

MINUTES OF THE FINANCE COMMITTEE

Friday, October 21, 1988

9:00 a.m. to 12:00 noon

1:00 p.m. to 7:00 p.m.

- I. Minutes from last year's convention  
MSC to approve last year's minutes as presented.
- II. Treasurer's report  
MSC to accept the report.
- III. Controller's report (see Exhibit "B")  
MSC to accept the report. See Exhibit "C" for a summary of the recent quarterly Controller reports.
- IV. Income Projections  
Assumptions:
  - A. Registration income is expected to increase substantially as a result of the dues increase from \$5.00 to \$9.00. Individual member registrations are assumed to be 27,000 for the 12 months to end 12-31-89, a slight decrease over the number expected for 1988 due to possible resistance to the newly implemented dues increase.
  - B. Club registrations are projected at 400 clubs for the same period.  
See page one of Exhibit "A" for details.
- V. Expenditure Requests  
Information: The major increase in our budgeted expenses once again results from this year's 800% hike in our liability insurance premiums. In addition, a \$20,000 expense was initiated to establish a reserve fund for potential payments against our deductible for liability insurance.  
See pages two and three of Exhibit "A" for details.
- VI. Inventory Acquisition Requests - None.
- VII. Capital Expenditure Requests  
Requests are included for the purchase of a FAX machine for the National Office, and for additional changes to the registration software package. See page three of Exhibit "A" for details.

MSC to approve in total the budget items developed by the Finance Committee, based on the requests submitted by the various officers and committees, all as shown on Exhibit "A".

- V. Finance Committee Policies and Positions
  - A. The Audit Committee made several recommendations regarding financial policy. MSC to adopt the policies as set forth in paragraphs 19-26 of the Financial Operating Guidelines. See Exhibit "C" attached hereto).
  - B. Financial Operating Guidelines ("FOG")  
The Finance Committee developed a manual which listed in one document all of the financial policies known to have been approved in the past. The document was then updated, with certain policies deleted as no longer applicable or

as having been superceded by the enactment of subsequent policies. The recommendations of the Internal Audit Committee were addressed as stated above. Paragraphs have been numbered to reflect the chronological order in which they were approved.

MSC to approve the revised Financial Operating Guidelines as now set forth in Exhibit "C".

MSC to forward to the Legislation Committee the recommendation to change the name of the Audit Committee to "Internal Audit Committee."

VIII.

Controller compensation

MSC that the Finance Committee requests the Executive Committee to investigate and initiate a contract for the position of Controller, to be effective beginning with the fiscal year commencing 1-1-90. At the suggestion of the President, the Finance Committee will develop a job description for the Controller.

IX.

Taxpayer I.D. #'s of LMSC's

MSC to recommend that all LMSC's ensure that they have the proper taxpayer I.D. numbers for their respective cities and/or states where applicable.

X.

Committee Chair convention expense reimbursements

It was brought to the attention of this committee that some LMSC's may not be reimbursing any of the convention expenses for Committee Chairs who may be members of that LMSC but who have not been elected as a House of Delegates representative from that LMSC. MSC to poll all LMSC chairs to determine the extent of this problem. MSC to request that the Long Range Planning Committee study this issue and make recommendations. MSC that the Convention Committee budget request for 1989 be increased by \$800 for the purpose of paying the registration fee for the chairmen of 16 standing committees for the 1989 USAS Convention.

IX.

Other New Business

A. MSC to recommend approval to the House of Delegates at this meeting the reimbursement in excess of the 1988 budgeted amounts of:

1. Up to an additional \$750 for the Records and Tabulation Committee, and
2. Up to an additional \$200 for the Zone Committee.

B. The Long Range Planning Committee recommended to this committee that

1. the general reserve be increased from \$100,000 to \$150,000,
2. a specific reserve be established to cover the deductible payments that may be required under our liability insurance, and
3. maintenance of at least 3 months operating expenses in available funds at all times.

These recommendations were incorporated into paragraph 9 of the Financial Operating Guidelines.

X. The meeting adjourned at 7:15 p.m.

Members of the committee in attendance were Lucy Johnson, Chair, Nick Fazzano, Reg Richardson, Suzanne Rague (Ex-officio), Dick Smith, John Maguire, Kris Wingenroth, Mike Calwell, Bill Tingley, Jack Buchanan, Mike Laux, and Kevin Kelly (Ex-officio). Non-members in attendance included Bill Walter, Betty Owens, Rocky Motter, Bart Hopple, Josephine Morrisey, Bert Peterson, Ruth Winn, Hugh Moore, Pat Sengstock, Marilyn Early, Russ Lyman, Dave Zander, Hugh Winn. Mike Laux