

6_17_2014 Finance Committee minutes

Present voting members: Alan Preston, Bill DeMare, Nancy Stearns, Evelyn Bless

Also present: John Miley, Paul Berg

Absent voting members: Rex Henderson, Jennifer Fritch

Chair: Alan, minutes: Evelyn

Called to order 12:05 p.m.

Financial reports: See Alan's email. The text is pasted below:

Please find attached the finance reports for May 2014. Profit for May was \$12.3K. Profit through May was \$42.9K. Cash is still where we need to use the line of credit. Income for the 5 months in 2014 was almost the same as in 2013 but expenses were \$22.5K less. YTD profit is \$42.8K. Income is 3.5% over budget and expenses are 2.6% below budget putting ahead of budget by \$7.5K.

State grant

- **How monies arrive.** Grant is 74K, we will receive 18,500 quarterly. We have to tell them what we will use it for each quarter. We do a list per quarter, broken down to amounts for each program. We are using it for current programs and expenses. Think of it as like the state being a sponsor; we have to put state logo on some programs, for example.

After the quarter, we send them a log of how we actually used the money. In the 4th Q, the state withholds 10% of the money, and sends it after we submit the usage report.

The reports and usage log to state are separate from our accounting system.

- We get the check in July for the first quarter. We will book it over 3 months. It will be **deferred income**—it will become income as we incur expenses, so net becomes zero. It is important to show it this way in order to be consistent.
- **How accounting will handle the grant:** Accounting will be one line each month for \$6133.33. In budget, we will not split it into the categories to which it applies. This makes it easier to budget for next year and ensures it will not mask profitability (or lack of).

We are treating the grant as a windfall. The grant should not impact our decisions as to whether we book a program or give raises. This grant may not be repeated next year and we can't act as though it will be.

Financial questions about month's Profit and Loss ytd 2014 report:

- **Income.** 11K but really only 4K favorable, because 7K was restricted funds.

- **Expenses:** need to be corrected because not showing correct amounts.
Action item for Alan: correct and redistribute report.
- **Program committee:** needs to be aware that Center has cut back severely on print advertising (6K), in case print advertising is crucial to a particular show.
- We have no policy on employee advances and to protect ourselves, we need one.
Action item for Paul: draft a policy on employee advances by next month.

Action item for Alan in Board meeting: Include in your financial report to the Board that the increase in staff salary was already in the budget. The Board approved it, and they need to be aware that it was in the budget when approved.

Discussion on facilities/landscaping: Grant from HOA (2500) requires us to provide volunteers for planting. How is this to be done? We agreed this should be under Governance Committee, not Finance. Governance will form a subcommittee.

Adjourned 1:07 pm