

MQ Board of Directors Meeting

Date: December 15, 2009

Board Members Attending:

Char Wenger
Miki Peine
Jill Schultz
Yvonne Curran
Karen O'Brien
Diane Moe
Kathleen Winters

Staff Attending:

Linda Lysdahl
Becky McPeek

Guests:

Wynn Martin
Boyum & Barescheer
(auditors)

Board Members Not Present:

Sue Rutford
Mary Brandt

Location: Textile Center

President Char Wenger called the meeting to order at 6:30 pm. Char passed around an attendance sheet asking for volunteer hours to be reported.

Auditor's Report. The first portion of the board meeting was given to the team from Boyum & Barescheer, the auditing firm retained by Minnesota Quilters. The following items were presented by the team.

1. Financial Statements. The auditors presented the audited financial statements and warned that MQ, like all non-profits, should expect a sales tax audit. [Secretary's note: a copy of all materials received will be retained with the Secretary's copy of the minutes.]
2. Report on Internal Control. The statements on control are common to other small/medium non-profit organizations.
3. Recommendations/Discussions.

Two unrelated people should handle cash in each other's presence

Valuation of in-kind donations

- ✓ Continue to keep good track of in-kind donations
- ✓ Pay attention to reasonableness of value of in-kind donations, although the donor's estimate should be considered

Allocations of functional expenses

- ✓ Included under Management and General
- ✓ 70-90% expenses should be allocated to program (we use 95%)
- ✓ Too low or too high is a flag

- ✓ This is an important number to grant awarders

State is very actively conducting sales tax audits

Missing minutes

- ✓ Financial Committee minutes
- ✓ Keep binder of minutes in the office

Bank reconciliation is different than the GL balance

- ✓ The amount of the difference is under \$1000, has been a problem for three years
- ✓ Due to old entries, reversals, Quick Book entries?

Internal financial should match audit report and Form 990

- ✓ Missing entry or double entry?

Options for 2010 engagements with auditor

- ✓ Threshold for audit requirement went from \$350K to \$750K, so MQ will not be required to have “audit”
- ✓ Full audit would still be attractive option for MQ
- ✓ “Review” a step down from an audit; we would still get assurance that numbers are right
- ✓ “Compilation”
- ✓ “Agreed-upon procedures”
- ✓ Doing some auditing procedure protects the organization and the Board

4. Communication with those charged with Governance [document].

5. Passed adjustments and adjusting entries.

The auditor’s general advice was to continue to work to control costs and increase revenue; watch commitments.

The auditors and Becky left the meeting at this time.

Secretary’s Report (Karen O’Brien). The November minutes were reviewed, and revisions were discussed.

Note: When an action item is identified, it should be required that a motion be made to accept and assign the item.

MOTION: Diane Moe moved, and Jill Schultz seconded, the approval of the corrected minutes. Motion passed.

Treasurer’s Report/Finance Report (Miki Peine). The 2010 show budget was the only portion of the budget not approved last month. St. Cloud (2010 venue) is one of the smaller venues, with smaller revenues expected. Duluth had 60 sponsors, 60 vendors; in comparison, St. Cloud will have 63 sponsors, and 14 vendors.

MOTION: Miki Peine made a motion to approve the show budget, and Kathleen Winters seconded the motion. The motion passed.

Miki will send out a finance committee meeting schedule, with dates through September of this year.

Miki then recommended that we appoint a MQ 2011 Budget Director. We are still in need of show chairs for the 2011 show; in the meantime, it is necessary that planning assistance and direction be available to the committee. Yvonne has been informally providing this direction, but more structure is needed.

MOTION: MQ will organize a show budget committee, to be under the direction of the Show Chairs. If no Show Chairs are in place, the committee will be under the direction of the Treasurer. Miki Peine made this motion, Diane Moe seconded the motion, and the motion was passed.

MOTION: Miki Peine moved that Yvonne Curran be appointed as head of the MQ 2011 show budget committee. Kathleen Winters seconded the motion, and the motion was passed.

MOTION: Karen O'Brien moved that Miki Peine (as Treasurer) write up a job description for the Show Budget Director. Jill Schultz seconded the motion, and it was passed.

Miki reports that any in-kind donation of services (e.g., attorney review of contracts), done on a pro bono basis, should be recorded.

Show Coordinator's Report (Linda Lysdahl).

