

 NCFIE BOARD OF DIRECTORS

JULY 13, 2017 BOARD MEETING

MINUTES

Board Members in Attendance: Tracy Little

Board Members Conference Call in: Kathleen Rich-New, John Franz, Dan Naylor, Karen Shmukler and John VanDenBerg

Members not in attendance:

Others in Attendance: Dr. Patricia Nellius, CEO, Laurie Anna Blackburn, Ms. Patrice Grier

Dr. Nellius regretfully shared Dan Naylor has submitted his resignation from the Board of Directors to be effective following the July Board meeting. She expressed her gratitude to Dan for his service on the Board and for his contributions to advancing the work of the NCFIE.

Dr. Nellius then reported on March 23, 2017 the BFP Board approved a plan to move forward to form a new partnership LLC under the NCFIE. The LLC will be a joint venture with another entity called Sycamore Technology Group and Ms. Grier will present to details surrounding the new entity.

Dr. Nellius thanked Dr. VanDenBerg for agreeing to present an overview of the Open Table Model under the new business section.

Dr. Nellius then reported a copy of the draft 2017-18 budget has been provided to board members for review and it will be presented on July 20, 2017 and the BFP Board for approval. She then spoke about the projected revenue as follows:

* The Special Appropriations request for the Replication of C.A.R.E.S. in Volusia/Flagler County was approved by Legislatures; the request was originally for $300,000 and it was approved for $50,000. A strategy map has been developed to guide the implementation plan and a copy has been provided to board members. Planning calls have convened with Mr. Mark Jones the CBC CEO and his operations team.
* 1 Replication Site: $125,000
* Certification Training: $50,000 scheduled for November 6-9, 2017
* Conference/Symposium: $30,000 to be discussed in more detail later under the old business section of the agenda.
* Contract cost for Growing Tree Solutions who is assisting with the development of tools and materials to support successful implementation of replication sites. Dr. Nellius noted that the team attended the National Certification training to gain a better understanding of the system needs.

Dr. Nellius then shared on June 20-23, 2017, the Center held its 5th National Certification Institute with 14 in attendance and the satisfaction surveys were very favorable. She added to date, 30 students have completed their certification with 30 in process, and the next major initiative will be to build a web based training platform to develop and deliver trainings for CEU’s to the nationwide community of practice.

Dr. Nellius ended her report sharing a story about a student who had attended one of the certification trainings and she admitted she was angry and resistant to the change of practice; until she started doing the work and saw the positive impact and outcomes on her families; she has moved from a naysayer to a champion.

Financials

Dr. Nellius shared Mr. Carlson and his team are attending a seminar and copies of the NCFIE financials have been provided to members for their edification. Mr. Carlson and Ms. Simmons can answer any questions at the next board meeting.

Dr. Nellius then shared that members have a copy of the projected budget and it will be approved at the next BFP Board meeting and presented at the NCFIE October board meeting for review and a motion for approval.

Dr. Nellius then asked if there were any questions on the financials or the budget. None were expressed.

Dr. Nellius then asked Ms. Grier to present the Summary of NCFIE Options for the New Entity for the new partnership with the Sycamore Group.

Ms. Grier began by explaining that creating an LLC would be the best option and outlined the following:

1. NCFIE and the individual owners form a Limited Liability Company. An LLC is a partnership for federal tax purposes, and it is viewed as a flow-through entity. Its activities are attributed to its tax-exempt organization member.
2. An LLC provides liability protection to its owners (the members of the LLC).
3. Contributions to the LLC in exchange for membership interests must be on a fair market value basis.
4. The LLC must be organized and operated exclusively for the charitable, exempt purposes of NCFIE, and these purposes must have priority over for-profit interests. Therefore, NCFIE, the nonprofit partner, must have the capacity to ensure that the LLC’s operations further charitable purposes, and needs to control the LLC operations for NCFIE’s tax exempt purposes by one or more of the following methods:
5. Control the LLC (by owning more than 50 percent of the membership interest);
6. Control the decisions related to ensuring that the LLC further its exempt purposes; and/or
7. By agreement ensure that the LLC furthers its exempt purposes.
8. All contracts and transactions with the LLC must be at fair market value. There cannot be any private inurement, inurement to insiders and no more than incidental private benefit.
9. If the activities of the LLC are a substantial part of NCFIE’s overall activities, then any determination that the LLC’s activities are not substantially related to NCFIE’s exempt purposes will result in the loss of tax exemption and the activities will be taxable.
10. If the activities of the LLC are not a substantial part of NCFIE’s overall activities, then any determination the LLC’s activities are not substantially related to NCFIE’s exempt purposes will not result in the loss of tax exemption but the activities will be taxable.
11. If a trade or business regularly carried on by a partnership with NCFIE is an unrelated trade or business with respect to NCFIE, NCFIE’s share of the partnership income and deductions will be computed as its unrelated trade or business taxable income.

