

**2018**  
**Strategic Conversations**  
**League of American Orchestras Volunteer Council**  
**MINUTES – CALL #5**  
**Volunteer Presidents & Presidents-Elect**  
**Monday, December 10, 2018**  
**9 a.m.- 10 a.m. (Pacific) / 10 a.m. – 11 a.m. (Central) / 12 p.m. – 1 p.m. (Eastern)**

Tiffany Ammerman, President, Volunteer Council, greeted the five Participants as they joined the call with her, Terry White, President-Elect, Volunteer Council, and Sharon Hatchett, Secretary, Volunteer Council (Facilitator). Derek Weagle, the League of American Orchestras (“LAO”) Liaison to the Volunteer Council was not on the call.

**FACILITATORS:**

- Tiffany Ammerman, Marshall Symphony League (Texas)
- Terry White, Amarillo Symphony Guild (Texas)
- Sharon Hatchett, Southside Friends of the Chicago Sinfonietta (Illinois)

**GUESTS:**

- Helen Shaffer, Houston Symphony League
- Laura Hyde, Women’s Symphony League of Tyler

Tiffany began the discussion by reviewing the topic for today’s Strategic Conversation #5, the remaining one-hour call in our Strategic Conversation series, and introducing the two guests to speak to the topic.

**Discussion Topic:** Pros and Cons of Volunteer Groups being under their own 501(c)(3)

Tiffany introduced Helen Shaffer (Houston Symphony League) and Laura Hyde, (Women’s Symphony League of Tyler) to speak about the pros and cons of volunteer organizations operating under their own 501(c)(3).

Tiffany noted that there has been a lot of interest among volunteer organizations regarding 501c3s. She had hoped that Derek would be able to determine how many volunteer groups are 501c3s but this information has not yet been compiled by the LAO.

Laura Hyde kicked on the discussion as her organization has their own 501c3. Tiffany asked Laura to share how they came to that decision and pros/cons. Laura’s League formed their 501c3 in the late 60s. Was not a big deal. Six women started their League, it had 26 members and now they have a membership of over 500 members. Her League is independent from their Symphony but they are a major donor to them. Support youth orchestra and educational

matters like scholarships. Make own decisions on how their money is spent. Guarantee at least \$100k annually to their orchestra and sometimes up to \$20k more. Dues are for administrative budget. Keep fundraising monies separate.

Why did you choose to be independent? Was not considered a big deal to be separate. Laura is not familiar with the history of deciding to set up the 501c3. Started the symphony league around 1963.

Do your By-Laws show a commitment of \$100k? Not originally but does now so the symphony knows what they can count on to make their budget.

**Participant 1** asked if they zero out their funds annually. No. Every June the new officers come in. Do leave some seed money for them, including for the upcoming Ball so they can pay deposits in the summer before they begin raising money themselves. Do not leave a lot of money in the account.

Aren't there rules for spending that money? Yes. Is the seed money within the range permitted? Yes. Also retain an independent accountant to audit their books each year. There is a fee they pay the accountant.

For those who have 501c3s do you all hire accountants? **Participant 2** said no. They rely on the symphony for the legal, accounting, and insurance costs.

Laura indicated that her organization pays own legal, accounting and insurance expenses. Their Ball also pays for insurance when doing its event.

**Participant 3's** volunteer organization is under their symphony; and the orchestra does everything for them. So, what would be the advantage of being a 501c3. Per Laura – you control and decide how to spend your money, and how much is to be used for what purpose. E.g. send kids to music camp, make scholarship decisions, etc. Freedom on how money is spent. Do have to be diligent. Per **Participant 3** – they have 2 major fundraisers and they donate to the symphony and also have scholarships to send 5 kids to camp. They do not do anything out of the ordinary. So, she is not sure of the benefits of being a 501c3 because all of the funds raised are for their symphony orchestra.

Laura noted some of the downsides – some have had the symphony request their books. Volunteers also do not like having overreach by the symphony to dictate how much to charge for events, etc. May also be going after same donors as your symphony. Important to have good relationship with symphony board and not step into each other's paths.

Helen Schaffer – Her organization is under the symphony and does not have own 501c3. Formed in 1937. Decided on issue of going under umbrella of symphony versus a 501c3. Symphony for long time provided secretarial and other support. Compatible and good relationship. Have also done major fundraisers in support of the symphony. However, they

have also experienced change in Executive Director and Director of Development that resulted in changes in the role of their volunteer organization; specifically, the volunteers were no longer a fundraising organization and their bylaws were changed accordingly.

These events moved to the symphony and the volunteer organization had no decision making on the events. Why did this change happen? The new leadership wanted control, even though all was going well. After much discussion, things were ok. All worked out as the focus was on supporting the symphony orchestra.

