

**Minutes of
Robert and Christine Steinmann Family Foundation
Special Board of Directors Meeting, December 13, 2006
Teleconference**

In accordance with the Constitution of the Robert and Christine Steinmann Family Foundation (RCSFF), a valid quorum of the directors met via teleconference on December 13, 2006 at 7:30 PM EST, to review, approve, and direct, as necessary, the business of the RCSFF in a special directors meeting. The President, Robert Stretch, presided over the meeting. Rules of Order were followed and all votes followed motions, seconds of motions, and discussion, even when not fully annotated in these minutes to specific individuals.

1. President, Bob Stretch, called the meeting to order. See agenda, Atch 01.
2. **Roll Call:** The following directors attended the meeting:

**Robert Stretch
Carolyn Cappel Rose
Kent Fister
Larry Cappel
Bruce Fister**

3. **Reading of the Minutes:** Secretary, Kent Fister, pre-distributed written copies of the corrected minutes from the October 18, 2006 Quarterly meeting. Larry Cappel then moved that the minutes be accepted as written. Carolyn Cappel Rose seconded the motion. There was no further discussion. The motion passed with unanimous consent.
4. **Old Business:**
 - Rental Property:** Bob Stretch reported that the offer to purchase the apartments, which was approved at the last Board of Directors meeting, was presented to the other two owners. After two meetings with the other owners, the negotiation for the purchase of the apartments was halted. All offers are currently “off the table”.
5. **New Business:**
 - a) **Policy 2006-01:** All Board members received a copy of the Policy 2006-01, entitled “Internal Controls” prior to the Board of Director’s meeting. Carolyn Cappel Rose then moved that the policy be accepted as written. Kent Fister seconded the motion. There was no further discussion. The motion passed with unanimous consent. (See Attachment 02.)
 - b) **One Time Exception:** A one time exception to the above stated Policy 2006-01 was proposed. Due to the short time available to make payments for Year 2006 charitable grants/scholarships, it was proposed that Bob Stretch simply write the distribution checks this one time. It was further proposed that the Treasurer, Larry Cappel, after reviewing the expenditures, FAX to Bob Stretch, his concurrence/approval to write the checks. Bruce Fister then moved that the One-Time Exception be approved. Carolyn Cappel Rose seconded the motion. The motion passed with unanimous consent.

- c) **Policy 2006-02:** All Board members received a copy of the Policy 2006-02, entitled “Grant Application and Review Process” prior to the Board of Director’s meeting. Kent Fister then moved that the policy be accepted as written. Larry Cappel seconded the motion. There was no further discussion. The motion passed with unanimous consent. (See Attachment 03.)
- d) **Policy 2006-03:** All Board members received a copy of the Policy 2006-03, entitled “Grant Evaluation Criteria” prior to the Board of Director’s meeting. Carolyn Cappel Rose then moved that the policy be accepted as written. Larry Cappel seconded the motion. There was no further discussion. The motion passed with unanimous consent. (See Attachment 04.) Follow up review will be conducted and an update by Bruce Fister will be presented at the Annual Board of Director’s meeting.
- e) **Director’s Discretionary Grants:** All Board members received a copy of the Policy 2006-04, entitled “Individual Director Selected Grants” prior to the Board of Director’s meeting. After a spirited discussion, Carolyn Cappel Rose then moved that the policy be tabled until a future date. Bruce Fister seconded the motion. There was no further discussion. The motion passed with one dissenting vote cast by Bob Stretch.
- f) **Grant proposal 2006:** Kent Fister moved that the Board approve the following grants, as presented by Bob Stretch, and distribute the funds prior to 31 December 2006.
1. The College of Pharmacy at the University of Cincinnati will receive \$25,000 to be placed as an Endowment Scholarship in the name of Robert and Christine Steinmann Family Foundation. The criteria used to consider students would be:
 - a) Demonstrated financial need.
 - b) Top 25% of their class.
 - c) In their 2nd, or higher year in the college.
 - d) Recommended by a faculty member.
 - e) Preference will be given to U.S. citizens.

The Foundation could add additional funds to this Endowment for as many years as desired. The amount distributed would be the interest accrued during the year, which has over the past averaged 5% annually. The Principal remains for distribution into perpetuity.
 2. The Good Samaritan College of Nursing and Health Science will receive \$25,000 to be placed as an Endowment Scholarship in the name of the Robert and Christine Steinmann Family Foundation. The criteria used to consider students would be:
 - a) Demonstrated financial need.
 - b) Top 25% of their class.
 - c) In their 2nd, or higher year in the college.
 - d) Recommended by a faculty member.
 - e) Preference will be given to U.S. citizens.

