

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE
INSTITUTIONAL ADVANCEMENT COMMITTEE

OPEN SESSION

Thursday, June 27, 2013

10:01 a.m.

Legal Services Corporation
John N. Erlenborn Conference Room
3333 K Street, N.W.
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

John G. Levi, Chairperson
Charles N.W. Keckler
Father Pius Pietrzyk, O.P.
Herbert S. Garten (Non-Director Member)
Thomas Smegal (Non-Director Member)
Frank B. Strickland (Non-Director Member)

OTHER BOARD MEMBERS PRESENT:

Julie A. Reiskin

STAFF AND PUBLIC PRESENT:

James J. Sandman, President

Wendy Rhein, Chief Development Officer

Ronald S. Flagg, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary

Atitaya Rok, Staff Attorney, Office of Legal Affairs

Carol A. Bergman, Director, Office of Government
Relations and Public Affairs

Jeffrey E. Schanz, Inspector General

Don Saunders, National Legal Aid and Defenders
Association (NLADA)

Terry Brooks, American Bar Association Standing
Committee on Legal Aid and Indigent Defendants
(SCLAID)

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1 P R O C E E D I N G S

2 (10:01 a.m.)

3 CHAIRMAN LEVI: I think we should call the
4 meeting to order. It is duly noticed. We have a
5 quorum. This is the Institutional Advancement
6 Committee of the Legal Services Corporation.

7 Could I have a motion to approve the agenda?

8 M O T I O N

9 MR. KECKLER: So moved.

10 CHAIRMAN LEVI: Second?

11 MR. STRICKLAND: Second.

12 CHAIRMAN LEVI: All in favor?

13 (A chorus of ayes.)

14 CHAIRMAN LEVI: Thank you.

15 We've gotten a revised packet on the
16 fundraising policies, and I thought we should go
17 through them one by one in light of the conversation
18 that we had the last time.

19 There were significant changes, particularly
20 to the protocol for the acceptance and use of private
21 contributions. And I wondered if people had comments
22 on or suggestions about these changes. And I want to

1 thank all of you at LSC for getting -- I know there
2 were some distribution issues, but for making the
3 changes here and for getting this out to everybody.

4 MS. RHEIN: Absolutely. And thank you all who
5 sent your comments over the last week. We were able to
6 incorporate them and go through them one by one. So
7 this draft that you have now should incorporate the
8 majority of everyone's comments and questions.

9 CHAIRMAN LEVI: Wendy, do you want to walk
10 people through the major ones, or how do you want to do
11 it?

12 MS. RHEIN: We can certainly do that. I think
13 that one of the -- I'm sorry. Go ahead.

14 CHAIRMAN LEVI: Well, or do people on this
15 call have -- have they had a chance to look at it so
16 they're familiar with them and have questions or
17 comments?

18 MR. GARTEN: This is Herb here, Herb Garten
19 here. I had comments, and I appreciate very much that
20 a substantial number of them were included in this
21 final draft. And I find it to be in excellent order.
22 But of course, if anybody else has any suggestions, I'd

1 like to hear them.

2 CHAIRMAN LEVI: I think one of the things that
3 we should note is the issues of the acceptance of gifts
4 and the size of the gifts, on page 3, we should just
5 spend a minute on so we know what's happening here. In
6 fact, there has to be kind of a pre-clearance of gifts
7 of a certain size.

8 I think, given where we're starting from,
9 that's probably -- Wendy, do you want to speak to that
10 at all?

11 MS. RHEIN: I think that we included this
12 discussion of the unsolicited gifts of a certain size
13 and that they would require approval more than \$5,000.

14 CHAIRMAN LEVI: Right.

15 MS. RHEIN: I think that that's very
16 reasonable. I think that we will be focusing on a list
17 of preapproved prospects over the next year to two
18 years, and to receive a complete outlier gift that is
19 not on that list that is more than \$5,000, I would want
20 you all to have the opportunity to approve that gift
21 prior to acceptance.

