



**FINANCE/AUDIT COMMITTEE MEETING MINUTES**  
**Wednesday, May 26, 2010 at 4 p.m.**  
**15506 County Line Road**  
**Spring Hill, FL 34610**

**Committee Members Present: None**

**Committee Members Excused: Susan Arnett, Pat Mulieri**

**Committee Members Present via Phone: Elizabeth Callaghan, Bonnie Clark, Debora Martoccio**

**Staff Present: Jim Farrelly, Ramute “Jak” Jakubauskas, Bill Kleinsorge**

**I. Welcome and Call to Order – Mr. Jim Farrelly, Chair**

At Ms. Callaghan’s request, Mr. Farrelly called the meeting of the Finance/Audit Committee to order at 4:10 p.m. Introductions were made. Mr. Farrelly requested a motion to approve the Draft Minutes from the April 21, 2010 meeting. Ms. Martoccio so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

**II. Coalition’s Bank Account**

Mr. Kleinsorge stated that the Coalition has two (2) operating accounts, the main and a second operating account. He stated the reason for opening the second operating account was at the State’s request as they require an interest bearing checking account. He explained that FDIC insurance covers up to \$250,000, but it is per banking institution and Tax ID Number. He explained that since both bank accounts are through SunTrust, with the same Tax ID Number, there is no benefit to having both accounts. Another option would be to open an account with another banking institution.

Mr. Kleinsorge proposed the Coalition consolidate the second account. He explained that the state requirement is to have an interest bearing bank account, with the interest returned to the state, and the Coalition did have a sweep account, but it is not insured by the FDIC. In June of 2009, the Coalition moved out of the sweep account and opened a regular bank account, but this account does not pay interest. Mr. Kleinsorge stated the ELC of the Nature Coast has a bank account through SunTrust, which does pay interest and is FDIC insured up to \$250,000.

Currently, the Coalition receives banking credits that help offset the monthly bank fees. On average, the Coalition would pay approximately \$400-\$500 per month, but is only paying approximately \$0-\$60 per month, with the credits. Utilization of this same type of bank account would include fees of approximately \$39 per month or \$470 per year, and

the first 75 transactions are free. The Coalition would earn approximately \$1,500 per year in interest, which would be remitted to the State.

Ms. Callaghan inquired if SunTrust would forgive the bank fees as the Coalition is a non-for-profit organization. Mr. Kleinsorge stated he did not specifically ask them, but would be happy to do so.

Mr. Kleinsorge stated the Coalition currently does not follow the State guidelines because we do not have an interest bearing checking account. Mr. Farrelly advised Mr. Kleinsorge to also inquire about the number of transactions because the Coalition does approximately 700-800 transactions with payments to providers. This information will be brought back to the June Finance Committee meeting.

### **III. Transfer of \$95,000 to School Readiness Slots from Quality Budget**

Mr. Farrelly stated that at the Board Meeting scheduled for May 27, 2010, the Board will be asked to approve the transfer of \$95,000 to School Readiness slots from the Quality Budget. He stated that the Quality Committee reviewed the budget at the May meeting and decided that \$95,000 could be transferred to slots. The Executive Committee approved this transfer which results in additional slots for both Pasco and Hernando Counties; resulting in a wait list that was at 114 on May 21, 2010.

### **IV. Review of 2010-2011 Preliminary Grant Award**

Mr. Kleinsorge stated that the School Readiness Grant Award will be \$3.4 million for Hernando County and \$10.8 million for Pasco County. There will not be any additional ARRA funds this year. Last year the Coalition received \$2 million in ARRA funds of which approximately \$500,000 was held back. The total for School Readiness will be approximately \$14.7 million for 2010-2011. Last fiscal year, the Coalition received \$16.2 million.

The 2010-2011 Voluntary Pre-Kindergarten (VPK) budget in Hernando County will be \$15.31 per student and in Pasco County \$16.25 per student. The summer VPK program will be \$13.82 per student in Hernando County and \$13.76 per student in Pasco County. Overall the VPK budget for 2010-2011 is \$12.1 million; for 2009-2010 it was \$11.6 million.

Mr. Farrelly stated that the State held the School Readiness program harmless and the VPK program will have half a percent less going to providers. He stated that the Coalition is doing well compared to other social service organizations, but left over ARRA funds will be a tremendous asset.

## **V. Review, Operating Expense Report**

Mr. Kleinsorge stated that for April, 2010, the Coalition will be under budget in total for approximately \$5,000. He stated the Coalition is over budget in salaries, dues, subscription fees and contract services, and under budget in office expenses and occupancy. Mr. Farrelly explained the Coalition will finish the year in the black.

Ms. Callaghan inquired if the Coalition will move funds at the end of the year so that it will show a positive balance regarding the budget. Mr. Kleinsorge stated the Coalition is not required to produce a budget to the actual expense report, but would be willing to provide one for the Committee.

## **VI. Status/Transfer to SAGE Accounting System**

Mr. Kleinsorge reported that training is underway for accounts payable, such as moving vendors into SAGE and also getting information ready for the bank account transfers. He stated progress is being made and SAGE should be ready by July 1, 2010.

Mr. Kleinsorge stated that the major benefit of SAGE will be information being automatically entered into the checking account when prompted and paying our providers without manually typing in the information which is currently being done with QuickBooks. He stated that SAGE is more "accounting proper."

Mr. Farrelly stated that a number of Early Learning Coalitions have implemented SAGE and it has a good reputation with non-profit organizations. He stated that the Coalition will also begin to do payroll in-house, which will save additional funds by using the SAGE payroll module. This should be implemented in the fall.

## **VII. Discussion, Next Meeting Date on June 16, 2010**

The Committee agreed their next meeting date will be Wednesday, June 16, 2010, at 4:00 p.m.

## **VIII. Public Input**

None

## **IX. Adjournment**

The Finance/Audit Committee meeting was adjourned at 4:30 p.m. without further discussion

Respectfully submitted by,  
Ramute "Jak" Jakubauskas,  
Administrative Assistant