

MINUTES
COUNCIL ANNUAL MEETING
FEBRUARY 10, 2018
QUINCY REGIONAL AIRPORT
QUINCY, IL

2017 Executive Board Members in Attendance

Isaiah Aden	Cecil Haskins	Josh Schier
Rick Atwood	Joe Henning	Misty Scott
Brent Babyak	Greg Humphrey	Dennis Stewart
Donna Buss	Keith Klusmeyer	Ron Teater
Mark Crooks	Karen Mayville	Jeff Terry
Robert Dickson	John McKillip	Cody Wright
Greg Ellingson	Kevin Mineart	
Jack Freiburg	Doug Peters	

2018 Executive Board Members in Attendance

Isaiah Aden	Jack Freiburg	Doug Peters
Rick Atwood	Cecil Haskins	Josh Schier
Brent Babyak	Joe Henning	Misty Scott
Rick Buller	Greg Humphrey	Nathan Smith
Donna Buss	Keith Klusmeyer	Dennis Stewart
Mark Crooks	Karen Mayville	Ron Teater
Robert Dickson	John McKillip	Jeff Terry
Greg Ellingson	Kevin Mineart	Cody Wright

Chartered Organization Representatives in Attendance

Gary Kuhn	John Logsdon	Scott Moore
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Members-at-Large in Attendance

O. Mike Hausch
Rev. Mark Spring

Others in Attendance

J. David Gilbert	Todd McGregor	Rosanna Voss
Todd Lamison	Bruce Moechnig	
David Lane	S. Scot Sullivan	

Council President Kevin Mineart called the meeting to order at 7:10 p.m. A quorum was declared present.

Action Items:

- ◆ MOTION (by Brent Babyak, seconded by Dennis Stewart) TO ACCEPT THE FINANCIAL STATEMENTS AND VICE PRESIDENT REPORTS AS PRESENTED. Motion carried.
- ◆ MOTION (by Joe Henning, seconded by Kevin Mineart) TO ACCEPT THE NOMINATING COMMITTEE REPORT AS PRESENTED FOR THE FOLLOWING THREE ACTIONS: (1) ELECTION OF COUNCIL MEMBERS-AT-LARGE, (2) ELECTION OF EXECUTIVE BOARD, AND (3) ELECTION OF NATIONAL COUNCIL REPRESENTATIVE (report attached). Ballots were cast with the following results:

(1) Election of Council Members-at-Large 21 votes in favor and 0 opposed; (2) Election of Executive Board 21 votes in favor and 0 opposed; (4) Election of National Council Representative 19 votes in favor and 3 abstained. Motion carried.

- ◆ MOTION (by Joe Henning, seconded by Kevin Mineart) TO ACCEPT THE NOMINATING COMMITTEE REPORT AS PRESENTED FOR THE ELECTION OF OFFICERS (report attached). Ballots were cast with the following result: 20 votes in favor and 0 opposed;
- ◆ MOTION (by Misty Scott, seconded by Greg Humphrey) TO ACCEPT THE CONSENT AGENDA FOR THE FOLLOWING ITEMS WHICH ARE CURRENT PRACTICES OF THE MISSISSIPPI VALLEY COUNCIL AND OUR NATIONAL ORGANIZATION SUGGESTS WE PUT INTO RECORD AT EACH ANNUAL MEETING: CHECK SIGNERS; AUTHORIZED ACCOUNT REPRESENTATIVES FOR INVESTMENTS AND CDS; SAFE DEPOSIT BOX ACCESS; ANNUAL BUDGET RESOLUTION; AUTHORITY OF SCOUT EXECUTIVE; CONFLICT OF INTEREST POLICY FOR COUNCIL EMPLOYEES, CONFIDENTIAL ETHICS REPORTING POLICY FOR COUNCIL EMPLOYEES, CONFLICT OF INTEREST POLICY FOR EXECUTIVE BOARD MEMBERS; COUNCIL CREDIT CARD NUMBER SECURITY POLICY; CAPITALIZATION POLICY; PLANNED GIVING POLICY; GUIDELINES FOR VALUING AND RECOGNIZING ENDOWMENT GIFTS; SPENDING POLICY; INVESTMENT POLICY; COUNCIL FINANCE PLAN/EXECUTIVE BOARD STANDARD OPERATING GUIDELINES; PERMISSION TO SEEK FUNDING FROM UNITED WAYS, FOUNDATIONS, TRUSTS, AND OTHER GRANTORS; AND SPECIFIC ASSISTANCE TO INDIVIDUALS/SCOUTREACH RESOLUTION (resolutions attached). Ballots were cast with a vote of 21 in favor and 2 abstain. Motion carried.
- ◆ MOTION (by Greg Humphrey, seconded by John McKillip) TO APPROVE THE MINUTES OF THE FEBRUARY 11, 2017 ANNUAL MEETING AS WRITTEN. Motion carried.

Report Items:

- ◆ Treasurer's Report (John McKillip): John reported the financial statements were submitted to national on time for *Journey to Excellence* compliance. Inventory reconciliation this December went very well with much lower write-offs. This is credited to better controls and more frequent journal entries to keep up-to-date.
 - Income Statement:
 - Net FOS \$190,749 is \$13,000 over budget and \$16,000 over last year
 - Special Events \$50,517 comprised of Sporting Clays, Trivia Nights, Tougher Than a Boy Scout golf event
 - Other Support \$119,684 – foundations & investment income
 - Product & Shop Sales \$288,828 – popcorn, camp cards, scout shops \$28,000 under budget
 - Camping & Activities \$527,297 – camp \$22,000 under budget, activities \$23,000 over budget
 - Compensation \$704,535 includes camp salaries \$36,000 under budget, vacant DE
 - Program Supplies \$221,304 – camp supplies, food, etc.
 - Occupancy \$248,464 – gas, electric, telephone, etc.
 - Net Surplus was \$72,998
 - FOS \$16,000 over and compensation \$36,000 under - \$52,000
 - Balance Sheet:
 - Cash & Investments \$1,421,004. \$800,000 in Capital Fund. Mostly board designated for improvements to council properties.
 - Property & Equipment \$719,230 camps & offices
 - Long Term Investments \$2,310,936 Endowment fund. Mostly restricted. Council uses interest and dividends

