

MINUTES OF THE FINANCE COMMITTEE  
Friday, September 22, 1989  
9:00 a.m. to 12:00 noon  
1:00 p.m. to 6:00 p.m.

- I. Minutes from last year's convention  
MSC to approve as corrected.
- II. Treasurer's report  
The corporation currently has approximately \$215,000 in available cash, broken down into roughly \$20,000 in a regular checking account, \$87,000 in a money market account, \$100,000 in CD's and \$10,000 in a second money market account which receives the interest earned on the CD's.  
MSC - to approve the Treasurer's report.
- III. Controller's report (see Exhibit "B")  
The Controller reported that all financial mechanisms are in place and are working.  
MSC - to approve the Controller's report.
- IV. Internal Auditor's report (see Exhibit "C")  
MSC - to correct p.3 line 3 to delete the word "not". MSC - to accept the Internal Auditor's report as corrected.
- V. Survey results (see Exhibit "D")  
Exhibit "D" is presented for information only.
- VI. Taxpayer I.D. #'s  
The Executive Secretary has reported that all LMSC's now have their taxpayer I.D. numbers. For information only.
- VII. Budget  
MSC - to approve the budget as shown on Exhibit "A" attached hereto.
- VIII. Finance Committee Policies and Positions
  - A. Audit Committee Recommendations  
MSC - to reaffirm FOG, and require the Controller to provide to the Finance Committee Chair by 12/31/89 a written report on the status and use of a commercially available general ledger accounting software package. If such a package has not been purchased and is not in use, the Controller is to provide written justification.  
  
MSC - that the Finance Committee recommends Legal Counsel research the independent contractor status of the Executive Secretary and National Registrar as to USMS's liability for payroll taxes, and report the results to the Executive Committee for action.
  - B. Financial Operating Guidelines ("FOG")  
The Committee reviewed FOG for any potential necessary changes.
    1. There were two amendments as follows:

- a) MSC - to amend Section 21. to add a new "B." (and to renumber the existing "B." and "C." to "C." and "D." respectively) which is to provide the Controller with the authority to approve payments if:
    - (1) The amount requested is in excess of 10% of the total budget for that account, or the total budget for that account exceeds \$1000, AND
    - (2) The amount requested exceeds the total budget for that account by less than \$5000, AND
    - (3) A majority vote of the voting members of the Finance Committee has recommended to the Executive Committee that such payment be approved, AND
    - (4) A majority vote of the Executive Committee has approved the payment, AND
    - (5) Written notification of such action by the Executive Committee shall be sent to the Controller and the Board of Directors.
  - b) MSC to amend FOG 9. F. as follows:
    - (1) The reserve funds should be invested in separate accounts which are clearly identified as reserve accounts as follows:...
2. The committee reviewed the following existing financial policies that were overlooked last year, and took action as shown below:
- a) "A subcommittee of the Finance Committee will be formed to advise the Treasurer on investment policy". (Approved 9-84) MSC - to delete, as FOG 9. outlines current investment policies.
  - b) "(P-2a) An annual budget allocation and disbursement be made to accommodate reasonable and necessary expenses, such as postage, copying, phone calls, etc. incurred by all committees". (Approved 10-83) MSC - to delete, as FOG 7. covers this issue.
  - c) "(P-2b) An annual accounting of actual expenses will be made by the Chairperson of each committee". (Approved 10-83) MSC - to delete as FOG 8. covers this issue.
  - d) "Finance Committee assigned account numbers, with reimbursements to be made quarterly, with a minimum request of \$25, and accepted only from a Chairperson or member of the Executive Committee". (Approved 9-84) MSC - to delete.
  - e) "A capital reserve fund of \$100,000 to be established and maintained - no less than

\$10,000 yearly be budgeted toward this reserve". (Approved 10-83) MSC - to delete as FOG 9. covers this issue.

- f) "Fiscal year to be changed to September 1 - August 31 with 1984 as the short year". (Approved 10-83) MSC - to delete as obsolete.
- g) "All requests [for reimbursement] must be accompanied by appropriate receipts. Ted will forward approved vouchers to our Treasurer, Reg Richardson, for actual payment. Any committee who generate revenue will also send same directly to Ted". (Approved 3-84) MSC - to delete as obsolete.
- h) "The Treasurer of each LMSC is covered under officers liability insurance". (Approved 10-83) MSC - to recommend to the Insurance Committee that it research this issue with Financial Guardian, and report back to the Finance Committee Chair. If such insurance exists, what does it cover?

- 3. MSC - To recommend to the Ad Hoc Rule Book Committee that FOG be published as an appendix in the USMS rule book.

## XII. Other New Business

- A. Bonding of Treasurer, Executive Secretary and National Registrar.  
MSC to add line item number 5014 to pay for bonding. To recommend that the Insurance Committee arrange for the bonds to be issued.
- B. Establish policy for reimbursement of convention expenses.  
MSC - To pay the early registration fee only for the convention for the members of the Board of Directors, plus the fees approved in FOG 14.
- C. Other
  - 1. MSC - For the USMS Treasurer to obtain a corporate credit card in the name of the corporation with a credit limit not to exceed \$5000.
  - 2. MSC - The Finance Committee recommends to the President-elect that the Treasurer-elect is to continue in the Controller's function through the end of the fiscal year; further that the outgoing Treasurer continues to perform the cash disbursements function for the corporation until such time as a new Controller is selected and the

Treasurer-elect shall assume the cash disbursement functions.

3. MSC - The Finance Committee recommends to the President-elect that the Treasurer-elect should be involved in the selection process for the new Controller and the new Internal Audit Committee chair.

Committee members in attendance were Lucy Johnson, Chair, Bill Tingley, Kris Wingenroth, Nick Fazzano, Dick Smith, John Maguire, Dave Zander, Jack Buchanan, Mike Laux, Mike Calwell, and ex officio members Kevin Kelly and Suzanne Rague. Other persons in attendance were Mark R. Lambert, Thomas Tripp, Virginia Bay, Doug Brogan, Betsy Owens, Fred Tan, Susie Leiper, Jennifer Parks, Pat Sengstock, Ted Haartz, Barbara Bower, Betsy Durant, Lou Abbel, Michael Heather, Art Smith, Bill Struthers, Russ Lyman, Rich Burns, Jim Miller, and Dore Schwab.