

April 24, 2025 Board meeting held via ZOOM at 3 pm

Announcements

Insurance and Budget: Carl announced that we're looking at a significant jump from \$36,400 last year to \$42,244 this year. Carl mentioned he'd budgeted for an increase, but this is about \$2,500 more than anticipated. This means a budget amendment is in the works, and Carl will be leading that effort.

Then came the question of terrorism coverage. Apparently, we didn't have it last year, and the adjuster suggests adding it for \$141. Lee's initial thought was that the risk is slim and maybe not worth it, especially since recent events deemed by many as terrorism weren't officially classified that way by insurance companies. He did note initial concerns due to the current administration naming many organizations as terrorist. Carl felt similarly, stating that for us to be liable, the act would need to be directly linked to our culpability. He also thought we spent too much time on such a small amount.

Ultimately, there was no consensus to add terrorism coverage, and Carl will let Craig know we're passing on it.

Legal Matters: Rich lead a discussion about engaging a law firm, specifically David Ferguson, with a potential \$10,000 retainer. Despite asking if anyone in the organization had relevant legal experience, no one stepped up to handle the current issues. The consensus seems to be that moving forward with a lawyer is necessary, particularly for advice on converting branches to mixed branches and 501c3 status down the line. While \$7,500 was budgeted for an attorney, the expertise of this firm seems to justify the potential \$10,000 cost. The need to reassure branches with legal counsel was also highlighted. Carl mentioned we might need to pull funds from the reserve to cover this.

Annual Meeting Logistics: Derek has put together a rental agreement for the Lafia War Veterans for the annual meeting. The cost for the larger space is \$1,530 for August 26th, and it looks like we got a bit of a discount. Carl will call to see if they prefer a check or credit card for the holding payment.

Heads Up on QR Codes: Rich warned everyone to be cautious with QR codes, as scammers are embedding them in social media and emails to lead to malicious sites. This will be in the next newsletter.

Consent Calendar: The minutes from last month's meeting were approved unanimously. Carl gave a brief financial report, noting we're currently underperforming our budget on submissions, likely due to marketing delays, but overall, we're doing fine. The financial statements and budget were also approved unanimously.

Deep Dive into Taxes and Compliance: Carl provided an update on taxes and compliance, and it sounds like we've potentially been doing things incorrectly for years. He's in the process of correcting past tax filings. The IRS 990 form is extensive and requires detailed information.

Key issues identified: The form needs to be reviewed before filing (sending it out satisfied this). We lack a formal conflict of interest policy. Carl, Rich, and Lee have drafted one. This will be on next month's board meeting agenda. We need a document retention policy. The 990 must be available to the public and putting it on the website (potentially with redactions) is the most common approach.

We've only been reporting on "general money" and not the "custodial money" (branch and state funds combined), which amounts to a significant difference (around \$2.1 million in expenses reported as \$300,000). The IRS didn't know what "custodial money" meant when Carl inquired. We need to file a group form that includes both the 100 automated IRS 990Ns for each branch and the 990-EZ for the state (for companies with under \$200,000 revenue), which hasn't been done. Carl believes we need to take a hard look at how we're doing things and simplify the Form 28 if possible. He will do further research and may consult a CPA. The consensus was that if we touch the money, it needs to be reported as revenue. There was concern about the increased workload for Carl. The implications of a consolidated Form 28 on branches and treasurers were raised, with the need for education if this path is taken. Carl doesn't anticipate major issues as he doesn't think branches realize tax forms are being filed for them.

Other Topics:

Branch Funds and Spending: Lee brought up the issue of branches holding onto significant amounts of money, with a total of \$500,000 in branch ending balances. He stressed that as a nonprofit, this money should be used for the members. There were anecdotes of branches being resistant to spending down their reserves. The possibility of reminding branches about this at the annual meeting was suggested.

SI 100 Filing: A situation arose where Bank of Stockton froze a branch's account due to a conflict between their SI form and the Secretary of State's records. While CA state rules technically require an amendment to the SI 100 whenever officer changes occur, the organization has typically filed every two years. The state isn't particularly concerned with this two-year cycle. The board needs to consider if we should be filing an SI 100 for every branch every year when officer changes happen (cost is \$5 per amendment). This will be revisited next month.

