

CPCC Q&A Volume Two

January 15, 2021

1. Which Pikes Peak Area (PPA) Reciprocity Chapters use the Chapter House for meetings? There are 15 chapters in the CoS area. Prior to Covid, most of them met at the CH at least once a year.
2. How often do these Chapters meet at the Chapter House in a year? I know of 5 that met at the CH regularly – since COVID, we have not allowed chapter traffic inside the CH because it exponentially raises the risk to our residents, who are all high-risk people.
3. What other activities are held which utilize the Chapter House? (Examples: fundraisers, social events, weddings, luncheons, state or area meetings) BC (before COVID), all of the above. However, we had to prohibit visitors in the common areas of the CH to reduce the risk to our residents, who are all in high-risk categories.

Bonus information: We had to discontinue our overnight guest stays because an IRS audit determined that income to be UBIT, or unrelated business income – and therefore be taxable. That determination put us at odds with our Articles of Incorporation, which say we will not do anything that is not related to our charitable mission. Money-wise, in 2020-2021, our income will not include the ~\$20,000 in per capita dues, and the ~\$24,000 in overnight guest stays and facility use fees that we had in FY 2019-2020. Donations were ~\$37,000 in 2018-2019 and 2019-2020.

4. How many Chapters attend events put on by the Chapter House? (Examples: workdays for sprucing up the area, picnics, PPA Reciprocity fundraiser fair) Almost all the CoS area chapters used to make an effort to attend events at the CH when we were allowed to host them. Anecdotally, in years past I've seen chapters from Leadville, Parker, Castle Rock, and the Denver area. This year, we had one chapter help with gardening.
5. What Chapters outside the PPA Reciprocity utilize the Chapter House? In previous years, many chapters in the state who are within striking distance for a day trip have scheduled tours and visited with the residents but have not utilized the Chapter House for a meeting or other purpose. Some chapters have in the past scheduled a luncheon to eat with the residents. Again, this is all BC, and we have not kept records to be able to provide a count.

Bonus information: It is important to remember that nowhere in the CPCC Articles of Incorporation (Aol) or bylaws is there any stated purpose for the Chapter House residence to be maintained for the purpose of providing a location for chapter or related P.E.O. group meetings, for events of any kind, storage, or any purposes other than a residence.

6. Has the Committee for Review given any consideration or recommendation to purchase or lease office space to accommodate the needs of Chapters that regularly have used Chapter House for meetings, fundraisers, gatherings, repository for P.E.O. historical property, officer training sessions, etc., if in fact, the sale of the Chapter House goes forward? If not, could that possibly be considered at this time with maybe considering two locations rather than just one for travel convenience? This is a great idea for the local chapters to pursue, but it is out of scope for the Corporation. Please see the CPCC's Aol and bylaws and the bonus information in the answer to question #5 above.
7. What were the responses from all 16 Chapters regarding support of the Chapter House? See the October comment collection newsletter for what various chapters said.
8. What are the benefits of maintaining the Chapter House? That is a question for Colorado P.E.O.s. Business-wise, maintaining the Chapter House residence is costing approx. \$100,000 per year in operating losses. The board is charged with operating and maintaining the Chapter House unless and until the Colorado membership directs us otherwise.
9. How does the Chapter House reflect the P.E.O. values stated in our "Objects and Aims"? That's a question for Colorado P.E.O.s. The board is following its charter as stated in the CPCC's Aol and bylaws.
10. What are the challenges of maintaining the Chapter House? If you've ever owned a house, the CH has all of the problems of a giant house built in 1966 on a flood plain that has not received adequate maintenance nor any updates in many years. We've taken a number of steps during this fiscal year to rectify long standing maintenance issues. See the list of issues that have been discovered this year in the December newsletter.
11. What is the financial viability of continuing to keep the Chapter House open? Please read the report from the CH Review Committee. It is available via a link in the December CPCC newsletter, and is also available via a link on the CPCC newsletter page on the Colorado P.E.O. member website. Additionally, an outside analysis indicates that if operations continue as they are, Chapter House operations funds will be **exhausted sometime before March of 2023**. (This analysis will be shared with the CPCC membership in our upcoming mid-January newsletter.)
12. If the Chapter House and surrounding property are sold, where would the money go and how would it be managed? The proceeds will remain with the CPCC (no portion will go to International Chapter, Colorado State Chapter or local chapters). Use of the proceeds depends on the circumstances surrounding the sale. The answer will depend on whether the bylaws as currently written govern the sale, and whether the property is sold before or after the CH operations funds are depleted. In several of the states that have sold their P.E.O. chapter houses, the sales proceeds have been used to establish or add to a fund for making assistance grants for various purposes to residents of that state. For example, see the Iowa P.E.O. Projects Fund at <https://www.peoiowa.org/m/philanthropies/iowa-p-e-o->

