 10:05 AM.

Trustees Present

- Paula Buckley
- Allan Burke
- Mike Coleman (*VSF Finance Chair*)
- Paul Haughton (*VSF Board Chair*)
- Jack Lanier (*Procedures and Policies Chair*)
- Tim Pillion
- Jordan Stewart (*Designee of the Secretary of Veterans and Defense Affairs*)
- Bruce Waxman

Trustees Absent

- Kyle Craig
- John Esposito (*VSF Development Chair*)
- Phillip Jones
- Laura Schmiegel (*VSF 2nd Vice Chair*)
- Jarris Taylor
- Brad Williamson
- Michael Dick (*Board of Veterans Services Chair*)
- Denice Williams (*Joint Leadership Council Chair*)

VSF Staff Present

- Karla Boughey (*VSF Executive Director*)
- Katelyn Jordan (*VSF Coordinator*)

DVS Representatives Present

- Mario Avent
- Kim Barton (*Deputy CFO/ Acting Treasurer*)
- Glendalynn Glover
- Jayla Plymouth
- Sarah Moore

Materials Distributed and Attached

- Draft Tripartite Committee Meeting Agenda (Attachment 20)
- Revised VSF Policy 2- Administration and Operations (Attachment 21)
- Revised VSF-DVS Policy J14- Fund Allocation and Expenditure (Attachment 22)

I. Opening and Reconvene

Chair Haughton welcomed everyone, and stated that the Pledge of Allegiance would be recited at the opening of the Board of Trustees meeting. The tripartite committee meeting reconvened at 10:05 AM.

II. Roll Call of Trustees and Quorum Determination

Chair Haughton determined that there was a quorum of trustees. There was no roll call.

III. Approval of Agenda

Chair Haughton **moved** to approve the draft agenda. Finance Chair Coleman **seconded the motion**. There was no discussion and the motion passed unanimously.

IV. Unfinished Business

a. Review of changes to VSF Policies 2, and VSF-DVS Policy J14

Chair Haughton informed the committees that there were no recommended changes to the VSF Policies from the OAG.

Procedures and Policies Chair Dr. Lanier suggested that it might be helpful to have the correspondence from the OAG on this matter.

Chair Haughton informed Dr. Lanier that it was a phone conversation.

Mr. Burke **moved** to approve the changes made to VSF- DVS Policy J14 Finance Chair Coleman **seconded** the motion. There was no discussion and the motion passed unanimously.

Mr. Burke **moved** to approve the changes made to VSF Policy 2. Procedures and Policies Chair Dr. Lanier **seconded** the motion. There was no discussion and the motion passed unanimously.

b. Finance Committee Recommendations

Finance Chair Coleman reiterated the Finance Committee's recommendation to increase the funds allocated to the Virginia Veterans and Family Support Program (VVFS) from \$340,000 to \$500,000. He added that \$5,000 should be used for veterans in the Western Region of Virginia to obtain gas cards for medical appointments. Coleman made a motion to reconsider the motion to add the caveat o \$5,000 to be allocated to the gas cards.

Procedures and Policies Chair Dr. Lanier **moved** to reconsider the motion. Mr. Pillion **seconded** the motion. The discussion that ensued thereafter is as follows:

Mr. Waxman was concerned about this recommendation and earmarking of funds since the funds were to be used at VVFS' discretion.

Finance Chair Coleman said that the funds were never used for direct services of gas cards. He mentioned that Secretary Hopkins thought this was a good idea, but hadn't implemented.

Mr. Waxman inquired about the relationship between the Foundation and DVS in the creation of policy. He was concerned as to whether this was the Foundation's role.

Chair Haughton responded that he would usually agree, but this issue in particular had already been discussed with the Commissioner as a pilot program, and is under the impression that he is supportive.

Finance Chair Coleman reiterated that it would be a pilot for the Western Region of Virginia, and the effort for this began with Secretary Hopkins, but it never left the ground. At the last Board Meeting Operation Holiday Spirit with VVCC was discussed. The state allows for this to be used for gifts, but not for gas cards. If this is against the law, we cannot do it, but he wants the Board to share with DVS their desire to participate in this.

Procedures and Policies Chair Dr. Lanier asked if it being a pilot program meant that it would have a short life.

Finance Chair Coleman said that the answer was "yes" and that the Western Region of Virginia has challenges that other parts of the state does not.

Procedures and Policies Chair Dr. Lanier asked what the current policy was.

Finance Chair Coleman responded that veterans are coming in to get help and they can't get support.

Chair Haughton added that the VA bus only runs at certain times, and these veterans need transportation to get to their appointments.

Mr. Burke said that the bottom line is that veterans are unable to spend money on gas and they need a stipend.

Finance Chair Coleman responded that maybe the Board doesn't need to specify the funds, but a conversation needs to be had with the Board. He called the question and **moved** an increase in

the VVFS budget to \$500,000 to allow for direct services, homelessness, and mission healthy relationship workshops with a \$5,000 allocation to Western Virginia veterans for gas cards.

There was no discussion, and it passed with one abstention from Mr. Bruce Waxman.

V. **Public Comment**

There was no public in attendance at the meeting.

VI. **Adjournment**

Procedures and Policies Chair Dr. Lanier **moved** to adjourn the tripartite committee meeting. Finance Chair Mr. Coleman **seconded** the motion. There was no discussion, and the committees adjourned.

Veterans Services Foundation Board of Trustees Finance, Procedures and Policies, & Development Joint Committee Meeting

The Virginia War Memorial

Veterans Hall

DRAFT Agenda

November 21, 2022

12:00 PM

- I. Welcome: *Paul Haughton, VSF Board Chairman*
 - II. Roll Call and Quorum Determination: *Katelyn Jordan, VSF Coordinator*
 - III. Approval of Agenda: *Paul Haughton, VSF Board Chairman*
 - IV. **Finance Committee**
 - o NEW BUSINESS:
 - a. Review of VSF 2022 Financials
 - o Finance Committee Recommendations to full VSF Board if needed
 - V. **Procedures and Policies Committee**
 - o NEW BUSINESS:
 - a. Review of VSF ByLaws (*Attachment 1*)
 - b. Review of VSF ByLaw Edits made by the Office of the Attorney General (*Attachment 2*)
 - c. Biennial Review of VSF Policies
(Committee Members should consider the following in their review of the policies below):
 - Focus on VVSF's current mission.
 - Consideration of currency, relevancy, and mandatory requirements.
 - Consideration of each policy's "Statement of Purpose" pertaining to VVSF's mission and ByLaws.
 - Ability to provide appropriate edits and updates to all VVSF policy-related materials where indicated.
 - d. Review of VSF Joint Policy J14.5A
 1. VSF Policy 1-- Inter-Agency Relations (*Attachment 3*)
 2. VSF Policy 2-- Foundation Administration and Operation (*Attachment 4*)
 3. VSF Policy 3-- Planned Giving (*Attachment 5*)
 4. VSF Policy 4-- Plans, Procedures, and Policies (*Attachment 6*)
 5. VSF Policy 5-- Electronic Meetings (*Attachment 7*)
 6. VSF-DVS Policy J11-- Fundraising (*Attachment 8*)
 7. VSF-DVS Policy J12-- In-Kind Donations (*Attachment 9*)
 8. VSF- DVS Policy J13-- VSF Fund Management (*Attachment 10*)
 9. VSF-DVS Policy J14-- Fund Allocation & Expenditure (*Attachment 11*)
- o Policies and Procedures Committee Recommendations to full VSF Board if needed
- VI. **Development Committee**
 - o NEW BUSINESS:
 - a. Review of VSF Financial Plan (2022-2023)
 - o Development Committee Recommendations to full VSF Board if needed
- VII. Public Comment
- VIII. Adjournment

**Veterans Services Foundation Board of Trustees
Finance, Procedures and Policies, & Development Joint Committee Meeting**

**The Virginia War Memorial
Veterans Hall**

**Amended Agenda
November 21, 2022
12:00 PM**

- I. Welcome: *Paul Haughton, VSF Board Chairman*
- II. Roll Call and Quorum Determination: *Paul Haughton, VSF Board Chairman*
- III. Approval of Agenda: *Paul Haughton, VSF Board Chairman*
- IV. **Finance Committee**
 - o NEW BUSINESS:
 - a. Review of VSF 2022 Financials
 - o Finance Committee Recommendations to full VSF Board if needed
- V. **Procedures and Policies Committee**
 - o NEW BUSINESS:
 - a. Review of VSF Joint Policy J14.5A
 - b. Review of VSF ByLaws (*Attachment 1*)
 - c. Review of VSF ByLaws Edits made by the Office of the Attorney General (*Attachment 2*)
 - d. Biennial Review of VSF Policies
 - (Committee Members should consider the following in their review of the policies below):
 - Focus on VVSF's current mission.
 - Consideration of currency, relevancy, and mandatory requirements.
 - Consideration of each policy's "Statement of Purpose" pertaining to VVSF's mission and ByLaws.
 - Ability to provide appropriate edits and updates to all VVSF policy-related materials where indicated.
 - 1. VSF Policy 1-- Inter-Agency Relations (*Attachment 3*)
 2. VSF Policy 2-- Foundation Administration and Operation (*Attachment 4*)
 3. VSF Policy 3-- Planned Giving (*Attachment 5*)
 4. VSF Policy 4-- Plans, Procedures, and Policies (*Attachment 6*)
 5. VSF Policy 5-- Electronic Meetings (*Attachment 7*)
 6. VSF-DVS Policy J11-- Fundraising (*Attachment 8*)
 7. VSF-DVS Policy J12-- In-Kind Donations (*Attachment 9*)
 8. VSF- DVS Policy J13-- VSF Fund Management (*Attachment 10*)
 9. VSF-DVS Policy J14-- Fund Allocation & Expenditure (*Attachment 11*)
 - o Policies and Procedures Committee Recommendations to full VSF Board if needed
- VI. **Development Committee**
 - o NEW BUSINESS:
 - a. Review of VSF Financial Plan (2022-2023)
 - o Development Committee Recommendations to full VSF Board if needed
- VII. Public Comment
- VIII. Recess until 10:00 AM on December 8, 2022



VIRGINIA VETERANS SERVICES FOUNDATION Board of Trustees BYLAWS

Article I – Authority Purposes, and Procedures

1.1 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.

1.2 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.

1.3 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.

Article II – Trustees and Other Board Participants

2.1 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.

2.2 Duties:

(a) Respect and support the Code of Virginia, VSF trustees' bylaws, policies, and board decisions;
(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; (h) assure compliance with the provisions of the state & 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 and assess the performance of the Executive Director; (l) assess VSF board and organizational performance to strengthen VSF's services and (m) exercise all responsibilities with care and skill in a reasonable and prudent manner.

2.3 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.

2.4 Non-trustee Board participants:

Principal VSF staff members, agents, and advisors may assist the board of trustees in the administration of the VSF. The VSF Executive Director, Secretary, and Treasurer serve as ex officio non-voting board staff.

Article III – Officers

3.1 Officers of the VSF:

The officers of the VSF shall consist of a Chairman (the Chair) and Vice Chairmen (Vice Chairs). 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 functions of Secretary and Treasurer are performed by qualified personnel provided by the Department of Veterans Services in accordance with Code of Virginia § 2.2-2715.G.

3.2 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.

3.3 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.

3.4 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.

3.5 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.

3.6 Duties of the Secretary:

The Secretary shall **(a)** keep the minutes of the meetings of the board and its committees 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; **(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)** be the VSF recording and corresponding Secretary including initiating or responding to correspondence of interest and required of VSF to include letters of acknowledgement and appreciation to all VSF donors; and **(e)** 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.

3.7 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)** submit a quarterly report to the board and the Commissioner of Veterans Services on VSFs funding levels and services; **(c)** keep VSF informed of DVS budgeting and financial activities; **(d)** assist the Auditor of Public Accounts with Foundation audits; and **(e)** perform such other duties as from time to time may be assigned by the Chair or by the board and its policies.

3.8 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.

3.9 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, who are chairmen of other boards, 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.

3.11 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.

3.12 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.

3.13 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

4.1 Administrative and other services:

DVS is designated to provide VSF with administrative, staff, and other services in accordance with §2.2-2715.E.

4.2 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.

4.3 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.

4.4 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; (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; (h) coordinating with DVS in its efforts to support VSF, including; (i) assisting the Procedures and Policy Committee in developing DVS and VSF policies and procedures related to mutual support of both agencies; (j) serving as the VSF liaison to DVS for coordination of development activities with public and private development-related organizations and other interested parties. (k) ensuring that the reports required of VSF are submitted including those required by §2.2-2715.B of the Code of Virginia; (l) implementing board of trustees VSF and joint VSF-DVS policies; (m) assuring continuity of VSF administration and operations; (n) promoting inter-agency relations and ensuring compliance with inter-agency agreements; (o) attending board of trustees and committee meetings; (p) ensuring expeditious qualification of new trustees in accordance with Title 49 of the Code of Virginia; (q) acting as the VSF point of contact for Auditor of Public Accounts audits; and (r) 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

5.1 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).

5.2 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.

5.3 Meeting Procedures:

5.3-1 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.

5.3-2 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.

5.3-3 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, a seven days' notice shall be given.

5.3-4 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.

5.3-5 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.

5.3-6 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.

Article VI – Committees

6.1 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. Unless otherwise specifically provided by the board of trustees, recommendations of committees are advisory and must be ratified by the board. Trustees 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.

6.2 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.

6.3 Standing Committees:

The Committee Chairs, Assistant Chairs, and trustees of the three standing committees shall be appointed by the Board Chair, after consultation with the parties involved. Ex officio trustees who are chairmen of other boards 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:

6.3 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; (e) such other business as may come before it; and (f) organizing 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.

(1) **In support of procedures**, the committee shall be responsible for the formulation of proposed 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.

(2) **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.

(3) 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 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 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 September 19, 2019, June 24, 2020, and effective July 1, 2020.



VIRGINIA VETERANS SERVICES FOUNDATION
Board of Trustees
BYLAWS

Article I – Authority Purposes, and Procedures

1.1 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.

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(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.

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2.3 Responsibilities:

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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.

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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.

3.6 Duties of the Secretary:

The Secretary shall (a) keep the minutes of the meetings of the board and its committees 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; (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) be the VSF recording and corresponding Secretary including initiating or responding to correspondence of interest and required of VSF to include letters of acknowledgement and appreciation to all VSF donors; and (e) 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.

3.7 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) submit a quarterly report to the board and the Commissioner of Veterans Services on VSFs funding levels and services; (c) keep VSF informed of DVS budgeting and financial activities; (d) assist the Auditor of Public Accounts with Foundation audits; and (e) perform such other duties as from time to time may be assigned by the Chair or by the board and its policies.

3.8 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.

3.9 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, who are chairmen of other boards, 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.

3.11 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.

3.12 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.

3.13 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

4.1 Administrative and other services:

DVS is designated to provide VSF with administrative, staff, and other services in accordance with §2.2-2715.E.

4.2 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.

4.3 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.

4.4 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; (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; (h) coordinating with DVS in its efforts to support VSF, including; (i) assisting the Procedures and Policy Committee in developing DVS and VSF policies and procedures related to mutual support of both agencies; (j) serving as the VSF liaison to DVS for coordination of development activities with public and private development-related organizations and other interested parties. (k) ensuring that the reports required of VSF are submitted including those required by §2.2-2715.B of the Code of Virginia; (l) implementing board of trustees VSF and joint VSF-DVS policies; (m) assuring continuity of VSF administration and operations; (n) promoting inter-agency relations and ensuring compliance with inter-agency agreements; (o) attending board of trustees and committee meetings; (p) ensuring expeditious qualification of new trustees in accordance with Title 49 of the Code of Virginia; (q) acting as the VSF point of contact for Auditor of Public Accounts audits; and (r) 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

5.1 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).

5.2 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.

5.3 Meeting Procedures:

5.3-1 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.

5.3-2 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.

5.3-3 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, a seven days' notice shall be given.

5.3-4 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.

5.3-5 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. In the event a meeting, or individual trustee participation, is being conducted through electronic communication means, as allowed by Board policy and statute, all votes shall be conducted by voice roll call. ~~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.

5.3-6 Closed Meetings:

The conduct of closed meetings shall be governed by the provisions of §§2.2-3711 & 2.2-3712 of the Code of Virginia, or as hereafter may be amended. ~~Closed meetings cannot be conducted electronically.~~

5.3-7 Electronic Meetings:

From time to time, it may be necessary to conduct meetings through electronic communication means or allow individual Trustee participation through electronic communication means. To accomplish this, the Board will follow its Electronic Meeting policy as adopted and the provisions of §§ 2.2-3708.2 & 2.2-3708.3 of the Code of Virginia, or as hereafter may be amended.

Article VI – Committees

6.1 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. Unless otherwise specifically provided by the board of trustees, recommendations of committees are advisory and must be ratified by the board. Trustees 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.

6.2 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.

6.3 Standing Committees:

The Committee Chairs, Assistant Chairs, and trustees of the three standing committees shall be appointed by the Board Chair, after consultation with the parties involved. Ex officio trustees who are chairmen of other boards 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:

6.3 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; (e) such other business as may come before it; and (f) organizing 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.

(1) **In support of procedures**, the committee shall be responsible for the formulation of proposed 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.

(2) **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.

(3) 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 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 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 September 19, 2019, June 24, 2020, and effective July 1, 2020.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

VIRGINIA VETERANS SERVICES FOUNDATION
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
Short Title – Inter-Agency Relations

F1.1 Purpose

The purpose of this policy is to establish guidelines and 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 Chair of the VSF Board of Trustees (the trustees) 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 Chair (Board Chair) or his/her designee, in consultation with the 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 et seq. 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 and Defense Affairs 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.
- 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.
- 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. VSF and DVS are mutually supporting agencies.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

- E. Virginia Code §2.2-2715.C. specifies that the Secretary of Veterans and Defense Affairs and the Chairmen of BVS and JLC serve as ex officio voting trustees of the board of trustees of VSF.
- 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.
- B. Direct mutual support means VSF specifically supports DVS and is authorized to answer directly to DVS’ request for assistance. 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 relationship exists between DVS and VSF because each agency was established to provide effective and efficient services. Each 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 MOU and supporting Joint VSF-DVS Policies.
- 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 veteran issues, delivery of services, plans, projects and policies and procedures. BVS also makes recommendations to DVS and 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 veteran services and programs and addressing veteran 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 from BVS and JLC that have been reviewed and approved by DVS and the Secretary of Veterans and Defense Affairs.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

F1.8 Procedures

- A. Detailed procedures for VSF and DVS are contained in VSF-DVS Joint Policies 11 through 14
- 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 and the Secretary of Veterans and Defense Affairs for consideration, in consultation with BVS. DVS may consider internal resources or external resources, including VSF resources, to address the need.
- 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." Applications shall be made through the DVS Commissioner and the Secretary of Veterans and Defense Affairs, 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 veteran 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 Virginia War Memorial Foundation is under the supervision of the DVS Commissioner ((§2.2-2001.3.F). Neither the Virginia War Memorial nor the Virginia War Memorial Foundation are supported by VSF.
- 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. Notice regarding such actions shall be given to all Trustees at least ten (10) days prior to the vote being taken. Biennial review of this policy is the responsibility of the VSF Procedures and Policy Committee.

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

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

F1.11 Policy Review Date

The policy review date is the date the policy was reviewed without revisions made. Reviewed: TBD.

F1.12 Policy Effective Date

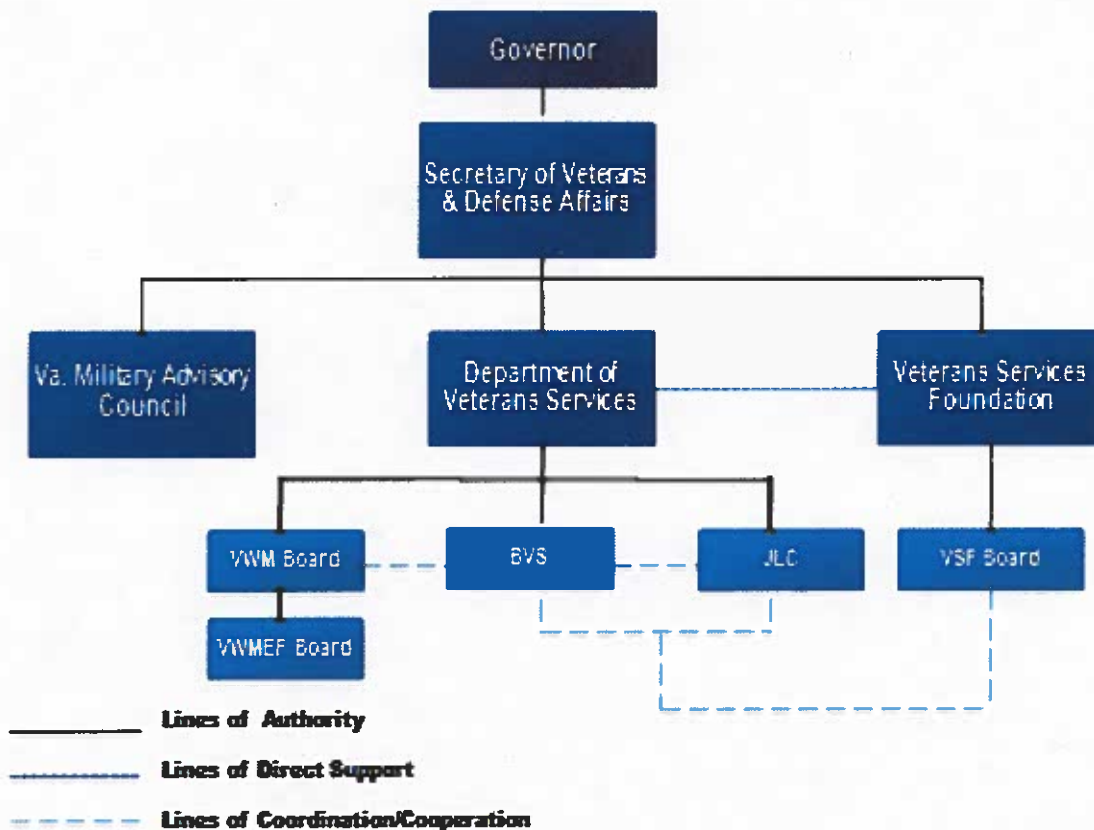
The effective date of the policy, or policy revision, shall be the date the VSF Trustees ratify the policy.

September 17, 2020

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

Appendix A

Virginia Veterans Affairs Organization

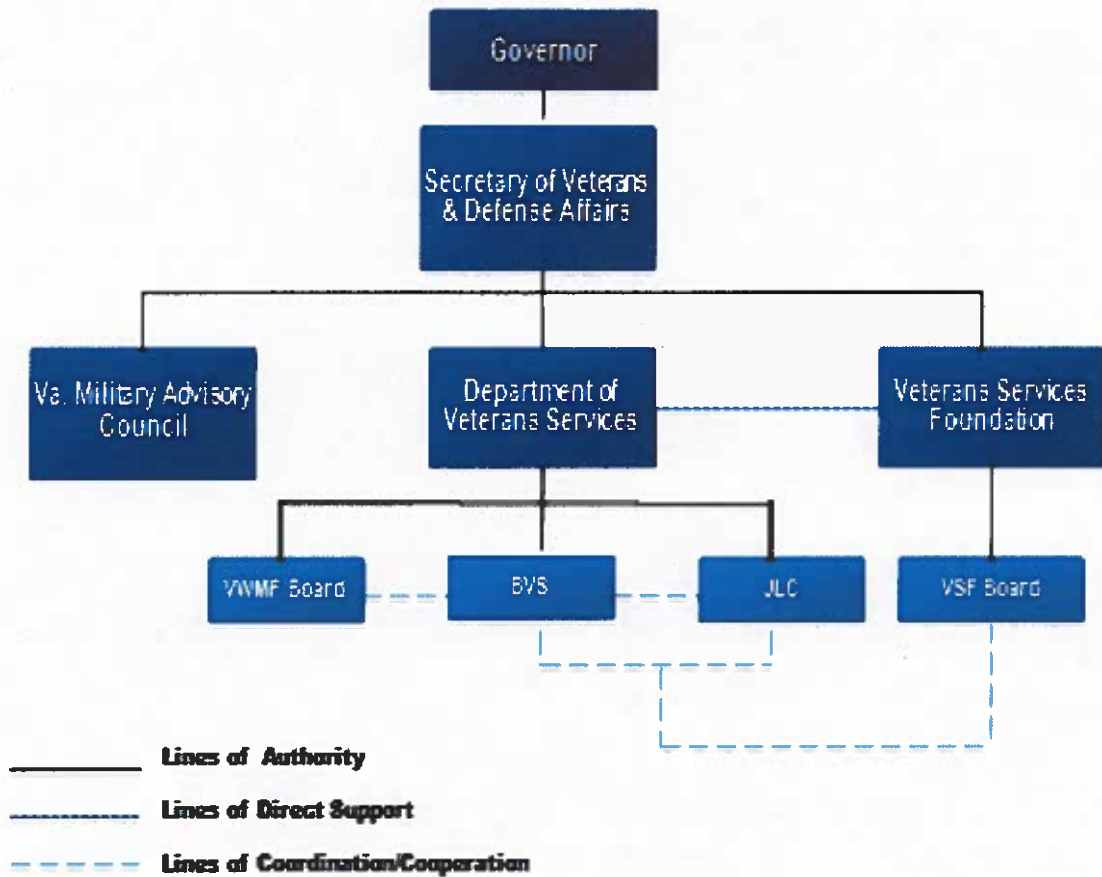


Effective until January 1, 2020

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

Appendix A

Virginia Veterans Affairs Organization



Effective January 1, 2020

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

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) 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 recognizes that:

1. DVS must have a clear understanding of VSF's support requirements in order to provide effective financial management and administrative support within available resources; and
2. VSF must have a clear understanding of the level of support that DVS can provide with available resources; and,
3. DVS and VSF will work together to achieve the purposes for which VSF 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 supporting administration of the Veterans Services Fund (the Fund), transfer of funding to DVS, VSF Funding Guidelines, fundraising, and other joint policies to facilitate the purposes of this MOU.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-19-2019
VSF Policy Number 1		Reviewed:

- 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) Request technical and other assistance from DVS in a timely manner.

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) 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 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 Fund administration, Funding Guidelines, fundraising, and accountability.
- 8) Provide technical assistance regarding contracting initiatives and grants.
- 9) Provide space for VSF meetings and staff members.
- 10) Provide funding for and process trustees' claims for travel, other actual expenses, and incidental expenses of VSF Board and Committee meetings.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-19-2019
VSF Policy Number 1		Reviewed:

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 support for fundraising activities with the other agency.
- 4) Maintain their websites in a manner that is mutually supporting.
- 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 20th 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.
- 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.

Commissioner
Department of Veterans Services

Date

Chairman
Veterans Services Foundation
Board of Trustees
as ratified by the Board on:

Date

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

F2.1 Purpose

This policy is established to set 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 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 Secretary of Veterans and Defense Affairs, is responsible for the interpretation of this policy.

F2.4 References

Administration of 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) set forth in VSF Policy 1, Appendix B.

F2.5 Overview

- A. Assigned 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. Mission Statement: Our Veterans served us, now it's our turn to serve them.
- C. VSF is a state philanthropic activity comprised of a governing board of trustees, supporting staff, donors, volunteers, and other interested parties.
- D. The Code of Virginia §2.2-2715.E. states that DVS shall provide administrative, staff, and other services to the VSF. These are contained in the DVS-VSF MOU. VSF responsibilities to DVS are contained in the MOU and the VSF policy on interagency relations.
- E. 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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

- C. VSF 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 the efficient and effective administration and operation of VSF and its Fund. 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 shall be assisted by the VSF Secretary and Treasurer.
- C. VSF 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; 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 the Joint Leadership Council of Veterans Service Organizations in consultation with the DVS Director of Policy and Planning.

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 Secretary of Veterans and Defense Affairs. Once selected by the VSF trustees panel, the Executive Director shall be hired in accordance with §2.2-2715.
- B. The VSF Executive Director reports to the Board Chair and is chief administrator of VSF. The Board Chair shall submit an evaluation of the Executive Director annually in October to the Secretary of Veterans and Defense Affairs.
- C. The Executive Director's duties are set forth in the trustees bylaws.

F2.9 Secretary

- A. The Secretary shall be qualified in development and shall be appointed by the board of trustees. The incumbent may be assisted by such DVS staff as required. The Secretary to the Board shall perform those duties as designated by the board.
- B. The Secretary's duties are set forth in the trustees' bylaws.

F2.10 Treasurer

- A. The Treasurer shall be qualified in finance and appointed by the Board of Trustees. The incumbent may be assisted by such DVS staff as required. The Treasurer only shall perform those duties and have such powers as designated by the board.
- B. The Treasurer's duties are set forth in the trustees' bylaws.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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 contract 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.
- 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 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: (1) separate current and non-current funds for annual operations as set forth in the Appropriations Act; (2) reserves; (3) specific funds for stand-alone projects; and (4) endowments primarily to provide funding for veterans programs and services. The Fund accounting structure consists of subsidiary and sub-funds. Subsidiary funds are the primary subordinate funds of the Veterans Services Fund and pertain to the funds of each of DVS principal programs and both the VSF Unrestricted Revenue Fund and the VSF Support Fund. Sub-funds or sub-accounts exist within subsidiary funds and are financial accounts that support the activities/services of DVS programs and the VSF Unrestricted Revenue Fund. Details of the fund operating and accounting structure are contained in VSF-DVS Joint Policy 4.
- 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. Sub-fund adjustments of amounts less than \$10,000 within subsidiary accounts in the annual budget may be made by the VSF Executive Director 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 Finance Committee Chair and the Board Chair for action as set forth in section J2.13.D. Any changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- F. 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 board meeting. In any case, all changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- G. 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, except unrestricted donor funds, 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

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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. The Fund is not an auxiliary or reserve fund for DVS or VSF.

- H. The Unrestricted Revenue Fund and the Foundation Support Fund are subsidiary funds of the Fund. The procedures to be followed when allocating and expending the financial assets of the Unrestricted Revenue Fund and the Foundation Support Fund are contained in Appendix C.

F2.14 Financial Procedures

- A. Expenditures for DVS activities approved by the trustees may be processed upon approval by 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 administration and operations shall require the pre-approval of the VSF Executive Director in accordance with the procedures contained in Appendix C.

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. This report and monthly reports are compiled with the assistance of the DVS Director of Finance and the DVS Finance Staff for 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.
- B. The DVS monthly and quarterly reports consists 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. To obtain VSF funding, VSF requires that DVS submit a report detailing DVS program requirements to form the annual budget.
- D. Reports on income and expenditures shall be submitted monthly, or as requested, to the DVS Commissioner, the trustees, or others for review. These reports shall include under- funded or unfunded needs, if any.
- E. VSF shall compile an annual report to the Secretary of Veterans and Defense Affairs, and the General Assembly in accordance with § 2.2-2715.B. 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.
- F. The quarterly and annual reports shall be available in the board of trustees meeting minutes posted on the VSF website

F2.16 Adoption and Amendment

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

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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

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.

September 19, 2019

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

Appendix A

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 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.

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VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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;
- 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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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.
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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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.

COMPENSATION, BONUSSES & 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.

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VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

Appendix C

Veterans Services Unrestricted Revenue Fund and Foundation Support Fund Processing of Financial Requests Procedures

1. Purpose

This policy sets forth the procedures to be followed when allocating and expending the financial assets of the Unrestricted Revenue Fund and the Foundation Support Fund.

2. Overview

- A. The Unrestricted Revenue Fund is a subsidiary fund of the Veterans Services Fund that includes such funds as was or may be appropriated by the General Assembly, unrestricted donations to VSF, and interest accrued to the fund. The Unrestricted Revenue Fund is an income fund and the only stable asset VSF has. The appropriated funds and interest are for supporting VSF administration and operations and serving as a reserve of funds for emergency purposes. The unrestricted donor funds shall only be used for supporting the needs of veterans and their families. Revenues from the Unrestricted Revenue Fund cannot directly be used to cover VSF or DVS expenses. These expenses are made from the Foundation Support Fund.
- B. The Foundation Support Fund was created as a subsidiary fund of the Veterans Services Fund to cover VSF administration and operating expenses. Its expenditures are limited by current editions of the Commonwealth Appropriation Act.
- C. The Unrestricted Revenue Fund, through the Foundation Support Fund, may advance funds to cover DVS programs until these expenditures are replaced with donations, by DVS funds, or through state appropriations.

3. Definitions

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

- A. **Administrative Expenses:** These are what 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.
- B. **Unrestricted Donor Fund:** This is a sub-fund of the Unrestricted Revenue Fund and consists of donations made to the Foundation for direct support of veterans and their families. This fund shall not be used for administrative or fundraising expenses.
- C. **Fundraising Expenses:** These are what the VSF spends to raise money. Fundraising expenses can include campaign printing, publicity, outreach, mailing, travel, and staffing and costs incurred in soliciting donations, memberships, and grants. For the VSF, these expenses fall under the Foundation Support Fund.
- D. **Contingency:** This is a planned situation where a VSF or DVS program need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

- E. **Emergency:** This is an unplanned situation where a VSF or DVS urgent need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.
- F. **Foundation Operations:** They are the functions performed in support of the administration of the Foundation.
- G. **Program Expenses:** These are what the Foundation annually allocates primarily to the DVS programs and direct services to veterans and their families. For the VSF, these include emergency expenses associated with DVS programs, if they don't fall under Administrative Expenses.

4. 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 (13). 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 Finance Office for the VSF.

5. Managing Unrestricted Revenue 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 designated as the interest sub-fund of the Unrestricted Revenue Fund. 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 VSF Executive Director is responsible for directing and administering the Foundation Support Fund within authorized amounts. 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.
- E. The procedures to be followed by the Executive Director to adjust the Foundation Support Fund Budget shall be:
 1. 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.
 2. 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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

6. Procedures for DVS Requesting Foundation Support Funds for Additional Program Funding

- A. The Support Fund may be used to provide temporary emergency expenditures for DVS programs, but this is done with the understanding that such funds will be replaced. Requests for allocations of the Support Fund revenues 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.

VSF Planned Giving Policy	Veterans Service Fund – Planned Giving	Effective: 3.25.2021
VSF Policy 3		Revised: 3.25.2021

VIRGINIA VETERANS SERVICES FOUNDATION
Veterans Services Fund – Planned Giving
Policy and Procedures

F3.0 Notice

This policy is not legal advice. Potential donors should contact their attorneys to obtain advice relating to planned gifts.

F3.1 Purpose

- A. The Virginia Veterans Services Foundation (VSF or Foundation) seeks to offer planned gift opportunities to donors by establishing a Planned Giving Program. To that end, this policy is established to recognize that VSF understands its primary responsibility is to the donors and VSF shall always remain cognizant of the donor’s needs and desires. Recognizing this, VSF only will be able to accept distributions that are lump-sum payments because VSF is not organized or staffed to process and track installment payments under certain types of participatory life insurance programs, annuity distributions, or other similar agreements.
- B. Planning and coordination are essential to successful planned giving and to avoid duplication in approaching potential donors in the name of the VSF and the Virginia Department of Veterans Services (DVS). To preserve the credibility of VSF and DVS among their financial supporters and the public, as well as to optimize resources, this policy will govern all private planned giving requests made on behalf of VSF and DVS and/or activities related to these two agencies and groups affiliated therewith.
- C. To implement this policy, a Planned Giving Sub-committee of the VSF Development Committee is a board of trustees’ special subcommittee under the Development Committee. It shall be formed, when required, to supervise the Planned Gift Program and make appropriate recommendations. The Subcommittee shall be chaired by the Assistant Chair of the Development Committee and contain an odd number of members not to exceed five Appointed by the Chair of the Development Committee in consultation with the Committee Assistant Chair. Development Committee advisors also may participate and assistance may be sought from the Office of the Attorney General.

F3.2 References

This policy is made in accordance with *Code of Virginia* §§ 2.2-2715 et seq. and 64.2-1100 et seq., DVS-VSF Memorandum of Understanding, and VSF Bylaws. Additionally, the National Association of Charitable Gift Planners guidelines for planned giving/gift planning (www.pppnet.org) shall be followed as they apply to the VSF and its organizational and operational capabilities.

F3.3 Application

The Executive Director of VSF or his designee shall be responsible for the application of this policy.

F3.4 Interpretation

The Chairman of the Board of Trustees of VSF (the Trustees), with the assistance of the VSF Planned Giving Sub-committee, is responsible for the interpretation of this policy.

F3.5 Planned Giving Program

Broadly defined, a planned gift is one which is planned for during the donor’s lifetime but whose principle benefits do not accrue to the VSF until some future date.