Driver's Policy: The need for a formal driver's policy was discussed following inquiries from insurance companies. This would involve maintaining records of drivers' licenses, vehicle registration, and insurance for "regular drivers". The complexity of managing this for the entire organization and each branch was highlighted, with one estimate suggesting it could be a full-time job. The argument was made that we don't have

"regular drivers," and most driving is akin to a normal commute. There's no penalty for not attending meetings, reinforcing the "commute" idea. The driver's insurance is typically primary. Concerns were raised about potential liability if we have a policy that branches don't comply with. This will be discussed further next month.

Fishing as a State Activity: The possibility of making the current multi-branch fishing program a state activity was raised. Currently, around 12 branches and almost 100 members participate. Brian Beats has volunteered to chair a state-level activity. The main driver for this is simplifying the approval process. Some thought that each participating branch needs to individually approve the fishing schedule, others suggested that if a host branch approved the schedule attendees would be covered by insurance. Making it a state activity would align it with bowling and golf, with the state board providing overall approval. A key question arose: What constitutes a state activity? This isn't clearly documented. Form 20 lists fishing as a state activity, but there's no formal definition. Carl believes any activity involving more than one branch should be a state activity for efficiency and control. While tournaments aren't necessarily a requirement for state activity status, having a schedule of approved events is important. There's been no issue with activity approvals in the past for the existing fishing group. The state membership application form lists fishing as an activity, suggesting it's intended to be broadly available. Making it a state activity could also be a good recruiting tool. Concerns were raised about defining a state event, especially in cases where multiple branches participate in a localized activity (like area golf). Brian Beats has requested it be made a state activity. The chair of a state activity could be responsible for ensuring branch compliance. Brian Beats will be invited to the next meeting to further discuss this.

Amendment of Branch 92 Agreement: The board discussed amending the agreement with Branch 92, which currently restricts their participation in the annual meeting due to historical reasons related to their transition to a mixed branch. The sentiment is that all branches, regardless of their membership status, should have the right to participate in the annual meeting to stay informed, vote on policies, and elect officers. Concerns were raised about the legal basis of the original restrictions put in place by Stu Williams. The consensus is to get a legal opinion on this from the newly engaged attorney. A proposal for a policy and procedures for conversion to a mixed branch (Exhibit 8) was mentioned and will need attorney approval before any action. The adoption of this policy would likely be a board decision, not requiring a vote at the annual meeting. Branch 35 is also seriously considering going mixed, which adds urgency to clarifying the conversion process. There was no opposition to moving forward with exploring the amendment to the Branch 92 agreement.

Removal of "Retired" from Articles of Incorporation: The board discussed removing the term "retired" from the articles of incorporation. This is because many members over 60

are still working, and the current language ("association with other retired men") is outdated. While "retirement" is the number one search term on the website, removing it from the formal documents is a technical change. An amendment to the articles would need to be prepared, approved by the board at the annual meeting, and then filed with the state. This would be the second amendment for the organization. There was some initial confusion about the process of amending the articles. The legal title "Sons in Retirement" will not be changed. The board generally agreed that removing "retired" makes sense to reflect the current membership. A motion was made and passed unanimously to approve the change, which will then be presented at the annual meeting. This needs to be done by May to allow for the required 30-day notice before the annual meeting.

Policy 20 on Guests: Policy 20 regarding guests at SIR activities sparked a lengthy discussion about family members, regular non-member participants ("permanent guests/friends/participants"), and potential fees. The initial thought was to clarify that family members are not considered guests. The issue of friends (often women in mixed-gender activities) regularly participating was raised. Insurance Chairman Craig had initially suggested a 3-5 times limit for guests before they should join. The insurance implications of having regular non-members participate without contributing to premiums were noted, highlighting a potential increase in liability exposure. The suggestion was made to delegate the guest policy procedure to the Big Sir of each branch, allowing them to tailor it to their branch's activities. They could decide on allowing regular non-members and potentially charging them a fee to cover their participation. Carl expressed concern about charging permanent guests potentially creating a different legal situation. He noted that many activities, like Bocce, rely on regular non-member participation. Andy's branch (35) has already delegated this to the activity chairs. Their definitions of "guests" (potential new members) and "visitors" (one-time attendees) were shared. Fred suggested focusing on making Sir more family-friendly by not considering family members as guests. The consensus seemed to be that activities should generally pay for themselves. Concerns were raised about insurance coverage if we knowingly violate our own guest policy by allowing someone to participate more than the stated limit. The decision on Policy 20 will be made next month. The current 3-5 visit limitation will likely be removed.