[project-fund-inc-ippf/](https://www.mnpeo.org/mn-peo-home-fund.html) and the Minnesota P.E.O. Home Fund at <https://www.mnpeo.org/mn-peo-home-fund.html>.

13. Why after all these years is there such a large yearly deficit? There has nearly always been a yearly deficit in Chapter House operations. It has always shown up in the financials. This is the first board *in my memory* that has been FORTHCOMING with EXPLANATIONS of the expenses. **[Update: since this response was written we have learned that previous boards provided answers to direct questions about expenses. Updated 2.15.21]** This board is also committed to repairing issues that have been deferred and updating the facility to make it more attractive to new residents.
14. If there has been mismanagement regarding the Chapter House, how can we have confidence that the remaining philanthropy will be fiscally sound? *If by mismanagement you mean operating losses/deficits, there is a GREAT BIG difference between operating and maintaining real property and evaluating applications for assistance that can be scaled up or down in response to investment health. We have an investment advisor at WFA, and he keeps our investments earning a pretty good rate of return.*
15. When the sale of the Chapter House is put to a vote is it one vote per member or one per Chapter Representative? I would say “if” at this point. But in any case, the authorized votes are defined in our bylaws: 1 vote per chapter, 1 vote per state committee member, 1 vote per CPCC Board and Executive Board member, and 1 vote per Past Colorado State Chapter President.
16. What about the historic value of the property to P.E.O., Colorado Springs and to the State of Colorado itself? *The property belongs to the CPCC. Colorado Springs and Colorado State are not listed on the deed. What would that property be used for in the future? When any property is sold, it is no longer under the control of the former owner.*
17. When we have other questions, where might we obtain additional information? *To understand the constraints of the CPCC, every member should read the CPCC Aol and bylaws. I strongly recommend every P.E.O. member read the last several CPCC newsletters from this year. Here are the links:*
<https://conta.cc/3aeqtWh> December
<https://conta.cc/36ViMRE> November
<https://conta.cc/35OhIP3> October comment collection
<https://conta.cc/2H7ABE3> October
<https://conta.cc/2RDFMNF> September
<https://conta.cc/2Q6ACJA> August

For any other questions you need only email the board to ask at coloradopeocharitablecorp@gmail.com.
18. How committed are we as a group to continue and form some action plans? *If that is a question for the CPCC board, the newsletters will support the conclusion that this group of volunteers is very committed to following the Aol and bylaws directive to operate and*

maintain the facility. I don't have an answer to how committed the P.E.O.s in Colorado may be.

