

**Casa de Esperanza
Meeting of the Board of Directors
January 27, 2010**

Minutes

Board members present: Athena Adkins, Rusty Barceló, Yolanda Cotterall, Gloria Fressia, Rick Johnson (via phone), Nicole McKoin, Ruth Simmons, Diana Villeda.

Staff members present: Patti Tototzintle, Amy Sánchez, Sue Saunders, and Nancy Cicero.

The meeting was called to order and chaired by Athena Adkins.

I. Welcome, Agenda Review, and Call for Any Conflict of Interest Declarations
No conflicts of interest declared.

II. Consent Items

- A. Agenda Approval
- B. Approval of November Minutes

Motion to approve the consent items made by Yolanda Cotterall and seconded by Gloria Fressia. Motion carried.

III. FY10 Dashboard Indicators Review

Patti presented the CEO's indicators and referred to the Compensation Study. The general study has been completed, and we are in a good place. Only two positions call for minor adjustments. We are moving to develop a full compensation plan with target dates in FY10 and FY11. She will bring the full compensation plan to the board for approval.

Amy reviewed the indicators for the CEER. She commented on a few specific indicators:

- *Fund Development - Individual Donors.* We are pleased that we received approximately \$20,000 in end-of year donations. Seth Patterson was hired in January for the position of fundraiser. He is a strong, creative addition to the staff.
- *Fund Development - Foundation/Corporation \$ Secured.* Amy pointed out that we must secure significant funding in the next few months to reach the target.
- *Fund Development - Special Events.* Now that Seth is on board, he needs time to focus on individual donors, so we have decided not to hold a large fundraiser during this fiscal year. We will once again conduct Home Runs for Hope, a good fundraising opportunity that will require the involvement of the staff and board.
- *Remaining Indicators* – The rest of the indicators are on track or have been achieved. A research plan has been developed, and the two research articles will be completed by June 30. The articles will be written in two versions—one for the community and one for peer review journals. The two research projects that have been approved by the IRB are 1) "letters to my mom" by youth, describing the realities of their lives, and 2) why women "stay."

IV. Update on Recent and Upcoming Events

Amy provided additional information about recent local and national events.

- The policy webinar, January 11, was successful. Rosie Hidalgo, director of public policy, conducted the interactive session, which drew participants from across the country.
- Rosie Hidalgo will be in town on Thursday, February 4, for *Pastries & Policy: A Lively Conversation about Improving Policies and Access for Latin@s*. Verizon Wireless is sponsoring the event, which will introduce our national network and policy initiative. Travelers is providing the space and funding for refreshments. Amy said that Latin@ communities are hungry for this information, and she asked the board to get the information out to their networks. We will email them the flier.
- The research conference call was rescheduled for February 9. More than 50 participants are already registered. Julia Perilla will present an evidence-based fact sheet.
- Casa de Esperanza will participate in the New Grantee Orientation for OVW's Culturally and Linguistically Specific Programs in Tucson in February. We are one of the TA providers for this grant.

Rick asked about the process for board members to make donations to Casa de Esperanza. Athena explained that a form is available for automatic withdrawals from a bank account. There is no set contribution level expected from board members, but 100% participation is expected. We will have the automatic withdrawal forms available at the retreat, which is a great time to pledge to allow for budget planning. Athena told the group that we will distribute information about overall board giving during the past few years.

V. Financial/Audit Reports and Approvals

- *United Way Assessment of Risk Document*. Patti explained that United Way asks its grantees to submit various financial documents, including the audit. This year they also asked everyone to complete the form, "Assessment of Recession Risk and Preparedness for Nonprofit Organizations," which was included in the board meeting packet; the board must approve the document. Patti explained that the form reflects that Casa de Esperanza is in a good position, with the exception of some areas of moderate risk:
 - "The number of the most recent three fiscal years that ended with a surplus in unrestricted funds (positive change in unrestricted net assets)"
 - "Number of months of operating expenses available in unrestricted cash (whether designated as reserves or not)."

Discussion followed about the importance of maintaining reserve funds. Most funders expect an organization to have three to five months of reserve funds to demonstrate sustainability. Since donors often don't want to fund reserve funds, it has been Casa de Esperanza's goal to use individual donations and fundraisers to build a reserve. At present many organizations do not have healthy reserves, and funders recognize that it is difficult to accomplish. Athena recommended highlighting reserve funds on the balance sheet. Rusty suggested that the staff think of a target percentage for reserve funds. Casa de Esperanza does have a \$100,000 line of credit that we draw on from time to time.

