

**Austin Al-Anon/Alateen Information Center
Minutes of the February 21, 2011
Board of Directors Meeting**

Attendees:

Kitty G	Office Employee	(non-voting)
Julie K	Chair	(non-voting)
Jenny A	Treasurer	(non-voting)
Mary C	Steps to Freedom	(voting)
Bill H	Anderson Mill	(voting)
Leticia L	Hyde Park	(non-voting)
Christine A	Westlake	(voting)
John S	Independence	(non-voting)
Arlyle B	Bee Cave AFG (Friday)	(voting)
Cindy B	Lakeway AFG	(voting)
Ellen R	Hilltoppers AFG	(voting)
Kate H	Just for Today - Elgin	(voting)
Rosemary C	Faith AFG	(voting)
Kay C	Three Cs	(voting)
Judy W	Unity AFG	(voting)
Betsy W	Serenity Trails AFG Round Rock	(voting)
Heather W	Came to Believe	(voting)

Opening. The group held a moment of silence followed by the Serenity Prayer. The meeting was called to order by Chair, Julie K.

Introduction. Those attending introduced themselves and stated whether they were voting or non-voting participants.

Announcement of Quorum. There were 17 people attending the meeting, and 12 are voting members. That meets the quorum of 5 for 2011 meetings.

Minutes. The minutes from the December 6, 2010 meeting were approved.

Chair's Report. Julie reported that she now has access to the Bank of America account and can review bank transactions. She is familiarizing herself with the Board of Directors, bylaws, and general procedures.

Secretary's Report. No report.

Staff Report. Kitty reviewed literature sales for the last period. She also asked that members report whether their meetings are "open" or "closed." The Board discussed the meaning of the terms; it was noted that WSO considers every meeting closed unless specified.

Treasurer's Report. Jenny reported on the following activities:

- She has been working with Heather, who has bookkeeping experience, to transition the books into QuickBooks.
- Heather entered all financial transactions from 2008, 2009, 2010 and reconciled it through 2010.
- Payroll liabilities have been reconciled.
- Petty cash has not been entered or reconciled, but will be soon.
- She reviewed the Treasurer's report and Heather's QuickBooks version of the information. With the exception of the "suspense" items, it has been reconciled. She will leave a flash drive with QuickBooks accounting on it.
- The Information Center finished the year with \$298.60 in the black.
- Estimated 1-year of operating expense is about \$70,000, but it will be updated. Kay suggested it should reflect cost of office, person to man phones and not cost of literature. Probably around \$20,000 is closer to correct for a prudent reserve. It was noted that we needed a bigger reserve in case the Information Center has to move to a new, more expensive location.
- Checking account balances at about \$15,000.
- It was recommended that the new bookkeeper use QB reporting in the future.

Draft Budget - 2011

Jenny reported that she used 2010 records as template, with a small increase for inflation. A member asked, should the budget include interest income? After discussion, consensus was that it should not include interest income.

Budgeted for 2011:

- Contributions - \$20,000
- Literature sales including contribution/literature sells - \$70,000
- Advertising (yellow pages) - \$1,000
- Bank service charges - \$45
- Dues/subscription - \$6
- Business insurance - \$500
- Payroll tax - under investigation \$2162
- Back taxes, fees, penalties - \$175 already paid for the year to the IRS. 990s (annual IRS reports for non-profits) must be filed annually, and this was not done. We were notified in 2009. Jenny has been filling these out along with Schedule A. She faxed in Sch. A and got notices in Feb for penalties in 2007-08 and got a bill for \$7,000-8,000 in penalties for filing 990s late including interest. She is attempting to resolve, and will send a letter to talk about cause. A Board member suggested hiring a CPA with expertise in IRS and non-profits.
- Postage - \$85
- Professional fees - \$400 + bookkeeper + specialty CPA if needed
- Rent - \$4500
- Salary - \$13,592
- Bonus - \$542
- Miscellaneous - \$157
- Donations - Make decision at the end of the year - \$0
- Prudent reserve - \$0 Until there is a profit

It was agreed that the Board will wait to approve the 2011 budget until it is completed and balanced. Table to future meeting.