19. "The CPCC board continues to think to the future..." This statement means that we are looking for ways to make the CPCC viable and helpful to Coloradans for a long time to come.
20. The suggested Bylaw changes recommended in the Special Committee's report propose changes to separate the four nonprofits (more accurately projects, as the CPCC is the nonprofit philanthropy) so they can be dealt with separately without dissolving the CPCC guided by their Articles of Incorporation of 1949 where the CPCC treats these four nonprofits as one entity. Can this be done legally just with a change in bylaws where the four nonprofits are under the one umbrella of CPCC without dissolving the CPCC and reorganizing under new Articles of Incorporation? **The committee's recommendation included proposing changes to the bylaws to make the bylaws clearly match how the CPCC currently operates – the CPCC is already 1 philanthropy with 5 projects (CH, STC, Endowment, MF, and MF Shower) and 5 different buckets of money. The money doesn't cross buckets. The money is used according to the purposes established for each project.**
21. What is our philanthropy CPCC versus our projects CH, MF, STC, Endowment? I am confused on the use of categories and terms. Would you please clarify these for me. **Simply put, the CO P.E.O. Charitable Corporation (CPCC) is the philanthropy. The CPCC has 501c3 tax status. The CH, MF, MF Shower, STC, and Endowment Fund are projects within the philanthropy.**
22. Bonus information: **In practice, the CH, MF, MF Shower, STC, and Endowment Fund are five different bank accounts and five distinct projects – money does not cross over between projects. However, in our bylaws, the CH, STC, and Endowment Fund are tangled up together, even though each account/project has separate funds and purposes. Explanations in the newsletters clarify the distinctions. (Watch for proposed amendments to address that "tangled up" issue.) Why does it matter, you may ask? A recurring point of confusion is that members lump the Corporation's total assets together in their minds, and wonder: if we have over a million dollars in assets, what is so difficult about maintaining and operating the Chapter House with those funds? The answer is that the million dollars is divided in pieces and designated for specific purposes. (See financial statements on the CO P.E.O. web site.)**
23. "I too would like to know that if we vote to amend the CPCC's Bylaws to clearly indicate that the property CH may be sold without dissolving any project at State Convention (at the CPCC annual meeting is when the amendments will actually be presented) can we then follow this vote with a vote to sell the Chapter House property that same day?" **Watch for proposed amendments and/or resolutions. I apologize for that non-answer. As you know from our bylaws, all proposed amendments and resolutions for our 2021 CPCC annual meeting will be sent to local chapters not later than May 1, 2021 for discussion within the chapters. Until amendments are distributed, the board is prohibited from discussing the existence of specific proposed amendments or resolutions by circularization policies of State and International Chapters. After distribution, the board is prohibited from making**

statements that could be construed as advocating for or against any specific proposed amendment or resolution. Instead, **we must rely on educating our members about the underlying facts** in order to equip each chapter delegate and other voting delegates to cast informed votes at our annual meeting.

24. Why were there no Chapter House Review Committee Members from a Colorado Springs Chapter who may have given a local perspective? There was a member from a Colorado Springs chapter. L J Van Belkum is a member of Colorado Springs Chapter JA.
25. What is the Nebraska Chapter House management partnership idea? You'll have to ask Nebraska. Because the Nebraska chapter house is an assisted living facility and NOT an independent living facility, the committee did not pursue gathering information on its corporate or partnership structure. Our overtures to partner with a retirement complex were unsuccessful.
26. If the sale of the property takes place, where will the repository be that will hold the historical items currently kept at Chapter House? This decision has not been made. We have learned that the historical value of the items that are currently stored or displayed at Chapter House is a matter of individual opinion, and if the property is sold the board is hopeful that many individuals will step up to store the items they believe are of value.
27. Who are the Current Chapter House Trustees? Check on the CO web site under Executive Board//Boards and Committees Roster, as these will change in June 2021. Currently Liz Aikin-Chapter Y/Colorado Springs, Martha Kuhn-Chapter AX/Burlington, Kathy Bath-Chapter-GH/Longmont
28. Who is the current Director of Chapter House? Bill Tremmel is the House Manager.
29. Is it the CPCC or the Chapter House Trustees that are directing the following: Trustees and committees have the authority to suggest and recommend. Only the CPCC board has the authority to approve expenses and expenditures-the board is ultimately responsible for the operation of the corporation.
 - a. *Not filling existing room vacancies at Chapter House – If you know of someone who will rent them, please have the person contact Jill Hyde. They are currently being advertised on Zillow.
 - b. *Discontinuing use of the Bed and Breakfast capability – that was neither the CPCC Board nor the CH trustees – that was the IRS
 - c. *Discontinuing the updating of the Chapter House website – we have not had access to the CH web site since April 2019. The CPCC board did not choose this. We had no way to update the website. It is currently “under construction” because that was preferable to leaving inaccurate information on the website. Our contract for continued use of the website address renews in March. At that time, the board will need to make a decision about maintenance of the website.
30. Considering the \$2 dues were discontinued after the 2019 Convention; several short-term Chapter House Directors have recently passed through Chapter House doors giving little continuity; and we are experiencing a pandemic which is crippling most businesses, the

above actions seem to be further inhibiting any possibility for Chapter House to survive financially? Is there some reason these actions have been taken? [Previously answered. See questions above.](#)