- Custodial Accounts \$85,000 dues pending payment to national, \$49,000 unit deposits, \$10,000 OA & NESAs
 - Net Assets. Unrestricted \$3,127,000, temporarily restricted \$395,000, permanently restricted \$2,100,000
- ◆ Nominating Committee Report (Joe Henning): The Nominating Committee was appointed by Council President, Kevin Mineart, and confirmed by the Executive Board. The Nominating Committee recommends four slates for action: 2018 Council Members-at-Large, Executive Board, Officers, and National Representative. Joe called attention to the slates in the voting member packets and stated ballots were cast with the following results:
 - Election of Council Members-at-Large 23 votes in favor and 0 opposed; (2) Election of Executive Board 23 votes in favor and 0 opposed; (3) Election of Officers 23 votes in favor and 0 opposed; (4) Election of National Council Representative 20 votes in favor and 3 abstain.
- ◆ Consent Agenda (Kevin Mineart): Kevin reported the Consent Agenda for the following action items which are current practices of the Mississippi Valley Council and our National Organization suggests we put into record at each Annual Meeting: Check Signers; Authorized Account Representatives for Investments and CDs; Safe Deposit Box Access; Annual Budget Resolution; Authority of Scout Executive; Conflict of Interest Policy for Council Employees; Confidential Ethics Reporting Policy for Council Employees; Conflict of Interest Policy for Board Members; Council Credit Card Number Security Policy; Capitalization Policy; Planned Giving Policy; Guidelines for Valuing and Recognizing Endowment Gifts; Spending Policy; Investment Policy; Council Finance Plan/Executive Board Standard Operating Guidelines; Permission to Seek Funding from United Ways, Foundations, Trusts, and other Grantors; and, Specific Assistance to Individuals/Scoutreach Resolution. Ballots were cast with a vote of 21 in favor and 2 abstain.
- ◆ President's Remarks (Kevin Mineart): Kevin welcomed new board members Nathan Smith, William Stuflick, and Christie Bliven as well as our new officers Treasurer Misty Scott, Vice President of Admin Jeff Terry, and Vice President of Fund Development Rick Buller. Kevin also recognized two officers who have provided decades of service to the Board. Ron Teater and John McKillip have transitioned from officers to board members this year. Kevin stated he is very proud of the work the council did in 2017. He thanked the board and volunteers for all we did. He also thanked everyone who helped with a project at Camp Eastman or Saukenauk Scout Reservation. He highlighted the leadership of our honor societies and the amazing number of volunteer hours provided by the Tribe and Lodge. Kevin also thanked Joe Henning for helping to secure the evening's location and everyone who had a hand in the evening's event. Kevin stated that our council board has been sending out a growing contingent each year to the National Annual Meeting. This year it is going to be in Dallas, Texas. It is a very motivating experience that allows key board members some good bonding time.
- ◆ Journey to Excellence (Todd McGregor): Mr. McGregor explained the National Council introduced *Journey to Excellence* in 2011 as a way to provide a roadmap to success for units, districts, and councils. Those who earn the gold level of *Journey to Excellence* are considered to be in the top 10% of units, districts, and councils in the country. He announced that the Mississippi Valley Council has received the Gold Level of the *Journey to Excellence* report for the 7th consecutive year. On behalf of the National Boy Scouts of America, he congratulated the Mississippi Valley Council. He stated this is an amazing feat and every one should be proud of the work they do to support the Scouts in the Council.
- ◆ Spirit of Scouting Awards (Isaiah Aden and Cody Wright): *The Spirit of Scouting* award is presented to a community group or organization that exemplifies the high ideals of Scouting and who goes above and beyond in service to our Scouting community. The recipients of this year's award are perfect examples of an organization that provides countless hours of service and helps

build the adventure for the 2,700 Scouts in the Mississippi Valley Council. The first recipient is a group of Scouting alumni who remember their Scouting adventures and aim to ensure Scouts have the same life-changing experiences that they did. Their passion is enhancing the program for Scouts who attend Saukenauk Scout Reservation. The Saukenauk Preservation Society has funded several projects including the Shotgun Range, Long Range Rifle Range, Scoutcraft Shelter, and many miscellaneous repairs and upgrades. Last year they funded and built a bouldering wall around the climbing tower. The second recipient of this award is dedicated to the enhancement of the Camp Eastman experience. The Camp Eastman Development Association works to improve the facilities and programs enjoyed by Scouts throughout the year. CEDA's impressive list of contributions include the vending kiosk, the COPE Course, developing the Sports area, building shelters for the Trading Post, Scoutcraft, and Archery Ranks, and rehabilitating Eastman Lodge. This past summer they funded three new Honor cabins that are available for use throughout the year.

- ◆ Spurgeon Awards (Isaiah Aden): The William Spurgeon Award is a national award that is presented at the Council level and is the highest honor that can be presented to a volunteer for Exploring. The 2017 recipient is the Quincy Fire Department. QFD has sponsored Explorer Post 104 for over 30 years and recently added Club 104 for middle school students. Quincy Fire Department has supported numerous Explorers not only locally, but as a regional and national level.
- ◆ Silver Beaver Presentation (Brent Babyak): The Silver Beaver Court of Honor was officially opened at 7:25 p.m. for the purpose of presenting the Silver Beaver to three worthy recipients of the Mississippi Valley Council. Recipients are Keith Klusmeyer, Jim Mehaffy, and Tad Sorrells.
- ◆ Scout Executive Remarks (Todd Lamison): Todd congratulated all the award recipients, especially the Silver Beavers. He also thanked Todd McGregor, Kevin Mineart, Dennis Stewart, the board, emcees, presenters, and the staff. He also thanked the OA for leading the way in community service. Scouting in 2017 would not have happened without all of our volunteers from the unit level through the council level. Todd thanked everyone for making our communities a better place. This fall, we are going to be hosting a Council Camporee with the goal to make this an event that Scouts come from all over the region to participate. The theme of the camporee will be heroes – the heroes that walk among us – those willing to sacrifice for us – heroes like firemen, police officers, EMTs and military – the type of heroes Scouting makes. Todd thanked everyone for coming out and asked everyone to give all the award recipients one last round of applause.

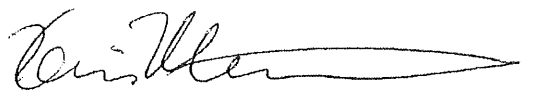
The meeting was declared adjourned at 8:10 p.m.

Respectfully submitted,



Todd Lamison
Scout Executive

Attest:


Kevin Mineart, Council President

/rcv

Reviewed by Executive Committee – April 17, 2018

MISSISSIPPI VALLEY COUNCIL, BSA 2018 NOMINATING COMMITTEE REPORT

COUNCIL MEMBERS AT LARGE –

Rick Atwood	Greg Feldberg	Gina Lanning	Jim Sholl
Brent Babyak	John J Freiburg II	Jon Manley	Nathan Smith
Charlie Bach	Dennis Gorman	Karen Mayville	Rev. Mark Spring
Christie Bliven	Jack Gunsten	John McKillip	Dennis Stewart
Rick Buller	Parker Hanks	Kevin Mineart	William Stuflick
Donna Buss	Cecil Haskins	Ryan Nagrocki	Ron Teater
Mark Crooks	O. Mike Hausch	Bill Paxton	Jeff Terry
Robert Dickson	Joe Henning	Doug Peters	Marcel Wagner
Terri Dowell	Greg Humphrey	Joshua Schier	Curt Wavering
Will Duryea	Keith Kaufmann	Misty Scott	Kent Williams
Kent Embree	Keith Klusmeyer	Jack Sharkey	

EXECUTIVE BOARD –

#Isaiah Aden	Greg Ellingson	Gina Lanning	Dennis Stewart
Rick Atwood	Kent Embree	Karen Mayville	Nathan Smith
Brent Babyak	Greg Feldberg	John McKillip	William Stuflick
Christie Bliven	John J Freiburg II	Kevin Mineart	Ron Teater
Rick Buller	Dennis Gorman	Ryan Nagrocki	Jeff Terry
Donna Buss	Cecil Haskins	Bill Paxton	Marcel Wagner
Mark Crooks	Joe Henning	Doug Peters	Curt Wavering
Robert Dickson	Greg Humphrey	*Joshua Schier	Kent Williams
Terri Dowell	Keith Kaufmann	Misty Scott	#Cody Wright
*Will Duryea	Keith Klusmeyer	Jeff Spear	

#Youth Representative

*District Chair

Officers

OFFICERS –

President – Kevin Mineart
 Vice Presidents – Brent Babyak, Rick Buller, Donna Buss, Bob Dickson, Greg Feldberg, Joe Henning, Jeff Terry
 Treasurer – Misty Scott
 Scout Executive / Secretary – Todd Lamison

NATIONAL COUNCIL REPRESENTATIVE –

Joe Henning

ADVISORY COUNCIL (submitted for action at next Executive Board Meeting)–

Charlie Bach	William Ell	James Olson
Dan Brink	O. Mike Hausch	Jack Sharkey
Fred Cory	Jeffery Kennedy	Rev. Mark Spring
Tom Dickerson	Jon Manley	Scot Sullivan
William Edwards	James Miller	Charles Walsh
Mike Elbe	Bruce Moechnig	Daniel Wiedemeier

Submitted by Nominating Committee Chairman Joe Henning

Nominating Committee – Brent Babyak, Jon Manley, Jeff Terry, Mark Crooks

Consent Agenda February 10, 2018

1. Check Signers
2. Authorized Account Representatives for Investments and CDs
3. Safe Deposit Box Access
4. Annual Budget Resolution
5. Authority of Scout Executive
6. Conflict of Interest
 - a. Conflict of Interest Policy for Council Employees
 - b. Confidential Ethics Reporting Policy for Council Employees
 - c. Conflict of Interest Policy for Executive Board Members
7. Council Credit Card Number Security Policy
8. Capitalization Policy
9. Planned Giving Policy
10. Guidelines for Valuing and Recognizing Endowment Gifts
11. Spending Policy
12. Investment Policy
13. Council Finance Plan/Executive Board Standard Operating Guidelines
14. Permission to Seek Funding from United Ways, Foundations, Trusts, and other Grantors
15. Specific Assistance to Individuals/Scoutreach Resolution

Resolution to Establish Authorized Check Signers February 10, 2018

Two authorized signatures are required on all checks written by the Mississippi Valley Council, Boy Scouts of America. All checks shall have attached, for review, documentation and approvals as required by council policy. This resolution includes all current and future bank accounts including but not limited to Mercantile Bank, F&M Bank & Trust, Town & Country Bank, 1st Bankers Trust and Marine Bank.

