

# FICRA BOARD MEETING MINUTES

Thursday, November 8, 2018

**Board Attendees:** Jim Braden, Hal Goodell, Naomi Grant, Rob Moore and Howard Stapleton. Chad Gottschalk and Miguel Martinez excused.

The meeting was called to order at 7:05 pm.

**Minutes** from the October 18<sup>th</sup> Board Meeting were approved as amended after correcting a reference to the September meeting to reflect the correct date of 13<sup>th</sup>.

**Public Comment:** None

## President's Report:

- Howard presented a draft for a new business card for FICRA and the Trust. The Board recommended eliminating the lines on the back to reduce printing costs and including the words "and the" in front of the FICRA Building Trust text on the front. Board Members and Volunteers can write their contact information on the back of the cards before handing them out. Howard will make the changes and order the cards.

**Consent Calendar:** None

**Treasurer's Report:** Hal Goodell presented the report. There were no issues.

- Checking Oct 1 \$27,255.32 Oct 31 Cleared Balance \$27,860.32
- Money Market Oct 1 18,691.36 Oct 31 Cleared Balance 18,695.33
- PayPal Oct 1 167.80 Oct 31 Balance 413.59
- Membership Total 304 for 2018/19

## Committee Reports:

- **Social Activities** – The Trunk or Treat event went well, and kids enjoyed the event more with the campfire and s'mores. There were 15 cars vs. 12 last year. Some want to expand the scope next year. Lisa is following up on the suggestion to provide dance lessons. She has located a dance instructor but needs feedback as requested on her EMail of 11-8. We need to clarify if we can include a potluck before/after the lessons and how this applies to members/nonmembers. Caspar Babypants is still available for an event in 2019. We need to set a date and be prepared to limit the number of attendees.
- **Membership** - Naomi is ready to mail out membership cards to our current members.

## Old Business:

- **2016 Audit** - Howard presented the FICRA Board Response to the 2016 Audit Committee Findings and asked for any final changes. There were none and Board Members present at the meeting signed the document. Signatures are still needed from Chad Gottschalk and Miguel Martinez.

## New Business:

- **Senior Activities** - As reported in the October 2018 Meeting Minutes, Ray Kittelberger is working with Dave McHugh to look into programs for seniors. Ray will be providing a summary of their activities for inclusion in the FICRA Board Meeting Minutes. They have been obtaining information and will be involved in several outreach activities as part of the planning process:
  - Pierce County Aging and Disability Resources - Dave and Ray will attend their next meeting on Nov 20<sup>th</sup>, and hope to learn more about transport using Pierce County

Vanpool. It would appear that Pierce County funding for seniors is directed to nutritional programs and not activities.

- Boys & Girls Club in Gig Harbor - through Catholic Services they offer lunch on Monday and Wed followed by games.
- Alliance Church on Fox Island - looking at the facility for possible use for senior activities.
- The Mustard Seed Project Key Peninsula - have nutritional programs and activities that we can learn from.
- **2019 Budget** - Howard provided an initial draft of the 2019 FICRA budget to kick off the process. The plan is to keep the same basic focus as 2018 (encourage members/volunteers to try new activities using available funding) assuming membership of 350.
- **Flash** - The paper (printed) version of the FICRA Flash is scheduled to be published in mid-November. Input is needed as soon as possible on the Christmas event and Party with a Purpose.

Meeting adjourned at 8:15 pm. Next meeting is December 13, 2018.

Respectfully submitted by Jim Braden and Howard Stapleton for Secretary Chad Gottschalk.

## FICRA Board Response to the 2016 Audit Committee Findings

The FICRA Board has reviewed the Findings of the 2016 Audit Committee and is providing the responses shown below.

1. Expense Reimbursement Form. Recommend form be redesigned to accommodate payments made using debit card. Recommend copies of the Reimbursement Form are on the Website and hard copies are brought to each Board meeting. Forms can then be approved for payment at the time of the Board Meeting.

*FICRA Board response: After a meeting of Hal Goodell, Tony Moore, Howard Stapleton and Jim Braden, it was agreed that the existing voucher form (expense reimbursement form) is sufficient to use for the debit card. Completed forms will be retained and available as paper records. We agree that the form can be made available for download online to FICRA Board Members & Volunteers with password protected access to limit fraudulent use. This is in response to the numerous false EMails sent to the FICRA Treasurer over the last year requesting expense reimbursements to unknown parties.*

2. Safeguarding Assets includes the requirement that any checks for payments in excess of \$500 have two signatures. Our review did not identify any exceptions. Going forward recommend this requirement should continue to be adhered to.

*FICRA Board response: We agree.*

3. Stale Dated Checks. A review of the outstanding checks at 12/31/16 did not identify any exception. Recommend checking the issue date of outstanding checks when completing the monthly bank reconciliation.

*FICRA Board response: We agree.*

4. 1099's were completed for individuals receiving payments of \$600 or more for services for provided.
  - a. Going forward recommend review of W9s to ensure that entities using a business name are also included if they receive \$600 or more and are using the owners Social Security #.
  - b. Recommend sending out the most current IRS W9 form to all vendors when processing payments. Going forward recommend payments should not be made to vendors for whom there is no W9 on file.

*FICRA Board response: We agree.*

5. 501(c)7 IRS qualification needs to be maintained for FICRA. In 2016 Membership dues and donations totaled \$9,445 which represented 57% of the total gross income of \$16,441 This percentage needs to be at least 65% to ensure that the 501(c)7 status is not jeopardized. In 2015 the percentage was 52% and only 25% in 2014 when nothing was transferred to the FICRA Building Trust. Recommend, starting in 2017, moving the sale of tee shirts to FICRA Building Trust.