31. The proposed suggestions for CPCC Bylaw changes mention non-members receiving benefits from the proceeds of the sale of Chapter House. As in the current amended bylaws, and the Articles of Incorporation, are these non-members needing the sponsorship of a P.E.O. in order to make application for funds, or is it being suggested to open the funds to the general public? [The CPCC board has not suggested, and would not recommend, any changes to the requirement for sponsorship by a P.E.O. in order for an applicant to apply for funds from any of the CPCC's projects. Bonus information: The IRS will revoke the CPCC's status as a 501c3 if the CPCC becomes a member organization that provides services/funds only to its members.](#)
32. Another proposed change to the CPCC Bylaws suggested in the Special Committee's report is to allow the call for Special Meetings that could possibly vote on the Sale of Real Property of substantial value that allows for only a 30-day notice to the general membership. This does not seem to give adequate time for Chapters to respond or prepare for such an important issue. Is this something that is truly being considered? [Proposed amendments to the bylaws are published to the membership on 1 May, which is about a month prior to the Annual Meeting, normally held the first weekend of June. A special meeting to vote on a particular question exists now in our bylaws and requires 30 days' notice with publication of the question to be put before the membership. This is approximately the same amount of notice as that given prior to an annual meeting.](#)
33. Are the Articles of Incorporation for CPCC, plus all amendments currently on the website? [Yes – the Articles of Incorporation as amended, and the bylaws as amended are on the website. Go to the CO P.E.O. member website and click on the CPCC tab across the top – everything is there. If by "amendments" you may have meant proposed amendments, those will be published to the membership as of 1 May, pursuant to our bylaws.](#)
34. Has the Committee for Review offered any survey of the Chapters that use Chapter House? Have any of their concerns been addressed? [Surveying local chapters would have been out of scope for the Committee's responsibility, which was to do thorough examination/review of the Colorado P.E.O. Chapter House, including review of:](#)
 - a. [Chapter House Financial records, including current investments, monthly operating expenses, major expenditures.](#)
 - b. [Operating revenue and donations.](#)
 - c. [Building/property, including a review of state of current structure\(s\) and mechanical systems.](#)
 - d. [Potential non-traditional options for operations of the Chapter House.](#)

[Please feel free to email the board to let us know any of your concerns that have not yet been addressed. That opportunity exists at all times and has been expressed in every CPCC newsletter and on every set of monthly CPCC financial statements posted on the CO P.E.O. member website.](#)

35. If the sale of Chapter House goes forward, will the CPCC reach out to the membership for suggestions for the distribution or use of the considerable proceeds of such a sale? The use of the proceeds is subject to the CPCC's governing documents (Aol and bylaws). Any changes to the relevant provisions require approval of the membership.
36. More bonus information: To help you educate your chapter members regarding the current issues facing the Chapter House project, here are some boiled-down background facts:
- a. As you know from our newsletters, International Chapter's interpretation of CPCC's **current** bylaws is that we must **dissolve** CH, STC, and the Endowment Fund (i.e., terminate the projects) **before** we sell the real property. That approach requires 2 consecutive 3/4 majority votes at annual meetings – in other words, June 2022 would be the earliest we could put the property up for sale. Sale of the property under International Chapter's interpretation of our current bylaws would also include, by default, terminating the Chapter House project, the Share the Care Project, and the Endowment Fund Project.
 - b. As you also know from our newsletters, the primary issue with the Chapter House residence is that **the monthly bills exceed the monthly income**. We have had some success with cutting costs. However, we need to increase income, and so far, that has been unsuccessful. An outside analysis indicates that if operations continue as they are, Chapter House operations funds will be **exhausted sometime before March of 2023**. (This analysis will be shared with the CPCC membership in our upcoming mid-January newsletter.)