Old Business

Charges against Past Treasurer

- Julie reported that the case was filed with APD last fall, but we have not been contacted by APD since that time.
- Julie is concerned and offered to try to find out what is happening. She spoke to an attorney (former county prosecutor) who is a member, and he said when a report is made to the police, they will investigate and send the information to the DA, who decides whether to go forward to a grand jury and an indictment. The individual is in the system and will pop up for next 5 years. Group conscience was that we would report the crime and let it work its way out. If we want to press charges we need to get our groups to guide us and then put it on an up-coming agenda. We can press charges without hiring a lawyer. Decided to table for tonight and go back to our groups in case there is any confusion. Some groups didn't understand the difference between "filing" and "pressing" charges.
- A member noted that the IRS will look at this as a huge red flag if we don't press charges.
- It was resolved that Arlyle would go to APD to find out and follow up with APD and bring it back to the group at our next meeting.

Part-Time Bookkeeper.

- Betsy described committee process for the search. A Craigslist ad was posted; we received a tremendous response for bookkeeping. Looked for experience with non-profits, someone seasoned.
- Question: Are we hiring a bookkeeper and a CPA to deal with IRS or one person to do both? Jenny's understanding was that the Treasurer and bookkeeper would get 990s and other paperwork and then take it to a CPA to sign-off on.
- Review of resumes. Motion was made to hire Heather Wilson as the bookkeeper at a lower rate than \$40, to be negotiated by Julie. Seconded by Chris. Approved unanimously.
- Julie proposed we form a committee to discuss hiring a CPA and bring it to the group at the next meeting or an emergency meeting.
- Chris suggested we get Heather and Julie to put together list of possible CPAs to address IRS. Julie will call an emergency meeting to discuss CPA issue.

New Business. Kay is willing to be the representative AIS meeting at the area assembly in Round Rock.

Julie moved we table the other items until the next meeting and adjourn. Vote seconded. Meeting adjourned.

Appendix A:

Email from Julie to the Board of Directors on **February 22, 2011**:

Dear Board Members and Friends:

This is a "save the date" email. There will be an emergency Board meeting on **Monday, March 7, at 6:30 p.m.** The address is 1307-G Treadwell Street.

Items to discuss:

1. Review the short-list of CPA consultants and recommend a finalist. Last night, the Board agreed that a CPA with non-profit experience was needed to help the Info Center manage its current IRS issues stemming from late and/or incorrectly filed 990s, and possibly help with an audit and/or this year's 990 filing. (To clarify, the 990 is an annual report required by the IRS for all non-profit organizations, and not a tax payment. It provides information on the organization's mission, programs, and finances.)
2. Review and approve the next steps for filing charges with the Austin Police Department.

Notes:

I spoke with the Austin Police Department detective handling the embezzlement case this morning. He said the case was "reported" to the police last November, but no charges were actually filed. As a result, there is no public record of the case (meaning the embezzlement will not come up in past treasurer's background checks).

He recommended that if we want to pursue charges, we should call 311 and ask to file charges, and they will collect information about the crime and give us a new case number. An attorney is not required. We will need to give them evidence of the crime. He said the case may be forwarded to the financial crimes unit (he is not in that unit). Once the evidence has been gathered, the detective responsible for the new case may (if they think the case has merit) forward the materials to the DA's office, who will then determine whether it should be prosecuted. He recommended getting an audit by a CPA, which will show where the losses occurred. This is a third degree felony with a potential jail term of 2-10 years. He said the minimum we could hope for is restitution.

At last night's meeting, Arlyle volunteered to meet with the police to present the evidence regarding the embezzlement - i.e., to "press charges." At our next meeting, I would like to ask for the Board's approval to move forward with this plan. Many of your groups have already had group consciences about this issue, and you know your group's position. Others may want to discuss again to clarify the differences between "reporting" the crime, which is what occurred, and "pressing charges," which could result in prosecution. I know there has been a lot of confusion about this and whether we need an attorney (which we do not). In any case, the Board will discuss our next steps at the March 7 meeting.

News for those of you who were not at the meeting: We hired Heather W. to serve as our new bookkeeper. Welcome, Heather! She will continue to move all financial transactions, budgeting, and reporting to QuickBooks, and will prepare QuickBooks reports for our meetings.

Another news item: Gloria from the Just for Today downtown group has volunteered to

serve as Secretary. Thank you, Gloria! This is really great news.

The outcome of other agenda items from last night's meeting will be noted in the minutes, which will be prepared ASAP. Due to time constraints, many items were tabled until our next regular meeting in April.

Please do not hesitate to email or call if you have any questions or concerns. As always, please forward to those without email or those who may be serving as backup representatives.

Thank you,
Julie