

**Austin Al-Anon/Alateen Information Center
Minutes of the March 8, 2011
Emergency 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)
Audrey J	Independence	(voting)
John S	Independence	(non-voting)
Hendrick S	Independence	(non-voting)
Mary C	Steps to Freedom	(voting)
Arlyle B	Bee Cave AFG (Friday)	(voting)
Cindy B	Lakeway AFG	(voting)
Elizabeth M	Bridge to Shore AFG	(voting)
Ellen R	Hilltoppers AFG	(voting)
Kate H	Just for Today - Elgin	(voting)
Rosemary C	Faith AFG	(voting)
Paula H	Anderson Mill AFG	(voting)
Kay C	Three Cs	(voting)
Judy W	Unity AFG	(voting)
Betsy W	Serenity Trails AFG Round Rock	(voting)
Mary M	Courage to Change	(voting)
Robin W	Courage to Change	(non-voting)
Ann R	Just for Today - downtown	(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 22 people attending the meeting, and 19 are voting members. That meets the quorum of 5 for 2011 meetings.

Minutes. There were no minutes to approve.

Retaining a CPA for IRS Issues (Jenny)

Three years of 990s were filed by Jenny (2007, 2008, 2009). Received an extension and filed in August of 2010 without the Schedule A, which had to be corrected later. Received a notice from IRS saying we would receive penalties of around \$7,000. Jenny called IRS on Feb. 14th regarding penalties and they put the Info Center on a nine-week hold. She called the IRS last week to ask the penalties be waived or reduced. Should hear back in a few days. We have nine weeks from March 4 before penalties begin accruing again.

Julie asked the Board to review the short-list of CPAs so we can hire someone to work with us on this IRS issue. Julie brought information about two CPAs with experience with nonprofits and embezzlement issues. Arlyle made a motion that we vote on which person to hire. Kay seconded. Vote: 2 abstained. Pete Allman - 4, Joe Jack - 8.

Embezzlement/Filing Charges. Julie reviewed the case history regarding the embezzlement: A report was filed with Austin Police Department last fall, but charges were not pressed or filed against the past treasurer. Julie followed up with the APD detective this month, and he recommended that we call 311 again and file charges. The original police report noted that the Info Center wanted no action taken against the past treasurer. Julie also noted that if we want to file charges, we do not need to hire an attorney, as was stated earlier. Also, filing charges is looked on favorably by IRS. Paula, whose husband worked for IRS with nonprofits in the past, said they might likely consider the Information Center to be in cahoots with the embezzler if we do not press charges.

Julie reported that the detective said a new case number will be assigned by the Financial Crimes unit. Minimum penalty would be restitution and a maximum penalty would be jail time (2-10 years). He also said we do not need an attorney to file charges. A Board member noted that when the original call was made to APD last fall, most members were under the impression that we were pressing charges. Others said they misunderstood when we voted in the fall. Still others felt that we wanted to report, but not press charges. One member said we should press charges and ask that she pay back the group, and if not then go to jail or some other penalty.

Hendrix said there was a need for an attorney, and that he and John have identified three attorneys who could be consulted. He intends to visit with an attorney to discuss the Information Center's risk without mentioning name of the program or individuals.

Cindy moved that we press charges. Elizabeth seconded that motion. Vote: 12 in favor, 1 opposed, 1 abstain.

Kay moved that we get an outside opinion from an attorney on the embezzlement issue (an assessment of our case) before we file charges. Judy seconded. Vote: 4 in favor, 9 against, 1 abstain.

There was additional discussion regarding the need to press charges, the fact that some members have already talked to attorneys, and possible liability of the Information Center and the Board. Arlyle shared that in order to press charges, we simply need to gather the information about what happened, take it to the detective, and tell them we want to press charges.

Hendrix thought we should consult with an attorney before pressing charges, because he thinks we may be liable.

Mary Margaret moved to press charges now and also consider hiring an attorney to obtain more information about the Information Center's liability. Paula seconded. Vote: 6 in favor, 3 against, 5 abstained.

John noted his beliefs that the IRS will not separate the issues of embezzlement and taxes. The IRS will go after the past treasurer because she didn't pay taxes on the money she embezzled.

John and Hendrix will bring back to the next meeting (April 18th) 2-3 recommendations for lawyers including estimate of cost and send it to Julie.

Paula reminded the Board that the WSO should be informed about what we are doing. They want to know before we press charges. Arlyle has made that call.

