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Texas Silver-Haired Legislature

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1997

### AG Edwards Investment Account, 1997

Texas Silver Haired Legislature Foundation

Texas Silver-Haired Legislature

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REPORT

Of the Finance Committee  
To the Executive Committee  
December 15, 1994

I. Recommendation to the Executive Committee:

"RESOLVED: That the Executive Committee adopt the attached addition to the Policy and Procedures Handbook and approve the attached amendment to the By Laws".

This recommendation was adopted by a majority vote of the Finance Committee by a mail ballot, Nov. 14, 1994.

II. TSHL/TSHLF - Memorandum of Understanding:

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This assignment has now been concluded and the reports filed. A copy of those reports have been sent to the TSHL Speaker.

III. Plan of Action of the Finance Committee for the 1994-1996 Biennium.

IV. Committee Administrative Costs:

Are administrative costs incurred in committee activity currently reimburseable?

Howard Dunaway  
December 15, 1994

AMENDMENT TO THE TSHL BY-LAWS

Add line (e) to Article V, Section C, Paragraph 6. Line (e) shall read:

- e. The Comptroller, in consultation with the Finance Committee and with the approval of the Executive Committee, may establish a bank account for his convenience in depositing any funds the TSHL may receive and for reimbursement of requests for payment of expenses incurred by the TSHL.

This account shall be known as the "TSHL Account" and the policies governing this account shall be as outlined in the Policy and Procedures Handbook.

ADDITIONS TO THE POLICY AND PROCEDURES HANDBOOK

The addition of Section IV under the general heading "AUTHORIZATION OF EXPENDITURES AND APPROVAL OF REQUEST FOR REIMBURSEMENT".

IV POLICY GOVERNING THE OPERATIONS OF THE "TSHL ACCOUNT". (By-laws, Art. V. Section C, Paragraph 6, Line (e))

1. The TSHL Account may be established by the Comptroller at such a bank as suits his convenience.
2. All records of the activity of this account shall be the responsibility of the Comptroller and a statement of such activity must be presented to the Executive Committee at each of its regular meetings.
3. An internal audit of the account shall be made by three members of the Finance Committee during the final month of the Biennium and presented to the Executive Committee for transmittal to the incoming TSHL together with the financial records of the current TSHL.
4. All requests for reimbursement from this account must be approved by the Chairman of the committee generating the request and must be within the budget for that committee if such a budget has been established.
5. At such a time as may be recommended by the Finance Committee and approved by the Executive Committee, Funds may be transmitted to the TSHLF (Foundation) from this account.



# SILVER HAURED LEGISLATURE

*of Texas*

## HOWARD DUNAWAY

*Representative - Golden Crescent Area*



December 1, 1994

TO: Aliceanne Wallace, President  
TSHLF Board of Directors

REOM: Howard Dunaway, Chairman  
TSHL Finance Committee

SUBJECT: Report of the TSHLF-TSHL Ad Hoc Committee

As one of the two members of the above cited ad hoc committee, I am reporting my findings from a review of certain documents creating and now governing the Texas Silver Haired Legislature Foundation (TSHLF) and the Texas Silver Haired Legislature (TSHL). And, in the course of thar review, I have carefully compared their intent with that of the Memorandum of Understanding which was drafted to focus the activities of the two entities on a common objective. I have endeavored to make a determination of the mutual compatibility of the several documents.

The documents reviewed were:

1. The Charter of the TSHLF, both the Articles of Incorporation and the amendment to those Articles.
2. The by laws of the TSHLF.
3. The Senate Concurrent Resolution, SCR#37.
4. The by laws of the TSHL.
5. The TSHL Policy and Procedures Handbook.
6. The Memorandum of Understanding.

My findings and judgements in this review are as follows:

1. Each of the two entities was created independently by separate legal actions and either could, presumably, exist without the other.
2. Each was created for a different function from that of the other yet with their purposes and activities directed toward a common goal:

- a. The TSHL was created to actively pursue an advocacy role in behalf of the senior citizens of Texas through education in the legislative process.
  - b. The TSHLF was created primarily to establish a trust fund the income from which could be employed, among other uses, to assist the TSHL in its advocacy efforts.
3. The Memorandum of Understanding speaks clearly to the autonomous existence and the common purpose of these two entities.
  4. The expenditure of all funds from the TSHLF must conform strictly to the guide lines imposed by its charter and required by its IRS 501(c)(3) Certification and to the audit requirements of the Texas Comptroller's office. This requirement is noted in the Memorandum but is not clearly stated in the TSHL Policy Handbook. This should be corrected by the TSHL.
  5. In compliance with Para. VIII of the Memorandum of Understanding the TSHLF by laws state that three(3) of its Directors will be elected from the membership of the TSHL. This has been questioned as a possible conflict of interest. My judgement is that since the three TSHL members can never constitute a majority vote of the Board, their presence on the Board represents a valid representation of TSHL point of view and not necessarily a conflict of interest.