VSF Planned Giving Policy	Veterans Service Fund – Planned Giving	Effective: 3.25.2021
VSF Policy 3		Revised: 3.25.2021

F3.6 Policy

- A. VSF shall, in coordination with DVS, oversee and ensure that the establishment of planned giving priorities and oversight of planned giving rests with the VSF Trustees. The Trustees' Development Committee, under the Trustees Bylaws, is responsible for making recommendations regarding fundraising and organizing fundraising programs, which includes planned giving. The Trustees have designated the VSF Executive Director as having oversight of private fundraising activities. The VSF Executive Director shall assist the Development Committee's Planned Giving Sub-committee plan, organize, and conduct programs to implement the Planned Giving Program.
- B. VSF may, in coordination with DVS, accept gifts in the following forms:
 - 1. Bequests that do not include real estate or personal property such as artwork, jewelry, antiques, clothing, etc;
 - 2. Whole life insurance policies where the VSF is named as:
 - a. Owner and beneficiary of 100% of the policy or contract and the policy or contract is equal to or greater than \$10,000.00; or
 - b. Partial beneficiary of the policy or contract and the policy or contract is equal to or greater than \$10,000.00.
 - 3. Retirement plan beneficiary designations where the VSF is named the beneficiary and the distribution is in the form of a lump-sum payment.
 - 4. Other forms of gifts may be considered for acceptance on a case-by-case basis.
- C. VSF reserves the right to refuse any planned gift or enter into any planned gift arrangement that is not in the Foundation's best interest. VSF shall not accept the following:
 - 1. Current, Deferred, and Commercial Charitable gift annuities;
 - 2. Pooled Income Fund Gifts and Charitable Remainder Trusts;
 - 3. Term Life Insurance;
 - 4. Charitable Funds Managed by Others and Charitable Lend Trusts; and
 - 5. Retained Life Estates.
- D. Prospective donors are to obtain and be represented by their own legal counsel for review of the gift and the advisability of the gift in light of the donor's overall estate plan. VSF and DVS staff members shall not give legal advice to donors or act as an executor of an estate that has an obligation to the Foundation.
- E. VSF and DVS staff shall only inform, serve, and otherwise assist donors, but never pressure or unduly persuade perspective donors. The staff shall encourage donors to discuss proposed gifts with their advisors.
- F. VSF and DVS staff shall only inform, serve, and otherwise assist donors, but never pressure or unduly persuade perspective donors. The staff shall encourage donors to discuss proposed gifts with their advisors.
- G. If a donor or prospective donor requests, all information obtained from or about that donor will be kept in confidence. This information is specifically excluded from the records disclosure requirement of the Virginia Freedom of Information Act (*Code of Virginia* § 2.2-3705.7.28 or as hereafter may be amended). Additionally, no public announcement will be released or published without written permission of the donor.

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- H. The VSF Development Committee’s Planned Gift Subcommittee shall judge the merits of each planned gift offered and approve the receipt of the gifts that are considered appropriate for VSF acceptance.
- I. Acceptance and distribution of unrestricted gifts to VSF shall be at the discretion of the Board of Trustees as determined by the provisions contained in the *Code of Virginia*. Acceptance and distribution of restricted gifts shall be as designated by the donor. However, if the purpose of the donation has been met or no longer exists, the remaining funds may be used at the discretion of the VSF Board of Trustees to provide other support to veterans and their families.

F3.7 Definitions

The most common forms of estate provisions are bequests, life insurance beneficiary designations and retirement plan beneficiary designations. The following definitions apply:

- A. **Bequests** are a written statement in a donor’s will directing that specific assets, or a percentage of the estate, shall be transferred to a charity at the donor’s death. Bequests can take many forms and are completely controlled by the donor until his or her death. Types of bequests can include:
 1. Specific bequests can be made for a specific dollar amount.
 2. Residual bequests provide for the distribution of assets remaining after payment of all debts, expenses, and specific bequests.
 3. Contingent bequests provide for distribution of assets if certain conditions or circumstances exist at the time of death.
- B. **Life Insurance** policies are contracts with an insurance company. In exchange for premiums (payments), the insurance company provides a lump-sum payment, known as a death benefit, to beneficiaries in the event of the insured’s death. Donors may give an existing policy, either fully paid or partially paid, or a new policy. The proposed gift to a charity is accomplished by naming the charity as a beneficiary of the policy on the beneficiary designation form. Insurance policies that are accepted by VSF may take the following forms:
 1. An existing paid-up policy where the Virginia Veterans Services Foundation is named the owner and beneficiary.
 2. An existing paid-up policy where VSF is designated as a co-beneficiary to share the proceeds with another beneficiary.
- C. **Retirement Plan** is a financial arrangement designed to replace employment income upon retirement. These plans may be set up by employers, insurance companies, trade unions, the government, or other institutions. When a participant in a retirement plan passes away, the benefits to which the participant would have been entitled are paid to the participant’s designated beneficiary in a form provided by the terms of the plan (i.e., lump-sum or annuity). VSF shall accept only lump-sum payments.

F3.8 Planned Giving Responsibilities and Procedures

- A. **Overview:** VSF shall conduct planned giving in a manner that does not conflict with VSF or DVS policies. Donors should be encouraged to leave outright gifts to VSF in their wills or living trust agreements.
- B. **Responsibilities**
 1. **Planned Gift Subcommittee:** The VSF Development Committee’s Planned Gift Subcommittee shall, when activated, supervise the Planned Gift Program and make appropriate recommendations as required. The Subcommittee also shall evaluate proposed gifts, which do not clearly fall within the scope of this policy, but merit consideration and

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further clarification. Determination of which proposals warrant review by the Subcommittee shall be made at the discretion of the VSF Executive Director.

2. VSF Executive Director shall:

- a. Be responsible for the proper negotiation, administration, and closure of all planned gifts made to VSF. All DVS staff made aware of any planned giving arrangement shall provide such information to the VSF Executive Director. The Executive Director shall keep appropriate DVS staff informed of the status of the Planned Gift Program and specific gifts.
- b. Maintain a record of information about known bequest donors and the provisions of the bequest.
- c. Be responsible for recording life insurance information including: the name of the donor, name of the insured, insured's date of birth, date of gift, face value of the policy, type of policy, cash surrender value, timing and amount of premium payments, name and address of the insurance company, and account number of the policy.
- d. Recommend the procedures to follow and administer once a bequest gift has been realized or matured for the timely distribution of funds for approval by the Planned Gift Subcommittee.
- e. Recommend the acceptance and distribution of unrestricted gifts to VSF for approval by the Planned Gift Subcommittee. The Subcommittee shall forward such recommendations through the Development Committee for Board of Trustees approval.
- f. Ensure that acceptance and distribution of restricted gifts shall be as designated by the donor.

C. Procedures

1. Background:

- a. Planned giving gifts are realized as the result of the death of the donor (estate gifts). Because of the magnitude of these gifts and the fact that gifts of this nature are revocable, it is important to solicit and steward this type of gift during the donor's lifetime. It is equally important from a fiscal standpoint to follow through to assure timely collection of the proceeds on the death of a donor.
- b. In planned giving, the owner retains complete control over the distribution of the assets during their lifetime. Although a donor may tell VSF that they have included VSF as a beneficiary in their estate planning, it likely will be sometime before VSF actually receives the gift. These gifts do not become irrevocable until the death of the donor. To secure the stream of revenue for the future, VSF should:
 - (1) Solicit gifts of estate provisions through wills and beneficiary designations during the donor's lifetime;
 - (2) Determine the donor's interest regarding the use of the gift when it is received by VSF;
 - (3) Keep VSF and DVS connected to the donor through regular communications and stewardship activities; and
 - (4) Monitor and become involved in the process of estate settlement as necessary so VSF can receive the benefits of the gift in a timely manner.
- c. Life insurance gifts may take many years to realize, and the cost of administration and premium payments can be time-consuming and expensive for VSF. It is imperative that policies are in place to assure that the value of the gift outweighs the possible expense and liability.

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2. Procedures.

The following procedures apply to the processing of all deferred/planned gifts:

a. **Bequests:** When making a will, the donor should obtain the assistance of an attorney. If a donor indicates that they intends to name VSF as a beneficiary, VSF requests that the donor notify VSF by completing the Declaration of Intent attached as Appendix A.

- (1) If a donor notifies the VSF that they have provided for the Foundation in their estate plan, encourage the donor to provide VSF with a copy of the documentation. This may be a copy of the will (or the relevant codicil), the retirement plan designation, or other such documents.
- (2) If the donor is willing, request the donor sign a Declaration of Intent so that VSF can recognize the donor for their total commitment to VSF.
- (3) The Declaration of Intent shall state the amount the donor intends to contribute.

b. **Insurance:**

- (1) All policy information will be maintained by the office of the Executive Director.
- (2) If an individual names VSF both owner and beneficiary of a policy, it is an irrevocable gift. If the donor intends to claim a charitable deduction of \$5,000 or more, he/she will be required to obtain a qualified appraisal to substantiate the value of the property. The donor's deduction will generally be the lesser of cash surrender value or the premiums paid to date on the policy.
- (3) In order for the gift of insurance to be complete, the donor will need to deliver the original policy and/or a fully executed owner and beneficiary designation form to the office of the VSF Executive Director.
- (4) Policies where VSF is not named as both owner and beneficiary such as an individual whole life insurance policy where a donor names VSF as beneficiary, but retains all incidents of ownership, are not completed gifts. These gifts will be treated in the same manner as will provisions, retirement plan designations, and other gifts over which the donor retains control during their lifetime.
- (5) Paid-up Life insurance policy gifts are valued, for VSF accounting purposes, at the policy's replacement cost (the cost to purchase a replacement policy). If the policy is partially paid, the value of the gift for VSF accounting purposes is the policy's cash surrender value. For IRS purposes, the donor's charitable income tax deduction is limited to the cash surrender value or the net premiums paid on the policy – whichever is less.

c. **Retirement Plans:** In order to accomplish such a donation, the donor should execute a Beneficiary Designation form with their plan administrator to name VSF as a beneficiary of the plan and a Declaration of Intent form (Appendix A) indicating that they intend to make charitable contributions to VSF.

d. **Valuation of realized bequests and insurance:** They will be received at face value and acknowledged as such to the estate executor or insuring company. Acknowledgements to the deceased's next of kin will be determined by the estate executor.

F3.9 Reporting Planned Giving Status and Results

The Executive Director shall submit a quarterly report to the Foundation Board. The report shall include a complete list of all planned gifts managed by VSF. It also will include a list of all gifts received.

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F3.10 Adoption and Amendment

This policy may be adopted and amended by a majority vote of the VSF Board of Trustees. Notice regarding such actions shall be given to all Trustees at least ten (10) days prior to the vote being taken. Biennial review of this policy is the VSF Development Committee’s responsibility.

F3.11 Policy Review Date

The date the policy is reviewed is the date the policy was reviewed without revisions made. Reviewed by the Office of the Attorney General and endorsed by the Procedures and Policies Committee on March 8, 2021

F3.12 Policy Effective Date

The effective date of the policy, or any policy revision, shall be the date the VSF Trustees ratify the policy.

March 25, 2021

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VSF Policy 3		Revised: 3.25.2021

VIRGINIA VETERANS SERVICES FOUNDATION

Veterans Services Fund – Planned Giving

Appendix A

PLANNED GIVING

Notice. This appendix is for informational purposes and is not legal advice. The Virginia Veterans Services Foundation (VSF) cannot provide legal or financial advice. We urge the donor to meet with a legal or financial professional to determine the appropriate way to give and the best language to use when making a bequest.

Introduction. VSF offers several opportunities for donors to help Virginia’s veterans and their families. One way is through charitable bequests, which allow donors to direct that portions of their assets be used to benefit philanthropic institutions following the donor’s death. Bequests made through wills or living trusts play an important role in securing the future of VSF programs. These commitments also enable individuals to make gifts that may not have been possible during their lifetimes.

Requirements:

1. The donor must provide the VSF with documentation that evidences the commitment. This would include a copy of the will provision, a copy of a beneficiary designation, a codicil, and financial documentation of the value of the future provisions.
2. The gift is to be placed in the VSF Veterans Services Fund from which a spending portion shall be used to support Virginia Department of Veterans Services (DVS) programs and services as detailed in the current VSF brochure and listed on the Commitment Card on the next page.
3. If specified by the donor, the spending portion will be directed to support the DVS programs and services so designated. However, if the purpose of the donation has been met or no longer exists, the remaining funds may be used at the discretion of the VSF Board of Trustees to provide other support to Virginia’s veterans and their families. Unspecified gifts shall be spent as determined by the VSF Trustees.
4. Simple bequest language for a will, codicil, or establishing a trust follows.

Wording for documentation for bequests can take several forms:

1. Specific Bequest: gives the Foundation a specific amount of money or piece of property; e.g., “I give, devise, and bequeath to the Virginia Veterans Services Foundation (Federal Tax ID#: 46-2744762), Richmond, VA 23219, the sum of \$(or shares of ...stock) to be used at the discretion of the Board of Trustees (or for a designated purpose such as the Virginia Veteran and Family Support program (VVFS), the Sitter & Barfoot Veterans Care Center, the Virginia Veterans Care Center, or any of the Veterans Cemeteries in Amelia (Richmond), Dublin (Southeast Virginia), or Suffolk (Hampton Roads)).”
2. Residual Bequest: designates all or a portion of whatever remains after all debts, taxes, and expenses have been paid; e.g., “I give, devise, and bequeath to the Veterans Services Foundation (Federal Tax ID#: 46-2744762), Richmond, VA 23219, all the rest, residue, and remainder of my estate, to be used at the discretion of the Board of Trustee (or for a designated purpose as listed above).”
3. Contingent Bequest: takes place only under certain conditions; e.g., ‘In the event my spouse does not survive me, I give, devise, and bequeath to the Virginia Veterans Services Foundation (Federal ID#: 46-2744762), Richmond, VA 23219, the sum of (or the residue and remainder of my estate), to be used at the discretion of the Board of Trustees (or for a designated purpose as listed above).”

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Please allow the Foundation to thank you by completing the following Declaration of Intent:

I expect my gift will amount to US \$ _____

My Benefactor commitment to the Virginia Veterans Services Foundation will be in the form of:

Will/Bequest _____ Outright Gift _____ Other (please specify) _____

I designate that the spending portion of my gift will be applied to:

- Foundation Unrestricted Fund**
- Virginia Veteran and family Support**
- Sitter & Barfoot Veterans Care Center**
- Virginia Veterans Care Center**
- Puller Veterans Care Center**
- James & Cabacoy Veterans Care Center**
- Virginia Veterans Cemeteries**
- Virginia Values Veterans (V3) Program**
- Other _____**

Should no designation be specified, the Trustees will use it for unrestricted veterans programs and activities.

Name _____ Date of Birth* _____

Address _____ Date _____

Telephone _____ E-mail _____

**Date of birth is used to discriminate donors in place of a SSN or other personal or financial information.*

Please return this to the Virginia Veterans Services Foundation, 101 North 14th Street, 17th Floor, Richmond, Virginia 23219

The Foundation (Federal ID#: 46-2744762) is a tax exempt state agency under section 170 (c) (1) of the Internal Revenue Code and section 2.2-2719 of the Code of Virginia for state and local taxes.

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VIRGINIA VETERANS SERVICES FOUNDATION

Policy for the Development and Maintenance of Plans, Procedures, and Policies

F4.1 Purpose

The purpose of this policy is to establish guidelines and policy for the development and maintenance of the planning, procedures, and policies of the Virginia Veterans Services Foundation (VSF).

F4.2 Application

The Chair of the VSF Board of Trustees (the trustees) with advice from the VSF Procedures and Policy Committee (P&PCom) and VSF Executive Director shall be responsible for the application of this policy.

F4.3 Interpretation

The VSF Trustees Chair (Board Chair), in consultation with the Secretary of Veterans and Defense Affairs shall be responsible for the interpretation of this policy.

F4.4 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 et seq. establishes the Department of Veterans Services (DVS) and its divisions. 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.
- B. 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.”
- C. The VSF Board of Trustees Bylaws states that the P&PCom 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:
 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 coordination with those committees.
- D. The VSF Board of Trustees Bylaws also states that the P&PCom shall guide the operational direction of the VSF organization through development, documentation, and review of revisions to the VSF:
 1. Strategic Plan and subsidiary plans;
 2. VSF Policies, Joint VSF-DVS Policies, and other directives; and
 3. DVS-VSF Memorandum of Understanding.

F4.5 Policy

- A. VSF shall develop and maintain a strategic plan and subsidiary plans as required.
- B. VSF shall maintain the VSF Charter as set forth in the Code of Virginia and the Trustees Bylaws.

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- C. VSF shall develop Foundation and Joint Agency policies to provide direction and guidance for carrying out its required functions.
- D. VSF shall, in coordination with other state agencies affected by Foundation policies, ensure cooperative and effective concurrence on the content of its plans, procedures, and policies.
- E. The VSF P&PCom shall judge the merits of each proposal to originate, modify, or terminate VSF plans, procedures, policies, and related documents.

F4.6 Methodology

- A. Document preparation 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 and common terminology as contained in Appendix A – Virginia Code Commission List of Technical Changes. Technical Changes are designed to correct:
 - 1. Typographic errors;
 - 2. Incorrect grammar and punctuation;
 - 3. Erroneous or incorrect terminology;
 - 4. Name changes;
 - 5. Old documents that require alignment with the terms in Appendix A; and
 - 6. Other dated material that does not affect the intent of the passage being changed.
- B. The use of common terms for the Foundation and the Department in all documents shall be as follows:
 - 1. The Department – use DVS
 - 2. Commissioner of the Department – DVS Commissioner
 - 3. Commissioner of Veteran Services – DVS Commissioner
 - 4. Refer to the sub-units within DVS (Care Centers, Cemeteries, VVFS, etc.) as Divisions
 - 5. Refer to individual DVS programs (Homeless, V3, Transition, etc.) within DVS Divisions as Programs
 - 6. The Foundation – use VSF or Foundation
 - 7. Foundation Chairman – VSF Chair
 - 8. VSF Development Committee – VSF DevCom
 - 9. VSF Finance Committee – VSF FiCom
 - 10. VSF Procedures and Policies Committee – VSF P&PCom
- C. Definitions must be common to all of the main participants. A glossary of definitions for VSF and DVS purposes is at Appendix B.
- D. Documents shall conform to the Virginia Code Commission standard practice of lining out text to be changed and inserting new text bold italics underscored/underlined 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.
- E. Policies shall not be reduced to the extent that they are not understood by readers who are not know or are unaccustomed to provisions of the Code of Virginia and other important documents and may need greater explanation. Policies basically are manuals for both direction and education of the reader.

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F4.7 Planning

Planning is the most basic of organization functions and involved selecting from alternative courses of action. Planning involves the setting of goals, objectives, and tasks and a means of reaching them. Planning does not take place in a vacuum and must consider the individuals involved (i.e., stakeholders), requirements of higher authority, and the nature of the internal and external environment in which organization operates.

A. Strategic Planning.

1. Strategic planning is used by an organization, the VSF in this case, to determine: (1) where it is going over the long range (usually five or more years), (2) how it's going to get there, and (3) how it will know if and when it achieved what it had set out to accomplish. Strategic planning focuses on the entire organization. It will result in decisions that ensure the foundation's ability to successfully respond to changes in the environment.
2. Strategic planning is not just plan development. It is a process designed to link planning and implementation and management on an ongoing basis. Strategic planning is part of a cycle that evolves into strategic management and continues into strategic planning revisions and actions by management to continue to manage strategically. Far more important than the strategic plan document is the strategic planning process itself. There is no perfect plan, but an effective organization cannot be without one.
3. A strategy is a pattern of purposes, policies, programs, actions, decisions, or resource allocations that define what an organization is, what it does and why it does it. Strategy is about means and the attainment of ends, not the specification of ends. But some specification of ends is necessary to give planning some direction. Ends specification usually is a statement of future conditions toward which planning effort is devoted.
4. In the strategic planning process, thinking, acting, and learning are most important. There are many approaches to developing a strategic plan. Most contain are ten steps (or occasions for dialog and discussion) that are usually taken, with reassessment and revision conducted throughout: It is an iterative process and its basic steps follow.
 - a. Initiate the process and identify stakeholders.
 - b. Identify foundation mandates.
 - c. Clarify foundation's vision, mission, values, and goals and objectives.
 - d. Asses the external environments to identify strengths, weaknesses, opportunities, and challenges/threats (SWOT).
 - e. Identify the strategic issue(s) facing the foundation.
 - f. Formulate strategies to manage the issues.
 - g. Review and adopt the strategic plan or plans.
 - h. Evaluate the original foundation mission, vision, etc.
 - i. Develop an effective implementation process.
 - j. Reassess strategies and the strategic planning process.
5. As a practical matter, strategic planning rarely starts with the first step. Instead, people sense that something is wrong with the current situation and they want to know what to do. This results in issue-driven planning (i.e., political decision making). VSF has found itself involved in issue-driven planning. One of the crucial features of issue-driven planning is that goals do not have to be agreed upon to proceed through the planning steps. All that is needed is an

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agreement on a strategy that will address the issue (e.g., outreach, fundraising) and further the interests of VSF and its primary key stakeholders (e.g., the Governor, Legislators, DVS Commissioner, Donors).

6. Strategic planning is an ongoing process that must be periodically updated to keep it current. The VSF strategic plan or its supporting plans are not a part of this policy. They shall be reviewed biennially by the P&PCom.

B. Other subsidiary plans meet VSF short term requirements by setting annual goals and objectives. See Appendix C for annual goals and objectives tied to the VSF strategic plan.

F4.8 Procedures

- A. 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. The Code of Virginia provides the basic charter and procedures for the Foundation and its governing board. The board of trustee's bylaws amplifies the authority contained in the charter and specifies the governing board's procedures. Any proposed changes to the Code of Virginia or the trustees' bylaws must be reviewed by the Office of the Attorney General.
- B. VSF and its board of trustees operate on the Commonwealth fiscal year; July 1 through June 30, as do trustees' appointments. Critical to VSF procedures is scheduling to meet requirements of higher authority and accomplish functions for which VSF is responsible. Appendix D contains the VSF Biennial Fiscal Year Schedule. The board of trustees exercises its governance of the VSF organization through the administration and operational direction contained in the VSF policies.

F4.9 Policies

- A. The VSF Chair, VSF Committees, and the VSF Executive Director may make recommendations for VSF policies. The foregoing entities along with the DVS Commissioner, and DVS program directors, and DVS staff may make recommendations for joint VSF-DVS related policies.
- B. Foundation policies shall be differentiated from joint agency policies by the designation of F and a single digit number (e.g., F1. Interagency relations). Joint policies shall be identified by the letter J followed by a double digit number (e.g., J11, VSF-DVS Fundraising).

F4.10 Application

The provisions of this policy shall apply to new plans, procedures, policies, and their revisions. Electronic submissions shall be used along with electronic concurrence of the drafts and submitted to the VSF Trustees meeting at which the draft is to be considered.

- A. The drafter shall take the lead in collecting relevant information and consolidating various plans, procedures, policies, and attendant attachments. The drafter should have institutional knowledge and know the key individuals who shall be concerned with carrying out the directive created and should consult with the DVS director(s) whose program area is affected by the recommendation, as necessary.
- B. Draft documents shall be provided electronically to the P&PCom Chair and committee members and the VSF Executive Director, including informal members (e.g., Board Chair), for review and editing. As appropriate in dealing with the development, financial, and administrative aspects, the Chairs of DevCom or FinCom shall be included. Drafts of joint policies shall be submitted through the DVS leadership structure as required.

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- C. Edited drafts would be returned to the drafter 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 until a consensus is reached. If appropriate, simultaneous distribution may be used.
- D. Steps A, B, and C, in the preceding sub-sections to this section that pertain to prior development and staffing should be conducted before the P&PCom meeting at which the changes are to be considered.
- E. The finalized drafts, if required as stated in section F4.7.A, 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 at least ten days before the next VSF Board meeting at which they are to be approved.

F4.11 Adoption and Amendment

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

On adoption, this policy supersedes VSF Policy 1 of May 6, 2009 revised on August 3, 2016.

F4.12 Policy Review Date

The policy review date is the date the policy was reviewed without revisions made. Reviewed: 3.8.2021

F4.13 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees ratify the policy.

December 12, 2019

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Appendix A

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 "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)
- 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."
- 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"

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Appendix B

Glossary of Terms for VSF Policies

Administrative Expenses: These are what 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.

Account: As used by VSF, a financial account (i.e., a record of financial transactions showing receipts and expenditures for a given period) is maintained for each of the principal subordinate programs of DVS.

Activity: It is a function (i.e., a set of operations including special services, projects, events, etc.) that a DVS principal subordinate program performs and has a purpose recognized for authorization of use of VSF funds.

Agency: This is the administrative unit of state government, including any department, institution, commission, board, council, authority, or other body. VSF and DVS are state agencies that report to the Secretary of Veterans and Defense Affairs. The Board of Veterans Services and the Joint Leadership Council of Veterans Service Organizations also are considered state agencies, however, they report to the Commissioner of DVS.

Bequest: This is a written statement in a donor's will directing that specific assets, or a percentage of the estate, shall be transferred to a charity at the donor's death. Bequests can take many forms and are completely controlled by the donor until his or her death. Types of bequests can include:

1. Specific bequests can be made for a specific dollar amount.
2. Residual bequests provide for the distribution of assets remaining after payment of all debts, expenses, and specific bequests.
3. Contingent bequests provide for distribution of assets if certain conditions or circumstances exist at the time of death.

Business Units of DVS: See Principal Subordinate Programs of DVS.

Charitable Purpose: Means the promotion of a governmental purpose for the public good which is beneficial to the community.

Contingency: This is a planned situation where a VSF or DVS program need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.

Designated Special Funds: A term used in the Appropriations Act to identify donor funds and grants and the allocation there of for authorized expenditures.

Divisions of DVS: See Principal Subordinate Programs of DVS.

Emergency: This is an unplanned situation where a VSF or DVS urgent need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.

Endowment Fund: Means an institutional (i.e., VSF) fund or part thereof that is not wholly expendable by the institution on a current basis. The term does not include assets (usually restricted funds) that an institution designates as an institutional fund. The funds may be unrestricted or restricted. If restricted, their principal usually cannot be spent at all, and only a specified percent of the interest they earn can be spent per year. There may be restrictions on how the interest can be spent.

Fiscal Year (FY): From 1 July through 30 June of the next year defines the state Fiscal Year.

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Foundation Operations: They are the functions performed in support of the administration of the Foundation.

Fund: The “Fund” is the Veterans Services Fund, which includes subsidiary funds for each of the DVS principal subordinate divisions or programs.

Fund Allocations and Expenditures: Is concerned with appropriating, allocating, and expending financial donations from the Veterans Services Fund.

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.

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.

Fundraising Expenses: These are what the VSF spends to raise money. Fundraising expenses can include campaign printing, publicity, outreach, mailing, travel, and staffing and costs incurred in soliciting donations, memberships, and grants. For the VSF, these expenses fall under the Foundation Support Fund.

Grants: These are forms of financial aid based on need which does not have to be repaid, but requires a service to be rendered by the recipient. Grants are contractual agreements to provide services on receipt of non-repayable funds or products disbursed or given by one party, called the grant maker, to a recipient that often is a nonprofit entity such as VSF. Normally to receive a grant, some form of proposal or application is required. In other cases a grant may be offered based on the conditions specified by the grant maker. Grant funds are restricted for use as the grant maker specifies and may not be used for other purposes. Grant acceptance, compliance, and reporting requirements vary depending upon the type of grant and funding source.

Institution: A government subdivision, agency, or instrumentality to the extent that it holds funds exclusively for charitable purposes; i.e., VSF.

Institutional Fund or Reserve Fund: Means a fund (subsidiary fund usually a restricted fund) held by an institution (VSF) exclusively for charitable purposes. It does not include Program-related Assets.

Life Insurance Policy: This is a contract with an insurance company. In exchange for premiums (payments), the insurance company provides a lump-sum payment, known as a death benefit, to beneficiaries in the event of the insured’s death. Donors may give an existing policy, either fully paid or partially paid, or a new policy. The proposed gift to a charity is accomplished by naming the charity as a beneficiary of the policy on the beneficiary designation form. Insurance policies that are accepted by VSF may take the following forms:

1. An existing paid-up policy where the Virginia Veterans Services Foundation is named the owner and beneficiary.
2. An existing paid-up policy where VSF is designated as a co-beneficiary to share the proceeds with another beneficiary.

Principal Subordinate Programs of DVS: Include Cemetery Operations, Sitter & Barfoot Veterans Care Center, Virginia Veterans Care Center, and the Virginia Veteran and Family Support Program, and others that may be developed and affected by VSF operations.

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Program: An operational term for a principal subordinate division of DVS or other state agency programs.

Program Expenses: These are what the Foundation annually allocates primarily to the DVS programs and direct services to veterans and their families. For the VSF, these include emergency expenses associated with DVS programs, if they don't fall under Administrative Expenses.

Program-related assets or Annual Fund: Assets (subsidiary and sub-funds usually restricted) which are held by an institution (VSF) primarily to accomplish a charitable purpose of the institution (VSF) and DVS and not primarily for investment.

Report: This is a written response to a request for information and may include financial schedules and statements or other data.

Restricted Funds: This is a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors that their contributions will be used in a manner they have chosen. When a donor gives money to VSF, they may specify that it be temporarily restricted to be used for a certain purpose, or permanently restricted so that the donation acts as principal on which interest can be earned and only the interest can be spent.

Retirement Plans: These are financial arrangements designed to replace employment income upon retirement. These plans may be set up by employers, insurance companies, trade unions, the government, or other institutions. When a participant in a retirement plan passes away, the benefits to which the participant would have been entitled are paid to the participant's designated beneficiary in a form provided by the terms of the plan (i.e., lump-sum or annuity). VSF shall accept only lump-sum payments.

Schedule: A schedule contains financial information, usually at a more detailed level than the following definition of "statement." An example is the Schedule of Receipts, Expenditures, and Budget that contains financial information on DVS Programs and their activities.

Service: This is an operational term for DVS principal subordinate programs' activities performed in support of a specific DVS program.

Specific Fund: Means those restricted funds specified for a specific requirement that DVS is pursuing that are (1) not part of DVS programs' Annual Funds; (2) may involve more than one DVS program; and/or (3) include other state agencies.

Statement: A statement refers to a financial statement. Current statements include a Balance Sheet, and a Statement of Revenues and Expenditures. Other financial statements may be defined, as the needs of the users change.

Sub-fund: This term is used to denote financial accounts that support the activities/ services of DVS programs. These also are called sub-accounts for accounting purposes.

Subsidiary Fund: These are the principle subordinate funds of the Veterans Services Fund and pertain to the funds of each of DVS principal programs.

Unrestricted Funds: These funds may come from state appropriations or donations that are available for VSF to use for any purpose. Unrestricted funds usually are used for operating expenses of VSF or to a particular project that VSF picks. Only the state executive and legislative branches or the donor can determine if an appropriation or donation is restricted or not. The designation is made by legislation or a letter from the donor or through explicit agreement with VSF. Exceptions could be when donors are asked to give to a capital campaign, a building fund, or a relief fund.

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Unrestricted Donor Fund: This is a sub-fund of the Unrestricted Revenue Fund and consists of donations made to the Foundation for direct support of veterans and their families. This fund shall not be used for administrative or fundraising expenses.

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Appendix C

VSF Goals and Objectives for FY2019-2020

1. VSF Board of Trustees Responsibilities:

a. Goal: Build an organizational structure to provide additional VSF staff support needed, beyond the single full-time staff person currently involved, which would support the components of efficient and effective performance.

Objective(s): Support the Board Secretary and Treasurer and their resources and, in conjunction with DVS, develop other staff requirements for DVS and VSF to support mission accomplishment.

Strategic Goals: Veterans Services Fund Stability, Internal Processes, Results.

b. Goal: Support DVS implementation of the performance budgeting process.

Objective: Work with DVS staff to develop a performance budgeting system that: (1) focuses on results and accomplishments; (2) is a simple approach once expectations and measurements are defined; and (3) promotes equitable allocation of resources to those institutions that meet performance criteria. The end product should ensure "better" choices are made and review how well the respective choice was implemented and the respective funds were used.

Strategic Goals: Performance Budgeting, Community Building, Customer/Donor Satisfaction, Veterans' Satisfaction with VSF, and Customer/Donor Retention, Results.

c. Goal: Initiate and implement a VSF consumer relations management system also known as a pipeline system to improve revenue streams.

Objective: Assist VSF to stay connected to customers, streamline processes, and improve revenue.

Strategic Goals: Fund Growth and Stability, Community Building, Customer and Veterans' Satisfaction, Market Growth, Customer/Donor Retention, Internal Processes, Results.

2. VSF Development Committee Responsibilities:

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

Objective(s): Maintain an agenda of unmet funding needs. Determine what elements of fundraising program will best assist VVFS including Homeless Veterans, V3 employment and transition, Care Centers, Cemeteries, and Benefits. Maintain an agenda of fundraising events, corporate outreach and individual contribution plans, a capability to respond to ad hoc opportunities, and coordination with DVS staff.

Strategic Goals: Community Building, Market Growth.

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

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

Strategic Goals: Community Building, Market Growth, Customer/Donor Retention.

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

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

Strategic Goals: Community Building, Customer/Donor Satisfaction, Veterans Satisfaction, Customer/Donor Retention.

3. VSF Finance Committee Responsibilities:

a. Goal: Continue to refine and develop financial reports so they adhere to requisite accounting practices and procedures, define available revenue and needs for expenditures in order to determine cash flow requirements.

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

Strategic Goals: Customer/Donor Satisfaction, Veterans Satisfaction, Customer/Donor Retention, Internal Processes.

b. Goal: Develop and implement a plan for effective use, growth and maintenance of a sustainable Fund endowment.

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

Strategic Goals: Veterans Services Fund Maintenance, Fund Stability, Internal Processes.

c. Goal: Continue to ensure Fund integrity.

Objective(s): Allocate fundraising income and expenses to insure a maximum percentage of revenues go to support veterans and their families. Produce quarterly and annual public reports that characterize the use of funds by VSF.

Strategic Goals: Customer/Donor Satisfaction, Veterans Satisfaction, Customer/Donor Retention, Internal Processes.

d. Goal: Assist DVS program managers in developing realistic budgets for use of VSF funds.

Objective: Participate, as requested by program managers, in annual and more frequently, if needed, FY budget development and interim reviews.

Strategic Goals: Performance Budgeting, Fund Stability, Internal Processes.

e. Goal: Provide quarterly briefings on VSF finances that provide a better understanding of the issues involved to interested stakeholders.

Objective: Work with the DVS staff, at least quarterly, to ensure the Board of Trustees, DVS staff, and other stakeholders remain current on Foundation finances.

Strategic Goals: Customer/Donor Satisfaction, Veterans Satisfaction, Customer/Donor Retention.

f. Goal: Monitor data developed by DVS managers for uses of VSF funds in a manner that assures public accountability and supports fundraising efforts on a quarterly basis.

Objective: Work with DVS staff continuously to monitor effectiveness of services provided using VSF contributed funds.

Strategic Goals: Performance Budgeting, Customer/Donor Satisfaction, Veterans Satisfaction, Internal.

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4. VSF Procedures and Policy Committee Responsibilities:

a. Goal: Continually review the VSF charter in the Code of Virginia and ensure that it supports the validity and integrity of the VSF board of trustees and the VSF organizational goals and objectives in support of the Commonwealth's veterans and their families in partnership with DVS.

Objectives: Ensure the VSF trustees' bylaws and the DVS-VSF Memorandum of Understanding promote the VSF mission and cooperative functioning of both VSF and DVS.

Strategic Goals: Internal Processes, Results.

b. Goal: Conduct long, mid, and short-range planning to maintain VSF focus on its mission, goals, objectives, and actions to effectively accomplish assigned tasks.

Objectives: Maintain the: (1) VSF Strategic Plan; (2) subsidiary plans along with the VSF annual goals and objectives of the board and its committees in coordination with those committees; (3) the trustees' biennial schedule; and (4) respond to other requirements placed upon it..

Strategic Goals: Internal Processes, Results.

c. Goal: In conjunction with the trustees' committees, clarify existing VSF Policies and VSF-DVS Joint Policies on at least a biennial basis or more often, if needed, and institute other policies as needed for the effective administration of the Fund by VSF and DVS.

Objective(s): Ensure the at least a biennial review of (1) VSF policies pertaining to internal operations and agency relationships and VSF-DVS Joint Policies relating to fundraising, administration of donor funds, and allocations and expenditures of donor funds meet the requirements for which they were established.

Strategic Goals: Customer/Donor Satisfaction, Veterans Satisfaction, Internal Processes, Results.

d. Goal: Maintain continuity of VSF operations.

Objective: Examine and advise the Board of Trustees on any issues for which new or revised policy guidance is necessary.

Strategic Goals: Internal Processes, Results.

NOTE: The numbers and letters before each section and subsection do not indicate priorities.

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Appendix D

VSF Biennial Fiscal Year (FY) Schedule*

Odd Numbered FY

July 1 (Starts in even numbered calendar year; e.g., July 1, 2020-June 30, 2021 for FY21)
Board Officers assume duties

First Quarter (September) meeting second week of month** (Location)

Receive APA audit report, if available
Consider and approve Goals and Objectives for current FY
Approve 4th Quarter prior FY Financial Statement and Annual Report to Governor and General Assembly
Approve review of VSF-DVS Policies, as required
Board Chair appoint Committee Chairs/Assistant Chairs
Approve next FY General and Non-general Funding Budget adjustments, if required
Approve Committee Chair/Assistant Chair appointments
Approve tentative meeting dates and locations

Second Quarter (December) meeting second week of month***

Approve 1st Quarter current FY Financial Statement
Approve current FY Non-general Fund budget adjustments, if any
Approve review of VSF-DVS Policies, if needed
Approve Bylaws and MOU changes, if any

January Wednesday second week Legislature convenes for 46 day session ending end of second week March

During mid-March

Request from DVS Budget Adjustments for current FY due mid-April
Request Budget from DVS input for next FY due mid-April
Request from DVS next biennial Non-general Fund budget requirements (i.e., in 2019 request for FY2021-22)

Third Quarter (March) meeting last week of the month***

Approve 2nd Quarter current FY Financial Statement
Approve current FY budget adjustments, if any
Approve review of VSF-DVS Policies, if needed
Elect a nominating committee

April Nominating Committee put out call for candidates for officers' positions

Fourth Quarter (June) meeting second week of the month

Review current FY Goals and Objectives as a baseline for next FY Goals and Objectives
Review and approve Rider to the DVS-VSF MOU
Approve 3rd Quarter FY17 Financial Statement
Approve budget adjustments, if any
Consider and approve next Biennial Budget starting in next odd numbered FY (See above example)
Approve next FY schedule of dates and locations of Board meetings
Elect officers for next FY

*At all meetings, as appropriate, receive VVFS, V3, and other DVS activity updates.