*FICRA Board response: We agree that we should meet IRS requirements and with moving the sale of tee shirts to the Trust. The approved 2018 FICRA Budget has target member revenues more than 85% of total. It should be noted that the IRS language related to the safe harbor guideline for organization revenues actually uses the language "up to 35% of its gross receipts from nonmember sources". The guidelines further clarify this by stating that if a member pays for a guests expenses, it is not considered nonmember income. Essentially, what this means is that if we charge members for tickets to an event or they pay for a guest's ticket, these are not considered nonmember revenues subject to the 35% limitation.*

## FICRA Board Response to the 2016 Audit Committee Findings

6. Back-ups of financial information including QuickBooks and other reports are being performed monthly. Recommend that the back-ups are retained by Board President and cycled at each board meeting.

*FICRA Board response: We agree that an additional set of backups should be retained and recommend that we consider placing backup copies in a Google Drive Folder of the foxislandficra Gmail account.*

7. Protection of Assets includes continuing to review the safeguards in place to secure Petty Cash.

*FICRA Board response: We agree.*

8. Minutes are to be posted monthly to the website. This did happen in one month. The missing minutes were posted during the audit.

*FICRA Board response: This is incorrect. Minutes were posted on the website for all but one month. We agree that minutes should be posted to the website monthly and have verified this has happened.*

9. For the first time, forms were sent out to Financial Institutions to verify the balances in the various bank accounts at December 31, 2016. The Financial Institutions were also asked to list the approved signers on each of these accounts. Sound Credit Union confirmed the bank balances at December 31, 2016 and listed Melinda Miller, Hal Goodell and James Braden as signers on the accounts.

*FICRA Board response: We agree with the process and will review the signers on the accounts after each election moving forward.*

Respectfully Submitted,

FICRA Board Members:

Date Signed: \_\_\_\_\_

Howard Stapleton \_\_\_\_\_

Miguel Martinez \_\_\_\_\_

Chad Gottschalk \_\_\_\_\_

Hal Goodell \_\_\_\_\_

Naomi Grant \_\_\_\_\_

Rob Moore \_\_\_\_\_

Jim Braden \_\_\_\_\_

# Preliminary FICRA 2019 Budget for Discussion

	Prior Year Approved Budget (2018)	2018 Actuals (Through 10/18)	Proposed Budget (2019)
<b>Income</b>			
Membership Dues	10,000.00	8,670.00	8,750.00
Directory Advertising	700.00	650.00	650.00
Website Advertising	100.00	50.00	100.00
Donations (Unrestricted)	250.00	6,000.00	250.00
Bank Interest	15.00	39.05	25.00
<b>Community Events Income</b>			
<b><i>Traditional Events</i></b>			
Christmas Tree Lighting			
Easter Egg Hunt		49.75	
<i>Subtotal - Traditional Events</i>	-	49.75	-
<b><i>Recreational Event/Concerts</i></b>			
Casper Babypants	100.00	-	300.00
Other Events	500.00	79.00	500.00
<i>Subtotal - Recreational Events/Concerts</i>	600.00	79.00	800.00
<b><i>Community Interest Events/Speakers</i></b>			
<b>Total Community Events Income</b>	600.00	128.75	800.00
<b>Total Income</b>	<b>11,665.00</b>	<b>15,537.80</b>	<b>10,575.00</b>
<b>Expense</b>			
NCC Usage Fee	3,500.00	3,500.00	3,500.00
Insurance Expense (50/50 Split)	550.00	535.00	550.00
Membership Expense	500.00	83.84	500.00
Advertising Expense	200.00	-	200.00
Web & E-Flash Expense (50/50 Split)	425.00	131.88	425.00
Directory Expense	900.00	877.99	900.00
FICRA Flash Newsletter Expense	900.00	751.72	900.00
<b>Bank Fees</b>			
PayPal Fees	120.00	90.63	120.00
Square Register Fees	110.00	33.94	50.00
Other Bank Fees	-	50.00	50.00
<b>Subtotal - Bank Fees</b>	230.00	174.57	220.00

# Preliminary FICRA 2019 Budget for Discussion

	Prior Year Approved Budget (2018)	2018 Actuals (Through 10/18)	Proposed Budget (2019)
<b>Community Events Expense</b>			
<i><b>Traditional Events</b></i>			
Christmas Tree Lighting Expense	1,000.00		1,000.00
East Egg Hunt Expense	600.00	606.61	600.00
Halloween Trunk or Treat	500.00	-	500.00
<i>Subtotal - Traditional Events</i>	2,100.00	606.61	2,100.00
<i><b>Recreational Events/Concerts</b></i>			
Casper Babypants	600.00	-	700.00
Other Recreational Events	4,300.00	2,416.78	4,000.00
<i>Subtotal - Recreational Events/Concerts</i>	4,900.00	2,416.78	4,700.00
<i><b>Community Interest Events/Speakers</b></i>			
Other Community Interest Events	500.00	168.86	300.00
<i>Subtotal - Community Interest/Speakers</i>	500.00	168.86	300.00
<b>Total Community Events Expense</b>	7,500.00	3,192.25	7,100.00
Licenses and Permits Expense	10.00	-	10.00
Supplies Expense			
Other Miscellaneous Expense	250.00		200.00
<b>Total Expense</b>	<b>14,965.00</b>	<b>9,247.25</b>	<b>14,505.00</b>
<b>Net Surplus/Deficit</b>	<b>(3,300.00)</b>	<b>6,290.55</b>	<b>(3,930.00)</b>