

## **KBOO Foundation Finance Committee**

April 18, 2019

4:30pm at Cider Riot

*Present:*

MacRae Bogdanov (Finance Coordinator), Gene Bradley, Marc Anderson, Dan Shramek

Facilitator: Marc Anderson

Note taker: Dan Shramek

### **Update on action items from last meeting**

- MacRae confirmed that \$45,646 has been transferred from the Operating Reserves account at Advantis Credit Union to the Restricted Savings account at Point West Bank to be allocated for the restricted Marla Davis bequest fund to fight the religious right.
- MacRae explained that the new operating checking and savings accounts at OnPoint Community Credit Union have not yet been opened, but that she anticipates that our contact at OnPoint will drop off the needed paperwork in the coming week.
- MacRae explained that she has the paperwork needed to update the Operating Reserve account access at Advantis Credit Union, and that she plans to drop off the necessary forms in the coming week.
- Dan noted that the Executive Committee approved the motion at the March 25<sup>th</sup> meeting to allocate future unrestricted bequests to the Operating Reserve until it is built back up to our target three-month level.
- Dan presented the Finance Committee recommendation to the board to approve the updated Check Signing and Limit policy; they plan to vote on it at the April 22 board meeting.

### **OnPoint Community Credit Union/Raymond James presentation**

Leslie Warren from Raymond James Financial Services presented some financial options that are now available to KBOO as an OnPoint Community Credit Union client through OnPoint's alliance with Raymond James. She reviewed various CD options, as well as some annuities.

### **Monthly financial reports & mid-year review**

MacRae reviewed monthly financial reports, including her latest end-of-year (EOY) projections for both operating revenue and expenses:

- Revenue
  - Revenues are projected to be below budget for the year, primarily due to lower-than-expected revenues from the Winter and Spring Membership Drives and Underwriting.
  - We discussed results so far from the recent pre-drive Direct Mail solicitation, which went out just before the drive started. The revenue in so far is well below our budgeted amount, and MacRae will have a firm number at our next meeting. She explained that most of the revenue for Direct Mail fundraisers has typically come in during the first week after mailing. It is possible that the recent Raffle mailer affected the amount of revenue we received from the pre-drive mailer. She will adjust the EOY Direct Mail projections according to our best revenue estimate at this time.
  - MacRae discussed staff ideas for potentially raising additional revenue in the coming months to bridge the gap from the Spring Drive, such as a new raffle fundraiser.
  - Gene noted that he plans to meet with new Development Director, Allison Kolb, after the Membership Drive to offer his guidance in helping her develop a Major Donations plan. MacRae

noted that Monica Beemer is planning to meet with Allison regarding Major Donations in the coming week.

- **Action item: MacRae will speak with Monica Beemer after she meets with Allison to understand her best estimate on projected Major Donor revenues, likelihood, and timeframe.**

- Expenses

- FY19 operating expenses are also projected to be below budget, primarily due to lower-than-expected personnel expenses. Because we do not know the timing of the expected new hires in the coming months, it is difficult to accurately project end-of-year personnel expenses right now.
- We discussed potential budgeted expenses we could consider postponing, such as Promotional Advertising, until we have a clearly defined fundraising work plan.
- There are also several unbudgeted expenses that will affect FY19 operating results, including human resources contracting in Professional Services. We will likely know more about the estimated costs for these expenses in the coming weeks after MacRae discusses this with Ruban Lawrence.
  - **Action item: MacRae will meet with Ruban on Wednesday, April 24<sup>th</sup> to get a better estimate on expected unbudgeted expenses in the next six months.**

## **FY20 Budget Planning**

We discussed how we could improve the process for projecting revenues during the annual budget process. Dan suggested that the Finance Committee analyze data from the previous two years of membership drives to better understand trends that can help us more accurately forecast future drive revenue, including:

- Total number of days per drive for the various drives
- Revenue raised per specific days of the drive
- Understanding which programming raised significantly more than average revenue, and why (News & PA Day, Bluegrass Marathon, Grateful Dead Marathon, etc.)
- Review the timing of the pre-drive Direct Mail solicitation, revenue raised, any specific incentives offered, and any other potential factors that may have affected the success of the mailer
- **Action item: MacRae will work with Mike to get the information needed for the annual budget process and distribute to the committee**

## **Operating Reserve Policy draft**

Dan noted that he distributed the updated Operating Reserve policy draft to the board, and plans to begin discussion of the draft in the April 22<sup>nd</sup> board meeting.

## **Capital Budget**

We discussed some of the questions we have regarding developing a Capital Budget. One of the primary questions we have is how to prioritize the various capital assets and projects once we have developed our “wish list,” and who will be involved in the prioritization process. We discussed that there should also be a strategic prioritization of projects/assets from the Station Manager / Board of Directors. We will continue to work on these issues and policy drafts in the coming months.

## **Bequest Funds**

We discussed ways that we might improve the management of our bequest funds, including the development of a guiding document / work plan for each fund. This document could provide a brief summary of:

- The purpose of the fund, include original bequest language
- Initial funding amount and date of funding
- Planned use of the fund, and how KBOO plans to honor donor intent
- Annual budget / spending plan
- Process for accessing and tracking fund expenditures
- Accounting and management
- How to invest the fund

We will continue to work on this in the months ahead.

### **Check Signing and Limit policy**

- ***Action item: Dan will present the recommendation from the Finance Committee to approve the updated Check Signing and Limit policy at the April 22<sup>nd</sup> board meeting*** (see February meeting notes for more information).

Meeting adjourned – 6:00pm

The Finance Committee will hold their next monthly meeting at KBOO on **Thursday, May 16<sup>th</sup>** at 4:30pm.