

Finance Committee Minutes  
February 22, 2011 (minutes approved March 22, 2011)  
Commitments are italicized

In Attendance

Bob Crow  
Mel Reslor  
Paula Small  
Erin Brand  
Nia Lewis  
Debbie Rabidue

Meeting starts 6:22pm

Check In/Intro

January 2011 Financial Statements Review

Tabled-Debbie did not complete the packet due to illness the previous week and a long staff meeting this afternoon.

January Minutes

Finance Committee approves the January 2011 meeting minutes.

Brief discussion about who would lead a cost of living increase workgroup. Board has had a full plate and didn't have time to discuss this project at the last meeting.

Finance Department Update

Debbie gave notice at the staff meeting today. It is not a two week notice, more like 90 days or however long it takes to find and train a replacement and finish the prep work for the year-end audit.

Debbie and Mel worked together to develop the transitional work plan below.

Accounting Transition Work Plan

February 21, 2011

Dear Staff, Finance Committee and Board,

I am giving my notice, but would like to start by cutting my hours and increasing Mel's while the hiring committee is formed and process takes place. I do not need to leave in a short time and am willing to continue doing some work, training and helping with the hiring process. If this takes 90 to 120 days, I am fine with that and am flexible but cannot put in 30 to 40 hours a week right now. I'm not actively seeking other employment at this time, so there are no restrictions on my availability other than the weekly hours. I need to be at home more with my youngest daughters as we are looking at both of them going through surgical procedures over the next few weeks or possibly months. There are other personal things happening that make it better for me to be more accessible to my daughters and to lessen external stresses. Mel is fine with doing the daily finance work as long as into September. We are sure it will not take this long, but this allows KBOO to do it's due diligence in hiring for this particular position.

Our proposal is as follows:

Mel's interim duties:

- ü Bank deposits and deposit data entry (Mel).
- ü Processing credit card payments (Mel).
- ü Generating checks, collecting signatures, paying bills and the data entry (Mel).
- ü Payroll (Mel)

- ü A/R invoicing and monthly credit card memberships (Mel)

Debbie and Mel shared duties and training opportunity:

- ü A/R collection (working with Justin) – (Mel and Debbie if needed)
- ü Insurance and Employee Benefits (Mel and Debbie).
- ü Filing (Mel and Debbie).

Debbie's duties with some training opportunity for Mel:

- ü Internal controls with no cash handling (Debbie). Temporary transfer of duties from Mel to Debbie. Mel will return to this position after a new hire is put in place.
- ü Year end reconciliation and prep for Auditor (Debbie, work to be shared with Mel)
- ü Update and make usable the Finance desk manual (Debbie with Mel to review and help).
- ü Mid –year CPA Controllership & mid-year budget review (Debbie, work to be shared with Mel)

Training: (Items I can train Mel on while I'm doing the work pending a new hire)

- ü Brush up training on daily duties and using the accounting software
- ü Monthly close and reconciliations. Financial statement preparation, reports and projections.
- ü Grants and grant budgets. Tracking restricted grants.
- ü Reconciling general ledger accounts.

Upcoming projects that need addressed:

- ü Inventory project for insurance and fixed asset control.
- ü PCI DSS: Re-certifying with new credit card processor. This will require going through the process again. Self Assessment test, setting up vulnerability scan, and reviewing the current security policy. Removing the finance computer from the network or setting up a dedicated server (not shared).
- ü Mid-year budget review process.
- ü Filing the CR5500 for the 401(k) plan.
- ü Insurance renewals: some will renew in April.

We are estimating that we could move Mel to 20 to 25 hours a week and cut me back to 20 hours. I keep track of my budgeted hours and they are under budget right now. I would normally be going to a 40 hour week while working on year end prep. I would keep my benefits until the finance transition is complete and satisfactory to the Staff and Finance Committee. Once the new hire is trained in, if KBOO wants to have me continue to be involved in the finance area for awhile, we could look at independent contracting like I did for KBOO before. Naturally, this would not be a staff position and there would be no benefits. After the year end prep work and mid-year budget review work is done and if it seems realistic for me to work less than 20 hours until a new hire is put in place, then I would look at IC instead of a staff position. My goal is to help KBOO hire and train a qualified Finance Coordinator with proven skills to take over the job completely.

