

General Meeting - 05/16/24

Board Members in attendance - Allen Frank, Tina Martucci, Jacqui Fortsch, and Joyce James

Tina called the meeting to order by welcoming members in-house and online. Tina asked for minutes to be approved. Motion to approve made by Sue Testa. Second by Tracy Luisser. Approved overall.

Tina addressed the volunteers. In Cory's absence, she thanked the many volunteers for all of the hard work. For giving of their time and talents throughout the year as well as stepping up with donations of food for 3rd qtr and concerts. We really can't do this without people volunteering, so thank you.

Jacqui then updated everyone on the status of Charms accounts. She has begun doing the end-of-year reconciliations and sending e-mails regarding refunds owed / or money still due. In order to give parents time to prepare, Jacqui mentioned that we will be aiming to collect fair share during uniform fittings. Tina raised the question about using funds already in Charms / Cut-time. Jacqui confirmed parents can do that, but to e-mail her of the desire for that to happen.

Sue Testa came forward to bring about the vote for the changes to the bylaws from the April meeting.

Regarding Article 3 - Section 2 - With unanimous in-house votes and enough online to make a majority - this change is approved

Regarding Article 4 - Sue read the addition detailing the roll of a Community Partner to the board. - With unanimous in-house votes and enough online to make a majority - this change is approved.

Allen pointed out that to maintain inclusivity to the whole music program, he requested that the wording of "Band Director" and "Band Assistant Director" be changed to be "Director" and "Assistant Director" throughout the bylaws as to not exclude orchestra members. - With unanimous in-house votes and enough online to make a majority - this request was approved.

Sue will make the approved changes and bylaws are now completed.

Jacqui came back to the floor to try and answer questions about the proposed budget that was sent out. However, Sue remained on the floor and made the announcement that last week, following the distribution of the proposed budget to the organization, that she e-mailed the board and expressed that she felt an internal audit needed to be conducted. She stressed that she has no confidence in the presented numbers and before any budget gets approved, she was formally requesting that an audit be done.

Allen stepped in to say that we were moving out of order and Sue left the floor. Jacqui then opened up the budget topic to the group for questions / comments.

It was noted that certain parents feel the spending this year was out of control and should have been voted on by the general membership. Some areas were instruments and merchandise.

Fair share was discussed in length. Many parents, while glad that the fair share payment has decreased for next year, feel it wasn't decreased enough. One parent asked the following question:

If fair share is used for uniforms and instruments, and if the money that is given by BASD is used for that, why is fair share still so high? How is the BASD money that is given used?

Allen explained that the organization is given x amount of dollars to be used across all of the operating expenses. Fair share money does that also. It is for instruments, uniforms and general operating expenses.

Jacqui explained next year's breakdown as \$150 for band, \$75 for orchestra, \$75 per additional child for families with more than one child in the program.

One of the parents also questioned why it is that we charge our students at 3rd qtr and at concerts. It is that parent's opinion and suggestion that if the students are performing, we should be able to provide a hot dog and soda especially since most of the items are donated. Jacqui said that the board is looking into different options on this topic perhaps even forming a concessions and donations committee.

A parent also brought up the fact that the budget does not appear to show transparency. There are clear gaps. It was this parent's concern that too much money is being spent in ways that have nothing to do with the greater good of the students' performances. One example elaborated on was T-shirts and the fact that the budget for next year reflected an increase. Why do we spend so much on t-shirt just to be worn under the uniform that they never take off? How does this enhance the performance?

Allen took the time to expand on the decision to increase this line item. He explained that the t-shirts under the uniforms are still part of the uniform. There are times when it is requested that the LHSGB plays in "Liberty" clothing and students show up dressed in anything but what was requested. He explained that in representing LHS and BASD, the goal is to have professionalism and uniformity. He also clarified that this line in the budget was increased as we are looking into purchasing a polo-type shirt to be worn to events such as mentioned above, but to also have a band t-shirt as part of the uniform. He also stressed that it may come down to denying the ability to perform if not dressed appropriately.

Becky Sullivan said she spent the day doing research regarding budgets, presentations, and tax requirements for a non-profit organization. She checked with several of her colleagues with knowledge in these areas. She noted in part that for non-profits....

- There is a monthly preparation of financial statements prepared by the Treasurer and verified by a second board member (in our case, probably the VP of student accounts).
- There should be a quarterly audit performed by a parent committee and that parent committee should not do two quarters in a row. There should be a break so get a fresh set of people to look at the books. So basically two parent committees that alternate quarters.
- Cash boxes money should be kept separated by event and counted at the end of each event by two people before the money leaves the event. The amount should be verified and signed off on prior to the deposit being made at the bank.
- Every event should have its own line on a budget. For example, if we have a line titled Fundraisers, there should be a second line item for each fundraiser in income as well as a line item for each fundraiser in expenses. For example, if we collect \$550 from hula skirt sales, that gets recorded in income, but we paid \$350 to the Hula Skirt Co of America, that gets recorded in recorded in expenses. But we should not combine the two and only show \$200 in income. (please note, this was Joyce's example, not Becky's). Simply put, Fundraisers should be a category not a line item.
- Every document should be scanned or maintained as a check and balance. Receipts for purchases made online and deposit slips should be recorded and kept with bank statements.

