

COVID-19 Response & Recovery Working Group

September 2021 Report to the Board

Working Group Members:

- Ric Swierat, Board President
- Barry Ramage, Vice President
- Mark Wilson, Treasurer
- Priscilla Goldfarb, Executive Committee, Member-at-Large
- Rebekkah Smith Aldrich, MHLS Executive Director

1. The Working Group met with two representatives from the Community Foundations of the Hudson Valley (CFHV) to learn about their fund options. We learned that:
 - a. CFHV has multiple funding vehicles to accommodate different donors and different purposes. The two primary vehicles are “endowments” (created by a person or a family) and “donor advised funds” (which are suitable to support a non-for-profit organization).
 - b. A minimum of \$25,000 is required to open an endowment fund and a minimum of \$5,000 for a “donor advised fund.” There is a five-year window to allow a donor to complete the full opening of an endowment fund.
 - c. The funds belong to CFHV for the purposes of making investment decisions, but the grants from the funds are determined by the fund advisors which are established at the inception of the fund through an operating contract.
 - d. Fund advisors can be assigned to positions such as our board president, treasurer, and executive director.
 - e. Each fund must use some of its earnings every three years.
 - f. The current distribution percentage for the investment return is 4% based on a five-year averaging formula related to the return experience of the stock market.
 - g. Fees to manage the funds are:
 - i. Administrative fee = 1% (min. \$250 annually)
 - ii. Investment fees =
 1. 37 basis points for main investment portfolio
 2. 65 basis points for the socially responsible funding portfolio
 3. No fee for money market funds
 - h. Reporting: We would have 24/7 access for information through the secured website portal and quarterly reports for investments and grants given
2. As a result of this research the Working Group is drafting a whitepaper to outline the need to pursue alternative sources of funding and explain their preliminary recommendations to the Board related to:
 - i. The dissolution of the Foundation for Hudson Valley.
 - ii. Establishment of a fund with the CFHV.
 - iii. Creation of a fundraising plan with the help of CFHV.
 - iv. Investing in a marketing consultant to help us with messaging to aid with the concerns that any fundraising efforts may compete with member libraires.