I would highly recommend that the internal controls staff position be continued after I leave. This has been an inexpensive proactive procedure that helps to keep the Foundation less of a target for fraud. I am committed to my profession and the overall health of the Foundation even if I am not able to stay on as a staff member at this time. I am happy to actively help with the transition since we do not have a station manager that can oversee the finance department, the transition and training. Mel has improved his bookkeeping skills by taking and passing a bookkeeping certification class. However, he has not done the higher level of accounting work for KBOO. I can train him and/or the new hire.

Debbie Rabidue

Paula asks Debbie about how to make the position more flexible for her. Discuss when she was an independent contractor for KBOO and didn't need to attend staff meetings and collective management meetings.

Discussion around filling the finance position at 30 hours per week at the current pay rate. Without a station manager the position is more realistically a 40 hour a week position.

How do we get Debbie to stay?

Paula proposes that Debbie and Mel hash out their responsibilities and propose a plan at the board/staff retreat.

#### Research Summary on CPA Costs – Audit vs. Review

Mel has been researching costs on CPA annual reviews, as opposed to an annual audit. Our bylaws require an audit, harkening back to days when we received substantial federal funding. Debbie is hoping that by doing extensive prep work for the audit, Mark Eklund will still want to complete the audit.

There would need to be a bylaw change to change from an audit to a review. Finance would need to take the lead in proposing a bylaw change and providing supporting arguments for it.

One idea is to change the bylaw to require at least an annual review, though an audit could always happen (particularly if we got a major grant or federal funding that requires it.)

We have filed for an extension for our 2010 federal tax forms.

Nominating Committee needs to find someone else to replace Mark Eklund to count our ballots during the annual election.

Debbie will ask Mark about filing another extension, if we don't need that much time, that is okay. Another CPA firm had suggested we do this in case we do find ourselves needing to work with a different Auditor if Mark isn't able to do it. If this happens, it could impede the process and make it to where a new CPA wouldn't have time to audit and file tax returns by May 15th because they would need to become familiar with the KBOO accounts first. Mark knows them, since he's been doing the Accounting and returns for over 20 years.

Debbie believes that an annual review would be appropriate for KBOO. Financially it would save money and with a mid-year controllership we also have an independent set of eyes looking at our finances.

Board members will take Debbie and Mel's recommendation for how they want to handle the next 30 to 60 days of the finance department at the February 28th Board meeting.

#### KeyBank Bank and Merchant Accounts

KeyBank used to be our main checking account and our largest savings account. Our largest savings is now at Advantis Credit Union and our main checking is at Bank of the Cascades. We also changed our card processor from KeyBank to SwipeNow. We have a safety deposit box at KeyBank.

Mel and Debbie are thinking that we could close KeyBank. We have a line of credit with them but it is would only be enough money to operate KBOO for about 22 days. If we drop the accounts we would save money on the fees that keep them open, and also by not having to monitor them (internal controls, controllership, audit, etc.)

Finance Committee recommends closing the KeyBank accounts.

Finance recommends getting a new safety deposit box at BOTC to hold our Articles of Incorporation

and whatever else is in the box.

#### Update on Inventory Project

Our Bliss Sequoia Insurance broker met with the staff today to talk about inventory in regards to insurance coverage. This inventory may be teamed with an inventory for financial records.

Debbie and Mel will give Finance an update on the status of the inventory project to take to the Board meeting.

#### Membership Drive Goals

Finance Committee recommends continuing a membership drive through the scheduled drive period if it has reached the drive goal early, especially when we are operating in a deficit. This would help to increase donations and build our membership.

Meeting ended at 8:30pm

The March Finance Committee meeting will be March 22nd at 6pm at the station.