There was a recommendation that going forward, the bylaws should state the full description of the responsibilities of the Treasurer's position. Sue counter-recommended that with regard to changing the bylaws, perhaps have a statement added to refer to a separate document detailing the responsibilities / procedures / expectations of the position. But that will be for the next bylaws review/update. Currently there are no written procedures.

Citing the fact that a request for changes to the monthly financial status had been made multiple times but not done, the current condition of the budget and concerns over transparency with the bookkeeping plus the capacity and comfort shown in executing the role, Sue Testa made a motion to have the board vote to have the current treasurer removed from her position on the board. This motion was seconded by Marilyn Kelly-Cavotta. With unanimous in-house votes and enough online votes to make a majority, this motion was approved.

Jacqui had Allen pull up the bylaws for what needs to be done to make this happen. Bylaws confirmed that a special meeting of the board of directors needs to occur. The board member currently holding the role in question can appeal the motion in person at that special meeting

and state their reasonings they should remain on the board. Following that appeal, a vote will be taken to decide if that board member shall be removed and replaced or if they will remain a board member. Tina said that a meeting will be set up as soon as possible.

Sue Testa also made the motion to officially request the internal audit. It was seconded by Tracy Luisser. With unanimous in-house votes and enough online to be a majority, this motion was approved.

Jacqui recommended that Becky be leading an audit committee and asked for any parents willing to help to expedite the process.

Sue Testa also made the final motion to reject the current budget and to postpone the budget vote until the audit is complete and the audit findings are presented. This was seconded by Marilyn Kelly-Cavotta. With unanimous in-house votes and enough online to be a majority, this motion was approved.

Becky Sullivan reminded us that we are on the IRS radar for failure to file one year. She stressed the importance of the audit as we do not want to lose our 501c3 status. If we would lose it, it is nearly impossible to get back. We would lose most all donations as other companies would not be able to take a tax deduction for what they would give to us. She also expressed concern over the itemization lines of the budget and financial statements - some of the line items we have are difficult to align to the tax return.

A parent questioned if we have insurance to protect our bank accounts and what the Treasurer uses to prepare the report each month. Does anyone else have access to bank records? Jacqui responded that we do have insurance but she will need to consult the policy to see exactly what is covered. She also stated that she has obtained access to the bank statements.

A parent requested that one of the requirements of the role of Treasurer would be to deposit money from events within 3 business days of the event. This will add to the transparency and accurate reporting of the financial statement each month. Jacqui said the board will take that recommendation under advisement.

A parent suggested that the fair share be lowered further. After a discussion, and with Allen's suggestion, it was decided that the fair share will be collected as outlined in the new budget and the topic will be revisited after the audit findings are revealed. If it is then decided that fair share will be reduced, a credit will be given to each student in CutTime.

Allen told everyone to continue checking the band app for updates. If at all possible, Juniors, Seniors and Majorettes who do not need their uniform for graduation should return them tomorrow (5/17). Tomorrow will also be a collection day for school-owned band instruments. Students using school-owned string instruments will keep them through graduation and return them to the school on June 7 between 8am and 10am.

Orchestra, Fanfare Trumpets, Pipes and Drums will play at graduation on June 6. There will be a rehearsal that morning at Stabler at 8:00. The bus will leave LHS at 7:45 and return at approximately 10:30. Report time for graduation will be at 6:00pm. Graduation will start at 7:00pm.

May 28 will be the first official rehearsal of the 24-25 LHSGB. There will also be an informational meeting for incoming students.

Allen and Julie went to Florida to scout out locations for lodging and for workshops for the Florida trip. All money for the trip will be paid through Gateway. This takes the LHGSBOPC out of the equation for collecting money. Gateway is working on finalizing numbers. Allen is hopeful they can get that information out prior to the end of school so we can release it to the group.

Allen took a final minute to acknowledge that the contents of this meeting and the topics discussed were difficult but necessary. All he expects and wants the LHGSBOPC to be transparent, honest and held with the highest integrity. It's not only the organization's reputation on the line but the whole music program, the BASD and his name on the line as well. Thank you for being candid and looking at the big picture.

Tina returned to the floor her final time as president. She thanked everyone for what they do to move this organization forward and called for a motion to adjourn. A motion to adjourn was made by Sue Testa and a second was made by Tracy Luisser. Approved overall.

Meeting adjourned.