Colorado Humanities Board of Directors Meeting
June 6, 2020
Online

Present: Nelson, Ballantine, Best, Bentz, Dadone, Fajardo, Holden, Kalish, Koehler, Lee, Mason, Miller, Montgomery, Philpott, Schincke, Tate
Absent: Cordova, Garcia, Koehler
Guests: Kelly Watson, CPA of Watson, Coon, Ryan LLC
Staff: Coval, Albright, Jones, Tucker

1. **Welcome and videoconferencing guidelines** (Nelson)
   Nelson welcomed the Board and referred them to the guidelines. Board members took time to test their audio connections.

2. **Icebreaker and introductions** (Nelson)
   Board members introduced themselves and shared about the greatest change they have experienced in working from home.

3. **Approval of agenda** (Nelson)

   Motion by Kalish to approve the agenda.
   Seconded by Schincke
   Vote: Unanimously approved

4. **Approval of minutes of the March 7, 2020 Board meeting** (Nelson)

   Motion by Schincke to approve the minutes of the March 7, 2020 Board meeting.
   Seconded by Holden
   Vote: Unanimously approved

5. **Chair's report** (Nelson)
   a. Board members' recent activities
      Nelson thanked individual members for their recent activities:
      - Miller for emceeing one of the Colorado Book Awards finalist readings
      - Garcia for chairing the Officer Nominations Committee
      - Schincke for serving on the Officer Nominations Committee
      - Cordova for serving on the Officer Nominations and Grants Committees
      - Tate for facilitating a meeting with the executive director of the Hispanic Chamber and arranging a second meeting, for chairing the Grants Committee, for meeting with board prospects and for attending new board member orientation
      - Holden for consulting with staff on marketing strategies, for participating in the meeting with the executive director of the Hispanic Chamber, and for participating on the Grants Committee
      - Kalish and Ballantine for serving on the Grants Committee and all on the Committee for helping to develop the grant guidelines and social media challenge
      - Bentz for meeting with board prospects and participating in board orientation
      - Keith for providing information to develop a funding proposal for Arts in Society

- the Finance and Executive Committees for meeting with the auditor to review the draft audit
- all board members and staff for mastering Zoom and participating in online meetings

b. PPP loan board resolution
Nelson reviewed a resolution that officially gives Coval authority to sign Payroll Protection Plan loan documents.

Motion by Best to approve the Payroll Protection Plan Resolution.
Seconded by Kalish
Vote: Unanimously approved

c. Proposed board meeting dates in 2021

Motion by Dadone to approve the proposed board meeting dates for 2021.
Seconded by Philpott
Vote: Unanimously approved

d. Committee preferences
Board members were asked to complete the Committee Preference Form, indicating their first, second and third choices, and including a note if they would like to serve on more than one committee. The forms are to be returned to staff by June 15th.

6. **Executive Director's report** (Coval)
Coval thanked Nelson for facilitating the Executive Committee conversations on the application for the PPP loan, for participating in new board member orientation, and for emceeing the Colorado Book Awards online celebration.

a. CH operations update
Coval reported that staff are still primarily working remotely, which has gone well. Productivity has been maintained, and staff have remained healthy. Coval praised staff for adaptability, creativity, and transition to online meetings and program implementation. The transition back to work in the office will happen slowly.

There are two new temporary staff members, intern Nora Ridgeway, and Grants Administrator Marnie Lansdown

b. NEH interim report
The NEH Interim Report is due June 12th. Due to the delay in receiving the Site Visit report, Coval said this interim report includes a 2-year report on activities and response to the Site Visit report. It follows a new narrative format which was presented at the National Humanities conference. A report of data from 2020 will be due in January 2021.

Nelson mentioned that development of the CARES Act grants process is helping to inform the process for potential future grants, which the Site Visitors strongly encouraged. Revision of the succession plan for key personnel is also still in process.

