



AIANEA National Council Teleconference Minutes

Wednesday, May 17, 2017

Respect, Harmony and Beauty

Council Members & Guests Attending:

President

Dr. Carol, Crouch, Oklahoma

Secretary

Melissa Sturdivant, Texas

East Regional Representative

Cassius Spears, Rhode Island

West Region Representative

Susan Looper, Nevada

Midwest Region Representative

Deb Walchuk, Minnesota

Guests Attending

Deborah Clairmont, NAIANSEPM

Nick Vira, President, APIO

Past Presidents Attending

Gina Kerzman, Washington

Meeting Minutes:

- a. Meeting was called to order at 12:06 pm by Dr. Carol Crouch, President.
- b. Welcome, introductions & roll call

A roll call of those in attendance was taken by Carol and Melissa. At the beginning of the teleconference, a quorum was not achieved and business was limited.

- c. Special guest, Nick Vira, President of NRCS' Asian Pacific Islander Organization, was in attendance. Nick discussed the recent success resulting from the partnership with the National Employee Development Center (NEDC), Women in NRCS (WiN), and the National Organization of Professional Hispanic Natural Resources Conservation Service Employees (NOPHNRCSE) in which they hosted a national-level training for employees. The multi-day training was conducted in Grapevine, TX, and included the following for the first part of the training:
 1. *Managing for Excellence*
 2. *Supervising for Excellence*
 3. *Civil Rights for Program Delivery*
 4. *Improving Conservation Delivery for Women Landowners and Producers*
 5. *Working Effectively with Asian Producers*

Immediately following the NEDC training courses, NOPHNRCSE, WiN and APIO partnered to sponsor technical training sessions from March 17-18, 2017 that included trainings in the following areas:

1. *Special Emphasis Program Managers (SEPM)*
2. *Engineering Tools*
3. *Soil Health Workshops*
4. *Conservation Planning Tools*
5. *Leadership Training*

Nick shared that he would like for us to partner together and to look at conducting training in 2018. Nick indicated that there was a lot of support from leadership and it was well-received.

Carol invited Deborah Clairmont to share her thoughts. Deb indicated that she really enjoyed the opportunity to meet with APIO and WiN, and felt that the cross-cultural aspects were a great chance for everyone to learn from one another. Deb provided support for the SEPM training which was conducted during the conference/training.

Gina commented that the partnership with APIO in the past has always worked really well, and added that having them involved helps us share a lot of the same responsibilities which is involved in hosting a training such as this.

Carol added that her State Conservationist (STC) informed her that 26 State Conservationists and 4 Regional Conservationists (RCs) attended the training in Texas. Gary O'Neill, OK STC, had also suggested to Carol that any future partnerships should follow this model used for the Texas training because it was such a great success. Discussions followed regarding the pros and cons of having this many groups involved in such a training and if having it in the same location is an advantage or disadvantage.

Discussions followed. Nick added that he felt that NOPHNRCS will probably go to Grapevine. Nick did feel that WiN would probably stay with APIO. Nick discussed the possibility that a joint meeting such as this may be capped at 200 employees attending. So, all felt that we need to weigh the options carefully. Nick added that we definitely need to be partnered with NEDC. He added that the sooner that you work with NEDC, you can get ahead of the planning process, and suggested that planning needs to start now so we are on their schedule (NEDC's). His inclination is that we look to 2018 in Texas, and in the Northwest in 2019. Gina added comments about the logistics and transportation and these need to be considered when making a decision. The closer we are to an American Indian reservation, the better the Tribal resources we will have available for cultural teachings. Cassius added that the Texas training was really well-attended and echoed Gina's comments about Texas, and the Grapevine location being limited in resources to support American Indian cultural enrichment.

Carol and Nick will attend an NRCS employees' meeting for the Presidents in the near future.

Deb Walchuk commented that we need to seek feedback from the STCs and see what support is available and where. Discussions followed. All agreed that we need to make a decision soon and move forward. Cassius commented that his STC (RI), Pooh Vongkhamdy, had an interest in traveling to Arizona. Carol commented on the logistical problems posed in Arizona, but this is something that would need to be researched. Gina suggested that there are many locations that would be supportive and many STCs who would support our training in their respective state(s). Gina discussed that the level of support from Wisconsin for the upcoming 2018 Working Effectively with American Indians (WEWAI) session has been outstanding and this might be a potential location to host a national training for a group of employees' organizations.

