

Due Diligence Analysis Report and Recommendation
Date: August 19, 2024
Submitted by: Suzy Yetter, Co-Chair
ChicoryLane Activities Committee

Subject: Justification for Artist Fee for Workshop Involving a Disqualified Individual

Introduction:

The ChicoryLane Foundation (CLF) is considering hiring a professional artist, who is the daughter of a board member, to conduct a 5-6 hour workshop. The proposed fee for the artist is \$400. This report provides a due diligence analysis to determine if this fee is fair, reasonable, and in the best interest of CLF, considering potential conflicts of interest (COI) and the artist's unique qualifications.

Scope of Analysis:

1. **Fair Market Cost Analysis**
 2. **Unique Qualifications of the Artist**
 3. **Potential Conflicts of Interest**
 4. **Recommendation**
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1. Fair Market Cost Analysis:

A sampling of local professional artists reveals the following fee range for a 5-6 hour workshop:

- **Minimum Fee: \$300**
- **Maximum Fee: \$800**

The average fee for similar workshops is calculated as \$533 and the median fee was \$500.

Given that the proposed fee of \$400 falls within the lower range of the market cost, it can be considered fair and reasonable, especially since it is below the average fee of \$533.

2. Unique Qualifications of the Artist:

The artist in question is uniquely qualified due to the following credentials and experiences:

- **Educational Background:** The artist holds an MFA in Art from the New York Academy of Art.
- **Teaching Experience:** The artist regularly teaches online courses in art for the New York Academy of Art. She also frequently offers workshops in other locations for participants ranging from beginners to other professional artists. Her extensive experience in conducting workshops makes her exceptionally well-suited to deliver high-quality instruction for CLF participants.
- **Familiarity with Location:** The artist has a history of both painting and photographing at ChicoryLane. She is very familiar with the diverse ecological environments at ChicoryLane, including the many nooks and crannies as well as vistas and notable specimen plants that offer excellent subjects for plein air painting. She is especially well-qualified to offer workshops that emphasize the role of art in enabling greater ecological awareness and appreciation of the natural world.

Given these qualifications, the artist is uniquely positioned to provide an exceptional workshop experience, justifying her consideration as a sole source provider for this particular workshop.

3. Potential Conflicts of Interest:

Given that the artist is the daughter of a board member, this presents a potential conflict of interest. However, it is important to note that the board member in question did not participate in any way in selecting or arranging for this artist to be enlisted. The following steps should be taken to ensure transparency and compliance with CLF's conflict of interest policies:

- **Fairness and Reasonableness:** As analyzed above, the fee is fair and reasonable within the context of the market.
- **Best Interest of CLF:** The artist's qualifications and familiarity with the location serve the best interest of CLF by providing an enriched learning experience for participants.
- **Relation between Art and Ecological Awareness:** As a matter of belief and policy, CLF includes artistic actions as a mechanism for increasing ecological awareness, appreciation, and support.
- **Disinterested Directors' Vote:** The Board should conduct a vote, excluding the board member related to the artist, to determine if the arrangement is fair, reasonable, and in CLF's best interest.

4. Recommendation:

Based on the due diligence analysis, the proposed fee of \$400 for the artist to conduct the workshop is justified due to the following reasons:

- It falls within the market range and is below the average market fee.
- The artist's unique qualifications provide exceptional value.

- The arrangement is fair, reasonable, and in the best interest of CLF.

Action Items:

1. **Board Vote:** A vote by disinterested directors should be conducted to approve the arrangement.
2. **Documentation:** Proper documentation of the decision-making process should be maintained to ensure transparency and compliance with CLF's conflict of interest policies.

Conclusion:

The analysis supports proceeding with the proposed fee arrangement, contingent upon approval by the Board's disinterested members, thereby ensuring that the transaction is fair, reasonable, and in the best interest of the ChicoryLane Foundation.

Signature:

A handwritten signature in black ink, appearing to read 'Suzy Yetter', is written over a horizontal line.

Suzy Yetter
Co-Chair
ChicoryLane Activities Committee