

BUICK CLUB OF AMERICA Teleconference 10/17/2018

7:00 pm Eastern Time

Recording: This conference is being recorded.

President Alan thanks all BOD members for being present on short notice. He states that there are two items on the agenda. One is the job description and discussion of the transition to the new office managers.

President Alan suggests that the BOD starts with that one because that should be a little more straight forward to get through and then discussion of the RFQ.

President Alan suggests the Board get started. He gives a quick update on where we are on the office manager, advertising wise, and what have you. He references the ad that (Cindy) created that will be in the November and December Bugle . He also mentions that in addition the following ads were taken out.

- a) Half-page ads in the AACA Magazine in the November issue and the November issue of the CCCA magazine so those should be coming out pretty quickly.
- b) He mentioned those ads it gives a general job description, and then asks anyone who is interested to send their note of interest to the BCA office -- the office will collect those and forward those to us.
- c) We set a deadline in those ads of December 15 for anyone who wants to apply. I would think we can start sending out the updated job description to the applicants as soon as we have that done so that people can begin replying ASAP.

President Alan mentioned that we set a deadline in those ads of December 15 for anyone who wants to apply. We can start sending out the updated job description to the applicants as soon as we have that done so that people can begin replying ASAP. He also mentioned: I took the liberty of reaching out to (Larry) and (John) to ask them if they would take input from this call. And from the current job description that we have with the books contracts and work together to create an updated job description that they would then share back to the board for our input and vote.

He also said : So, I thought that would be less wieldy than all of us plummeting across email for days and across each other if we have (John) and (Larry) kind of be the coordinators for taking our input and creating with that input the new job description. And as far as I know both gentlemen have graciously agreed to work together on that.

Ed : I have a major problem with the job description, it starts in the middle and not at the beginning. We need to define it as a policy statement -- what do we expect in the way of hours of operation? For example, the office is open from 9:00 to 5:00, you can spend your time - when we need to define as a policy statement how many days per year we want the office manned. Without those two things, any job description is not satisfactory to me.

Larry S agreed

Larry D agrees also and indicates -- we need office hours just like a regular business,

President Allan: I will put that as part of our requirements for the job description.

Ed questions How many days per year ?

John asks : Do you know how many hours a day you expect this person to work?

Ed responds: No, I don't. I would suggest 9:00 to 5:00. We may decide for budget reasons we only want the office open four days per week, 50 weeks per year -- that's what we have to discuss as a board to set a policy up. But I think the hours of operation should be defined so there is not, if I can make it I will come in today. And I think how many days per year need to be defined -- and please understand, that's completely separate from vacation days.

We may state it as policy, we want the office opened 250 days per year -- that seems to me a reasonable number - 255 days per year if we are going to close for counting holiday. However, people are entitled to vacation time and I don't care if people take vacations so long as the office remains open.

Larry S Yes, I agree with Ed and that I think that this is a good time for us to take a really hard look at whether or not the whole office activity is just going to be one person like we have had in the past.
It may be time to change to total scope of work and everything on what it takes to support the Buick Club and maybe look at having civil contract done draft.

So, with that said, I guess one of the questions that I would have so we could be able to make a legislation would be to know exactly what the total expenses had been for the total overhead or burden or whatever you want to call it that run the Buick Club.

That includes things like the Web site, the Web support, I know you made a comment on one-year comments (Allan) that we have the Buicks also get paid for some advertising separately -- I don't know if I have ever seen how much that money is, all the telephone cost.

I mean, every single thing that we pay to support the Buick Club, it would be great to have a number and know what type of things are included in it because once you know that then maybe we could take a look in our RFQ that would encompass all of that.

And remember one of the things we have today is, we are competing from the mind of the customer on Amazon.com customer expectations - like call now and I want it today or tomorrow. That's what we are want to be doing and that's what I think Ed is saying right now.

We can't have, we will get back to you or just leave a message or whatever. I think we have to have somebody live almost all the time today to answer customer calls.

Ed : I have no problem with office being opened three days a week, four days a week -- it doesn't have to be five although five would be nice but I think that we have to define it so that our membership knows that, you know, Mondays, Tuesdays and Wednesdays the office is open -- if you don't call at that time don't expect an answer. If we can afford it we go four, if we can afford it we go five -- but we need to define as a board how we expect the office to be opened six, seven, eight hours a day, so many days per year.

Bill: So, I can put together the numbers that you want to see off of last year's yearend incomes for last year's expenses.

Larry S: That would be great to have -- everything single thing it takes to keep the Buick Club, that would be a good number to know. And then everything that's included in there listed by how much we pay for Web hosting? How much we pay for telephone for the annual year as a number? At least we would get an idea of what I would be looking at.

Jack: I have a couple things. I agree, by the way with what's been said so far. Two things I would like to add - number one, I had mentioned it to you before that as the National Meet Chairman I would really like to see something in the verbiage of the job description about assembling trophies with the national meet because...

Bill: Why at this point in time don't we just pass that on to the chapters who are doing the meets?