Depending on DPB Schedule for budget *In odd numbered years review all VSF-DVS Policies, Bylaws, and MOU

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VSF Biennial Fiscal Year (FY) Schedule*

Even Numbered FY

July 1 (Starts in odd numbered calendar year; e.g., July 1, 2019-June 30, 2020 for FY20)

Board Officers assume duties

First Quarter (September) meeting first or second week of month**

Receive APA audit report, if available

Consider and approve Goals and Objectives for current FY

Approve 4th Quarter prior FY Financial Statement and Annual Report to Governor and General Assembly

Board Chair appoint Committee Chairs/Assistant Chairs

Approve Non-general Fund allocations

Approve Legislative Initiatives, if required

Approve Committee Chair/Vice Chair appointments

Second Quarter (December) meeting first or second week of month

Approve 1st Quarter current FY Financial Statement

Approve current FY budget adjustments, if any

January Wednesday second week Legislature convenes for 60 day session ending end of fourth week in March

During mid-March

Request Budget Adjustments for current FY due mid-April

Request Budget input/adjustments for next FY due mid-April

Third Quarter (March) meeting last week of month

Approve 2nd Quarter current FY Financial Statement

Approve current FY budget adjustments, if any

Approve review of VSF-DVS Policies, if needed

Confirm dates and locations of next FY Board meetings

Elect a nominating committee

April Nominating Committee put out call for candidates for officers' positions

Fourth Quarter (June) meeting first or second week of the month

Review current FY Goals and Objectives as a baseline for next FY Goals and Objectives

Review and approve Rider to the DVS-VSF MOU

Approve 3rd Quarter current FY Financial Statement

Approve budget adjustments, if any

Consider current biennial FY Budget adjustments (As will be required for the coming odd year GA Session)

Elect officers for next FY

**At all meetings, as appropriate, receive VVFS, V3, and other DVS activity updates.*

***Depending on DPB Schedule for budget*

****In even numbered years review all VSF-DVS Joint Policies, Bylaws, MOU and MOU Rider*

VSF Policy Number 5	VSF Policy for ELECTRONIC MEETINGS	Established: 09.08.2022 Effective: 09.08.2022
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VIRGINIA VETERANS SERVICES FOUNDATION

Policy for Electronic Meetings

F5.1 Purpose

The purpose of this policy is to allow the Virginia Veterans Services Foundation (VSF) to conduct electronic meeting participation as permitted in FOIA (§ 2.2-3700 et seq. of the Code of Virginia) and in accordance with this policy.

F5.2 Application

The Chair of the VSF Board of Trustees with advice from the VSF Procedures and Policy Committee and VSF Executive Director shall be responsible for the application of this policy.

F5.3 Interpretation

The Chair of the VSF Board of Trustees and the VSF Executive Director, in consultation with the Secretary of Veterans and Defense Affairs and the Office of the Attorney General shall be responsible for the interpretation of this policy.

F5.4 References

The Virginia Freedom of Information Act (FOIA) requires all boards to adopt an electronic participation policy. It shall be the policy of **Virginia Veterans Services Foundation (VSF)** to allow for electronic meeting participation as permitted in FOIA (§ 2.2-3700 et seq. of the Code of Virginia) and in accordance with this policy.

This policy shall apply to the entire Board of Trustees and without regard to the identity of the trustee requesting remote participation or the matters that will be considered or voted on at the meeting.

VSF trustees shall notify staff of the need to participate electronically as soon as possible. The timing of the notice provided to VSF staff may impact the ability to use the permission options outlined below.

F5.5 MEMBER ELECTRONIC PARTICIPATION

Pursuant to § 2.2-3701, "remote participation" means "participation by an individual member of a public body by electronic communication means in a public meeting where a quorum of the public body is otherwise physically assembled."

Electronic Member Participation Permission

#1: Disability or Medical Condition

If notified on or before the day of the meeting, it shall be the policy of VSF to allow a trustee to participate electronically under § 2.2-3708.3 B 1

- a. The trustee has a temporary or permanent disability or other medical condition that prevents physical attendance.
- b. At the beginning to the meeting, the Chair shall state the trustee's electronic participation and the general reason (specifics are not required).
- c. **A quorum of VSF must be physically assembled at the primary or central meeting location,**
- d. There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
- e. VSF shall record in its minutes the remote location from which the trustee participated and the fact that the member participated through electronic means due to a disability or medical condition.

Electronic Member Participation Permission

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#2: Caregiving

If notified on or before the day of the meeting, it shall be the policy of VSF to allow a member to participate electronically under § 2.2-3708.3 B 2

- a. A medical condition of a trustee's family requires the trustee to provide care that prevents physical attendance.
- b. At the beginning to the meeting, the Chair shall state the trustee's electronic participation and the general reason (specifics are not required).
- c. **A quorum of VSF must be physically assembled at the primary or central meeting location**
- d. There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
- e. VSF shall record in its minutes the remote location from which the trustee participated and the fact that the trustee participated through electronic means due to caregiving.

Electronic Member Participation Permission

#3: Principal Residence is More Than 60 Miles Distance from the Meeting Location If notified on or before the day of the meeting, it shall be the policy of VSF to allow a member to participate electronically under § 2.2-3708.3 B 3

- a. The trustee's principal residence is more than 60 miles from the meeting location identified in the meeting notice for such meeting.
- b. At the beginning of the meeting, the Chair shall state the trustee's electronic participation and the reason.
- c. **A quorum of VSF must be physically assembled at the primary or central meeting location.**
- d. There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
- e. VSF shall record in its minutes the remote location from which the trustee participated and the fact that the trustee participated through electronic means due to the distance between the member's principal residence and the meeting location.

Electronic Member Participation Permission

#4: Personal Matters

If notified on or before the day of the meeting, it shall be the policy of VSF to allow a member to participate electronically under § 2.2-3708.3 B 4

- a. The trustee is unable to attend the meeting due to a personal matter.
- b. At the beginning of the meeting, the Chair shall state the trustee's electronic participation and the specific nature of the personal matter.
- c. Each VSF trustee may not use this permission more than two meetings per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater.
- d. **A quorum of VSF must be physically assembled at the primary or central meeting location,**
- e. There must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.
- f. VSF shall record in its minutes the remote location from which the trustee participated and the specific nature of the personal matter cited by the member.

F5.6 OBJECTIONS TO ELECTRONIC MEMBER PARTICIPATION

It shall be assumed that a trustee can participate under Permissions #1-4 unless another trustee objects once it is stated by the Chair at the beginning of the meeting.

At such time, if any other trustee objects, the Chair shall call for a vote on the matter.

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- a. If a trustee's disapproval for electronic participation for Permissions #1-4 is due to a violation of VSF's electronic participation and meeting policy then it will be recorded with specificity.
- b. If the vote is such that the trustee will not be permitted to participate electronically, the member should be advised that they may only monitor/witness the meeting and the trustee not permitted to participate (e.g., vote, discuss).
- c. The outcome of any vote on the member's electronic participation under Permissions #1-4 shall be documented in the minutes accordingly.

F5.7 ELECTRONIC MEETINGS DURING A STATE OF EMERGENCY

As permitted by § 2.2-3708.2, it shall be the policy of VSF to allow a meeting without a quorum of the public body physically assembled at one location when the Governor has declared a state of emergency in accordance with § 44-146.17 provided that (i) the catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location and (ii) the purpose of the meeting is to provide for the continuity of operations of the public body or the discharge of its lawful purposes, duties, and responsibilities. This allowance is applicable only for the duration of the emergency declared pursuant to § 44-146.17 or 44-146.21.

When convening a meeting in accordance with this permission, VSF shall:

1. Give public notice using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to members of VSF conducting the meeting;
2. Make arrangements for public access to such meeting through electronic communication means, including videoconferencing if already used by VSF;
3. Provide the public with the opportunity to comment at those meetings of VSF when public comment is customarily received; and
4. Otherwise comply with the provisions of FOIA.

In addition, the minutes shall state the:

1. Nature of the emergency,
2. Fact that the meeting was held by electronic communication means, and
3. Type of electronic communication means by which the meeting was held shall be stated in the minutes.

F5.9 ALL-VIRTUAL MEETINGS

Pursuant to § 2.2-3701, an "all-virtual meeting" means "a public meeting (i) conducted by a public body, other than those excepted pursuant to subsection C of § 2.2-3708.3, using electronic communication means, (ii) during which all members of the public body who participate do so remotely rather than being assembled in one physical location, and (iii) to which public access is provided through electronic communication means."

It shall be the policy of VSF to allow for all-virtual meetings under § 2.2-3708.3 C provided that VSF does not convene an all-virtual public meeting (i) more than two times per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater, or (ii) consecutively with another all-virtual meeting. For an all-virtual meeting, VSF shall:

1. Indicate that the meeting will be an all-virtual meeting in the required meeting notice along with a statement notifying the public that the method by which VSF chooses to meet shall not be changed unless VSF provides a new meeting notice in accordance with the provisions of § 2.2-3707;

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2. Provide public access to the all-virtual meeting via electronic communication means, and the electronic communication means used allows the public to hear all members participating in the all-virtual meeting and, when audio-visual technology is available, to see the members as well;
3. Provide a phone number or other live contact information is provided to alert VSF if the audio or video transmission of the all-virtual meeting provided fails, VSF monitors such designated means of communication during the meeting, and VSF takes a recess until public access is restored if the transmission fails for the public;
4. Make available a copy of the proposed agenda and all agenda packets and, unless exempt, all materials furnished to the trustees of VSF for the all-virtual meeting to the public in electronic format at the same time that such materials are provided to trustees;
5. Afford the public the opportunity to comment through electronic means, including by way of written comments, at all-virtual meetings when public comment is customarily received;
6. Ensure that no more than two trustees of VSF are together in any one remote location unless that remote location is open to the public to physically access it; and
7. Ensure that minutes of all-virtual public meetings are taken as required by § 2.2-3707 and include the fact that the meeting was held by electronic communication means and the type of electronic communication means by which the meeting was held. If a trustee's participation from a remote location pursuant to this subsection is disapproved because such participation would violate the policy adopted pursuant to subsection D, such disapproval shall be recorded in the minutes with specificity.

F5.10 BOARD COMMITTEES

Any committee, subcommittee, or other entity however designated by VSF to perform delegated functions of VSF or to advise VSF shall comply with this policy regarding the use of electronic member participation and all-virtual public meetings.

F5.11 FUTURE REVISIONS AND POLICY ADOPTION

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. All future revisions to this policy, including those that are required as a result of changes to FOIA, shall be submitted for consideration to the VSF Procedures and Policies Chair at which the policy revisions shall be considered by the Procedures and Policies Committee for recommendation to the full board. Notice regarding such actions shall be given to all Trustees at least ten (10) days prior to the vote being taken. Revisions shall be approved with a majority vote of the VSF trustee present at the quarterly meeting and become effective immediately upon adoption.

F5.13 POLICY EFFECTIVE DATE

The effective date of the policy, or policy revision, shall be the date the VSF Trustees ratify the policy.

Policy Adoption Date: September 8, 2022

Policy Effective Date: September 8, 2022

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VSF-DVS Joint Policy Number 11		Revised: 12.10.2020

**VIRGINIA VETERANS SERVICES FOUNDATION
VIRGINIA DEPARTMENT OF VETERANS SERVICES
Veterans Services Fund – Fundraising
Policy and Procedures**

J11.1 Purpose

- A. Planning and coordination are essential to successful fundraising and to avoid duplication in approaching potential donors in the name of the Virginia Veterans Services Foundation (VSF) and the Virginia Department of Veterans Services (DVS). For the purposes of this policy, the term “fundraising” includes solicitation and acceptance of donated funds.
- B. To preserve the credibility and integrity of VSF and DVS among their financial supporters and the public, as well as to optimize resources and protect respective DVS marks/logos/brands, this policy will serve to govern all private fundraising made on behalf or in support of VSF and DVS and/or activities belonging to these two agencies and groups affiliated therewith.
- C. To promote maximum effectiveness and avoid duplication of effort, conflict of events, and dilution of effectiveness, all fundraising sponsors are required to receive prior approval of their initiatives from the VSF Executive Director and a member of DVS responsible for the DVS division or program being supported.
- D. This joint policy is the first in a series of four policies that cover the VSF pursuit of supporting veterans and their families through cycles of fundraising, controlling in-kind donations, Veterans Services Fund management, and Veterans Services Fund allocations and expenditures. The latter policy sets forth the requirements for sustaining the continuing cycle from budgeting, allocation of resources and expenditures found in VSF-DVS Joint Policy J14 with fundraising based on assessments of fund balances and future needs through budget development.

J11.2 References

This policy is in accordance with the Code of Virginia §§ 2.2-2715 et seq, the current edition of the Appropriation Act, the DVS-VSF Memorandum of Understanding, and the VSF Bylaws.

J11.3 Application

The VSF Executive Director and the DVS Commissioner, with the assistance of the DVS Chief Financial Officer (CFO), or their designee(s) shall be responsible for the application of this policy.

J11.4 Interpretation

The Chairman of the Board of Trustees of the VSF (VSF Chair), with the assistance of the Secretary of Veterans and Defense Affairs and the DVS Commissioner are responsible for the interpretation of this policy.

J11.5 Policy Organization

The policies on fundraising are organized into three separate policies. This policy covers financial donations. In-kind donations of goods and property are contained in VSF-DVS Joint Policy 12. Planned Giving of financial and in-kind resources is in VSF Policy F3.

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J11.6 General Policy

- A. VSF fiduciary responsibilities are contained in the *Code of Virginia*, thus all revenue solicited and accepted shall be in the name of the Foundation and payable to the Veterans Services Fund and deposited into the Fund. To comply with the *Code of Virginia*, all fundraising and other solicitation relating to the Fund shall be solely in the name of the Veterans Services Foundation which will be responsible for all donor relations and compliance with U.S. Internal Revenue service requirements as a charitable foundation. [From introduction to VSF Funding Guidelines approved December 19, 2019.]
- B. The VSF board of trustees serves a fiduciary responsibility to donors and a substantial source of funding to DVS to meet the needs of veterans not otherwise available for funding through the state budget or other sources. DVS serves as the VSF agent, in accordance with the Uniform Prudent Management of Funds Act, for the receipt, deposit, management, allocation, and expenditure of funds in accordance with the Code of Virginia. §2.2-2718. [From introduction to VSF Funding Guidelines approved December 19, 2019.]
- C. In accordance with § 4-2.01 of the Appropriation Act, “No state agency shall solicit or accept any donation, gift, grant, or contract without the written approval of the Governor except under written guidelines issued by the Governor which provide for the solicitation and acceptance of non-general funds....”
- D. Prior approval of the Governor is not required for the Secretary of Veterans and Defense Affairs and VSF. Both have authorization in the Code of Virginia and approval by the Governor. Fundraising by DVS shall be done on behalf of VSF.
- E. Commonwealth employees are authorized to solicit gifts, financial and in-kind, from private sources and gifts from other state agencies on behalf of the Secretary of Veterans and Defense Affairs and VSF. However, state policy prohibits individual state employees from soliciting gifts from other individual state employees.
- F. Sponsorships are not considered gifts or donations if given and received in return for a measurable tangible benefit including actively promoting the sponsor or the sponsor’s product. One-time advertising, event participation, or signage where the sponsor does not receive a tangible benefit, aside from display of the sponsor’s identification, may be considered a donation. Sponsorships may be received by VSF for support of a DVS program or service.
- G. VSF reserves the right to refuse donations [From Policy J3.5.E.] and sponsorships.

J11.7 Inter-agency Fundraising Policy

- A. VSF and DVS shall coordinate all fundraising activities with the other agency and promote each agencies programs and services. [From DVS-VSF MOU.]
- B. In coordination with DVS, VSF shall conduct fundraising planning and execution to seek, promote, and stimulate contributions to support DVS’ programs and services and raise awareness about those programs and veteran issues across the Commonwealth. [From DVS-VSF MOU as modified by DVS in April 2020.]
- C. VSF, in coordination with DVS, shall oversee and ensure that the establishment of fundraising priorities and oversight of private fundraising rests with the VSF Trustees. The Trustees’ Development Committee shall make recommendations regarding fundraising and

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organizing fundraising programs. The Trustees have delegated the VSF Executive Director oversight authority of private fundraising activities. The VSF Executive Director shall assist the Development Committee plan, organize, and conduct programs to obtain private gift support.

- D. DVS shall coordinate all plans for fundraising activities involving the solicitation of funds or in-kind material through the VSF Executive Director on behalf of the VSF Development Committee and the DVS Commissioner or their designees. These plans shall be approved by the VSF Executive Director on behalf of the VSF Development Committee. The Commissioner or his designee shall be regularly updated on all approved plans. Exceptions for approval of recurring events may be granted by the Commissioner or his designee in consultation with the VSF Executive Director.
- E. DVS shall assist VSF with public relations, marketing, and fundraising programs, within DVS capabilities, and VSF and DVS shall maintain their web sites in a mutually supporting manner. [From DVS-VSF MOU.]
- F. DVS, in coordination with VSF, shall allow DVS divisions (i.e., care centers, cemeteries, etc.) to accept unsolicited donations on behalf of VSF to be deposited in the Veterans Services Fund (the Fund) as set forth in Section J11.11 of this policy.
- G. DVS Divisions and programs having policies relating to fundraising shall conform to this Joint Policy.
- H. All non-DVS activities, persons, and groups wishing to raise private fund gifts for DVS veterans programs or services shall be required to receive prior VSF approval before planning or conducting such activities to preserve the credibility and integrity of VSF, DVS, the activity sponsors, and the public to optimize resources. Exceptions for approval of non-DVS events may be granted by the VSF Executive Director.
- I. DVS and VSF trustees, employees, affiliated agency personnel, or volunteers shall not accept cash donations or serve as collection agents at any fundraising event conducted on behalf of VSF, DVS, or DVS programs by other activities, organizations, or individuals. See section 11.11 for exceptions to this policy.
- J. DVS and VSF trustees, employees, affiliated agency personnel, or volunteers shall not accept honorariums or other pay for services they provide as employees of the Commonwealth, however, such honorariums or pay for services may be made to the VSF as donations for use in the DVS program of the donor’s choice.
- K. To provide mutual DVS-VSF integrated controls, the VSF Executive Director shall provide to the DVS CFO monthly reports, by the 20th day of the following month, containing (1) a listing of all donations received during the month, and (2) a donation pipeline report and additional information about potential donors or events for DVS review. [From DVS-VSF MOU.]

J11.8 Financial Fundraising Authorization

- A. The VSF Executive Director shall approve all persons or groups wishing to raise private fund gifts for veterans programs or services provided by DVS, VSF unrestricted revenue or support funds, or other authorized veterans programs or services. All of these private fundraising efforts shall adhere to VSF approved policies and guidelines.

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- B. No individual, group, or DVS activity shall solicit funds in the name of or on behalf of VSF or DVS unless they have organized and coordinated such activities with the VSF Executive Director on behalf of the VSF Development Committee. Such coordination shall begin before making formal contact with a funding source or sources. This coordination shall continue until the specific fundraising event or series of events are concluded. Once an event is concluded, it shall not be used to initiate another fundraising effort without pursuing approval of all interested parties set forth in the foregoing.

J11.9 Financial Fundraising Procedures

- A. VSF shall coordinate all of its fundraising activities with the DVS Commissioner and/or his designee(s).
- B. All DVS requests to plan and execute fundraising activities in support of any DVS activity shall be presented to the DVS Commissioner for DVS activities.
 - 1. Each request shall include sufficient detail to adequately define the scope of the initiative. Appendix A contains a brief outline of a typical request. Appendix B contains additional information that may be requested.
 - 2. For currently approved, on-going DVS fundraising activities, latitude shall be considered in applying this requirement.
 - 3. If the DVS Commissioner favorably endorses the request, it shall be forwarded to the VSF Executive Director for approval on behalf of the VSF Development Committee.
- C. All other persons or groups wishing to raise private fund gifts for DVS veterans programs or services shall designate a sponsor who shall submit a request to plan and execute activities for VSF approval before engaging in such activities.
 - 1. The request shall contain sufficient detail to adequately define the scope of the initiative. Appendix A can be used as an outline for a typical request. A completed Appendix B may be required as circumstances dictate.
 - 2. Requests shall be submitted for individual events or multiple events that are related.
 - 3. Requests shall contain acknowledgement that the event sponsor generating multiple donations from many individuals shall meet the stewardship requirement of acknowledging the individual gifts with receipts and thank-you letters. See section J11.12.C of this policy for details on receipts and thank-you letters.
 - 4. Requests shall be submitted to the VSF Executive Director who shall follow the procedures contained in the preceding paragraphs for approval to promote maximum effectiveness and avoid duplication of effort, conflict of events, dilution of effectiveness, and maintain the integrity of DVS programs and services.
- D. Approved fundraising requests shall be expeditiously provided to the requestor. The approval, if appropriate, shall contain additional guidance for the conduct of the initiative and/or restrictions that may apply. Most fundraising events conducted by non-state government organizations or individuals will require a “Letter of Agreement” or LOA from the VSF Executive Director. Letters of Agreement shall conform to Office of the Attorney General requirements and guidance. An example of such a letter is at Appendix C. This letter may be altered in the first paragraph for donations that are intended for a restricted purpose such as the Virginia Veteran and Family Support Program.

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- E. Donors wishing to give unsolicited gifts in support of VSF or DVS and its programs and services shall be referred to the VSF Executive Director.

J11.10 Reporting Fundraising Results

When required, the sponsor shall complete and submit a report to the VSF Executive Director detailing the results achieved upon completion of the fundraising event or initiative. An outline of such a report is contained at Appendix D. DVS activities shall submit the report to the DVS Commissioner and VSF Executive Director.

J11.11 Procedures for Accepting Financial Donations

Financial donations normally take the form of: (1) cash; (2) bank check or money order; or (3) bank card transaction via an on-line donation via the VSF Website. Acceptance of cash donations is prohibited, but occasions arise when their receipt may be unavoidable. Such occasions may be permitted with the prior approval of the Executive Director according to the circumstances involved. Bank checks/money orders may be received in person or by mail with mail being the primary means of receipt for most donations. This policy primarily covers cash and bank checks/money orders received in person or by mail. On-line donations are received directly by the VSF Executive Director.

- A. Any Trustee, the VSF Executive Director, and designated VSF staff may accept a financial donation, on behalf of the Fund.
- B. Designated employees of DVS also may accept financial donations on behalf of the Fund. The DVS Commissioner and DVS division and program directors/administrators shall designate in writing the principal DVS employees who may accept donations on behalf of VSF, subject to the approval of the VSF Chair or Executive Director in the absence of the Chair. As a practical matter, it is understood that any DVS employee may actually accept a donation, but they shall be instructed to immediately give the donation to the designated principal DVS employee in their program.
- C. Each DVS division and program with offices external to the Office of the Commissioner (the Office) receiving contributions shall establish and follow a policy for acceptance of financial donations similar to the one contained in Appendix E for the Office. This applies to activities such as the Benefits field offices, Care Centers, Cemeteries, Virginia Veteran and Family Support program, *and other* field offices. Policies shall be approved by the DVS division Director and DVS CFO. A copy of program policy shall be filed with the DVS CFO.
- D. A copy of the donation by check or money order shall be scanned and sent electronically to designated representatives identified by the division Directors for their records. Cash donations shall not be scanned.

J11.12 Financial Donations Receipt Procedures

[From Policy J4.8.]

- A. Individual Trustees, VSF Executive Director, and designated VSF staff or DVS employees accepting a financial donation on behalf of the Fund shall take the following steps:
 - 1. Thank the donor for the generous gift and give the donor their personal business card.

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2. Coordinate with the donor or fundraising event sponsor so that they know that any check or money order presented must be made out to the “Virginia Veterans Services Foundation” with a notation in the “For” section of the check regarding the purpose of the contribution.
3. Should the purpose of the donation appear to have unforeseen consequences, such as requiring ongoing expenditures, the recipient shall contact either the DVS CFO or the VSF Executive Director to determine if it should be accepted.
4. Complete VSF-DVS Financial Donation Receipt (see Appendix F) acknowledging receipt of the donation. Forward one copy of the receipt to the DVS Commissioner’s Office electronically for VSF/DVS records, retain one for local records, and provide one to the donor.
5. On the same day received, forward the check, along with the donor’s name, address, and instructions regarding the disposition and use of the donation to the Office of the DVS Commissioner.

[Paragraphs C, D, and E below are from the Financial Procedures for VSF as of July 1, 2017 distributed by the VSF Executive Director and the DVS CFO, with minor editorial changes.]

- B. Financial contributions received by the Office of the DVS Commissioner, including DVS divisions located in the DVS Headquarters, shall adhere to these procedures:
 1. Donation Envelopes will be stamped with the date received. If there is no envelope, a blank sheet shall be attached for the date stamp.
 2. The donation check/money order and all related documentation shall be scanned by a designated DVS employee.
 3. The scanned copy of the donation check/money order and related documentation will be sent electronically to the VSF Executive Director and designated DVS representatives.
 4. Information from the scanned check/money order and all related documentation shall be keyed into CARDINAL by the designated Office of the DVS Commissioner financial representative.
 5. All VSF bank deposits will be made by the Office of the DVS Commissioner’s staff on the day received or next banking day in accordance with CAPP topic 20205.
 6. A personal thank-you call to the donor shall be made for donations of \$1,000 or over on receipt of the donation by the VSF staff.
 7. All acknowledgement letters shall be sent from VSF and kept on file in the VSF office for audit purposes.
 8. DVS Division Directors are welcomed and encouraged to send personal thank you letters.
- C. Financial Contributions received by Benefits, Care Centers, Cemeteries, VVFS, and other DVS activities external to the DVS Headquarters shall adhere to these procedures:

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1. Direct all donors to send/deliver all donations to:
Veterans Services Foundation
101 North 14th Street, 17th Floor
Richmond, Virginia 23219
2. Ensure all donors make checks/money orders to the “Veterans Services Foundation” and designate the donation’s intended purpose in the “memo” section of the check/money order.
3. Should donations be delivered by the U.S. Postal Service, stamp the envelope with the date received and forwarded the envelope to the Office of the DVS Commissioner for deposit the same business day or no later than the next business day.
4. On receipt by the Office of the DVS Commissioner, designated DVS and VSF personnel shall carry out steps set forth in section J11.12.B, above.
5. DVS Division Directors not in DVS Headquarters are welcomed and encouraged to send personal thank you letters.

D. On-line Donations

1. All on-line donations shall be received through the VSF website.
2. Notification of the on-line donation is emailed to the VSF Executive Director.
3. Donation information electronically shall be sent to designated DVS finance representatives.
4. A designated DVS financial representative shall key the relevant donation information into CARDINAL.
5. An acknowledgement letter shall be sent from VSF and kept on file in the VSF office for audit purposes.
6. DVS Division Directors are welcomed and encouraged to send personal thank you letters.

E. Thank-you Letters [From Policy J4.9.E]

1. Thank-you letters must be prepared for all contributions. In the case of fundraising events where multiple donors are involved, individual thank-you letters shall be sent to donors by the event sponsors. DVS activities that prepare thank-you letters, shall retain a copy and made them available at the request of the VSF Executive Director or the DVS Director of Finance.
2. The VSF Executive Director and DVS activity staff responsible for preparing thank-you letters shall ensure that a thank-you letter is sent to the donor within 10 working days of the donation’s deposit.
3. The Internal Revenue Code requires that donations of \$250.00 and over be acknowledged in a receipt or thank-you letter with the following statement: “No goods or services were provided to you in return for your donation. Therefore the full amount of your contribution is tax-deductible to the extent allowed by law.” If goods and services were provided, they must be deducted from the amount of the contribution received and so noted in the statement. The statement contained Appendix C regarding

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section 170 (c) (1) shall be used in all thank-you letters regardless of the amount received.

4. Normally, thank-you letters only require a single letter to the donor that also acts as a receipt. Consideration may be given to consolidating a number of donations in a thank-you letter covering regular, periodic donations over a specific period (e.g., who make donations once a week or month). Donations in Honor or in Memory of someone usually require a second or more letters to relatives or next of kin.

J11.13 Financial and Other Donations Processing and Expenditure Procedures

See VSF-DVS Joint Policies J12 (Control of In-kind Donations), J13 (Veterans Services Fund Management), and J14 (Veterans Services Fund Allocation and Expenditure).

J11.14 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 Development Committee.

On adoption, this policy supersedes VSF-DVS Joint Policy 3 revised on March 22, 2017.

F11.15 Policy Review Date

The policy review date is the date the policy was reviewed without revisions made. Reviewed:

J11.16 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.

June 24, 2020

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VIRGINIA VETERANS SERVICES FOUNDATION
Veterans Services Fund – Fundraising Request
Appendix A

REQUEST TO CONDUCT FUNDRAISING ACTIVITIES
PLEASE PROVIDE ALL OF THE FOLLOWING INFORMATION TO
THE VIRGINIA VETERANS SERVICES FOUNDATION

101 North 14th Street
17th Floor
Richmond Virginia, 23219

1. **Type of Event and Event Name/Title:**

2. **Name of the Sponsoring Organization and Mailing Address:**
Name: _____
Address: _____
City: _____ ZIP: _____

3. **Sponsoring Organization’s Authority (e.g., incorporated in Virginia, 501 (c) (3) organization, etc.):**

4. **Date and Time of the Event:**

5. **Location of the Event (Facility Name and Street Address):**
Name: _____
Address: _____
City: _____ ZIP: _____

6. **Point of Contact for Event:**
Name: _____
Address: _____
City: _____ ZIP: _____
Phone: _____ Cell Number: _____
Email Address: _____

7. **Is the Event open to the public?** _____

8. **Website(s) on which Event will be posted:**

9. **What percent or amount of the net proceeds, less expenses, will be donated?**

10. **Support from the Department of Veterans Services expected:**

11. **DVS Contact Person:** _____

12. **Other Information Considered Appropriate:**

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**VIRGINIA VETERANS SERVICES FOUNDATION
Veterans Services Fund – Fundraising Request**

Appendix B

REQUEST TO CONDUCT FUNDRAISING ACTIVITIES

Requests to conduct fundraising activities shall contain the following elements.

1. Identity and authority (e.g., 501 (c) (3), registered in Virginia, etc.) of the fundraising organization.
2. Purpose of the fundraising activity to be conducted.
3. Timelines involved including the start and end dates.
4. Capabilities and limitations of the fundraising organization.
5. Number and identity of volunteers.
6. Identification of donor groups for targeting the fundraising effort.
7. List the fundraising methods to be employed.
8. Specify the public relations program and advertising/marketing plan associated with the fundraising effort.
9. Provide an estimate of fundraising costs detailed by function*.
10. Provide an estimate of expected revenue to include milestones to achieve objectives.
11. Specify the support required from state agencies.
12. Procedures for assuring accountability of funds collected.
13. Procedures for assuring donor satisfaction.
14. Implementation agenda.

The requestor acknowledges that the event sponsor generating multiple donations from many individuals shall meet the stewardship requirement of acknowledging the individual gifts with receipts or thank-you letters. (This requirement may be waived by mutual agreement between the event sponsor and the Foundation Executive Director.)

*See Appendix D (Report of Fundraising Activities) to VSF-DVS Joint Policy Number 3 for details by function.

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**VIRGINIA VETERANS SERVICES FOUNDATION
Veterans Services Fund – Fundraising Request**

Appendix C

EXAMPLE OF A STANDARD LETTER OF AGREEMENT (LOA)

VSF LETTERHEAD

DATE

Business Name
Business Address
City, State, Zip

Re: Third-Party Host Fundraising Event Agreement for <date> Event

Dear _____:

Thank you for your interest in hosting an independent third-party fundraising event on <date> at <event location> to benefit the Virginia Veterans Services Foundation (VVSF). Events such as yours are important in the VVSF's efforts to raise funds and public awareness of our programs supporting Virginia veterans and their families. The following guidelines apply to events hosted by third parties to benefit the VVSF.

1. VVSF is an entity of the Commonwealth of Virginia and the owner of certain Marks, including the VVSF logo. The VVSF grants a non-exclusive license to Business/Group Name's to use the Marks in connection with the Event. The term of the license granted hereunder shall be from the date VVSF approves Business/Group Name's proposed Event until the conclusion of the Event; provided, however, that VVSF has the right to terminate the license if it determines, in its reasonable discretion that the Event is or will likely be injurious to the Marks.

2. Any use of the Marks is subject to the prior written approval of VVSF. Accordingly, Business/Group Name agrees to submit to VVSF for approval all printed materials, publicity releases and advertising relating to the Event that mentions VVSF or contains the Marks prior to the production, distribution, broadcast, or publication thereof. Before publishing such materials, please send an electronic copy of all materials to your VVSF contact.

3. Business/Group Name understands and agrees that the Marks may not be altered in any way, nor may they be sublicensed to any other person, and may not be used in connection with any telemarketing or door-to-door solicitations.

4. In accordance with standards adopted by the BBB Wise Giving Alliance, Business/Group Name agrees that any solicitations relating to the Event must specify at the point of solicitation, and in a manner acceptable to VVSF: (a) that VVSF is the benefiting organization; (b) the actual or anticipated portion of the purchase price that will benefit VVSF; (c) the duration of the Event; and (d) any maximum or guaranteed minimum contribution amount.

5. To avoid inadvertently jeopardizing existing relationships between VVSF and its donors, Business/Group Name agrees to receive approval from VVSF before soliciting corporations, businesses, celebrities, sports teams, or individuals for cash or in-kind donations relating to the Event.

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6. **Business/Group Name** represents to VVSF that: (a) it will comply with all applicable laws during the planning, promotion and conduct of the Event; (b) all necessary insurance, licenses and permits will be obtained and will be in force through the conclusion of the Event; (c) the Event will result in no cost or expense to VVSF whatsoever, unless expressly agreed in writing to the contrary; and (d) it will indemnify and hold VVSF harmless from any and all claims of any kind or nature whatsoever arising out of, or in any way related to, the Event.

7. Nothing in this document shall be construed to authorize **Business/Group Name**, or any of its employees or representatives, to act as an agent of VVSF. Thus, for example, **Business/Group Name** may not open a bank account in VVSF’s name, nor may it endorse or attempt to negotiate any checks made payable to VVSF, all of which must be promptly forwarded to VVSF for processing. **(Business/Group Name)** agrees to forward the final net proceeds of the event to the VVSF within 30 days of the event’s conclusion. Upon receipt of the proceeds, the VVSF will provide **Business/Group Name** with a written acknowledgment confirming the donation. If **Business/Group Name** desires to present an in-person check donation, please contact the undersigned to schedule such presentation.

8. Donations to the VVSF are typically tax deductible; however, you should consult your tax advisor regarding deductibility. Any individual donors who make a donation directly to the VVSF will receive an official acknowledgement from the VVSF.