Amy commented that, from a fundraising perspective, she would appreciate having a conversation about establishing a reserve. It would take a huge effort

from the board and the fund development staff, but everyone would breathe easier. Rick mentioned the possibility of a percentage of board giving going toward reserve funds. Amy proposed that board members consider doubling their giving to Casa de Esperanza this year, or considering an increase in their giving. Perhaps board members could make a special gift or a second donation. It's important to know that if a donation is restricted, it cannot count towards our goal of \$100,000 in individual donations. Amy pointed out that Rick started an endowment fund when he was previously on the board.

Patti referred the board to page two of the United Way form, where moderate financial health risk level is described: "Scenario planning is important using conservative assumptions for highest risk items. Test all assumptions." We are in the testing phase and are working on it.

Motion to approve the "Assessment of Recession Risk and Preparedness for Nonprofit Organizations" for United Way made by Rusty Barceló and seconded by Yolanda Cotterall. Motion carried.

Audit. Sue distributed the 2009 audit documents. Athena thanked board members for submitting their approvals over the holidays.

Lance Brock, from the auditing firm, Mahoney Ulbrich Christiansen Russ, introduced himself. First, he reviewed highlights from the financial statements.

- The independent auditor's report gives an unqualified opinion, which is the best possible.
- Budget guidelines for effective nonprofits are program 70%, management 20%, and fundraising 10%. The FY09 percentages for Casa de Esperanza were program 83%, management 11%, and fundraising 6%.
- The statement of financial position and statement of functional expenses show that that 2008 and 2009 were pretty consistent. Professional fees and contracts were higher in 2009, and special events were lower (the 25th anniversary gala brought in unprecedented donations in 2008).
- Lance pointed out some items that are issues of timing and cash flow. Since we are working with a new auditor, these points may be ones not made by the previous auditor.

Lance summarized that the audit went well, considering that it was the first year of working together. Athena thanked and congratulated Sue and Patti on the audit.

Lance reviewed the management letter, saying that it was a normal letter for our first year working with the auditing firm. He then walked the group through the 990 form.

Athena asked for questions.

Motion to approve the 2008 Federal Form 990 made by Gloria Fressia and seconded by Diana Villella. Motion carried.

Motion to ratify the electronic vote taken over the holidays that approved the audit made by Ruth Simmons and seconded by Gloria Fressia. Motion carried.

December 09 Financials. Sue reviewed the December statements, starting with the Balance Sheet. She explained that she, Patti, and Amy are strategizing about cash

flow and the timing of our receipt of grant funds. They are looking at projections, short-term and long-term. Patti told the board that they would provide an update by the next board meeting. Athena said that she prefers that the board be updated, rather than surprised at a board meeting. Patti suggested that the executive committee discuss the issue at their February meeting. Sue explained that cash flow is cyclical—we borrow from the line of credit, then pay it back, then borrow again later when necessary.

Amy asked the board if they knew of family foundations or donors who might be interested in short-term funding to help us weather this challenge until June.

Sue reviewed the Income Statement and document reflecting the budget percentages.

VI. Board Committee Updates

- The executive and marketing committees have not met.
- The board development committee met a month ago and will meet in February. Patti said that she is continuing to explore how other organizations have operated with a national board. She has talked with Artspace and Jeremiah Program and will have a conversation with a third organization. We will discuss the national board at the retreat.
- Yolanda reported on the finance committee. They met in December and will meet in February. The February meeting will probably include a discussion of the topics raised in today's audit discussion. Perhaps we need to plan more special events. Amy commented that her staff is ready and willing to work with the board, but, at this point, the events must be volunteer-driven. If they take too much staff time, the return is small. Suggestions were made about possible events, such as dinners and small gatherings that would incorporate fundraising. Amy asked that board members email her if they are interested in holding an event, and she will get Seth involved. Athena asked that the board have the opportunity to meet him.

VII. February 6th Board Retreat Logistics

The retreat is scheduled for 9 am – 2 pm, Saturday, February 6, at Tubman, 3111 First Avenue South, Minneapolis. Rick Johnson and Rosie Hidalgo will be in town for the meeting. Patti said that we are planning dinner on Friday evening with Rick and Rosie. We will send details to board members next week.

VIII. NoVo Foundation Advisory Committee

Patti shared with the board that she has been invited to become a member of this advisory committee—a program for innovative leaders in the field of domestic violence. The invitation to join this groundbreaking project is a reflection of Casa de Esperanza's growing national reputation.

The meeting was adjourned.