Based upon the recommendation of the Council Executive Committee, the following positions are submitted to the Board for approval as the only authorized check signers:

Kevin Mineart – President
Brent Babyak – 1st Vice President
Misty Scott – Treasurer
Joseph Henning – Past President
To be determined before Annual Meeting – Executive Board Member/Assistant Treasurer
Todd Lamison – Scout Executive

All checks shall have attached, for review, documentation and approvals as required by council policy. In addition to the signers, any Bank where the Council has an account may provide information regarding the account(s) to Ryan Barnes, Controller.

Adopted December 7, 1978
Ratified February 11, 2017
Executive Committee Updated January 16, 2018

**Resolution to Establish Authorized Account Representatives
for Investments and CD's**
February 10, 2018

One authorized account representative is required on any required transactions for investment accounts. Changes to accounts must be approved through the board or appointed board committee. All distributions from these accounts must be directly deposited to a Mississippi Valley Council bank account. This resolution includes all current and future investments including but not limited to BSAAM, US Bank and 1st Bankers Trust CD.

Based upon the recommendation of the Council Executive Committee, the following positions are submitted to the Board for approval as the only authorized representatives:

Kevin Mineart – President
Misty Scott – Treasurer
Todd Lamison – Scout Executive

In addition to the account representatives, any institution where the Council has an investment may provide information regarding the investments(s) to Ryan Barnes, Staff Accountant and our Vice President of Endowment, Greg Feldberg.

Adopted February 7, 2015
Ratified February 11, 2017
Executive Committee Updated January 16, 2018

**Resolution to Establish Authorized
Access to Council Safe Deposit Box**
February 10, 2018

One authorized representatives of the Mississippi Valley Council are required to gain access to the council safe deposit box located at 33rd Street facility of Mercantile Bank & Trust Company in Quincy, IL.

The following positions are submitted to the Executive Board for approval as having authorized access to the council safe deposit box:

Kevin Mineart – President
Misty Scott – Treasurer
To be determined before Annual Meeting – Executive Board Member/Assistant Treasurer
Todd Lamison – Scout Executive

Adopted February 12, 2005
Ratified February 11, 2017
Executive Committee Updated January 16, 2018

Annual Budget Resolution

February 10, 2018

The management of the Mississippi Valley Council is hereby authorized to expend funds in accordance with the budget for the year 2018, herein approved. It shall be the role of the Executive Committee to exercise any actions necessary to further the mission of the Council and support the day to day operations. This shall include, but not limited to:

Approve any expenditures, not included in the approved operating budget for the current fiscal year, of an amount up to \$10,000 in aggregate between Executive Board meetings. Any amount of expenses appropriately utilizing designated or restrictive funds may be approved by the Executive Committee.

If, when considering an expenditure of funds of \$10,000 or more and at least 25% of the Executive Committee members in attendance feel that the expenditure should not be approved as presented, the action will be tabled to the Executive Board.

Adopted February 7, 2015

Ratified February 11, 2017

Executive Committee Updated January 16, 2018

Authority of Scout Executive

February 10, 2018

RESOLVED, That subject to any limitation imposed by law, the bylaws, or any resolution of the executive board or executive committee, the Scout Executive be and hereby is authorized and empowered, for and on behalf of the corporation and in its name, to deliver, enter into, acknowledge, cancel, and revoke any and all agreements, conveyances, mortgages, powers of attorney, or other instruments which are incident to the carrying on, in the normal course, of the regular affairs of the corporation; and be it further

RESOLVED, That subject to any limitation imposed by law, the bylaws, or any resolution of the executive board or executive committee, the Scout Executive, and the treasurer, be and hereby are and each of them hereby is authorized and empowered, for and on behalf of the corporation and in its name, to deliver, execute, acknowledge, and pay any fees connected with any and all applications, reports, returns or other instruments required by any governmental authority, which are incident to the carrying on, in the normal course, of the regular affairs of the corporation.

Adopted February 7, 2015

Ratified February 11, 2017

Executive Committee Reviewed January 16, 2018

Conflict of Interest Policy for Council Employees

RESOLVED, that the following conflict-of-interest policy is the policy of this corporation and is applied to all council employees.

It is imperative that employees of the council conduct themselves with a degree of honesty and integrity which is beyond reproach or even suspicion.

While it is not possible to anticipate every situation and prescribe a precise rule for each, it is possible to set forth certain basic, general principles to be observed by employees at all times. The essence of this policy is that employees shall always deal with others doing, or seeking to do, business with the council in a manner that excludes all consideration of personal advantage. Accordingly, every employee of the council is subject to the following policy:

Interest in Any Other Business Organizations

Employees of the council or members of their immediate families shall not have any interest, direct or indirect, in any other business which in any degree conflicts with the employee's primary obligations to the council. In this regard, employees or members of their immediate families should not possess a significant financial interest in, or receive remuneration from, any business that does, or seeks to do, business with the council. In addition, employees should not conduct business on behalf of the council with members of their immediate family, or an association which could be construed as significant in terms of potential conflict of interest. Employees or members of their immediate family should not do business with other employees of the council on the basis of their mutual association with the council.

Transactions Between the Council and "Disqualified Persons"

No employee who is a "disqualified person" with respect to the council under Section 4958 of the Internal Revenue Code may enter into any transaction with the council, if such transaction would constitute an "excess benefits transaction" under the aforementioned Internal Revenue Code section.

Gifts, Favors, Entertainment, and Payments to Employees

Employees shall not seek or accept any gifts, payments, fees, services, valuable privileges, vacations or pleasure trips, loans (other than conventional loans from lending institutions), or other favors from any person or business organization that does, or seeks to do, business with the council. No employee shall accept anything of value in exchange for referral of parties to any person or business organization that does, or seeks to do, business with the council. In the application of this policy:

- a. Employees may accept common courtesies of nominal value usually associated with accepted business practices for themselves and members of their families.
- b. An especially strict standard is expected with respect to gifts, services, or consideration of any kind from suppliers. Entertainment at the expense of suppliers beyond that contemplated by (a) above should not be accepted under any circumstances.
- c. It is never permissible to accept a gift in cash or cash equivalent of any amount.
- d. This policy does not preclude the acceptance of gifts that will benefit the council rather than an individual employee.
- e. This policy does not preclude the acceptance of courtesies extended to employees of the council in their official capacities, such as gratis hotel rooms for business use (but not personal use) in connection with meetings.

- f. This policy will be communicated to persons and organizations doing, or seeking to do, business with the council.

Gifts, Favors, Entertainment, and Payments by the Council

Gifts, favors, and entertainment may be given to others at the expense of the council only if they meet all of the following criteria:

- a. They are consistent with accepted business practices.
- b. They are of sufficiently limited value, and in a form that will not be construed as improper.
- c. They are not in contravention of applicable laws and generally accepted ethical standards.
- d. Public disclosure of the facts will not embarrass the BSA and/or the council.

Obligation to Disclose

Any employee who believes that his or her personal actions or interests, or the actions of others, may violate this policy must discuss the matter with the Scout executive or council president.

