



MINUTES
THRIVE UPSTATE
CALLED BOARD of DIRECTORS MEETING
MARCH 9, 2017 - 4:30 PM
PATRICK CENTER ANNEX

Notice of the meeting was sent to all Board Members, The Greenville News, The Greenville Journal, WYFF-TV 4, Fox-TV 21, and the Clerk to Council of Greenville County. Agendas were posted in the lobby of the Patrick Center Administration Building and the Patrick Center Annex and the Thrive Upstate Website prior to the meeting.

Members Present:	Bob Ariail, Chair	Members Absent:	Cindy Baughan
	Bryant Nixon, Vice Chair		Paul Hamberis
	Clyde Baucom, Treasurer		Alex McNair
	Jade Cox		
	Peggy Farmer		
	Bern Mebane		

Staff Present:

John Cocciolone
Anne Arrington
Sandy Brown
Craig Byrd

Call to Order: The Called Board of Directors Meeting to review foundation documents was called to order at 4:37 PM by Bob Ariail, Chair.

A revised draft dated 3/5/17 of the Constitution & Bylaws of the (un-named) Foundation was emailed to Board members and was also provided at the meeting. Mr. Ariail reported on Clyde Baucom's and his efforts investigating the process and ramifications of establishing a foundation. The investigation revealed rules and practices that would require adherence for prevention of a government claw back of funds raised. Mr. Ariail commented that the regulations may change with the new administration in Washington. He said the revised Constitution & Bylaws draft dated 3/5/17 deletes all objectionable practices and wording forbidden by the Government Accounting Standards Board (GASB).

Mr. Ariail summarized the foundation board would have 3 to 9 members. The best way to operate the foundation is for money and grants it provides be paid directly to a provider for the benefit of individuals for items not covered by Medicaid, as the Burton Center does. The Thrive Upstate Board cannot control the foundation financially, and no more than 20% of the foundation board can be members of a particular agency. The chairman of the foundation should not be a Board member of Thrive Upstate.

GASB regulations state if an organization receives 51% of a foundation's funds, that organization would become a component of the foundation. Mr. Baucom explained if Thrive Upstate became a component unit of the foundation due to the amount of foundation funds it receives, and the foundation's funds then flow through Thrive Upstate's profit and loss and balance sheets, the claw back threshold of \$2 million would not be met for a number of years.

There was discussion on using a Thrive Upstate staff person to raise funds for the foundation. Within 3 years, the foundation would need to pay its own fundraising staff or hire staff on a per event basis.

Mr. Ariail stated Thrive Upstate may establish the foundation and control would be turned over to the foundation board. Potentially 51% of funds raised may be paid to other providers other than Thrive Upstate.

Anne Arrington commented that a great deal of money and time was invested in creating the Thrive Upstate brand to make a distinction from appearing to be a state agency to assist in fund raising. If the Thrive Upstate name is not used for the foundation, the foundation would have to create its own brand. A second point made was that the Burton Center is well known in Greenwood County, and the Babcock Center is well known in the Columbia area. On the other hand, Thrive Upstate competes with 75 disabilities agencies in Greenville County for donations.

Bern Mebane left the meeting at 5:20 PM. A quorum remained in place.

Mr. Ariail said using the Thrive Upstate name in the foundation's name may cause an audit review. Mr. Baucom commented the foundation will be audited every year regardless.

Bob Howard and Craig Byrd were asked about their experiences with fund raising for agencies that received government funds. Both expressed success raising funds by explaining to donors the level of government funds received were inadequate to achieve their goals.

Jade Cox favors the name "Thrive Upstate Foundation" or to work in "Thrive Upstate" in a name as an anchor.

Mr. Ariail expressed that Mr. Baucom and he, after investigating the foundation, felt the establishment of the foundation should go forward. An additional meeting with the auditor is planned, and discussion will include paying a staff person to raise funds for the foundation and the use of the Thrive Upstate name.

Mr. Ariail requested the Minutes reflect the Board was aware the establishment of the Thrive Upstate Foundation incurs some risks in an audit but was done to protect the brand and serve people with disabilities.

A Motion: Bryant Nixon motioned to create a foundation called Thrive Upstate Foundation in accordance with the Constitution and Bylaws Foundation draft of 3/5/17 presented at the Called Board of Directors Meeting on March 9, with such changes as deemed necessary on or before the Board Meeting on March 23, 2017. Peggy Farmer seconded the motion, and the motion passed unanimously.

Other Business: No other business was discussed.


Public Comments: Bill Farmer inquired if foundation funds could be used to reduce the waiting list for services. Mr. Cociolone responded it could be done.

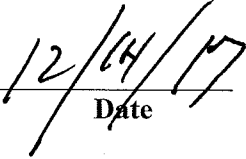
Bob Howard suggested that Thrive Upstate Board members could be honorary, ex-officio, non-voting members on the foundation board to educate voting members.

Mr. Cocciolone said former Board members would be eligible to serve as voting members on the foundation board.

Adjournment: The meeting adjourned at 6:02 PM.

Respectfully submitted by Sandy Brown, Executive Assistant.

Approved by: 
Bob Ariail, Chair


Date