**THE NATIONAL GUARD ASSOCIATION OF ARKANSAS**

P.O. BOX 663

NORTH LITTLE ROCK, ARKANSAS 72115

MEMORANDUM FOR RECORD

SUBJECT: Minutes from the January 23, 2018 Endowment Board Meeting

1. The National Guard Association of Arkansas (NGAA) Endowment Board met on 23 January 2018 at the NGAA conference room on Camp Joseph T. Robinson. Attendance is at Enclosure 1.
2. Col. Cluck goes over the meeting’s agenda. He explains that last year was NGAA’s first attempt at starting an endowment. He also discusses plans to make pitch to Col. Stanger’s command group explaining the foundation and its purposes.
3. Meeting goals proposed by Col. Cluck include coming up with a strategic plan, reviewing quarterly statements, and discussing third-party giving plans. The board will also decide what to disperse of funds made during the 2017 fiscal year in 2018.
4. Chris Pack and Russell from the Investment Committee will talk to the board about the investment policy statement and their selection process for an investment policy advisor in a future meeting.
5. The next day, the board meeting will focus on the corporate governance side of the endowment by looking over confidentiality statements, conflict of interest statements, how they will be posting minutes, as well as putting together a briefing Col. Stanger and the command group. The board will decide later if the briefing is to be formal or informal.
6. Board members were given an orange file to review during the meeting. As Col. Cluck explains, the first document in the file announces the new name for the National Guard Association of Arkansas Endowment. It is now called the Arkansas National Guard Foundation. This document was part of the original 1023 that was filed when the endowment was initially created. It details the endowment’s charitable activities. These include:

* Scholarships
* Educational programs (written fairly broadly)
* Communal education (will help underwrite other activities)
* Scientific literacy
* Supporting institutions for National Guard members and their families

1. Veteran’s Coalition is a 501 c (19) and we’re working on establishing a foundation for them.
2. Col. Cluck discusses how funds must be managed and rules on non-restricted gifts. The board also discusses both last year’s strategic plan and the NGAA’s strategic plan moving forward. Last year’s spending rate on funds was 4.5%. The board wants that number to increase in 2018. To do this, the board agreed to set long-term goals and objectives for the endowment by using information from last year and by studying the growth of similar organizations.

The Balance Sheet

The Diamond Fund is the primary fund. It was created through a donor-restricted gift from the trustees to the foundation. The original principal can’t be touched (i.e. “is permanently restricted”), only the income from it can be spent (i.e. “is temporarily restricted”). The scholarship fund is the secondary fund (not an investment fund). The foundation doesn’t run the scholarship program, just funds it. Then there’s a fund for each of the associations. Then there’s the National Guard museum sub-account.

1. The money that goes in to the investment account needs to be long-term, it doesn’t need to be short-term.
2. Kendall Penn announced that he will find another part-time graduate intern to help with the foundation. The board will establish the duties and responsibilities of that position. Fundraising, professionalize the management structure for the foundation, and keep strategic plan focused. In five years, the organization will be big enough to hire an Executive Director to take over these duties.
3. The mission statement- what is this organization trying to accomplish? Providing charitable and educational support to members of the Arkansas National Guards, veterans, and their families. (Leadership skills, writing skills, patriotic activities, etc.) The foundation will also support other charitable organizations and programs. In Arkansas as well as the rest of the U.S. NGAA is the lead charitable institution that promotes giving, builds strong communities, and fosters learning and education.
4. Values- Accountability, fiduciary responsibility, transparency, prudent management, teamwork, and stewardship.
5. Goals- Establish and grow self-sustaining scholarship program; support association fundraising; provide nonprofit infrastructure for giving to the Arkansas reserve component and the emergency relief fund.
6. The foundation needs a website. AR Community Foundation- look at them for example (good verbage for mission statement) and Heifer International. Important to prove that we occupy a niche for the state of Arkansas.

Statement of activities

Investments at 1.2 million as of June 30, 2017

Change in net assets $62,331.45 5% Spend Plan

-$37,500.00 Scholarships

$24,830.45 Amount that can still be paid out

1. Meeting attendees then call Jim to go on the record and vote on appropriating these funds as follows:

Appropriated amounts from the Diamond Fund

$2,724.75 NGAA 5%

$837.50 EAANG 5%

$21,268.20 Amount that can still be paid out

$11,577.73 EAANG (leftover financial support)

$9.690.47 NGAA (leftover financial support)

1. Col. Cluck made a motion to re-appropriate the $1,500 in community assistance from last year to the Minute Man Camp, under the condition that they actually conduct the camp this year. The motion passed.
2. The emergency assistance appropriation from last year was $1,500. Because the board didn’t have an organization designated for that at the time, Col Cluck made a motion that the $1,500 will be re-appropriated to survivor outreach services this year. The motion passed.
3. Col. Cluck made a motion to include an endowment, within the foundation, on behalf of the Arkansas Reserve component’s Emergency Relief Fund. The motion passed.
4. Col. Cluck made a motion to include an endowment, within the foundation, on behalf of the Minute Man Youth Camp. The motion passed.
5. Col. Cluck made a motion to approve the financial reports. The motion passed.
6. Col. Cluck made a motion to appropriate funds up to $12,680 per year to be used to hire a graduate assistant to help with the foundation’s strategic plan in 2018. The motion passed.