Sanctions

Any employee whose actions or interests violate this policy may be subject to immediate termination, if such is determined to be in the best interest of the council.

It is the responsibility of every employee of the council to be aware of and to observe these standards. Accordingly, an Employee Statement will be delivered to each employee annually. Each employee is asked to sign and return the Employee Statement to the council designee. Employee Statements will be held in complete confidence except when necessary to conduct an investigation.

Confidential Ethics Reporting Policy for Council Employees

RESOLVED, that the following Confidential Ethics Report policy is the policy of this corporation and is applied to all council employees.

The council is committed to upholding the highest ethical standards and to protecting the integrity of the Boy Scouts of America. The council code of conduct and its conflict-of-interest policy outline the minimum standards and guidelines of conduct by which it and its employees must abide. These guiding principles are consistent with the Scout Oath and the Scout Law and are set forth as benchmarks to ensure that employee and employer alike are treated with honesty and integrity and in accordance with the council bylaws, rules and regulations, policies, and procedures and with any applicable laws and regulations.

The council takes breaches of any law, rule, regulation, or policy; the code of conduct; and/or the conflict-of-interest policy very seriously and will investigate all reported suspected violations. Inquiries will be investigated promptly and thoroughly, and action will be taken where warranted. The council prohibits employees from hindering the investigation. Complaints will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation. The council forbids retaliation against employees who report, in good faith, perceived violations of any law, rule, regulation, or policy; the code of conduct; or the conflict-of-interest policy.

Employees are encouraged but not required to speak with their manager or Scout executive to try to resolve issues before filing a report with the council president.

Submitted by Executive Committee January 17, 2017

Ratified February 11, 2017

Executive Committee Reviewed January 16, 2018

CONFLICT-OF-INTEREST POLICY FOR EXECUTIVE BOARD MEMBERS

RESOLVED, that it is the basic policy of the corporation that all executive board members or members of any committee thereof, or officers or employees of the corporation, have a duty to be free from the influence of any conflicting interest when they act on behalf of the corporation, represent it in negotiations, or advise others in the corporation with respect to dealing with third parties. They are expected to deal with suppliers, customers, contractors, and others having dealings with the corporation on the sole basis of what is in the best interest of the corporation without favor or preference to third parties based on personal considerations. To this end, the following rules shall be observed:

1. No member of the executive board or member of any committee thereof, or officer or employee of the corporation, shall accept from any person, directly or indirectly, whether by themselves or through their spouse or a member of their family or through any partner or business or professional associate, any gift, favor, service, employment or offer of employment, or any other thing of value which they know or has reason to believe is made or offered to them with the intent to influence them in the performance of their duties as a member of the executive board or member of any committee thereof, or officer or employee of the corporation.
2. No member of the executive board or member of any committee thereof, or officer or employee of the corporation, who is a partner, officer, or employee of a partnership, firm, or corporation, or who owns or controls more than 10 percent of the stock of such corporation, shall represent, appear for, or negotiate on behalf of the corporation in connection with the acquisition or sale by the corporation of any interest in real or tangible personal property to such partnership, firm, or corporation.
3. No member of the executive board or member of any committee thereof shall participate by discussion, voting, or by any other action taken by the executive board, or any committee thereof, in the enactment of or defeat of a motion which relates to any transaction with any party referred to in paragraph 2 above. In case any such matter is discussed at any meeting where any executive board or committee member who has such an interest is present, they shall promptly disclose their interest in the matter to be voted on to the chairman of the meeting. They shall not vote on the matter and, at the discretion of the disinterested members present, may be required to leave the meeting during the discussion and the voting on the matter.
4. Contracts, transactions, or arrangements of the Corporation in which a board member or officer has a direct or indirect financial, competing, or other material interest shall not be prohibited, but they

must be disclosed and they shall be subject to scrutiny. Any such proposed contract, transaction, or arrangement is to be reviewed to determine that it is in the best interest of the Corporation.

5. Each board member and each officer of the corporation shall promptly disclose any material interest that he or she has or reasonably expects to have in any proposed or existing arrangement with the corporation prior to the start of any negotiations with respect to such matter. An interest required to be disclosed under this policy shall be disclosed in writing to the Chairperson of the board. Such disclosure shall include all material facts and supply any reasons why the arrangement might be or not be in the best interest of the corporation. The chairperson of the board shall refer the issue to the full board, the executive committee, or other board committee having decision-making authority over the substantive matter in question.
6. The names of the board members and officers who disclosed or otherwise were found to have a material interest in a proposed or existing arrangement of the corporation, the nature of the interest, and the extent of the board member's or officer's participation in the relevant board or committee meeting on matters related to the material interest. The minutes also shall include a record of any determination as to whether the arrangement was in the best interest of and fair and reasonable to the corporation, notwithstanding the interest, and the specific reasons supporting the determination, including any alternatives to the proposed or existing arrangement, the names of the persons who were present for discussions and votes relating to the proposed or existing arrangement, and a record of any votes taken in connection therewith.
7. Each board member and officer has a duty to place the interest of the corporation foremost in any dealing with the corporation and has a continuing responsibility to comply with the requirements of this policy. At least once each year, each board member and officer, and new board members and officers prior to their initial election, shall acknowledge his or her familiarity with this policy and shall disclose in writing to the chairperson of the board any existing material interest or co-investment interest subject to this policy by completing a conflict-of-interest disclosure statement. The conflict-of-interest disclosure statements shall be reviewed by the chairperson of the board. Any issues not previously disclosed shall be referred to him or her to the board or appropriate committee. The conflict-of-interest disclosure statements shall be retained in the confidential files of the corporation.

Submitted by Executive Committee January 17, 2017

Ratified February 11, 2017

Executive Committee Reviewed January 16, 2018

Council Credit Card Number Security Policy

February 10, 2018

Many times a Council will receive a document on which a volunteer or donor will put a credit card number, such as a Friends of Scouting pledge card or field receipt, for the Council to process.

RESOLVED, to protect our volunteers and donors, the following procedure will be in place effective immediately when a credit card number is received without the volunteer or donor being present:

After the document is received at the customer service desk, the person working the counter will immediately process that transaction by hand, entering the credit card number into the point-of-sale system. Once the transaction is complete, this person will take a black felt tip marker to conceal, or mark out, all the numbers, except for the last four (4) digits. If the number is needed for additional monthly, quarterly or semi-annual transactions, the numbers will be concealed or marked out after the completion of the final transaction. The document will then be routed to the proper department for entering as needed.

Adopted February 7, 2015

Ratified February 11, 2017

Executive Committee Reviewed January 16, 2018

Capitalization Policy

February 10, 2018

It shall be the policy of the Mississippi Valley Council that physical items purchased, donated, or otherwise acquired shall be considered fixed assets and depreciated if:

- An individual item has a useful life of 2 years or more and the fair market value is \$1,000 or more; or
- The quantity of similar items with a useful life of 2 years or more where the total fair market value is over \$1,000.

The executive board, or executive committee, subject to executive board ratification, may amend this policy.

Adopted July 17, 2007

Ratified February 11, 2017

Executive Committee Reviewed January 16, 2018

PLANNED GIVING POLICY GUIDELINES

The purposes for establishing these Planned Giving Policy guidelines are twofold. First, the guidelines provide the perimeter within which the staff and volunteers shall function in discussing deferred gift programs with interested prospects. Second, the guidelines identify procedures and limitations on gifts to the Mississippi Valley Council in determining acceptable programs for their trusteeship.

These Planned Giving Policy guidelines were developed by a special committee of technically oriented professional individuals skilled in the fields of law, accounting, investment, banking, and insurance. These guidelines reflect both state law and federal law. The guidelines are adopted as official policy by the Council's Executive Board.

GUIDELINE 1 – PRIORITY OF THE DONOR'S INTEREST

The interest of the donor shall have priority over the interest of the Council. No program, trust agreement, contract or commitment may be urged upon any donor or prospective donor to benefit the Council at the expense of the donor's intent.