22 CHAIRMAN LEVI: Yes. And then I think it's

1 clear under C, Gifts Subject to Board Review and
2 Approval Prior to Acceptance, that if they're
3 consistent with the objectives listed in the front in
4 2, then we don't need to have the cumbersome process.
5 But otherwise we do.

6 MS. RHEIN: Right. When the list is vetted
7 and approved, vetted by this Committee, approved by the
8 Board, a list of about 60 prospects, foundation
9 prospects as well, for the areas in which you have
10 already approved us to secure funds, those we'll be
11 able to just continue and start the solicitation
12 process. Anything that would be considered an outlier,
13 the Board needs and this Committee needs to approve.

14 CHAIRMAN LEVI: So if there are not any -- we
15 can do this one at a time, and we could have each one
16 of these -- we have to present these to the Board, it
17 seems to me, in Colorado. But I want to get them in
18 position to be accepted by the Board.

19 So should we do them individually, or do you
20 want to do them all as a package?

21 MS. RHEIN: Well, why don't we first see if
22 there are comments on any of the others, and then I

1 think we can approve them as a package.

2 CHAIRMAN LEVI: All right.

3 MR. KECKLER: Wendy, this is Charles. Your
4 last discussion seems to mostly answer my question.
5 But I think in the text, and I'm speaking of the
6 contributions protocol, I was a little bit confused
7 when I first read it.

8 The part that confused me is this relationship
9 between pre-clearance, as you want to call it, and
10 approved initiatives and prospects because it's clear
11 in the text that if you're soliciting for an approved
12 category from an approved prospect, that's fine. You
13 can just go ahead. And it's clear that if you're going
14 for a non-approved category from a non-approved
15 prospect, you need pre-clearance.

16 But I think it's not 100 percent clear if
17 you've got somebody who's a non-approved prospect or
18 prospect but you're still asking them for our approved
19 categories -- it's not clear in the text that that
20 would be required to be presented to the Board for
21 approval. And I'm looking at page 2.

22 See what I'm saying? There's the two

1 conditions, but it seems like both conditions have to
2 be met to exempt from pre-clearance.

3 MS. RHEIN: Yes.

4 CHAIRMAN LEVI: Yes.

5 MS. RHEIN: So you're suggesting, Charles,
6 that if we're only soliciting people that are on this
7 preapproved list, and yet there is someone that we are
8 not soliciting but wants to give money to one of the
9 preapproved areas, you're asking about what we would do
10 with that?

11 MR. KECKLER: Yes. It's sort of both things.

12 If you're going to an approved prospect for some other
13 category of funds or you're going for the approved
14 category of funds but to a nonapproved prospect, it
15 seems like those require pre-clearance. But it's not
16 clear in the text.

17 MR. GARTEN: Herb Garten here. I think that
18 the changes to subparagraph C make it clear that you
19 need Board-approved approval for the projects and the
20 prospects. Otherwise, you must get the matter approved
21 by the Board prior to acceptance.

22 MS. REISKIN: Oh, I thought it was the other

1 way, that if it was either the prospect -- that it has
2 to be for an approved project but not necessarily
3 approved prospect. Was I reading it wrong?

4 MR. KECKLER: Well, I agree that it's -- I
5 think it's ambiguous, Julie. I think from a previous
6 discussion that that's not the case. But again, I
7 think it could be read that way.

8 CHAIRMAN LEVI: Well, do you have a suggested
9 tweak?

10 MR. KECKLER: Well, the tweak would be you
11 would say that, "Before a director, officer, or
12 employee of LSC" --

13 CHAIRMAN LEVI: Where are you reading?

14 MR. KECKLER: I'm reading it on page 2 of the
15 revised contributions protocol, after the
16 numbered -- the category 2 here.

17 CHAIRMAN LEVI: "Before any director" --

18 MR. KECKLER: Yes. "Before any director,
19 officer, or employee pursues any grant or gift for a
20 purpose either not listed under subparagraphs A through
21 H or from a nonapproved prospect or prospects."

22 CHAIRMAN LEVI: Yes. I think that's what was

1 intended, wasn't it, Wendy?