Jack replied: Because it requires fulltime people to do that. Actually, people were compelling the office to be at that meet so this would give them something to do.

If we are going to pay them to be there and pay their expenses, it would seem like including the trophies -- because right now the national meet is dealing with procuring the trophies, they have a pretty good idea of how they go together. Otherwise, every year somebody is going to have to train people from this chapter how to assemble those.

It's a fairly complex situation because we have got so many different classes, so many different - you know, you can have 10 first places, you can have 10 second places and, in some years, you may have nothing.

So, it would seem like maybe we set it up so that the chapter has to provide help for the national office but the national office would really take the lead in this I believe at this point.

And the other thing is, on advertising and sales of goods I think ought to come under the base job -- I don't think that ought to be a commission-based thing.

It would seem like that's something that the national office would just do as part of their job and that sort of avoids any conflict of Interest

VP Roberta: I have got something that I want to ask or tell you to think about. We have people all over the world and having a timeframe has to be very well communicated because this is the time you are going to speak to somebody because we have still got people that only use telephones and don't use the Internet. We have to be thinking about that too. Hello, anybody there?

President Allan: Yes, we heard - we heard.

Larry D: Yes, we are taking this in. I'm taking notes here because since (John) and I are going to be working this out these are the great suggestions we are looking for.

Jack: I will also send you when we get a transcription of this the notes right after that before we even get to minutes. I will send you any other notes that have to deal also with these items so you would have a hard copy of them.

President Allan: I have a question Jack, about your comment on the advertising sales and I don't - ultimately, I'm not arguing on point or another, the only thing I would say about advertising in sales is, if it's not commissioned, is there a less incentive to sell ads in the billable?

One of the things about commissions is, you know, if I sell an ad I get cash. So, am I going to be just someone who takes phone calls from people who have already decided to buy an ad and I pick up the phone and take the order or am I going to go sell some ads because I'm going to get paid for that sale?

Larry S : My question is, how are we paying because we have no idea - how are we paying the Buicks right now? Do they get paid for every ad that's in the billable or do they get paid on every new ad that's added in the billable? And I have no idea how they are getting paid so I don't know and I don't know how much they are getting paid for whatever they do

But if it's something that is, like, Bob's Automobilia that will buy ads every single month anyways -- are we paying them for that or is that a one-time commission when they get another new ad? How does that work? I don't know.

President Allan: I would have to find out -- I don't know the answer to that Larry. I believe they are paid a continuous commission as opposed to new business but I can't speak to that specifically. Bill, can you tell them?

Bill: I don't know that either.

Larry S: Because that makes a big difference on whether or not if its commission item or there should be a commission item or it's just as part of the apps activity because if it's just an order we redo the ad every year or every month or whatever it might be -- that's no real incentive. I don't know and that's why I'm asking -- how are we getting paid and how much do we pay them a month for just on commissions for ads in the billable.

VP Roberta: I believe it was on new business only.

President Allan: I can work with Bill and we will try to get answer for the board.

John: When I read through this there is some things here that we don't look like we have been doing like point three, provide the board of directors of the BCA a monthly report or financial highlights, membership status and listing a brief discussion of hot issues and the operation the BCA.

President Allan: John, I asked Mike about that within the last two because it used to be a monthly summary and I remember getting that to - at least I think it was monthly and there would be membership numbers in there -- so I reached out to him and asked that that be reinstated.

John answered: And what did he say?

President Allan : He said he would.

John It is something we want to keep in the job description then?

Bill: It's in the SOPs.

John: Okay. Then when I went down - this is (John) again, when I go down and look at seven and eight, those two seem to be they kind of go together instead of being separate one. It seems like its talking about inventory and then processing merchandise sold -- I'm not sure I understand why that needs to be two.

Larry S: I would look at that as saying you have to have a report on what you sold and how much you were sold dollar wise - that's one side of the ledger. And then when you replenish it, what did you order and how much was the invoicing for it? And then what is the difference in pricing for us? That's how I look at that.

Bill: It still could be one item -- its really dealing with merchandise, right? It's all part of handling merchandise.

Terry: Yes, and we really don't sell a lot of merchandise anymore. I mean, we used to have merchandise and we don't anymore -- most of merchandise is gone. We get a cut form our t-shirt vendor and that's about it. We don't sell much else. But you are right, it has to be accounted for.

John: And then number 17 - receive, count and verify the balance cash for BCA board of directors, I thought that went to the CPA.

Bill: It does.

President Allan: Yes, that's probably out of date -- that's where it goes now anyway. I don't think we even receive them, that all goes to the CPA, doesn't it?

Bill: Yes.

President Allan: So that's out of date.

John: Jack was talking earlier about number 16, manage the inventory, maintain and order of any and all forms given by BCA and mail judging forms copies to participants who request them. I want to emphasize on one of the things Jack said was when we do trophies from the office, we can use the ones that are left over the next year.

If we let the chapter order whatever they want like in Indiana one time we had the map of Indiana, you can't use in the next meet. So, by having some kind of standardized trophy you use it for two or three years until we run out of them.