GUIDELINE 2 – USE OF LEGAL COUNSEL

- A. The Mississippi Valley Council shall seek legal counsel in all matters pertaining to its planned giving program and shall execute no planned giving agreement without the advice of legal counsel, unless an unmodified pre-approved standard agreement is used.
- B. All Agreements in which the Mississippi Valley Council is the trustee shall follow the format of the specimen agreements approved by legal counsel for the Council.
- C. All prospective donors shall be advised, both orally and in writing, to seek their own legal counsel in matters relating to their deferred gifts, tax and estate planning.

GUIDELINE 3 – AUTHORIZATION FOR NEGOTIATION

- A. Interested representatives of the Council are encouraged to discuss planned giving with prospective donors. However, only persons authorized by the Executive Board may formalize planned giving plans with prospective donors. Such plans must follow these guidelines and the format of specimen agreements approved by legal counsel for the Council unless otherwise approved by the Board.
- B. All agreements which do not meet the requirements of the guidelines must receive prior approval by legal counsel for the Council and a majority of the Council's Planned Gift Policy Committee consisting of the following Mississippi Valley Council officers: President, Vice President of Finance, Chairman of the Endowment Committee, and the Scout Executive. The Planned Gift Policy Committee may take action, including action by phone conference, on behalf of the Board to approve an agreement not meeting these guidelines only when said committee determines it is not practicable to delay a decision on approval until the next Council Executive Board meeting. The Planned Gift Policy Committee shall report all approved agreements to the Council Executive Board's first meeting following such approval.

GUIDELINE 4 – AVOIDANCE OF PRESSURE TECHNIQUES

- A. Representatives of the Mississippi Valley Council shall not use any high pressure sales techniques when working with prospective donors.
- B. All personnel employed to administer or promote deferred gifts shall be paid a salary or retained on a per diem or annual basis, and shall not receive any commission or other compensation constituting or giving the appearance of constituting an interest in any planned gift agreement.

GUIDELINE 5 – CONFIDENTIAL INFORMATION

All information concerning donors and prospective donors, including names, names of beneficiaries, amount of gift, size of estate, etc. shall be kept strictly confidential by the Mississippi Valley Council and its authorized personnel unless permission is granted by the donor to release such information.

GUIDELINE 6 – GOVERNING CHARITABLE REMAINDER UNITRUSTS

- A. If the Mississippi Valley Council is to serve as trustee without compensation, no charitable Remainder Unitrust shall be entered into with a donor for a sum less than \$50,000. Donors with gifts under \$50,000 should be encouraged to participate in the Boy Scouts of America Pooled Income Fund, or the National Gift Annuity Program.
- B. The fixed percentage to be paid by the Unitrust to the donor or to donor's designee shall be no less than 4% per annum.
- C. If the Mississippi Valley Council is to serve as trustee without compensation, the terms of the agreement must meet criteria approved by the Council Executive Board.
- D. Unless otherwise agreed to, Mississippi Valley Council may, by action of the Council Investment Committee, retain the following banks: Mercantile Trust & Savings Bank and US Bank, or some other appropriate bank or commercial trust manager to perform its responsibilities as trustee.

GUIDELINE 7 – GOVERNING CHARITABLE REMAINDER ANNUITY TRUSTS

- A. If the Mississippi Valley Council is to serve as trustee without compensation, no Charitable Remainder Annuity Trust shall be entered into with a donor for a sum less than \$50,000. Donors with gifts under \$50,000 should be encouraged to participate in the Boy Scouts of America Pooled Income Fund, or the National Gift Annuity Program.
- B. The fixed dollar amount to be paid by the Charitable Remainder Annuity Trust or the donor's designee shall be no less than 5% of the net fair market value of the assets transferred.

- C. Unless otherwise agreed, the Mississippi Valley Council may, by action of the Council Investment Committee, retain the following banks: Mercantile Trust & Savings Bank, US Bank, or other appropriate bank or commercial trust manager to perform its responsibilities as trustee.

GUIDELINE 8 – GOVERNING POOLED LIFE INCOME AGREEMENTS

- A. No Pooled Life Income Agreement shall be entered into with a donor for a sum less than \$5,000 – additional gifts of a minimum \$1,000 annually are permitted.
- B. The Pooled Life Income Agreement shall not cover more than two lives, and the beneficiaries shall each be 40 years of age or more.
- C. The Mississippi Valley Council will not accept any gifts from the BSA Heritage Pooled Income Fund without first completing the necessary resolutions and declarations as required by the Fund.

GUIDELINE 9 – GOVERNING CHARITABLE INCOME (LEAD) TRUSTS, REVOCABLE TRUSTS, DEPOSIT AGREEMENTS, LIFE INSURANCE GIFTS, AND LIFE ESTATE GIFTS

- A. The Mississippi Valley Council shall not serve as trustee for a Charitable Income (Lead) Trust or a Revocable Trust, but will refer this type of agreement to an independent banking or trust institution for management.
- B. If an individual opens an account in trust for the Mississippi Valley Council, the individual may retain the right to close the account at any time.
- C. The naming of the Mississippi Valley Council as a beneficiary of an insurance program shall imply no obligation on the part of the Council.

GUIDELINE 10 – GIFTS OF REAL ESTATE

- A. The Mississippi Valley Council will accept gifts of real property that, at the time of the gift, do not have any outstanding mortgage, tax lien, or other encumbrances upon the land. If, however, such encumbrances are present at the time the gift is offered and represent a nominal amount when compared with the total value of the property, such property may be accepted with the approval of the Executive Board. How the encumbrance will be removed, and by whom, shall be agreed upon by both the Executive Board and the donor in writing prior to the acceptance of such property.
- B. No gift of real property shall be accepted until a preliminary environmental evaluation and disclosure statement have been completed for the property in question. In the event that this preliminary statement discloses any information indicating the presence of toxic materials, hazardous waste, or oil seepage on the property, a complete environmental report must be completed before the gift is accepted.
- C. Arrangements to cover post-transfer expenses should be agreed upon in writing by the donor and the Council prior to the gift. Such expenses include taxes and assessments, insurance, and

maintenance costs of the land or any buildings on the land. Any tangible personal property associated with real property gifts should be segregated into separate gift proposals.

GUIDELINE 11 – INVESTMENT OF FUNDS AND INTERVAL OF PAYMENTS

Unless otherwise donor-specified, the management of funds, securities, or property received under trust agreements in which the Mississippi Valley Council is the trustee, shall be administered by the Council's Investment Committee in separate accounts for each contract and managed to meet the objectives of each individual trust.

GUIDELINE 12 – FINAL DISPOSITION OF PLANNED GIFT FUNDS

Upon the death of the surviving beneficiary of the planned gift agreement, the agreement shall terminate and the assets and any accruals derived there from shall be paid to the Mississippi Valley Council for its general purposes or, if restricted by the donor, for specific use as stated in the applicable agreement. It shall be the firm policy of the Mississippi Valley Council to direct all gifts received as a result of planned giving, and designated for general purposes to the Council's endowment fund for allocation of the earnings as determined by the Executive Board. It shall be the policy of the Mississippi Valley Council to direct all gifts received as a result of planned giving, and that are donor-restricted, to current restricted funds, land, building and equipment funds, endowment funds, custodian funds, and/or loan and annuity funds, consistent with the donor's restriction.

Adopted April 17, 2007

Ratified February 11, 2017

Executive Committee Updated January 16, 2018

SPENDING POLICY

INTRODUCTION

The Mississippi Valley Council, Boy Scouts of America, operates certain Endowment Funds in order to preserve and/or enhance the programs and operations of the Council and Scouting in portions of Northeast Missouri, Southeast Iowa, and Western Illinois. To that end, the Council has adopted an Investment Policy Statement, which details the management and operation of the portfolio(s) of the Endowment Funds of the Council.

SPENDING POLICY

The Council utilizes the distribution of a portion of the investment income of the Endowment Fund(s) for the purposes of the operation of the Council's programs. This distribution is listed as the Spending percentage of the formula detailing the Total Return as expected from the investment of the portfolio(s).

