

APPROVED



Voices for International Business and Education

Minutes

VIBE Finance Committee Meeting

Date and Time

Thursday December 15, 2016 at 6:00 PM

Location

727 Carondelet Street, New Orleans, LA 70130

Voices for International Business and Education http://public.boardontrack.com/VIBE_1

Committee Members Present

A. Tufail, D. Deno, H. Blumenthal, J. Carter, L. Lopez, M. Roney, S. Wilson

Committee Members Absent

C. Allen, S. Thomas

I. Opening Items**A. Record Attendance and Guests**

Meeting was called to order

B. Call the Meeting to Order

M. Roney called a meeting of the Finance Committee of Voices for International Business and Education to order on Thursday Dec 15, 2016 at 6:00 PM.

C. Approve minutes of November 28, 2016 meeting

A. Tufail made a motion to approve minutes from the Finance Committee Meeting on 11-28-16 Finance Committee Meeting on 11-28-16.

H. Blumenthal seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Review of November 2016 Financial Statements

- The financials for the month of November were shared by D. Deno.
- The financials include narratives and the budget/expenses to year are now included to be able to refer to it should it be necessary to keep track of expenditures and
- We are out of the budget by exactly the legal fees amount.
- We are currently being paid on the student count from February.
- There are usually three numbers to look at.
- There is a count in February and the year's allocation is based on that count.
- There is an amount that we are being paid based on the previous year's count and then we have the number we have set as our yearly budget.
- In April we will only receive an increase from
- The cash flow presented has not been adjusted based on the actual number of students we currently have.
- We have made some cuts and adjustments in payroll that have adjusted cash flow
- In prior years we had larger cash amounts
- Clarity was asked regarding the suggestion given by the auditor that we should have a policy of having a certain balance of cash.
- The state requires us to have at least 7% we usually have at least 10%. We do have insurance for catastrophic events.
- There is no specific value of the fund balance/reserve allocated or annotated in some way.
- There is a conservative projection which is favorable thinking about a worse case scenario.
- It was suggested by A. Tufail to think about a number to have security of funds taking in consideration the time that would take the time for the state or the insurance to write the check to cover emergency expenses.
- M. Roney suggested to table this conversation until the January committee meeting when discussing performance indicators and policies.

B. Vote to recommend Board's acceptance of November 2016 Financial Statements

H. Blumenthal made a motion to Accept the November financials.

J. Carter seconded the motion.

The committee **VOTED** unanimously to approve the motion.

III. Other Business

A. Vote on policy for disposal of used property

- An revised draft was presented with markups from M. Roney.
- The original draft had a \$500 threshold for the value of disposed equipment and it was changed to more than \$5000
- We only capitalize big purchases going over \$2000. This is bulk purchases not single item.
- If the expense is a purchase of one transaction, then it is capitalized.
- The threshold for the state is \$5000 and for the auditor is \$2500. The purchase that counts for the state is the purchase of a single item, not bulk.
- Once the equipment is to be disposed, it has to come off the asset register.
- What we currently have in the asset register, will not be reflected on the state's asset ledger.
- The state will only know when we dispose of assets when we notify them.
- Clarity was asked by H. Blumenthal regarding the auditors following the same guidelines established by the state.
- S. Wilson explained that very few items purchased individually will hardly ever reach the \$5000 threshold. If we followed only what the state mandates, we would hardly capitalize anything.
- State policy is specifically to individual items, not aggregated. The state policy was meant for districts that have multiple schools and more expenses than us.
- If the expense reaches the threshold, the state would not depreciate the items but want to see it reported in a different category.
- It was suggested to add clarifying language to explain the threshold that defines the asset with a capitalization threshold.
- The concern was the low amount determined for the disposal being \$500
- The purpose of this policy is to provide guidelines to proceed with disposal properly.
- It was discuss that the wording of the policy should state that the amount should be "equal or more than \$5000".
- M. Roney suggested to create a document that would track proof of the procedure, should questions arise in the future and there is confirmation of the process.
- There are two kinds of assets. It is either the original value of \$5000 or less than \$500. Current value refers to the value at the time of disposal.
- Any amount that is less than the bullet one in the policy, it will not require board approval.
- Board approval will be required if the item's cost was \$5000 or more at the time of purchase.
- In the case that an asset that originally was bought for less than \$5000 and has appreciated, then bullet 1 would apply.

- The committee will finalize details regarding wording and specificity in the dollar amount. A final draft will be circulated before the next committee meeting to bring to the board for vote.

B. Discussion of final comments on Form 990 prior to filing

- M. Roney and D. Deno will work through the comments and observations of the information received.

C. Key Performance Indicators

- The committee chair is suggesting to be more strategic about determining financial health.
- Material from the LAPCS conference was shared with all committee members

D. Public Comment

IV. Closing Items

A. Next Finance Committee meeting -- Tuesday, January 17, 2017

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:08 PM.

Respectfully Submitted,

L. Lopez

J. Carter made a motion to adjourn the meeting.

H. Blumenthal seconded the motion.

The committee **VOTED** unanimously to approve the motion.

J. Carter made a motion to adjourn the meeting.

H. Blumenthal seconded the motion.

The committee **VOTED** unanimously to approve the motion.