So that's one of the advantages of having the office order them as they would kind of standardize them. And I think part of it is and this is kind of minor and I think it needs to be because the Buicks have always organized the trophies from when we passed them out and placed them on the table or whatever and that's on Saturday when you have got everything going on in the show and everything -- we need somebody that gets all of those trophies organized so when you go to banquette they are laying there and you can pass them out. And I appreciate the Buicks doing that but I think (Mike) has always said it's not part of his job - well, right here, it kind of implies it.

President Allan: I will echo your opinion on that John -- I know working the awards presentation for several years, once the Buicks started organizing it, it went much more smoothly and I think that institutional knowledge needs to be there so that we don't have to reinvent the wheel and reinvent the presentations every year.

So, I do think there is a lot to be said for having the office people do that year in and year out and that's their responsibility and we keep the intuitional knowledge.

John: And I will go to one other thing, item 13 that says the secretary, the board of directors of BCA in recording the minutes of all regular and special meetings of the board. And having that attended by (Mike) and (Nancy) Buick including actions taken by email, I think we are going to have to work on that one soon. I don't think they are doing much except arranging the call out of it.

President Allan : They are not taking minutes.

Jack Yes, the question is, should they be even involved in the board meetings?

John: I really think that probably Mike and Nancy or that person needs to be on our board meetings for information sometimes when we want to know if something is going on -- they are the ones who have that information -- and if they are not on the call, we are just kind of shooting in the dark.

Jack: Yes, it would be helpful to have that knowledge while we are participating. I mean, I would be strictly a read only kind of a position and certainly they wouldn't be voting on anything but I think it would be really handy if they were available to answer questions.

Larry D : I don't - there is a certain number of things we may want to talk about but we may not want to be often involved in. I think like what we are doing right now is probably more than adequate -- I don't think there needs to be whoever it is involved and that's just my feeling.

Terry: So, they are new and they certainly need to be involved in the beginning.

Larry D: There is no question that there is going to be a time for mentoring them into the organization -- no question about that. I just don't think that that's something that needs to be a part of our board meetings.

President Allan: Except for the national meet -- they were only participating in the board meetings at our invitation, are they not?

Larry D: Yes.

President Allan: Okay, maybe that's something we could put in there to participate in board meetings at the request of the board.

Larry S: I could agree with that.

Larry D: I would agree with that too.

President Allan: Okay, this is a good list a lot for you Larry and John to collect.

Larry D: Yes, we really haven't addressed what Ed mentioned at the very top with this and maybe we don't want to do it in this call but, do we want to define office hours, the days per year that we are hoping.

John: I think Larry and I would probably tell you that we were planning on doing

Bill: You see that is the biggest gripe with the office is, you call, you don't get a reply, you don't know when they are going to answer the phone and I think Ed is right -- we need to define this and have some definition to it.

Larry D: I agree with that too.

President Allan: Then do we want to decide to define those hours and know if are we going to 40 hours a week, 52 weeks a year or what?

VP Roberta: It depends on the cost. If the taskforce is 50 grand a year for example to be open five days a week maybe we want to cut back to a less expensive option and be open four days a week.

I don't think the membership would be upset if we would only open four days a week or even three days a week. It's clearly defined in the magazine saying, these will be the hours and the reason we are doing it is because this is what we can afford. This is (Roberta)...

VP Roberta: One other thing we could look at is what are other organizations doing because everybody has got the same problem looking at best practices for customer service - just a thought. Go ahead Larry.

Larry S: Customer service is this, , like John and everybody else, I have heard lots of bad comments about, you know, you can't get back on them when they are open and we need to fix that as a base core problem to the organization.

And to start there like Ed just got saying, we don't know how much it's going to cost right now to do that and so Bill I look to you to give us a real detailed cost of everything it cost to keep the door open so to speak in the Buick Club - all the overhead, the burden.

I mean, everything -- financial accounting from A to Zee. Anything that it cost or we write a check for how much is the total cost for every year. And then we can make a good decision on what we can or cannot afford.

President Allan: Okay, for the purposes to help John and Larry, we are going to leave that undefined at the moment, is that right here?

Larry D: Let's get the number and then we can talk about what the wish-list should be.

Ed : I think what we are bringing on in concept is that we are going to define it and that's a good starting point.

John: I think that Larry and I can get together and we can give you a definition of what we think it should be and then you guys can pass it over and decide if we are right or wrong.

President Allan: I think that sounds good for tonight -- thank you.

John: I have got one other thing I was going to add and that is, I wanted to put something to answer or return all phone calls within, like, a 24-hour period. That to me is customer service when you call and you don't get an answer for a week, it leaves a sour taste in your mouth.

Larry D: I love it.

John: You and I can probably can probably put that in there and let them vote it out.

President Allan: John and Larry, thank you for doing this and we will leave it in your hands to kind of tell us, you know, what the timetable in the next steps are and if you have questions. So, take it and run with it and let the board know if you need other things from the board.

President Allan: Gentlemen I appreciate it very much -- this is of a great service to the board. Is there anything else on the office manager job description that we need to discuss tonight?