Election of Secretary. Gloria B. has volunteered to be the 2011 Secretary. Kay moved we elect Gloria. Judy seconded. Vote: 12 in favor, 0 against, 1 abstained.

Question about Heather's Negotiated Contract Rate. Julie reported that Heather will work as a bookkeeper for \$33 per hour. Hendrix will see to getting a background check on her. Heather will be bonded.

Fundraising Committee. Kay noted that the money for literature sold at the Assembly will go to the Information Center. Friday/Saturday there will be a Concept Seminar that is a fund-raiser. Flyers on the Assembly going to the GR soon. District 6 is hosting. Please encourage your groups to turn out.

Paula is extending an invitation to April 16 meeting hosted by Faith AFG group. Information is forthcoming.

Betsy attended the Chisholm Trail conference and sold literature. It was a great way to get to know people and she enjoyed it.

Julie: Should we start a fund-raising committee? Let's add it to next agenda and discuss with groups.

Appendix A:

Note from Julie to the Board of Directors on **March 21, 2011**.

To: Board Members and Friends:

Today I spoke with Rick B, Executive Director of the WSO. He offered the following comments/advice regarding the embezzlement issue:

1. **Filing Charges.** Don't accept unacceptable behavior - it is important to file charges. The person who took the money is not entitled to be above the law. We're not helping that person if we enable them, try to fix them, or alibi them. She seems to be using the program as an excuse and she seemed to be working the system last fall by showing remorse and then not paying. It is possible she could file bankruptcy, so it's important to file charges before that happens.

2. **Anonymity.** This is a volunteer organization, the funds come from Al-Anon members, and this is a sacred trust. We do not need to disclose that she is an Al-Anon member, nor does the person who files the charges. If it does come up (for example, in trial), then the member who is testifying does not need to testify about who is the alcoholic in their life - they can say they know many alcoholics, including in their family and friends.

3. **IRS Issues.** There are different levels of response by the IRS. We are in the "audit" phase, and we need to work with a CPA to get us to the "review" level. He said in most cases, the IRS will waive the penalties once they know what happened. Filing the charges may not necessarily help since the past treasurer was not the person who filed the 990s late or inaccurately, however if they understand why they were late, it might help the case. He was pleased to know we hired a CPA to help us through this issue.

4. **Prudent Reserve Policy.** We need to rethink the amount of our prudent reserve, and put in in writing (i.e. create a policy). We had far too much in our savings account, in his opinion, which left us vulnerable. The extra funds (over our prudent reserve) should be earmarked for the district or WSO.

5. **Bequeath Policy.** We need to develop a policy on bequests, in case someone gives the Information Center a large bequest in their will. If it is an amount larger than the prudent reserve, the policy should state what other organizations should receive the funds (e.g. district, WSO).

6. **Legal Advice.** We do not need an attorney. The prosecuting attorney for the county/city is our attorney. We only need an attorney if we sue the individual, and we don't want to do that - it will change the debt that is now a crime to a dept than can become a bankruptcy. We want to keep this as a crime.

7. **Further Information/Questions.** Rick was a practicing attorney for 30 years, and he's willing to answer any additional questions in writing, free of charge.

Appendix B:

Email from Julie to the Board of Directors on **March 30, 2011:**

To Board Members and Friends:

Just a brief report on the following items:

1. MEETING NOTICE: Our next meeting will be on **Monday, April 18, at 6:30.** Please let me know if you have any items for the agenda.
2. FILING CHARGES: Jenny A. (current Treasurer) worked very hard during the last three weeks to gather all the materials relating to the embezzlement. She gave the information to Arlyle, who has been in contact with the police this week to file charges. She spoke with the original detective on the case, who instructed her to call 311 and file a new case, which she has done. She gave them information over the phone, and was told the case is being referred to the Financial Crimes division. She is planning to follow up with that department this morning regarding turning over the evidence.
3. CPA/IRS. Jenny A. has also emailed past 990s and IRS correspondence to Joe Jack (the CPA) so that he can help prepare correspondence to the IRS.
4. SECRETARY POSITION. Gloria B., who was elected Secretary at our last meeting, has decided to resign due to health problems. Peggy D. from the Just For Today downtown group has graciously volunteered to serve. We will need to elect her at the next meeting.

All of these items will be on the agenda at the next meeting, as well as the items not addressed at our February meeting. I'll send out a draft agenda prior to the meeting.

Thank you,
Julie
Chair, Austin Al-Anon/Alateen Information Center