The amount Distributed would be the interest accrued during the year and the Principal remains for distribution into perpetuity.

3. The Moffitt (Cancer Center & Research Institute) Foundation will receive \$25,000 as the second of four installments on a pledge made by Robert Steinmann. We will designate the Grant to Pancreatic research.
4. The Christian Benevolent Association will receive \$5,063 to be used in their compassionate care efforts. This association operates the Mount Healthy Christian Home and the Mason Christian Village.

Larry Cappel Seconded the motion. There was no further discussion. The motion passed with unanimous consent.

- g) **Future Giving:** Bob Stretch and Larry Cappel reviewed the current financial status of the Foundation. It is anticipated that the Foundation will have a Net Worth of approximately \$5,469,742 at the end of 2006. Bob Stretch projected that 2007 Grants and Scholarships will be \$273,000 minimum. Additionally, Larry Cappel will present the 2007 Budget via email to all board members. (**NOTE:** It arrived within minutes of the end of this board meeting and is attached, as Atch 05.)
4. **Future Board Meeting:** Kent Fister moved that the next board meeting be tentatively set for 7:30 PM, 24 January, 2007. Carolyn Cappel Rose seconded the motion. The motion was discussed. The motion passed with unanimous consent.
5. **Meeting Adjournment:** Bob Stretch moved that the meeting be adjourned. Larry Cappel seconded the motion. There was no further discussion. The motion passed with unanimous consent.

Kent D. Fister
Secretary

Enclosures:

- 1 Atch 01, Agenda
- 2 Atch 02, Policy 2006-01 "Internal Controls"
- 3 Atch 03, Policy 2006-02 "Grant Application and Review Process"
- 4 Atch 04, Policy 2006-03 "Grant Evaluation Criteria"
- 5 Atch 05, 2007 Budget

Robert and Christine Steinmann Family Foundation
Board of Directors Meeting
December 2006

AGENDA

- | | |
|--|---|
| 1. Roll call | President BS |
| 2. Reading of the Minutes of the Proceeding meeting | Secretary KF |
| 3. Report of standing committees | Grant and Scholarship RS
Investment BF
Finance LC
Strategic Planning CCR |
| 4. Officers' Reports | |
| a. Quote from Association of Small Foundations for ODI coverage. BF | |
| b. Status of Rental property and Returns study. BS | |
| 5. Old Business | |
| 6. New Business | |
| a. Grant proposal for this year ending 12-30-06 BS & CCR | |
| b. Internal Controls Procedures RCSFF Policy 2006-1 LC | |
| c. Grant Application, Review & Approval Procedures
RCSFF policy 2006-2 BS & CCR | |
| d. Grant Evaluation Criteria Policy 2006-3 BS & CCR | |
| e. Discretionary Grants by Directors BS | |
| f. Grant Budget for 2007 BS | |
| g. Payment method for Grants (this year) BS LC | |
| h. RCSFF Budget for 2007 LC | |
| i. Maintenance of the RCSFF Minute Book BS KF | |
| 7. Future Board Meeting Dates ALL | |
| 8. Meeting Adjournment BS | |

**RCSFF POLICY 2006-1
INTERNAL CONTROLS**

1. **Purpose.** These controls are established to insure financial accountability within the Robert and Christine Steinmann Family Foundation.
2. **Controls.** All directors with check righting or investment managing authority may make expenditures or manage investments according to the guidance below. All expenditures should be reported to the Treasurer in a timely basis so that foundation financial records remain current. The President may always act as approving authority in place of the Treasurer if the Treasurer is unavailable.

**Table # 1
Category of Expenditures Approved in the Current Year Budget**

<u>Approved in Budget</u>	<u>Amount</u>	<u>Additional Approval</u>
Any Budgeted Expenditure	0 - \$2,500	None
Within YTD Budget	\$2,500 - \$20,000	Treasurer
Exceeds YTD Budget	\$2,500 - \$20,000	President Note 1,2
Any Expenditure	Greater Than \$20,000	Board Note 2

Note 1. In the absence of the President, the Treasurer may make the approval.

Note 2. Either the Treasurer or the President must co-sign the check.

