



**FINANCE/AUDIT COMMITTEE MEETING MINUTES**  
**Tuesday, May 17, 2011 at 4 p.m.**  
**15506 County Line Road**  
**Spring Hill, FL 34610**

**Board Members Present: Jim Cook, Acting Chair; Bonnie Clark**

**Committee Members Present via Phone: Pat Mulieri**

**Committee Members Excused: Susan Arnett, Debora Martoccio**

**Staff Present: Jim Farrelly, Jak Jakubauskas, Betsy Kier, Trish Prescott**

**Guests Present: None**

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

Mr. Cook called the meeting of the Finance/Audit Committee to order at 4:02 p.m. Introductions were made.

Mr. Cook requested a motion to approve the draft minutes from the Finance/Audit Committee Meeting of April 20, 2011. Ms. Clark so moved and Ms. Mulieri seconded the motion. All were in favor with no abstentions and the motion carried.

**II. Review, Year to Date Financial Statements**

Ms. Kier stated that currently the School Readiness actual spending rate is at 83.3% with a potential surplus of approximately \$100,000. VPK spending is at 87.6% and includes provider advances.

Mr. Cook inquired about the \$100,000 surplus. Mr. Farrelly explained that Ms. Hammond had approved the opening of 150 total slots, 100 in Pasco and 50 in Hernando and with the Coalition's budget being reduced by \$1.3 million next fiscal year, the Coalition will be purchasing office supplies and any needed equipment for next year with this year's surplus of funds. This will enable the Coalition to reduce the cost of these expenses from next year's reduced budget. Ms. Kier explained that some of the Coalition's computer equipment is over four (4) years old, and the plan does include the purchase of new computers.

Mr. Cook requested a motion to approve the Year to Date Financial Statements as presented. Ms. Clark so moved and Ms. Mulieri seconded the motion. All were in favor with no abstentions and the motion carried.

### **III. Beyond the Financial Statements – IT Services**

Ms. Kier explained that Mr. Cook has requested additional information on various items that the Coalition's dollars are spent on. She distributed the attached service log generated by Centurion Computer and stated the contract with Centurion includes thirty (30) hours per month, but the Coalition is only billed for the actual hours used. Centurion includes a detailed breakdown every month. Centurion is also responsible for all EFS server updates and monthly visits to all offices to sweep for viruses. Centurion is reimbursed at \$125 per hour and, in the second year of the contract, the Coalition has under-utilized the contract hours by 100 hours. The Coalition has only been billed for 130 hours this fiscal year. Ms. Kier gave the Committee a verbal breakdown of the number of computers in each location.

Mr. Cook explained to the Committee that he had requested Ms. Kier put together information each month, that was readily available, to provide additional background on the "numbers behind the numbers."

### **IV. Discussion, Non-Profit Credit Card vs. Bridge Loan**

Ms. Kier distributed the attached banking information and Mr. Farrelly explained that at the end of each fiscal year, the Coalition is required to obtain a loan to carry over any expenses into the new fiscal year until the new funding stream begins. Mr. Adam Horne, the Coalition's banking representative with SunTrust, informed Ms. Kier that the projected costs to take out a loan would be over \$4,000 for nine (9) days and a loan may take six (6) weeks to process. Mr. Horne recommended the non-profit credit card which does not require a staff person's social security number to secure it. Mr. Farrelly explained that currently the Coalition is using a bank debit card for certain purchases and the auditors would prefer the use of a credit card.

Ms. Kier stated a loan of \$250,000 was obtained last year but very little of the loan funds were actually used. Under the non-profit credit card, funds could be taken in increments, as needed and where the loan has recurring costs each year, the credit card does not have these costs and would be readily available.

Mr. Cook requested a motion to have the Coalition secure a non-profit credit card through SunTrust. Ms. Mulieri so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

### **V. Discussion, Approval, VPK Notice of Award**

Ms. Kier stated the Coalition received the Notice of Award last week increasing the VPK grant by approximately \$13,000 and stated a motion was required to add these funds to the VPK budget.

Ms. Clark motioned to approve the VPK award of approximately \$13,000 and Ms. Mulieri seconded the motion. All were in favor with no abstentions and the motion carried.

**VI. Approval, Invoice to St. Petersburg Times - \$9,796.60 for VPK Outreach & Awareness**

Ms. Kier explained this VPK expenditure had been approved at the March Board meeting to advertise the VPK program. The actual invoice is now being submitted for approval.

Mr. Cook requested a motion to approve the invoice to the St. Petersburg Times in the amount of \$9,796.60. Ms. Mulieri so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

**VII. Review, Fiscal and Accounting Policies**

Ms. Kier explained that there are some unique circumstances for VPK provider payments. The Coalition cannot reimburse the last payment of the fiscal year until a report is compiled, sent to the provider for verification and signature and returned to the Spring Hill office. Ms. Kier explained in this case it would be easier to cut manual checks to the VPK providers than to have to prepare EFT's to release individual payments as the signed reports are returned. The checks would be cut but not released until the report is returned.

Because some of the provider EFT's are for amounts larger than \$5,000, an amendment to the current policy is required under Authorizations and Purchasing Limits as well as under Check Signing to prepare these checks for Mr. Farrelly's signature. This amendment will appear as a First Reading to the Board.

Mr. Cook requested a motion to approve the new amendment to the Fiscal and Accounting Policies under Authorizations and Purchasing Limits and Check Signing. Ms. Clark so moved and Ms. Mulieri seconded the motion. All were in favor with no abstentions and the motion carried.

**VIII. Discussion, Match Solicitation Procedures**

Mr. Farrelly explained that failure to achieve match is a consistent issue in the Coalition's audits. The current economy, unavailability of significant financial community support and staff being prohibited from fund raising are not conducive to raising match. A policy is being written to layout all Coalition attempts and plans to show due diligence.

Ms. Kier distributed a "Donate Now!" form (attached) and stated that in reference to Item V on the Match Solicitation Procedure, a donation link could be created on the Coalition's website with the stated information to give potential donors additional

background. She explained that other Coalitions are also adding links such as this to their websites and the link will take the donor directly to PayPal to make the donation. The information will also include a mailing address for those donors who would rather mail a check than donate on-line.

Mr. Cook requested a motion to approve the Match Solicitation Procedure. Ms. Mulieri so moved and Ms. Clark seconded the motion. All were in favor with no abstentions and the motion carried.

**IX. Discussion, Committee Meeting Dates for FY 2011-12**

The Committee agreed that a more convenient meeting time would be researched via doodle.com and Mr. Cook requested additional Committee members be added to the Finance/Audit Committee.

**X. Discussion, Next Meeting Date on June 15, 2011 at 4:00 P.M.**

The next Finance/Audit Committee meeting is tentatively set for Wednesday, June 15, 2011 at 4 p.m.

**XI. Public Input**

None.

**XII. Adjournment**

Mr. Cook requested a motion to adjourn the Finance/Audit Committee meeting. Ms. Clark so moved and the meeting was adjourned at 4:50 p.m. without further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas,  
Administrative Assistant