



SAMPLE AGENDA FOR ORIENTATION OF FOUNDATION PLANNING COMMITTEE

Once a conversion has been approved the regulator should appoint a diverse Planning Committee with a clearly delineated role to lead the public process. The Committee's charge should be development of comprehensive, non-binding recommendations to the regulator about the mission and governance structure of the new foundation. Set forth below are suggested topics for an initial two-day Foundation Planning Committee meeting, based on agendas prepared for the initial meetings for several existing conversion foundations. It presumes that a Foundation Planning Committee chair has been chosen, and is illustrative rather than all-inclusive.

Discussion of the substantive issues raised in this Sample Agenda can be found in *Building and Maintaining Strong Foundations*, a publication by the Community Health Assets Project, a joint effort by Consumers Union and Community Catalyst. See www.consumersunion.org/cony or www.communitycatalyst.org.

DAY ONE

Goals: Introduce Foundation Planning Committee (the "Committee") members to one another and to the staff of the regulator that will be working with the Committee; begin discussion of the nature, scope, mission, and governance of the new foundation with an eye to formulating articles of incorporation and by-laws.

1. Welcome remarks by chair of Committee. Introductions of Committee members and regulatory staff who will be providing support to the Committee (probably from attorney general or insurance commissioner).
2. Overview of the goals for both days by regulator whose office will be providing support and the role that his or her staff will be playing. Regulators can facilitate the work of the Committee by providing financial assistance to enable the engagement of qualified planning consultants or by providing adequate staff support to prepare a clear agenda for each Committee meeting focusing deliberation on foundation purposes, governance structure and practices. Regulators should establish a process for the Committee's recommendations to be subject to public review.

3. History of the conversion that has resulted in charitable assets to be preserved in a foundation (presented by regulator's office and Committee members who may have been involved in the process).
4. Overview of the conversion and foundation planning experiences in other states (presented by regulator's office or outside experts).
5. Overview of types and tax structures of conversion foundations; discussion of state law regarding nonprofit organizations and foundations with an introduction to the governing documents—by-laws and articles of incorporation (presented by regulator's office or outside experts).
6. Fiduciary duty and other responsibilities that the eventual foundation board will have over conversion assets (presented by regulator's office and discussed by Committee).
7. Effective foundation practices (introduced by regulator's office or experts and discussed by Committee).
8. Mechanisms for ongoing community/consumer involvement (introduced by consumer representative on the Committee or expert and discussed by Committee).
9. Development of draft mission statement. May want to use sample mission statements as a springboard for the discussions. See sample statements at www.consumersunion.org/conv or www.communitycatalyst.org.
10. Introduction and broad overview of issues that will be discussed during the second day of the Committee meeting. Provide Committee members with the issues and the questions to be discussed so that they can prepare for the second day.

DAY TWO

Goals: Reach consensus on final mission statement. By discussing a number of issues, the Committee will attempt to agree on several key policy issues. (Regulatory staff will later draft governing documents that reflect the Committee's consensus and abide by state law governing foundations.)

ISSUE ONE: BOARD OF DIRECTORS/TRUSTEES

- Decide upon method for nominating and appointing initial and subsequent board members.
- Define the constituencies the foundation will serve and decide how they should be represented on the board.
- Define the skills, experience, leadership abilities, and community connections that will be represented on the board.
- Determine way to ensure diversity on the board of directors.

- Determine whether it will be an operating foundation, in whole or in part.
- Decide what tax structure the foundation should have (i.e., I.R.S. 501(c)(3) Private Foundation, I.R.S. 501(c)(3) Public Charity, or I.R.S. 501(c)(4) Social Welfare/Advocacy Organization).
- If it is not an I.R.S. 501(c)(3) Private Foundation, incorporate the Private Foundation restrictions. (See discussion of Private Foundation restrictions in *Building and Maintaining Strong Foundations*, page 20.)

ISSUE SEVEN: COMMUNITY RESPONSIVENESS AND ACCOUNTABILITY

- Determine the substance and form of the foundation's annual or periodic report to the public to provide meaningful grantmaking information.
- Discuss what grantmaking data reporting system the foundation will use for gathering data.
- Include an "open meetings" requirement for the foundation.
- Consider establishing periodic meetings between the board and/or CAC and grantseekers and the wider community to discuss programmatic goals and strategies.
- Discuss whether the foundation will sponsor health policy conferences.
- Determine how to maximize public access to ongoing information, such as by maintaining a web site.
- Discuss how the foundation will measure its "customer service" to grant applicants.
- Determine how often it will survey grant recipients to measure the foundation's impact.
- Decide whether the foundation will have an ombudsperson.

ISSUE EIGHT: FOUNDATION NAME

- Choose a name for the foundation that does not convey an affiliation with the former nonprofit or the existing for-profit corporation that was the source of the assets.

CONCLUDING REMARKS AND NEXT STEPS

1. Regulator's staff commits to draft articles of incorporation and by-laws that reflect the consensus of the Committee on these issues.
2. Regulator's staff commits to organize a meeting, at a date to be determined, for the Committee to review and approve the documents.
3. Following the creation of governing documents, the Committee and regulator commit to seek public comment in well-advertised public forums at which the foundation and its documents will be the topic of discussion.
4. Thereafter, the Committee agrees to meet again to discuss community input into the draft documents and prepare final documents for the foundation.

- Define the health policy expertise, advocacy skills, public health expertise, nonprofit management, legal expertise and investment skills that will be represented on the board.
- Create a public process to solicit nominees from the community.
- Decide how many members the board will have.
- Determine whether board members will be restricted by term limits.
- Ensure independence of foundation board from the for-profit successor.
- Draft the foundation's conflict of interest policy. See Sample Conflict of Interest statements at www.consumersunion.org/cony or www.communitycatalyst.org.

ISSUE TWO: COMMUNITY ADVISORY COMMITTEE

- Determine whether the foundation will have a perpetual or ad hoc community advisory committee (CAC).
- If the foundation will have a CAC, define roles the CAC will fulfill and outline specifically its advisory role to the board.

ISSUE THREE: HEALTH NEEDS AND RESOURCES ASSESSMENT

- Discuss whether existing health needs and community health resource assessments will be adequate to guide the foundation in its grantmaking.
- If existing assessments are not adequate, create a system by which the foundation can assess health needs and resources as often as will be needed.
- Determine what responsibility the foundation will have to consult with the community about health needs.

ISSUE FOUR: GRANT MAKING POLICY QUESTIONS

- Discuss whether the foundation will fund health policy advocacy and research.
- Decide whether it will pay for direct medical services.
- Begin formulating procedures for the foundation to publicize and disseminate its grant-making procedures to communities it has a mission to serve.

ISSUE FIVE: SPENDING POLICY AND INVESTMENT

- Decide whether the foundation will be a perpetual endowment or limited in years of existence.
- Discuss potential investment policies and goals.
- Draft language authorizing the board to hire outside experts on spending and investment issues.

ISSUE SIX: TAX STRUCTURE

- Determine the extent to which the foundation will make grants and/or program-related investments (loans).