Still no quorum achieved, so no decisions were made regarding partnering with the APIO for 2018. This topic will be tabled until a later meeting.

- d. ACTION ITEM UPDATES:
SAIGE Conference Update
Facilitator: Dr. Carol Crouch
Discussions:

ACTION ITEM: *Dr. Crouch will resend email request to NRCS AZ again and report response at the next teleconference. This item is completed. Carol reported that she worked to get NRCS representation, but nothing was approved. It was recommended that each employee planning on attending the SAIGE conference work directly with their supervisor and State Conservationist. NO other info to add to this.*

e. National AIAN SEPM Report

Facilitator: Deborah Clairmont, NAIANSEPM

Deborah provided an update on her work as the National AIAN SEPM and outreach initiatives:

1. Remember to reserve the “Dream Big Banners” at the NRCS Distribution Center for any events that you are planning.
2. FY17 AIAN Heritage Month Poster
 - Title: “Big Water of Life”
 - Theme: “Water is the Essential Element” (Ockeechobee means ‘Big Water’ in the Seminole Language. Contest ends June 15 for artist to submit artwork.
3. National SEPM Training Webinar
 - June 20, 21, and 22nd
4. Indian Nations Conservation Alliance (INCA) – goal is to hire 15 high school students from across the nation living on or near Tribal Communities to work as NRCS Earth Team Volunteers
 - ‘Caring for Mother Earth Strengthening the Circle of Life and Agriculture is Our Responsibility’ Conference-June 6-8th, \$100 registration, Bozeman, MT
5. 4th Annual Summer Leadership Summit Native Youth in Food and Agriculture First Year Students- University of Arkansas Campus, students will be staying in Dorms and NRCS will be speaking on ‘NRCS and Traditional Ecological Knowledge’. ‘Indigenous Food and Agriculture’ Janie Hipp, Director- Agenda is still in draft.
6. Deborah reported that on-site hiring events for Pathways will be conducted differently in the future.

f. Regional Representatives’ Reports

Facilitator: Dr. Carol Crouch & Regional Representatives

1. Midwest Region Representative, Deb Walchuk, Minnesota
Deb reported that Minnesota has a new AIAN SEPM, Cari Roepke, and Deb also shared that Cari works as a District Conservationist in the county next to hers. Deb offered to Deborah Clairmont that if she needs help with anything, to please let her know, and she will help Cari wherever she can. Deb asked when the next SEPM training will be, and she will pass this information to Carrie.

Deb reported that there is a new STC in Wisconsin, Angela Biggs. Carol commented on her working with Angela in the past years.

2. South Central Region Representative, Derek Kelso
Carol reported for Derek, and indicated that three interns are involved in the pilot program Deborah Clairmont mentioned.

NRCS Oklahoma is close to completing the MOU with the Choctaw Nation of Oklahoma.

3. Cassius reported that the National Congress of American Indians (NCAI) will host a national meeting in June in Connecticut. He indicated a lot of Tribes should be in attendance, and he hopes to attend. In the Northeast, there are several Pow Wows and tribes are busy getting ready for these events. Cassius reported that the Intertribal Elders Day will occur and be hosted by the Narragansett Tribe.

g. Committee Updates

Facilitator: Dr. Carol Crouch & Committee Chairs

1. Scholarship Committee

Discussions followed regarding recent scholarship committee work. Carol asked Susan if she wanted to discuss this, or table it until a quorum is present, or to call a special meeting.

Susan discussed the challenges facing the Scholarship Committee. Susan reviewed the summary report which she emailed separately. See *attachment*. Melissa voiced her concerns about protecting the interest of donors such as Mrs. Judy Bryant, simply because we have never received funds of this amount before from a single donor. She continued that she just wants to make sure that we have everything in place to protect folks such as Judy, especially when her records might be audited with such large donations. Will we be able to stand up to the scrutiny if she is audited, and are we doing everything correctly? When asked, Susan added that we are not obligated to return money that is not awarded in scholarships.

