

# The Evolution of a Foundation Named ASTEF

No one really remembers who or what or exactly when the idea of a foundation for the Texas State Organization (TSO) of The Delta Kappa Gamma Society International came about. We do know that for many biennia the leadership and members across Texas had voiced their concern that the purposes of the organization could be more effectively served in alignment with a foundation.

After TSO boldly moved forward to purchase its first permanent home in Dallas, the advantages of a foundation continued to surface in discussions, particularly in the headquarters committee. This committee was charged with raising funds to repay the scholarship fund from which the monies came to purchase the headquarters building. The headquarters committee became quite successful at raising these funds for TSO, a 501(c)(6) nonprofit organization; however, they recognized the limitations mandated by IRS regulations and the advantages of foundations under 501(c)(3) regulations. One goal was to have a foundation with nonprofit status. Being a nonprofit foundation would allow all donations made to the foundation by members to be tax deductible.

In August 2009 the headquarters committee revised its committee goals to include "Begin investigation toward becoming a nonprofit 501(c)(3) organization." Jeanie Stiles, chair, asked Darlene Bealmear and Jean Robinson to investigate the possibilities for a foundation to serve the purposes of TSO. They surveyed each of the foundations that supported state Delta Kappa Gamma organizations and interviewed persons affiliated with the foundations. Representatives from some of the foundations offered help and provided documents useful in establishing and implementing their respective foundations. Additionally, Jean and Darlene interviewed local attorneys who might advise and advocate for a foundation to serve TSO. They reported their findings in November. In March 2010 headquarters committee member Jean Webb and TSO State President Dr. Vicki Tigert Davis developed a white paper on the findings and potential for a foundation to be known as ASTEF (Alpha State Texas Educational Foundation). The committee suggested the name and that the acronym be used to simplify and help members identify with the organization of which they would be members with their DKG affiliation.

The discussions at the headquarters committee meetings culminated in a proposal that was approved by the TSO executive board, June 19, 2010, at the 81<sup>st</sup> Texas State Convention in Waco. The executive board's action was immediately announced via the first online *Lone Star Newsette*, Vol. 1, No. 1, Summer 2010. The TSO president was charged with naming a special committee to investigate the possibilities for a foundation to provide funding for activities that support professional and personal growth of women educators in Texas and promote educational excellence for Texas students. Dr. Davis named Jean Webb, chair, Iota Pi, Fort Worth; Evelyn Barron, Epsilon Kappa, Austin; Lee Bourg, Epsilon Upsilon, Mission; Sandi Causey, Epsilon Kappa, Austin; Ruth Hull, Zeta Gamma, Tyler; with herself as TSO President and Betty Vines, executive secretary/treasurer, as members ex officio. Funding for the special committee was restricted to consultative fees set at \$1500.00.

With convention approval, the special committee began to learn about and explore their responsibilities. All committee members participated in a personally-funded workshop for educational foundation Board members at the Minute Maid Stadium in downtown Houston, August 26, 2010. At that meeting they met an attorney from Fort Worth who specialized in

educational foundations and who became their legal counsel for filing the required documents that eventually achieved the IRS status for the proposed foundation.

At the workshop in Houston, the committee learned the specific steps to be taken and approval required at each step for ASTEF to become a reality. They also met with executive directors of other nonprofit organizations. With their newly acquired information, the committee asked to meet with the TSO executive committee to seek approval to move forward in a timely manner. If the committee did not act during 2010-2011, the report to TSO members at the 2011 convention would simply be a to-do list. Inaction would mean that ASTEF would be a year behind in the process of becoming a reality.

At the fall TSO executive committee meeting, October 9, 2010, Jean Webb reported on the progress of the special committee. The TSO executive committee supported the work of the special committee and encouraged the committee to move forward in its investigation and plans for implementation of the educational foundation for TSO. The projects that ASTEF could help fund seemed endless and the special committee knew that with the support of TSO members, ASTEF would become a model nonprofit foundation.

Following the advice received from professionals and with the approval of the TSO executive board, several action steps were taken:

A mission statement was developed. The committee envisioned a foundation that would benefit members and chapters. They wanted the statement to be broad enough to allow members and chapters to apply for grants to help fund the projects that would enhance their own community. The final mission statement reads: "The purpose of the Alpha State Texas Educational Foundation (ASTEF) is to provide funding for activities that support professional and personal growth of women educators in Texas and promote educational excellence for Texas students."

An EIN (Employer Identification Number) was obtained. The EIN was applied for online and received August 5, 2010.

A Certificate of Formation for Nonprofit Corporation in State of Texas was filed. By virtue of their positions on the special committee, members were named in this document as directors and thus became founding directors and the first executive committee of ASTEF. The Texas Certificate of Formation for Nonprofit Corporation was received from the Secretary of the State September 17, 2010, and ASTEF became a legal entity.

