

DRAFT

Due Diligence Recommendation and Motion

Date: November 14, 2024

Submitted by: Jim Zubler, Vice Chair

Organization: ChicoryLane Foundation

Subject: Justification for Engaging a Disqualified Individual for Part-Time Communications and Activity Support Services

Summary

The ChicoryLane Foundation (CLF) is considering hiring a communications and event support professional who is the spouse of the son of the Foundation's co-founders. The role includes two key responsibilities:

1. Continuing the current voluntary communication processes, which primarily involve email communications and maintaining the Foundation's contact database.
2. Providing coordination and support services for exempt activities such as workshops, field days, and exhibits, as recommended by the Activities Committee.

While combining these functions in one individual is not a requirement, it is desirable for operational efficiency.

Procedure

The Board of Directors convened in an executive session, comprising a quorum of disinterested members, with one member absent due to medical reasons. The Board reviewed several factual documents, including the candidate's resume, fair market value analyses of comparable professionals, and prior due diligence records.

Deliberations proceeded in three stages:

1. **Review of factual materials**
2. **Discussion of the candidate's strengths, weaknesses, and suitability for the role**
3. **Evaluation of whether her engagement would serve the best interests of the Foundation**

Key considerations included:

1. Scope of work
 2. Fair market cost analysis
 3. The candidate's unique qualifications
 4. Potential conflicts of interest
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Scope of Work

A. Communication Services

The candidate will manage the Foundation's email communications, prepare announcements for exempt activities, and produce 8–9 newsletters annually. Additionally, she will maintain and expand the Foundation's online contact database. These tasks are estimated to require approximately 100 hours over the 2025 calendar year.

B. Activity Support Services

The candidate will provide coordination and support for exempt activities, such as workshops, walking tours, and exhibits, on an as-needed basis. Estimated time requirements are between 50–75 hours annually, with some events requiring up to 10 hours of service.

Fair Market Cost Analysis

A comparative analysis of three local professionals with similar qualifications and responsibilities revealed the following hourly fee ranges:

- **Minimum fee:** \$25 per hour (2 professionals)
- **Maximum fee:** \$85 per hour
- **Average hourly fee:** \$45 per hour
- **Median hourly fee:** \$25 per hour

The proposed rate of \$20 per hour is slightly below market rates but is fair, reasonable, and beneficial to the Foundation.

This rate translates to:

- **A fixed fee of \$2,000 for communication services for the 2025 calendar year**
 - **An hourly rate of \$20 for activity support services, up to 10 hours per event**
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Unique Qualifications of the Candidate

The candidate possesses the following credentials and relevant experience:

A. Professional Experience

- Former Director, Centre Region Down Syndrome Society: Organized events, fundraising activities, and hands-on support.
- Former Director of Development, Pennsylvania Association of Sustainable Agriculture: Managed 15+ annual conferences with thousands of attendees, electronic communications, and graphic design.

B. Volunteer Contributions to ChicoryLane Foundation (2024)

- Co-developed the ChicoryLane Style Guide and themes
- Designed and implemented the electronic communications program
- Established and maintained the contact database
- Created newsletters, event communications, templates, and flyers
- Co-authored and edited materials
- Developed and maintained an image library
- Provided event support and reporting
- Liaised with external organizations

These qualifications and demonstrated high-quality contributions uniquely position the candidate as a sole-source provider for the proposed services.

Conflict of Interest and Compliance

The candidate's familial relationship with the Foundation's co-founders constitutes a potential conflict of interest. However, the following measures were implemented to ensure compliance with the Foundation's conflict of interest policies:

1. **Fairness and Reasonableness:** The proposed fees are slightly below market rates and therefore reasonable.
 2. **Best Interest of CLF:** The candidate's qualifications, familiarity with CLF operations, and exemplary volunteer contributions support her engagement as being in the Foundation's best interest.
 3. **Disinterested Vote:** A vote was conducted among disinterested directors, excluding those related to the candidate, to determine whether the proposed arrangement is fair, reasonable, and beneficial to the Foundation.
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Action Item

Resolved: Acting for the ChicoryLane Foundation, the Board of Directors in executive session with a quorum of disinterested members present, hereby resolves:

1. To offer Lauren Smith a paid position to provide communication services, including producing announcements, newsletters, and maintaining the Foundation's contact database.
 - o **Term:** January 1, 2025 – December 31, 2025
 - o **Compensation:** Fixed fee of \$2,000, payable in two installments
2. To offer Lauren Smith a paid position to provide activity coordination and support services on an as-needed basis.
 - o **Term:** January 1, 2025 – December 31, 2025
 - o **Compensation:** \$20 per hour, up to 10 hours per event, invoiced quarterly.

Documentation: A detailed record of this decision-making process shall be maintained to ensure transparency and compliance.

Confirming Action

The above resolution, approved in principle, shall be documented in written form (herein) and submitted to the full Board of disinterested directors for electronic confirmation. Approval by unanimous confirmation will formalize authorization.

Signature:

Jim Zubler
Vice Chair
ChicoryLane Foundation