Discussions followed. Carol extended her appreciation for the hard work by the Committee to address some of the questions brought forward. Carol commented on the need to award scholarships annually. The Bylaws state that we need to award these annually, and how do we address these questions? She agreed that we need to acknowledge and address the conflict of interest concerns as well. We need to discern the difference between a non-profit and a charitable organization. We cannot make these decisions today, and we need to get the consent from the Council of the direction we need to move forward. Carol suggests that the Council needs time to review the report and then we can make some decisions.

More discussions followed. Susan asked that the Council members read through the report so we can discuss the concerns and to make some decisions as we move forward.

Carol asked that the Scholarship Committee prepare a report for the Council to review. Susan stated that the report was provided, but indicated she would prepare a report of recommendations to present to the National Council.

Carol also asked that we look at preparing a Conflict of Interest clause that be presented to the National Council.

More discussions followed. We do need to address the Bylaws and make some changes, and ensure we are operating in accordance with our Bylaws.

2. All other committee reports are tabled until the next teleconference.

h. Old Business.

Facilitator: Dr. Carol Crouch & National Council

1. Elder Travel Plan: tabled.
2. Awards Budget: tabled.
3. Gate.COM and AIANEA.COM: tabled.

i. Adjourn – Carol extended her appreciation to those members and guests attending and with no further business, she adjourned the Council meeting at 1:32 pm, Central. Next scheduled meetings are planned for June 21 at noon, Central, and July 19 at Noon, Central.

Minutes respectfully submitted by Melissa Sturdivant, AIANEA National Council Secretary.
Please respond to melissa.sturdivant@tx.usda.gov with questions or comments.

AIANEA Scholarship Committee Report
Teleconference May 10, 2017, 1:00 PM Pacific Time

Committee Members as of May 3, 2017:

Melissa Sturdivant, TX
David Elliot, AL
Noller Herbert, WDC
Susan Looper
Felix Nez
Pam Crow, Harold Bryant Scholarship Sub-Committee

Teleconference Attendees May 10, 2017:

Susan Looper, NV (HOST LINE NV NRCS)
Melissa Sturdivant, TX
Felix Nez, AZ

The meeting began about 1:10 PM Pacific Time and ended about 2:30 PM, with three committee members participating. The meeting discussion began with the on-going challenge for committee members to participate in meetings because of scheduling conflicts. We also discussed Carol Crouch officially stepping down from the committee on May 2, 2017, stating the committee is “not meeting any of the goals nor vision of why these scholarships were founded.” Some of us feel the AIANEA Scholarship Committee is not meeting our fiduciary responsibility to our Donors as an IRS 501 C (3) Public Charity, which is required before disbursement of a scholarship award.

The Scholarship Committee discussed the state and federal governing authorities applicable to the AIANEA organization, including **1)** recognition by the USDA as an employee association subject to the federal DR-4020-251-01 as a Social Welfare and Recreation organization; **2)** recognition by Arizona State as an Entity Non-Profit Corporation organized in Arizona, subject to ARS; **3)** recognition by IRS as a non-profit 501 C (3), tax exempt, Public Charity, subject to federal law; and **4)** may be subject to additional taxes imposed by donations originating outside of Arizona, or interstate commerce tax laws.

The Scholarship Committee is concerned whether or not the AIANEA scholarship program is compliant with Arizona State and federal IRS 501 C (3) rules for awarding scholarships, and whether the fiduciary duty to Donors supporting AIANEA as a Public Charity is being met. **The Scholarship Committee discussion included:**

1. How do we create a scholarship policy if we don't know what IRS rules apply to a 501 C (3);
2. How do we protect our Public Charity Donor interests, including scholarship donations, if we don't know what IRS rules apply to a 501 C (3) Public Charity, or how other applicable state and federal laws apply. Non-profit, tax exempt, Public Charities have a strict fiduciary responsibility to Donors and a duty to perform according to the IRS 501 C (3) rules and other applicable laws;
3. We feel the need to consult and work with a CPA and/or Attorney to develop a scholarship policy that is consistent to state and federal laws specific to 501 C (3) Public Charity authorities; and, supports the DR-4020-251-01 as a federal employee association, and withstands public scrutiny.
4. Consult other Employee Associations to learn how they award scholarships as a 501 C (3); Most likely, other Employee Associations fall short of state and federal compliance too;
5. We want a CPA to review the most recent scholarships awarded in 2015 by AIANEA to evaluate whether or not our process is consistent with IRS 501 C (3) rules and state statutes. If not, we want the CPA to assist AIANEA in correcting those actions and going forward.