2 MS. RHEIN: Yes. That's the intention. So we
3 can -- that's an easy change.

4 CHAIRMAN LEVI: Those are good changes.

5 MS. RHEIN: Yes. So it becomes an either/or.
6 Anything else on this one? We'll make that change.

7 (No response.)

8 MS. RHEIN: Thank you all for being so
9 thorough.

10 CHAIRMAN LEVI: Now, the Donor's Bill of
11 Rights, anything on that?

12 MS. RHEIN: We made a couple of these changes
13 based on our conversation last week.

14 FATHER PIUS: This is Father Pius. I think I
15 had said something, but I don't think it went through.

16 I don't think my email got -- could you reword number
17 10, X, so that it fits grammatically with what went
18 before? Because you're saying, "We declare that all
19 donors have the right LSC will not share" -- it just
20 doesn't fit. So you have to have an infinitive. "Have
21 the right not to have their contact information shared
22 with other organization except as required by law."

1 MS. RHEIN: Sure. Thank you.

2 FATHER PIUS: And I would add, "except as
3 required by law."

4 CHAIRMAN LEVI: Yes. I think those are both
5 really important changes.

6 MS. RHEIN: Thank you, Father Pius.

7 CHAIRMAN LEVI: Anything else on the Donor's
8 Bill of Rights?

9 (No response.)

10 CHAIRMAN LEVI: Okay. So the Memorial Gifts
11 and Gifts In Honor Of? Anything on that? We have not
12 said whether there is a -- there's an ambiguity here in
13 terms of how much we keep track of it, depending on the
14 size of it, Wendy. Now, maybe you intend that.

15 MS. RHEIN: How much to keep track of it?

16 CHAIRMAN LEVI: Well, when people designate a
17 fund, there's work in that -- say you established a
18 \$250,000 fund in memory of somebody, and expected
19 certain reporting. The issue is, LSC will maintain
20 records of these gifts.

21 Well, if it's a \$100 memorial gift, of course
22 we'll keep a record. But we won't be giving an

1 ongoing -- I don't think there's confusion, but I hope
2 that's what you mean, we won't be giving ongoing
3 reports --

4 MS. RHEIN: No.

5 CHAIRMAN LEVI: -- whereas for the 250 gift,
6 you might be.

7 MS. RHEIN: Right. Well, if we go back to the
8 initial protocol, there's a separation between a
9 memorial gift or an honorary gift, which is a one-time
10 thing. It's a one-time gift compared to a named fund,
11 which we addressed in the protocol on page 5.

12 CHAIRMAN LEVI: Okay. I see.

13 MS. RHEIN: We listed \$100,000 as a minimum
14 for a named fund.

15 CHAIRMAN LEVI: Fine.

16 MS. REISKIN: The only thing different with
17 memorial gifts, and this is policy on the part of
18 staff, is you just give a little bit nicer and more
19 personalized thank you letters.

20 MS. RHEIN: Right.

21 MS. REISKIN: Right? This doesn't need to be
22 in a policy.

1 MR. SMEGAL: John, it's Tom Smegal. What if
2 the specific objective is one that is not permitted for
3 LSC grantees?

4 CHAIRMAN LEVI: That's in the protocol. We
5 can't --

6 MS. RHEIN: Then it gets returned.

7 MR. SMEGAL: All right.

8 MS. RHEIN: Yes. If it's not for one of our
9 named objectives, it's returned.

10 MR. SMEGAL: I see. Thanks.

11 CHAIRMAN LEVI: Did people focus on that
12 \$100,000? That's the one thing I wanted to make
13 sure -- what page is that on?

14 MS. RHEIN: It's on page 5, lettered L, Named
15 Fund. We put in a pledge amount of \$100,000.

16 CHAIRMAN LEVI: Yes. We might get questions
17 from the Board about that. Does the Committee feel
18 comfortable with that number?

19 MR. STRICKLAND: You mean is it too large or
20 is it too small?

21 CHAIRMAN LEVI: Well, in the legal aid world,
22 it might be -- but it's the tension between the size of

1 it and the record and having to keep track of it for
2 the headquarters. But in the legal aid world, that's a
3 big gift, certainly.