My conclusion is that within the above findings and judgements I feel that the documents reviewed are compatible.

Howard Dunaway  
December 1, 1994

To: President of the Texas Silver Haired Legislature Foundation  
From: Jesse Coffey

Madam President:

You have asked me to review the following documents:

1. Memorandum of understanding dated June 1, 1987 between the Silver Haired Legislature and the Silver Haired Legislature Foundation.
2. Memorandum dated December 4, 1986 from Tim Shanks regarding "Administrative Funds."
3. By-laws of the TSHL Foundation.
4. Evidence of the Foundations 501(c)3 status.
5. Certificate of Incorporation of the TSHL Foundation, Charter No. 770092 dated October 9, 1985.
6. Certificate of Amendment to the Articles of Incorporation of the TSHL Foundation dated May 8, 1986.
7. The By-laws of the TSHL.
8. The Policies and Procedures Handbook of the TSHL dated 1994-1996.

I have studied the above documents and now present you with my observations.

Please let me preface my remarks with the statement that I feel Foundation board members past and present have done and are doing their work in the spirit of the intent of the Articles of Incorporation, and those members should be congratulated for forming a firm, conservative foundation for future operations.

1. Paragraph 2 of the Memorandum of Understanding is very clear about giving financial assistance to the TSHL in its "advocacy efforts." My understanding of these efforts are defined in Article III of the By-laws of the TSHL (see attached) and in Senate Concurrent Resolution No. 37 (see attached).

Paragraph III actually encourages the TSHL to raise funds for the Foundation. This paragraph also refers to the preparation of a budget and a request for funds from the Foundation. The transmission of the budget and request for funds is fully outlined in Article V, Section C, 6., c. and d. of the By-laws of the TSHL and on pages 7, 11, 12 and 13 of the TSHL Policy and Procedures Handbook (see attached).

We should have documentation in our files that we have complied with the language in Paragraph 4 of the Memorandum of Understanding calling for a report to the TSHL annually on the status of the fund and its earnings.

As I am not familiar with the procedure of disbursing funds of the Foundation, I only call your attention to Roman numeral III, Request for Reimbursement from the Foundation on page 13 of the TSHL Policy and Procedures Handbook.

2. Tim Shank's letter of December 4, 1986 is an obvious admonition to the TSHL and TSHLF members to adhere strictly to the purposes enumerated in the Articles of Incorporation of the TSHLF dated October 9, 1985 (attached) and in the Senate Concurrent Resolution No. 37 (attached). We are in the business of educating and advocating but not lobbying.
3. The copy of the By-laws sent to me are not dated and do not agree with the proposed By-laws adopted November 7, 1985. I suggest a review by the entire board of the Foundation. Paragraph IV is particularly important as it tells us from whence we may obtain our directors. Article V, J. requires annual reports to the State Citizens Advisory Council and to the Speaker of the TSHL. Have we made those reports? Are copies in our files? We might want to take another look at our election of directors last meeting in light of the wording of Article IV, Section 6.
4. The communication from the District Director of the IRS dated June 4, 1986 states the Foundation is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. However, the balance of the letter requires the Foundation to submit certain information by April 30, 1988 for classification purposes. I have no way to ascertain such information has been sent. I do think it extremely important that the files regarding our exemption and classification be closely examined for evidence of concurrence with IRS requirements.
5. The Certificate of Incorporation of TSHLF, Charter No. 770092 seems to be in good order.
6. My copy of the Certificate of Amendment of TSHLF dated May 8, 1986 is incomplete as Article 10 is missing in part. I would like to have a full copy.
7. A reading of the TSHL By-laws convinces me that the most significant areas to the TSHLF are outlined in Article III and in Article V, Section C, 6c & d. Copies of those references are attached. The TSHLF board members should satisfy themselves that the TSHL is staying within the boundaries of Article III and complying with Article V, Section C, 6c & d.
8. The significant parts of the TSHL Policy and Procedures Handbook are Financing the TSHL on page 7, and all of pages 11, 12 and 13. Photostats are attached and should be reviewed by all members of the Foundation board for informational purposes.

From the information given to me, it seems the board members of the Foundation have two compelling and immediate goals to pursue. The first is to raise as much money as possible outside of governmental entities and the second is to disburse the money to the TSHL strictly in accordance with the rules in place.

