

**CPNO Budget Committee Meeting  
Monday, February 1, 2010  
7:00 PM**

In attendance:

Doug Wetzel  
Randy Pimsler  
Walt Weimar  
David Aynes  
Alonzo Church III  
Mark Clement  
Gordon Rose  
Cherie King  
Curt Flaherty  
Samuel W. Bacote

It was pointed out that I forgot to include the Balance Sheet in the info sent out, so I'm including a condensed version here:

As of 1/31/2010

Current Assets (Cash): \$81,360.49

Current Liabilities:

Friends of Iverson Park \$10,000.00

Epworth Garden Project \$ 2,000.00

Clifton Sanctuary \$ 3,000.00

Total Current Liabilities: \$15,000.00

Net Worth: \$66,360.49

## **1. The Budget**

We began the meeting by reviewing the proposed 2010 Budget and recurring Fixed Operational Expenses from 2009. A few items were discussed in detail.

As the discussion moved to the proposed 2010 budget, it was suggested that the line item for legal fees (since none were expected) be removed and replaced with a line item for Contingencies of \$500. A discussion about the cost of filing accounting fees for filing an annual Form 990 yielded a couple of recommendations:

- a. Alonzo recommended we determine if and what CPNO actually needed to file. Gordon Rose said he would request info from a non-profit he's affiliated with.
- b. If required to file, find out how much it would cost and obtain proposals for doing the work.

Some web research yielded the following info which I found helpful. Based on my read, CPNO does not have to file the full 990, just the 990 EZ:

<http://www.journalofaccountancy.com/Issues/2009/Mar/RedesignedForm990.htm>

“Any organization that fails to file its required form—Form 990-N, Form 990-EZ, or Form 990—for three consecutive years will have its tax-exempt status terminated.”

“EZ—or Not?”

For tax year 2008, the Form 990-EZ can be used if an organization has gross receipts greater than \$25,000 but less than \$1 million, and total assets less than \$2.5 million. For tax year 2009, it can be used if the organization has gross receipts greater than \$25,000 and less than \$500,000, and total assets less than \$1.25 million. For tax year 2010, it can be used if the organization has gross receipts greater than \$50,000 and less than \$200,000, and total assets less than \$500,000.”

In any event, it was recommended that any budgeted accounting fees be lumped into the actual month CPNO expected to pay them.

Furthermore, it was recommended that a budget for Fixed Operating Expenses be approved annually.

## **2. Banking**

Various options were discussed for where CPNO should have its primary checking account. The consensus was that statements with check copies would greatly benefit the board and membership’s ability to review financial activities on a timely basis.

## **3. Monthly Statements**

Everyone seemed to agree that having multiple board members receiving monthly bank statements was a wise move.

## **4. Certificate of Deposit**

Purchasing a certificate of deposit with funds not required for annual operations was discussed at length. Questions were raised as to how much should be ‘socked away’...perhaps \$50,000 was too much to tie up? A suggestion was made to ‘ladder’ two CD’s for \$25,000 each (one for a term of 6 months and one for a term of 12 months) rather than putting all \$50,000 into a 12 month CD.

## **5. E&O Insurance**

It was determined that the board has an adequate E&O policy that covers board members, webmaster and Messenger editors. Not much discussion here.

## **6. Recommendation for CPA**

No one seemed to have a recommendation for a CPA. Many CPA’s who currently handle non-profits apparently ask that their names not be revealed ☺

## **7. Bookkeeper / Business Manager**

There was some support for this idea but mostly there was opposition based upon the potential cost and based on the fear that involvement of a third party would further confuse and slow down operations.

## **8. Bylaw Amendments**

There was significant support for amending the Bylaws to:

- a. prevent the Treasurer from holding any other Board position or being related to another Board member
- b. requiring that Treasurer and Fall Fest Treasurer submit an updated financial report and bank reconciliation prior to each monthly membership meeting
- c. state that at least two competitive quotes would be solicited for any contracts / expenditures in excess of \$300 – 500

## **CPNO Funding Priorities**

There was a great deal of support for establishing two general membership meetings per year when grants would be voted upon (September and March were suggested). Any grant applications to be considered would have to be received at least 60 days in advance of one of those meeting dates so that they could be fully considered by the board and announced to the members. It was suggested that the Board extend and/or block out time for two of its Board meetings to focus on grant requests.

Considerable discussion about how to define grants, improvements, investments and expenses yielded more questions than answers. In the context of Dave's outline calculating "Net Distributable Funds" (NDF), a question was raised about how one would classify a new website/online payment system or other potential revenue *generating* project: as "Cost of Goods/Operations" (i.e. not spent from NDF) OR as "Improvements" (i.e. spent from NDF). It was recommended that best practices of other non-profit organizations be studied.

Finally, as for how to allocate NDF in the future, there was discussion about how best to gauge the broad membership's desires. Having a set system for allocation was seen as somewhat desirable but no consensus was forged as to what the parameters would be. Rather than 50% being allocated toward physical improvements, it was suggested that 50% be allocated toward Schools, Churches and charitable organizations. Funding priorities were not finalized; all agreed that the topic needs further discussion.