I have got a note to myself to get back to the board on how we pay commissions and there is a to-do item for (Bill) which is to put together a full accounting of what it cost to support the office. And are we talking just the office? Larry Schramm, you had mentioned that you wanted to include live expenses so do you want a total support number including everything else I guess...

Larry S: And we are talking board of directors, we are talking about what we pay the chapters - the \$50 one time every year for the chapters, talking about insurance, accounting, legal services, taxes.

Jack: Yes. fixed cost is what I'm thinking.

Larry S: You wanted to know what it cost - what the burden is basically.

Ed: I do ask if there is another - I forget the word you used John, I would like to get a proposal from the AACCA along the lines of, we do this for other organizations, this is what you would get and this is how we price the program. I don't think...

Bill: Do they do that for other organizations ?

Ed: I have been advised that they have seven or eight people in the office and they would be interested in doing it for us.

Bill: Okay.

Ed: But now I'm kind of doing it backwards since setting up a standard of what we expect of the office and in this case, you have got a professional organization coming in and saying this is what we can do for you. You know, we are open 7 days a week, we are open 10 hours a day, you know, this is how we currently operate and adding you to that, we would assign or hire one person - I don't know what I'm talking about.

It's more of a proposal coming from a service provider rather than our going out and trying to hire an employee or firm and set that up the requirements. If we went to someone like the AACCA and I don't know if there are other organizations but I know that the AACCA has been approached, so what could they offer us?

Larry S: What I'm looking at based on the discussion is understanding what the total burden, everyday cost to run the place so we can maybe put together a bundled package proposal to the AACA and maybe one of the places they do that and maybe some other place we can think about and say, look, this is what we have, what type of proposal do you advice? It's another RFQ.

Ed: I don't see it quite that way and maybe we are talking semantics -- we don't tell them what we want, they tell us what they can do.

Larry S: Well, you can do it either way - you can do it either way but its better if you define for the most part what our needs are and what it's going to cost. Tell them, this is what we think we want, tell us what you can do and how much it's going to cost.

Ed: Yes. That's a better approach and I envision that's what would need to be done.

Larry S: That's right and that's what we need to do and if we can buy a bundled package we may get a much better pricing because all of a sudden you have one organization -- and I'm not talking about an individual because with having office hours, 50 weeks a year I doubt is going to be all the work with the one person, like, we have kind of had with the Buicks right now.

We are going to have to look at some sort of an organization that have the ability to support the needs of our customers ie the members and it's a bundled package.

VP Roberta): Yes, and please do it simultaneously because we are facing - what have we got left November just - we have got 12 weeks to resolve who is going to do what to who.

Larry S: Books are responsible for the first quarter, aren't they?

John: Yes, in January.

Allan: The Books have said to me most recently that they would like to be done by the end of January. Now, I did not ask them if they are willing to work another few weeks or another month or two after that if we need them but that's what their preference is to be done by the end of January.

So, let me ask you Ed to your point, how would you all feel if I just took it upon myself and call Moskowitz at AACA and had a conversation with him along these lines?

John: Good idea.

Ed: I don't know who Moskowitz is, you can just talk to anybody you want.

Bob : Moskowitz is the Executive Director of AACA and he would be the first we need to talk to. Jack and I talked to a board member at AACA - they have got 21 board members and the answer we got from him - I don't think we have any answers until after we meet somebody. But Steve has enough control over his board that he probably could get something done if you really want to.

Ed: Good. Perfect. Yes, I just didn't know who he was - for our decision maker which is the right thing to do.

President Allan: Well, if it's okay with everybody I will put in a call to Moskowitz and tell him what we are thinking and see if he will even entertain the idea and then report back to you about what I find.

Ed: You are the president of this organization, it's the right thing for you to do.

President Allan): All right, I will call Steve as soon as I can, okay?

All right, anything else on this discussion? If not, thanks again to Larry and John and to everybody else – and Larry and John let us know what you need from us for last steps.

President Allan: Okay. Moving on to the RFQ - so, first thing I would say is, I want to thank Roberta, Larry and Bob again because they obviously put a lot of thought into the RFQ than we all received.

I think I wrote this to an email to everybody, the one thing that I was really looking for out of the RFQ was something that would ask for a range of audit options from an opinion all the way up to a forensic.

As I read this, we have only specified a forensic audit and so I would suggest that we include options for other kinds of audit. But having said that, let me just turn the floor over to Roberta, Larry and Bob if you want to step us through what you have sent us and see if we have any questions.

VP Roberta): All right. Well I think we can add that in. I think it's going to confuse people by going totally just forensic, we may make a bidder think we've got to look for something wrong. On the other hand, by just doing an opinion audit and they find something wrong, we're going to pay for it, expanded view I think and it may cost the same thing.

But I think if we want to and I've done this before in my previous life, to put all of the - if we come up with three options or two options to get just prices for forensic audit and get a price for an opinion audit and then decide which one - and if we get some of the information back from the books that we don't have right now, we may be able to make a better decision of how to approach this request for quote. So, I'm going to let Larry and Bob say whatever they want to say.