Please confirm your agreement of the above terms between **(Business/Group Name)** and the Virginia Veterans Services Foundation by having an authorized representative sign this letter where indicated below, and return to the Foundation.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Acknowledged and agreed on behalf of the Virginia Veterans Services Foundation:

Signature: _____

Name: *Name of VSF Executive Director*

Title: Virginia Veterans Services Foundation Executive Director

Date: _____

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VIRGINIA VETERANS SERVICES FOUNDATION
Report of Fundraising Activities

Appendix D

**FUNDRAISING ACTIVITIES CONDUCTED BY ORGANIZATIONS
ON BEHALF OF THE VIRGINIA VETERANS SERVICES FUND**

The report of fundraising activities shall be sent to the Virginia Veterans Services Foundation, 101 North 14th Street, 17th Floor, Richmond VA 23219 (Attn: VSF Executive Director) and shall include, as appropriate:

INCOME

Total Revenues Raised and Received

Total of Pledged Revenues Not Yet Received

Total Value of In-Kind Donations by Type:

- Advertising (by type of media)
- Beverages
- Catering
- Mailing
- Printing
- Professional Services
- Rental Space
- Travel & Lodging
- Other (List and Itemize)

EXPENSES

Total Expenses

Expenses by Category:

- Advertising (by type of media)
- Beverages
- Catering
- Mailing
- Printing
- Professional Services
- Rental Space
- Travel & Lodging
- Other (List and Itemize)

In-Kind Expenses (Should Equal In-Kind Income)

Fundraiser's Commission and its basis/rationale

Sponsoring Organization's portion of the income and its basis/rationale

Please attach:

- A list of financial donors, their contact info, amount of contribution, date received, and if receipt and thank you letter has been sent
- A list of in-kind donors, their contact info, amount of contribution, date received, and if receipt and thank you letter has been sent
- A list of pledged donations by donor, contact info, amount of contribution, and expected

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date receipt of pledged revenues

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

Veterans Services Fund – Acceptance of Financial Donations

Appendix E

**PROCEDURES FOR HANDLING DONATIONS RECEIVED AT THE OFFICE OF THE
DVS COMMISSIONER**

1. The purpose of this procedure is to ensure proper action is taken on issues involving VSF and donations thereto, as agreed between the DVS Commissioner and his staff.
2. The address to which donations (whether check, money order, cash, or other negotiable instrument, hereafter, referred to as checks) to VSF should be sent is the VSF office; however, donations may be received by the DVS Commissioner's office in Richmond.
3. The person initially receiving mail shall date stamp each piece before distributing it to the recipients as follows:
 - a. Mail received by the Commissioner's office addressed to VSF or the VSF Executive Director shall be delivered to the Commissioner's Confidential Assistant (CA) who has the authority to receive and open such mail.
 - b. Mail received by the Commissioner's office addressed for Benefits and other DVS activities shall be delivered to the responsible agents designated to open mail. Such mail shall be opened expeditiously and donation checks with supporting documents including the envelope immediately shall be copied and sent electronically to the VSF Executive Director and appropriate finance staff.
 1. Receipt of cash donations is covered in VSF-DVS Joint Policy J11, section J11.11. Should cash be accepted, it shall not be scanned for any reason.
 2. Checks or money orders shall be stamped with the deposit stamp bearing the date of receipt, placed in an envelope with the donor's name and date on it and given to the Senior Financial Analyst or his designee for deposit preparation. If no Finance staff is in the office, the EA or HQ Receptionist shall place the funds in the Finance lock box.
 - c. The deposit is given to a Finance staff employee to prepare a deposit slip and a designated Finance staff employee takes the deposit to the bank.
 - d. The Commissioner and HQ Receptionist have de facto authority to open mail and receive checks in the absence of the EA.
 - e. The Executive Director of VSF also is authorized to receive and open mail addressed to VSF.
4. All checks received at the Commissioner's office shall be deposit stamped by the authorized recipient. Where possible, any checks received should be transmitted on the same day as received, but no later than the next business day. Deposit stamps shall be held by the CA and the VVFS Executive Assistant.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Fundraising	Effective: 6.24.2020
VSF-DVS Joint Policy Number 11		Revised: 12.10.2020

5. Any financial donations received by other parties in the Commissioner’s office or supported by it (e.g., VSF Trustees) shall be immediately given to the appropriate finance staff employee or the EA or the HQ Receptionist for preparation for deposit as stated in paragraph 3.c, above.
6. Papers accompanying the donation funds will be sent to VSF Executive Director or the VSF Executive Assistant and those electronically scanned and sent will contain all accompanying papers including the envelope in which they were delivered.
7. Copies of deposit receipts shall be sent to the VSF Executive Director or Executive Assistant. Receipts received by other parties shall immediately be forward them to the VSF Executive Director.
8. The DVS CFO shall not directly be involved with Foundation mail or donations because he or she is in a supervisory capacity over administration, funds, and accountability.
9. Other DVS activities, such as the Veterans Care Centers and the Cemeteries, shall immediately forward all donations in their original envelopes to DVS HQ and they shall be process in accordance with paragraphs 3.b and c, above.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Fundraising	Effective: 6.24.2020
VSF-DVS Joint Policy Number 11		Revised: 12.10.2020

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

Financial Donation Receipt

Appendix F

It is the policy of the Veterans Services Foundation that contributions will be accepted as designated by the donor, however, if the purpose of the donation has been met by other means the Foundation reserves the option to use unsolicited donations at the discretion of the Foundation Board of Trustees.

Date	
<i>Name Individual / Group</i>	
<i>Group Contact / Title</i>	
<i>Street Address</i>	
<i>City, State, Zip</i>	
<i>Phone Number</i>	
<i>E-Mail Address</i>	
Above to be completed by Donor (Please Print)	

Donation		
	<i>Funds</i>	<i>Amount(s)</i>
	<i>Restricted/Use</i>	
Above to be completed by VSF or Program or Activity Representative		

The donation to the Veterans Services Fund is tax exempt under section 170 (c) (1) of the Internal Revenue Code to the extent authorized for federal taxes and tax exempt from Virginia state and local taxes in accordance with section 2.2-2719 of the Code of Virginia. The Foundation did not provide any goods or services in return for this donation.

Foundation/Program/Activity Representative

Date

Title

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020

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

**Veterans Services – Control of In-Kind Donations
Policy and Procedures**

J12.1 Purpose and Background

- A. The Virginia Veterans Services Fund (the Fund) is administered by the Virginia Veterans Services Foundation (VSF) and identified by the Commonwealth Comptroller as a special non-reverting trust fund. The Fund was established to account for monetary donations. In-kind gifts or contributions of goods, services, or other non-negotiable property of whatever nature are subject to accountability.
- B. In accordance with the Code of Virginia, the Foundation is the only veteran’s related state agency authorized to accept in-kind donations. The use of some types of in-kind donations (e.g., computers) may be restricted by the Code. Additionally, certain donations that may incur continuing costs to maintain or store and certain types of real property to include real estate are subject to approval by the Governor in accordance with the current edition of the Virginia Appropriations Act.
- C. In-kind donations have value; therefore, the Foundation, the Department of Veterans Services (DVS), and the DVS programs shall receive, record, manage, and account for in-kind donations as required by the State Comptroller. This will ensure that an accurate and complete record of donations - whether financial or in-kind - is maintained and accountability established.
- D. An in-kind donation is one where goods, services, property or something of value is offered for free or at less than the usual and normal charge, or payments by a third party for goods and services. This type of contribution does not include financial donations – i.e. cash, checks, promissory notes, or negotiable securities.
- E. In-kind goods include, but are not limited to food, equipment, furniture, supplies, computer software and hardware, and office space. Types of in-kind services donations include, but are not limited to, voluntary contributions of advertising materials, printing, entertainment, catering, lodging, and transportation. Promotion materials and governmental inter and intra agency transfers of materials are not in-kind donations. Uncompensated professional services contributed are in-kind donations, but uncompensated volunteer labor is not. For additional information on in-kind contributions, see applicable U.S. Internal Revenue Service Publications and Instructions.
- F. The value of an in-kind donation is set by the donor, not by the Foundation or DVS. In-kind donations may be tax-deductible under state and federal law. Since it is the donor who will be claiming the tax deduction for the in-kind donation, it is imperative that the donor determine its value. An exception to this exists when a donor contributes a bank card or gift card. Other such gifts such as theater tickets may be comparable. They are considered cash contributions except that they are not recorded as income to Commonwealth accounts; therefore, they are recorded as in-kind contributions.
- G. In-kind donations are recorded and tracked only within VSF internal procedures and are not entered into CARDINAL.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

J12.2 References

- A. This policy is made in accordance with the Code of Virginia § 2.2-2718, other related Code sections, the current edition of the Appropriations Act, and the VSF Bylaws.
- B. This policy amplifies the information contained in VSF-DVS Joint Policy Number 11 (Fundraising).

J12.3 Application

The VSF Executive Director, with the assistance of the DVS CFO, is responsible for the application of this policy.

J12.4 Interpretation

The Chairman of the VSF Board of Trustees (VSF Chair), with the assistance of the DVS Commissioner, is responsible for the interpretation of this policy.

J12.5 In-kind Donation Policy

- A. It is the policy of VSF, in coordination with DVS, to oversee and ensure that in-kind goods and services contributed to VSF are received, recorded, and managed. At the discretion of the Foundation, in-kind donations may be passed on to other state agencies or to non-profit organizations for use by veterans and their families. Due to limited capacity, the Foundation will not accept: (1) tangible goods for resale; (2) tangible goods that have no further service life; (3) tangible goods that are to be discarded; (4) any goods that have debt attached to them; and (5) any goods without clear proof of ownership from the donor. Questionable items will be subject to a decision by the Foundation Executive Director or, in his absence, the DVS Chief Financial Officer (CFO).
- B. As an exception, DVS programs may, at their discretion, accept in-kind donations for which they have no valid use as a public outreach gesture. They may dispose of said donations as befits the nature of the gift. However, any gains realized from such disposals must be recorded as donations to the Foundation.
- C. It is the policy of VSF and DVS that no monetary value will be indicated on thank-you letters or receipts for in-kind goods and services.
- D. If the in-kind donation is a cash value bank or gift card, its value will be noted and an appropriate thank-you letter indicating the value will be sent.

J12.6 In-kind Donation Receipt Authorization

- A. VSF Trustees, the VSF Executive Director, and designated DVS employees may accept an in-kind donation on behalf of the Foundation after first considering these procedures. The DVS Commissioner shall designate the DVS employees who may accept in-kind donations on behalf of the Foundation, subject to the approval of the Foundation Executive Director.
- B. Designated DVS employees also may accept in-kind donations to the Foundation on behalf of the DVS program that they are authorized to represent.

J12.7 Special Procedures for Accepting Tangible Property

Tangible property is considered to be any item that is not consumable in the near term. Tangible property includes durable goods that have a life expectancy of three to five years. Trustees or DVS employees accepting an in-kind donation of tangible property should take the following steps:

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6/24/2020

- A. Consider the cost of ownership of the item being donated. This will include the cost of installation, useful life, cost of maintenance, and cost of disposition. If acceptance of the tangible property will place an unacceptable financial burden on VSF or DVS, then the donation should be politely declined. For example, an aquarium and its contents have a fixed procurement price, but the annual maintenance may exceed the cost of honoring the intent of the donation. In such cases, an assessment must be made, in conjunction with the donor, regarding disposition of the donation. If there is a question about whether or not such donation would constitute an unacceptable financial burden to DVS, then the *DVS* Commissioner and VSF Executive Director should be consulted before acceptance of the donation. The VSF Executive Director on behalf of the VSF Chair is authorized to decide on questionable donations before they are accepted.
- B. Refer gifts of tangible property, such as real estate, that may place a financial burden on the Commonwealth for maintenance to the Department of General Services for approval by the Governor in accordance with Part 4 of the Appropriations Act, section 4-2.01.a.
- C. If the anticipated donation will not create a financial burden, then the Trustee or DVS employee should, if appropriate, obtain and record the type of good or service contributed, proof of ownership, a written statement from the contributor of its monetary value (actual cost or fair market value), and date of receipt from the donor.

J12.8 Special Procedures for Accepting Consumable Goods or Services

Consumable goods are those that will be consumed in the near-term such as food or clothing. Trustees or DVS employees accepting an in-kind donation of a consumable good or service on behalf of the Foundation should take the following steps:

- A. Consider whether there is a valid need for the consumable good or service.
- B. Consider whether the contribution is bona fide.
- C. If there is a question on whether the good or service is needed or bona fide, it will be referred to the VSF Executive Director or, in his absence, the DVS CFO, before it is accepted.
- D. Obtain and record the type of good or service contributed, proof of ownership, a written statement from the contributor of its monetary value (actual cost or fair market value), and date of receipt from the donor.

J12.9 Procedures for Accepting In-Kind Contributions

After completing the initial procedures for either tangible property or consumable goods and services, complete the following procedures.

- A. Thank the donor for his generous gift and give the donor their personal business card.
- B. Complete an In-Kind Donation Receipt (see Appendix A). Retain one copy for VSF/DVS records, one for local records, and give one copy to the donor.
- C. Forward the VSF/DVS copy of the receipt to:

Virginia Veterans Services Foundation
Executive Director
101 North 14th Street, 17th Floor
Richmond, Virginia 23219

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020

J12.10 Recording In-Kind Donations

Upon receipt of an in-kind donation, the VSF Executive Director or his/her designee shall pass it to the DVS CFO who shall take appropriate action to ensure that:

- A. The donation is recorded on a Foundation spreadsheet in a form acceptable for audit purposes and includes the donor’s estimated value of the goods or service (see section J12.8).
- B. The donor’s name, organization, and address, the recorded value of the donation and the intended purpose of the donation is expeditiously reported to the VSF Executive Director or the DVS Commissioner’s Office, so that a thank-you letter may be prepared.
- C. If required by value and remaining life (by the State Comptroller), record donated assets in the State Fixed Accounting and Control System.
- D. The VSF Executive Director or the DVS Commissioner or his designated representative shall send a thank-you letter to the donor within 20 working days of the donation. VSF, DVS, and DVS programs are encouraged to personalize thank-you letters and ensure that the same person does not receive the same form letter more than once. Should DVS activities (i.e., care centers and cemeteries) prepare thank-you letters, a copy will be retained and made available at the request of the VSF Executive-Director or the DVS CFO.

J12.11 Managing and Expending In-Kind Donations

In-kind donations shall be managed and expended as follows:

- A. In-kind donations of a tangible nature shall be placed on the property accounts of the receiving program if they meet the capitalization standards established by the Commonwealth Comptroller. Donations that are less than the established capitalization thresholds only shall be recorded on spreadsheets noted in *Paragraph J12.10*, above. However, certain durable goods (e.g., computers) may be subject to additional controls. If a tangible donation is passed on to a needy care center resident, the details also will be so noted on the previously referred to spreadsheet.
- B. In-kind donations of a non-tangible nature are generally consumable goods or pro-bono professional services, and shall be considered expended when received.
- C. If a DVS program accepts in-kind donations for which it finds that it does not have a need, the program will notify other DVS programs to determine if the item(s) can be used and will transfer said items as appropriate.
- D. Should an in-kind donation not be needed by any DVS program, the item may be provided to another state agency through the Department of General Services, to a veterans service organization, or to other non-profit organization that supports veterans and their families. Should this occur, a record will be made of the item’s disposition and neither shall the monetary value of the in-kind contribution be recorded nor shall the item be entered on a property account.
- E. The DVS CFO report to the Trustees on a quarterly basis the status of all in-kind donations.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

J12.12 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 board/council members at least ten (10) days prior to the vote being taken. Biennial review of this policy is the responsibility of the VSF Finance Committee.

On adoption, this policy supersedes VSF-DVS Joint Policy 5 of August 6, 2008 and revised on August 6, 2014.

J12.13 Policy Review Date

The Policy Review Date is the date the policy is reviewed without revisions made. Reviewed:

J12.14 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees and the DVS Commissioner ratify the policy. Revised:

June 24, 2020

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

VIRGINIA VETERANS SERVICES FOUNDATION

Appendix A

Acknowledgement of In-Kind Donation Receipt

It is the policy of the Veterans Services Foundation that in-kind donations may be passed on to other state agencies or non-profit veterans support organizations, providing the donation will be used for veterans and their families.

<i>Date</i>	
<i>Name Individual / Group</i>	
<i>Group Contact / Title</i>	
<i>Street Address</i>	
<i>City, State, Zip</i>	
<i>Phone Number</i>	
<i>E-Mail Address</i>	

The Veterans Services Foundation is a state activity that is Tax exempt under Section 2.2-2719, Code of Virginia and Section 170 (c), Internal Revenue Code. The Foundation did not provide any goods or services in return for the donation(s).

<i>Donation(s) (Use additional sheets, as required.)</i>	
<i>Item(s)</i>	<i>Restricted / Use for:</i>
<i>Clothing</i>	
<i>Books</i>	
<i>Other</i>	
Total Estimated Value	

Foundation/Program/Activity Representative

Title

Date

Contributor / Representative

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

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

**Veterans Services Fund – Management
Policy and Procedures**

J13.1 Purpose

- A. The Virginia Veterans Services Fund (the Fund), administered by the Virginia Veterans Services Foundation (VSF), is a special non-reverting trust fund on the books of the Commonwealth Comptroller. The Fund includes such monies as may be appropriated by the General Assembly; revenues transferred from other state programs established for the Fund’s benefit; revenues derived from contracts, grants, and other dedicated sources; and designated gifts, contributions and bequests of money, securities or other monetary property of whatever nature.
- B. This policy sets forth the procedures to be followed when recording, responding, accounting, reporting donations and generally managing, financial donations made to the Fund.
- C. This policy is to be used in conjunction with VSF-DVS Joint Policies J11 (Fundraising) covering solicitation and receipt of donor funds, J12 (Control of In-kind Donations) concerning non-financial donations, J14 (Veterans Services Fund Allocations and Expenditures) regarding budgeting, appropriation, allotment, allocation, and expenditure of financial donations.

J13.2 References

This policy is made in accordance with Code of Virginia § 2.2-2718 and § 64.2-1100 et seq, the Appropriation Act, the Department of Veterans Services (DVS) DVS-VSF Memorandum of Understanding, and the VSF Bylaws.

J13.3 Application

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

J13.4 Interpretation

The Chairman of the Board of Trustees of the VSF (VSF Chair), with the assistance of the DVS Commissioner, is responsible for the interpretation of this policy.

J13.5 Policy

- A. VSF and DVS, in coordination with the Trustees Finance Committee and VSF Executive Director, shall oversee and ensure that monies collected are properly deposited and managed. [Expenditure of funds will be in Joint Policy 14.]
- B. VSF shall provide Veterans Services Fund oversight to ensure internal controls are effective. [From DVS-VSF MOU.]
- C. DVS shall provide financial management and accounting necessary to ensure compliance with receipt and accounting requirements set forth by the State Department of Accounts, State Auditor of Public Accounts, and VSF-DVS Joint Policies in a manner that segregates VSF from DVS activities. [From DVS-VSF MOU.]

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

- D. DVS finance staff shall provide monthly financial and quarterly detailed statements to VSF for internal and external use, including the preparation of the VSF quarterly financial report required by Code of Virginia § 2.2-2715.A. [From DVS-VSF MOU.]

J13.6 Definitions

The definitions that apply to this policy, and are applicable to other VSF-DVS Joint Policies, are contained in Appendix A.

J13.7 Recording Financial Donations

Upon receipt of a financial donation, the DVS CFO of Finance or the DVS Office of Finance designee shall record the donation on the Fund spreadsheet in the account for which the donation is intended by the donor.

J13.8 Managing Financial Donations

Financial donations shall be managed as follows:

- A. All contributions shall be considered donations contributed for unrestricted purposes or for a specific program or activity.
- B. All balances in the Fund shall be maintained in an interest bearing account. Interest income generated by the Fund shall accrue to the Foundation Unrestricted Revenue Fund, unless otherwise directed by the Trustees.
- C. Upon completion of the activity for which funds were donated, the unspent portion of donations made for a specific activity shall be transferred to a related program fund or the Foundation Unrestricted Revenue Fund at the discretion of the Trustees. Procedures are contained in VSF-DVS Joint Policy Number 14 (Fund Allocation and Expenditure).
- D. At the end of each fiscal year, VSF shall review remaining activity account balances to determine their continuing need. DVS programs shall justify sub-fund retention or recommend redistribution of excess funds within the program. At the discretion of the Trustees, unused amounts shall be reallocated. Procedures are contained in VSF-DVS Joint Policy 14 (Fund Allocation and Expenditure).

J13.9 Veterans Services Fund

- A. The accounts and records of the Foundation 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 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 in accordance with §2.2-2717 of the Code of Virginia.
- B. The Veterans Services Fund operating structure shall allow for: (1) separate current and non-current funds for annual operations as set forth in the Appropriation Act, (2) reserves, (3) specific funds for grants and stand-alone projects, and (4) endowments primarily to provide funding for Department veterans programs and services. It also funds for Foundation operations to support veterans programs and services and is not an auxiliary or reserve fund for the Department or Foundation.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

C. The basic Fund structure to be used in the monthly and quarterly reports is as follows:

Current Annual Funds:

- Annual Program Funds
- Grants
- VSF Specific Funds for DVS Projects
- Foundation Support Fund

Reserve Funds:

- Reserve Program Funds
- Foundation Unrestricted Revenue Funds
- Endowment Funds

These funds are set forth in the monthly spread sheet financial reports. An example is in Appendix B and described as follows:

1. Current Annual Funds

- a. Annual Program Funds: The Appropriation Act annually appropriates and allots to VSF a specific amount of “designated special revenue” consisting of donors restricted and unrestricted funds. VSF, upon approval by the board of trustees, allocates all or a portion of the annual appropriations to DVS programs and services as requested by DVS in its annual budget request. These allocations are shown in the top portion of the spread sheet at Appendix B from the Virginia Veterans Care Center and Sitter & Barefoot VCC at the top down to the VSF Support Funds towards the bottom. The current allotments or allocations are authorized for expenditures. The balances are income, but do not include obligations for projects that have had allocations during the current year and not expended. Allocated funds that have not been spent at the end of the year are carried over to the next year as are obligations. At the beginning of the next year, the fund is replenished with reserve funds to bring it to allocation levels, if sufficient reserve funds are available. If not, available donations are used for replenishment. In all cases, sufficient cash, appropriations and allotments must be present prior to the expenditure of funds. Annual Program funds are not available for endowment purposes.
- b. Specific Funds for DVS Projects: Restricted funds that normally are current annual or biennial funds from donors that are to be used for special DVS requirements that are not DVS Annual Program Funds, may involve more than one DVS program, and/or include other state agencies. An example is “Women’s Summit” under Veteran Education, Transition and Employment. Others not listed in Appendix B may be VVFS “Mission Healthy Families”, Mission Healthy Relationships”, and “Suicide Prevention”. VSF Specific Funds are not available for endowment purposes.
- c. Grants: Grants normally fall under Annual Program Funds or VSF Specific Funds. A VVFS example is “Operation Family Caregiver Grant”. The V3 example is Altria (shown on the quarterly spread sheet at Appendix B under Veteran Education, Transition and Employment). Grant funds exceeding the annual allocation shall be held in Reserve Program Funds. Grants are not available for endowment purposes.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

- d. **Foundation Support Fund:** Unrestricted funds appropriated by the Commonwealth or donated on an annual basis to support VSF, and the contingency needs of DVS on a reimbursable basis. This is an expenditure fund. Support funds are not available for endowment purposes.

2. Reserve Funds

- a. **Reserve Program Funds:** This account contains those VSF Funds found at the bottom of the spread sheet at Appendix B on the line titled “Grand Total of All 09410 Funds.” They are the sum of the Fund 09410 Balance June 30, 2019YTD less the sum of the FY 2019 Budget Balance YTD. The result is the amount of unallocated restricted funds from donors to support each designated DVS Program which are not part of the current annual Appropriations Act allocations, but available for expenditure on approval from the Department of Planning and Budget (DPB). For DVS divisions and programs, the reserve for subsidiary funds may be found in the subordinate accounts titled “Other Donations Restricted”. At least ~~40~~ 100% of the annual budget (\$796,500.00 in the example in Appendix B) must remain in the account for contingency purposes. The remainder may be available for investment for endowment purposes. Should the funds available in the reserve account be less than the amount in the current budget, expenses for the following year will have to be reduced by a comparable amount.
- b. **Foundation Unrestricted Revenue Fund:** This account contains unrestricted funds to support VSF. It is an income fund. It contains: (1) appropriated non-general Funds; (2) Donor Unrestricted Funds; and (3) Interest. At least 10% of the available funds must remain in the account for emergency purposes. The remainder may be available for investment for endowment purposes.
- c. **Foundation Endowment:** The funds may be unrestricted or restricted. If restricted, their principal usually cannot be spent at all, and only a specified percent of the interest earned can be spent per year. This Fund may consist of available unrestricted Revenue, and Reserve Program Funds that may be invested. There currently are no funds in this category.

D. Fund, subsidiary funds, and subordinate funds in Monthly Veterans Services Fund Spread-Sheet Elements.

1. The Veterans Services Fund encompasses the entire spread sheet at Appendix B.
2. Subsidiary Funds are the sum of those dedicated to each DVS Division (i.e., Virginia Veterans Care Center, Sitter& Barefoot Veterans Care Center, Cemetery Funds, Virginia Veteran and Family Support, Benefits Funds, Veteran Education, Transition and Employment, and VSF Support Funds).
3. Subordinate or Sub-funds are the individual allocation categories under each subsidiary fund. Examples of these sub-funds follow in the next section.

E. Donations made for a specific purpose are placed in restricted sub-funds, so that the donated funds are only used in accordance with the wishes of the donor. Additional sub-funds may be established as required.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

1. Care Centers Residents’ Assistance sub-funds for Indigent Resident Needs; Activities/Carnival Fund; Operation Holiday Spirit; Unit Projects & Functions; and Other Donations Restricted as required for each care center depending on its needs.
2. Cemeteries Assistance sub-funds for each cemetery and Other Donations Restricted.
3. The Virginia Veteran and Family Support Subsidiary Fund, for example, has the following sub-funds:
 - a. The Direct Services Sub-fund supports veterans of any era who are Virginia residents, members of the National Guard or Virginia members of the Armed Forces Reserves not on active federal service, and the family members of these veterans and service members.
 - b. The Outreach Sub-fund supports activities promoting awareness of the availability and eligibility of services of VVFS program services among the public, veterans, and their families so that: (1) those in need are encouraged to come forward to seek support; and (2) the broader public will have increased awareness of program services and be a catalyst to strengthen outreach to those in need.
 - c. The Enabling Sub-fund supports training for professionals who may come in contact with veterans and their families, so they are better able to identify, and address veterans concerns and needs. The sub fund also may be used for direct professional education/training services for veterans and their families.
 - d. The Homeless Veterans Sub-fund provides assistance to alleviate the needs of temporarily homeless veterans and, in some cases, their families.
 - e. A sub-fund for the Operation Caregiver Grant.
4. The Veterans Education, Transition and Employment Subsidiary Fund has sub-funds for the Virginia Values Veterans (V3) Program, the Women’s Summit, and the Altria Grant
5. The Other Donations sub-fund found in all subsidiary funds is a holding account for revenue not allocated for expenditure by the current budget and is a drawing account for the next annual allocation.

J13.10 Veterans Services Fund 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. This report and monthly reports are compiled with the assistance of the DVS CFO and the DVS Finance Staff for 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.
- B. The monthly and quarterly finance reports prepared by DVS for VSF shall contain: (1) a balance sheet; (2) a pie-chart depiction of assets by major funding activity; (3) a profit and loss statement; and (4) a Schedule of Receipts, Expenditures and Budget by Activity. An example of the finance report is at Appendix B.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

- C. The DVS CFO shall assist VSF in preparing quarterly reports to the VSF Trustees from the monthly reports provided by the DVS Office of Finance to the VSF Executive Director. 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.
- D. Reports on income and expenditures shall be submitted monthly, or as requested, to the DVS Commissioner, the trustees, or others for review. These reports shall include under- funded or unfunded needs, if any.
- E. VSF shall compile an annual report to the Secretary of Veterans and Defense Affairs, and the General Assembly in accordance with § 2.2-2715.B. 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.
- F. These quarterly and annual reports shall be available in the board of trustees meeting minutes posted on the VSF website.

J13.11 Adoption and Amendment

- A. This policy may be adopted and amended by a majority vote of the VSF Board of Trustees after consultation with the Commissioner of Veterans Services. Notice regarding such actions shall be given to the Commissioner and all Trustees at least ten (10) days prior to the vote being taken.
- B. Biennial review of this policy is the responsibility of the VSF Finance Committee.
- C. On adoption, this policy supersedes VSF-DVS Joint Policy4.

J13.12 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.

June 24, 2020

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

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

Veterans Services Fund – Management

Appendix A

DEFINITIONS

These definitions apply to this policy and may be applicable to other VSF-DVS Joint Policies.

Account: As used by VSF, this is a financial account (i.e., a record of financial transactions showing receipts and expenditures for a given period) is maintained for each of the principal subordinate programs of DVS.

Activity: This is a function (i.e., a set of operations including special services, projects, events, etc.) that a DVS principal subordinate program performs and has a purpose recognized for authorization of use of VSF funds.

Administrative Expenses: These are VSF or a DVS program expenditures for overhead, administrative staff and associated costs, and organizational meetings. VSF operating expenses, including staff, travel, and other administrative expenses, fall under the Foundation Support Fund.

Agency: This is the administrative unit of state government, including any department, institution, commission, board, council, authority, or other body. VSF and DVS are state agencies that report to the Secretary of Veterans and Defense Affairs. The Board of Veterans Services and the Joint Leadership Council of Veterans Service Organizations also are considered state agencies; however, they report to the Commissioner of DVS.

Business Units of DVS: Divisions of DVS.

Charitable Purpose: Means the promotion of a governmental purpose for the public good which is beneficial to the community.

Contingency: This is a planned situation pertaining to a VSF or DVS program need for funds that are not appropriated from the current Appropriation Act or approved by the Department of Planning and Budget.

Designated Special Funds: This is a term used in the Appropriation Act to identify donor funds and grants and the allocation thereof for authorized expenditures.

Divisions of DVS: Include Cemetery Operations, Sitter & Barfoot Veterans Care Center, Virginia Veterans Care Center, and the Virginia Veteran and Family Support Program, and others that may be developed and affected by VSF operations.

Emergency: This is an unplanned occurrence where a VSF or DVS urgent need exists for funds that are not appropriated from the current Appropriation Act or approved by the Department of Planning and Budget.

Endowment Fund: Means an institutional (i.e., VSF) fund or part thereof that is not wholly expendable by the institution on a current basis. The term does not include assets (usually restricted funds) that an institution designates as an institutional fund. The funds may be unrestricted or

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
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restricted. If restricted, their principal usually cannot be spent at all, and only a specified percent of the interest earned may be spent per year. There may be restrictions on how the interest can be spent.
Fiscal Year (FY): From 1 July through 30 June of the next year defines the state Fiscal Year.

Foundation Operations: These are functions performed in support of the administration of the Foundation.

Fund: The “Fund” is the Veterans Services Fund, which includes subsidiary funds for each of the DVS principal subordinate divisions or programs.

Fund Allocations and Expenditures: Includes appropriating, allotting, allocating, and expending financial donations from the Veterans Services Fund, but also other state general and non-general funding for veterans and their families.

Fund Management: Includes recording, responding, accounting, and reporting donations, primarily in the Veterans Services Fund.

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.

Fundraising Expenses: These include the VSF expenditures to raise money. Fundraising expenses can include campaign printing, publicity, outreach, mailing, travel, and staffing and costs incurred in soliciting donations, memberships, and grants. For the VSF, these expenses fall under the Foundation Support Fund.

Grants: Grants are a form of financial aid based on need which does not have to be repaid, but requires a service to be rendered by the recipient. Grants are contractual agreements to provide services on receipt of non-repayable funds or products disbursed or given by one party, called the grant maker, to a recipient that often is a nonprofit entity such as VSF. Normally to receive a grant, some form of proposal or application is required. In other cases a grant may be offered based on the conditions specified by the grant maker. Grant funds are restricted for use as the grant maker specifies and may not be used for other purposes. Grant acceptance, compliance, and reporting requirements vary depending upon the type of grant and funding source.

Institution: A government subdivision, agency, or instrumentality to the extent that it holds funds exclusively for charitable purposes; i.e., VSF.

Institutional Fund or Reserve Fund: Means a fund (subsidiary fund usually a restricted fund) held by an institution (VSF) exclusively for charitable purposes. It does not include Program-related Assets.

Programs of DVS: An operational term for a principal subordinate division of DVS or other state agency programs (e.g., Virginia Values Veterans Program, Homeless Veterans Program).

Program Expenses: These include the Foundation’s annual allocation primarily to the DVS programs and direct services to veterans and their families. For the VSF, these include emergency expenses associated with DVS programs, if they don’t fall under Administrative Expenses.

Program-related assets or Annual Fund: These include assets (subsidiary and sub-funds usually restricted) which are held by an institution (VSF) primarily to accomplish a charitable purpose of the institution (VSF) and DVS and not primarily for investment.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
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Report: This is a written response to a request for information and may include financial schedules and statements or other data.

Restricted Funds: This is a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors that their contributions will be used in a manner they have chosen. When a donor gives money to VSF, they may specify that it be temporarily restricted to be used for a certain purpose, or permanently restricted so that the donation acts as principal on which interest can be earned and only the interest can be spent.

Schedule: A schedule contains financial information, usually at a more detailed level than is found in a “statement.” (See definition of “statement” below.) An example is the Schedule of Receipts, Expenditures, and Budget that contains financial information on DVS Programs and their activities.

Service: This is an operational term for DVS principal subordinate programs’ activities performed in support of a specific DVS program.

Specific Fund: Means those restricted funds specified for a specific requirement that DVS is pursuing that: (1) are not part of DVS programs’ Annual Funds; (2) may involve more than one DVS program; and/or (3) include other state agencies.

Statement: A statement refers to a financial statement. Current statements include a Balance Sheet, and a Statement of Revenues and Expenditures. Other financial statements may be defined, as the needs of the users change.

Sub-fund: This term is used to denote financial accounts that support the activities/services of DVS programs. These also are called sub-accounts for accounting purposes.

Subsidiary Fund: These are the principle subordinate funds of the Veterans Services Fund and pertain to the funds of each of DVS principal programs.

Unrestricted Funds: These funds may come from state appropriations or donations that are available for VSF to use for any purpose. Unrestricted funds usually are used for operating expenses of VSF or for a particular project that VSF picks. Only the state executive and legislative branches or the donor can determine if an appropriation or donation is restricted or not. The designation is made by legislation or a letter from the donor or through explicit agreement with VSF. Exceptions could be when donors are asked to give to a capital campaign, a building fund, or a relief fund.