IRS Form 1023, Application for 501(c)(3) Status, was filed. The committee met in Austin at International Headquarters for a two-day retreat to draft bylaws and to generally come to consensus on the roles of TSO and ASTEF. After legal review of the bylaws, the committee met for two-days at TSO Headquarters in Dallas to work on the IRS application. Many hours were spent assimilating information and brainstorming to assure that TSO and ASTEF were beneficial to each other, met the needs of all members and provided new and exciting opportunities for members in the future. After a final review by Janet Bubert, attorney, the application and supplementary information were submitted to the IRS on April 14, 2011.

Between meetings, committee members worked diligently on a variety of assignments, including drafting a memo of understanding between the two organizations, developing policy statements, delineating responsibilities and beginning a policy and procedures notebook. All

members participated in the decision-making processes. Committee members expressed their personal understanding and preferences while deliberating the professional, ethical and business issues at stake. Moving funds from TSO to ASTEF was keenly debated. Responsibilities for officers and committees were delineated. Those were some of the hard decisions. In contrast it was easier to design and approve a seal, stationery, logo, and brochure. Staggered terms were agreed upon. And the first set of officers was determined by unanimous consent. Decisions were made within a framework of honor, optimism, and respect for the purposes of DKG and its members. Meanwhile, the wait time for the approval of the application for 501(c)(3) seemed endless.

During late Fall 2010, ASTEF efforts to move forward were promoted in Vol. 2, No.1 of the *Lone Star Newsette*. The headquarters committee again bolstered the work of ASTEF by surveying members' interests in a fundraising cruise that would target building non-dues revenue for the anticipated Alpha State Texas Educational Foundation (ASTEF)\*. The asterisk cautioned in the footnote: "Pending approval of ASTEF's 501(c)(3) status and subject to Texas State Organization action." An online survey gave members an opportunity to express their interest in raising money for the new foundation in a most exciting way. And so it did with the inaugural cruise to Key West and the Bahamas in 2012!

The committee continued to stay busy. Committee members worked with chapters and designated areas across Texas to promote the mission of the foundation. The many educational challenges in Texas combined with the representation of TSO/ASTEF members around the state provided the opportunity for significant impact to uplift both educators and students through ASTEF funded scholarships, leadership programs and numerous projects to be offered by chapters, groups and individuals. Helping members understand the relationship between the organizations became a challenge for ASTEF leaders. Creative ways of understanding the parallel organizational relationships were explored using electronic presentations, formal speeches and game-like quizzes, and by recalling powerful stories such as "Frog and Toad Are Friends." Member participation in continuing the scholarship and leadership programs, in developing new pedagogically sound projects and in supporting each with significant fundraising activities and grants were constant drivers of committee efforts.

Plans were made for ASTEF involvement and a business meeting at the TSO convention. To help members learn more about the foundation, the committee answered questions during an hour of conversation at the 2011 state convention prior to the TSO business meeting. Every detail was addressed.

On June 25, 2011, at the 82<sup>nd</sup> State Convention in McAllen, the special committee's recommendation to the general assembly – "That TSO approve the establishment of the Alpha State Texas Educational Foundation to be known as ASTEF" – was adopted. The rationale stated that "Establishing ASTEF responds to the concern expressed for years by Texas members about the need to investigate the feasibility of a foundation as a viable entity to accept, manage and distribute contributions to improve the quality of education and enhance the professional and personal growth of women educators in Texas; provide tax-exempt status to qualifying projects to assist fundraising; and to provide tax-deductible status for contributors."

Following this action, the headquarters committee's recommendation was approved to transfer funds to partially re-pay the loan for the building from the headquarters campaign to the scholarship fund, to budget the remainder of the loan over a period of time, and that

ASTEFL would pay a percentage of income for use of staff and building. Similar recommendations from the leadership seminar and scholarship committees were approved, transferring ownership of each respective fund to ASTEF to manage, invest, reinvest and distribute. Each of the programs would continue for the purposes specified by TSO governing documents with ASTEF becoming the fundraiser for such purposes. ASTEF further affirmed that rules governing state organization scholarships shall be approved by the Texas State Organization executive board as mandated by the *Constitution* of Delta Kappa Gamma.

An Enabling Act for ASTEF was added to the TSO bylaws giving consent for the establishment and operation of the nonprofit under the Texas Non-Profit Corporation Act and the Internal Revenue Code as a 501(c)(3) and specifying significant details of the relationship between the two organizations. These included no required membership fee, annual ASTEF meeting to occur during TSO conventions, use of TSO office space by ASTEF, required memo of understanding, and a no revision clause.

ASTEFL held its first annual meeting of members immediately following the TSO business meeting on Saturday, June 25, 2011, at 2:15 PM, in McAllen. Jean Webb presided.

The letter of determination from the IRS was issued on June 21, 2012, with approval of the 501(c)(3) status effective September 17, 2010.

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