Larry S: The item, it's a request for proposal and it basically they had an opinion on it and if we want to add a sentence on it in there we can say like we'd like to have two proposals, one opinion and one forensic and give us pricing and then everything else basically stays the same.

A lot of the stuff and now I've talked to a number of people besides Roberta and I, I've talked to Larry DeBerry and Jack and I have talked back and forth - is put the one sentence in and then send it out and see what we get back. I have no idea what the cost is going to be until we get that and we've asked for proposals. If we put it in there, give an opinion and a forensic on it and once the numbers come back be done with it, you know and see what happens.

Right now, if we're just trying to take and reduce the price on it, that doesn't say anything. We're also asking by the way, on that proposal you know to take a review. All of our financial actions and find out whether or not we are practicing best practice.

The other reason it would be important in order to take and do a forensic type audit is if we get audited by the IRS which is - they may or may or not happen, I have no idea because I don't work for them and don't know what their thought process is.

If we do a forensic audit and get it over and done with, if the IRS comes knocking, we can say here is you know an accounting firm, you know a significant accounting firm that has done all of our books and here's what they've come up with on an opinion it should be I would think a painless activity.

And plus, it gives us the opportunity to change some of the things for best practices which may be also included in what activities and reports we're going to be asking out of the office to do for us. I mean this is like in my opinion looking at it and experience wise the way we've written it, it's like a win-win-win on multiple levels and you just don't have to worry about anything thereafter.

And like I've talked to a couple of people, it's not about trying to find out if maybe we've done anything wrong, the biggest thing is what have we been doing? You know we've had it, we've got a possible IRS audit. We know we've not published records for three years, which is not against our standard operating procedures.

There's a list that I've written up and it as for them to try and find something wrong, it doesn't come in my top five items and I haven't even put it my top five items that I've talked about.

Bob: Larry, you're saying what hasn't been done in three years?

Larry S: We have not published in The Bugle our financial statements for three years.

Bob: I thought you were talking about filing returns.

Larry S

No. If you look at - these are the items that I'm looking at that why we need to do a final audit and be done with it so there's clearly there for the - there hasn't been any financials for three years. You know we're under a possible IRS audit and you know there are members on the board that you know that say the numbers that they've seen, they don't understand them and that's an issue.

You know are our procedures the best practices? I don't know if they are right now for this size of a non-profit and the other thing is we really don't have a consolidated that I've been able to find or understand by what I've seen a consolidated financial statement that includes everything and all the financial activities of the Buick Club including everything with the National Meet.

You know if we have any financial going back and forth, we don't know you know - we don't know what's going on and how it is and I say we meaning us and all the members. Where their money is coming from and where they're going to and we should best practices should be spending and printing in The Bugle every month some of the reports.

It doesn't have to be a complete down to detail thing, but we should be telling the members how we're doing both financially, member wise - whether or not we're gaining or losing members, I mean there's some basic stuff that we can do and I know some of you guys are very much into judging.

But I mean to have a judging form to please fill out and sign in on The Bugle every single month is not, I don't believe that's necessary. I think it's more important to let the membership know what we're doing with their money.

Jack :

Just to interrupt for a minute on that, on the thing about the judging that's really just a part of the national meet registration form, right along with the

tours and the banquet and everything else. So, it's really just one more, an extended part of the national meet registration form.

Larry S: Yep. And do we have to have the national meet registration form on the vehicle every single month?

Jack: I don't know that's a good question.

Larry S: My position would be it should be out - you know we talk about the national meet all the time. When do you start taking reservations for it? I know they do for the hotels they're already sold out, but I'm talking about start collecting money for it. Is it 90, 120 days prior to the national meet? Say send your money in?

John: They start in October with registration.

President Allan: Don't they start right after when one national meet ends, doesn't the next one begins?

President Allan: If that's the case, there needs to be some sort of a tradeoff on information given to the membership about how we're running the club and you know national meet stuff. I don't think the national meet stuff needs to be in every single month. Maybe every other month - every third month, I think we can use that space to better communicate with the members.

Bob: Yes, in another life, I was supervisor of commercial loan department at a bank and I met a lot of CPAs and I still know some of them. And so, I talk to a number of them about this forensic audit and I'll read a little paragraph here I'll read you.

Unless you have a good idea that someone was doing something wrong, stealing ink, they are a waste of money. They are only done when fraud is involved and there will be criminal action and usually a trail where the auditor will have to testify. All they do is give an auditor a reason to spend a lot of time performing and audit in more detail than they normally would and charging a lot more than the normal hourly rate.

The BCA books are not that complicated as the former CPA, according to him everything up to three years ago, the BCA trusted him and there was no reason to go back seven years. If BCA wants to do something have an auditor perform a general review of the books for the last three years without getting a formal audit opinion? It will be much cheaper around \$10,000 but still a waste of time unless you think a lot more than \$10,000 has been stolen. That's my input on the subject.