Motion by Philpott to approve the NEH Interim Report with the understanding that responses to the site visit request to consider implementing a grants program, and to create a succession plan, are still in process.
Seconded by Holden
Vote: Unanimously approved

c. NEH and Federation updates
NEH president Esther Mackintosh retired and was replaced by Phoebe Stein. Coval said the transition has gone well.

Coval said the National Humanities Conference is November 5-8 in Indianapolis, IN. She reminded the board that there is a travel stipend available to new members.

7. **Audit Committee** (Ballantine)
Coval said the audit was completed after two months of fieldwork. She expressed the opinion that the Committee had made a good selection of new auditor. Kelly Watson, CPA, of Watson Coon Ryan, LLC presented the audit report. Watson said overall the audit went well, despite challenges created by the COVID-19 quarantine.

Page 3 shows the statement of financial position compared to FY2018. Accrued payroll liabilities is a new addition. There has been an adjustment at the bottom of the page to show accrued vacation as a liability. Accrued vacation has not reported in the past so a prior period adjustment for 2018 has been included. New language, including the page title, and 'net assets with/without donor restrictions' has been implemented to make reporting more uniform across all non-profits. Funds with donor restrictions will be carried into FY2020.

Page 5, Statement of Functional Expenses has changed significantly. The new standard specifies what is allowed and where to a greater extent. More items are required to be in General Management, which will change the proportionate percentages most organizations have been reporting for several years. Watson said items that were able to be allocated to programs, such as some personnel expenses, were.

There was no change in Prior Year Functional Expenses, page 6, and nothing outstanding in Change in Cash Flow, page 7.

Extensive notes begin on page 8. Coval provided descriptions of all programs, which were added to match what is reported on the 990. Watson said there is additional boilerplate on page 9 explaining how investments are valued. In-kind gifts of items and services that would otherwise be paid can be included as match toward the NEH grant, but volunteer hours cannot, which explains the large difference between the audit and NEH financial reports.

Page 11 provides a brief explanation of the prior year adjustment, the new standards that have been implemented, and additional new standards to come.

Page 12 shows Available Resources and Liquidity. There is a new footnote that shows what could be spent in the next 12 months. Also included is a new note that indicates what is available in the line of credit.

Page 13 shows the GAP requirement to show the level of investments. The value of level I investments, such as mutual funds, can easily be researched by the public. Determining the value of level II investments, like the endowment fund at Community First Foundation, will require the assistance of the financial provider. The value of Level III investments is not easily discernable.

Page 14 discusses investments at Community First Foundation. Page 15 covers leases. Page 16 shows funding from NEH. Note 9 refers to the retirement fund. There is also a statement disclosing COVID-19 as a subsequent event with an as yet unknown impact.

Page 17 reports on the uniform guidance audit, which shows the auditor confirmed controls that show compliance.

Page 19 is Watson's opinion on internal control. Documented donor support is needed for the value of in-kind donations. 5 out of 40 samples had insufficient support. Appropriate documents were provided by staff/donors, so although it was a significant deficiency, it is not concerning. Watson stressed that support for donations must always be maintained. Staff will strengthen controls.

Page 23 explains internal controls and financial statement findings. There are two levels of findings: material weaknesses, which are highly problematic, or significant deficiencies. Page 24 is the explanation of significant deficiencies, and Coval's response. Page 25 will be Coval's response on CH letterhead to show that it is an internal response, rather than a response from the auditor.

Watson reported good communication and responsiveness from CH staff, and clean audit findings with no issues. Any questions asked were met with answers she found reasonable. She said CH has good controls for an organization its size.

In response to board questions, Watson explained that fundraising expenses are primarily personnel and accounting time spent in allocation. Dadone felt that 10% was high compared to funds raised. Watson said personnel is an estimate which may be overstated. She and Coval will investigate possible future re-allocation.

