

Arlene

April 23, 2007 – League Office, 49 S. Hotel Street, 96813, Honolulu.  
Two workshop presentations with Jeanette Senecal, Director, Elections and e-Democracy, LWV-US  
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Agenda:

9:30 am 10:30 am - Washington DC Voting Rights Workshop  
10:30 am to noon - LWV Ed Funds - Guidelines for how they can be used while staying in compliance with 501(C)3 status

Minutes

Present: Jean Aoki, Carol Bain, JoAnn Maruoka, Arlene Ellis, Suzanne Meisenzahl, Susan Miller, Pearl Johnson, Sue Irvine

I. Washington DC Voting Rights presentation

LWVHI state president, Susan Irvine, who is co-chairing the Washington DC Voting Rights Project in Hawaii, introduced the workshop presenter, Jeanette Senecal. Senecal showed the short educational DVD “It’s Time” and provided an overview to the issue. Posters and handouts were presented. An update on the current legislation that had recently passed the House of Representatives, though not the Senate yet, was provided. Questions and answer session followed. Some points include: Miller recalled that prior to Hawaii becoming a state in 1959, it only had one non-voting representative in Congress. Citizens felt similarly disenfranchised at that time, and so can relate to D.C.'s feelings of frustration. This historical fact could be included with an effective message to editorial boards. Sue offered to work on another op ed piece, as the one submitted three weeks ago was not published. Senecal reminded Irvine and Bain that the deadline for project final report with attachments is May 7.

II. Guidelines for LWV Education Funds

Senecal provided an overview to the use of LWV Education Funds and an update on national policy related to Ed Funds. She recommends League chapters take the 501c3(h) election option because that category is more flexible on the issue of advocacy versus lobbying. Choosing the “h” election option offers additional protection for 501c3 status, and recommends further discussion with CFO Greg Leatherwood ([g leatherwood@lww.org](mailto:g leatherwood@lww.org)) .

All Leagues are expected to advocate positions. Testifying on approved positions is not lobbying but is advocating our position. Advocacy is different from lobbying. Definition of Lobbying (must include all three):

1. a bill # is present
2. there is contact with the public or a legislator
3. a call to action, such as asking for voting a certain way

Senecal explained that in addition to many chapters having their own education fund, the LWV US also invites chapters to use the LWV US Ed fund. The LWV US Ed fund retains the interest only and has no other fees. LWV US Ed Fund does not keep receipts, but expects the local chapter to keep their own receipts as appropriate policies define. Chapters should keep track of expenses and the in-kind hours.

Policy recommendations include:

- national policy is to not lobby out of the 501(c)3 designation, and prefers Leagues lobby out of

the 501(c)4 designation. All expenditures should be tracked. Each organization has its own board and the roles of officers defined. As in all organizations, a separation of duties is recommended with checks and balances for oversight

- Meetings should be announced in advance and open
- Quarterly or monthly accounting reports are recommended, with copies of bank statements attached
- Written, clearly stated policies are recommended as misunderstandings are often avoided

Senecal recommended obtaining a copy of the National Ed Fund policies as guide and drafting written policies to avoid future problems. She recommends written agreement for each special project, (EG: Kauai chapter fund raiser). Senecal said most Leagues have more funds in their (c)4 organization than in their (c)3 organization. Those who want clarification on LWV US Ed Fund policy, contact Cheryl Graeve ([cgraeve@lww.org](mailto:cgraeve@lww.org)) Carol Bain offered to request a copy to share as guide for all chapters.

### **Related Discussion and Q&A:**

NEWSLETTER: Johnson asked if any postage and printing of our newsletter could be paid for by Ed Funds. Senecal said only the percentage that directly related to voter education. (EG: For a 6 page newsletter if 2 pages were voter educational then 33% of postage/costs would be allowed).

PMP: Policy regarding PMP from Ed Fund: 50% of a chapter's PMP is allowed to be paid from a nonprofit Ed Fund because that PMP money will be used solely for national Ed Fund projects. Therefore, the 501c3 status is not endangered in any way. Question by Johnson: Can a percentage of the state PMP be paid that way? Answer: yes, only State League must first recommend and pass policy (EG: 25% or 50%) amount of work is Ed Fund related.