President Allan: Our current accountant said that if we're looking at a seven-year forensic audit, we're looking at someplace north of \$100K to do that. His suggestion was that we go back for a year. Dig deeper for a year. If we find something keep going back and if we don't, look less at the next few years. That was his suggestion.

All right. We don't know what the cost will be unless we send the RFQ out and ask for proposals and this is that maybe (Mike) suggested that change might be is to take and put the RFQ out asking for two proposals and guesstimated quotes on it. One is for the forensic audit which is written for, but add in we'd like to have proposals for both of a forensic audit and a financial audit which is aimed at mere examination of the entities financial

statements and adds credibility to reported financial position and performance of the business.

And that way, you know we'll have a financial which is the lower level and we'll have a forensic higher level. We'll get an idea of what the cost between the two of them are and as for the year, I don't believe that's appropriate. I think we need to go back further than that because if we go on an IRS audit, I don't think they're going to start at one year.

I want to have us in position to say that we fulfilled every fiduciary responsibility that we felt necessary to protect the members that we are doing appropriate financial transactions and in the best interest of the members and according to IRS and Federal regulations.

Not that we're not doing those, okay. But we've also asked for a review of our processes. Is there something that we can change? I know whenever I took accounting classes 40 years ago, I am sure there's a lot of stuff that has changed between then and now. And I don't know what the best practices are and with the most recent tax law changes last year, are we impacted? I don't know because I'm not in that business and that's what we're asking for those type of opinions.

VP Roberta: Okay. Bob's comments are the first - when you first read about a forensic audit, he's absolutely right. That's what they say. On the second part, which Larry's alluding to is best practices. Are we following best practices for current direction from IRS, CPAs whatever?

Have we been following best practices and that's the question that really needs to be answered and we don't know that and I guess I would like to know can

we get a motion that says we're going to revise the RFQ and have you guys look at it and send it out. I guess that's my next part of it and I'm done.

John Steed: When I worked outside I had a crew of guys that drove vans. I had to get them repaired. One of the things that my boss told me is don't take a van in and tell them what to fix. Take it in and tell them what your problem is. Because you tell them what to fix, they'll fix it, but won't fix your problem maybe.

So, you tell them - you know Larry just made a comment in the previous discussion I think this is what we need to figure out what are we trying to do for our membership here?

I mean to spend \$100,000 may not be something our members want. I've heard terms like best practices. I don't know that a forensic audit is going to tell you anything about a best practice. I talked to Rick Schick yesterday and you know he's an accountant for a large firm and I said if you get a forensic audit and you give it to the IRS is it going to mean anything. He said, no.

He said the IRS is going to do what the IRS does. They're not going to necessarily take your audit and do anything with it and so if we're trying to buy off the IRS, I don't think a forensic audit is going to do us any good. I do think that our membership has a right to know that we're handling their money wisely, we're spending it wisely and we're doing what we should.

I'm not sure if a forensic audit is going to buy us that. I think there might be a cheaper way to do it. So that's where I kind of come down. We need to really decide what do we feel like we need to do for the membership and define that. And then that's what the RFQ ought to really be saying.

Larry S: M question is that none of us know how much this is going to cost. That's why at the very least I would have no problem sending this out and I doubt it would come back at \$100,000. I think that's a pie in the sky number.

But I would ship it out and see - at least it gives us the discussion point to get an RFQ on it and then if you look in the RFQ, it says towards the end of it, it says, the BCA has the right to negotiate you know any changes or anything else, I can't remember the exact terminology. But if we don't want to do that right then and there, because we think it's too high, then we can say, okay let's take a relook at what we might do.

Instead of doing a forensic audit, we can do a financial audit. What is that going to cost and what does that include. And the biggest things are, you know are we doing everything best practices and what can we change? And as for them saying the IRS is going to what the IRS is going to do, I'm sure they will be.

But one of the things this will do for us by getting an audit done now, is it will help us to make sure we have all the records we possibly have together so that we won't have to go you know so that we don't go crazy trying to find stuff that we may or may not know. This is going to be a task on both side - our side and their side to make sure that we have all the documents in line.

President Allan: If I can try to summarize what we've been talking about here, a) option for a forensic audit, b) option for an opinion audit or financial audit --I'm not a CPA, I don't know what the correct terminology is, I'm going to use the opinion audit -- c) a third option which would be having an outside firm review our practices for the past year and make recommendations regarding how we can follow best practices. Is that a fair assessment of what we've talked about?

Larry S: Not option c, That's - no.

John : Alan I think it is. I think we did talk about option c

Allan: Yes, we just spoke about it briefly in terms of I mean that was Roberta's point. If we really want to know if we're following best practices, we could ask that simple question before we go to the audit.

Larry S: That's part of the audit.

unknown: I don't think there's anything in our RFQ that says we want to know anything about best practices.

unknown: Yes, there is.

unknown: I'm looking here, I don't see that. Yes, that's something I hear that we're going to do.

President Allan All right. Let me see if I can find it.

unknown Let me know what page it's on.