This percentage is established as this time not to exceed five percent (5%).

The Board reserves the right to establish this percentage at its discretion and to determine the date(s) at which the distribution(s) of the income is to be made to the Council's Fund(s).

This Spending Policy, upon adoption by the Board, is to be incorporated into the Investment Policy Statement.

Adopted April 17, 2007

Ratified February 11, 2017

Executive Committee Reviewed January 16, 2018

INVESTMENT POLICY

PURPOSE

The primary purpose of this Investment Policy Statement (Policy) is to guide the Council Board of Trustees, Investment Committee, money managers, and consultants in effectively managing, monitoring, and evaluating the investing of The Trust's Investment Portfolio. This document uses "Trust" as a synonym for "Investment Portfolio". It is recognized that the Investment Portfolio managed by the Committee contains both restricted and non-restricted funds.

This Policy has been created and designed to:

- Set forth a structure for managing Trust assets. This includes target asset allocation, and allowable ranges that, together, are expected to produce sufficient diversification and returns over the long-term.
- Establish formal criteria to monitor, evaluate, and compare the performance results achieved by individual managers and the entire portfolio on a regular basis.
- Protect the endowment from market-driven departures from sound long-term policy.
- Educate new Trustees, staff, and Committee members, as well as consultants and investment managers, in order to maintain the consistency necessary to produce good long-term results.

Objectives

The overall financial goal of the Trust is to maintain and grow its real (i.e. inflation-adjusted) market value while providing the Council's operating budget a relatively predictable and growing stream of revenue as established during the annual budget procedure. Therefore, the financial objective is to earn a total return (net of all fees and expenses) equal to or exceeding 4% plus the inflation rate – as measured by the Consumer Price Index.

Time Horizon

The investment guidelines are based upon an investment horizon of greater than twenty years.

Investment Vehicles

The Investment Committee has decided to utilize the most cost efficient vehicles for the investment of their assets that also provide access to the highest quality investment managers, including separate accounts, commingled funds, mutual funds and partnerships. The investment manager(s) may invest in the following asset classes according to their investment style:

1. Equities – including U.S. and foreign equities. Managers will be monitored against an index comparable to their investment style. The purpose of the equity segment of the investment portfolio is to provide principal appreciation that exceeds the rate of inflation.
2. Fixed Income – including domestic and foreign holdings of government, agency, and corporate issuers. Mortgage back securities are also included in this list. The purpose of the fixed income segment of the portfolio is to provide a hedge against deflation, to contribute a stable component of return and to minimize the overall volatility of the portfolio. Managers will be measured against an index comparable to their investment style.

A long-term target asset allocation strategy will be implemented by the Investment Committee to achieve the returns consistent with the objectives of the policy while minimizing risk (volatility and variability of return). The portfolio shall be rebalanced annually in order to maintain the target ranges of the asset allocation goals of the fund. The asset classes and targets are as follows:

Not to exceed 70% in equities (Fund 1, 2 & 3)

Fixed income securities will be a blend of short term, long term, and intermediate term securities adjusted as determined by current economic conditions.

The Investment Committee will select investment vehicles only after a thorough review of the investment management firm, the manager's professional experience, past performance and verification of performance representation. In choosing investment vehicles, special attention will be paid to the 501(c)3 tax-exempt status of the Trust.

Investment Restrictions

The investment of any one issuer shall not exceed 10% of a manager's portfolio (with the exception of U.S. Government Securities). In addition, no purchases of securities of the portfolio manager's organization or of any firm with controlling interest in said organization are to be made.

Investment Manager/Consultant

The Investment Committee shall retain Investment Manager(s) to assist the Trust in the investment management and performance of the Trust's assets. Monthly statements from the Investment Managers shall be provided to the Investment Committee detailing portfolio holdings, transactions and performance. In addition, the Managers shall provide a quarterly update on their current investment strategy and market outlook. Each Manager is required to meet with the Investment Committee at least once a year. Investment Managers will be notified in writing after each Council Annual Meeting (usually held in February) of any additions or deletions of member serving on the Investment Committee.

Additions, Modifications

This statement of Investment Policy, Objectives and Guidelines may be altered or amended at any time by the Investment Committee. Any modifications are subject to the final approval of the Council's Executive Board of Directors.

Adopted April 17, 2007

Ratified February 11, 2017

Executive Committee Modified January 16, 2018

Mississippi Valley Council Executive Board Standard Operating Guidelines

Purpose: To establish general guidelines for the expenditure and allocations of funds by the Executive Board of the Mississippi Valley Council. Current Bylaws and any changes in Bylaws always supersede this document. Executive Board Actions always supersede this document.

Scope: The document serves as a guide for fiscal controls, terms and process exercised by the Executive Board of the Mississippi Valley Council. It shall be a common practice of the Executive Committee to review, amend (if needed) and adopt these guidelines annually at the April Board meeting. The Executive Board maintains the autonomy to make changes to this document.

1. Executive Committee Role:

- 1.1. It shall be the role of the Executive Committee to exercise any actions necessary to further the mission of the Council and support the day to day operations. This shall include, but not be limited to:
 - 1.1.1. Approve any expenditures, not included in the approved operating budget for the current fiscal year, of an amount up to \$10,000 in aggregate between Executive Board meetings. Any amount of expenses appropriately utilizing designated or restrictive funds may be approved by the Executive Committee.
 - 1.1.2. If, when considering an expenditure of funds of \$10,000 or more and at least 25% of the Executive Committee members in attendance feel that the expenditure should not be approved as presented, the action will be tabled to the Executive Board.
- 1.2. As is indicated in the Council bylaws, "The Executive Committee of the Executive Board shall have and may exercise all necessary powers of the Executive Board in the management of the corporation during the intervals between the meetings of the Executive Board, but in no event shall the Executive Committee act contrary to the action theretofore taken by the Executive Board."
 - 1.2.1. All actions taken by the Executive Committee will be included in the Minutes of the meeting and accepted at the Executive Board meeting.
 - 1.2.2. In the event that the Executive Committee needs to act contrary to these guidelines, the action will be brought to the Executive Board for ratification.

1.2.3. In support of the aforementioned measure, all minutes from Executive Committee meetings and Executive Board will be made public on the Council website following their approval at the Executive Board Meeting. Any personnel related matters, or matters that are sensitive in nature shall be redacted from the public posted minutes. To ensure transparency, Executive Committee Minutes and Executive Board draft minutes will be sent to the Executive Board within two weeks of the meeting. To ensure accuracy, Executive Committee Minutes will be sent to the Executive Committee for review within five (5) business days. Executive Board Minutes will be reviewed by the Council President and Scout Executive Before they are distributed by email.

2. Scout Executive Role:

- 2.1. The Scout Executive shall be empowered to authorize payments following the fiscal controls in place for any purchase that is budgeted.
- 2.2. Implement the board approved spending policy regarding the Investment Income distributions from Fund 3.
- 2.3. The Scout Executive is empowered to spend up to \$1,000 of temporarily restricted funds in accordance of their restriction.

3. Expenditure of Funds:

- 3.1. Temporary restricted funds – According to GAAP (Generally Accepted Accounting Principles), these funds must be expended before any other options are considered in support of a specific project.
- 3.2. Non-restricted funds:
 - 3.2.1 Board designated funds – These funds may be utilized if there are no temporary restricted funds available to support the project according to their designation. The Executive Board may change designations at any time.
 - 3.2.2. Non–designated funds – These funds are expended when temporary restricted funds or board designated funds are not utilized.
- 3.3. The authorization of expenditures of any of these funds shall be consistent with the guidelines contained within this policy.