Policy 22 on Branch Marketing Plans: The concept originated with Dale last year, aiming to increase branch visibility in their local communities. The policy was discussed at board meetings in July and August 2023, but a vote was never definitively recorded in the minutes. Bruce, however, found a unanimous vote to accept it in September 26th 2023 minutes. The policy requires branches to develop a marketing plan and suggested including sending a copy to the area representative and the state director of marketing (originally the state secretary). The challenge of mandating these plans and the lack of an enforcement mechanism were discussed. The word "shall" is currently used in the

policy regarding developing a plan. Carl expressed concern that smaller branches might find creating a marketing plan ambitious. It was clarified that the marketing plan only needs to include at least one of several listed actions, making it less onerous than a comprehensive strategy. This point may need better communication to the branches. The suggestion was made to provide examples of simple marketing plans. The idea of relabeling it a "publicity plan" or a "recruitment plan" was floated, with the ultimate goal being to attract new members. Given Bruce's finding of a previous approval, the name will likely remain Marketing Plan for now to avoid further confusion. An illustration of a simple plan will be brought to the next meeting.

Removal of Geographic Limitations: The board discussed removing the geographic limitations currently in the bylaws that restrict where branches can be located. The current bylaws specify boundaries that are quite restrictive and based on outdated travel limitations. The consensus was that these limitations are no longer relevant and hinder potential expansion into areas like Southern California, Nevada, Ohio, Oregon, and New Mexico. A motion to remove the geographical limitations was moved and seconded and passed unanimously. This will also need to be confirmed at the annual meeting.

Record Retention Policies: Three record retention policies (Observe guidelines, 132, and a drafted policy) were briefly discussed. A motion to adopt the drafted policy was moved, seconded, and passed unanimously. Concerns were raised that branches might not be aware of these retention guidelines, and some may resist maintaining records. It was clarified that the policy sets a minimum retention period.

Cash Reserve Guidelines: Cash reserve guidelines for branches were discussed, suggesting a budget of \$20 per member for reserves. Fred Holt had suggested bumping this to \$40. The average branch reserve is around \$4,000, equating to \$40 per member based on average branch size. The primary goal of reserves is to cover immediate expenses without requiring the treasurer to constantly deposit funds. The Leadership Guide currently suggests \$20 per member. A motion was made and passed unanimously to recommend a cash reserve guideline of \$40 per member. This will likely require updating the Leadership Guide.

First Aid and Safety Policy:

A policy on first aid and safety was presented (Exhibit 10). The intent is that each branch should provide for first aid for their members. The wording was clarified to "provide for first aid" meaning having the necessary supplies and a point of contact (e.g., someone with nursing or fire department background), not necessarily performing medical procedures. The phrase "effort to provide for first aid and safety for the member" was adopted. With this clarification, a motion to accept the policy was moved, seconded, and passed unanimously.

Abbreviated Director Reports: Brief director reports were given due to time constraints, with the promise of allocating more time at the next meeting.

Golf is going well at Chardonnay and Eagle Vines, though Andy noted a significant drop in participation at Chardonnay compared to last year, raising concerns about membership roll-off.

Bowling and Movies are progressing.

Travel has trips planned to Vietnam, Cambodia, Australia, New Zealand, and Japan/Korea. Efforts will be made to better publicize these.

Marketing/Recruitment efforts are underway, with ads running in the Central Valley and San Mateo County, and Santa Clara County starting in May. The new ad campaign is viewed positively.

State Documents (Bruce) is working on updating the manual to include recent policy changes.

Website (Ramy) is considering changing the website password annually to combat spamming.

Other Items:

The issue of spamming among branches was raised.

Lee will follow up on issues with Form 65 (negligence) submissions not being properly recorded. The form should be sent to form65@sirinc.org. Constant Contact's tracking accuracy was also discussed.

That wraps up the highlights from a busy meeting! We've got several action items and topics to revisit next month.