President Allan: Take a look at Item 3, Item 3A and I don't mean to speak for you Larry but Item 3...

Larry S: That's okay. I don't have it up right now, but I know it's in there.

President Allan: Item 3A, this is under additional objectives. Item A under additional objectives. A review of current accounting practices must be included in the

audit. This review must be compared to current best practices, recommendations for improvement and increased transparency with the members.

Larry): Yes, Alan, I'm reading that too. Correct.

unknown: Okay.

Larry DeBerry: It's in there.

President Allan: All right. Just because I want to make sure that we're focusing this on what we want, it seems to me that we want options for a forensic audit and options for an opinion audit. Is the board agreed on that?

Larry S: What does it say down towards the end of that document? Like I said, I'm trying to pull it up right now.

Larry D ...the right to reject any and all proposals and to make an award-based recon on the proposals or to negotiate further with one or more of the firms. So just what you told us earlier

Larry S: That's what I said. I put in it everything to make sure that we still maintain control and understand. That's why I said ship it out as is right now, see what comes back. See what type of proposals come back. I don't know what the current accounting firms may come back with what they think we can do.

I think we kind of keep running in circles right now until we get at least one stake in the ground and that's at least one or two proposals and costs. I think once we get that, then we can sit back and say okay what are the options for us to do now?

Larry D Again, all I'm seeing too if you do an A and B version here, the project request and forensic audit, you can put that in for an opinion audit and change it to say three years of financial activities and then go down where it says in Section 3, scope of work, taking a forensic audit for the last seven years. You can do up another document, just seeking an opinion audit for the last three years.

And I think that pretty much covers all the mentions of forensics down through it. So, you can send that out - make sure it's detailed out and I didn't miss anything, but what I'm looking at now is pretty much what we could send out independently.

President Allan: With those additions Larry? Is that what you're suggesting?

Larry D: No, those additions, but another document instead of at the very top heading of the RFQ, Statement of Work Contract Activities. Okay then what is the RFQ project request? So, you just change - have another document already set up - this is A, this is B and then you just change a couple of words here, change a couple of years from say seven in the forensic back to three years, so that would give you a good opinion audit, I believe and then send then both out. See what comes back.

Larry S: On the - one of the emails I made a motion - let me go back and do that right now and to reconfirm that I still want that motion. Send it out as is, with the timeframes in it and get this over because this has taken up way too much time for other things that we should be addressing on it.

And we need to get at least a stake in the ground on cost. Send it out. If it comes out \$38,000, \$58,000, then we take and do what Larry D. just said, go back and change a few words and go for a financial audit which is the...

Allan: That's what we mentioned an opinion audit.

Larry S Yes. By the end it's a financial audit. In a financial audit you have a - see what this one is, send out the other one. See what you have and then find out whether or not - if you're going to both of them in the same envelope that's fine too. You know one for forensic audit pricing and I want one for a financial audit. Put them both in the same envelope. That's not that big of a deal. See what comes back.

We've got to pull the trigger you know. So, I guess my question are we going to move on the motion to send it out and I have no problem amending it to say we'll send out two packages - one for forensic and one for a financial audit and I'll make the changes with (Roberta).

President Allan: I could support any combination speaking personally of the ingredients that includes those two types of audits.

Allan: Is there further discussion on this?

unknown: We haven't made a motion. Do you have a second?

President Allan): Yes, Ed seconded it. Am I correct on that? I think Ed seconded it, the last one.

Ed: Wait a minute. I didn't do anything. I was talking when somebody walked into the room here.

Allan: Okay. I'm mistaken. We got a second. It may have been Terry.

Larry S: It might have been Terry. I will amend the motion to say we'll send out two packages. One on forensic, one on financial audit and I'll make the changes required to reflect wherever it says forensic to put financial in. And then we'll send them out together and see what comes back. You've got to start somewhere.

President Allan: Is there further discussion on what Larry S just proposed? Okay. Larry would you restate for everybody then what we're doing...

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Larry S: I move that the current RFQ that was presented in board be immediately released for bids with a deadline for proposal includes be due from qualified vendors no later than November 15, 2018.

A qualified vendor is defined as a large enough firm to have sufficient staff for a forensic and I'll make that change from forensic and/or financial audit staff with possible IRS interaction experience. And I said any single firms are not to be included in the quote because the probability of lack of depth of experience, the audit contract will be awarded no later than December 15, 2018. Which gives us two months to get through this.

And it went out and it was seconded by Terry

President Allan: What's the amendment phrase? Would you restate that?

Larry S: It's just that - right now it just says for forensic audit. I'm going to change it to amend it to only say forensic and a financial. So, we'll send out two packages.

President Allan: Okay and what is the term please?

Larry S: It says on the RFQ it still says seven. That didn't get changed.

Larry D: As far as I suggested three years for the financial.

Larry S: Yes, the motion right now has taken as send it out as is right now. I would send it out like I said and see what they say. Last paragraph I think it is and I can pull it up here in a second. The last paragraph says we can or right around that, it says we'll evaluate what it is and we have a direct ground proposal or negotiate further with one or more firms.

