

NOW A COUNTDOWN OF THE TOP TEN QUESTIONS

10. Besides our local dues of \$6 does Chapter House get any other money from other chapters in other states or from International?

Chapter House does not receive dues of any kind, nor any money from chapters in other states, nor any money from P.E.O. International. The \$2 per capita that used to go to Chapter House was discontinued by a two-thirds majority vote at the 2019 Convention of Colorado State Chapter. The Chapter House income includes resident rental income, the generous donations of our sisters, and use of investments to cover any remaining income shortfalls.

9. Are some of the delayed repairs due to the vote to discontinue the \$2.00 per/member designated for the Chapter House?

The current CPCC Board has not delayed any repairs. Discontinuation of the \$2 per capita (approx. \$20,000 per year) hasn't helped our bottom line, but is unrelated to delayed repairs because this is the first fiscal year (2020-2021) that it will not be part of Chapter House income.

8. Are there sisters who have friends or family members who could help with repairs as a charity to the Chapter House, or maybe a way to do fundraising?

If you have family members or friends who are licensed contractors and willing to donate their services for repairs at the Chapter House property, please have them contact the board as soon as possible. Under CPCC policies, fundraising may be done by individuals, chapters or reciprocity groups, and is not part of the board's or trustees' responsibilities.

7. If the cottage is too costly to maintain, could it be bulldozed and have the employee & family move into one of the apartments within the Chapter House?

We are awaiting bids/estimates for reconstruction of the portions of the cottage that have been impacted by mold remediation and pests before deciding whether it makes financial sense to proceed with the reconstruction. The board has offered to the employee the option of living in a Chapter House apartment.

6. Where would we get the money to pay for the needed repairs/replacements?

*As of 9/30/20, we have approximately \$461,000 in our Chapter House investments that can be used to cover income shortfalls to operate the Chapter House, including repair costs. Over the past 4 fiscal years, the Chapter House profit and loss statements show income **shortfalls** (annual revenue minus annual expenses) totaling approximately \$403,000. We have covered those shortfalls with money from these investments. We cannot spend money for operating and maintaining the Chapter House from other accounts (Marguerite Fund, Share the Care, Endowment).*

5. Who owns the Chapter House property? Is there any stipulation that it can't be sold?

The property is owned by the CPCC – a Colorado corporation whose members are all active Colorado P.E.O.s. It was purchased (not a gift) in 1965. There is no stipulation that the property cannot be sold.

4. I am concerned that we spend a lot of money on six residents. Our residents' photos are lovely, so that does put a human face on this. I know we also have employees who depend on

CPCC Q&A Volume One
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the money from their jobs at the Chapter House. But couldn't we do more for other projects if we just sell the Chapter House?

Good questions. Other states have sold their chapter house property while keeping the underlying philanthropy, and the resulting assistance funds and uses are inspiring. Any such new uses of the funds would require some bylaw amendments and approval of the membership.

3. Wait! Did you just say that the Chapter House **property** is something different from the Chapter House **philanthropy**?

*Yes. The Chapter House **philanthropy** has existed formally since July 20, 1949 when its first Articles of Incorporation of the Colorado Foundation Fund were filed with the Colorado Secretary of State. In 1963, the Articles of Incorporation were amended to include among the corporation's purposes the receipt of funds for the philanthropic, benevolent, charitable and nonprofit benefit of members of the Colorado State Chapter of the P.E.O. Sisterhood. The real property was purchased in 1965 and the current residence (the Chapter House **property**) was built in 1966. The **philanthropy** existed before there was real property and a residence, and it can continue to exist if at some point there is no longer real property and a residence. A potential sale of the **property**/residence does NOT require dissolution of the **philanthropy**.*

2. Perhaps time to think about selling the property?

This is not a decision the Board can make. Under the bylaws, selling the property requires a two-thirds majority vote at an annual or special meeting of the Corporation.

1. Of course we should take care of the six lovely women who currently live there. Perhaps pay the difference in what they are paying P.E.O. and what they will have to pay elsewhere? *Financial assistance for our current residents if they must be relocated is written into our bylaws. We encourage all of you to read those.*



Bonus Fact:

Did you know that you can read the CPCC bylaws on the Colorado P.E.O. website? Click on the CPCC tab from the Colorado member homepage, then click on the link for CPCC Articles of Incorporation and Bylaws. These bylaws, together with the Colorado statutes that apply to nonprofit corporations, govern everything our corporation does.

The bylaws state the CPCC's purpose:

The primary, but not sole, object and purpose of Colorado P.E.O. Charitable Corporation shall be to receive contributions, membership dues, gifts and bequests for the philanthropic, benevolent, charitable and non-profit benefit of members of the Colorado State Chapter of the P.E.O. Sisterhood, and non-members within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corresponding provision of any further United States Internal Revenue law (the "Code").*

**Note that "education" does not appear anywhere in this purpose statement.*

The CPCC bylaws further direct the Board, among other things, to operate and maintain the Chapter House, and the Colorado statutes relevant to boards of nonprofits require that the

CPCQ Q&A Volume One
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Board members do so consistent with their fiduciary duties to the corporation, including being good stewards of the assets.