Melissa felt we should select a new committee chair since Carol Crouch had resigned. Melissa asked if either Felix or Susan would be willing to chair the committee. Felix did not want to chair the committee, but Susan agreed to chair the committee if Melissa would co-chair with her. Melissa agreed to co-chair.

The committee agreed we need to learn what state and federal rules apply to the AIANEA scholarship program, and whether or not AIANEA is compliant with 501 C (3) scholarship rules. Susan agreed to look into the matter. We discussed writing a "How-To" manual with the steps taken to develop a non-profit, 501 C (3), Public Charity, tax exempt scholarship program. We want to document the process.

Susan contacted Noller Herbert, Pam Crow, Millie Titla, Nick Vira, Herb Webb, Carol Crouch, Athena Cholas via email and phone, inquiring about concerns of some serving on the Scholarship Committee. Susan made an effort to locate and review the AIANEA state and federal filings, like the Form 1023 or the IRS Determination letter for AIANEA's tax exempt status.

Some members contacted did not feel it was necessary to review the IRS Form 1023 filing originally made by AIANEA, and had no idea where a copy was located. Some felt that AIANEA could go ahead and award scholarships without any concern. Susan was only able to review partial documents, but has since learned that all of these state and federal filings by AIANEA are available to the public because we are an IRS non-profit 501 C (3) Public Charity, tax exempt. Susan followed-up on information provided by the group, and further reviewed AZ state and IRS federal publications applicable to the AIANEA organization. Filings available on the AZ and IRS websites specific to AIANEA were also reviewed.

On May 12, 2017, Susan consulted with a CPA in Reno that works with 501 C (3)'s in the Nevada. The CPA emphasized a Public Charity's fiduciary responsibility to Donor contributions, and the importance of every Board Member, Officer and Committee Member reviewing and understanding the Form 1023 filed with the IRS, and other government filings that apply to our organization.

The CPA emphasized the importance of protecting Donor interests by following the state and federal rules applicable to the non-profit, including conflict of interest rules. The CPA feels the fiduciary responsibility of an organization to a Donor should be the highest priority because we cannot function as a Public Charity without Donor support.

The CPA stated one of the greatest problems for 501 C (3)'s, when receiving donations or awarding scholarships, is conflict of interest scenarios. The CPA identified scholarship awards to family members of a Scholarship Committee Member, Board or Officer Member as a conflict of interest.

The CPA recommended a 501 C (3) stop giving scholarship awards until:

1. Conflict of interest policy is incorporated into the scholarship program that is consistent with state non-profit and IRS 501 C (3) federal rules, and other governing regulations like DR-4020-251-01;
2. Potential conflict of interest scenarios identified and corrected; what does this include and mean?
3. Scholarship Program developed must include required state and federal fiduciary disclosures to Donors, and may include a Donor's Bill of Rights;
4. Advised obtaining copies of the IRS Form 1023 and 501 C (3) tax exemption determination letter for each Board, Officer and Committee Member to review. CPA stated it is critical for Members to understand the IRS Form 1023 filing because the Form 1023 describes how the Public Charity organization will conduct business as a 501 C (3).
5. Work with a qualified 501 C (3) CPA to develop the scholarship program and insure the Public Charity is conducting scholarship awards by state and federal rules that are applicable.

AIANEA Scholarship Committee Recommendations

May 17, 2017

Susan Looper:

I completely agree with the CPA's recommendation to stop giving out scholarships, or any kind, until we have developed all aspects of a scholarship program and addressed all potential conflict of interest issues identified. The CPA informed me there is no penalty or timeline for scholarship donations sitting in the bank, waiting to be awarded.

I feel we need to work with a qualified 501 C (3) CPA to develop a scholarship policy that is consistent with IRS federal rules and AZ state rules. I am not a CPA or Attorney and will not represent myself as such on the AIANEA Scholarship Committee. I feel we need to work with a CPA to develop scholarship policy, create scholarship forms or information that would be disseminated for a scholarship, over-all program matters.

