

Partnership for the Umpqua Rivers



1758 NE Airport Road
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www.UmpquaRivers.org

Finance Committee Meeting Notes

Meeting Date: 14 January 2015

Meeting Time: 1400-1600

Attendees: Walt Gayner, Eric Geyer, Paul Heberling, Eric Riley, Debbie Thornton, Gilaine Wright, M.A. Hansen

1) Annual Budget Review

- a. General Overview
 - i. General discussion of updates made since last meeting
 - ii. Discussed how to better break out Reserve Contributions line item in expenses
 - iii. Will work to clean up the Bottom Line to make the budget more understandable by taking out "Grants Pending" line items
- b. Personnel Expenses
 - i. The Committee reviewed job descriptions and determined that none of the staff salaries were outside of the salary range for their positions
- c. Office Space (Relocation Plan)
 - i. Review of the Relocation Plan needs and reasoning and discussion on appropriate rental amount and reimbursement/rental coverage opportunities with respect to future funding and how it will need to be incorporated into next year's Operating Budget. **The Committee recommended that the staff begin looking for relocations opportunities with an initial Rental Cap of \$1250.00/Month. Report findings to the Committee at next meeting in March.**
- d. Vehicle Expenses
 - i. PUR has an aging fleet that needs to be considered as we establish next year's operating budget. The Committee discussed current vehicle costs and that we may need to add a new line item in next year's Operational Budget to account for vehicle replacement. **The Committee asked the staff to provide some additional information (short/long term trends and estimates) on maintenance and overall vehicle costs at the next Finance Committee meeting in March.**
- e. Annual Budget Schedule
 - i. The Committee established a schedule for the upcoming FY Budget review and approval
 1. March 15: Finance Committee reviews DRAFT Operational & Detailed Budget for FY15-16
 2. April 15: Board reviews Detailed Budget for FY15-16
 3. May 15: ExCom. reviews updated DRAFT Operational & Detailed Budget for FY15-16
 4. June 15: Board Approval of FY 15-16 Operational Budget
 5. July 15: Board reviews Final Operating and Detailed Budget for FY 15-16

2) Other Topics – Open Discussion

- i. Nothing Discussed

3) “Prudent Reserve” Discussion

- i. Discussion: The Committee discussed the need to clarify and redefine what the “Prudent Reserve” is and how it should be viewed. The discussion revolved around developing a better understanding of what these funds are used for. These funds are generated through grant writing and are found in staff time line items in our grants. The current model that PUR uses is to add \$2.17 to the PUR Other Payroll Expenses (OPE) in our grant applications. The Committee discussed breaking up the funding into three categories:
 1. Operating Capital
 - a. These funds are used to run the day to day business of the organization. They provide the available funding to cover overhead/payroll costs and pay project contracted services and materials costs. These funds are regularly replenished through fund requests to our grantors. **The Committee recommends that PUR set \$125,000.00 as an appropriate Operating Capital amount.**
 2. Operating Reserve
 - a. These funds are used to cover operational expenses in the case of emergency (such as; one or all funders were suddenly no longer were able to provide funding, to include currently funded projects). This is what some call a “Rainy Day Fund” and would be used only with the approval of the Board in the case of emergency. This fund would be set aside separate from the Operation Capital. **The Staff and Committee recommends that PUR set a goal of \$45,000.00 for an Operation Reserve and that the Board revisit whether this amount is sufficient once the goal is reached.** This amount is approximately two months of operating capital.
 3. Liabilities
 - a. At any given time the organization has between \$25,000.00 and \$30,000.00 in Liabilities. Liabilities are comprised of staff accrued vacation/sick leave and accounts payable, taxes, etc. **The Committee recommends that PUR set a goal of setting aside \$30,000.00 to cover liabilities.** The recommendation is based on staff analysis of past liability trends within the organization.
- ii. Separate Account
 1. The Committee discussed the Pros and Cons of establishing a separate account to set aside Operating Reserves and Liabilities funds. This discussion was based around the desire to have these funds separate from the daily operating funds, reducing confusion and ensuring that we truly have a reserve available if needed. **No Committee recommendation at this time.**