4. Other Mississippi Valley Council Fiscal Practices

- 4.1. Memorials donated to the Council without specific purpose shall be transferred to Fund 3 for investment. They will remain non-restricted as per GAAP.
- 4.2. Year End Operating Surplus:
 - 4.2.1. Surplus funds are defined as Fund 1 income over expenses at the conclusion of the fiscal year. These are determined after all year end and audit adjustments. Including transfers to Fund 2 or Fund 3, any board designations, or other actions.
 - 4.2.2. 75% of surplus funds, after adjustments shall be transferred to Fund 2 and added to the Board Designated Deferred Maintenance Fund.
 - 4.2.3. Remaining surplus funds stay in Fund 1 increasing Operating Net Assets.
- 4.3. The Council’s Capitalization Policy as adopted at the annual meeting defines the minimum value for an asset or group of assets to be depreciable.

APPENDIX 1: GUIDE TO UNDERSTANDING FISCAL CONTROLS TERMS AND PROCESSES UTILIZED IN STANDARD OPERATING GUIDELINES

Executive Board versus Executive Committee

- There are many items that need Board approval or are to be brought for action at a Board Meeting. This wording normally means that either the Executive Board or Executive Committee can take action. There are few items that are explicitly required to be an Executive Board action, most of these clearly state this requirement as a meeting of the Executive Board.
- Our bylaws read *“The Executive Committee of the Executive Board shall have and may exercise all the necessary powers of the Executive Board in the management of the corporation during the intervals between the meetings of the Executive Board, but in no event shall the Executive Committee act contrary to the action theretofore taken by the Executive Board.”*
- The Executive Committee can take action on almost all expenditures. The Standard Operating Guideline defines expectations of actions that should be brought to the Executive Board.

Guide to consider what actions need to be used to expend funds.

- Which fund is the Expense and therefore what action is needed?
 - If the expenditure is Fund 1 and budgeted, Scout Executive is empowered to authorize the payment following the fiscal controls (purchase orders, check writing, etc.) in place.
 - If expenditure is Fund 1 and not budgeted, board action is needed.
 - Does it meet the capitalization policy or is an expense associated to capital assets? If it does it may be considered for Fund 2 expenditure. If expenditure is Fund 2, board action is needed.
- How will we pay for it?
 - Temp restricted – must be spent first. While most of our restrictions are Fund 2, they could be for Fund 1, 2, or 3 expenditures. See above for action needed.
 - Board designated – should be spent next. While most of our designations will be Fund 2, they could be for Fund 1, 2, or 3 expenditures. If the Board has already designated funds for an expenditure, the actions noted above should still be utilized unless a special process was created in the designation.
 - Non Restricted Funds – these funds would be used last. The use of these could be for Non budgeted expenditures which would need board approval or budgeted items which are already approved.

Definitions and Facts about Fund Accounting in the Mississippi Valley Council Boy Scouts splits their funds into 3 categories:

- **Fund 1** or Operational Fund is the yearly expenditures and income which allow the council operate on a day to day basis.
 - A budget is created and approved by the Board. As this is a decision to spend in aggregate the yearly expenditure, it is commonly considered an action of extreme significance that benefits from Executive Board Action. In MISSISSIPPI VALLEY COUNCIL the Budget Committee brings a budget for review to the Executive Committee in November. The Executive Committee discusses, changes if needed and presents the budget to the Executive Board in December.

- The budget committee involves volunteer committee chairs responsible for operations as defined by project codes to create an overall budget. The approved Budget is an accumulation of these project codes.
- Non-budgeted expenditures must have board approval.
- Fund 1 income comes from several different sources including Activities, Camping, Special Events, FOS, Popcorn, and several other sources.
- **Fund 2** or Capital Fund basically deals with property, building or equipment that can be considered an asset. It also includes items which are associated with these items. For example, the costs associated with raising funds for a building or staff expenses associated to building a ropes course could be included in Fund 2.
 - Some assets may be depreciable. Property, buildings or equipment in the capital fund which meet the minimum value set by the Board may be capitalized, meaning they are considered assets that lose value over time. The loss of value is shown through depreciation expenses in Fund 2.
 - This could be one item or a combination of like items. A commonly used example used by BSA in training to explain this is the purchase of one shotgun versus purchasing ten. If a council's capitalization policy states the minimum amount is \$1,000 and the shotguns cost \$200 each, purchase of one shotgun would be a Fund 1 expense while the purchase of ten shotguns could be Fund 2 depreciable asset.
 - Not all expenditures in Fund 2 need to be capitalized. If they are not capitalized, it means their value will not be of significance after the year purchased.
 - Income for Fund 2 usually comes in as a donation designated to property or project. However, the board may decide to put other income into Fund 2 directly. A good example of this would be the forestry project.
 - Some Council's create Fund 2 budgets; however, Mississippi Valley Council has decided to authorize all expenditures through Board actions.
- **Fund 3** or Endowment Fund is the assets we have set aside to invest.
 - Spending policy – this is the policy that moves a portion of Endowment Fund into the Operating Fund as investment income.
 - Spending policies are often written as a percentage of the total fund (i.e. 5%)
 - If the amount moved is equal to or less than the Endowment Investment profit (gains, interest, dividends) and within the spending policy guidelines, then it is considered investment income to fund 1.
 - Note that If the amount moved is more than the actual profit of the investment or in excess of the spending policy guidelines, the additional amount becomes a transfer rather than an income.
 - Mississippi Valley Council Spending policy is ratified yearly at the annual meeting.
 - Fund 3 normally gets income through donors specifically giving to the endowment. However, income can come from other sources and funds can be transferred to Fund 3.
 - We have two special events which specifically request donations for Endowment.
 - Donors that give to Endowment, expecting their gift to be used in perpetuity to generate investment income, are permanently restricted gifts.
 - BSA has several recognitions for permanently restricted gifts.

Year End Surplus

- Year End Surpluses refer to income over expenses in Fund 1 in any fiscal year.
- Surplus becomes increase in the net assets in Fund 1 at the end of each fiscal year. Note the Standard Operating Guidelines in Section 4 for Mississippi Valley Council's practice.
- A common misperception is that a Previous Year End Surplus can "be spent directly" without affecting current year expenditures. In reality this would create an expense in the current year. This expense must be a part of the approved budget or be approved by the board.

Transfers

- Transfers move assets between Funds. This transfer must be a result of a Board Action.
- Transfers are below the line.
 - This means they show as changes to net assets.
 - Since they are below the line, note that transfers do not adjust up or down the annual surplus/deficit.
 - They cannot be used to offset an expense so that it does not affect the current year.

Restricted funds – Year End List Included Below

- There are two types of restrictions – permanent and temporary.
- Restrictions can only be placed on by the donor, not by the board.
- Restricted money cannot be used for any other purpose unless a request is made to the donor and they specifically state a change.
- Restricted money must be used before non-restricted money.
- When temporally restricted funds are given, they sit in an asset account code. When the restriction is met they are moved into an income code. The statement of operations shows the expense and income when the restriction is met.
- Trusts - Funds were given to Scouting through Trusts before it became common practice for Scouting Councils to have their own endowment. BSA suggests that is in the best interest of the Council and donors to give directly to endowment which remove additional costs and legal issues.

Board Designated Funds

- Board Designated Funds allow the board to designate a portion of our assets for a specific purpose. These may be assets in any Fund. When an expenditure is made, the designation is removed and the expense is realized in the current year. Unlike Temporary Restricted Funds, there is no associated income created.
- Board designations take assets and define where they will be utilized in the future.
- If a current board wishes to take action contrary to a standing action, it simply requires a vote at a board meeting as per our Bylaws. This would include an exception to the policy, and change to the policy or the deletion of the policy.
 - Denote the section about Executive Committee versus Executive Board to determine where action may be taken.
 - Remember that our bylaws specifically state that "... *but in no event shall the Executive Committee act contrary to the action theretofore taken by the Executive Board.*" However simple and obvious changes may not need Executive Board approval.

APPENDIX 2: 12-31-17 END OF YEAR BOARD DESIGNATED FUNDS

The following are the current funds designated by the Board. Our Board has earmarked these funds to be used in a specific manner. The portion of the resolution describing their intended use is included for quick reference. The full resolution is listed below.