So, we don't have to have that, but at least it gives us a starting point. Find out how much a longer-term review is and once you get done with that if we say okay what if we take off one, two, three years and that gives us - we have that written in to negotiate whatever we want on a final. That's in the RFQ.

President Allan: That's workable, but why wouldn't we set the time for three years to seven years so we get those options immediately instead of having to go back and forth?

Larry S: Because come back with best practices - again what's the best practice we need to report to the members and how should we report to the members?

That's part of the fact that we haven't done anything for three years on reporting and that's an issue in itself. And that's part of just where have we been and maybe like I said, see what they say.

You've got to at least go and let a contractor take a look and see what we're doing and ask him where are we at? And if we don't like it, if it comes back too high or you know some crazy off the wall proposal, and we'll say well wait a second, we want to relook at what it is we asked for and maybe we didn't ask it in the right terms and I've seen those type of things happen.

We just have to ask for the moon and then go from there because you never know. They might be able to do the moon at a price we won't believe how inexpensive it might be.

President Allan: Okay. Is there any other discussion Larry's amended motion? Hearing none, it's time for a vote. . We're voting on Larry's amended motion which was seconded by Terry, as Larry just restated for us. So, Larry how do you vote.

Larry S: Yes. .

Larry D: yes.

John Steed: No.

Jack: Yes.

Bob: No.

Ed Yes.

Terry Yes.

Roberta: Yes.

Bill No.

President Allan): I have (Larry Schramm) yes, (Larry DeBerry) yes, (Jack) yes, (Ed) yes, (Terry) yes, (Roberta) yes, and the no's are (Steed), (Bob) and (Bill). Is that correct?

President Allan: I count six yes votes and one, two, three no votes. So, the motion passes.

Larry Schram I will sit down with Roberta. Her and I will take and put the second financial audit RFQ you know fix where it needs to be done so it's a financial review and the two of us, and Roberta will send it out to everybody when we get done with it. And we should do it - we will have it done this is Wednesday, we should have it done by the end of the week or the weekend at the latest.

President Allan to be clear, we're sending out two separate proposals is that right?

Larry S: Yes, please. If anybody has a recommendation of some sort of what are we speaking of national firm you'd like us to take and put the proposals together and send them out, please let us know so we can move with this.

Allan: Bob don't you have some recommendations of firms that you've investigated for this?

Bob Well a lot of these people I was referring to are retired. Why does it need to be a national firm?

Larry S One thing about a national firm is if there's depth of experience, I think you will find possibly a little bit more.

Bob Not necessarily.

VP Roberta): On the other hand, there is ones that are not CPAs that work for accounting firms.

Jack, I have a question for Bill and possibly for Alan. Where of the records of the BCA kept - the financial records? Whose position are they in?

President Allan): I don't know the answer to that, but I'm working on finding it. Bill do you know?

Bill: They should be in Columbus.

Bill: With (Mike) and (Nancy) I'm sure.

Jack Okay, then I would insist that we have somebody who has - whoever it is has to have an office there because we don't want to pay for travel time for this.

Larry S: I agree or at least have a location somewhere close even if it is up - if it has to be in Cincinnati or Cleveland. You know that's only an hour or two hours' drive. But the biggest thing is what can we do (Alan) now to try to get all the papers and records consolidated into one spot so that we can you know start - get prepared for this review?

President Allan: Yes, in anticipation of this, I sent out an email today to Bill to the Books and to Terry) telling them we were embarking on audit and I needed to know who's got what records where and asked them to collaborate on that. So, I haven't heard anything back this afternoon.

Bill: Here and it's all electronic. Okay.

Bill: I do have national meet records here and things from the national meets to national meets.

President Allan: . I will give it 24 hours to see hear back from Bill , Mike and Nancy and Terry and after that I'll start standing on their toes. Just so we can find out where this information is.

Larry S: Since Roberta and I have been you know trying to help coordinate this thing. Do you want us to go down and see if we can figure out what we have with the (Brook's) and as part of that transition that we're talking about trying to

figure out what all they do and where the records are for what they've been doing and try to kill two birds with one stone?

President Allan: I will adhere to what I stated in our email exchange. I'm not asking you to do that. Frankly, with Mike's state of health I'm not recommending it.

Larry S Okay.

President Allan: It's not something that we should be doing at this point. If it becomes necessary that's a different question. I don't think that anybody from the board at this point, needs to be knocking on Mike and Nancy's home which is where their office is and doing that.

Larry S: At some point in time, somebody's going to have to do that though in order to transfer everything.

John Hey Alan you mentioned, something there. Should we put in this job description that Larry and I are working on that these people need to buy the office space for that job?

President Allan: I think that's a good idea because we don't want to pay additional money for friending somebody in office.

President Allan: I appreciate everybody's time and at this point I would ask for a motion to adjourn.

VP Roberta: I move that we adjourn.

Larry D: I'll second that motion.

President Allan: Moved by Roberta, seconded by everybody. All in favor.

(Group)

Aye.

END