

FINANCE COMMITTEE MINUTES
September 12, 1996

The meeting was called to order at 1:45 p.m. by Chairperson Jeanne Ensign. The following committee members were present: Katie Cooper, Anna Lea Roof, Tom Brunson, Randy Nutt, Gene Donner, Doug Church, Kim Shaw, Frank Newquist, Richard Smith, Jeff Moxie. The following guests were present: Leslie Smith, Rob Whitters, David Lamott, Ted Haartz, Lucy Johnson, Treasurer, ex officio and Roy Abramowitz, Controller, ex officio.

Controller Roy Abramowitz circulated the financial statement for review and comment. It was noted that additional changes will be made and a final copy circulated after the convention. There were no material changes, but it was noted that the "advance registration" entry is probably for the wrong year and will be adjusted.

Treasurer Lucy Johnson made an oral report. She explained the status of cash and investments. She pointed out that there is an attempt to "ladder" the CDs. She suggested spreading the money market accounts to try and avoid any one account holding more than \$200,000 at any one time. She noted that the Dreyfus Fund customer service has been lacking. She will continue to review to get best safe rates of return on invested funds. She also noted that there are cycles of cash build-up or depletion based on the time of the year that dues are being paid. She responded to a question by noting that our investments are governed by standards set out in FOG and that we are complying.

General discussion regarding investment issues centered on getting good service and best returns. It was MSC that section 5.A.1.e.(2) of FOG be amended by adding Smith Barney and Bank of America to the list. The motion was unanimously approved. Because the Dreyfus account is approximately \$100,000 Lucy asked for a show of support from the committee to move money from Dreyfus and establish an account with Smith Barney. Unanimous support was shown.

Chairperson Jeanne reported on behalf of the Internal Audit Committee. Her written report was circulated to members of the Finance Committee for review and comment. It was moved and seconded that the internal audit report as submitted be approved. Discussion following supported the recommendations set out in the report.

The effort to pay bills twice a month is important and Roy agreed to move in the direction of processing requests on the 5th and the 20th of each month. It was generally viewed as unfair to those awaiting payment that our process sometimes delays payment up to two months. The chair was urged to communicate with committee chairs the importance of timely approval of invoices.

The review of contracts entered into by officers of USMS by a member of the Finance Committee remains a significant issue and the committee supports reinforcing this provision of FOG with the Executive Committee.

The question was called on the motion to approve the internal audit report and the vote was unanimous in favor of the motion.

The Committee then reviewed the "overbudget" items from 1995 pursuant to FOG for the purpose of considering any overbudget matter in excess of \$500.00. It was noted that some items which were overbudget were driven by the total number of members and these items were not reviewed. Line 5050 (President) in the amount of \$603.42, line 5433 (other marketing) in the amount of \$1,509.89, and line 5981 (prior year adjustments) in the amount of \$1,126.16 were the only items over budget. MSC.

MSC to approve the overbudget amount billed for 1996 legal fees because of work on the SWIM contract.

The chair reported that the bid process is working better, and we will continue to educate spending entities.

The chair reported that several LMSCs have not turned in their financial reports for 1993 and/or 1994 and that Mel Goldstein had proposed some type of punitive action such as denying the LMSC convention delegates. After general discussion about this problem, it was recommended that the notice sent by the national office to the LMSC chair be copied to the LMSC treasurer.

This concluded old business.

The chair led discussion of creating a checking account for the executive secretary. Dorothy Donnelly has routinely been "out of pocket" an average of \$600 per month. It was MSC that USMS create an imprest checking account for the benefit of the executive secretary not to exceed \$1,000 at any one time for routine expense payments.

The Committee then had general discussion of the internal audit function and the problems identified in the Rule Book regarding the obligation to prepare an annual financial report and an annual internal audit. It was generally agreed following extensive discussion that a major rewrite of the related Rule Book section should occur in time for the legislative year in 1997 based on the need to clearly identify what our objectives are regarding the financial reporting and auditing functions.

It was generally agreed there may be a need for a limited outside audit function. Jeff Moxie, Kim Shaw, Gene Donner and Richard Smith volunteered to serve as the internal audit committee for next year and the chair was instructed to report that the committee recommends these appointments to the President.

The meeting was recessed at 4:30 p.m.

Respectfully submitted,

Doug Church, recorder