Unrestricted Donor Fund: This is a sub-fund of the Unrestricted Revenue Fund and consists of donations made to the Foundation for direct support of veterans and their families. This fund shall not be used for administrative or fundraising expenses.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

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

Veterans Services Fund Management

Appendix B

**Example of
VSF FINANCIAL REPORT
Contained in the following four pages**

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

Veterans Services Foundation						
Schedule of Receipts, Expenditures and Budget, by Activity						
For the Month Ended June 30, 2019 (FM12)						
FY 2019 Year-To-Date						
(Unaudited)						
Activity	Fund 09410 Balance July 1, 2018 Adjusted	Receipts YTD	Expenditures YTD	Fund 09410 Balance June 30, 2019 YTD	FY 2019 Budget YTD	FY 2019 Budget Balance YTD
Virginia Veterans Care Center:						
Indigent Resident Needs	30,470.51	5,095.00	216.54	35,348.97	2,000.00	1,783.46
Activities/Carnival Fund	12,640.99	7,610.00	5,583.51	14,667.48	7,000.00	1,416.49
Operation Holiday Spirit	74,472.88	25,280.00	13,144.38	86,608.50	21,000.00	7,855.62
Unit Projects & Functions	11,331.00	-	15,613.64	-	19,500.00	3,886.36
Other Donations Restricted	16,099.97	17,670.00	10,500.00	18,967.33	10,500.00	-
Total VVCC Funds	145,015.35	55,655.00	45,058.07	155,612.28	60,000.00	14,941.93
Sitter & Barfoot VCC:						
Indigent Resident Needs	6,107.52	200.00	65.00	6,242.52	1,000.00	935.00
Activities Fund	28,980.18	1,400.00	10,631.16	19,749.02	16,500.00	5,868.84
Other Donations Restricted	1,692.00	5,380.00	-	7,072.00	10,500.00	10,500.00
Total SBVCC Funds	36,779.70	6,980.00	10,696.16	33,063.54	28,000.00	17,303.84
Cemetery Funds:						
Va Veterans Cemeteries- Other Donations Restrictes	787.00	55.00	-	842.00	500.00	500.00
Va Veterans Cemetery—Amelia	8,091.38	570.00	-	8,661.38	5,000.00	5,000.00
Memorial Cemetery—Suffolk	10,111.07	11,204.91	-	21,315.98	5,000.00	5,000.00
SW Va Veterans Cemetery—Dublin	10,731.79	75.00	-	10,806.79	5,000.00	5,000.00
Total Cemetery Support Funds	29,721.24	11,904.91	-	41,626.15	15,500.00	15,500.00
Virginia Veterans' and Family Support						
Outreach Services	1,000.00	-	-	1,000.00	1,000.00	1,000.00
Direct Veterans Services	230,000.00	-	165,257.70	64,742.30	230,000.00	64,742.30
Enabling Veterans Services	1,000.00	-	-	1,000.00	1,000.00	1,000.00
Homeless Veterans Fund	215,000.00	185,050.00	214,587.73	185,462.27	215,000.00	412.27
Operation Family Caregiver Grant	3,227.76	-	2,303.77	923.99	-	(2,303.77)
Other Donations Restricted	222,207.63	114,086.61	-	336,294.24	-	-
Total VVFS Funds	672,435.39	299,136.61	382,149.20	589,422.80	447,000.00	64,850.80
Benefits Funds:	675.52	650.00	-	1,325.52	1,000.00	1,000.00
Veteran Education, Transition and Employment						
V-3 Fund	236,745.67	89,327.00	106,919.26	219,153.41	125,000.00	18,080.74
Altria Grant	227,447.90	100,000.00	74,195.66	253,252.24	100,000.00	25,804.34
Women's Summit	1,222.94	-	1,222.94	-	10,000.00	8,777.06
VETE Other Donations Restricted	-	-	-	-	-	-
Total VETE Funds	465,416.51	189,327.00	182,337.86	472,405.65	235,000.00	52,662.14
VSF Support Funds:	10,000.00	-	1,560.13	8,439.87	10,000.00	8,439.87
VSF Unrestricted Revenue						
Appropriated Funds	203,670.05	-	-	203,670.05	-	-
Donor Funds	15,258.50	41,339.34	-	56,597.84	-	-
Interest	41,248.35	31,942.67	-	73,191.02	-	-
Total VSF Unrestricted Revenue	260,176.90	73,282.01	-	333,458.91	-	-
Grand Total All 09410 Funds	1,620,220.61	636,935.53	621,801.42	1,635,354.72	796,500.00	174,698.58
	BALANCE	CASH IN	CASH OUT	BALANCE		
Cash Transfers						
913 09410 Fund Balance	1,605,312.73	-	(650,000.00)	1,590,373.58		
912 09410 Fund Balance	14,907.88	650,000.00	-	44,981.14		
TOTAL CASH 09410 FUNDS	1,620,220.61	650,000.00	-	1,635,354.72		

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

Profit and Loss Statement

INCOME:

Y-T-D Actual

Restricted gifts received for:

<i>Virginia Veterans Care Center</i>	55,655.00
<i>Sitter & Barfoot VCC</i>	6,980.00
<i>Cemetery Funds</i>	11,904.91
<i>VVFS Funds</i>	299,136.61
<i>Benefits Funds</i>	650.00
<i>VETE Funds</i>	189,327.00
<i>VSF Support Funds</i>	-
<i>VSF Unrestricted Revenue</i>	73,282.01
TOTAL INCOME	636,935.53

EXPENDITURES:

<i>VVCC Indigent Resident Needs</i>	216.54
<i>VVCC Activities/ Carnival Funds--Activities with Residents</i>	5,583.51
<i>VVCC Operation Holiday Spirit</i>	13,144.38
<i>VVCC Unit Projects & Functions</i>	15,613.64
<i>VVCC Other Donations Restricted</i>	10,500.00
<i>SBVCC Indigent Resident Needs</i>	65.00
<i>SBVCC Activities Funds</i>	10,631.16
<i>SBVCC Other Donations Restricted</i>	-
<i>Va Veterans Cemeteries- Other Donations Restricted</i>	-
<i>Va Veterans Cemetery--Amelia</i>	-
<i>Memorial Cemetery--Suffolk</i>	-
<i>SW Va Veterans Cemetery--Dublin</i>	-
<i>VVFS Outreach Services</i>	-
<i>VVFS Direct Veterans Services</i>	165,257.70
<i>VVFS Enabling Veterans Services</i>	-
<i>VVFS Homeless Veterans Funds</i>	214,587.73
<i>VVFS Operation Family Caregiver Grant</i>	2,303.77
<i>Benefits Funds</i>	-
<i>VETE V-3 Fund</i>	106,919.26
<i>VETE Altria Grant</i>	74,195.66
<i>VETE Women's Summit Funds</i>	1,222.94
<i>VETE Other Donations Restricted</i>	-
<i>VSF Support Funds--Operating Expenditures and Web Site</i>	1,560.13
<i>VSF Unrestricted Revenue</i>	-
TOTAL EXPENDITURES	621,801.42

Excess of Income over Expenditures

15,134.11

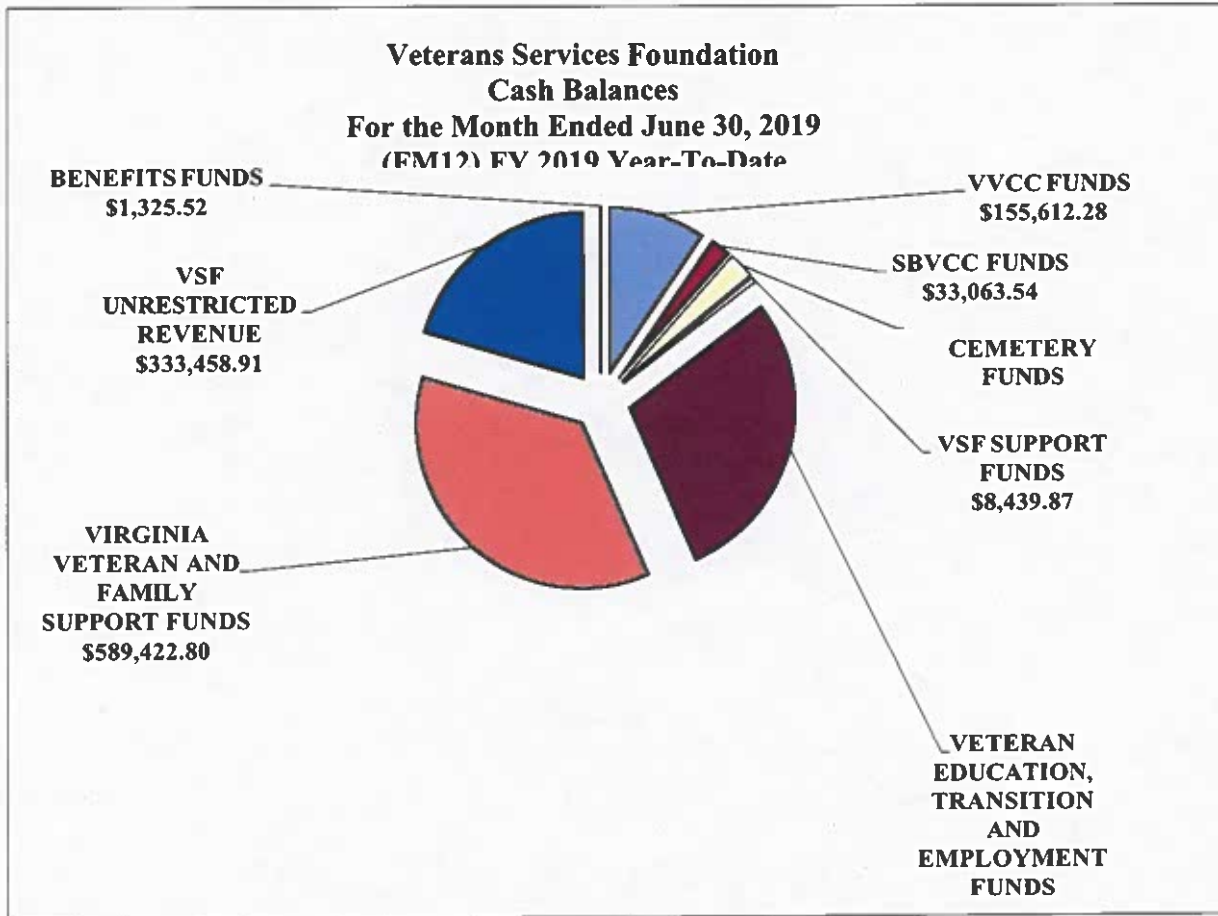
Beginning Fund Balances

1,620,220.61

Ending Fund Balances

1,635,354.72

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:



155,612.28 VVCC
 33,063.54 SBVCC
 41,626.15 CEMETERIES
 8,439.87 VSF SUPPORT
 472,405.65 VETE
 589,422.80 VVFS
 333,458.92 VSF UNRESTRICTED REVENUE
1,325.52
 BENEFITS
 1,635,354.73

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

**Veterans Services Foundation
Statement of Assets
For the Month Ended June 30, 2019 (FM12)
FY 2019 Year-To-Date
(Unaudited)**

Assets:

Cash held by State Treasurer	\$1,635,354.72
Total Assets	<u>\$ 1,635,354.72</u>

Fund Balances:

Restricted Fund Balances:

Restricted for VVCC Activities	155,612.28
Restricted for SBVCC Activities	33,063.54
Restricted for Cemetery Funds	41,626.15
Restricted for VVFS Funds	589,422.80
Restricted for Benefits Funds	1,325.52
Restricted for VETE Funds	472,405.65
Restricted for VSF Support Funds	8,439.87
Total Restricted Fund Balances	1,301,895.81
VSF Unrestricted Revenue	333,458.92
Total Fund Balances	<u>\$ 1,635,354.73</u>

Notes:

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

VSF-DVS Joint Inter-agency Policy	DVS Subsidiary Fund Management	Effective: July 1, 2020
VSF-DVS Policy Number 14		Revised: 6.24.2020l

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Veterans Services Fund Allocation and Expenditure Policy and Procedures

J14.1 Purpose

A. The purpose of this policy is to establish operating procedures for appropriating, allotting, allocating, and expending financial donations from the Veterans Services Fund (the Fund) through the Department of Veterans Services (DVS) Division Subsidiary Funds. The Subsidiary Funds are administered by the Veterans Services Foundation (VSF) Board of Trustees (the Trustees) through the VSF Executive Director in conjunction with the DVS Chief Financial Officer (CFO) and DVS Division Directors.

B. This joint policy is the last in a series of four policies that cover the VSF pursuit of supporting veterans and their families through cycles of fundraising, controlling in-kind donations, Veterans Services Fund management, and Veterans Services Fund allocations and expenditures. This policy sets forth the requirements for sustaining the continuing cycle from budgeting, allocation of resources, and expenditures. Expenditures usually result in additional funding needs that are to be met through fundraising.

C. This policy is to be used in conjunction with VSF-DVS Joint Policies J11 (Fundraising) covering solicitation and receipt of donor funds, J12 (Control of In-kind Donations) concerning non-financial donations, J13 (Veterans Services Fund Management) regarding recording, accounting, reporting donations, and generally managing financial donations made to the Fund.

J14.2 Application

The VSF Executive Director in conjunction with the DVS CFO and the DVS Division Directors are responsible for the application of this policy.

J14.3 Interpretation

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

J14.4 Overview

A. The VSF charitable funding process begins with an assessment of the unmet needs of veterans and their families and available funds required to meet those needs. Those funds may be available from General and Non-general Funds and charitable donations set forth as Dedicated Special Revenue in the Appropriation Act. Shortfalls in General and most Non-general funds may be met with increased appropriations, if available, and donor contributions that may be on hand or need to be raised. The primary document for meeting needs is the budget, which is a primary policy document showing how the state and its agencies will prioritize and achieve its biennial and annual objectives. The budget is a contract between citizens, including donors, and state agencies showing how resources are raised and allotted for veterans' services. Good budgeting supports the pillars of governance: integrity, openness, participation, accountability, and planning to achieve objectives. Appropriation requests are based on the VSF and DVS budgeting process; a joint responsibility of VSF and DVS as set forth in this joint policy.

VSF-DVS Joint Inter-agency Policy	Veterans Services Fund Allocation and Expenditure	Effective: TBD
VSF-DVS Joint Policy Number 14		Revised:

B. To achieve unfunded and unmet veterans' needs, VSF in conjunction with the DVS Divisions solicits and accepts donations to foster the aims of DVS programs and enhance operations beyond the scope of appropriated funds. In addition, donations can be solicited to support specific activities to foster community involvement and outreach. The allocation, and expenditure of donations shall be controlled by the Uniform Prudent Management of Funds Act, §64.2-1100 et seq., and the Donor's Bill of Rights paragraph assuring that donors' gifts will be used for the purposes for which they were given contained in Appendix A.

C. The VSF Board of Trustees serves a fiduciary responsibility to donors and a substantial source of funding to DVS to meet the needs of veterans not otherwise available for funding through the state budget or other sources. DVS serves as the VSF agent, in accordance with the Uniform Prudent Management of Funds Act, for the receipt, deposit, management, allocation, and expenditure of funds. The expenditure and disbursement authority is subject to approval or disapproval by the VSF Executive Director and the board of trustees based on the Code of Virginia. §2.2-2718.C.

J14.5 Policy

- A. One hundred percent of all contributions made to VSF shall be used to provide direct support to Virginia veterans and their families in crisis or in need of assistance.
- B. VSF and DVS shall, in coordination with the DVS Division Directors, oversee and ensure that monies collected are properly expended unless they are held for nonrecurring expenses or emergencies.
- C. VSF and DVS shall jointly participate in the internal operating budget development process to provide timely information for authorized DVS requests and expenditures.
- D. VSF shall advise DVS, as necessary, during the state budget development process to help ensure that the Appropriation Act reflects the appropriation allotment (spending authority) needed to support expenditure of donated funds in support of DVS programs and services.
- E. DVS shall provide assistance to VSF in the development of budgetary documents.
- F. DVS shall provide financial management and accounting necessary to ensure compliance with disbursement requirements set forth by the State Department of Accounts, State Auditor of Public Accounts, and VSF-DVS Joint Policies in a manner that segregates VSF from DVS activities.
- G. VSF shall, as required, transfer funds to supplement funding for DVS programs and services.
- H. Donations shall only be used for program expenses for direct services to veterans and their families that are not related to administrative or fundraising. For the VSF, these include emergency expenses associated with DVS programs' direct services. The Fund is not an auxiliary or reserve fund for DVS or VSF.
- I. VSF and DVS may delegate expenditure authority to the DVS Division Directors.
- J. To provide mutual DVS-VSF integrated controls, DVS shall provide to the VSF Executive Director for approval a monthly report, by the 20th day of the following month, containing a list of expenditures that are requested as reimbursements to VSF funds. The VSF Executive Director, within seven business days of receipt, shall approve or disapprove such expenses. If disapproved, the expenses shall be moved to an alternate source of DVS funding.

VSF-DVS Joint Inter-agency Policy	DVS Subsidiary Fund Management	Effective: July 1, 2020
VSF-DVS Policy Number 14		Revised: 6.24.2020

- K. VSF and DVS shall ensure that subsidiary funds held for: (1) nonrecurring expenses shall not exceed the estimated cost of the nonrecurring expense; and (2) funds held for emergency purposes shall not exceed the total of three year’s expenditures unless an exemption has been approved by the VSF Board of Trustees with the concurrence of the DVS Commissioner.
- L. VSF and DVS shall strive to see that contingency funds that have not been used for over three years shall be transferred to the program sub-fund titled “Other Donations Restricted for use at _____ (the name of the program in question; e.g. cemeteries). If balances in the “Other Donations Restricted...” sub-fund continue to grow, then the Foundation may allocate such funds for use by other VSF or DVS programs – providing the funds were donated without a specific purpose designated. For those donations with a purpose designated, the contributions received will be used as specified by the donor. However, if the purpose of the donation has been met or no longer exists, the remaining funds may be used at the discretion of the VSF Board of Trustees to provide other support to Virginia’s veterans and their families. All DVS reallocations shall have the concurrence of the DVS Commissioner.

J14.6 Procedures

- A. All donations will be deposited in the appropriate Subsidiary Fund or Sub-fund of the Veterans Services Fund and shall be managed in accordance with §§ 2.2-2715 et seq. Code of Virginia, applicable sections of the current Virginia Appropriation Act, and Commonwealth of Virginia regulations. Descriptions of Subsidiary Funds and Sub-funds may be found in VSF-DVS Joint Policy J13 (Veterans Services Fund Management) paragraph J13.9.D.
- B. 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.
- C. Sub-fund adjustments of amounts less than \$10,000 within subsidiary accounts in the annual budget may be made by the VSF Executive Director 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 Finance Committee Chair and the Board Chair for action as set forth in VSF Policy section F2.13.D. Any changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- 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 board meeting. In any case, all changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- E. Expenditures for DVS activities approved by the trustees may be processed upon approval by the DVS division director that has responsibility for the activity.
- F. DVS Division Directors shall submit an annual budget request through the DVS Commissioner to VSF. Anticipated donations are furnished by the VSF. This normally is submitted on an annual basis at the request of the VSF Executive Director or DVS CFO. Budget requests shall outline expected donations and expenditures for the up-coming fiscal year for each of the established subsidiary and sub-funds.

VSF-DVS Joint Inter-agency Policy	Veterans Services Fund Allocation and Expenditure	Effective: TBD
VSF-DVS Joint Policy Number 14		Revised:

G. Donors expect that their contributions will be used as they have specified in a prompt and timely manner by VSF and DVS programs and services. If donations are not so used, then VSF, DVS, and the Commonwealth can be exposed to criticism because they hold the public trust, which cannot be violated.

H. Additionally, when there are excesses of donated funds, an inconsistency is created between requested income and expenses that directly carries over to appropriated funds for DVS and its programs. This inconsistency can cause DVS general funding to be lost when general fund budget reductions occur.

I. There are two possible exceptions to prompt and timely expenditure of subsidiary funds: (1) donations that are held for nonrecurring expenses such as construction, technology, and others that transcend one year's operations; and (2) those funds held for contingency purposes because revenues in any one given year may not be sufficient to fund recurring annual expenses.

J14.7 Budgeting Considerations

- A. The appropriation, allotment, and allocation process includes approval of priorities, establishing measurement metrics, measuring program performance, and obtaining quantitative and qualitative results. These results are used to assess each program's ability to meet specified objectives that contribute to established DVS and VSF goals as calculated by each programs' to use resources effectively. The information developed is used to determine how resources will be allocated in the biennium budget process for distribution of donated revenue. This is called Performance Budgeting or Performance Based Budgeting and is described in greater detail in Appendix B.
- B. The budget is the VSF central policy document which is supported by financial administration documents such as the current VSF-DVS Joint Policies. The VSF budget is a contract between VSF and DVS showing resources raised, on hand, and allocated for delivery of veterans programs and services. In the case of VSF, the budget is to provide supplemental funding for DVS programs and services. VSF funds are not to be used to supplant other general and non-general revenue accrued to DVS. VSF must have a comprehensive understanding of DVS general and non-general fund revenues and their uses for each DVS program, plus similar revenues devoted to other agencies that compliment DVS programs (e.g., homelessness abatement by the Department of Housing and Community Services). These are required so that VSF can design and implement a comprehensive, accurate, and reliable budget.
- C. Budgets should be managed within clear, credible, and predictable limits for fiscal policy. A sound fiscal policy is one that avoids build-up of large, unsustainable debts or excess revenue and that uses favorable income flows to build up resilience and buffers against more difficult times. Sound fiscal policy is enhanced through clear and verifiable fiscal rules or policy objectives.
- D. The VSF-DVS budget should be closely aligned with the medium-term spending priorities. The annual financial goals set boundaries for the main categories of spending for the year. A mid-term expenditure analysis is an important tool to determine not only where VSF currently is, but whether it will meet its annual financial goals. The analysis should be grounded on realistic forecasts for baseline expenditures based on past experience, of which ample data exists both in VSF and DVS. The budget should be flexible to ensure that expenditure

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boundaries are respected. This is with the understanding that there may be a need to revisit or realign financial goals and priorities to take account of unforeseen developments. A regular process for reviewing existing expenditures exists in the Expenditure Guidelines (Section J14.10), but it must be supplemented by regular monthly analysis of expenditures made to ensure budgetary expectations and managed in line with assets available and anticipated.

- E. DVS and VSF budget documents and data must be open, transparent, (i.e., understandable) and widely distributed. This is required to keep on top of budget goals. Detailed monthly reports, including income and expense schedules, currently produced by DVS in conjunction with VSF should be available and widely distributed to promote timely and effective decision making, accountability, and oversight. More VSF and DVS participants need to be actively involved.
- F. Budgetary options should be realistically debatable by all participants. The process is detailed in Section J14.9. DVS Program leadership needs to be involved in discussions about budgetary policy options because they best know their priorities, funding requirements, difficult trade-offs, and goals to maximize the finite resources available.
- G. Budgets and their periodic updates should present a comprehensive, accurate, and reliable account of finances. They should account correctly and comprehensively all revenues and expenditures and the full financial costs and benefits of budget decisions. The benefits of budget decisions can be made available through periodic briefings by DVS program managers.
- H. Budget execution should be actively planned, managed, and continuously monitored. There should be some limited flexibility to reallocate funds throughout the year in the interests of effective management consistent with the broad purpose of the allocation, within the restrictions placed by donors.
- I. Performance evaluation and value for revenue should be integral to the budget process. VSF and DVS must understand not just what is being spent, but what is being accomplished on behalf of donors, veterans, and the Commonwealth. That is, what veterans services are being delivered and under what standards of quality and levels of efficiency. This requires detailed reports on specific outcomes by the DVS Division Director and the VSF Board of Trustees. Performance Budgeting as required by DPB would meet this requirement.
- J. Longer-term sustainability and other fiscal risks should be identified, assessed, and managed prudently. This promotes stability in providing resources.
- K. To maintain sustainability, avoid depletion of assets, and focus on immediate needs while planning for the future, a reserve fund is essential. The reserve fund contains the sum of funds on hand less the funds allocated for the current annual budget. The result is the amount of unallocated restricted funds from donors to support each designated DVS Program which are not part of the current annual Appropriations Act allocations, but available for expenditure on approval from DPB. For DVS divisions and programs, the reserve for subsidiary funds may be found in the subordinate accounts titled "Other Donations Restricted". At least 100% of the annual budget must remain in the reserve account for contingency purposes. The remainder may be available for investment for endowment purposes. Should the funds available in the reserve account be less than the amount in the current budget, expenses for the following year will have to be reduced by a comparable

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amount.

- L. Budgeting must consider the types of funds available for use. VSF non-general dedicated special funds are divided into two broad categories; restricted and unrestricted.
 - 1. Restricted funds are further subdivided into: (a) funds for general purposes such as those donated to VSF for veterans services purposes; (b) funds for specific programs such as those for the Virginia Veterans Care Center; and (c) funds for specific projects such as those designated for indigent care, events for veterans, homeless relief, Virginia Values Veterans (V3) for veterans employment. Priorities for budgeting for veterans' services are placed on these funds in inverse order.
 - 2. Unrestricted funds are divided into: (a) appropriated funds that were allotted to VSF for its operations and emergency support of veterans' services; and (b) interest received on the Veterans Services Fund that may be used for the same purposes as specified in the appropriated funds category.
- M. The integrity and quality of budgetary forecasts, fiscal plans, and budgetary implementation are promoted through rigorous quality assurance and independent audits. Both the internal and external financial control systems should have a role in quality assurance for cost effectiveness and performance accountability. There is a need for structured, institutional processes to provide scrutiny of all aspects of the budgeting system as previously described. This should extend beyond audits performed by the Virginia Auditor of Public Accounts.
- N. Additional information on the process and its timing is at Appendix C.

J14.8 Appropriating, Allotting, and Allocating Financial Donations

- A. Appropriations are the legal spending authority for state agencies to incur expenditures. These appropriations are regulated through the use of allotments within the Appropriation Act and related legislation. VSF and DVS shall not expend funds against any appropriation until they have received an allotment of funds from the appropriation and have sufficient cash prior to any expenditure. DVS divisions cannot expend funds against any VSF dedicated special revenue allotment until they have received an allocation of funds from the allotment by VSF. Administrative responsibility for managing the process of appropriating and allotting funds rests with the Department of Planning and Budget (DPB) and administrative responsibility for managing allocations and expenditures of VSF funds resides with VSF. Unexpended VSF and DVS operating balances of VSF non-general dedicated special revenue funds shall be reestablished in accordance with the Code of Virginia and the Appropriation Act.
- B. The following procedures assume that donated funds are on hand to be spent. If funds are not available, they cannot be allocated or spent. The exception to the allocation process occurs when a new program is introduced and a fundraising goal is set in the Appropriations Act. There are no exceptions to spending funds that are not available.
- C. The formal budgeting, appropriation, allotment, and allocation process, which cannot be abridged, follows:
 - 1. DVS divisions determine a need for funds during the current year for the next FY;
 - 2. DVS Commissioner approve/modify/disapprove the need;
 - 3. VSF Trustees approve/modify/disapprove the need and recommend a fund appropriation;

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4. VSF Treasurer forwards the appropriation request to DPB for analysis and approval/modification/ disapproval;
 5. Governor includes the requested appropriation in the proposed annual budget for the next FY;
 6. The General Assembly approves/modifies/disapproves the appropriation;
 7. The Governor approves/modifies/disapproves the appropriation;
 8. If approved by the General Assembly and Governor, the appropriation allotment is placed in the annual Appropriations Act;
 9. VSF makes the allotted funds available to DVS as an allocation by subsidiary fund for expenditure after July 1 of the next FY;
 10. VSF publishes expenditure policy and monitors expenditures on a monthly basis to ensure they are in accordance with the donor's wishes and published policy.
- D. Budget adjustments during the fiscal year are made through the following process:
If the DVS division needs additional funds, they forward that need request with justification to DVS as follows:
1. DVS Commissioner approves/modifies/disapproves the request;
 2. VSF Trustees approve/modify/disapprove the need and recommend a fund reallocation;
 3. VSF Treasurer forwards the funding request to DPB for analysis and approval/modification/disapproval, if the allocation exceeds the funds allotted to VSF by the Appropriation Act;
 4. DPB approves/modifies/disapproves the request;
 5. VSF makes the allocated funds available to DVS for expenditure before the end of the FY;
 6. VSF monitors expenditures on a monthly basis to ensure they are in accordance with donor's wishes and published policy.
- E. Every biennial and annual budget appropriation request or midyear increases to the annual allotment must be approved by the VSF Trustees before DPB will take any action on the request.

J14.9 Subsidiary Fund Teams

Each DVS Division shall develop a team to direct and administer its Subsidiary Fund, including budgeting, allocation of funds, and expenditures, for the support of eligible recipients. Such direction and administration will be in accordance with this policy and the direction of the VSF Board of Trustees. Teams shall be headed by the DVS Division Director and include such Division personnel as required by the Division Director. The Teams shall include the DVS CFO and VSF Executive Director or their designated representatives for budget formulation. The duties of the Team shall be as follows:

- A. Request input and recommendations from DVS, the Board of Veterans Services, the Joint Leadership Council of Veterans Service Organizations, and other interested veterans and veterans support groups regarding potential needs and activities for the coming fiscal year or as needs arise.

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B. Review recommendations to ensure they are within the scope of the intent of the DVS and the VSF. No later than mid-April, the team shall develop an annual working budget for the coming fiscal year.

1. The requested budget shall be based on detailed reports containing specific outcomes provided to the DVS Division Director and the VSF Board of Trustees.
2. The requested budget shall not exceed the cash balance available to each DVS division, but may be increased by an estimate of expected donations for the year by program and decreased by the requested cash balance budget.
3. The estimate shall be made based on VSF projections of income for the year and revising as the year unfolds and income and expenditure balances are clearer.

This procedure would allow DVS to submit its budget requests in a range from bare minimum supplemental support needed to a higher amount based on estimated successful fundraising goals and should provide better budgeting and accounting procedures. The goal is to maximize VSF's fundraising capacity and resources to ensure those veterans' needs, not otherwise supportable from other sources, are provided from private contributions.

C. Follow written criteria provided in this Joint Policy for Subsidiary and Sub-fund Fund expenditures, subject to the approval of the DVS Commissioner and the VSF Executive Secretary. See Section J14.10.

D. Through the DVS Commissioner, submit the budget to the VSF Executive Director for Trustees review and approval.

E. Through the DVS Commissioner, submit for approval any requested changes to the approved budget prior to implementation to the VSF Executive Director. Such changes must contain sufficient justification and funds must be available for the request to be approved by DPB. Such supplemental requests will be submitted through DVS Commissioner to the Foundation so that they can be considered at its next quarterly Board meeting.

F. Retention of excess funds.

1. VSF and DVS activities shall justify their need to retain excess funds exceeding three year's expenditures by submitting an annual spending plan that details excess fund use.
2. The spending plans will be due with the annual FY budget submissions.
3. If a question exists regarding the propriety of a fund overage, it shall be referred to the VSF Executive Director and the DVS CFO for mutual resolution among VSF, DVS, and the program involved.
4. In addition to the annual spending plan, other reports on expenditures may be requested as required by the DVS Commissioner, the VSF Trustees or others for review. Expenditure reports also shall include underfunded or unfunded needs, if any.
5. Financial records shall be maintained according to the State Comptroller's guidance and shall be audited by the Auditor of Public Accounts.

J14.10 Expenditure Guidelines for Donated Funds

- A. The following are the basic guidelines for funding from the Foundation with the exception of special circumstances that will require the approval of the Board of Trustees:
- All donations will honor donor restrictions as to purpose.

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- VSF will adopt a budget for each activity based on requests from DVS divisions or programs and enter into funding agreements with each respective division or program.
 - The Board will adopt the annual budget in advance of receiving donations restricted to each activity and it is anticipated that the adopted budget may be revised from time to time to reflect needed funding and available funds.
 - To fulfill the Board's reporting responsibility to the General Assembly and discharge its fiduciary duties to donors, recipients of funding from the Foundation are requested to continue the monthly accounting for all transactions for each activity fund.
 - All expenditures of donated funds will be attributed to the Foundation. In the case where major donors (\$10,000 and above) are involved, they also will be identified as a funding source.
 - Guidelines for expenditures will be incorporated into each allocation of funds and will include the following general guidelines:
 - All expenditures of Foundation funds are required by Virginia statute to be approved by the Executive Director of the Foundation.
 - Documentation shall be maintained on each expenditure in such a detail and manner to promote approval and support internal and APA audit requirements.
 - Foundation funds cannot by statute revert to the General Fund nor shall Foundation funds be used to supplant agency funds otherwise available from other sources.
- B. Care Centers – Sitter and Barfoot Veterans Care Center (SBVCC), Richmond; Virginia Veterans Care Center (VVCC), Roanoke:**
- Indigent Resident Needs: Residents who do not have resources to pay for needed items;
 - Activities Fund: Resident outings, entertainment, mission enhancing events for the benefit of residents and Carnivals for the VVCC ;
 - Other Donations Restricted: Items needed for residents that are not included in the other named funds and are not covered by health care providers or other available funding sources.
 - Operation Holiday Spirit for VVCC: Items for the residents provided by the Holiday Giving program;
 - Unit Projects and Functions: Unit projects and unit special events for the residents;
 - Other Donations Restricted: Items needed for residents that are not included in the other named funds and are not covered by health care providers or other available funding sources.
- C. Cemeteries – Albert G. Horton, Jr. Memorial Veterans Cemetery, Suffolk; Southwest Veterans Cemetery, Dublin; Virginia Veterans Cemetery, Dublin:**
- Grounds Beautification: Purchase flowers or trees that are not covered by other funding sources to beautify the cemetery grounds;
 - Other projects approved by the VSF Board of Trustees.
- D. Virginia Veteran and Family Support (VVFS)**
- Resources to address the immediate needs of eligible veterans and their families
 - Resources for veterans and families to aid in recovery and to recognize, identify and address needs
 - Emergency financial assistance for behavioral health, rehabilitative health and housing
 - Workshops/Retreats for the benefit of Veterans and their families

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VVFS Homeless Program. The purpose of the fund is to preclude or end but not sustain homelessness among veterans and their families. The fund provides emergency financial assistance furnished by donors to veterans and their qualifying family members to fill gaps between the immediate need for shelter and the time that appropriate local, state, federal or charitable agencies require to be able to provide a sustainable solution.

- Eligible expenses include: deposits, rent, utility deposit, rental arrears/debts, utility arrears, bridge housing, emergency hotel payments, furnishings, other one time only expenses.
- Emergency financial assistance may be provided as a last resort after requests from other sources are exhausted. Approved requests will be limited to funding totaling \$1,500 over a two-year period for a veteran in need of emergency housing assistance. The VVFS Director may consider exceptions to this policy on a case-by-case basis. The VVFS Director in coordination with the VSF Executive Director shall consider exceptions that exceed \$3,000 to this policy. Cash advances of funds are not authorized.

E. Benefits

- Resources to raise awareness of eligibility and locations of Benefit offices;
- Direct services to assist veterans in meeting the criteria for approval of their claim submitted to the VA;
- Items for Benefits offices that support veterans.

F. Veteran Education, Transition and Employment (VETE)

Virginia Values Veterans (V3)

- Resources to raise awareness among the business community to recruit companies to participate in the V3 program.
- Workshops/Retreats for the benefit of transiting veterans and their families.
- Develop curriculum related to the transition of service member and the recruitment, hiring and retention of veterans.
- Resources to promote Education, Transition and Entrepreneurship opportunities for transiting veterans and their families.

Altria Grant and other grants

- Guidelines are specific to each grant

Women's Summit

- Resources for the event specific to the donor intent

Other Donations Restricted

- Resources needed to promote the mission of VETE when other funding is not available

G. Not covered in funding requests:

- Any expenditures eligible for funding from sources such as the state budget or other agency sources;
- Paid staff positions;
- Fundraising events;
- Sponsorships;
- Endowments or capital campaigns;
- Postage, postal services;
- Office Supplies;
- Printing;

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- Employee travel expenses and overnight accommodations;
- Employee events/parties;
- Guest speakers;
- Training of DVS employees;
- Equipment or items costing over \$5,000 will need approval of the Board of Trustees before purchase;
- Maintenance of facilities and grounds.

H. The VSF Board of Trustees understands that all expenses are not the same, and there may be exceptions to the above list. The DVS Commissioner and division directors are encouraged to make a request to the Board in special circumstances. Consideration for requests may be discussed with the Foundation Executive Director. All requests for funding of special circumstances and equipment costs over \$5,000 that will require approval of the Board of Trustees shall be submitted in writing by the DVS Commissioner to the Foundation Executive Director not later than ten working days before a Board of Trustees meeting for consideration by the trustees Finance Committee and the Board.

J14.11 Procedures for Expending Donated Funds

A. Expenditure requests, regardless of the purpose, shall be submitted to the DVS Division Director.

B. The Division 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, the Expenditure Guidelines in Section J14.10, and the approved budget. Deviations from the approved budget shall be approved by the Trustees.
2. The expense is reasonable and practical.
3. The expense is timely.
4. The expenditure does not conflict or overlap with other requests or expenditures.

C. After approval by the Division Director, the purchase/expenditure will be made in accordance with Commonwealth of Virginia regulations. Purchases of goods and services that are received by the purchasing agency are controlled by the state procurement manual. Direct veterans assistance expenditures are considered benevolent gifts provided to veterans and their families.

D. If a question exists regarding the propriety of a purchase or veterans direct assistance expenditure, it shall be referred to the VSF Executive Director and the DVS CFO.

E. In addition to the Funding Levels and Services Report, other reports on expenditures shall be submitted monthly, or as requested, to the DVS Commissioner, the trustees or others for review. Expenditure reports also shall include underfunded or unfunded needs, if any.

F. Financial records shall be maintained according to the State Comptroller and shall be subject to audit by the Auditor of Public Account.

G. VSF and DVS activities shall justify their need to retain excess funds by submitting an annual spending plan that details excess fund use.

H. The spending plans will be due with the annual FY budget submissions.

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I. If a question exists regarding the propriety of a fund overage, it shall be referred to the VSF Executive Director and the DVS CFO for mutual resolution among VSF, DVS, and the program involved.

J14.12 Reimbursement for DVS Expenditures

- A. VSF has the authority to delegate certain functions to agents, such as DVS, but retains the duty to monitor how donor funds are expended as governed by *Code of Virginia* § 64.2-1103.A. 3. and B. Therefore, as an economy measure, VSF has delegated the management of funds and their expenditures for DVS programs to the DVS Finance Office as a VSF agent, but retains the duty to monitor accounting and fund transactions. In particular, expenditures are controlled by VSF through the VSF Funding Guidelines approved by the Board of Trustees and the Secretary of Veterans and Defense Affairs and monitored by the Foundation Executive Director.
- B. VSF reimburses funds expended by DVS based upon a “Request for Reimbursement” for expenditures after they have been made. The Request for Reimbursement shall be provided by DVS accompanied by complete documentation needed to fully support the request.
- C. The Request for Reimbursement procedure requires DVS Division’s adherence to the Expenditure Guidelines contained in Section J14.10. In areas where no Expenditure Guidelines exist, DVS must inquire of VSF regarding the propriety of the expenditure before expending the funds or risk not being reimbursed. VVFS emergency situations can be accommodated by VSF transferring a onetime sum of cash as working capital to DVS, but DVS would still be at risk of not receiving specific reimbursement for any one or a part of a transfer request.

J14.13 Adoption and Amendment

- A. This policy may be adopted and amended by a majority vote of the VSF Board of Trustees after consultation with the Commissioner of Veterans Services. Notice regarding such actions shall be given to the Commissioner and Board members at least ten (10) days prior to the vote.
- B. Biennial review of this policy is the responsibility of the VSF Finance Committee in conjunction with the DSV Commissioner.
- C. This policy replaces in total VSF/DVS Joint Policy J6, J7, J8, and J9 all last reviewed on 11/9/2016.

J14.14 Policy Effective Date

The effective date of the policy, or policy revision, shall be July 1, 2020 or the date the VSF Trustees and the DVS Commissioner ratify the policy whichever is later.

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VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Appendix A 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 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.

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Performance Budgeting

Appendix B

The objective is to make the budget more effective by focusing on results of resources allocated to DVS programs that VSF supports. The basic principle of performance budgeting is accountability; measuring how well each respective project was implemented. Also by assessing how effectively the funds budgeted/allocated to the DVS project were used.

Performance based budgeting supports decision making by establishing a purpose, setting measurable objectives, and providing flexibility to achieve the desired outcome. Performance may be judged by a program's ability to certain objectives that contribute to establish goals within the constraints of the resources (or inputs) allocated. By linking inputs to program outcomes and not process outputs, accountability can be measured. A resource allocation decision can be made by determining which projects achieve the greatest outcomes by focusing on results.

The VSF Performance Budgeting Initiative process would be as follows:

- 1) At the DVS Commissioner level, project funding requirements would be scrubbed/reviewed, prioritized and recommendations prepared for presentation to the VSF for fund allocation.
- 2) The DVS recommendations would include prioritization and performance measures that can be used by the VSF to measure the results or effectiveness of the use of the funds allocated from the VSF.
- 3) Before the third quarter VSF meeting of each fiscal year, DVS would provide a detailed review that would precede the development and subsequent approval by VSF for allocating funds to DVS for expenditure the next fiscal year.
- 4) This review would address both prioritization and performance. The DVS and or its supported activity would be asked to answer a few basic questions. These would include:
 - a. What is the activity that requires additional funding?
 - b. What and why is the current funding insufficient?
 - c. What is its priority in comparison to the other requirements submitted by the DVS?
 - d. In the event the program is currently receiving additional VSF funding, how has it performed, based on performance metrics approved by VSF?
 - e. Should a program not be on track to obligate the budgeted VSF funding, is there a shortfall in requirements, or a failure to execute the level of activity associated with the budget?
- 5) VSF Trustees validate the need and recommend a fund allocation annually at the May meeting.

The key to this initiative is approving priorities, establishing measurement metrics, and measuring program performance using both quantitative and qualitative methods. This approach will provide information to make better choices, better decisions and in turn provide greater value.

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VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Appendix C Procedures for Requests for Funds

Introduction. The VSF biennial schedule by fiscal year for VSF operations and requesting funds for budgeting purposes is attached to this Appendix. The following procedures are provided for planning and may be used as the situation dictates for requesting funds for veterans services. The procedures are divided into requests for restricted funds and unrestricted funds.

Normal Budget Request Procedures for Restricted Funds.

Restricted funds are funds that have been donated for a particular purpose or program. They are placed in trust in the Veterans Services Fund. DVS provides requests to VSF through the annual budgeting process with updates through the year as the evolving situation requires. The initial budget approval process for both the biennium budget and adjustments for the following year takes about three months to complete in the spring of each year.