4 MR. STRICKLAND: Definitely.

5 MS. RHEIN: It's also a potential of multiple
6 gifts going into one fund. So it doesn't necessarily
7 have to be one particular gift. And it's a pledge or a
8 contribution.

9 CHAIRMAN LEVI: Well, suppose --

10 MR. GARTEN: I think the amount is the right
11 figure.

12 CHAIRMAN LEVI: Okay. It can be adjusted over
13 time based on your experience. What I'm concerned
14 about is if somebody comes to you, Wendy, and says, "I
15 want to give \$50,000 but I want to name it for
16 somebody," at that point what do you do?

17 MS. RHEIN: Well, if they want to give \$50,000
18 as a one-time gift, then it becomes a gift in honor of
19 someone. If they want to establish a fund that would
20 be multiple years that would allow other people to
21 contribute to it as well, we would say we would need a
22 pledge amount of \$100,000.

1 CHAIRMAN LEVI: I see. Okay.

2 MS. RHEIN: If it's a singular, I want to
3 honor Ron Flagg, here's \$50,000, then we have a gift in
4 honor of Ron Flagg for \$50,000.

5 CHAIRMAN LEVI: How many of those can we get?
6 I hope we can get a lot of them.

7 MS. RHEIN: As many as you can find.

8 MR. KECKLER: Countless.

9 MS. RHEIN: Countless numbers.

10 CHAIRMAN LEVI: The Donor Privacy Policy. Any
11 issues there?

12 (No response.)

13 CHAIRMAN LEVI: So that sounds good. There
14 weren't any changes.

15 Now, on the Board member giving policy, which
16 is the last one in front of us, do folks have a feeling
17 of whether this should be a written or unwritten
18 policy?

19 MS. REISKIN: Written. This is Julie. I
20 think it should be written so that we could share with
21 foundations. In fact, usually with grants, they ask
22 for those policies.

1 MR. SMEGAL: I agree it should be written.

2 CHAIRMAN LEVI: Any other feelings on this?

3 MR. SCHANZ: John, you have an IG in the room,
4 so I believe everything should be written.

5 CHAIRMAN LEVI: Okay. Yes.

6 MS. BERGMAN: This is Carol, John. I think
7 that it's something that will go over well on the Hill,
8 to have a written policy to this effect.

9 CHAIRMAN LEVI: All right. Well, then, with
10 that, as amended today by the Committee, can we have a
11 motion to approve this package for submission to the
12 Board for its consideration at the meeting in a few
13 weeks?

14 M O T I O N

15 MR. SMEGAL: So moved.

16 FATHER PIUS: Second.

17 CHAIRMAN LEVI: All in favor?

18 (A chorus of ayes.)

19 CHAIRMAN LEVI: Well, thank you very much. I
20 think this has been a very important step, and I
21 appreciate everybody's thoughtful consideration.

22 Any public comment?

1 (No response.)

2 CHAIRMAN LEVI: Is there other business?

3 (No response.)

4 CHAIRMAN LEVI: Well, then, can we adjourn
5 this portion of the meeting, and for the Committee
6 members dial into the closed -- or Board members who
7 are attending the meeting, dial into the closed
8 session? And that information is in the email I hope
9 you received from Atitaya this morning, wasn't it,
10 Atitaya?

11 MS. ROK: Yes. I emailed that information
12 this morning.

13 FATHER PIUS: With the closed number?

14 MS. ROK: Yes.

15 MS. REISKIN: Is the closed number different
16 than what you emailed us yesterday afternoon?

17 FATHER PIUS: Oh, I've got it.

18 CHAIRMAN LEVI: No. It's the same.

19 MS. ROK: No. It's the same.

20 FATHER PIUS: It's in the email from last
21 night, from about 5:40 last night.

22

1 MR. SMEGAL: It's the same number with a
2 different pass code.

3 FATHER PIUS: Right.

4 MS. REISKIN: Oh, it's a different pass code?

5 FATHER PIUS: Yes. A different pass code.

6 CHAIRMAN LEVI: See you all in a minute.

7 (Whereupon, at 10:20 a.m., the Committee's
8 open session was adjourned to executive session.)

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