**Table # 2
Category of Expenditures Not Approved in the Current Year Budget**

<u>Not Approved in Budget</u>	<u>Amount</u>	<u>Additional Approval</u>
Remain Within YTD Budget	0 - \$2,500	None
Exceeds YTD Budget	0 - \$2,500	Treasurer
Any Expenditure	\$2,500 - \$20,000	Treasurer Note 1
Any Expenditure	Greater Than \$20,000	Board Note 1

Note 1. Either the Treasurer or the President must co-sign the check.

Foundation Investments

The investment committee may manage all foundation non-real property investments on a day-to-day basis provided the management of the investments complies with the investment policy of the foundation. Investment decisions will be made with agreement of all members of the investment committee. Should there be disagreement or one member of the committee is unavailable with respect to a given investment decision, said decision shall be made by the Board. Selection of an investment advisor shall be made by the Board. All investment decisions shall be periodically reviewed by the Board.

All real property investment decisions shall be made by the Board.

Grants and scholarships

All grants and scholarships issued by the foundation shall be approved by the Board. After Board approval the Treasurer shall make distribution of said funds according to direction of the Board.

3. Policy Review. This policy shall be review annually by the Board of Directors.

Robert W. Stretch
President

Date: 12-13-2006

RCSFF POLICY MEMO 2006-2
GRANT APPLICATION AND REVIEW PROCESS

1. Purpose. This policy established the process for the application and processing of grant or scholarship applications to the Robert and Christine Steinmann Family foundation.

2. Grant Application Process.

The foundation uses a two-phase application process. The first phase (Letter of Inquiry) involves a short informational application. After reviewing Phase 1, (Letter of Inquiry), the Foundation may request an organization submit a complete second phase, (Grant Proposal).

Phase 1: Letter of Inquiry

For organizations that have not been previously funded by the Foundation, we request that those grant seekers introduce themselves to our staff with a short informational application. This will be used by the Foundation to determine if it has any interest in receiving a full proposal. This will save time for both the Foundation and the grant seeker. This may be mailed or e-mailed to the addresses listed below.

The letter should contain the following in no more than two pages:

1. A short introductory paragraph with a concise statement of the purpose of the request and the amount requested.
2. A brief project description covering the issue(s) being addressed, the outcomes to be achieved; the plans for accomplishing the outcomes and the timetable for doing so: If this is a collaborative effort, the role of each collaborator; how the success and effectiveness of the program or project will be evaluated.
3. A brief description of the history, mission and activities of the applicant, including whether the applicant is exempt under Section 501 (c) 3 of the IRS Code.
4. Organization contact information as shown in paragraphs 1 and 2 of the grant application form below.

Phase 2: Grant Proposal

If the Foundation has interest in the project based on the Phase 1 application, we will ask for a complete application, and may ask for supplemental information or material. The Foundation may ask that a staff member and/or Board member to make a site visit, as well. The applicant would prepare a complete application and mail it to the Foundation. Supplemental materials, such as photographs, videotapes, CDs, DVDs, and the like, will not be returned to the applicant.

The complete application would include the following:

1. The same information submitted on the Phase 1 for the short information application. (See above)
2. A completed Grant Application Form as shown below dated and signed by the head of the Board of Directors of the applicant or by its senior executive officer.
3. A description of the applicant (no more than five pages), including:
 - a. Applicant's background
 - b. Applicant's mission and objectives
 - c. Applicants target beneficiaries
 - d. Type (s) of programs or activities undertaken
 - e. Major accomplishments
 - f. Number of staff, and staff's organization
 - g. A summary of applicant's strategic or long-range plan.
4. A copy of the applicant's current operating budget including anticipated sources of income or receipts and projected outlays and expenditures, and a budget versus actual year-to-date report.
5. A roster of the members of the applicant's board with occupations and affiliations; and a roster of the applicant's senior staff members with occupations and affiliations.
6. The applicant's financial statements for the fiscal year most recently ended, preferably audited, including as a minimum a statement of activities and a balance sheet.
7. A copy of the determination letter issued by the Internal Revenue Service (IRS) regarding applicant's exemption under Section 501(c) 3 of the code, and a copy of the most recently filed IRS Form 990 with Schedule A.
8. A description of the project (no more than five pages) for which funds are being requested, including:
 - a. The need for the project or the program and how the need was determined.
 - b. The expected results of the project or program.
 - c. The means and standards for measuring the project's success and effectiveness.
 - d. Plans and timetables for implementing the program or project.
 - e. Identity of the staff or volunteers responsible for its implementation.
9. Other materials that the applicant believes may be important for the Foundation to consider in reviewing the application.

