



Finance Conference Call Meeting
Saturday - March 28, 2020 10:00 am

Meeting called to order by Chairman Robert Wilson.

Invocation and Roll Call by Adjutant Heller.

Roger Friend (6), Department Commander Charles Stennis (9), Department Treasurer, Robert Wilson (4), Finance Chairman Harold Savage (1), Member Jose Rivera (9), Member Suzette Heller (12), Department Adjutant, Secretary. All members of Finance Committee Present.

Guests: Jean Wilson (4), 1st Vice Commander, Brad Teis (10), Department 2nd Vice, Carol Allen, Rea & Associates, Blake Farmer TSG Advice Partners, Alicia Salyer Maloney & Novotny, Mike Dickey Maloney & Novotny, Rebecca Corbin, Department Fiscal Secretary

Motion made by Jose Rivera, to accept the previous finance minutes as printed seconded by Harold Savage. ***Motion passed.***

Report from Carol Allen from Rea & Associates

Carol provided the final Profit and Loss Report for December 31, 2019 along with Budget vs Actual report. Carol continues to work with Maloney + Novotny to provide preliminary documents for audit of balance sheet. Monies received as a donation will be listed in "other contributions" line item. It was discussed that any donations received, a Thank You letter with the amount will be drafted by the Fiscal Secretary for Commander, Adjutant, and Treasurer signature to be mailed to the donor. Discussed having ACH services set up in the general fund to be able to send post credit and overpayment monies to post accounts which will save on cost of printing and mailing checks by next membership year. This is a project that will be undertaken by Finance in the 2020-2021 year as Finance transitions to QuickBooks Desktop. Based on previous discussion, the Fiscal Year recommendation to change from 1 August thru 31 July to 1 July to 30 June each year.

Report from Blake Farmer, TSG Advice Partners

Blake Farmer discussed the downturn with economy due to Coronavirus pandemic. As of March 27, 2020, the Department investments are 65% stocks 35% bonds. He believes with the companies that we are invested in they will hold up until the pandemic passes and will bounce back quickly. This is a good time to purchase stocks at a lower price such as, Amazon. Right now, we are down 14% as of March 27, 2020. Robert Wilson, Finance Chairman, asked if we are engaged in short term investments. Blake explained that we do long term investments which is safer. At some point, Blake recommended liquidate bonds into cash to buy lower stocks.

Report from Maloney & Novotny

Mike Dickey discussed the Fiscal Year change and supported the Department recommendation to do so. He also discussed that based on the preliminary documents provided for 2018-2019 audit that Maloney + Novotny were not comfortable performing the audit and instead makes a recommendation to do an audited balance sheet. It would take double the amount of time to audit 2018-2019, increasing the expense dramatically, and most likely would result in an inaccurate audit. Mike expressed confidence that the 2019-2020 audit is preferable to obtain. The fees for 2018-2019 will be adjusted at a lower fee and services will be the 990 and audited balance sheet.

Expect to see COVID-19 disclosures stating that due to closing some of our major events, this will affect the numbers. Mike gave updates on two new tax laws which have been passed regarding removal of the limitation of charitable contributions and elimination of the required minimum distribution for 2020 from 71 ½ to 72. This may benefit the non-profit businesses. The 990 is being worked on and the deadline is June 15. They will inform us if the deadline is extended due to COVID-19. Shutdown of business is making it more difficult during tax season since they are working from home.

Alicia Salyer said she has been working with Carol Allen from Rea & Associates on collected information needed.

Unfinished Business

Moving the fiscal year to 1 July to 30 June each year.

Adjutant Heller informed the committee that there does not exist any National obstacles for this to be done, based on Chairman Wilson previous question. Carol Allen from Rea & Associates informed the Committee that there isn't any auditing or accounting obstacles either, outside of having only 11 months in one year. Mike Dickey from Maloney & Novotny said he would be in support of the change and it is a more sensible approach. He also stated it would best to implement this change beginning July 1st, 2020 and Carol Allen agreed. She also commented that the largest receipt of revenue is July. This would show on the financial statement in the beginning of each fiscal year, as opposed to the end. Charles Stennis, Treasurer, stated if this is the case then the budget process shall begin in April/May.

The resolution to change the fiscal year for the Department was read by Adjutant Heller. Motion made by Harold Savage to change the fiscal year starting 1 July ending 30 June, seconded by Jose Rivera. ***Motion passed.***

Future Meetings:

Adjutant Heller stated the April 4th executive meeting will be a Conference call meeting starting at 10:00am.

Review Fiscal Policy & Constitution By-Law change

Based on previous discussions with the Department Constitution and By-Law Committee, Finance Committee, and Department Executive Committee, about Constitution & By-law changes regarding "Standing Committees" and reorganizing into "Standing Commissions" and implementing a "Department Finance Policies and Operations Procedures Manual", Adjutant Heller provided the Finance Committee with the resolutions, which were also copied to the Department Judge Advocate, Department Parliamentarian, and Luther Liggett, LPA, for Department, for review.

First Resolution: Removing Article X Standing Committees from the 2019 Department Constitution

Second Resolution: Adding Article III: Standing Commissions to the By-Laws

Third Resolution: Create a Department Finance Polices and Operations/Procedures Manual

Fourth Resolution: Change the Department Fiscal Year to 1 July to 30 June. **Motion Passed**
(Resolutions Attached)

Adjutant Heller asked the Finance Committee to vote on these resolutions for proposal to the DEC. Adjutant Heller had reminded the Finance Committee that the Department Executive Committee had previously been informed at the December DEC of these proposed changes and they supported advancing these recommendations.

Harold Savage (1), Jose Rivera (9), and Robert Wilson agreed to vote on the resolutions once they were in complete draft mode. Adjutant Heller agreed that she would forward the final formatted copies to the Committee once the completed draft versions were returned from Jermaine Ferguson, Legislative/VHA Coordinator.

New Business:

Charles Stennis (9) is working on updating the 2019-2020 budget once Carol Allen sends the updated balance sheet and P&L for end of second quarter. He offered to draft a new template for the 2020-2021 budget year.

Membership awards manual submitted to the committee there were no monetary changes from previous membership year. Brad Teis (10) mentioned the changes were mostly to allow Posts to obtain awards earlier in the year.

Future Meeting Dates.

Conference Call: Thursday April 16th 6:00pm

Benediction: Adjutant Heller

Motion to adjourn, Jose Rivera (9), seconded by Harold Savage (1).

Meeting Adjourned at 11:49am.