I feel we need to be certain AIANEA Donor contributions are protected from conflict of interest situations that could compromise the tax exempt status of AIANEA, thereby affecting the Donor contribution tax deductibility status.

I believe there was conflict of interest issues involving scholarships awarded in 2015. I feel a CPA can make this determination. I am not sure what all this involves or how this would be done.

I agree with the CPA that we need to obtain copies of the IRS Form 1023 and 501 C (3) tax exemption determination letter for each Board, Officer and Committee Member to review. I feel creating a "How-To" manual which documents the steps taken to develop a scholarship program is important. It will help make the scholarship program more transparent and understandable to all.

I do not believe the AIANEA Scholarship Committee is meeting the fiduciary responsibility to Donors as an IRS 501 C (3) Public Charity. It is my opinion that AIANEA is jeopardizing its' Public Charity, tax exempt status and fiduciary duty to Donors if AIANEA continues to award scholarship funds that are not meeting state and federal rules for such awards.

I agree that AIANEA needs to stop awarding scholarships of any kind until we find out if we are compliant with state and federal rules as a Public Charity. I agree we need to hire a 501 C (3) CPA to help us evaluate AIANEA's current scholarship award practices, and assist us in developing all aspects of a scholarship program that meets state and federal compliance for a Public Charity.

I believe the AIANEA goals and visions for scholarship award program are being jeopardized when state and federal rules, governing what we do as a Public Charity, are not followed. Thank you for considering my view point.

Melissa Sturdivant:

It is my belief that although our mission is ***"to promote higher educational opportunities by sponsoring a sustaining scholarship program," we have an obligation to ensure that our donors are protected and that they should never question the credibility of the scholarship program or its intent. Based on that declaration, we should ensure that we are in compliance simply because we have never received monies such as this from a private donation. We raise money at conferences through our silent auctions. We receive donations from employees and other donors. We devised a means to raise some monies and brought the vision of the cookbook to fruition, and a portion of each sale is returned to the scholarship fund. But, I'm not sure anyone ever anticipated that we would receive more than \$30,000 from a donor – a specific donor, a widow from one of our former members. Because we've never received monies such as this, we need to be prudent in ensuring we are doing everything we can to follow the intent and spirit.

My concern is that we need to ensure that we are doing things correctly and within the parameters outlined in the IRS regulations. If not for us, we need to make sure we do it for donors like Judy Bryant. If it requires that we take a step back, and spend a little more time on the front-end making sure that we are in compliance, and if we need to hire a CPA that is certified in this specific type of accounting and tax law, then we should invest in our future and do this. I want us to have faith in what we are doing and I want our donors and members to also have that same level of faith in our Association.

I agree that we should stop the award of scholarships until we are clear on the policies and guidelines and we have a policy we are comfortable with as we move forward. It may be a moot point, but this initially filing was done in 2003. We have never received a substantial money such as this and are we still in compliance? Are there special rules for monies received and disbursements? Should we be filing individual reporting for monies disbursed to students? Are we providing documentation to students so they can report earnings and awards, as needed? Are any of these steps required?

I agree that we need to hire a CPA skilled in tax law and working with 501(c)3 organizations and ensuring we are in compliance, and if not, can advise how to get us in compliance. Once we are sure of what is needed, and if any changes are needed, have each Council member read the necessary documentation as to what all is involved and part of the compliance standards.

I agree that we need to take the initiative to create a "How-To" manual to assist our sister Associations. More importantly, we need to develop a manual so as we don't have these problems in the future. Too many variables and interpretations are clouding the path. The bottom line, and questions you need to ask yourself...

Are we protecting our donors and doing everything we can to ensure we are following the guidelines? Before we come up with scholarship guidelines and all the rules for how and who we award scholarships to, are we sure that we are following all of the legal aspects of operating as such?

Would you be willing to represent our Association before the IRS if we and our activities are called into question and now our donors are being questioned about large donations? As a Board Member, are you willing to assume the liability of the tax burden, if there is one?

**AIANEA Constitution and Bylaws

Felix Nez: No comments were received from Felix yet.