Motion by Lee to accept the FY2019 audit.
Seconded by Keith
Vote: Unanimously approved

8. Finance and Infrastructure Committee (Ballantine)

a. Investment and endowment funds report
Ballantine reported that the investment funds that had been reallocated so they would follow the market without intensive management, have done just that. Despite recent downturns in the market, investments are currently performing at a level similar to October of last year. Ballantine thanked Koehler for sharing her recommendations.

b. FY2020 financials
Coval reviewed the March financial statements. She expressed no significant concern. She noted that on page 8 the first line showing NEH grant funds will increase by $7,000

as funds are matched. Item on page 10, Operations in the right column should be approximately 42%. Some items are higher, for example the Federation Conference as a result of the Hawaii venue. Board meeting expenses are down.

Contract accounting and auditing will be over budget. Monthly accounting costs are increasing as the result of the firm's merger with another company. The amount had not increased in several years. The firm is also asking for an additional $3,500 to help manage the CARES Act distributions and tracking. The new auditor will cost $16,000-$17,000 more than was budgeted.

Coval said that on page 11, Programs, there are some personnel changes reflected. A new Motheread/Fatheread Coordinator was hired. Program Coordinator Bess Maher resigned and a contractor was hired to oversee Colorado Book Awards 2020. Two temporary part-time positions, an intern and a grants administrator, are not yet included. Coval said she anticipates that the salary expenses will be similar to what was budgeted. She will review program P&Ls to determine how the changes are affecting individual program budgets. Changes will be seen primarily in travel and contracts.

c. Other

Coval said the House and Senate will meet virtually on June 22nd to begin work on the 2021 Budget.

9. CARES Act Grants Committee report (Tate)

Tate named the individuals participating on the CARES Act Grants Committee. Committee members and staff worked to develop eligibility criteria for applicants. Acceptance of applications opened May 22nd with a deadline of June 19th. Next, the Committee will develop a rubric for evaluating the applications that are received. Tate asked the board to help with publicity by sharing the opportunity on their Facebook pages and with at least three organizations.

10. Nominating and Governance Committee (Tate)

a. Board nominations report

Tate acknowledged new members Kalish, Montgomery, Dadone and Fajardo. She reported that the board is one seat short of a full membership. All Governor-appointed positions are filled. The remaining seat is an elected position. The Nominating Committee is looking to fill gaps in geographic representation with the final nominee.

b. Election of officers and committee chairs (Garcia)

Garcia, Schincke, and Cordova served on the Officers Election Committee, with Garcia as chair. Schincke reported on behalf of Garcia. With the exception of Ballantine, all current officers have agreed to continue serving. Lee is running to replace Ballantine as Finance Committee chair.

Motion by Miller to approve the officers slate.
Seconded by: Kalish
Vote: Unanimously approved

11. Program Policy and Evaluation Committee (Philpott)

a. Program update and status report (Jones)

Philpott encouraged the board to thoroughly read through the program status document. Jones provided an update of programs. Of note:

- The Colorado Book Awards (CBA) intern is digitizing and uploading CBA speakers bureau resources
- CBA was presented online via Zoom videoconferencing last Saturday. Nelson hosted. So far, the recording has generated almost 2,000 views, which is ten times the reach of past live celebrations.
- Poet Laureate content and Veterans Writing workshops have been provided online
- Motheread Inc. is supporting adaptation of training materials for online delivery. A virtual training institute will be conducted via Zoom the week of June 15th.
- Museum on Main Street exhibit start dates will all shift five weeks later
- Young Chautauqua (YC) coach Susan Marie Frontczak and staff are in discussion about creating online resources to increase program reach. Greeley, Grand Junction, and Boulder YC schools transitioned successfully to online for coaching and scholar presentations.
- Ballantine said a decision will be made regarding September's History Live Durango within the next three weeks. There is concern about the effectiveness of virtual delivery of Chautauqua presentations. Mason is encouraging the Southwest Colorado Humanities Roundtable to continue meeting, regardless.
- High Plains Chautauqua and History Alive! Colorado West Chautauqua have postponed their 2020 plans until 2021.

b. 2021 program plan

Jones reviewed the 2021 Program Plan document. In an effort to expand partnerships, there are plans to develop requests for proposals for grants for several programs, including Poet Laureate/Latino Heritage Live, Motheread/Fatheread Colorado, and Changing the Legacy of Race.

