

BCA Minutes 10/1/2018 – 10/30/2018

10/1/2018

The discussion regarding the RFQ for an audit has resumed. President has concerns that the audit RFQ as prepared indicates a possible issues with the BCA non profit status with the State of California. President Alan has sent a copy of the certificate form the State of California that the non profit status of the BCA has been resolved.

10/1/2018

Email received from the BOOM Chapter stating their objection to an audit, calling it an unnecessary expense.

10/5 /2018

Larry D recommends a forensic audit. The duration of the audit term is also discussed and Larry D recommends a 7 year period. The possibility of a partial meeting of the BOD at the Hershey AACA Meet is discussed.

10/5 /2018

President Alan reiterates that a committee of three people consisting of Treasurer Bob, VP Roberta and Larry S has been made to come up with three proposals from three firms, each firm to give us a price for both a forensic and an opinion audit.

10/5/2018

Discussion followed regarding the RFQ and whether it should go out as originally drafted or if it should be revised.

10/8/2018

Larry S emailed : I have been reading the series of emails and now I will give my observations and experience.

Roberta and I have put a lot of work and thought into the RFQ as requested by a number of board members that did not like my earlier statement of work, (SOR). That includes consulting with a number of persons in different professions to make sure we did not miss anything. The RFQ that we submitted is in a standard financial RFQ outline and states the needs of the organization based on previous lack of financial communication with the member bodies along with the lapsing of the non profit status of the organization. To say that we should not ask for an opinion if there might be an impact on our finances is not prudent fiduciary responsibility by the board.

Roberta and I have been polling a fairly representative sample of the members as we have received calls as being board members and the feed back has been overwhelming in favor of a detailed audit. We can play games with the word semantics and wordsmithing but the need for a detailed audit is overwhelming.

The RFQ must go out as written unless there is a crevice of financial activity that we might have missed that needs to be looked at and included in the RFQ.

From my experience being on the GM Financial Staff and doing a number of audits, one constant in audits is the more pushback to not perform an audit usually a tacit admission of some sort of impropriety, REAL OR IMAGAINED. Experience has shown usually where there is a smoke screen there is fire.

The BCA is currently under a possible IRS audit. Nothing known at the moment, but WE SHOULD BE PROACTIVE as a board and do the most detailed audit we can so if the IRS come knocking we will be able to show good board governance on our part with a keen eye to our fiduciary responsibility to be sure we have done everything according to their rules and the best interest of the club members at large according to the bylaws of the club.

One of the issues that can come up about some of the comments about not publishing the financial monthly figures is there is no room in the Bugle. That comment has been documented in emails and I believe in some of the board minutes over the last few years. I personally find that some what of a point of humor when there is no room to print a required document as stated in the by laws, but there is room to print a full page request for judges every month at least a year in advance of a national meet. Would someone please explain how that works??? I am on the record in a number of places stating that I am not against judging, but if there is that much interest in judging, placing a form maybe one or two months before the national meet would be more than sufficient to have all of the judges that are needed. Just my opinion from my experience from working in GM Sales, Service, & Marketing and teaching Marketing at the undergraduate and graduate level for 15 years. Give the customer a product that they want and they will buy it. That is why the car industry killed the buggy whip business or cell phones have killed the coin pay phone business.

I have not seen a second for Ed's motion so I will presume that it has died for lack of a second.

I will offer up this motion to replace Ed's.

I move that the current RFQ that was presented to the board be immediately released for bids with a deadline for proposals and quotes be due from qualified vendors no later than November 15, 2018. A qualified vendor is being defined as

a large enough firm to have sufficient staff in forensic audit staff with possible IRS interaction experience. Any "single shingle" firms are not to be included in the quote pool because of the probably lack of depth of experience. The audit contract is to be awarded no later than December 15, 2018.

I guess it is now out for a second.

After the quote packages are returned, we can look at the proposals and cost estimates. Remember that in the RFQ, there is a note that the board can negotiate additional issues from the original quote with one or more firms.

As an additional item, Roberta and I have already talked to a number of potential firms to at least tender a quote from them. If anyone has other firms that we can investigate to offer the package, please let Roberta and I know.

10/08/2018

Terry seconds Larry S motion

10/9/2018

President Alan emails, that the RFQ is not as requested as follows: I have several thoughts to offer.

AUDIT

I already offered my appreciation for the work Roberta and Larry put into the RFQ. Clearly, much work and thought was involved.

However, it does not offer the Board an option for anything other than a forensic audit.

When the audit committee was formed (Roberta, Larry, Bob) *one of the specific instructions was to solicit firms that could offer us options including a forensic audit and an opinion or financial statement audit.* This RFQ doesn't solicit for any other option than forensic audit. Therefore, this RFQ is deficient in not meeting one of the specific requirements for which the audit committee was formed. Why not add this option to the RFQ?

I have heard from many members as well, including several who are highly qualified in audit experience, that a forensic audit is unnecessary for the BCA, and will be much more expensive.

To be clear, I support a detailed audit as I have stated many times. I also support the Board having the option of an opinion audit. Several board members have expressed a similar opinion.

Larry, I am surprised that you suggest that if someone has a different opinion about the audit options that they are immediately under suspicion.

The Board must be big enough to allow reasonable discussion of options, and differing opinions.

If the Board eventually votes for a forensic audit, then that is what we will do. However, the Board deserves a choice in the kind of audit and expense if we are going to spend member's dues for an audit.

Last week, I suggested a phone call for all the members of the board to discuss the RFQ. I still want to do that the week of the 15th.

BCA OFFICE

I wrote in an email to the board, right after the Books made their announcement, that the Board will get together to discuss putting together an RFQ for anyone who wants to be considered for the Office job. I want to discuss doing that on our call, the week of the 15th.

As I stated then, the deadline for applicants to notify the Board of their interest is Dec 15th - that is part of the ad that will run in the Bugle, which I sent to all of you.

The ad will also appear in the AACA magazine, and the CCCA magazine, which I also noted in my email to the Board.

We will send the RFQ to all applicants as soon as it is developed, so that we can immediately begin consideration of candidates after Dec. 15th.

BUGLE

The board can devote all the pages of the Bugle to printing financials if we want. I support whatever the board wants to publish.

Please:

Let me know if you are available for a call the evening of Monday, the 15th (next Monday). If not then, please offer another date next week. The agenda will include discussion of the audit RFQ, and discussion of RFQ for BCA office.

10/11/2018

Mike & Nancy send photos and requirements for the space required for the BCA office.

10/11/2018

CFO Bill sent out the August Financials to the BOD.

10/14/2018

Bob sent out various vouchers that had been paid by the BCA for BOD FYI.

10/17/2018

President Alan sent out a job description prior to the teleconference call.

10/17/2018 Ron DeGroff sent a report on the 2018 BCA tent activity at Hershey

10/18/2018 President Alan reported that the AACA is not in a position to currently handle the added workload of our Office Management .

10/18/2018

CFO Bill emailed the year end balance sheet to the BOD and asked for questions.

10/18/2018

Jack Gerstkemper sent a PWD status report to the Board

10/19/2018

Larry D stated; "in my view this (Jack Gerskemper's report) not to be even considered on its validity".

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10/22/2018

CFO Bill sent a chart listing advertising revenue and commissions paid on that revenue to Mike & Nancy Book

10/22/2018

Larry S asked for the total expenses of running the BCA office CFO Bill responding by sending out the P & L balance sheets

10/23/2018

The BCA office provided a total inventory of the office assets