- **Board Designated Deferred Maintenance - \$306,582.64**
 - Designated for the replacement of depreciable assets.
 - The Executive Committee shall be the committee that will determine what replacements and the priority of the replacements for action by the Executive Board before any expenditures are made.
- **Forestry - Equipment & Chemicals to Maintain Forest Area. \$7,804.15**
 - Control and Removal of Black locust/honeysuckle by purchasing the following:
 - Tordon Chemicals (\$13.00 per quart)
 - Chainsaw sharpener
 - Chainsaw/blades/chains/gas/oil/etc.
 - Work gloves, etc.
- **Forestry - Buildings and Road Repair Fund - \$115,682.59**
 - Building and vehicle maintenance fund in order that funds are not dispersed from operating or other sources of revenue need to be found. For the following expenditures.
 - Ranger Truck
 - Purchase Council Car
 - Road repair/maintenance from forestry paths
 - New roofs on Maintenance Sheds, new furnace and cooling system in Quincy
 - Expansion of Scout Shop in Quincy

APPENDIX 3: 12-31-17 END OF YEAR TEMPORARY RESTRICTIONS

The following restrictions are still active in our Council. We have split the restrictions by like categories. As per GAAP we need to release temporary restrictions as projects are completed. We cannot hold off utilizing temporary restrictions. The value next to the name of the restriction is the starting 2018 amount.

General Projects – each of the following were given with specific purposes. They may be fund 1 or fund 2 expenditures depending on the nature of the donation's restriction and the manner in which the Council fulfills that restriction.

- Carver Trust - \$19,396.74 (donor provided funds to establish and grow Scouting Units in Louisa County)
- Cullen Trust - \$1,070.67 (re-blacktop and expand parking lot for Burlington Service Center)
- Camperships - \$810.00 (Funds to be awarded for Scouts requesting camperships)
- STEM Education - \$686.16 – (donor provided funds for STEM education within the Council)
- NSSF Grant - \$41.21 – (rifles and scopes)
- Pellet Guns for Cub Adventure Camp – \$21.20
- General Camp Capital Improvement - \$2,195.00 – (direct mailings in 2016 & 2017 for camp capital improvement)
- Camp Storm Sirens – \$2,000
- Exploring in Brown & Hancock Counties - \$3,708.00 – (Community Foundation of Quincy provided funds to establish Exploring units in Brown and Hancock Counties)

- Wood Badge Scholarships - \$733.00 (funds raised through patch sale and donations to provide assistance to Wood Badge participants)
- BNSF Unit Incentive Grants - \$2,125.00 (Micro-grants to be awarded to units who complete certain levels of community service)
- Procedure Related Restrictions – not included (as accounting practice there are a few funds that are restricted until a specific time. For example, 2018 FOS collected in 2017 are temporarily restricted until January 1 of 2018. These are not being included in this report as the release of the funds are only awaiting the appropriate time to be released).

Eastman General - \$915.25 – the following donations can be used for any Fund 2 expenditure at Eastman. They were given with the intent to improve Camp Eastman with nonspecific restriction. It is interpreted that improving the Camp is a Fund 2 project or special purchase of program supplies (i.e. supplies to create a new experience at camp), and not meant to purchase day to day cleaning supplies or program supplies:

- Capital Improvements – U915.25(Direct Mail for Capital Improvements)

Eastman Specific Project – \$15,408.63 - the following donations were given to repair, purchase or upgrade a specific project at the camp.

- Sailboat repair & replacement - \$358.63 (funds to repair or purchase sailboats)
- Traverse Wall - \$250.00 (to build a traverse wall on existing or new structure)
- Handicapped Restroom - \$700.00 (to build or refit a restroom to be handicapped accessible)
- NRA for Range - \$3,600 (develop range including shooting stations, backstops, safety area, etc.)
- Storm Warning System – \$3,000 (to purchase a storm warning system)
- Pool Lift - \$2,500 (these funds are no longer needed and the donor is being asked if we can repurpose their intended usage.)

Eastman Specific Building - \$7,904.48 - The following donations were given for specific repairs and renovations of specific buildings at Eastman. The intent of these givers was to improve the building with a Fund 2 project:

- Showers - \$5,439.88
- Tribe Lodge Building - \$1,000 (for upgrades to the CE Tribe Lodge building)
- Garage/Utility Building - \$1,464.60

Eastman New Building Projects - \$27,129.83

- Chapel - \$27,129.83

Saukenauk General - \$136,144.41 – the following donations can be used for any Fund 2 expenditure at Saukenauk. They were given with the intent to improve Saukenauk Scout Reservation with no specific restriction. It is interpreted that improving the Reservation is a Fund 2 project or special purchase of program supplies (i.e. supplies to create a new experience at camp), and not meant to purchase day to day cleaning supplies or program supplies:

- Capital Improvements - \$1,762.80 (Fund 2 Projects Only)
- Boeger Estate - \$133,453.42
- Maheengun Proceeds - \$928.19 (75% of annual Maheengun CD proceeds into a Saukenauk Capital improvement account)

Saukenauk Specific Project – \$5,308.44 - the following donations were given to repair, purchase or upgrade a specific project at the camp.

- Stevenson Memorial - \$2,325 (Entrance sign at SSR with plaque)
- Coultas Memorial - \$1,055 (Program improvement at SSR)
- SST Bouldering Wall - \$1,197.17 (Remaining balance for Bouldering Wall)
- SSR Electric - \$400.00 (upgrade the electrical systems at camp, for example panels)
- Saukenauk Ice Machine - \$101.35 (repair or purchase of the ice machine at Saukenauk)
- Fire Ring – \$229.92 (improve the Snow Fire Ring, seating or other aspect of the project)

Saukenauk Specific Building - \$10,359.20 - The following donations were given for specific repairs and renovations of specific buildings at Saukenauk. The intent of these givers was to improve the building with a Fund 2 project:

- Polar Bear Cabin - \$1,577.18
- Barrier Free Campsite - \$1,297.79
- Lodge Repairs – (any lodge at camp) - \$176.68
- Dining Hall Restrooms - \$5,000 (DOT Foods Grant)
- Office - \$1,500
- Long Range Rifle Range - \$807.55

Saukenauk New Building Projects - \$(339.74)

- Philmont Cabins (Gorman Memorial Project, build year-round cabins, pavilion, walkway and sounding area that will be used for summer camp staffing – year-end negative short-term as additional funding came in January)

Adopted April 19, 2016

Ratified February 11, 2017

Executive Committee Updated January 16, 2018

Permission to Seek Funding from United Ways, Foundations, Trusts, and other Grantors

The Mississippi Valley Council intends to seek financial support from several organizations during the fiscal year. Funding may be for the current year or for funds to be realized in future years. The Scout Executive is authorized to enter into agreements with grantors. This includes, but is not limited to, public grants, private grants and United Way funding.

The Mississippi Valley Council also intends to be a partner agency with the United Ways which support our Service Area. We approve the Scout Executive to enter into agreements with these United Ways for 2018 and 2019.

Adopted February 7, 2015
Ratified February 11, 2017
Executive Committee Updated January 16, 2018

Specific Assistance Funds/Scoutreach

The goal of the executive board of the Mississippi Valley Council is to extend the Scouting and Learning for Life programs to all youth and families within our boundaries regardless of their ability to pay the costs of participation. One way our council dedicates itself to reaching that goal is by providing council operating funds for this purpose in its annual budget as part of the Specific Assistance to Individuals line item.

Specific assistance funding may be used for, but is not limited to:

- Payment of annual registration fees and/or Boys' Life subscriptions for youth and/or adults
- Summer camp scholarships
- Activity/training scholarships for youth and/or adults
- Uniform assistance for youth and/or adults
- Purchase of program materials

The Scout executive will be responsible to give specific approval any time these funds are expended. Furthermore, the council commissioner will provide program oversight and to review reports of all assistance expenditures. An executive summary of assistance funds expended will be provided to the council's active membership as a part of the annual business meeting.

Adopted February 7, 2015
Ratified February 11, 2017
Executive Committee Reviewed January 16, 2018