Deadlines

Grant Application Form

GRANT APPLICATION

Robert and Christine Family Foundation
8528 Gwilada Drive
Cincinnati, Ohio 45236

Grant Number (to be assigned by the Robert and Christine Family Foundation)

1. Full LEGAL name of the organization (This is the name as it appears on your Articles of Incorporation)

2. Mailing Address: _____

City _____

State _____ Zip _____

3. Telephone _____ Fax _____

4. Date of Application _____

5. Name and Phone number of Individual to be contacted regarding this grant Application.

6. Name of Grant Project. _____

7. Amount of Grant funds requested. \$ _____

8. Employer Identification Number _____

9. Attach as Exhibit "A" a copy of the organization's most recent IRS determination Letter showing 501(c) (3) tax-exempt status.

10. Attach as Exhibit "B" a copy of the organization's most recent tax return and/or audited financial statements.

11. Attach as Exhibit "C" copies of the following current documents; Articles of Incorporation, Bylaws, and List of current Board of Directors and Officers including addresses and phone numbers.

12. Attach as Exhibit "D" a brief history of the organization to include past programs and projects, type of persons served or affected by activities and future goals of the organization.

13. Attach as Exhibit "E" a description of the project or activity for which grant funds are being requested. This description should include the purpose and the goals to be achieved.

14. Describe any relationships, business or personal, that exist between any Officer or Directors of your organization and any officer or Director of the Robert and Christine Steinmann Family Foundation. Our board of Director are as listed; Robert W. Stretch, Bruce Fister, Kent Fister, Larry Cappel and Carolyn Cappel Rose.

15. List the dates and amounts of any previous grants your organization has received from the Robert and Christine Steinmann Family Foundation.

16. List the names, addresses and phone numbers of any other donor organizations you expect to receive funds for this projects. List request that may still be pending.

17. Date of your last request to the Robert and Christine Steinmann Family Foundation

18. If your grant request is approved, will you execute and abide by the terms of our grant agreement Form? Yes _____,

19. I agree to abide by the terms of the grant agreement form. I (____ name _____), (____ Title _____), of the (____ organization _____) have reviewed this application and believe it to be true, correct and complete. I further represent that the governing body of the organization authorized the making of this request.

The Foundation will review request for grants on a quarterly basis, starting in January. Applications will generally be responded to within six months of their receipt at the Foundation provided that all required information was received with the Grant request.

3. **Grant Review Process.** The grant review process is described in the flow chart below:

Grant Review Process Flow Chart

**RECEIPT - Phase I
(30 days)**

Step 1
 1. Receive Grant Request
 2. Log in Form set-up
 3. Review for complete data
 4. Set-up File Use form

Data Complete
 yes: go to step 2
 No: go to step 1a

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Step 2
 1. Initial Review by G&SC
 2. Determination if within Foundation Funding priorities & Guidelines. Send to Step 3
 3. Determination if outside of Foundation Funding priorities & Guidelines. See **Note A**

Step 3
 Determined to be within funding priorities But may or may not be accepted because of a lack of technical merit or for competitive reasons as a result of having more request than capacity to Grant.

Decline
 Send letter L-1

Decline
 Send letter L-6

Accept
 To Step 4

Step 1a
 G&SC determines that the data is NOT complete.

1. Send Letter L-9 requesting information.
2. Hold request until response.
3. To Step 2 after receipt of information.

Note A
 The Grants and Scholarship Committee has three options:

1. G&SC members agree that the request is within the funding priorities & Guidelines of the foundation so proceed to Step 3.
2. G&SC members agree that the request is outside of the funding priorities of the Foundation. Issue Declination Letter L-1
3. The G&SC members do not agree that the request is within or outside of the funding priorities. In this case a third member is selected by impartial method from the Board of Directors and they would break the tie. The process would then follow Step 2.

AWARD - Phase II

(Cycle complete 2 to 3 months)

Step 4
The Grant request is determined to be within funding priorities and released to the Foundation Board of Directors with G&SC comments.

Step 5
The Board of Directors approve or reject the request with reasons. Return to G&SC to complete file and take directed action.

Step 5a
G&SC sends acceptance letter with required return signature to Grantee.

Declination
Letter sent
with reason

FOLLOW UP- Phase III

Step 6
The G&SC prepares award documents upon receipt of signed award letter. Letter sent to the RCSFF Treasure with check request.

Step 7
Treasure prepares check and mails letter and check to Grantee. Copy of check to G&SC for Filing.

Step 8
G&SC sets up Grant files and monitors Grant.

