

**Charitable Trust Committee**

**Meeting of Tuesday, August 23<sup>rd</sup>, 2016  
James R. Thompson Center  
100 West Randolph, Room 16-504, Chicago, Illinois**

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**MEETING MINUTES**

The August 23<sup>rd</sup>, 2016 meeting on the Charitable Trust Committee was called to order at 2:05 PM with the presence of a quorum.

**BOARD MEMBERS PRESENT**

Michael Frerichs, Co-Chair  
Illinois State Treasurer

Jody Adler, Co-Chair  
Designee for Illinois Attorney General Lisa Madigan

Ennedy Rivera  
Designee for Lieutenant Governor Evelyn Sanguinetti

Francisco Menchaca  
Designee for the Illinois Department of Financial and Professional Regulation

Dale Morrissey  
Developmental Services Center

Marcia Lipetz

Lisa Oakley

Ric Estrada  
Metropolitan Family Services

**TREASURER'S STAFF**

Alex Armour, Policy and Program Coordinator  
Illinois State Treasurer's Office

Julian Federle, Chief Policy and Programs Officer  
Illinois State Treasurer's Office

Sara Meek, Legislative Assistant (via teleconference)

Illinois State Treasurer's Office

Sandi Raphael, Assistant General Counsel  
Illinois State Treasurer's Office

Jay Rowell, Deputy Treasurer  
Illinois State Treasurer's Office

Catherine Shannon, Legislative Director  
Illinois State Treasurer's Office

### **OTHER ATTENDEES**

Wegi Stewart, President of the Community Foundation of Macon County and President of the Alliance of Illinois Community Foundations

Kristin Vogen, CEO of the Oak Park-River Forest Community Foundation

Marybeth Schroeder, Evanston Community Foundation

Julie Buck, Community Foundation of Grundy County

### **INTRODUCTIONS**

Treasurer Frerichs conducted introductions.

Marcia Lipetz gave a brief history of her experience with the Charitable Trust Board.

Ric Estrada joined the meeting.

Sandi Raphael conducted the Ethics Training and Open Meetings Act Training.

Alex Armour provided the current status of the Fund, which had \$3,525,106.35 available as of August 23<sup>rd</sup>.

Alex Armour provided an overview of the current criteria for potential applicants to Charitable Trust. Armour laid out a concern that the current criteria is overly broad, and presents challenges to administering the program. Armour suggested the Board adopt a more narrow focus for the near term. Armour also suggested to the board that Charitable Trust accept applicants from across the entire State of Illinois, not just Illinois Enterprise Zones.

Emilia DiMenco joined the meeting.

A discussion continued on narrowing criteria, touching on combining suggested areas of focus. Board members utilized rank order voting. While votes were being tabulated, Armour continued with the discussion of Program Structure, focusing on evaluation criteria.

Jody Adler asked about the specific policy which might be used to address conflict of interests, and there was discussion on that point.

Marcia Lipetz suggested that a question about demonstration of need and population to be served be included

Ric Estrada suggested we include a “check-off” on the application for applicants to indicate they do not have a conflict of interest.

Ric Estrada asked whether we should consider applications from organizations that have a fiscal agent. A conversation ensued about the budget structure of potential applicants.

The results of the earlier voting were presented. The top three vote getters were:

Feeding Programs

Shelter

Workforce Developments

Marcia Lipetz moved to adopt the top three categories as the criteria for the first round of grant considerations.

Ric Estrada Seconds

The motion passed unanimously.

Program Structure discussion continues on the subject of the Grant Life-Cycle. Armour recommended that the board start with a rolling application period in the near term. Armour also recommended that the length of the grant will be for one year.

Jody Adler raised concerns that an open or rolling grant application process might be burdensome for the board.

Dale Morrissey suggested that we start with two 6 month grant review periods, moving into in annual program after the initial year.

Treasurer Frerichs outlined a proposal to make the term of the grants a year, and in the first year we will have accept applications bi-annually, moving to an annual schedule after the first year.

Dale Morrissey made a friendly amendment to allow the board to consider accepting applications on a bi-annual in the future.

Marica Lipetz made a motion to adopt the proposal.

Ric Estrada seconded.

The motion passed.

Program Structure discussion continued with a focus on an award structure. The question was posed to the board, will the grants be allowed for direct or indirect costs? Additionally, the question was posed, will we provide the award all at once, or in multiple segments, or require grantees to provide receipts or invoices for reimbursement purposes.

Treasurer Frerichs outline the pros and cons of having a reimbursement procedure.

Dale Morrissey made the point that an organization could provide bid documents to show that they have done their due diligence for use of grants towards capital expenses, and also emphasized the point that small organizations could have cash flow challenges for these expenses, making Charitable Trust a good remedy.

Dale also made the point that for operating expenses, an award could be granted 60% up front, for cash flow purposes, and a further review could determine if the program was operating appropriately; the remaining funds would be released.

Marcia Lipetz recommended that the grants be directed towards operating costs, and that we also focus the grants on direct costs.

Alex will work with Dale and Marcia to finalize a proposal for the board.

Alex briefly outlined some points to consider for crafting a due diligence procedure for following up on the grant award.

At this point, regular business of the meeting was concluded.

During the New Business section of the meeting, the Charitable Trust Board received a short presentation from the Illinois Alliance of Community Foundations. Wegi Stewart, of Decatur, President of the Illinois Alliance of Community Foundations provided a brief overview of the role of community foundations.

Kristen Vogen emphasized the important role that community foundations play, and their strong knowledge of the local areas.

Marybeth Schroeder talked about the diverse needs serviced by community foundations.

Julie Buck provided several examples of organizations in rural areas that are in need of support, and outlined other areas of service that are facing rural areas.

Wegi Stewart closed the presentation with some suggestions about how the Charitable Trust program could work with the Illinois Alliance of Community Foundations.

Treasurer Frerichs thanked the board, and the meeting was adjourned.