

Board Meeting minutes 02/29/24

1. Discuss and Vote on board recruit Carrie Lazar of Los Angeles. UNANIMOUS YES.
2. Discuss and Vote on board recruit Maria Lampanosa of San Francisco. UNANIMOUS YES.
3. Since our launch, we have treated non-profit subsidy recipients (e.g., schools) differently than for-profit subsidy recipients (e.g., restaurants) when calculating our subsidies. The idea was to subsidize the for-profit businesses only for the cost *difference* between the single-use and reusable items. (For example, a \$0.20 single-use cup replaced by a \$3.00 stainless steel reusable cup would result in a \$2.80 subsidy.) In practice, this has turned into a bit of an accounting nightmare for both myself and our non-profit partners ReThink Disposable (who are our primary feeder of restaurant subsidy applications). JCM proposes that we start subsidizing all applicants for the full cost of the reusable items, *but reserve the right to cap our subsidy if either A)the reusable items being purchased cost more than \$5.00 per unit, or B)the reusable items selected by the subsidy recipient are >50% more costly per unit than a comparable product.* UNANIMOUS YES.
4. The Governance Committee has drawn up a “Non-Discrimination, Harassment, and Whistleblower Policy” document for our organization. It is attached below. Please read it before the meeting, as we will be voting on whether to adopt it as currently written. If it passes the vote, we will be asking all new members to sign it as part of their entry to the Board, and I will be sending it out via Docusign for electronic signatures from all current Board Members. **EDITED DURING THE MEETING, AFTER INPUT BY SEVERAL BOARD MEMBERS PRESENT. ONCE FINISHED, APPROVED UNANIMOUSLY. SENT OUT FOR BOARD MEMBER DOCUSIGN SIGNATURES AFTER THE MEETING.**
5. The IRS “Public Support Test.” This is a problem that JCM thought we were facing this year, but it turns out that we don’t really need to worry about it until 2025. The IRS gives 501(c)(3) non-profits a grace period of five *calendar* years for something called the “public support test.” Starting on calendar year #6 (for us, 2025), non-profits must show every year that they have received more than 33.3% of their revenue from the previous five tax years from individuals and entities that have contributed less than 2% of the non-profit’s total revenue from those same five years. For example, PFR had raised \$187,330 as of 12/31/23 (since our 2020 launch). Two percent of that figure is \$3,746.60. So we have to show the IRS that more than one-third of our funding has come from people who gave us less than \$3,747. As of 12/31/23, we’re at 36%, which means we would pass the test (though not by a wide margin). Again, we’re not subject to this rule *yet*. But we will be facing it next year, and it would behoove us to start thinking about how to maintain (or increase) our levels of support from small- and medium-sized donors. Any 501(c)(3) that fails this IRS test after its fifth year will be reclassified from “public charity” to “private foundation.” This restricts activities and expenditures, and lowers limits on tax deductions from donors. In short, it is not a road we want to go down. **DISCUSSED AND CONSIDERED.**
6. Old Business:
 - a. We raised \$65,296.46 last year, and eliminated 2,897,411 single-use plastic items weighing more than 16,000 pounds. We spent less than 4% of revenue on overhead.
 - b. If you have not yet taken a look at our 2023 Annual Report, please do. [It’s here.](#)
 - c. The PR Committee did a fantastic job curating a list of environmental journalists and researching free/cheap options for news wire services. We put a press release out to both last week, trumpeting our 10M+ achievement, and it has unfortunately largely gone unnoticed thus far. We’ll regroup and think on it some more.