Ms. Grier then shared on January 26, 2017 the BFP Board decided that forming an LLC would be the best option to develop an on-going business relationship with the new entity.

Dr. Nellius clarified that the reason the decision was delayed until March was because the BFP Board agreed to form the partnership under two conditions: first, the 5 individuals would need to form an LLC and secondly NCFIE must have the majority control in the partnership. The 5 individuals formed the Sycamore Technology Group LLC and were amendable to NCFIE holding the majority control; subsequently a motion to approve was presented to the Board of Directors at the March Meeting.

Ms. Grier then ended her report sharing negotiations have begun with the development of an operating agreement which will outline each members interest, guidance on how the company will be run, what will happen should there be a dissolution of the LLC and the agreement must be drafted in a way that does not jeopardize NCFIE’s tax exempt status.

Dr. Nellius then shared the plan is to answer any questions the board may have and once the agreement has been finalized and it will be presented to the board for review and motion.

Dr. VanDenBerg asked for clarification on the outcome intended from forming a partnership.

Dr. Nellius explained that the intent is to develop, pilot and market the proprietary tool offering a technology solution for agencies nationwide that conduct UM activities using Wraparound and Care Coordination. She then provided some background and history on the principals of Growing Tree Solutions and the formation of The Sycamore Technology Group.

Dr. Nellius then asked Dr. VanDenBerg to provide an overview on Open Table.

Dr. VanDenBerg shared how he became involved with Open Table and explained that the model was designed to serve those living in poverty. He then described; an Open Table is a process to help people move out of poverty using a [faith-based model](https://drive.google.com/file/d/0B7Ano_ir9SB5WFdaa0k3R0VVYm8/view?usp=sharing) with the characteristics of Wraparound drawing together the community and congregation to compose a group of 10 to 12 volunteers that make a year-long commitment to act as a team of life specialists, encouragers, and advocates over the course of a year to set goals, foster accountability, and implement a plan to create change for an individual called a Brother or Sister. He then reported research shows that graduates have a profound effect on their family and friends modeling a stable life and that 90% are permanently out of poverty at the 2 year mark.

The board then discussed the opportunity for the Government and the faith based community to work together to not only address the health needs of a family but through a referral process, to compose an open table to address the poverty issue.

The board then discussed the three levels of payment for licensing fees at the Government/Faith Community level, Faith Community Level and each table member contributes a monthly fee. Dr. VanDenBerg confirmed that the first year fee is $39,500.

Dr. Nellius thanked Dr. VanDenBerg for the Open Table overview. She then asked board members to reach out to Ms. Blackburn for any additional information.

Dr. Nellius then reminded the board of previous discussions concerning the timing, location and expanding the reach to include tracks for population specific sectors who utilize wraparound person/youth centered planning; i.e. the faith based community, the healthcare industry, elderly population, homeless and development disabilities. She then asked the board for their feedback in the following areas:

* Should the program be expanded to reach out to a larger population
* Should the location be changed to attract a larger audience
* Shift the target audience to a diverse track approach to providing training and hands on tools

Mr. Naylor fully supports using the Wraparound model with focus groups such as Headstart and Early Childhood. Dr. Nellius shared a group from Washington State shared that they had attended an event hosted by the NWI conference and their feedback was that the NCFIE Intensive Training provided more intensive and practical application to learn how to adhere to the process, implement, and coach, mentor and train to develop core competencies.

Dr. Nellius then shared at the board’s recommendation she did reach out to NWI a few months back to date she has not received a response. The board then discussed the areas of interest to attract participants to the conference: Wraparound/Medicaid billing, networking with their peers, and sharing family engagement tools.

The board then discussed holding the conference in the center of the country to reach a broader audience. Dr. Nellius shared she is open to that suggestion as there have been discussions about forging partnerships with host agencies across the country to assist with logistics.

Dr. Nellius asked board members to provide her with feedback for the conference and as things materialize she will be reaching out to members for their advice and consultation.

Dr. Nellius then wished Mr. Naylor much happiness in his retirement.

The board scheduled the next board meeting for Thursday, October 12, 2017 at 1:00 pm Eastern, 12:00 pm Central, 11:00 am Mountain.

Respectfully Submitted,

Laurie Anna Blackburn

Board Liaison