WELCOME

SCHOOL NUTRITION ASSOCIATION OF PENNSYLVANIA
Board of Directors Annual Orientation
AGENDA

• Introduction and Background of Corporation
  • IRC Section 501(c)(4)
• SNAPA Structure and Governing Documents
• Board Director Legal Duties
• SNAPA Procedures and Practical Matters
BOARD COUNSEL

- Richard C. Gaffney, Jr., MBA, Esq. (412) 298-8126
- Attorney at Law (28 years)
- Professor of Law at Duquesne University (13 years)
- 12 years prior experience in food service industry
- Familiar with school food service industry for past 14 years
“SNAPA is the statewide association of school nutrition professionals committed to advancing the quality of child nutrition programs through education and advocacy.”
SNAPA BYLAWS

The mission for which the Association is organized is to positively impact the wellness of children through healthy meals and high quality school nutrition programs and to support the mission and values of the School Nutrition Association, Inc.
The Basics

* Affiliated with the national School Nutrition Association.
* A non-profit organization, designated by the IRS as a 501c (4).
* Fiscal Year: July 1-June 30.
* Officers term August 1st – July 30th
A nonprofit incorporates in the state where it is headquartered. For charitable nonprofits, incorporation usually precedes filing for tax-exempt status from the IRS. Some small charitable groups do not incorporate, but for most the pros and cons for incorporating reveal that doing so makes sense.

Importantly, incorporation limits personal liability for the board of directors.
Non Profit Status

- Not-for-profit refers to the legal corporate status of the organization.
- IRS 501 (c) (4) non profit designation most often is referring to “social welfare” groups that promote social welfare causes.
- PSFS Foundation is a 501 (c) (3) entity. This is a charitable organization and is eligible to receive tax deductible contributions.
Internal Revenue Code section 501(c)(4) provides for the exemption of two very different types of organizations with their own distinct qualification requirements. They are:

- **Social welfare organizations**: Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, and

- **Local associations of employees**, the membership of which is limited to the employees of a designated person(s) in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational or recreational purposes.
To be tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(4), an organization must not be organized for profit and must be operated exclusively to promote “social welfare.”

To be operated exclusively to promote social welfare, an organization must operate primarily to further the common good and general welfare of the people of the community (such as by bringing about civic betterment and social improvements).

The promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office. However, a section 501(c)(4) social welfare organization may engage in some political activities, so long as that is not its primary activity.
Lobbying

• May IRC 501(c)(4), (c)(5), or (c)(6) Organizations Engage in Attempts to Influence Legislation (Lobbying)?

• YES. Organizations described in IRC 501(c)(4), (c)(5), and (c)(6) may engage in an unlimited amount of lobbying, provided that the lobbying is related to the organization's exempt purpose.

• Rev. Rul 61-177 notes that there is no requirement, by statute or regulations that a business league or chamber of commerce must refrain from lobbying activities to qualify for exemption.

SNAPA Board Members

• Executive Committee
  • President
  • President Elect
  • Vice President
  • Secretary/Treasurer
  • Executive Director

• Committee Chairs
  • Membership Service and Nominating
  • Nutrition Education and Professional Development
  • Public Communications
  • Public Policy and Legislation
  • Employee/Manager Representative
  • (1) Business & Industry Partner Chair
  • (8) Regional Representatives
SNAPa’s 8 Regions

School Nutrition Association of Pennsylvania
NON-VOTING MEMBERS

• Immediate Past President
• Business affiliate members (2)
• Pennsylvania State Director of Child Nutrition Program
• Pennsylvania State Director of Bureau of Government Donated Foods
• Special Committee Chairs
• Executive Director
Special Standing Committees

• Annual Conference Committee
• Strategic Planning Committee
• Finance Committee
• Ad Hoc Committees
Executive Director

• Paid position for the association. Work includes but is not limited to:
  • Non-voting position
  • Organizes and maintains Board works
  • Oversees and provides support for the work of the Board of Directors
  • Conducts affairs on behalf of the association
  • Liaison for the national association
  • Supports Board activities
  • Supports Annual Conference
  • Marketing activities on behalf of the Board of Directors
  • Financial support of paid financial services
  • Technical support; website, presentations, data
PRACTICAL STEPS FOR YOUR BOARD SERVICE

SERVICE
- Attend All Board Meetings
- Review Board Agenda prior to the meeting
- Review from previous meeting minutes
- Complete a Board Report for each meeting
- Review Position Descriptions

PROMOTION
- Promote the association to others
- Recruit future leaders
- Volunteer for Committee work
- Whether or not you agree or disagree about an issue, once a vote has been taken, the Board stands as one.
Board Documents

SNAPA Bylaws
Standard Operating Procedures
Association Guide
SNAPA’s Bylaws provide that: “Subject to the final ruling of the presiding officer, the Articles of Incorporation, and these Bylaws, meetings shall be governed by Roberts’ Rules of Parliamentary Procedures, latest revised edition.”. Must have membership vote for revisions.

A Quorum is considered to be: “At any meeting of the Board, a majority of voting members constitute a quorum for the transaction of business. All transacted business will be approved by a majority of those attending and voting.”
Board Reports

Support your position on the Board.
Available to all members.
Includes interesting idea sharing for all members.
Should be submitted on time so they can be consolidated for reporting purposes.
Board Etiquette

Respect Others
We do not need to agree on everything, but need to respect the thoughts of others. What happens in board meetings, stays in board meetings.

We ask that each Board member use discretion when discussing Board related issues.
ETIQUETTE OUTSIDE THE BOARD ROOM

As a SNAPA Board member, it is your responsibility to conduct yourself professionally at all times, even in the private sector.