I am concerned about the required make-up of the board of the Foundation. Nine of the required members are already advocates by the nature of their association. A board composed of those interested, but not affiliated, could be in a better position to raise money.

Respectfully,

Jesse Coffey

FINANCE COMMITTEE

Tentative Plan of Action

For the  
1994-1996 Biennium

A. Three (3) scheduled meetings:

1. Spring meeting 1995; prior to Executive Committee meeting.
2. Fall meeting; concurrent with TSHL General Meeting.
3. Spring meeting 1996; prior to Executive Committee meeting.

Possible special called meetings as needed.

B. Recommend amendment to By Laws and addition to Policy Handbook to cover TSHL bank account. Committee vote by mail ballot. (completed).

C. Study of possible changes in Policy Handbook as indicated in recent Document Review.

Target date: 1995 Spring Meeting.

D. Liaison With TSHLF in ad hoc committee to restudy Memorandum of Understanding. (in progress). Target completion date: Jan. 25, 1995.

E. Consider and pursue plan initiated by Alan Grobe to seek possible State and Federal grants to finance TSHL.

Target dates:

- a. Initiation: 1995 Spring Meeting.
- b. Completion: 1995 Fall Meeting.

F. Clarify official status of TSHL bank account and determine possible tax liability incurred in sale of advertisements in TSHL Roster Handbook.

Target dates:

- a. Initiation: 1995 Spring Meeting.
- b. Completion: 1995 Fall Meeting.

G. Begin preparation of Budget for 1996-1998 Biennium.

Target dates:

- a. Initiation: 1995 Spring Meeting.
- b. Completion: 1996 Spring Meeting.



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Howard Dunaway  
December 15, 1994



**SILVER HAired LEGISLATURE**  
*of Texas*  
**HOWARD DUNAWAY**  
*Representative - Golden Crescent Area*



Finance Committee Administrative Expense  
(through Dec. 15, 1994)

Mail-out Ballots:

Post Cards.....	\$3.80	
Address Labels.....	2.45	
Copies.....	6.00	
Stamps.....	<u>29.00</u>	
Total.....	41.25	41.25

TSHL-TSHLF Meeting:

Copies.....	3.00	
Typing.....	<u>5.00</u>	
Total.....	8.00	8.00

TSHL-TSHLF Ad Hoc Committee:

Copies.....	6.90	
Postage.....	<u>3.80</u>	
Total.....	10.70	<u>10.70</u>
Total.....		59.95

TEXAS SILVER HAired LEGISLATURE  
FOUNDATION  
JULY 1, 1994 THRU SEPTEMBER 30, 1994

ASSETS

Investments:

World Savings - Certificate of Deposit  
7.10% interest, maturity date 10-7-98 (cost)      \$ 54,000.00

The American Group Funds:  
Washington Mutual Investors (WMIF)  
Fund No. 1 - 639.398 shares      11,475.15

The Income Fund of America (IFA)  
Fund No. 06 - 816.008 shares      11,777.41

A. G. Edwards & Sons, Inc, (Detail sheet  
attached)      73,317.50

Accrued Interest:

World Savings      9,289.05

Cash:

A. G. Edwards & Sons, Inc. \_ Centennial Trust  
Account (money market)      2,797.05

TOTAL ASSETS

\$ 168,656.16 <sup>2</sup> L3C

FUND BALANCE & RETAINED EARNINGS

Retained Earnings      \$( 8,850.37)

Fund Balance      171,506.53

TOTAL RETAINED EARNINGS & FUND BALANCE

\$ 168,656.16 <sup>2</sup> L3C

TEXAS SILVER HAired LEGISLATURE FOUNDATION

SEPTEMBER 30, 1994

[illegible]

TEXAS SILVER HAired LEGISLATURE  
FOUNDATION

CASH ACCOUNT

JULY 1, 1994 THRU SEPTEMBER 30, 1994

A. G. Edwards & Sons, Inc. (Money Market  
Account):

Beginning Cash Balance July 1, 1994

\$ 28,292.25

Receipts:

Earned Interest - A. G. Edwards & Sons, Inc.	\$ 1,323.38	
Bond maturities income (Securities)	3,000.00	
Donations	350.00	
Memorials	40.00	
In-kind donation ( <i>Harris Methodist</i> )	<u>3,000.00</u>	<u>7,713.38</u>
		\$36,005.63

Disbursements:

TSHL Orientation expense (in-kind)	\$ 3,000.00	
TSHL Orientation expense (actual)	16,385.07	
Office Expense	12.39	
Purchase of securities	<u>13,811.12</u>	<u>\$33,208.58</u>

Cash Balance 9-30-94 - A. G. Edwards & Sons, Inc. - Money Market Account

\$ 2,797.05