CH hopes to identify three communities in which to develop a regional network using the Southwest Colorado Humanities Roundtable as a model. Veterans Writing will continue online, but will also be implemented live in Steamboat Springs. History Speakers Bureau is being revitalized. Young Chautauqua will continue live in schools where it is an established program.

High Plains Chautauqua will change to become more community-driven with less CH direct management and funding. Discussion followed. Mason suggested spending time motivating community program leaders to move from discussion roles to action roles. Nelson asked Philpott and Best to join Coval and Jones to discuss the best way to transition the program. Their plans will become a model for transitioning other programs. Nelson asked them to include thoughts about how to develop local skills. He suggested that CH's best role may be to develop programs that will eventually be self-directed and self-sustaining.

Motion by Philpott on behalf of the Program Committee to approve the 2021 Program Plan as presented, with the addition of a High Plains Chautauqua withdrawal action plan as discussed.

Vote: Unanimously approved

c. Other
Tate said a group of board members met Friday to discuss the possibility of developing a Changing the Legacy of Race and Ethnicity program around current events, with the goal of bridging community divides. Tate, Bentz, Montgomery, Best, Nelson, and Miller attended, along with Coval and Jones. A combination of online platforms, including Zoom, Facebook Live, and YouTube was suggested. Discussion followed. Montgomery, Tate, Keith, and Lee have contacts that may be helpful. Dadone, Kalish, and Holden want to be included in future meetings. The group will meet again, soon.

12. Marketing project update (Holden)
Holden reported that production of the brand video has been postponed due to social distancing requirements. While waiting to film, staff have been cleaning email lists. Holden has spent time at GroundFloor Media identifying the audience, and setting up Google analytics tracking software analytics and search engine optimization.

Holden suggested being more proactive, applying for Google ad grants, for example. CH's Twitter account shows reach and interaction with partners, and Facebook has become a message board. Holden said those platforms need to be utilized for purveying content, rather than for promotion. The Marketing Committee will reconvene soon to discuss priorities.

13. Development and External Affairs Committee (Holden)

a. Fundraising status report (Coval, Tucker)
Tucker reviewed the fundraising status report. She noted that items in red indicate a probable budget and goal revision. She pointed out several programs for which fundraising is not developed enough for implementation in 2020, such as Poet Laureate/Latino Heritage Live. Funds raised for HPC 2020 will be rolled forward to implement that program in FY2021. Coval said some program goals will be revised, for example CH is partnering with Museum on Main Street hosts, but not fundraising for them. Dadone suggested contacting host cities, arts organizations, visitors' bureaus, and community foundations for MOMS support.

b. Board giving policy
Holden said the Development Committee is discussing give/get policies to appropriately credit board members for participation in fundraising events. A draft policy will be presented at the September board meeting.

Holden discussed regular board giving. He encouraged members that have yet to give or turn in a giving pledge for FY2020 to do so. Holden stressed that CH funders want to see donations and investment from board members. The Committee will implement formalized touchpoints throughout the year, and provide more giving options, such as online giving or automatic fund transfers, to facilitate participation.

c. Casino night update
Holden said the committee is still discussing a possible Casino night fundraiser. Cordova has volunteered to provide game tables and dealers. Other needs include a venue and catering. Lee and Keith had a conversation about protocols for a casino night and similar

fundraising events. Guidelines are in process. Keith will forward a document to use as a template. Holden said these events need to be Board-driven without requiring excessive staff time.

14. Other business

There was a brief conversation about whether the September board meeting will be held live. Coval asked the board to email any questions or concerns. A decision will be made in August.

Adjourned.

The Board of Directors Minutes have been approved by the Board, and signed on this 18th day of September, 2020.

by: Margaret A. Coval

Margaret A. Coval
Executive Director, Corporate Secretary
Colorado Humanities