LOCAL ED FUND: Ellis provided general history of local Ed Fund. The state Ed Fund at one time charged 9% fee (EG: Land Use Publication). The HI Ed Fund was closed down about 10 years ago. Honolulu League set up a new 501(c)3 about 3 years ago. No written policies established yet. At this time no fee is charged, but board is considering a 2% or 3% administrative fee per project. The Hon. Ed Fund board has decided to pay a percentage of office rent. Board members include Arlene Kim Ellis, Helen Kim Griffin, Robin Loomis, Suzanne Meisenzahl and Jean Aoki. (Secretary's note: There may be others on this Honolulu Ed Fund board. Not sure of officers, executive positions, and how bylaws define board process.) Ellis said the new Honolulu Ed Fund came about at request of League member (Astrid Monson) who specified her donated estate would be left in account and only the percentage of interest earned could be used. Ellis will look at the other conditions as specified in the will. Senecal recommended Honolulu Ed Fund create monthly or bi-monthly accounting reports, follow good accounting practices and segregate duties. (EG: different board person should track/receive income and different board member should sign/disburse checks; define threshold for when 2 signatures required, etc.)

Senecal said similar to (c)4 boards, an annual budget should be drafted for the (c)3 Ed Fund and adopted by the full board at the annual meeting. Senecal recommended policies to be developed soon for the Hon. Ed Fund for board approval, which will then be shared with local chapters who may want to participate for fund raiser potential. Irvine requested a copy for presentation at next state board meeting.

FUNDRAISING: Maruoka said currently there is a non-event fund raiser via direct mail to raise funds statewide, but the letter of invitation does not clearly state funds are for operational use versus tax-

deductible educational/ Ed Fund use. This may mislead those who think their check is a tax-deduction. Though the thank you mahalo letter does clearly state this, Maruoka suggested the type of funds should be clearly stated upon invitation.

#### VOTER GUIDES – policy on advertising

Senecal said the goal is to not confuse voters, but to give ballot and voter information. National policy on website voter guides allowed advertising by a candidate for only the web page that candidate was featured on. National president feels strongly that no advertising should be allowed for any voters guide. There was recent discussion, however, on the layout or formatting issue regarding printed voter guides. Dialog on this policy is being considered to allow advertising all in one section (EG: in middle pages or at end). Bain said the LWV Voter Guide of Kauai County had policy to only allow ads on lower half of pages on first come basis for candidates, and parties were only allowed to advertise if room was available. Bain agreed that putting ads in specific section would be better and the printed policy should be placed on front page of guide so voters understand. Miller suggested all ads be same size.

#### COMPUTER SECURITY/Data Backup policies

Senecal recommended policies be in writing to avoid accounting fraud. Meisenzahl said this password protection procedures and backup procedures were in the works right now.

**DUES & MEMBERSHIP DEVELOPMENT FROM NATIONAL OUTREACH:** Senecal reminded group that dues were not tax deductible. Senecal said the LWV US does member outreach and does attract “national” members who pay \$55 annual membership fee. National then provides \$5 of that fee back to state and wants state to use that \$5 for outreach to involve that member locally. Aoki asked if it was made clear that the person was a League member. Senecal said yes, and for clarification to call the LWV US development department if needed: Nancy Storm.

**SCHOLARSHIP FUND:** Bain had a question about how to designate a Scholarship fund as Kauai League offers a \$200 scholarship each year to a college student. Senecal referred that question to National CFO Greg Leatherwood.

**CONFLICT OF INTEREST:** Bain asked can directors bid on services to be provided and asked for clarification on how conflicts of interest were handled. Senecal said to create a policy that states the person/director must declare the conflict and then recuse themselves from decisions. Bain recommends another policy to seek more than one bid or quote for the service.

**CONVENTION COSTS:** Irvine asked if Ed Funds can be used to pay for convention costs. For instance, the room fee. Senecal said yes but must be open to public and possibly just the portion that allows public speaker or presentation. EG: Kauai April 21 event had morning dedicated to League related annual meeting, and the afternoon forum was open to public and related to education on issues of voting rights, therefore 50% of the room fee would be allowed from the related Ed. Fund grant.

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Respectfully submitted by Carol Bain, Secretary