Vision Loss Resources has a quilting group, and are asking if MQ would like their involvement, possibly at the 2011 show (a special exhibit of quilts?)

Linda recently visited Mankato, in view of using the city as a show venue. She reports that it looks very promising. Mankato is a smaller facility (like St. Cloud). Mankato really wants MQ to hold a show there, so there is a lot of room for negotiation, and possible grant money to hold a show in that locale. Mankato will send a proposal to MQ.

MQ 2010 has had some sponsors dropping. The loss of sponsors could affect sponsor revenue, if replacements can't be found. The dropping sponsors had good reasons, but waited until the very last moment to drop. Linda will be pursuing other possibilities.

MOTION: Motion was made to accept the Admissions Counting Policy as amended. Motion was made by Yvonne Curran, seconded by Diane Moe. The motion passed. The new policy will be placed into show books where appropriate.

Linda has been cleaning the office, and needs to find homes for the following:

MQ Challenge Grand Prize. Becky has a list of who won prizes. Linda will check that list.

Pillow case for Carol Jacobsen. Miki will mail it to her.

Patchwork quilt – It is believed to be Becky's.

Pink bag (faulty) for Charlette Pittman. Charlette should be issued a refund.

10th anniversary hankies. Yvonne took them and will use them as a challenge project for MQ.

Old show t-shirts will be going to Quilting for Others.

“School donation” box, with one completed renovated show bag.

Show Reports (Jill Schultz).

2010. Registration books will be sent out to members; boxes will be sent out by the lowest rate. Doris Hareland is taking care of distribution. Shops should have by 1/11/10. Twenty-four Minnesota shops didn't get books last year, and the committee is working hard to make sure that that situation doesn't happen again.

President's Report (Char Wenger).

Communications should be the contact for the CVENT product vendor. Yvonne will send an email to get contact switched to Diane Moe.

ACTION ITEM: Yvonne will send an email to make Diane the contact for CVENT.

Char will address the problem of selling during the announcements time at the member meetings. She will write an announcement to be read (and if Char is not at the meeting, a board member should give the announcement). Members will be reminded that selling of items or services is not allowed during the announcements. Informational flyers may be placed at the tables in the lobby, but announcements time at the meetings is reserved for MQ business.

ACTION ITEM: Char will write and present the announcement at the January meetings; it may be necessary to repeat the announcements at later meetings.

DECC invoice update. Duluth had billed us for more money than contracted for. Char sought advice from Renay Leone, and responded to DECC. Char hasn't heard back from them yet.

At the February Member Meetings, there will be a short business meeting at both meetings. The main topics will be the positions opening up in the next year, and MQ's financial situation.

It may become necessary to make changes in the venues of MQ shows. We need to make changes in response to the financial policies that certain facilities make (i.e. Rochester's attrition policy).

Business Manager's Report. No report.

Communication Director's Report (Diane Moe). One bid for the printing of the MQ News has been received; others are being sought.

Diane reported on the "Quilting for Others" project, which is headed by Paulette Marini. Paulette needs volunteers. MQ does already provide funds for the project.

ACTION ITEM: Diane will write up an article about the "Quilting for Others" project for the March newsletter, or ask Paulette Marini to.

Education Director's Report. Sue has received some suggestions for alternate places to meet in the months ahead when the light rail is under construction. Sue dropped off the 78 stuffed Christmas stockings and they were gratefully received.

Past President's Report. No report.

President Elect's Report (Yvonne Curran).

MOTION – Yvonne moved that we grant a request for \$2000 to Brainerd Public TV (KAWB). Karen O'Brien seconded. During discussion, the question was raised if we should reconsider the amount. It was felt that in touch economic times, TV gives a big "bang for the buck." The original motion passed.

Operation Director's Report (Jill Schultz). Becky is requesting two more days of compassionate leave be granted for her mother's funeral. MQ policy says "up to 5 days" may be granted. It is not necessary that they be consecutive days. Our policy should be restated to say that the days taken can be non-consecutive.

MOTION: Motion was made to grant Becky McPeek's request of two additional days of emergency leave. Jill Schultz made the motion, and Diane Moe seconded the motion. Motion was passed.

Strategic planning. No report.

New Business. No new business.

Next meeting of the MQ Board is January 19, 2010.

President Char Wenger adjourned the meeting at 9:10 pm.

Respectfully submitted,
Karen O'Brien
Secretary
15 January 2010
Revised 12 February 2010