The process starts in about March with a request to DVS divisions for information about the requested allocations of funds for the current, the next year, or the next biennium. The request may be initiated either by the VSF Executive Director or the DVS CFO or by mutual agreement. The request must contain: (1) the prior year's budget, as adjusted; and (2) the base spending authority authorized by the current Appropriation Act. Written justification must accompany requests that exceed the base spending authority or are either urgent or unusual. DVS divisions may submit requests for expenditures they need or desire that exceed their spending authority or involve insufficient funds with written justification for the request.

The budget requests for the biennial or adjustments for the next year should be due to the DVS Commissioner by late April or early May so that the Commissioner's staff can review the requests and ask for additional information, if necessary. The budget requests must be received by VSF staff at least four weeks before the June Board of Trustees meeting for evaluation.

The budget requests are provided to the VSF Finance Committee Chair at least three weeks before the June Board meeting. The Chair may share them with the Finance Committee members for review prior to the Finance Committee meeting regarding the request's appropriateness, completeness, and funding availability from the restricted funds available. If additional information is needed, it is requested from DVDS through the VSF Executive Director. The budget request should be complete by the Finance Committee meeting for final consideration and a recommendation for approval by the Board of Trustees.

Should the DVS budget request require additional fundraising, the Finance Committee Chair shall share the request for funds with the VSF Development Committee Chair for consideration and recommendations. The review by the two committees may be abridged if no issues are foreseen by the committee chairs.

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The Finance and Development Committee recommendations are presented to the Board of Trustees for approval. If there are differences between the two committees' recommendations, they must be resolved at the Board meeting or tabled until the next meeting. Requests for updates/adjustments are handled with the same procedure on a quarterly basis each September, December, March, and June.

Special Budget Request Procedures for Unrestricted Funds.

Re request procedure follows the process and timelines as those set forth under "Normal Budget Request Procedures for Restricted Funds" without quarterly consideration of adjustments. Greater scrutiny is placed on the need for the funds, how the funds will be used, and the ability of the requestor to replace the funds. Regular reports are required regarding the use of funds and their replacement by the requestor.

Attachments:

- VSF Biennial Fiscal Year Schedule, Even Numbered Fiscal Year
- VSF Biennial Fiscal Year Schedule, Odd Numbered Fiscal Year

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VSF Biennial Fiscal Year (FY) Schedule*

Even Numbered FY

July 1 (Starts in odd numbered calendar year; e.g., July 1, 2019-June 30, 2020 for FY20)
Board Officers assume duties

First Quarter (August-September) meeting first or second week of month** (Location)

Receive APA audit report, if available
Consider and approve Goals and Objectives for current FY
Approve 4th Quarter prior FY Financial Statement and Annual Report to Governor and General Assembly
Board Chair appoint Committee Chairs/Assistant Chairs
Approve Non-general Fund allocations
Approve Legislative Initiatives, if required in August
Approve Committee Chair/Assistant Chair appointments

September

Board Chair to prepare Executive Director Annual Evaluation, due in October

Second Quarter (December) meeting first or second week of month (Location)

Approve 1st Quarter current FY Financial Statement
Approve current FY budget adjustments, if any

January, Wednesday second week Legislature convenes for 60 day session ending end of fourth week in March

During mid-March

Request Budget Adjustments for current FY due mid-April
Request Budget input/adjustments for next FY due mid-April

Third Quarter (March) meeting last week of month (Location)

Approve 2nd Quarter current FY Financial Statement
Approve current FY budget adjustments, if any
Approve review of VSF-DVS Policies, if needed
Confirm dates and locations of next FY Board meetings
Elect a nominating committee

April

Nominating Committee put out call for candidates for officers' positions

Fourth Quarter (June) meeting first or second week of the month (Location)

Review current FY Goals and Objectives as a baseline for next FY Goals and Objectives
Approve 3rd Quarter current FY Financial Statement
Approve budget adjustments, if any+
Consider current biennial FY Budget adjustments (As will be required for the coming odd year GA Session)
Elect officers for next FY

*At all meetings, as appropriate, receive VVFS, V3, and other DVS activity updates.

**Depending on DPB Schedule for budget

VSF-DVS Joint Inter-agency Policy	Veterans Services Fund Allocation and Expenditure	Effective: TBD
VSF-DVS Joint Policy Number 14		Revised:

VSF Biennial Fiscal Year (FY) Schedule*

Odd Numbered FY

July 1 (Starts in even numbered calendar year; e.g., July 1, 2020-June 30, 2021 for FY21)

Board Officers assume duties

First Quarter (September**) meeting second week of month (Location)***

Receive APA audit report, if available

Consider and approve Goals and Objectives for current FY

Approve 4th Quarter prior FY Financial Statement and Annual Report to Governor and General Assembly

Approve review of VSF-DVS Policies, as required

Board Chair appoint Committee Chairs/Assistant Chairs

Approve next FY General and Non-general Funding Budget adjustments, if required

Approve Committee Chair/Assistant Chair appointments

Approve tentative meeting dates and locations

September

Board Chair to prepare Executive Director Annual Evaluation, due in October

Second Quarter (December) meeting second week of month (Location)***

Approve 1st Quarter current FY Financial Statement

Approve current FY Non-general Fund budget adjustments, if any

Approve review of VSF-DVS Policies, if needed

Approve Bylaws and MOU changes, if any

January, Wednesday second week Legislature convenes for 46 day session ending end of second week March

During mid-March

Request from DVS Budget Adjustments for current FY due mid-April

Request Budget from DVS input for next FY due mid-April

Request from DVS next biennial Non-general Fund budget requirements (i.e., in 2019 request for FY2021-22)

Third Quarter (March) meeting last week of the month (Location)***

Approve 2nd Quarter current FY Financial Statement

Approve current FY budget adjustments, if any

Approve review of VSF-DVS Policies, if needed

Elect a nominating committee

April

Nominating Committee put out call for candidates for officers' positions

Fourth Quarter (June) meeting second week of the month (Location)***

Review current FY Goals and Objectives as a baseline for next FY Goals and Objectives

Approve 3rd Quarter FY17 Financial Statement

Approve budget adjustments, if any

Consider and approve next Biennial Budget starting in next odd numbered FY (See above example)

Approve next FY schedule of dates and locations of Board meetings

Elect officers for next FY

*At all meetings, as appropriate, receive VVFS, V3, and other DVS activity updates.

**Depending on DPB Schedule for budget

***In odd numbered years review all VSF-DVS Policies, Bylaws, and MOU

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

VIRGINIA VETERANS SERVICES FOUNDATION
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
Short Title – Inter-Agency Relations

F1.1 Purpose

The purpose of this policy is to establish guidelines and 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 Chair of the VSF Board of Trustees (the trustees) 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 Chair (Board Chair) or his/her designee, in consultation with the 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 et seq. 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 and Defense Affairs 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.
- 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.
- 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. VSF and DVS are mutually supporting agencies.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

- E. Virginia Code §2.2-2715.C. specifies that the Secretary of Veterans and Defense Affairs and the Chairmen of BVS and JLC serve as ex officio voting trustees of the board of trustees of VSF.
- 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.
- B. Direct mutual support means VSF specifically supports DVS and is authorized to answer directly to DVS' request for assistance. 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 relationship exists between DVS and VSF because each agency was established to provide effective and efficient services. Each 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 MOU and supporting Joint VSF-DVS Policies.
- 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 veteran issues, delivery of services, plans, projects and policies and procedures. BVS also makes recommendations to DVS and 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 veteran services and programs and addressing veteran 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 from BVS and JLC that have been reviewed and approved by DVS and the Secretary of Veterans and Defense Affairs.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

F1.8 Procedures

- A. Detailed procedures for VSF and DVS are contained in VSF-DVS Joint Policies 11 through 14
- 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 and the Secretary of Veterans and Defense Affairs for consideration, in consultation with BVS. DVS may consider internal resources or external resources, including VSF resources, to address the need.
- 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." Applications shall be made through the DVS Commissioner and the Secretary of Veterans and Defense Affairs, 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 veteran 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 Virginia War Memorial Foundation is under the supervision of the DVS Commissioner ((§2.2-2001.3.F). Neither the Virginia War Memorial nor the Virginia War Memorial Foundation are supported by VSF.
- 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. Notice regarding such actions shall be given to all Trustees at least ten (10) days prior to the vote being taken. Biennial review of this policy is the responsibility of the VSF Procedures and Policy Committee.

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

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

F1.11 Policy Review Date

The policy review date is the date the policy was reviewed without revisions made. Reviewed: TBD.

F1.12 Policy Effective Date

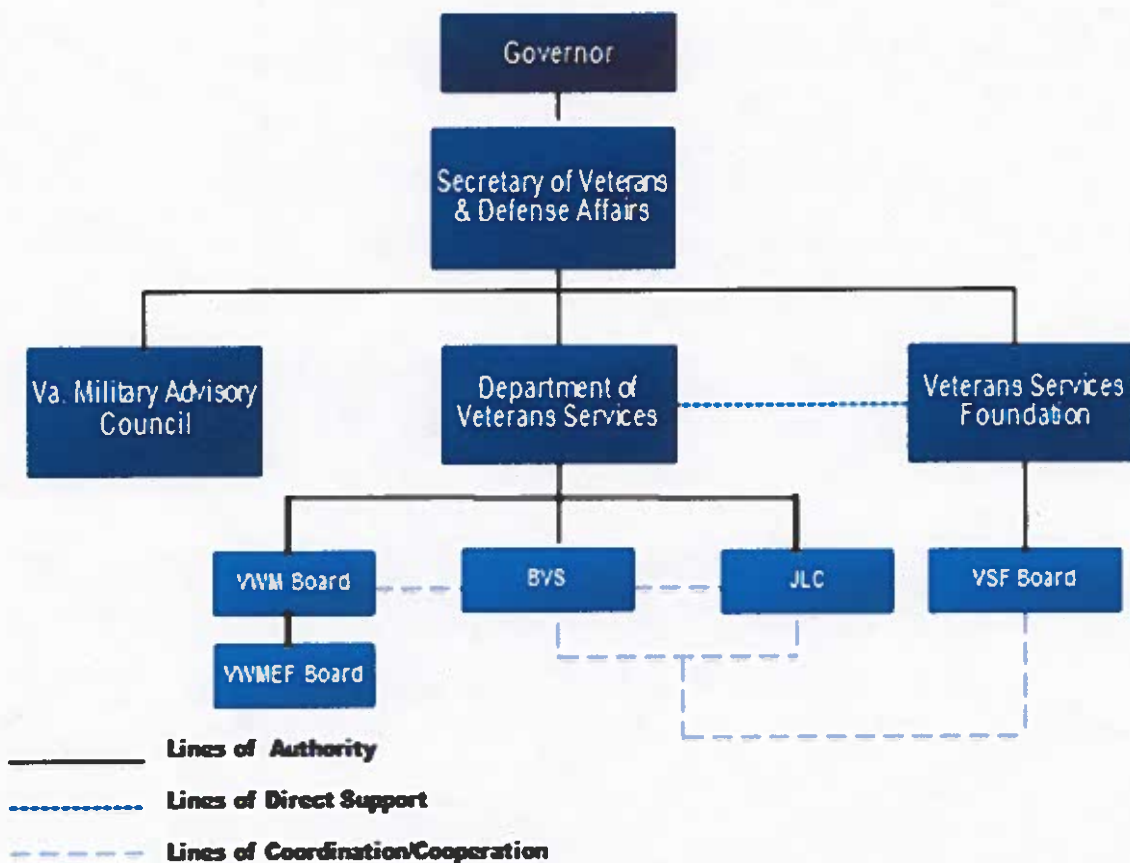
The effective date of the policy, or policy revision, shall be the date the VSF Trustees ratify the policy.

September 17, 2020

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

Appendix A

Virginia Veterans Affairs Organization

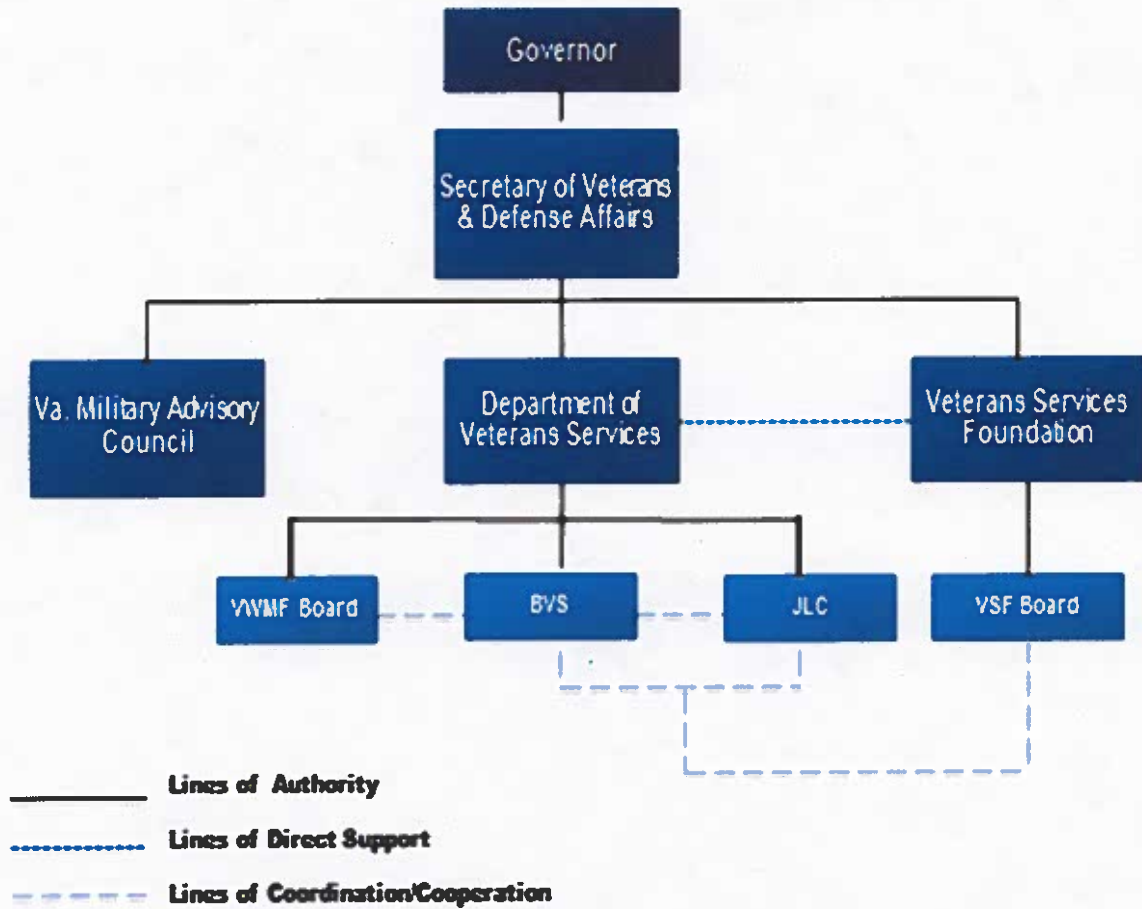


Effective until January 1, 2020

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

Appendix A

Virginia Veterans Affairs Organization



Effective January 1, 2020

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-17-2019
VSF Policy Number 1		Reviewed: 12.10.2020

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) 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 recognizes that:

1. DVS must have a clear understanding of VSF's support requirements in order to provide effective financial management and administrative support within available resources; and
2. VSF must have a clear understanding of the level of support that DVS can provide with available resources; and,
3. DVS and VSF will work together to achieve the purposes for which VSF 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 supporting administration of the Veterans Services Fund (the Fund), transfer of funding to DVS, VSF Funding Guidelines, fundraising, and other joint policies to facilitate the purposes of this MOU.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-19-2019
VSF Policy Number 1		Reviewed:

- 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) Request technical and other assistance from DVS in a timely manner.

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) 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 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 Fund administration, Funding Guidelines, fundraising, and accountability.
- 8) Provide technical assistance regarding contracting initiatives and grants.
- 9) Provide space for VSF meetings and staff members.
- 10) Provide funding for and process trustees' claims for travel, other actual expenses, and incidental expenses of VSF Board and Committee meetings.

VSF Inter-agency Policy	Inter-Agency Relations Between DVS, BVS, JLC and VSF	Effective: 9-19-2019
VSF Policy Number 1		Reviewed:

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 support for fundraising activities with the other agency.
- 4) Maintain their websites in a manner that is mutually supporting.
- 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 20th 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.
- 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.

 Commissioner
 Department of Veterans Services

 Date

 Chairman
 Veterans Services Foundation
 Board of Trustees
 as ratified by the Board on:

 Date

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

F2.1 Purpose

This policy is established to set 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 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 Secretary of Veterans and Defense Affairs, is responsible for the interpretation of this policy.

F2.4 References

Administration of 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) set forth in VSF Policy 1, Appendix B.

F2.5 Overview

- A. Assigned 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. Mission Statement: Our Veterans served us, now it's our turn to serve them.
- C. VSF is a state philanthropic activity comprised of a governing board of trustees, supporting staff, donors, volunteers, and other interested parties.
- D. The Code of Virginia §2.2-2715.E. states that DVS shall provide administrative, staff, and other services to the VSF. These are contained in the DVS-VSF MOU. VSF responsibilities to DVS are contained in the MOU and the VSF policy on interagency relations.
- E. 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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

- C. VSF 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 the efficient and effective administration and operation of VSF and its Fund. 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 shall be assisted by the VSF Secretary and Treasurer.
- C. VSF 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; 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 the Joint Leadership Council of Veterans Service Organizations in consultation with the DVS Director of Policy and Planning.

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 Secretary of Veterans and Defense Affairs. Once selected by the VSF trustees panel, the Executive Director shall be hired in accordance with §2.2-2715.
- B. The VSF Executive Director reports to the Board Chair and is chief administrator of VSF. The Board Chair shall submit an evaluation of the Executive Director annually in October to the Secretary of Veterans and Defense Affairs.
- C. The Executive Director's duties are set forth in the trustees bylaws.

F2.9 Secretary

- A. The Secretary, provided by DVS, shall be qualified in development and shall be appointed by the board of trustees. The incumbent may be assisted by such DVS staff as required. The Secretary to the Board shall perform those duties as designated by the board.
- B. The Secretary's duties are set forth in the trustees' bylaws.

F2.10 Treasurer

- A. The Treasurer, provided by DVS, shall be qualified in finance and appointed by the Board of Trustees. The incumbent may be assisted by such DVS staff as required. The Treasurer only shall perform those duties and have such powers as designated by the board.
- B. The Treasurer's duties are set forth in the trustees' bylaws.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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 contract 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.
- 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 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: (1) separate current and non-current funds for annual operations as set forth in the Appropriations Act; (2) reserves; (3) specific funds for stand-alone projects; and (4) endowments primarily to provide funding for veterans programs and services. The Fund accounting structure consists of subsidiary and sub-funds. Subsidiary funds are the primary subordinate funds of the Veterans Services Fund and pertain to the funds of each of DVS principal programs and both the VSF Unrestricted Revenue Fund and the VSF Support Fund. Sub-funds or sub-accounts exist within subsidiary funds and are financial accounts that support the activities/services of DVS programs and the VSF Unrestricted Revenue Fund. Details of the fund operating and accounting structure are contained in VSF-DVS Joint Policy 4.
- 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. Sub-fund adjustments of amounts less than \$10,000 within subsidiary accounts in the annual budget may be made by the VSF Executive Director 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 Finance Committee Chair and the Board Chair for action as set forth in section J2.13.D. Any changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- F. 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 board meeting. In any case, all changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- G. 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, except unrestricted donor funds, 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

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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. The Fund is not an auxiliary or reserve fund for DVS or VSF.

- H. The Unrestricted Revenue Fund and the Foundation Support Fund are subsidiary funds of the Fund. The procedures to be followed when allocating and expending the financial assets of the Unrestricted Revenue Fund and the Foundation Support Fund are contained in Appendix C.

F2.14 Financial Procedures

- A. Expenditures for DVS activities approved by the trustees may be processed upon approval by 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 administration and operations shall require the pre-approval of the VSF Executive Director in accordance with the procedures contained in Appendix C.

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. This report and monthly reports are compiled with the assistance of the DVS Director of Finance and the DVS Finance Staff for 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.
- B. The DVS monthly and quarterly reports consists 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. To obtain VSF funding, VSF requires that DVS submit a report detailing DVS program requirements to form the annual budget.
- D. Reports on income and expenditures shall be submitted monthly, or as requested, to the DVS Commissioner, the trustees, or others for review. These reports shall include under- funded or unfunded needs, if any.
- E. VSF shall compile an annual report to the Secretary of Veterans and Defense Affairs, and the General Assembly in accordance with § 2.2-2715.B. 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.
- F. The quarterly and annual reports shall be available in the board of trustees meeting minutes posted on the VSF website

F2.16 Adoption and Amendment

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

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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

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.

September 19, 2019

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

Appendix A

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 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.

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VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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;
- 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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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.
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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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.

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.

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VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

Appendix C

Veterans Services Unrestricted Revenue Fund and Foundation Support Fund Processing of Financial Requests Procedures

1. Purpose

This policy sets forth the procedures to be followed when allocating and expending the financial assets of the Unrestricted Revenue Fund and the Foundation Support Fund.

2. Overview

- A. The Unrestricted Revenue Fund is a subsidiary fund of the Veterans Services Fund that includes such funds as was or may be appropriated by the General Assembly, unrestricted donations to VSF, and interest accrued to the fund. The Unrestricted Revenue Fund is an income fund and the only stable asset VSF has. The appropriated funds and interest are for supporting VSF administration and operations and serving as a reserve of funds for emergency purposes. ~~The VSF shall not use more than 10 percent of the Unrestricted Donor Fund each year for administrative purposes. The unrestricted donor funds shall only be used for supporting the needs of veterans and their families. Revenues from the Unrestricted Revenue Fund cannot directly be used to cover VSF or DVS expenses. These expenses are made from the Foundation Support Fund.~~
- B. The Foundation Support Fund was created as a subsidiary fund of the Veterans Services Fund to cover VSF administration and operating expenses. Its expenditures are limited by current editions of the Commonwealth Appropriation Act.
- C. The Unrestricted Revenue Fund, through the Foundation Support Fund, may advance funds to cover DVS programs until these expenditures are replaced with donations, by DVS funds, or through state appropriations.

3. Definitions

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

- A. **Administrative Expenses:** These are what 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.
- B. **Unrestricted Donor Fund:** This is a sub-fund of the Unrestricted Revenue Fund and consists of donations made to the Foundation for direct support of veterans and their families. ~~This fund shall not be used for administrative or fundraising expenses.~~
- C. **Fundraising Expenses:** These are what the VSF spends to raise money. Fundraising expenses can include campaign printing, publicity, outreach, mailing, travel, and staffing and costs incurred in soliciting donations, memberships, and grants. For the VSF, these expenses fall under the Foundation Support Fund.
- D. **Contingency:** This is a planned situation where a VSF or DVS program need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
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- E. **Emergency:** This is an unplanned situation where a VSF or DVS urgent need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.
- F. **Foundation Operations:** They are the functions performed in support of the administration of the Foundation.
- G. **Program Expenses:** These are what the Foundation annually allocates primarily to the DVS programs and direct services to veterans and their families. For the VSF, these include emergency expenses associated with DVS programs, if they don't fall under Administrative Expenses.

4. 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 (13). 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 Finance Office for the VSF.

5. Managing Unrestricted Revenue 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 designated as the interest sub-fund of the Unrestricted Revenue Fund. 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 VSF ~~Executive Director~~Treasurer is responsible for directing and administering the Foundation Support Fund within authorized amounts. Expenditures for VSF operations are authorized by the ~~Executive Director~~VSF Board in the annual budget for Foundation Support. Additional funding may be provided with the approval of the Board of Trustees, 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.
- E. The procedures to be followed by the ~~Executive Director~~VSF Treasurer to adjust the Foundation Support Fund Budget shall be:
 - 1. 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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
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2. 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 DVS Requesting Foundation Support Funds for Additional Program Funding~~

- ~~A. The Support Fund may be used to provide temporary emergency expenditures for DVS programs, but this is done with the understanding that such funds will be replaced. Requests for allocations of the Support Fund revenues 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.~~

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Veterans Services – Control of In-Kind Donations Policy and Procedures

J12.1 Purpose and Background

- A. The Virginia Veterans Services Fund (the Fund) is administered by the Virginia Veterans Services Foundation (VSF) and identified by the Commonwealth Comptroller as a special non-reverting trust fund. The Fund was established to account for monetary donations. In-kind gifts or contributions of goods, services, or other non-negotiable property of whatever nature are subject to accountability.
- B. In accordance with the Code of Virginia, the Foundation is the only veteran’s related state agency authorized to accept in-kind donations. The use of some types of in-kind donations (e.g., computers) may be restricted by the Code. Additionally, certain donations that may incur continuing costs to maintain or store and certain types of real property to include real estate are subject to approval by the Governor in accordance with the current edition of the Virginia Appropriations Act.
- C. In-kind donations have value; therefore, the Foundation, the Department of Veterans Services (DVS), and the DVS programs shall receive, record, manage, and account for in-kind donations as required by the State Comptroller. This will ensure that an accurate and complete record of donations - whether financial or in-kind - is maintained and accountability established.
- D. An in-kind donation is one where goods, services, property or something of value is offered for free or at less than the usual and normal charge, or payments by a third party for goods and services. This type of contribution does not include financial donations – i.e. cash, checks, promissory notes, or negotiable securities.
- E. In-kind goods include, but are not limited to food, equipment, furniture, supplies, computer software and hardware, and office space. Types of in-kind services donations include, but are not limited to, voluntary contributions of advertising materials, printing, entertainment, catering, lodging, and transportation. Promotion materials and governmental inter and intra agency transfers of materials are not in-kind donations. Uncompensated professional services contributed are in-kind donations, but uncompensated volunteer labor is not. For additional information on in-kind contributions, see applicable U.S. Internal Revenue Service Publications and Instructions.
- F. The value of an in-kind donation is set by the donor, not by the Foundation or DVS. In-kind donations may be tax-deductible under state and federal law. Since it is the donor who will be claiming the tax deduction for the in-kind donation, it is imperative that the donor determine its value. An exception to this exists when a donor contributes a bank card or gift card. Other such gifts such as theater tickets may be comparable. They are considered cash contributions except that they are not recorded as income to Commonwealth accounts; therefore, they are recorded as in-kind contributions.
- G. In-kind donations are recorded and tracked only within VSF internal procedures and are not entered into CARDINAL.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

J12.2 References

- A. This policy is made in accordance with the Code of Virginia § 2.2-2718, other related Code sections, the current edition of the Appropriations Act, and the VSF Bylaws.
- B. This policy amplifies the information contained in VSF-DVS Joint Policy Number 11 (Fundraising).

J12.3 Application

The VSF Executive Director, with the assistance of the DVS CFO, is responsible for the application of this policy.

J12.4 Interpretation

The Chairman of the VSF Board of Trustees (VSF Chair), with the assistance of the DVS Commissioner, is responsible for the interpretation of this policy.

J12.5 In-kind Donation Policy

- A. It is the policy of VSF, in coordination with DVS, to oversee and ensure that in-kind goods and services contributed to VSF are received, recorded, and managed. At the discretion of the Foundation, in-kind donations may be passed on to other state agencies or to non-profit organizations for use by veterans and their families. Due to limited capacity, the Foundation will not accept: (1) tangible goods for resale; (2) tangible goods that have no further service life; (3) tangible goods that are to be discarded; (4) any goods that have debt attached to them; and (5) any goods without clear proof of ownership from the donor. Questionable items will be subject to a decision by the ~~VSF Treasurer Foundation Executive Director~~ or, in his absence, ~~Foundation Executive Director the DVS Chief Financial Officer (CFO)~~.
- B. As an exception, DVS programs may, at their discretion, accept in-kind donations for which they have no valid use as a public outreach gesture. They may dispose of said donations as befits the nature of the gift. However, any gains realized from such disposals must be recorded as donations to the Foundation.
- C. It is the policy of VSF and DVS that no monetary value will be indicated on thank-you letters or receipts for in-kind goods and services.
- D. If the in-kind donation is a cash value bank or gift card, its value will be noted and an appropriate thank-you letter indicating the value will be sent.

J12.6 In-kind Donation Receipt Authorization

- A. VSF Trustees, the VSF Executive Director, and designated DVS employees may accept an in-kind donation on behalf of the Foundation after first considering these procedures. The DVS Commissioner shall designate the DVS employees who may accept in-kind donations on behalf of the Foundation, ~~subject to the approval of the Foundation Executive Director~~.
- B. Designated DVS employees also may accept in-kind donations to the Foundation on behalf of the DVS program that they are authorized to represent.

J12.7 Special Procedures for Accepting Tangible Property

Tangible property is considered to be any item that is not consumable in the near term. Tangible property includes durable goods that have a life expectancy of three to five years. Trustees or DVS employees accepting an in-kind donation of tangible property should take the following steps:

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

- A. Consider the cost of ownership of the item being donated. This will include the cost of installation, useful life, cost of maintenance, and cost of disposition. If acceptance of the tangible property will place an unacceptable financial burden on VSF or DVS, then the donation should be politely declined. For example, an aquarium and its contents have a fixed procurement price, but the annual maintenance may exceed the cost of honoring the intent of the donation. In such cases, an assessment must be made, in conjunction with the donor, regarding disposition of the donation. If there is a question about whether or not such donation would constitute an unacceptable financial burden to DVS, then the *DVS* Commissioner ~~and VSF Executive Director should be consulted before acceptance of the donation. The VSF Executive Director on behalf of the VSF Chair is authorized to decide on questionable donations before they are accepted.~~
- B. Refer gifts of tangible property, such as real estate, that may place a financial burden on the Commonwealth for maintenance to the Department of General Services for approval by the Governor in accordance with Part 4 of the Appropriations Act, section 4-2.01.a.
- C. If the anticipated donation will not create a financial burden, then the Trustee or DVS employee should, if appropriate, obtain and record the type of good or service contributed, proof of ownership, a written statement from the contributor of its monetary value (actual cost or fair market value), and date of receipt from the donor.

J12.8 Special Procedures for Accepting Consumable Goods or Services

Consumable goods are those that will be consumed in the near-term such as food or clothing. Trustees or DVS employees accepting an in-kind donation of a consumable good or service on behalf of the Foundation should take the following steps:

- A. Consider whether there is a valid need for the consumable good or service.
- B. Consider whether the contribution is bona fide.
- C. If there is a question on whether the good or service is needed or bona fide, it will be referred to the VSF ~~Executive Director~~ Treasurer or, in his absence, the DVS ~~CEO~~ Commissioner, before it is accepted.
- D. Obtain and record the type of good or service contributed, proof of ownership, a written statement from the contributor of its monetary value (actual cost or fair market value), and date of receipt from the donor.

J12.9 Procedures for Accepting In-Kind Contributions

After completing the initial procedures for either tangible property or consumable goods and services, complete the following procedures.

- A. Thank the donor for his generous gift and give the donor their personal business card.
- B. Complete an In-Kind Donation Receipt (see Appendix A). Retain one copy for VSF/DVS records, one for local records, and give one copy to the donor.
- C. Forward the VSF/DVS copy of the receipt to:

Virginia Veterans Services Foundation
Executive Director
101 North 14th Street, 17th Floor
Richmond, Virginia 23219

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

J12.10 Recording In-Kind Donations

Upon receipt of an in-kind donation, the VSF ~~Executive Director~~ Treasurer or his/~~her~~ designee shall pass it to the DVS CFO who shall take appropriate action to ensure that:

- A. The donation is recorded on a Foundation spreadsheet in a form acceptable for audit purposes and includes the donor’s estimated value of the goods or service (see section J12.8).
- B. The donor’s name, organization, and address, the recorded value of the donation and the intended purpose of the donation is expeditiously reported to the VSF Executive Director or the DVS Commissioner’s Office, so that a thank-you letter may be prepared.
- C. If required by value and remaining life (by the State Comptroller), record donated assets in the State Fixed Accounting and Control System.
- D. The VSF Executive Director or the DVS Commissioner or his designated representative shall send a thank-you letter to the donor within 20 working days of the donation. VSF, DVS, and DVS programs are encouraged to personalize thank-you letters and ensure that the same person does not receive the same form letter more than once. Should DVS activities (i.e., care centers and cemeteries) prepare thank-you letters, a copy will be retained and made available at the request of the VSF Executive-Director or the DVS CFO.

J12.11 Managing and Expending In-Kind Donations

In-kind donations shall be managed and expended as follows:

- A. In-kind donations of a tangible nature shall be placed on the property accounts of the receiving program if they meet the capitalization standards established by the Commonwealth Comptroller. Donations that are less than the established capitalization thresholds only shall be recorded on spreadsheets noted in *Paragraph J12.10*, above. However, certain durable goods (e.g., computers) may be subject to additional controls. If a tangible donation is passed on to a needy care center resident, the details also will be so noted on the previously referred to spreadsheet.
- B. In-kind donations of a non-tangible nature are generally consumable goods or pro-bono professional services, and shall be considered expended when received.
- C. If a DVS program accepts in-kind donations for which it finds that it does not have a need, the program will notify other DVS programs to determine if the item(s) can be used and will transfer said items as appropriate.
- D. Should an in-kind donation not be needed by any DVS program, the item may be provided to another state agency through the Department of General Services, to a veterans service organization, or to other non-profit organization that supports veterans and their families. Should this occur, a record will be made of the item’s disposition and neither shall the monetary value of the in-kind contribution be recorded nor shall the item be entered on a property account.
- E. The ~~DVS CFO~~ DVS Treasurer report to the Trustees on a quarterly basis the status of all in-kind donations.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

J12.12 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 board/council members at least ten (10) days prior to the vote being taken. Biennial review of this policy is the responsibility of the VSF Finance Committee.

On adoption, this policy supersedes VSF-DVS Joint Policy 5 of August 6, 2008 and revised on August 6, 2014.

J12.13 Policy Review Date

The Policy Review Date is the date the policy is reviewed without revisions made. Reviewed:

J12.14 Policy Effective Date

The effective date of the policy, or policy revision, shall be the date the VSF Trustees and the DVS Commissioner ratify the policy. Revised:

June 24, 2020

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – In-Kind Donations	Effective: TBD
VSF-DVS Policy Number 12		Revised 6.24.2020:

VIRGINIA VETERANS SERVICES FOUNDATION

Appendix A

Acknowledgement of In-Kind Donation Receipt

It is the policy of the Veterans Services Foundation that in-kind donations may be passed on to other state agencies or non-profit veterans support organizations, providing the donation will be used for veterans and their families.

<i>Date</i>	
<i>Name Individual / Group</i>	
<i>Group Contact / Title</i>	
<i>Street Address</i>	
<i>City, State, Zip</i>	
<i>Phone Number</i>	
<i>E-Mail Address</i>	

The Veterans Services Foundation is a state activity that is Tax exempt under Section 2.2-2719, Code of Virginia and Section 170 (c), Internal Revenue Code. The Foundation did not provide any goods or services in return for the donation(s).

<i>Donation(s) (Use additional sheets, as required.)</i>	
<i>Item(s)</i>	<i>Restricted / Use for:</i>
<i>Clothing</i>	
<i>Books</i>	
<i>Other</i>	
Total Estimated Value	

Foundation/Program/Activity Representative

Title

Date

Contributor / Representative

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Veterans Services Fund – Management Policy and Procedures

J13.1 Purpose

- A. The Virginia Veterans Services Fund (the Fund), administered by the Virginia Veterans Services Foundation (VSF), is a special non-reverting trust fund on the books of the Commonwealth Comptroller. The Fund includes such monies as may be appropriated by the General Assembly; revenues transferred from other state programs established for the Fund's benefit; revenues derived from contracts, grants, and other dedicated sources; and designated gifts, contributions and bequests of money, securities or other monetary property of whatever nature.
- B. This policy sets forth the procedures to be followed when recording, responding, accounting, reporting donations and generally managing, financial donations made to the Fund.
- C. This policy is to be used in conjunction with VSF-DVS Joint Policies J11 (Fundraising) covering solicitation and receipt of donor funds, J12 (Control of In-kind Donations) concerning non-financial donations, J14 (Veterans Services Fund Allocations and Expenditures) regarding budgeting, appropriation, allotment, allocation, and expenditure of financial donations.

J13.2 References

This policy is made in accordance with Code of Virginia § 2.2-2718 and § 64.2-1100 et seq, the Appropriation Act, the Department of Veterans Services (DVS) DVS-VSF Memorandum of Understanding, and the VSF Bylaws.

J13.3 Application

The Executive Director of the VSF and the ~~DVS Chief Financial Officer (CFOVSF Treasurer)~~ or their designee(s) shall be responsible for the application of this policy.

J13.4 Interpretation

The Chairman of the Board of Trustees of the VSF (VSF Chair), with the assistance of the DVS Commissioner, is responsible for the interpretation of this policy.

J13.5 Policy

- A. VSF and DVS, in coordination with the Trustees Finance Committee and VSF ~~Executive Director~~ ~~Treasurer~~, shall oversee and ensure that monies collected are properly deposited and managed. [Expenditure of funds will be in Joint Policy 14.]
- B. VSF shall provide Veterans Services Fund oversight to ensure internal controls are effective. [From DVS-VSF MOU.]
- C. DVS shall provide financial management and accounting necessary to ensure compliance with receipt and accounting requirements set forth by the State Department of Accounts, State Auditor of Public Accounts, and VSF-DVS Joint Policies in a manner that segregates VSF from DVS activities. [From DVS-VSF MOU.]

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

- D. DVS finance staff shall provide monthly financial and quarterly detailed statements to VSF for internal and external use, including the preparation of the VSF quarterly financial report required by Code of Virginia § 2.2-2715.A. [From DVS-VSF MOU.]