Now there is a new change in leadership and it appears they are going back to old model to have the fundraising events back in the hands of the League. Symphony is under control. Not being a 501c3, you do not have expenses of secretarial costs, accountant fees, legal fees, insurance costs. Houston presents major money to their symphony. Extraordinary amounts. Houston has a large orchestra that also does well as to fund raising.

What about the morale with the shifting back and forth? Does affect the morale, however, the League is committed to the Symphony. Sometimes the League is stronger at making money and at times the Symphony is. Best to work together as a team and be flexible when it comes to doing what is best for the Symphony.

**Participant 3** noted she can pick/choose what they do. Also, no expenses as to the secretarial, accountant fees, legal fees, insurance, etc.

Tiffany's organization gives 70% to their symphony and 30% to educational programs. Only give \$25,000 but for her organization this is quite a lot for them. The League Board also includes Symphony Board members and vice versa. When her Symphony starts their fundraising drives, there is overlap. When, for example, a contribution is made to the Orchestra, you also are giving to the League programs. However, if you support the League, funds are not automatically given funds to the Symphony. This is something that ensure is clear to supporters.

**Participant 2** noted that her own orchestra/League also have an interest in the discussion because there are having a change in Orchestra leadership which could impact morale and the input was informative.

Tiffany noted that she serves on the League Board and Symphony Board. Does ask the volunteer organization to submit its financial records to the Symphony. Important for the volunteer organization to recognize this right of the Symphony, because the funds held by the volunteer organization belong to the Symphony. An important consideration when operating under the auspices of the symphony's 501c3 status.

Per Tiffany, their League commits to give scholarships and has a committee that decides on how to spend the 30%. Their symphony is ok with the decision making of her organization, so they have the ability to operate independently in making such decisions.

**Participant 3** noted they are also able to operate independently even though under their symphony and not a separate 501c3. They are smaller and pledge \$30k a year and if can do so, will give more. Also send kids to a camp. She is torn on value of being independent or under the symphony's umbrella.

Tiffany feels that her League will remain under their symphony's umbrella as there is no upside of bearing the costs of operating independently. Houston makes lots of money so she can understand how they might find operating under the umbrella may or may not work.

Per **Participant 1**, they operate under their orchestra's umbrella. Sometimes the relationship with the orchestra is good but not always the case. However, they spent a lot of time nurturing this relationship, while also working on/with the personalities within their volunteer organization.

Comment was made that it was interesting to hear about cross over among League Board members and Symphony Board Members like Tiffany's organization does. The concept of "us" and "them" is not healthy. Likes value of interactions/engagement.

**Participant 3** noted that the President of her organization is expected to attend their symphony's board meetings. She would also like to see the symphony board members also engage in their meetings on major fundraiser event. Cross over is of value.

Tiffany noted that while some orchestra board members participate in their meetings, they are not voting members. Her orchestra and League work well together.

**Participant 4** commented that she finds the info on this call helpful. There has been some tension between the Orchestra and volunteers. Nothing is defined as to the relationship between the two organizations. The Orchestra has asked for information but has not pushed the volunteer organization for the info. As President of their volunteer organization, she participates in the Orchestra's Board Meetings. The Symphony's Board members also support and attend the volunteer organization's fundraising events.

Tiffany noted that because the Orchestra has to file a 990 to retain their 501c3 status, their access to information from the volunteer organization is important. Tiffany did also note that many volunteer organizations commit to a specific donation annually to be turned over to the orchestra. Not all orchestras specify a pledge. **Participant 4** commented that her volunteer organization does not make a specific pledge, but the Orchestra knows the volunteer organization will turn over all funds. Not formalized but the volunteer organization and Orchestra have a pretty good relationship with each other.

**Participant 1** feels the discussion was helpful for all participants on the call.

Tiffany noted there will always be issues. Important to work with your orchestras to work things out.

**Participant 5** asked if anyone from the Orchestra attends their meetings. In the case of **Participant 4**, she commented that they do not have orchestra representatives attend their meetings, but they do invite the CEO to attend annually.

### **Wrap Up**

Tiffany noted how great these calls have been. Have become great phone friends. As we are winding down the calls, the plan is to redact them, remove names and post them for others to review. This process ensures no one will know who shared the information. If any interest in knowing what the redacted meeting minutes look like, last year's meeting minutes are posted on the website.

The group was ok with the posting of the minutes from these Strategic Conversations in a similar manner.

Tiffany also encouraged those on the call to attend the June Conference in Nashville; and noted that the information coming out of the Strategic Conversations is shared with the Volunteer Council's programming committee who plan the conference, as these conversations may influence some of our conference programming.

**Participant 3** concluded the discussions by reporting that her organization has already implemented the One and Done and members of her regular membership are signing up. This concept has been well received by her organization. Tiffany was pleased by this development and will share this wonderful news with Cindy Kidwell who spoke about One and Done as part of our Strategic Conversations.