

Finance
(Committee Name)

Agenda item # _____

SESSION # 1

Report to be given on: Fri ___ Sat **x** (check one)

(Fill in Session # if you have more 1 meeting)

Committee Chair: Doug Church

Recorder: _Randy Crutchfield

Action Items

Motion and second on discussion and vote on over-budget of Marketing Survey Vote taken 8 votes for 0 against 1 abstains

Motion Doug to provide Explanation of what transpired and how to prevent over budgeting from occurring in the future.

8 for 1 against

Attendance

Number of committee members present: 9 Number of committee members absent _____

Total number of delegates attending the meeting: _____. **Give the roll, a copy of the minutes, and a disk with the minutes to the Secretary.**

Minutes

Minutes should follow the order of the committee's agenda.

I. Treasurer's Report

Jeanne Ensign

\$962,000 cash/ cash equivalents

Outside Audit with clean opinion first time this was done

Over-budget requests that were higher than normal

MBNA card "incentive vest" \$5,200 request approved

\$20,000 for Marketing Survey - 11/15 Board voted to approve

Finance Committee needs to approve or HOD needs to approve

Old Business motion to approve over-budget item on Marketing Survey

Motion and second on discussion and vote on over-budget of Marketing Survey

Discussion followed - details of event and assessment of what occurred.

Mel thought \$10,000 was in his budget to do survey, events anticipated with regard to \$10,000 survey fell through (end of May/first of June) Bids went out and company was chosen to do survey at \$20,000.

Money spent need to pay obligation nothing was done overtly to create this situation, simple procedural mistake that needs to be corrected

Suggestion that this be voted on in HOD due to lateness of request on over-budget (Suzanne)

Finance Committee needs to be non-legislative to make a point (Conrad)

Point if Finance votes on it and it passes the bill will be paid (consensus is that the bill needs to be paid). Prudent decision would be to pass the motion

Vote taken 8 votes for 0 against 1 abstains.

Discussion on vest over-budget item - approval levels who and where and when

II. Controller's Report

Cathy Pennington

Closer scrutiny of expenditures is now possible (with in 30 days)

External Audit - Clifton Gundersen fiscal year 2000

Received a clean report document attached?

Suggestions

Lockbox for cash receipts sent directly to banks for direct deposits (cash doesn't really change hands no opportunity for misappropriations) not deemed necessary

Inventory suggestions - formalize process - twice a year - may want to consider

III. Internal Audit Report

See Above

IV. Cathy Pennington went over the Finance Committee Budget Materials

Reviewed and explained tabs and budget comparisons with regard to financial statements

Audit presentation internal vs. external finance chair or committee member participate in audit procedures

No internal audit report due External Audit being done need a solid decision regarding the position of an internal auditor.

Old Business - Conrad made a motion that Doug includes in his remarks dissatisfaction with over budget requests directed at specific paid position. Seconded for discussion. Discussion followed on how to best address this situation. Make the comments non-directive but they do need to be made. Emphasis that we area a volunteer organization and mistakes will be made (Jeanne). Roles and functions in this event need to be scrutinized. Look at where the process failed and how to correct it. (Doug) Motion amended to read: Explanation of what transpired and how to prevent it from occurring in the future.

8 for 1 against

Amendments from Ohio LMSC FOG vs. FOR

Jack Kangas - room for improvement with regard to managing our organization. Guidelines can be broken - rules are a way of how to do business - forward looking. Intent was to improve the way of doing things as we move forward.

Doug Church - review of what FOG are and how the FC deals with them. HOD is charged with making alterations to FOG. Is it legislative or FC responsibility to amend the FOG.

Jeanne - FOG vs. FOR is irrelevant to FC at this time until the Legislative Committee votes on L 4.

Suzanne - FOG changes need to be made by HOD not by FC.

If FC deals with FOG the changes need to be voted on by HOD.

Proposed Amendments

1. FOG changed to FOR. Leave as FOG
2. Purpose Section mute (see #1)
3. Budgeting Section A - detailed rather than general. USMS doesn't currently have the ability to track detail by line item. Remove phrase assembled during annual convention
4. Spending authority requests - changing ability of any entity to kill a request
5. Over budget procedures to make an expenditure not included the approved budget (V)
6. D,E,F FOG - states a hierarchy be used to approve all over budget expenditures (support?)
7. G. to read - All new funding and over budget spending since the last annual meeting shall be included in the minutes of the FC.
8. Motion to approved new language seconded and approved

Section VI Discussion on hiring and employment guidelines and procedures. Most changes and amendments suggestions are covered in other written guidelines and procedures. Professional Management Guidelines don't belong in FOG. Will discuss in more detail tomorrow.

XII A. covered under other FOG - strike memorial and not add second sentence. Moved and second. 9 - 0 passes

New Section B. Does it address volunteers being paid for services rendered in the past. Or is it an over budget situation. Confusing language inherent in this item. Motion to strike seconded 9 - 0 passes

Misc. 12 D multiple year contracts are allowed could be beneficial.

New Section F Emergency Guidelines to suspend FOG. In case of need for emergency expenditures due to unforeseen circumstances. Provides a mechanism to deal with the situation. Is this necessary? Or can it be dealt with under over-budget guidelines. No support.

General Discussion - Lock Box and Inventory procedures and Audit Reviews.

1. Doug will look into the lock box. General support
2. Inventory (things we sell) twice a year - difficult to accomplish or can it be done - Cathy will work on process.
3. Audit - External vs. Internal. Continuing role for IR sample and test Controllers office and other procedures regarding financial policies and procedures. Prepare, review, correct items identified by ER or others.
4. External Audit - don't need it every year - look into reviews and EA as suggested by a third party. What are its benefits? Proper budgeting will be necessary.

Cathy Pennington - Controller FOG Change Suggestions

One travel policy to cover everyone F-2

Ohio rep question - Is there a procedure to pre-approve travel expenses - yes budgeting

Reimburse mileage at not for profit rate .14 mile should it be changed

Adjournment

Tasks for Upcoming Year:

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* *List projects/work to be done before next convention.*

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Please follow this format, using these headings and your committee's agenda.