J13.6 Definitions

The definitions that apply to this policy, and are applicable to other VSF-DVS Joint Policies, are contained in Appendix A.

J13.7 Recording Financial Donations

Upon receipt of a financial donation, the DVS CFO of Finance or the DVS Office of Finance designee shall ~~record~~record the donation on the Fund spreadsheet in the account for which the donation is intended by the donor.

J13.8 Managing Financial Donations

Financial donations shall be managed as follows:

- A. All contributions shall be considered donations contributed for unrestricted purposes or for a specific program or activity.
- B. All balances in the Fund shall be maintained in an interest bearing account. Interest income generated by the Fund shall accrue to the Foundation Unrestricted Revenue Fund, unless otherwise directed by the Trustees.
- C. Upon completion of the activity for which funds were donated, the unspent portion of donations made for a specific activity shall be transferred to a related program fund or the Foundation Unrestricted Revenue Fund at the discretion of the Trustees. Procedures are contained in VSF-DVS Joint Policy Number 14 (Fund Allocation and Expenditure).
- D. At the end of each fiscal year, VSF shall review remaining activity account balances to determine their continuing need. ~~DVS programs shall justify sub fund retention or recommend redistribution of excess funds within the program. At the discretion of the Trustees, unused amounts shall be reallocated. Procedures are contained in VSF-DVS Joint Policy 14 (Fund Allocation and Expenditure).~~

J13.9 Veterans Services Fund

- A. The accounts and records of the Foundation 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 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 in accordance with §2.2-2717 of the Code of Virginia.
- B. The Veterans Services Fund operating structure shall allow for: (1) separate current and non-current funds for annual operations as set forth in the Appropriation Act, (2) reserves, (3) specific funds for grants and stand-alone projects, and (4) endowments primarily to provide funding for Department veterans programs and services. It also funds for Foundation operations to support veterans programs and services and is not an auxiliary or reserve fund for the Department or Foundation.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

C. The basic Fund structure to be used in the monthly and quarterly reports is as follows:

Current Annual Funds:

- Annual Program Funds
- Grants
- VSF Specific Funds for DVS Projects
- Foundation Support Fund

Reserve Funds:

- Reserve Program Funds
- Foundation Unrestricted Revenue Funds
- Endowment Funds

These funds are set forth in the monthly spread sheet financial reports. An example is in Appendix B and described as follows:

1. Current Annual Funds

- a. Annual Program Funds: The Appropriation Act annually appropriates and allots to VSF a specific amount of “designated special revenue” consisting of donors restricted and unrestricted funds. VSF, upon approval by the board of trustees, allocates all or a portion of the annual appropriations to DVS programs and services as requested by DVS in its annual budget request. These allocations are shown in the top portion of the spread sheet at Appendix B from the Virginia Veterans Care Center and Sitter & Barefoot VCC at the top down to the VSF Support Funds towards the bottom. The current allotments or allocations are authorized for expenditures. The balances are income, but do not include obligations for projects that have had allocations during the current year and not expended. Allocated funds that have not been spent at the end of the year are carried over to the next year as are obligations. At the beginning of the next year, the fund is replenished with reserve funds to bring it to allocation levels, if sufficient reserve funds are available. If not, available donations are used for replenishment. In all cases, sufficient cash, appropriations and allotments must be present prior to the expenditure of funds. Annual Program funds are not available for endowment purposes.
- b. Specific Funds for DVS Projects: Restricted funds that normally are current annual or biennial funds from donors that are to be used for special DVS requirements that are not DVS Annual Program Funds, may involve more than one DVS program, and/or include other state agencies. An example is “Women’s Summit” under Veteran Education, Transition and Employment. Others not listed in Appendix B may be VVFS “Mission Healthy Families”, Mission Healthy Relationships”, and “Suicide Prevention”. VSF Specific Funds are not available for endowment purposes.
- c. Grants: Grants normally fall under Annual Program Funds or VSF Specific Funds. A VVFS example is “Operation Family Caregiver Grant”. The V3 example is Altria (shown on the quarterly spread sheet at Appendix B under Veteran Education, Transition and Employment). Grant funds exceeding the annual allocation shall be held in Reserve Program Funds. Grants are not available for endowment purposes.

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VSF-DVS Policy Number 13		Revised:

- d. **Foundation Support Fund:** Unrestricted funds appropriated by the Commonwealth or donated on an annual basis to support VSF, and the contingency needs of DVS on a reimbursable basis. This is an expenditure fund. Support funds are not available for endowment purposes.

2. Reserve Funds

- a. **Reserve Program Funds:** This account contains those VSF Funds found at the bottom of the spread sheet at Appendix B on the line titled “Grand Total of All 09410 Funds.” They are the sum of the Fund 09410 Balance June 30, 2019YTD less the sum of the FY 2019 Budget Balance YTD. The result is the amount of unallocated restricted funds from donors to support each designated DVS Program which are not part of the current annual Appropriations Act allocations, but available for expenditure on approval from the Department of Planning and Budget (DPB). For DVS divisions and programs, the reserve for subsidiary funds may be found in the subordinate accounts titled “Other Donations Restricted”. At least 100% of the annual budget (\$796,500.00 in the example in Appendix B) must remain in the account for contingency purposes. The remainder may be available for investment for endowment purposes. Should the funds available in the reserve account be less than the amount in the current budget, expenses for the following year will have to be reduced by a comparable amount.
- b. **Foundation Unrestricted Revenue Fund:** This account contains unrestricted funds to support VSF. It is an income fund. It contains: (1) appropriated non-general Funds; (2) Donor Unrestricted Funds; and (3) Interest. At least 10% of the available funds must remain in the account for emergency purposes. The remainder may be available for investment for endowment purposes.
- c. **Foundation Endowment:** The funds may be unrestricted or restricted. If restricted, their principal usually cannot be spent at all, and only a specified percent of the interest earned can be spent per year. This Fund may consist of available unrestricted Revenue, and Reserve Program Funds that may be invested. There currently are no funds in this category.

D. Fund, subsidiary funds, and subordinate funds in Monthly Veterans Services Fund Spread-Sheet Elements.

1. The Veterans Services Fund encompasses the entire spread sheet at Appendix B.
2. **Subsidiary Funds** are the sum of those dedicated to each DVS Division (i.e., ~~Virginia Veterans Care Center, Sitter& Barefoot Veterans Care Center,~~ Care Center Funds, Cemetery Funds, Virginia Veteran and Family Support, Benefits Funds, Veteran Education, Transition and Employment, and VSF Support Funds).
3. **Subordinate or Sub-funds** are the individual allocation categories under each subsidiary fund. Examples of these sub-funds follow in the next section.

E. Donations made for a specific purpose are placed in restricted sub-funds, so that the donated funds are only used in accordance with the wishes of the donor. Additional sub-funds, as approved by the Board, may be established as required.

1. Care Center Funds are sub authorized by Care Center with subaccounts for specific programs, such as Residents’ Assistance sub-funds for Indigent Resident Needs;

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Activities/Carnival Fund; Operation Holiday Spirit; Unit Projects & Functions; and Other Donations Restricted as required ~~for each care center depending on its needs.~~

2. Cemeteries Assistance sub-funds for each cemetery and Other Donations Restricted.
3. The Virginia Veteran and Family Support Subsidiary Fund, for example, has the following sub-funds:
 - a. The Direct Services Sub-fund supports veterans of any era who are Virginia residents, members of the National Guard or Virginia members of the Armed Forces Reserves not on active federal service, and the family members of these veterans and service members.
 - b. The Outreach Sub-fund supports activities promoting awareness of the availability and eligibility of services of VVFS program services among the public, veterans, and their families so that: (1) those in need are encouraged to come forward to seek support; and (2) the broader public will have increased awareness of program services and be a catalyst to strengthen outreach to those in need.
 - c. The Enabling Sub-fund supports training for professionals who may come in contact with veterans and their families, so they are better able to identify, and address veterans concerns and needs. The sub fund also may be used for direct professional education/training services for veterans and their families.
 - d. The Homeless Veterans Sub-fund provides assistance to alleviate the needs of temporarily homeless veterans and, in some cases, their families.
 - e. A sub-fund for the Operation Caregiver Grant.
4. The Veterans Education, Transition and Employment Subsidiary Fund has sub-funds for the Virginia Values Veterans (V3) Program, the Women’s Summit, and the ~~Altria Grant~~ any specific fund as directed by the Grantee.
5. The Other Donations sub-fund found in all subsidiary funds is a holding account for revenue not allocated for expenditure by the current budget ~~and is a drawing account for the next annual allocation.~~

J13.10 Veterans Services Fund 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. This report and monthly reports are compiled by the VSF Treasurer with the assistance of the DVS CFO and the DVS Finance Staff for 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.
- B. The monthly and quarterly finance reports stated in paragraph J13.10 A. ~~prepared by DVS for VSF~~ shall contain: (1) a balance sheet; (2) a pie-chart depiction of assets by major funding activity; (3) a profit and loss statement; and (4) a Schedule of Receipts, Expenditures and Budget by Activity. An example of the finance report is at Appendix B.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
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- C. ~~The DVS CFO shall assist VSF~~ **VSF Treasurer shall prepare in preparing quarterly reports to the VSF Trustees from the monthly reports provided by the DVS Office of Finance to the VSF Executive Director. 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.**
- D. Reports on income and expenditures shall be submitted monthly, or as requested, to the DVS Commissioner, the trustees, or others for review. ~~These reports shall include under-funded or unfunded needs, if any.~~
- E. VSF shall compile an annual report to the Secretary of Veterans and Defense Affairs, and the General Assembly in accordance with § 2.2-2715.B. 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.
- F. These quarterly and annual reports shall be available in the board of trustees meeting minutes posted on the VSF website.

J13.11 Adoption and Amendment

- A. This policy may be adopted and amended by a majority vote of the VSF Board of Trustees after consultation with the Commissioner of Veterans Services. Notice regarding such actions shall be given to the Commissioner and all Trustees at least ten (10) days prior to the vote being taken.
- B. Biennial review of this policy is the responsibility of the VSF Finance Committee.
- C. On adoption, this policy supersedes VSF-DVS Joint Policy4.

J13.12 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.

June 24, 2020

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Veterans Services Fund – Management

Appendix A

DEFINITIONS

These definitions apply to this policy and may be applicable to other VSF-DVS Joint Policies.

Account: As used by VSF, this is a financial account (i.e., a record of financial transactions showing receipts and expenditures for a given period) is maintained for each of the principal subordinate programs of DVS.

Activity: This is a function (i.e., a set of operations including special services, projects, events, etc.) that a DVS principal subordinate program performs and has a purpose recognized for authorization of use of VSF funds.

Administrative Expenses: These are VSF or a DVS program expenditures for overhead, administrative staff and associated costs, and organizational meetings. VSF operating expenses, including staff, travel, and other administrative expenses, fall under the Foundation Support Fund.

Agency: This is the administrative unit of state government, including any department, institution, commission, board, council, authority, or other body. VSF and DVS are state agencies that report to the Secretary of Veterans and Defense Affairs. The Board of Veterans Services and the Joint Leadership Council of Veterans Service Organizations also are considered state agencies; however, they report to the Commissioner of DVS.

Business Units of DVS: Divisions of DVS.

Charitable Purpose: Means the promotion of a governmental purpose for the public good which is beneficial to the community.

Contingency: This is a planned situation pertaining to a VSF or DVS program need for funds that are not appropriated from the current Appropriation Act or approved by the Department of Planning and Budget.

Designated Special Funds: This is a term used in the Appropriation Act to identify donor funds and grants and the allocation thereof for authorized expenditures.

Divisions of DVS: Include Cemetery Operations, Sitter & Barfoot Veterans Care Center, Virginia Veterans Care Center, and the Virginia Veteran and Family Support Program, and others that may be developed and affected by VSF operations.

Emergency: This is an unplanned occurrence where a VSF or DVS urgent need exists for funds that are not appropriated from the current Appropriation Act or approved by the Department of Planning and Budget.

Endowment Fund: Means an institutional (i.e., VSF) fund or part thereof that is not wholly expendable by the institution on a current basis. The term does not include assets (usually restricted funds) that an institution designates as an institutional fund. The funds may be unrestricted or

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restricted. If restricted, their principal usually cannot be spent at all, and only a specified percent of the interest earned may be spent per year. There may be restrictions on how the interest can be spent.
Fiscal Year (FY): From 1 July through 30 June of the next year defines the state Fiscal Year.

Foundation Operations: These are functions performed in support of the administration of the Foundation.

Fund: The “Fund” is the Veterans Services Fund, which includes subsidiary funds for each of the DVS principal subordinate divisions or programs.

Fund Allocations and Expenditures: Includes appropriating, allotting, allocating, and expending financial donations from the Veterans Services Fund, but also other state general and non-general funding for veterans and their families.

Fund Management: Includes recording, responding, accounting, and reporting donations, primarily in the Veterans Services Fund.

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.

Fundraising Expenses: These include the VSF expenditures to raise money. Fundraising expenses can include campaign printing, publicity, outreach, mailing, travel, and staffing and costs incurred in soliciting donations, memberships, and grants. For the VSF, these expenses fall under the Foundation Support Fund.

Grants: Grants are a form of financial aid based on need which does not have to be repaid, but requires a service to be rendered by the recipient. Grants are contractual agreements to provide services on receipt of non-repayable funds or products disbursed or given by one party, called the grant maker, to a recipient that often is a nonprofit entity such as VSF. Normally to receive a grant, some form of proposal or application is required. In other cases a grant may be offered based on the conditions specified by the grant maker. Grant funds are restricted for use as the grant maker specifies and may not be used for other purposes. Grant acceptance, compliance, and reporting requirements vary depending upon the type of grant and funding source.

Institution: A government subdivision, agency, or instrumentality to the extent that it holds funds exclusively for charitable purposes; i.e., VSF.

Institutional Fund or Reserve Fund: Means a fund (subsidiary fund usually a restricted fund) held by an institution (VSF) exclusively for charitable purposes. It does not include Program-related Assets.

Programs of DVS: An operational term for a principal subordinate division of DVS or other state agency programs (e.g., Virginia Values Veterans Program, Homeless Veterans Program).

Program Expenses: These include the Foundation’s annual allocation primarily to the DVS programs and direct services to veterans and their families. For the VSF, these include emergency expenses associated with DVS programs, if they don’t fall under Administrative Expenses.

Program-related assets or Annual Fund: These include assets (subsidiary and sub-funds usually restricted) which are held by an institution (VSF) primarily to accomplish a charitable purpose of the institution (VSF) and DVS and not primarily for investment.

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Report: This is a written response to a request for information and may include financial schedules and statements or other data.

Restricted Funds: This is a reserve of money that can only be used for specific purposes. Restricted funds provide reassurance to donors that their contributions will be used in a manner they have chosen. When a donor gives money to VSF, they may specify that it be temporarily restricted to be used for a certain purpose, or permanently restricted so that the donation acts as principal on which interest can be earned and only the interest can be spent.

Schedule: A schedule contains financial information, usually at a more detailed level than is found in a “statement.” (See definition of “statement” below.) An example is the Schedule of Receipts, Expenditures, and Budget that contains financial information on DVS Programs and their activities.

Service: This is an operational term for DVS principal subordinate programs’ activities performed in support of a specific DVS program.

Specific Fund: Means those restricted funds specified for a specific requirement that DVS is pursuing that: (1) are not part of DVS programs’ Annual Funds; (2) may involve more than one DVS program; and/or (3) include other state agencies.

Statement: A statement refers to a financial statement. Current statements include a Balance Sheet, and a Statement of Revenues and Expenditures. Other financial statements may be defined, as the needs of the users change.

Sub-fund: This term is used to denote financial accounts that support the activities/services of DVS programs. These also are called sub-accounts for accounting purposes.

Subsidiary Fund: These are the principle subordinate funds of the Veterans Services Fund and pertain to the funds of each of DVS principal programs.

Unrestricted Funds: These funds may come from state appropriations or donations that are available for VSF to use for any purpose. Unrestricted funds usually are used for operating expenses of VSF or for a particular project that VSF picks. Only the state executive and legislative branches or the donor can determine if an appropriation or donation is restricted or not. The designation is made by legislation or a letter from the donor or through explicit agreement with VSF. Exceptions could be when donors are asked to give to a capital campaign, a building fund, or a relief fund.

Unrestricted Donor Fund: This is a sub-fund of the Unrestricted Revenue Fund and consists of donations made to the Foundation for direct support of veterans and their families. This fund shall not be used for administrative or fundraising expenses.

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
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**VIRGINIA VETERANS SERVICES FOUNDATION
VIRGINIA DEPARTMENT OF VETERANS SERVICES**

Veterans Services Fund Management

Appendix B

**Example of
VSF FINANCIAL REPORT
Contained in the following four pages**

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

Veterans Services Foundation
Schedule of Receipts, Expenditures and Budget, by Activity
For the Month Ended June 30, 2019 (FM12)
FY 2019 Year-To-Date
(Unaudited)

Activity	Fund 09410 Balance July 1, 2018 Adjusted	Receipts YTD	Expenditures YTD	Fund 09410 Balance June 30, 2019 YTD	FY 2019 Budget YTD	FY 2019 Budget Balance YTD
Virginia Veterans Care Center:						
Indigent Resident Needs	30,470.51	5,095.00	216.54	35,348.97	2,000.00	1,783.46
Activities/Carnival Fund	12,640.99	7,610.00	5,583.51	14,667.48	7,000.00	1,416.49
Operation Holiday Spirit	74,472.88	25,280.00	13,144.38	86,608.50	21,000.00	7,855.62
Unit Projects & Functions	11,331.00	-	15,613.64	-	19,500.00	3,886.36
Other Donations Restricted	16,099.97	17,670.00	10,500.00	18,987.33	10,500.00	-
Total VVCC Funds	145,015.35	55,655.00	45,058.07	155,612.28	60,000.00	14,941.93
Sitter & Barfoot VCC:						
Indigent Resident Needs	6,107.52	200.00	65.00	6,242.52	1,000.00	935.00
Activities Fund	28,980.18	1,400.00	10,631.16	19,749.02	16,500.00	5,868.84
Other Donations Restricted	1,692.00	5,380.00	-	7,072.00	10,500.00	10,500.00
Total SBVCC Funds	36,779.70	6,980.00	10,696.16	33,063.54	28,000.00	17,303.84
Cemetery Funds:						
Va Veterans Cemeteries- Other Donations Restrict	787.00	55.00	-	842.00	500.00	500.00
Va Veterans Cemetery--Amelia	8,091.38	570.00	-	8,661.38	5,000.00	5,000.00
Memorial Cemetery--Suffolk	10,111.07	11,204.91	-	21,315.98	5,000.00	5,000.00
SW Va Veterans Cemetery--Dublin	10,731.79	75.00	-	10,806.79	5,000.00	5,000.00
Total Cemetery Support Funds	29,721.24	11,904.91	-	41,626.15	15,500.00	15,500.00
Virginia Veterans' and Family Support						
Outreach Services	1,000.00	-	-	1,000.00	1,000.00	1,000.00
Direct Veterans Services	230,000.00	-	165,257.70	64,742.30	230,000.00	64,742.30
Enabling Veterans Services	1,000.00	-	-	1,000.00	1,000.00	1,000.00
Homeless Veterans Fund	215,000.00	185,050.00	214,587.73	185,462.27	215,000.00	412.27
Operation Family Caregiver Grant	3,227.76	-	2,303.77	923.99	-	(2,303.77)
Other Donations Restricted	222,207.63	114,086.61	-	336,294.24	-	-
Total VVFS Funds	672,435.39	299,136.61	382,149.20	589,422.80	447,000.00	64,850.80
Benefits Funds:	675.52	650.00	-	1,325.52	1,000.00	1,000.00
Veteran Education, Transition and Employment						
V-3 Fund	236,745.67	89,327.00	106,919.26	219,153.41	125,000.00	18,080.74
Altria Grant	227,447.90	100,000.00	74,195.66	253,252.24	100,000.00	25,804.34
Women's Summit	1,222.94	-	1,222.94	-	10,000.00	8,777.06
VETE Other Donations Restricted	-	-	-	-	-	-
Total VETE Funds	465,416.51	189,327.00	182,337.86	472,405.65	235,000.00	52,662.14
VSF Support Funds:	10,000.00	-	1,560.13	8,439.87	10,000.00	8,439.87
VSF Unrestricted Revenue						
Appropriated Funds	203,670.05	-	-	203,670.05	-	-
Donor Funds	15,258.50	41,339.34	-	56,597.84	-	-
Interest	41,248.35	31,942.67	-	73,191.02	-	-
Total VSF Unrestricted Revenue	260,176.90	73,282.01	-	333,458.91	-	-
Grand Total All 09410 Funds	1,620,220.61	636,935.53	621,801.42	1,635,354.72	796,500.00	174,698.58
	BALANCE	CASH IN	CASH OUT	BALANCE		
Cash Transfers						
913 09410 Fund Balance	1,605,312.73	-	(650,000.00)	1,590,373.58		
912 09410 Fund Balance	14,907.88	650,000.00	-	44,981.14		
TOTAL CASH 09410 FUNDS	1,620,220.61	650,000.00	(650,000.00)	1,635,354.72		

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

Profit and Loss Statement

INCOME:

Y-T-D Actual

Restricted gifts received for:

Virginia Veterans Care Center	55,655.00
Sitter & Barfoot VCC	6,980.00
Cemetery Funds	11,904.91
VVFS Funds	299,136.61
Benefits Funds	650.00
VETE Funds	189,327.00
VSF Support Funds	-
VSF Unrestricted Revenue	73,282.01
TOTAL INCOME	636,935.53

EXPENDITURES:

VVCC Indigent Resident Needs	216.54
VVCC Activities/ Carnival Funds--Activities with Residents	5,583.51
VVCC Operation Holiday Spirit	13,144.38
VVCC Unit Projects & Functions	15,613.64
VVCC Other Donations Restricted	10,500.00
SBVCC Indigent Resident Needs	65.00
SBVCC Activities Funds	10,631.16
SBVCC Other Donations Restricted	-
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	165,257.70
VVFS Enabling Veterans Services	-
VVFS Homeless Veterans Funds	214,587.73
VVFS Operation Family Caregiver Grant	2,303.77
Benefits Funds	-
VETE V-3 Fund	106,919.26
VETE Altria Grant	74,195.66
VETE Women's Summit Funds	1,222.94
VETE Other Donations Restricted	-
VSF Support Funds--Operating Expenditures and Web Site	1,560.13
VSF Unrestricted Revenue	-

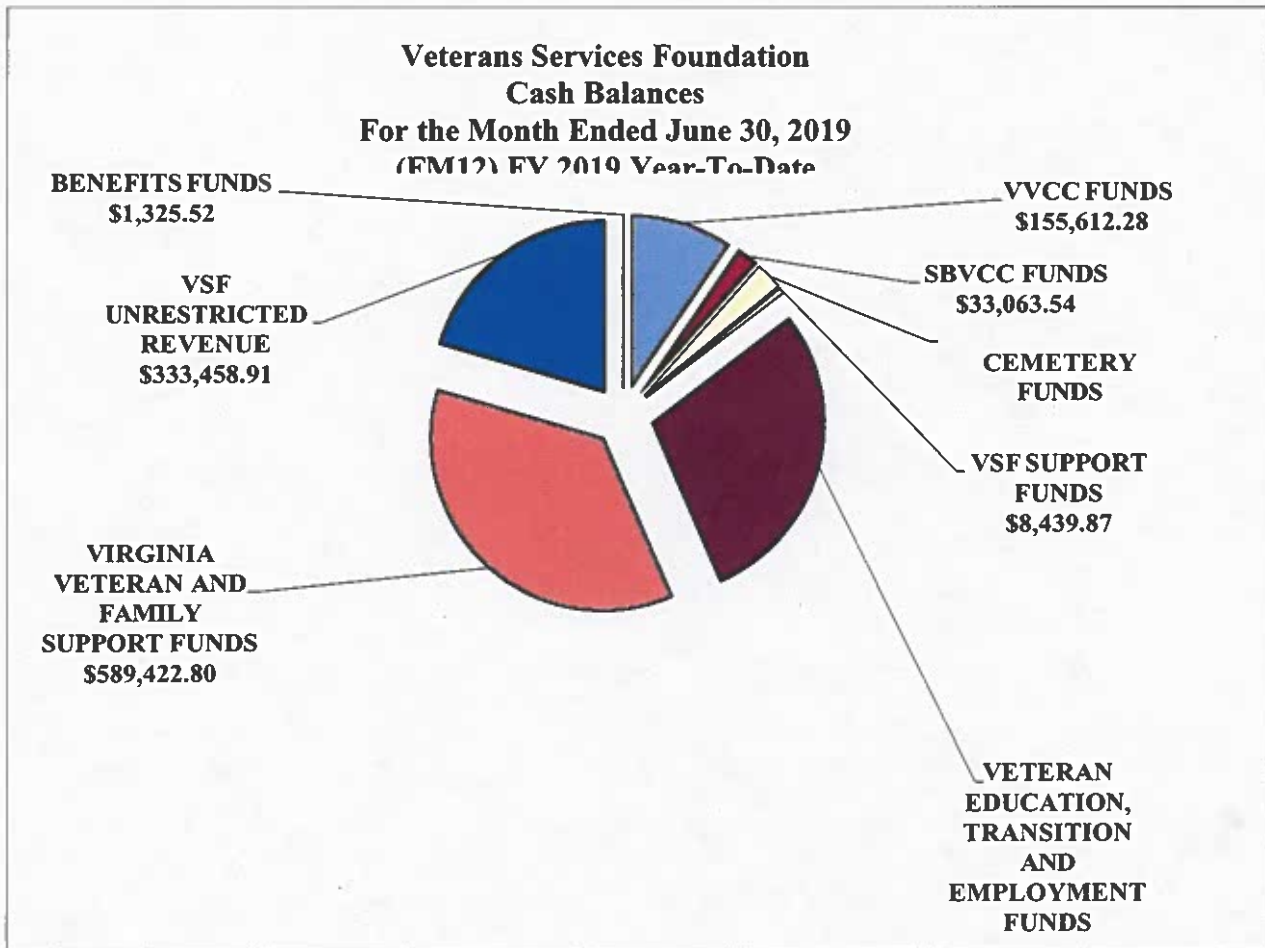
TOTAL EXPENDITURES **621,801.42**

Excess of Income over Expenditures **15,134.11**

Beginning Fund Balances **1,620,220.61**

Ending Fund Balances **1,635,354.72**

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
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155,612.28 VVCC
 33,063.54 SBVCC
 41,626.15 CEMETERIES
 8,439.87 VSF SUPPORT
 472,405.65 VETE
 589,422.80 VVFS
 333,458.92 VSF UNRESTRICTED REVENUE
1,325.52
 BENEFITS
 1,635,354.73

VSF-DVS Joint Inter-agency Policy	Veterans Service Fund – Management	Effective: 6.24.2020
VSF-DVS Policy Number 13		Revised:

**Veterans Services Foundation
Statement of Assets
For the Month Ended June 30, 2019 (FM12)
FY 2019 Year-To-Date
(Unaudited)**

Assets:

Cash held by State Treasurer	\$1,635,354.72
Total Assets	<u>\$ 1,635,354.72</u>

Fund Balances:

Restricted Fund Balances:

Restricted for VVCC Activities	155,612.28
Restricted for SBVCC Activities	33,063.54
Restricted for Cemetery Funds	41,626.15
Restricted for VVFS Funds	589,422.80
Restricted for Benefits Funds	1,325.52
Restricted for VETE Funds	472,405.65
Restricted for VSF Support Funds	8,439.87
Total Restricted Fund Balances	1,301,895.81
VSF Unrestricted Revenue	333,458.92
Total Fund Balances	<u>\$ 1,635,354.73</u>

Notes:

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

Veterans Services Foundation Board of Trustees Executive Committee Meeting

**The Virginia War Memorial
Veterans Hall
Agenda
November 21, 2022
1:30 PM**

1. Welcome: *Chair*
2. Roll Call; *VSF Board Secretary*
3. Approval of Agenda
4. NEW BUSINESS:
 - a. Review of actions taken by Finance, Procedures & Policies, and Development Committees at the Joint Committee Meeting at 12:00 PM on November 21, 2022.
5. Public Comment
6. Adjournment

The Virginia Veterans Services Foundation Board of Trustees

Executive Committee Meeting
The Virginia War Memorial – Veterans Hall
621 South Belvidere Street, Richmond, Virginia 23220

November 21, 2022

1:30 PM

Paul Haughton, Board Chairman

Amended Agenda

- I.** Welcome: *Board Chair*
- II.** Roll Call; *VSF Secretary*
- III.** Approval of Agenda, *Board Chair*
- IV.** NEW BUSINESS
 - a.* Review of actions taken by Finance, Procedures and Policies, and Development Committees at the Joint Committee Meeting on November 21, 2022, at 12:00 PM.
 - b.* Executive Session
- V.** Public Comment
- VI.** Adjournment

The Virginia Veterans Services Foundation Board of Trustees

Finance, Procedures and Policies, and Development Joint Committee Meeting

**The Virginia War Memorial – Veterans Hall
621 South Belvidere Street, Richmond, Virginia 23220**

**December 8, 2022
10:00 AM**

Paul Haughton, Board Chairman

DRAFT Agenda

- I. Reconvene and Quorum Determination:** Paul Haughton, *Board Chair*
- II. UNFINISHED BUSINESS:**
 - a. Consideration of biennial requirement to review VVSF policies.
 - b. Review of changes made to VVSF ByLaws.
 - c. Consideration and discussion of tabled items at 11.21.2022 tripartite committee meeting.
- III. NEW BUSINESS:**
 - a. Other New Business, *Committee Chair*
- IV. Public Comment**
- V. Adjournment**

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

F2.1 Purpose

This policy is established to set 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 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 Secretary of Veterans and Defense Affairs, is responsible for the interpretation of this policy.

F2.4 References

Administration of 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) set forth in VSF Policy 1, Appendix B.

F2.5 Overview

- A. Assigned 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. Mission Statement: Our Veterans served us, now it's our turn to serve them.
- C. VSF is a state philanthropic activity comprised of a governing board of trustees, supporting staff, donors, volunteers, and other interested parties.
- D. The Code of Virginia §2.2-2715.E. states that DVS shall provide administrative, staff, and other services to the VSF. These are contained in the DVS-VSF MOU. VSF responsibilities to DVS are contained in the MOU and the VSF policy on interagency relations.
- E. 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.

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
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- C. VSF 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 the efficient and effective administration and operation of VSF and its Fund. 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 shall be assisted by the VSF Secretary and Treasurer.
- C. VSF 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; 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 the Joint Leadership Council of Veterans Service Organizations in consultation with the DVS Director of Policy and Planning.

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 Secretary of Veterans and Defense Affairs. Once selected by the VSF trustees panel, the Executive Director shall be hired in accordance with §2.2-2715.
- B. The VSF Executive Director reports to the Board Chair and is chief administrator of VSF. The Board Chair shall submit an evaluation of the Executive Director annually in October to the Secretary of Veterans and Defense Affairs.
- C. The Executive Director's duties are set forth in the trustees bylaws.

F2.9 Secretary

- A. The Secretary, shall be qualified in development and shall be appointed by the board of trustees. The incumbent may be assisted by such DVS staff as required. The Secretary to the Board shall perform those duties as designated by the board.
- B. The Secretary's duties are set forth in the trustees' bylaws.

F2.10 Treasurer

- A. The Treasurer shall be qualified in finance and appointed by the Board of Trustees. The incumbent may be assisted by such DVS staff as required. The Treasurer only shall perform those duties and have such powers as designated by the board.
- B. The Treasurer's duties are set forth in the trustees' bylaws.

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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 contract 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.
- 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 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: (1) separate current and non-current funds for annual operations as set forth in the Appropriations Act; (2) reserves; (3) specific funds for stand-alone projects; and (4) endowments primarily to provide funding for veterans programs and services. The Fund accounting structure consists of subsidiary and sub-funds. Subsidiary funds are the primary subordinate funds of the Veterans Services Fund and pertain to the funds of each of DVS principal programs and both the VSF Unrestricted Revenue Fund and the VSF Support Fund. Sub-funds or sub-accounts exist within subsidiary funds and are financial accounts that support the activities/services of DVS programs and the VSF Unrestricted Revenue Fund. Details of the fund operating and accounting structure are contained in VSF-DVS Joint Policy 4.
- 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. Sub-fund adjustments of amounts less than \$10,000 within subsidiary accounts in the annual budget may be made by the VSF Executive Director 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 Finance Committee Chair and the Board Chair for action as set forth in section J2.13.D. Any changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- F. 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 board meeting. In any case, all changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- G. 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, except unrestricted donor funds, 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

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
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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. The Fund is not an auxiliary or reserve fund for DVS or VSF.

- H. The Unrestricted Revenue Fund and the Foundation Support Fund are subsidiary funds of the Fund. The procedures to be followed when allocating and expending the financial assets of the Unrestricted Revenue Fund and the Foundation Support Fund are contained in Appendix C.

F2.14 Financial Procedures

- A. Expenditures for DVS activities approved by the trustees may be processed upon approval by 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 administration and operations shall require the pre-approval of the VSF Executive Director in accordance with the procedures contained in Appendix C.

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. This report and monthly reports are compiled with the assistance of the DVS Director of Finance and the DVS Finance Staff for 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.
- B. The DVS monthly and quarterly reports consists 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. To obtain VSF funding, VSF requires that DVS submit a report detailing DVS program requirements to form the annual budget.
- D. Reports on income and expenditures shall be submitted monthly, or as requested, to the DVS Commissioner, the trustees, or others for review. These reports shall include under- funded or unfunded needs, if any.
- E. VSF shall compile an annual report to the Secretary of Veterans and Defense Affairs, and the General Assembly in accordance with § 2.2-2715.B. 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.
- F. The quarterly and annual reports shall be available in the board of trustees meeting minutes posted on the VSF website

F2.16 Adoption and Amendment

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

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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

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.

September 19, 2019

VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

Appendix A

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 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.

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VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

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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;
- 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.

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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.
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.

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VSF Policy No. 2		Reviewed:

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.

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.

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VSF Policy	VSF Administration & Operations Policy	Effective: 9-19-2019
VSF Policy No. 2		Reviewed:

VIRGINIA VETERANS SERVICES FOUNDATION

Foundation Administration and Operations Policy

Appendix C

Veterans Services Unrestricted Revenue Fund and Foundation Support Fund Processing of Financial Requests Procedures

1. Purpose

This policy sets forth the procedures to be followed when allocating and expending the financial assets of the Unrestricted Revenue Fund and the Foundation Support Fund.

2. Overview

- A. The Unrestricted Revenue Fund is a subsidiary fund of the Veterans Services Fund that includes such funds as was or may be appropriated by the General Assembly, unrestricted donations to VSF, and interest accrued to the fund. The Unrestricted Revenue Fund is an income fund and the only stable asset VSF has. The appropriated funds and interest are for supporting VSF administration and operations and serving as a reserve of funds for emergency purposes. ~~The VSF shall not use more than 10 percent of the Unrestricted Donor Fund each year for administrative purposes. The unrestricted donor funds shall only be used for supporting the needs of veterans and their families. Revenues from the Unrestricted Revenue Fund cannot directly be used to cover VSF or DVS expenses. These expenses are made from the Foundation Support Fund.~~
- B. The Foundation Support Fund was created as a subsidiary fund of the Veterans Services Fund to cover VSF administration and operating expenses. Its expenditures are limited by current editions of the Commonwealth Appropriation Act.
- C. The Unrestricted Revenue Fund, through the Foundation Support Fund, may advance funds to cover DVS programs until these expenditures are replaced with donations, by DVS funds, or through state appropriations.

3. Definitions

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

- A. **Administrative Expenses:** These are what 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.
- B. **Unrestricted Donor Fund:** This is a sub-fund of the Unrestricted Revenue Fund and consists of donations made to the Foundation for direct support of veterans and their families. ~~This fund shall not be used for administrative or fundraising expenses.~~
- C. **Fundraising Expenses:** These are what the VSF spends to raise money. Fundraising expenses can include campaign printing, publicity, outreach, mailing, travel, and staffing and costs incurred in soliciting donations, memberships, and grants. For the VSF, these expenses fall under the Foundation Support Fund.
- D. **Contingency:** This is a planned situation where a VSF or DVS program need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.

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- E. **Emergency:** This is an unplanned situation where a VSF or DVS urgent need exists for funds that are not appropriated from the current Appropriations Act or approved by the Department of Planning and Budget.
- F. **Foundation Operations:** They are the functions performed in support of the administration of the Foundation.
- G. **Program Expenses:** These are what the Foundation annually allocates primarily to the DVS programs and direct services to veterans and their families. For the VSF, these include emergency expenses associated with DVS programs, if they don't fall under Administrative Expenses.

4. 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 (13). 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 Finance Office for the VSF.

5. Managing Unrestricted Revenue 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 designated as the interest sub-fund of the Unrestricted Revenue Fund. 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 VSF Executive Director is responsible for directing and administering the Foundation Support Fund within authorized amounts. 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.
- E. The procedures to be followed by the Executive Director to adjust the Foundation Support Fund Budget shall be:
 - 1. 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.
 - 2. 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.

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6. Procedures for DVS Requesting Foundation Support Funds for Additional Program Funding

- A. The Support Fund may be used to provide temporary emergency expenditures for DVS programs, but this is done with the understanding that such funds will be replaced. Requests for allocations of the Support Fund revenues 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.