Step 9
(Subsequent Paymts)
G&SC approves progress reports and repeats Step 7 until Grant is finalized and closes file.

Robert and Christine Steinmann Family Foundation

- Scholarship Application and Review.** The application and review of scholarship will be done according to processes developed with universities with which the RCSFF has established scholarship agreements.

Robert W. Stretch
President

Date: 12-13-2006

RCSFF POLICY MEMO 2006-3
GRANT EVALUATION CRITERIA

5. **Purpose.** This policy established board criteria for evaluating grant and scholarship applications submitted to the Robert and Christine Steinmann Family foundation. Scholarship applications will generally be handled through an affiliation with universities or schools that meet the below criteria.
6. **Primary Criteria.** Unless otherwise directed by the board, grant applications must meet one or more of the following primary criteria:
1. That the organization be a Christian/Judeo organization and/or be guided by Christian/Judeo principles as so demonstrated by its history of philanthropic support.
 2. That the grant supports an educational scholarship in pharmacy.
 3. That the grant supports an educational scholarship in nursing.
 4. That the grant support medical aid and care for the elderly.
 5. That the grant support cancer research.
 6. That any organization requesting a grant or scholarship support be so incorporated as a non profit organization under Internal Revenue Service (IRS) code, Section 501(c) 3.
 7. That Grants supporting operations primarily in the greater Cincinnati, Ohio Area.
7. **Secondary Criteria.** Unless otherwise directed by the board, grant applications must meet all of the following secondary criteria:
1. That grants for cancer research focus primarily in the area of finding a cure for pancreatic cancer.
 2. That grants in support of scholarships meet the criteria as so established between the RCSFF and an associated university or hospital school.
 3. That the grant or scholarship supports other interest of the RCSFF's founder as so determined by the board of directors.
 4. That the grant request not be more than \$25,000 for any single calendar year.
 5. That any organization applying for support would not have previously applied for grant or scholarship support in the current calendar year.
8. **Exclusionary Criteria for Grants or Scholarships.** Grants or scholarships that support any of the criteria below shall not be awarded:
1. Political organizations or campaigns.
 2. Propaganda and Political Activities.
 3. Loans of any type to individuals or organizations.
 4. Administration or fund raising needs.
 5. Funds to service debt.
 6. Travel or group trips.
 7. Video productions.
9. **Organizational Exclusions:** Organizations which fall into any of the below criteria will be excluded as a candidate for support by the RCSFF:
1. "For profit" organizations.
 2. Organizations with the primary purpose of influencing governmental legislation.
 3. Conduit organizations which pass on funds to other organizations.
 4. Organizations that discriminate on the basis of age, gender, race, ethnicity, disability, national origin, or political affiliation.
10. **Policy Review.** This policy shall be review annually by the Board of Directors.

Robert and Christine Steinmann Family Foundation						
Budget Estimates 17 Months						
Expense Items	2006 August	2006 September	2006 October	2006 November	2006 December	2007 January
Year end Taxes						
Accounting				0		
Year end Tax Preparation						
Investment Performance						
Insurance						
Legal						
Partition Action (Apt Bld)					\$15,000	
Foundation Issues			\$250			\$250
Membership ASF	\$450					
Directors Compensation						
Office Cost						
Copy Charges		\$30		\$30		\$30
Postage		\$25		\$25		\$25
Phone						
Books / Subscriptions						
Grant Satisfaction				\$80,000		
Estimated Expenses	\$450	\$55	\$250	\$80,055	\$15,000	\$305
Income Estimates						
Current Investment Balance						
Morgan Keegan	\$4,728,737	\$4,728,737	\$4,751,137	\$4,773,537	\$4,795,937	\$5,182,437
Real Estate	\$ 365,000	\$365,000	\$365,000	\$365,000	\$365,000	\$0
Gross Asset Value	\$5,093,737	\$5,093,737	\$5,116,137	\$5,138,537	\$5,160,937	\$5,182,437
Net Asset Value	\$5,093,287	\$5,116,082	\$5,135,987	\$5,071,882	\$5,167,437	\$5,188,632
Returns						
Morgan Keegan	\$20,000	\$20,000	\$20,000	\$20,000	\$21,500	\$21,500
Real Estate	\$2,400	\$2,400	\$2,400	\$2,400	\$0	\$0
Assumptions:						
Morgan Keegan will average 5% returns on investments				Grant requirement for 2007 will equal \$250,000		
The apartment buildings will be sold and we will net \$365,000 in December of this year.				Partition Action includes some Share of real estate cost		