

## **FINANCE COMMITTEE MEETING NOTES 12/14/2023**

In attendance: Danielle Schira, Nathan Vandiver, Dan Shramek, Gene Bradley, Mike Ftaclas, Joyce Nance, Bob Hamilton, Janet Unruh, Emma Lugo, James Draznin, Jill Blanchard

Facilitator: Danielle

Note taker: Jill

### AGENDA

- [Review of financial reports](#)
- [Review of restricted funds and their definitions](#)
  - Specifically the parameters of the facilities designated funds
- [Review of Cash accounts and recommendations on changes](#)
- [Discussion on the statement of KBOO's financial management values](#)
- [Policy manual / review - starting point](#)
- Setting January's agenda

---

### NOTES

#### **Review of financial reports**

- Actual year-to-date (YTD) revenue through November was \$21,640 lower than projected (15%) due to a number of items, including the fact that the end-of-year membership drive started later than expected; this resulted in lower than expected revenue in November that will likely be realized in December instead. Also, several other revenue streams have been lower than expected, including the Fall Drive, sustaining revenue, and renewals.
- Lower than expected revenues, but also lower than expected expenses
  - Actual YTD expenses through November were also lower than expected; some of the specific expenses are deferred, and will likely be realized later in the year. Nathan discussed potential cost savings with several service contracts.
    - Looking at rental fees
      - Translator fees in Hood River
      - Printer contract
      - Phone contract
      - Public storage contract
- Emma question: Where are restricted cash reserves status this month to last month
  - \$985K end of October
  - \$942K end of November
    - Need to pull out the restricted totals

- Review of Equipment and facilities projects

### **Review of restricted funds and their definitions**

- Specifically, the parameters of the temporarily-restricted funds that came from donors and bequests.
  - Temporarily restricted and Board designated
    - Dan noted that half of the Marla Davis bequest was intended specifically to “fight the religious right.” Donor intent needs to be honored when KBOO considers how these funds are spent.
- Emma recommends a policy that says for future bequests KBOO will spend no more than 5% to 10% in the first year after the bequest is received.
  - Danielle explained the importance of intention and equity
  - Gene seconds Emma’s recommendation.
    - The first large bequest became KBOO’s endowment
  - Nathan asked if anyone has examples of restrictions from a will/bequest that could be helpful in deciding how to use Marla Davis funds.
    - Emma asked if Public Affairs used Marla Davis funds for Native American programming in November
  - Danielle gave the example of the bequest of a DJ Kit - \$1500
    - Can’t all be spent on turntables, have to manage the purchasing, etc.
    - Is 10% a good number for administration to put funds into action?
  - Emma - can we contract out for Native work can we use those resources. More of a programming decision but have to do with relationships with the station.
  - Danielle will bring some ideas, in partnership with the Programming team, on what to do with the Marla Davis funds.
    - KBOO will need 3 months to activate management of a project/program
- Capital fund
  - Emma asked what are plans are for a capital fund
  - Danielle asked to hold on this question until January Agenda
  - Dan reiterated the importance of respecting donor intent when using the capital fund as major donors raised money for this during the 50th Anniversary fundraising campaign.
  - Dan suggested developing a Capital Reserve policy that might serve a similar purpose to the policy KBOO currently has for the Operating Reserve. What is the purpose of the fund, and what is the process for deciding how and when to make distributions from the Capital Fund?

### **Review of Cash accounts and recommendations on changes**

- Dan expressed concern about balancing the need for liquidity with earning a higher rate of interest, particularly with temporarily-restricted funds that will likely be needed this year. It may be more prudent to keep these funds in a liquid savings account rather than investing them longer-term into CD, if needing to access the CD before maturity would result in a penalty and potential loss of principal.
  - Danielle explained that there is an (opportunity) cost to not making these investments
- Emma asked Danielle to explore a 6-month CD
  - Danielle explained KBOO has 2 short-term CDs
    - 1 current CD terms out in August
    - 1 current CD terms out in November
- Joyce suggested high-yield savings accounts
- Dan suggested considering no-penalty CDs, which allow you to withdraw full principal and interest before maturity without penalty, if needed.

Danielle asked whether the bigger/better question about risk is the number of institutions with which KBOO is banking?

- Protection from embezzlement

### **Discussion on the statement of KBOO's financial management values**

- Values and transparency are important, Danielle wrote down the values that came through during the FY24 budget process and presentation.
  - What KBOO could do in addition to what KBOO is doing.
    - The committee will review to discuss in at the January committee meeting.
  - Danielle suggested incorporating programmer input into the budget process
    - Emma supports this idea.
    - Nathan explained that any programmer suggestions should be considered.

### **Policy manual / review - starting point**

- Danielle will be pulling together information from as many sources as possible.
- Emma suggested Nancy Church might be interested in contracting to help with this project
  - Danielle noted that Ona's ad-hoc policy group has also offered to help and are more budget-friendly (no cost)

### **Setting January's agenda**

- What goes into fundraising drives - invited to the Development Committee meeting in January (Monday, 1/15/2024)

- Quarterly review of the budget in January
  - Check in on fundraising results and any replanning necessary

**Next meeting**

- Thursday, 1/19/2023 at 5:30pm
- Via Zoom