VSF-DVS Joint Inter-agency Policy	DVS Subsidiary Fund Management	Effective: July 1, 2020
VSF-DVS Policy Number 14		Revised: <u>12.08.2022</u> 6.24.2020

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

**Veterans Services Fund Allocation and Expenditure
Policy and Procedures**

J14.1 Purpose

A. The purpose of this policy is to establish operating procedures for appropriating, allotting, allocating, and expending financial donations from the Veterans Services Fund (the Fund) through the Department of Veterans Services (DVS) Division Subsidiary Funds. The Subsidiary Funds are administered by the Veterans Services Foundation (VSF) Board of Trustees (the Trustees) through the VSF Executive Director in conjunction with the DVS Chief Financial Officer (CFO) and DVS Division Directors.

B. This joint policy is the last in a series of four policies that cover the VSF pursuit of supporting veterans and their families through cycles of fundraising, controlling in-kind donations, Veterans Services Fund management, and Veterans Services Fund allocations and expenditures. This policy sets forth the requirements for sustaining the continuing cycle from budgeting, allocation of resources, and expenditures. Expenditures usually result in additional funding needs that are to be met through fundraising.

C. This policy is to be used in conjunction with VSF-DVS Joint Policies J11 (Fundraising) covering solicitation and receipt of donor funds, J12 (Control of In-kind Donations) concerning non-financial donations, J13 (Veterans Services Fund Management) regarding recording, accounting, reporting donations, and generally managing financial donations made to the Fund.

J14.2 Application

The VSF Executive Director in conjunction with the DVS CFO and the DVS Division Directors are responsible for the application of this policy.

J14.3 Interpretation

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

J14.4 Overview

A. The VSF charitable funding process begins with an assessment of the unmet needs of veterans and their families and available funds required to meet those needs. Those funds may be available from General and Non-general Funds and charitable donations set forth as Dedicated Special Revenue in the Appropriation Act. Shortfalls in General and most Non-general funds may be met with increased appropriations, if available, and donor contributions that may be on hand or need to be raised. The primary document for meeting needs is the budget, which is a primary policy document showing how the state and its agencies will prioritize and achieve its biennial and annual objectives. The budget is a contract between citizens, including donors, and state agencies showing how resources are raised and allotted for veterans' services. Good budgeting supports the pillars of governance: integrity, openness, participation, accountability, and planning to achieve objectives. Appropriation requests are based on

VSF-DVS Joint Inter-agency Policy	DVS Subsidiary Fund Management	Effective: July 1, 2020
VSF-DVS Policy Number 14		Revised: 12.08.2022 6.24.2020

the VSF and DVS budgeting process; a joint responsibility of VSF and DVS as set forth in this joint policy.

B. To achieve unfunded and unmet veterans' needs, VSF in conjunction with the DVS Divisions solicits and accepts donations to foster the aims of DVS programs and enhance operations beyond the scope of appropriated funds. In addition, donations can be solicited to support specific activities to foster community involvement and outreach. The allocation, and expenditure of donations shall be controlled by the Uniform Prudent Management of Funds Act, §64.2-1100 et seq., and the Donor's Bill of Rights paragraph assuring that donors' gifts will be used for the purposes for which they were given contained in Appendix A.

C. The VSF Board of Trustees serves a fiduciary responsibility to donors and a substantial source of funding to DVS to meet the needs of veterans not otherwise available for funding through the state budget or other sources. DVS serves as the VSF agent, in accordance with the Uniform Prudent Management of Funds Act, for the receipt, deposit, management, allocation, and expenditure of funds. The expenditure and disbursement authority is subject to approval or disapproval by the VSF Executive Director and the board of trustees based on the Code of Virginia. §2.2-2718.C.

J14.5 Policy

~~A. One hundred percent of all contributions made to VSF shall be used to provide direct support to Virginia veterans and their families in crisis or in need of assistance.~~

~~B.A.~~ VSF and DVS shall, in coordination with the DVS Division Directors, oversee and ensure that monies collected are properly expended unless they are held for nonrecurring expenses or emergencies.

~~C.B.~~ VSF and DVS shall jointly participate in the internal operating budget development process to provide timely information for authorized DVS requests and expenditures.

~~D.C.~~ VSF shall advise DVS, as necessary, during the state budget development process to help ensure that the Appropriation Act reflects the appropriation allotment (spending authority) needed to support expenditure of donated funds in support of DVS programs and services.

~~E.D.~~ DVS shall provide assistance to VSF in the development of budgetary documents.

~~F.E.~~ DVS shall provide financial management and accounting necessary to ensure compliance with disbursement requirements set forth by the State Department of Accounts, State Auditor of Public Accounts, and VSF-DVS Joint Policies in a manner that segregates VSF from DVS activities.

~~G.F.~~ VSF shall, as required, transfer funds to supplement funding for DVS programs and services.

~~H. Donations shall only be used for program expenses for direct services to veterans and their families that are not related to administrative or fundraising. For the VSF, these include emergency expenses associated with DVS programs' direct services. The Fund is not an auxiliary or reserve fund for DVS or VSF.~~

~~I.G.~~ VSF and DVS may delegate expenditure authority to the DVS Division Directors.

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~~J.H.~~ _____ To provide mutual DVS-VSF integrated controls, DVS shall provide to the VSF Executive Director for approval a monthly report, by the 20th day of the following month, containing a list of expenditures that are requested as reimbursements to VSF funds. The VSF Executive Director, within seven business days of receipt, shall approve or disapprove such expenses. If disapproved, the expenses shall be moved to an alternate source of DVS funding.

~~K.I.~~ _____ VSF and DVS shall ensure that subsidiary funds held for: (1) nonrecurring expenses shall not exceed the estimated cost of the nonrecurring expense; and (2) funds held for emergency purposes shall not exceed the total of three year's expenditures unless an exemption has been approved by the VSF Board of Trustees with the concurrence of the DVS Commissioner.

~~L.J.~~ VSF and DVS shall strive to see that contingency funds that have not been used for over three years shall be transferred to the program sub-fund titled "Other Donations Restricted for use at _____ (the name of the program in question; e.g. cemeteries). If balances in the "Other Donations Restricted..." sub-fund continue to grow, then the Foundation may allocate such funds for use by other VSF or DVS programs – providing the funds were donated without a specific purpose designated. For those donations with a purpose designated, the contributions received will be used as specified by the donor. However, if the purpose of the donation has been met or no longer exists, the remaining funds may be used at the discretion of the VSF Board of Trustees to provide other support to Virginia's veterans and their families. All DVS reallocations shall have the concurrence of the DVS Commissioner.

J14.6 Procedures

- A. All donations will be deposited in the appropriate Subsidiary Fund or Sub-fund of the Veterans Services Fund and shall be managed in accordance with §§ 2.2-2715 et seq. Code of Virginia, applicable sections of the current Virginia Appropriation Act, and Commonwealth of Virginia regulations. Descriptions of Subsidiary Funds and Sub-funds may be found in VSF-DVS Joint Policy J13 (Veterans Services Fund Management) paragraph J13.9.D.
- B. 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.
- C. Sub-fund adjustments of amounts less than \$10,000 within subsidiary accounts in the annual budget may be made by the VSF Executive Director 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 Finance Committee Chair and the Board Chair for action as set forth in VSF Policy section F2.13.D. Any changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- 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 board meeting. In any case, all changes shall be subject to review and subsequent approval by the trustees at the next quarterly board meeting.
- E. Expenditures for DVS activities approved by the trustees may be processed upon approval

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by the DVS division director that has responsibility for the activity.

F. DVS Division Directors shall submit an annual budget request through the DVS Commissioner to VSF. Anticipated donations are furnished by the VSF. This normally is submitted on an annual basis at the request of the VSF Executive Director or DVS CFO. Budget requests shall outline expected donations and expenditures for the up-coming fiscal year for each of the established subsidiary and sub-funds.

G. Donors expect that their contributions will be used as they have specified in a prompt and timely manner by VSF and DVS programs and services. If donations are not so used, then VSF, DVS, and the Commonwealth can be exposed to criticism because they hold the public trust, which cannot be violated.

H. Additionally, when there are excesses of donated funds, an inconsistency is created between requested income and expenses that directly carries over to appropriated funds for DVS and its programs. This inconsistency can cause DVS general funding to be lost when general fund budget reductions occur.

I. There are two possible exceptions to prompt and timely expenditure of subsidiary funds: (1) donations that are held for nonrecurring expenses such as construction, technology, and others that transcend one year's operations; and (2) those funds held for contingency purposes because revenues in any one given year may not be sufficient to fund recurring annual expenses.

J14.7 Budgeting Considerations

- A. The appropriation, allotment, and allocation process includes approval of priorities, establishing measurement metrics, measuring program performance, and obtaining quantitative and qualitative results. These results are used to assess each program's ability to meet specified objectives that contribute to established DVS and VSF goals as calculated by each programs' to use resources effectively. The information developed is used to determine how resources will be allocated in the biennium budget process for distribution of donated revenue. This is called Performance Budgeting or Performance Based Budgeting and is described in greater detail in Appendix B.
- B. The budget is the VSF central policy document which is supported by financial administration documents such as the current VSF-DVS Joint Policies. The VSF budget is a contract between VSF and DVS showing resources raised, on hand, and allocated for delivery of veterans programs and services. In the case of VSF, the budget is to provide supplemental funding for DVS programs and services. VSF funds are not to be used to supplant other general and non-general revenue accrued to DVS. VSF must have a comprehensive understanding of DVS general and non-general fund revenues and their uses for each DVS program, plus similar revenues devoted to other agencies that compliment DVS programs (e.g., homelessness abatement by the Department of Housing and Community Services). These are required so that VSF can design and implement a comprehensive, accurate, and reliable budget.
- C. Budgets should be managed within clear, credible, and predictable limits for fiscal policy. A sound fiscal policy is one that avoids build-up of large, unsustainable debts or excess revenue and that uses favorable income flows to build up resilience and buffers against more difficult

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times. Sound fiscal policy is enhanced through clear and verifiable fiscal rules or policy objectives.

- D. The VSF-DVS budget should be closely aligned with the medium-term spending priorities. The annual financial goals set boundaries for the main categories of spending for the year. A mid-term expenditure analysis is an important tool to determine not only where VSF currently is, but whether it will meet its annual financial goals. The analysis should be grounded on realistic forecasts for baseline expenditures based on past experience, of which ample data exists both in VSF and DVS. The budget should be flexible to ensure that expenditure boundaries are respected. This is with the understanding that there may be a need to revisit or realign financial goals and priorities to take account of unforeseen developments. A regular process for reviewing existing expenditures exists in the Expenditure Guidelines (Section J14.10), but it must be supplemented by regular monthly analysis of expenditures made to ensure budgetary expectations and managed in line with assets available and anticipated.
- E. DVS and VSF budget documents and data must be open, transparent, (i.e., understandable) and widely distributed. This is required to keep on top of budget goals. Detailed monthly reports, including income and expense schedules, currently produced by DVS in conjunction with VSF should be available and widely distributed to promote timely and effective decision making, accountability, and oversight. More VSF and DVS participants need to be actively involved.
- F. Budgetary options should be realistically debatable by all participants. The process is detailed in Section J14.9. DVS Program leadership needs to be involved in discussions about budgetary policy options because they best know their priorities, funding requirements, difficult trade-offs, and goals to maximize the finite resources available.
- G. Budgets and their periodic updates should present a comprehensive, accurate, and reliable account of finances. They should account correctly and comprehensively all revenues and expenditures and the full financial costs and benefits of budget decisions. The benefits of budget decisions can be made available through periodic briefings by DVS program managers.
- H. Budget execution should be actively planned, managed, and continuously monitored. There should be some limited flexibility to reallocate funds throughout the year in the interests of effective management consistent with the broad purpose of the allocation, within the restrictions placed by donors.
- I. Performance evaluation and value for revenue should be integral to the budget process. VSF and DVS must understand not just what is being spent, but what is being accomplished on behalf of donors, veterans, and the Commonwealth. That is, what veterans services are being delivered and under what standards of quality and levels of efficiency. This requires detailed reports on specific outcomes by the DVS Division Director and the VSF Board of Trustees. Performance Budgeting as required by DPB would meet this requirement.
- J. Longer-term sustainability and other fiscal risks should be identified, assessed, and managed prudently. This promotes stability in providing resources.
- K. To maintain sustainability, avoid depletion of assets, and focus on immediate needs while planning for the future, a reserve fund is essential. The reserve fund contains the sum of

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funds on hand less the funds allocated for the current annual budget. The result is the amount of unallocated restricted funds from donors to support each designated DVS Program which are not part of the current annual Appropriations Act allocations, but available for expenditure on approval from DPB. For DVS divisions and programs, the reserve for subsidiary funds may be found in the subordinate accounts titled "Other Donations Restricted". At least 100% of the annual budget must remain in the reserve account for contingency purposes. The remainder may be available for investment for endowment purposes. Should the funds available in the reserve account be less than the amount in the current budget, expenses for the following year will have to be reduced by a comparable amount.

- L. Budgeting must consider the types of funds available for use. VSF non-general dedicated special funds are divided into two broad categories; restricted and unrestricted.
 - 1. Restricted funds are further subdivided into: (a) funds for general purposes such as those donated to VSF for veterans services purposes; (b) funds for specific programs such as those for the Virginia Veterans Care Center; and (c) funds for specific projects such as those designated for indigent care, events for veterans, homeless relief, Virginia Values Veterans (V3) for veterans employment. Priorities for budgeting for veterans' services are placed on these funds in inverse order.
 - 2. Unrestricted funds are divided into: (a) appropriated funds that were allotted to VSF for its operations and emergency support of veterans' services; and (b) interest received on the Veterans Services Fund that may be used for the same purposes as specified in the appropriated funds category.
- M. The integrity and quality of budgetary forecasts, fiscal plans, and budgetary implementation are promoted through rigorous quality assurance and independent audits. Both the internal and external financial control systems should have a role in quality assurance for cost effectiveness and performance accountability. There is a need for structured, institutional processes to provide scrutiny of all aspects of the budgeting system as previously described. This should extend beyond audits performed by the Virginia Auditor of Public Accounts.
- N. Additional information on the process and its timing is at Appendix C.

J14.8 Appropriating, Allotting, and Allocating Financial Donations

A. Appropriations are the legal spending authority for state agencies to incur expenditures. These appropriations are regulated through the use of allotments within the Appropriation Act and related legislation. VSF and DVS shall not expend funds against any appropriation until they have received an allotment of funds from the appropriation and have sufficient cash prior to any expenditure. DVS divisions cannot expend funds against any VSF dedicated special revenue allotment until they have received an allocation of funds from the allotment by VSF. Administrative responsibility for managing the process of appropriating and allotting funds rests with the Department of Planning and Budget (DPB) and administrative responsibility for managing allocations and expenditures of VSF funds resides with VSF. Unexpended VSF and DVS operating balances of VSF non-general dedicated special revenue funds shall be reestablished in accordance with the Code of Virginia and the Appropriation Act.

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- B. The following procedures assume that donated funds are on hand to be spent. If funds are not available, they cannot be allocated or spent. The exception to the allocation process occurs when a new program is introduced and a fundraising goal is set in the Appropriations Act. There are no exceptions to spending funds that are not available.
- C. The formal budgeting, appropriation, allotment, and allocation process, which cannot be abridged, follows:
1. DVS divisions determine a need for funds during the current year for the next FY;
 2. DVS Commissioner approve/modify/disapprove the need;
 3. VSF Trustees approve/modify/disapprove the need and recommend a fund appropriation;
 4. VSF Treasurer forwards the appropriation request to DPB for analysis and approval/modification/ disapproval;
 5. Governor includes the requested appropriation in the proposed annual budget for the next FY;
 6. The General Assembly approves/modifies/disapproves the appropriation;
 7. The Governor approves/modifies/disapproves the appropriation;
 8. If approved by the General Assembly and Governor, the appropriation allotment is placed in the annual Appropriations Act;
 9. VSF makes the allotted funds available to DVS as an allocation by subsidiary fund for expenditure after July 1 of the next FY;
 10. VSF publishes expenditure policy and monitors expenditures on a monthly basis to ensure they are in accordance with the donor's wishes and published policy.
- D. Budget adjustments during the fiscal year are made through the following process:
If the DVS division needs additional funds, they forward that need request with justification to DVS as follows:
1. DVS Commissioner approves/modifies/disapproves the request;
 2. VSF Trustees approve/modify/disapprove the need and recommend a fund reallocation;
 3. VSF Treasurer forwards the funding request to DPB for analysis and approval/modification/disapproval, if the allocation exceeds the funds allotted to VSF by the Appropriation Act;
 4. DPB approves/modifies/disapproves the request;
 5. VSF makes the allocated funds available to DVS for expenditure before the end of the FY;
 6. VSF monitors expenditures on a monthly basis to ensure they are in accordance with donor's wishes and published policy.
- E. Every biennial and annual budget appropriation request or midyear increases to the annual allotment must be approved by the VSF Trustees before DPB will take any action on the request.

J14.9

Subsidiary Fund Teams

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Each DVS Division shall develop a team to direct and administer its Subsidiary Fund, including budgeting, allocation of funds, and expenditures, for the support of eligible recipients. Such direction and administration will be in accordance with this policy and the direction of the VSF Board of Trustees. Teams shall be headed by the DVS Division Director and include such Division personnel as required by the Division Director. The Teams shall include the DVS CFO and VSF Executive Director or their designated representatives for budget formulation. The duties of the Team shall be as follows:

- A. Request input and recommendations from DVS, the Board of Veterans Services, the Joint Leadership Council of Veterans Service Organizations, and other interested veterans and veterans support groups regarding potential needs and activities for the coming fiscal year or as needs arise.
- B. Review recommendations to ensure they are within the scope of the intent of the DVS and the VSF. No later than mid-April, the team shall develop an annual working budget for the coming fiscal year.
 - 1. The requested budget shall be based on detailed reports containing specific outcomes provided to the DVS Division Director and the VSF Board of Trustees.
 - 2. The requested budget shall not exceed the cash balance available to each DVS division, but may be increased by an estimate of expected donations for the year by program and decreased by the requested cash balance budget.
 - 3. The estimate shall be made based on VSF projections of income for the year and revising as the year unfolds and income and expenditure balances are clearer.

This procedure would allow DVS to submit its budget requests in a range from bare minimum supplemental support needed to a higher amount based on estimated successful fundraising goals and should provide better budgeting and accounting procedures. The goal is to maximize VSF's fundraising capacity and resources to ensure those veterans' needs, not otherwise supportable from other sources, are provided from private contributions.

- C. Follow written criteria provided in this Joint Policy for Subsidiary and Sub-fund Fund expenditures, subject to the approval of the DVS Commissioner and the VSF Executive Secretary. See Section J14.10.
- D. Through the DVS Commissioner, submit the budget to the VSF Executive Director for Trustees review and approval.
- E. Through the DVS Commissioner, submit for approval any requested changes to the approved budget prior to implementation to the VSF Executive Director. Such changes must contain sufficient justification and funds must be available for the request to be approved by DPB. Such supplemental requests will be submitted through DVS Commissioner to the Foundation so that they can be considered at its next quarterly Board meeting.
- F. Retention of excess funds.
 - 1. VSF and DVS activities shall justify their need to retain excess funds exceeding three year's expenditures by submitting an annual spending plan that details excess fund use.
 - 2. The spending plans will be due with the annual FY budget submissions.

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3. If a question exists regarding the propriety of a fund overage, it shall be referred to the VSF Executive Director and the DVS CFO for mutual resolution among VSF, DVS, and the program involved.
4. In addition to the annual spending plan, other reports on expenditures may be requested as required by the DVS Commissioner, the VSF Trustees or others for review. Expenditure reports also shall include underfunded or unfunded needs, if any.
5. Financial records shall be maintained according to the State Comptroller's guidance and shall be audited by the Auditor of Public Accounts.

J14.10 Expenditure Guidelines for Donated Funds

- A. The following are the basic guidelines for funding from the Foundation with the exception of special circumstances that will require the approval of the Board of Trustees:
 - All donations will honor donor restrictions as to purpose.
 - VSF will adopt a budget for each activity based on requests from DVS divisions or programs and enter into funding agreements with each respective division or program.
 - The Board will adopt the annual budget in advance of receiving donations restricted to each activity and it is anticipated that the adopted budget may be revised from time to time to reflect needed funding and available funds.
 - To fulfill the Board's reporting responsibility to the General Assembly and discharge its fiduciary duties to donors, recipients of funding from the Foundation are requested to continue the monthly accounting for all transactions for each activity fund.
 - All expenditures of donated funds will be attributed to the Foundation. In the case where major donors (\$10,000 and above) are involved, they also will be identified as a funding source.
 - Guidelines for expenditures will be incorporated into each allocation of funds and will include the following general guidelines:
 - All expenditures of Foundation funds are required by Virginia statute to be approved by the Executive Director of the Foundation.
 - Documentation shall be maintained on each expenditure in such a detail and manner to promote approval and support internal and APA audit requirements.
 - Foundation funds cannot by statute revert to the General Fund nor shall Foundation funds be used to supplant agency funds otherwise available from other sources.
- B. **Care Centers** – Sitter and Barfoot Veterans Care Center (SBVCC), Richmond; Virginia Veterans Care Center (VVCC), Roanoke:
 - Indigent Resident Needs: Residents who do not have resources to pay for needed items;
 - Activities Fund: Resident outings, entertainment, mission enhancing events for the benefit of residents and Carnivals for the VVCC ;
 - Other Donations Restricted: Items needed for residents that are not included in the other named funds and are not covered by health care providers or other available funding sources.
 - Operation Holiday Spirit for VVCC: Items for the residents provided by the Holiday Giving program;
 - Unit Projects and Functions: Unit projects and unit special events for the residents;

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- Other Donations Restricted: Items needed for residents that are not included in the other named funds and are not covered by health care providers or other available funding sources.

C. Cemeteries – Albert G. Horton, Jr. Memorial Veterans Cemetery, Suffolk; Southwest Veterans Cemetery, Dublin; Virginia Veterans Cemetery, Dublin:

- Grounds Beautification: Purchase flowers or trees that are not covered by other funding sources to beautify the cemetery grounds;
- Other projects approved by the VSF Board of Trustees.

D. Virginia Veteran and Family Support (VVFS)

- Resources to address the immediate needs of eligible veterans and their families
- Resources for veterans and families to aid in recovery and to recognize, identify and address needs
- Emergency financial assistance for behavioral health, rehabilitative health and housing
- Workshops/Retreats for the benefit of Veterans and their families

VVFS Homeless Program. The purpose of the fund is to preclude or end but not sustain homelessness among veterans and their families. The fund provides emergency financial assistance furnished by donors to veterans and their qualifying family members to fill gaps between the immediate need for shelter and the time that appropriate local, state, federal or charitable agencies require to be able to provide a sustainable solution.

- Eligible expenses include: deposits, rent, utility deposit, rental arrears/debts, utility arrears, bridge housing, emergency hotel payments, furnishings, other one time only expenses.
- Emergency financial assistance may be provided as a last resort after requests from other sources are exhausted. Approved requests will be limited to funding totaling \$1,500 over a two-year period for a veteran in need of emergency housing assistance. The VVFS Director may consider exceptions to this policy on a case-by-case basis. The VVFS Director in coordination with the VSF Executive Director shall consider exceptions that exceed \$3,000 to this policy. Cash advances of funds are not authorized.

E. Benefits

- Resources to raise awareness of eligibility and locations of Benefit offices;
- Direct services to assist veterans in meeting the criteria for approval of their claim submitted to the VA;
- Items for Benefits offices that support veterans.

F. Veteran Education, Transition and Employment (VETE)

Virginia Values Veterans (V3)

- Resources to raise awareness among the business community to recruit companies to participate in the V3 program.
- Workshops/Retreats for the benefit of transiting veterans and their families.
- Develop curriculum related to the transition of service member and the recruitment, hiring and retention of veterans.
- Resources to promote Education, Transition and Entrepreneurship opportunities for transiting veterans and their families.

Altria Grant and other grants

- Guidelines are specific to each grant

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Women’s Summit

- Resources for the event specific to the donor intent

Other Donations Restricted

- Resources needed to promote the mission of VETE when other funding is not available

G. Not covered in funding requests:

- Any expenditures eligible for funding from sources such as the state budget or other agency sources;
- Paid staff positions;
- Fundraising events;
- Sponsorships;
- Endowments or capital campaigns;
- Postage, postal services;
- Office Supplies;
- Printing;
- Employee travel expenses and overnight accommodations;
- Employee events/parties;
- Guest speakers;
- Training of DVS employees;
- Equipment or items costing over \$5,000 will need approval of the Board of Trustees before purchase;
- Maintenance of facilities and grounds.

H. The VSF Board of Trustees understands that all expenses are not the same, and there may be exceptions to the above list. The DVS Commissioner and division directors are encouraged to make a request to the Board in special circumstances. Consideration for requests may be discussed with the Foundation Executive Director. All requests for funding of special circumstances and equipment costs over \$5,000 that will require approval of the Board of Trustees shall be submitted in writing by the DVS Commissioner to the Foundation Executive Director not later than ten working days before a Board of Trustees meeting for consideration by the trustees Finance Committee and the Board.

J14.11 Procedures for Expending Donated Funds

A. Expenditure requests, regardless of the purpose, shall be submitted to the DVS Division Director.

B. The Division 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, the Expenditure Guidelines in Section J14.10, and the approved budget. Deviations from the approved budget shall be approved by the Trustees.
2. The expense is reasonable and practical.
3. The expense is timely.
4. The expenditure does not conflict or overlap with other requests or expenditures.

C. After approval by the Division Director, the purchase/expenditure will be made in accordance with Commonwealth of Virginia regulations. Purchases of goods and services that are received by the purchasing agency are controlled by the state procurement manual. Direct

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veterans assistance expenditures are considered benevolent gifts provided to veterans and their families.

D. If a question exists regarding the propriety of a purchase or veterans direct assistance expenditure, it shall be referred to the VSF Executive Director and the DVS CFO.

E. In addition to the Funding Levels and Services Report, other reports on expenditures shall be submitted monthly, or as requested, to the DVS Commissioner, the trustees or others for review. Expenditure reports also shall include underfunded or unfunded needs, if any.

F. Financial records shall be maintained according to the State Comptroller and shall be subject to audit by the Auditor of Public Account.

G. VSF and DVS activities shall justify their need to retain excess funds by submitting an annual spending plan that details excess fund use.

H. The spending plans will be due with the annual FY budget submissions.

I. If a question exists regarding the propriety of a fund overage, it shall be referred to the VSF Executive Director and the DVS CFO for mutual resolution among VSF, DVS, and the program involved.

J14.12 Reimbursement for DVS Expenditures

A. VSF has the authority to delegate certain functions to agents, such as DVS, but retains the duty to monitor how donor funds are expended as governed by *Code of Virginia* § 64.2-1103.A. 3. and B. Therefore, as an economy measure, VSF has delegated the management of funds and their expenditures for DVS programs to the DVS Finance Office as a VSF agent, but retains the duty to monitor accounting and fund transactions. In particular, expenditures are controlled by VSF through the VSF Funding Guidelines approved by the Board of Trustees and the Secretary of Veterans and Defense Affairs and monitored by the Foundation Executive Director.

B. VSF reimburses funds expended by DVS based upon a "Request for Reimbursement" for expenditures after they have been made. The Request for Reimbursement shall be provided by DVS accompanied by complete documentation needed to fully support the request.

C. The Request for Reimbursement procedure requires DVS Division's adherence to the Expenditure Guidelines contained in Section J14.10. In areas where no Expenditure Guidelines exist, DVS must inquire of VSF regarding the propriety of the expenditure before expending the funds or risk not being reimbursed. VVFS emergency situations can be accommodated by VSF transferring a onetime sum of cash as working capital to DVS, but DVS would still be at risk of not receiving specific reimbursement for any one or a part of a transfer request.

J14.13 Adoption and Amendment

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

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- B. Biennial review of this policy is the responsibility of the VSF Finance Committee in conjunction with the DSV Commissioner.
- C. This policy replaces in total VSF/DVS Joint Policy J6, J7, J8, and J9 all last reviewed on 11/9/2016.

J14.14 Policy Effective Date

The effective date of the policy, or policy revision, shall be ~~July 1, 2020~~December 8, 2022 or the date the VSF Trustees and the DVS Commissioner ratify the policy whichever is later.

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VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Appendix A 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 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.

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VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Performance Budgeting Appendix B

The objective is to make the budget more effective by focusing on results of resources allocated to DVS programs that VSF supports. The basic principle of performance budgeting is accountability; measuring how well each respective project was implemented. Also by assessing how effectively the funds budgeted/allocated to the DVS project were used.

Performance based budgeting supports decision making by establishing a purpose, setting measurable objectives, and providing flexibility to achieve the desired outcome. Performance may be judged by a program's ability to certain objectives that contribute to establish goals within the constraints of the resources (or inputs) allocated. By linking inputs to program outcomes and not process outputs, accountability can be measured. A resource allocation decision can be made by determining which projects achieve the greatest outcomes by focusing on results.

The VSF Performance Budgeting Initiative process would be as follows:

- 1) At the DVS Commissioner level, project funding requirements would be scrubbed/reviewed, prioritized and recommendations prepared for presentation to the VSF for fund allocation.
- 2) The DVS recommendations would include prioritization and performance measures that can be used by the VSF to measure the results or effectiveness of the use of the funds allocated from the VSF.
- 3) Before the third quarter VSF meeting of each fiscal year, DVS would provide a detailed review that would precede the development and subsequent approval by VSF for allocating funds to DVS for expenditure the next fiscal year.
- 4) This review would address both prioritization and performance. The DVS and or its supported activity would be asked to answer a few basic questions. These would include:
 - a. What is the activity that requires additional funding?
 - b. What and why is the current funding insufficient?
 - c. What is its priority in comparison to the other requirements submitted by the DVS?
 - d. In the event the program is currently receiving additional VSF funding, how has it performed, based on performance metrics approved by VSF?
 - e. Should a program not be on track to obligate the budgeted VSF funding, is there a shortfall in requirements, or a failure to execute the level of activity associated with the budget?
- 5) VSF Trustees validate the need and recommend a fund allocation annually at the May meeting.

The key to this initiative is approving priorities, establishing measurement metrics, and measuring program performance using both quantitative and qualitative methods. This approach will provide information to make better choices, better decisions and in turn provide greater value.

VSF-DVS Joint Inter-agency Policy	DVS Subsidiary Fund Management	Effective: July 1, 2020
VSF-DVS Policy Number 14		Revised: 12.08.2022 6.24.2020

VIRGINIA VETERANS SERVICES FOUNDATION VIRGINIA DEPARTMENT OF VETERANS SERVICES

Appendix C

Procedures for Requests for Funds

Introduction. The VSF biennial schedule by fiscal year for VSF operations and requesting funds for budgeting purposes is attached to this Appendix. The following procedures are provided for planning and may be used as the situation dictates for requesting funds for veterans services. The procedures are divided into requests for restricted funds and unrestricted funds.

Normal Budget Request Procedures for Restricted Funds.

Restricted funds are funds that have been donated for a particular purpose or program. They are placed in trust in the Veterans Services Fund. DVS provides requests to VSF through the annual budgeting process with updates through the year as the evolving situation requires. The initial budget approval process for both the biennium budget and adjustments for the following year takes about three months to complete in the spring of each year.

The process starts in about March with a request to DVS divisions for information about the requested allocations of funds for the current, the next year, or the next biennium. The request may be initiated either by the VSF Executive Director or the DVS CFO or by mutual agreement. The request must contain: (1) the prior year's budget, as adjusted; and (2) the base spending authority authorized by the current Appropriation Act. Written justification must accompany requests that exceed the base spending authority or are either urgent or unusual. DVS divisions may submit requests for expenditures they need or desire that exceed their spending authority or involve insufficient funds with written justification for the request.

The budget requests for the biennial or adjustments for the next year should be due to the DVS Commissioner by late April or early May so that the Commissioner's staff can review the requests and ask for additional information, if necessary. The budget requests must be received by VSF staff at least four weeks before the June Board of Trustees meeting for evaluation.

The budget requests are provided to the VSF Finance Committee Chair at least three weeks before the June Board meeting. The Chair may share them with the Finance Committee members for review prior to the Finance Committee meeting regarding the request's appropriateness, completeness, and funding availability from the restricted funds available. If additional information is needed, it is requested from DVDS through the VSF Executive Director. The budget request should be complete by the Finance Committee meeting for final consideration and a recommendation for approval by the Board of Trustees.

Should the DVS budget request require additional fundraising, the Finance Committee Chair shall share the request for funds with the VSF Development Committee Chair for consideration and recommendations. The review by the two committees may be abridged if no issues are foreseen by the committee chairs.

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The Finance and Development Committee recommendations are presented to the Board of Trustees for approval. If there are differences between the two committees' recommendations, they must be resolved at the Board meeting or tabled until the next meeting. Requests for updates/adjustments are handled with the same procedure on a quarterly basis each September, December, March, and June.

Special Budget Request Procedures for Unrestricted Funds.

Re request procedure follows the process and timelines as those set forth under "Normal Budget Request Procedures for Restricted Funds" without quarterly consideration of adjustments. Greater scrutiny is placed on the need for the funds, how the funds will be used, and the ability of the requestor to replace the funds. Regular reports are required regarding the use of funds and their replacement by the requestor.

Attachments:

- VSF Biennial Fiscal Year Schedule, Even Numbered Fiscal Year
- VSF Biennial Fiscal Year Schedule, Odd Numbered Fiscal Year

VSF-DVS Joint Inter-agency Policy	DVS Subsidiary Fund Management	Effective: July 1, 2020
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VSF Biennial Fiscal Year (FY) Schedule*

Even Numbered FY

July 1 (Starts in odd numbered calendar year; e.g., July 1, 2019-June 30, 2020 for FY20)
Board Officers assume duties

First Quarter (August-September**) meeting first or second week of month (Location)

Receive APA audit report, if available
Consider and approve Goals and Objectives for current FY
Approve 4th Quarter prior FY Financial Statement and Annual Report to Governor and General Assembly
Board Chair appoint Committee Chairs/Assistant Chairs
Approve Non-general Fund allocations
Approve Legislative Initiatives, if required in August
Approve Committee Chair/Assistant Chair appointments

September

Board Chair to prepare Executive Director Annual Evaluation, due in October

Second Quarter (December) meeting first or second week of month (Location)

Approve 1st Quarter current FY Financial Statement
Approve current FY budget adjustments, if any

January, Wednesday second week Legislature convenes for 60 day session ending end of fourth week in March

During mid-March

Request Budget Adjustments for current FY due mid-April
Request Budget input/adjustments for next FY due mid-April

Third Quarter (March) meeting last week of month (Location)

Approve 2nd Quarter current FY Financial Statement
Approve current FY budget adjustments, if any
Approve review of VSF-DVS Policies, if needed
Confirm dates and locations of next FY Board meetings
Elect a nominating committee

April

Nominating Committee put out call for candidates for officers' positions

Fourth Quarter (June) meeting first or second week of the month (Location)

Review current FY Goals and Objectives as a baseline for next FY Goals and Objectives
Approve 3rd Quarter current FY Financial Statement
Approve budget adjustments, if any+
Consider current biennial FY Budget adjustments (As will be required for the coming odd year GA Session)
Elect officers for next FY

*At all meetings, as appropriate, receive VVFS, V3, and other DVS activity updates.

**Depending on DPB Schedule for budget

VSF-DVS Joint Inter-agency Policy	DVS Subsidiary Fund Management	Effective: July 1, 2020
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VSF Biennial Fiscal Year (FY) Schedule*

Odd Numbered FY

July 1 (Starts in even numbered calendar year; e.g., July 1, 2020-June 30, 2021 for FY21)
Board Officers assume duties

First Quarter (September**) meeting second week of month (Location)***

Receive APA audit report, if available
Consider and approve Goals and Objectives for current FY
Approve 4th Quarter prior FY Financial Statement and Annual Report to Governor and General Assembly
Approve review of VSF-DVS Policies, as required
Board Chair appoint Committee Chairs/Assistant Chairs
Approve next FY General and Non-general Funding Budget adjustments, if required
Approve Committee Chair/Assistant Chair appointments
Approve tentative meeting dates and locations

September

Board Chair to prepare Executive Director Annual Evaluation, due in October

Second Quarter (December) meeting second week of month (Location)***

Approve 1st Quarter current FY Financial Statement
Approve current FY Non-general Fund budget adjustments, if any
Approve review of VSF-DVS Policies, if needed
Approve Bylaws and MOU changes, if any

January, Wednesday second week Legislature convenes for 46 day session ending end of second week March

During mid-March

Request from DVS Budget Adjustments for current FY due mid-April
Request Budget from DVS input for next FY due mid-April
Request from DVS next biennial Non-general Fund budget requirements (i.e., in 2019 request for FY2021-22)

Third Quarter (March) meeting last week of the month (Location)***

Approve 2nd Quarter current FY Financial Statement
Approve current FY budget adjustments, if any
Approve review of VSF-DVS Policies, if needed
Elect a nominating committee

April

Nominating Committee put out call for candidates for officers' positions

Fourth Quarter (June) meeting second week of the month (Location)***

Review current FY Goals and Objectives as a baseline for next FY Goals and Objectives
Approve 3rd Quarter FY17 Financial Statement
Approve budget adjustments, if any
Consider and approve next Biennial Budget starting in next odd numbered FY (See above example)
Approve next FY schedule of dates and locations of Board meetings
Elect officers for next FY

*At all meetings, as appropriate, receive VVFS, V3, and other DVS activity updates.

**Depending on DPB Schedule for budget

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*****In odd numbered years review all VSF-DVS Policies, Bylaws, and MOU**

END OF ATTACHMENTS