**Marion-Polk Food Share**

**Budget and Finance Committee Meeting Notes**

Thursday, Sept 15, 2016

**Board Members Attending**: Jim Green, Dennis Young, Warren Bednarz

**Staff Members Attending:** Rick Gaupo, Holly Larson, Julie Hambuchen, Mattie Jenkins

**Fiscal-Year 2016 Audit Update:**

* Auditors, Grove, Mueller and Swank were at the Food Share the week of August 29th for four days performing our yearly audit. Final fieldwork is done and we hope to have the audit complete by the end of October and presented to the finance committee at the November finance meeting.
* The Federal 990 is on schedule to be presented to the board in January 2017.

**Year-to-Date Financials Discussion:**

* July marks the first month of a new fiscal year. The Food Share is stable and performing better than expected.
* **Holly Larson** discussed with the finance committee that July’s bank fees are up because of the Century Link Campaign. In the past, donors were able to make donations directly to the Food Share, but this year donations had to be made through Network for Good (the online processor chosen by Century Link), and were passed through to the Food Share. There was a 4.5% fee charge by Network for Good.

**FY2017 Proposed Revised Budget Discussion:**

* The management teams review the revised budget quarterly. The teams thoroughly discuss and review changes that need to be made based on the previous quarter’s activity and new information that impacts financial performance.
* There is an increase in revenue due to OHRF and FEMA programs, based on actual funds awarded being higher this year. In addition, SNAP Outreach reimbursement revenue has been increased.
* We engaged a direct mail agency to improve our performance in three areas:

1. Direct mail revenue.  This revised budget includes additional direct mail revenue of $55,000, additional expenses of $41,000, and a net increase of $13,000.  The net increase is projected to grow in FY17-18.
2. New donor acquisition.  This plan projects 777 new donors from direct mail, compared to 261 last year.
3. New and increased Sustainers giving.  By using a direct mail agency, we are redeploying staff time to focus on recruiting new Sustainers and increasing gifts from current Sustainers.  We need $75,000 in new and increased Sustainer gifts to secure the $75,000 challenge match from the Brenden Family Foundation.

We are also revising staff assignments in order to focus more on building relationships with major donors.

* Meals on Wheels bad-debt expense is budgeted at $25,000 for fiscal year 2017. This represents the accounts through Meals on Wheels which are determined to be uncollectible throughout the year. The budget amount was set based on FY16 actual write-offs, and reduced for anticipated focused efforts to collect more of these balances in FY17. **Rick Gaupo** explained that this is an area the Food Share and Meals on Wheels are currently working on. **Holly Larson, Ian Dixon-McDonald** and **Mel Fuller** will begin developing a strategy focused around collections for the Meals on Wheels home delivered program.
* We discussed other topics such as the capital replacement plan and Meals on Wheels financial reports, to be discussed in the future at an upcoming finance committee meeting.

**Finance Committee Recommendation on FY15-16 Proposed Revised Budget:**

* The committee recommends the approval of the proposed revised budget.
* The committee supports the proposed revised budget be added to the consent agenda.

**The next Budget and Finance Committee meeting is Thursday, October 20, 2016 at 8:00 a.m. *Notes submitted by Mattie Jenkins, Staff Accountant.***