This is particularly important when using social media.

Be careful not to use your Board position to voice your political opinion on social media.

Do not talk negatively about fellow board members in conversation or on social media.
Fiduciary Responsibilities

There are three legal principles that apply to all non-profit boards

• Duty of Care
  - Describes the level of competence
  - Commonly expressed as what an ordinary prudent person would do in similar circumstances.
  - Exercise reasonable care in decision making as an association steward

• Duty of Loyalty
  - Undivided allegiance to the Associations welfare when making decisions
  - A standard of faithfulness
  - Comply with board polices regarding confidentiality and ethics

• Duty of Obedience
  - Stay faithful to the mission
  - Understanding the public trust in association management.
DUTY OF CARE

• A board member must be active in organizational planning and decision making. Board members must exercise reasonable care when he or she makes a decision for the organization.

• Reasonable care is what an "ordinarily prudent" person in a similar situation would do.
DUTY OF LOYALTY

- A board member must never use information gained through his/her position for personal gain and must always act in the best interests of the organization.
- Board members must avoid conflicts of interest or the appearance of conflicts.
CONFLICTS OF INTEREST

• The IRS requires much more information from nonprofits these days. One area that gets tremendous attention is potential financial conflicts of interest, particularly regarding board members. In fact, the new IRS Form 990 asks, specifically, for disclosure of potential conflicts of interest.
CONFLICTS OF INTEREST

- Imagine these scenarios to understand what "conflict of interest" means:
- A board member offers to sell services to the nonprofit, such as accounting, investment, construction, computer, catering and earn a profit
- A board member bids on a consulting contract with the organization
- A board member offers to loan money to the charity at above-market interest rates
CONFLICTS OF INTEREST GUIDELINES

- **Define inappropriate behavior before it begins**
- **Review conflict of interest policies**
- **Disclose and then disclose some more.** Your organization’s reputation is its most valuable asset. Even the perception of a conflict of interest can be terribly damaging. Disclose the facts, and do so as quickly as possible. Disclosure applies to both personal involvement and issues on an organizational level.
- **Call out a conflict of interest when you suspect it.** If you believe that another board member has crossed a line by promoting his or her financial interest, take responsibility and disclose it. Try talking to the individual privately, but if this fails, bring it to the attention of the board chair and the rest of the board.
- **Recuse yourself.** If you think you have a conflict of interest and your colleagues agree, recuse yourself from the relevant discussion and votes. If you and the rest of the board have thought through potential issues early on and put guidelines in place, the likelihood of having to recuse yourself is much less likely.
DUTY OF OBEDIENCE

• A board member must be faithful to the nonprofit organization's mission.
• He or she cannot act in a way that is inconsistent with the organization's goals. The public trusts the board to manage donated funds to fulfill the organization's mission.
DUTY OF OBEDIENCE

• ALSO …
• Make sure that the organization follows the law
• Approve all key contracts
• Attend most board meetings, thus indicating a dedication to the organization
• Hire and supervise the executive director who then hires staff
• Make sure the organization remains financially solvent by evaluating financial policies, approving budgets, and reviewing financial reports
SNAPA Board of Director must agree and sign the following:

Confidentiality Statement
Standards of Business Conduct Agreement

I Pledge...
Housekeeping Items

Attendance at Board Meetings
All voting board members are expected to attend all regularly scheduled board meetings. If you are unable to attend a Board meeting, please contact the President.

Dress Code
Business casual unless otherwise noted.

Attendance at Annual Conference
All voting board members are expected to attend and promote the Annual Conference. In addition, board members are expected to work at the conference assisting with such events as: registration, show floor, moderating, assisting registrants.
What We Do!

* Always in the best interest of our membership, both professional members and Business & Industry Partners.
* Strategic Planning in line with SNA’s vision and mission.
* Survey members to best meet their needs.
* Work to promote membership, both professional and business.
* Act for the good of all
**Insurance & Volunteer Immunity**

Directors and Officers (D&O) may cover legal defense for employment, copyright, and antitrust claims.

**General Liability** insurance covers property damages and injuries relating to the organization.

**Event Cancellation** covers the loss of revenue due to a cancellation, curtailment, postponement because of weather, strikes, etc.

**Coverage for Chapters** under our liability policy. Must give advance notice to the Executive Director for customized policy for individual events.
Reimbursements

Hotel Accommodations: SNAPA will arrange for and provide hotel accommodations for all Board members at the “double room rate” in the hotel. A Board member may request a single room and be responsible for half of the room rate. Board members may travel the night prior to the scheduled meeting of the Board if the meeting is scheduled to begin early in the day.

SNAPA has a $60 per day per diem for all food purchases.

Alcohol Policy: No alcohol may be charged to the SNAPa budget nor reimbursed by SNAPa.

Cancellation Policy: this policy is in the Standard Operating Procedures, but says basically that Board members must provide written notice 14 days prior to an event if they wish to cancel, otherwise they may be personally responsible for any and all expenses incurred by SNAPA.
SNAPA’s Annual Meeting Calendar

There are 4 Board Meetings each Fiscal Year . . .

The Annual Conference (July/August) – generally the first day of the Annual Conference and usually coincides with all scheduled “Pre-Con” sessions.

October (the Fall Meeting) – usually an “in person” meeting held in a more central location in Pennsylvania for the convenience of all Board members.

January (the Winter Meeting) – this meeting may also be held in December and has been both an “in person” meeting but more often a conference call.

April or May (the Spring Meeting) – we try to meet at the site of that year’s Annual Conference.
Thank you for your support of SNAPA and school nutrition in Pennsylvania!