

Feb. 14, 2012
GCLD Office 1PM

Memo to: Record
From: Dave Skinner – President GCLF

Remarks: Meeting creates Finance Committee and documents several recommendations to the Foundation from the committee

Members in attendance:

Dave Skinner
Mary Anne Wilcox
Laura Hagar
Pat Berger
Kim Jensen by telephone

Mission of the Finance Committee

Research, discuss and recommend to the Grand County Library Foundation membership Principles and Practices pertaining to GCLF financial management which includes but is not limited to:

- Budget Planning and measurement of its accuracy
- Levels and measurements as to the Foundations status and progress in reaching its stated goals
- Financial Practices which follow Principles described in the GCLF Principles handbook

Minutes of the Finance Committee meeting Feb. 14, 2012

Meeting was called to discuss and review budget issues, address measurement of Budget Planning, the Endowment Fund goal, and the Enhance Operations goal. **Bold items below must be presented to the Foundation for approval.**

A. 2012 Budget was reviewed.

\$2000 was allocated to the Development Committee for marketing/fund raising.

\$600 was allocated to Executive Committee training

\$1000 was set aside for tax preparation and misc expenses

\$3600 Identified expenditures

\$2400 unidentified expenditures estimated by Finance Committee, primarily for use by the Development Committee to raise funds

\$6000 Recommended as a 2012 operating budget (to be compared to actual 2012 spending at YE as its measure of efficiency. Measurement would be: YE 2012 expense actual spending divided by \$6000 at or lower than 1 would meet this goal)

B. The use of Non-restricted Funds was reviewed with the following recommendations:

The unrestricted fund at year end 2011 was \$23.3K.

\$5000 was approved to establish an Endowment fund in the last meeting.

Recommendation is to establish a goal to increase the Endowment Fund by 25% or \$1250 in 2012 from funds generated in 2012 by allocating 25% of all donations to the Foundation which are not otherwise directed to other uses. Measurement would be: (YE 2012 Endowment Fund minus 2011 Endowment Fund) divided by \$1250. Any amount at or above 1 would meet this goal.

Recommendation is to invest \$5000 in a low risk, high liquidity vehicle, the existing Edward Jones Money Market account is available and currently has no balance.

Removing the \$5000 from the unrestricted fund as a seed for the Endowment Fund leaves a balance of \$17.3K

Informally reserving \$6000 for estimated expenses leaves a balance of \$11.3K

The Finance Committee recommends investing \$10K in a low to medium/low risk vehicle with medium liquidity such as highly rated and diverse mutual funds. The Investment Committee will research and invest and report back their expected returns on investment. The measurement will be Actual return divided by expected return. One or higher would meet the goal of this measure.

The Finance Committee recommends dispersing the \$1.3K balance of the unreserved fund to begin meeting the Foundation's second Goal by providing the GCLD with funds to enhance their operation.

A three person committee is needed to research, and report to the Foundation items purchased and the operations enhanced by purchases. At least one non-District member is required on this committee. Committee measure will be a match of allocated money to purchased items reported to the Foundation at year end. Status reports are required at each Foundation meeting.

The Finance Committee recommends a fund raising goal of \$10,000 for the Development Committee (includes the \$1250 for Endowment Fund) (Measurement to be Actual funds raised divided by \$10,000, one or higher would meet the goal of this measure)

The Finance Committee recommends that all funds received from Foundation activities be allocated between the two major goals of the Foundation: 25% to the Endowment Fund and 75% to the Enhancing Operations Fund. Any donations that are specifically directed to a specific activity will be allocated to the fund that best describes that activity. Measurement will be determined by review of 15% of individual donations, randomly selected by the Executive Committee. If 100% of the items selected meet the allocation Practice, the goal of this measure will have been met.

Comment [GD1]:

Comment [GD2]:

Comment [GD3]:

Comment [GD4]:

Comment [GD5]:

Comment [GD6]:

Comment [GD7]:

Comment [GD8]:

Comment [GD9]:

Comment [GD10]:

Comment [GD11]: