

Alta California Regional Center
Finance Committee Meeting
Monday, September 14, 2015
Minutes

Present:

Anwar Safvi, Chair
Cindy Benson (via phone)
Brendan Peacock
Steven Sanchez (via phone)

Absent: (* excused)

Walter Kaweski*
Jon Nelson*
Austin Taylor

Board members:

Jacqueline Armstrong
Dan Lake
Rosa Meza-Villaseñor

Staff:

Phil Bonnet, Executive Director
Peter Tiedemann, Chief Operating
Officer
Lisa West, Executive Secretary

The Finance Committee met at 4:38 p.m. on Monday, September 14, 2015, in the Brenda Smith Conference Room at Alta California Regional Center to discuss: 1) Monthly Financial Report; 2) Overview of Regional Center Finances; 3) Approve Line of Credit; and 4) Review DDS vendor audit requirements for current FY. All present provided self-introductions.

Without objection, Anwar Safvi made the motion to adopt the Finance Committee meeting minutes of July 13, 2015 as amended.

1. ***Monthly Financial Report***

Issue: The monthly financial report is reviewed by the Finance Committee prior to presentation to the Board.

Discussion and Action: Mr. Tiedemann distributed the July 31, 2015 financial report which reflects one month of expenditures for the current fiscal year (FY). ACRC has expended 6% of Purchase of Services (POS) and 10.2% of Operations (OPS).

Mr. Tiedemann explained that OPS expenditures appear higher for the first month of the FY because of advance payments of some expenses such as insurance, rent and employee benefits.

Annual projections are not due to the Department of Developmental Services (DDS) until November, so there is very limited data in this month's financial report.

Without objection, Anwar Safvi made the motion to accept the monthly financial statement as submitted.

2. ***Overview of Regional Center Finances***

Issue: Committee needs to review the proposed training.

Discussion and Action: "ACRC's Board Finance Committee Training" was distributed for review. This training was put together to give the Finance Committee members an overview and background of where the regional center's money comes from and the difference between cash flow and contracts. Mr. Tiedemann expressed his appreciation to Mr. Safvi for his assistance in developing this information.

Mr. Tiedemann reviewed the following information with those present:

- ACRC's budget is comprised of three primary budget categories – POS (Client Services), OPS (regional center staff, rent, operating expenses) and Community Placement Plan (CPP – cost for clients moving from developmental centers)
- Contract allocations and amendments
- Expenditures versus allocation – in June, our expenditures typically exceed our contract authority
- The difference between contract and cash flow – we can have the spending authority and not have the cash or vice versa

Regional centers have no other assets other than the cash that DDS gives them. Mr. Tiedemann explained that ACRC does not own the chairs that we sit on or the computers that we use. What we don't spend out of our contract for any particular year is not kept by ACRC.

- **This information will be considered for an upcoming Board sponsored training.**

3. **Approve Line of Credit**

Issue: Committee needs to review and approve ACRC's line of credit with U.S. Bank.

Discussion and Action: Mr. Tiedemann shared that ACRC has a line of credit with U.S. Bank in case of cash flow issues. Historically, this line of credit has been for \$23 million. As reported a few months ago, the bank changed their practices due to banking regulations. U.S. Bank is willing to provide us with a \$12 million line of credit without a fee. If more money is needed, the fee would be approximately \$15,000.

Mr. Tiedemann encourages the Board to approve the \$12 million line of credit at this time and only ask for more money if we need it.

M/S/C (Brendan Peacock) **To approve the \$12 million line of credit as presented.** (4 in favor)

4. **Review DDS vendor audit requirements for current FY**

Issue: Committee needs to review DDS' vendor audit requirement for the current FY.

Discussion and Action: Mr. Tiedemann shared that ACRC will be required to conduct 17 vendor audits this FY as part of our contract with DDS. He shared that all of these vendors are paid under \$100,000 per year.

Mr. Bonnet clarified that DDS is responsible for conducting the audits of vendors who are paid in excess of \$100,000.

- **Information only.**

****A joint presentation by staff regarding the State Budget Update before the Finance Committee and the Executive Committee will commence at 5 p.m.***

The next Finance Committee meeting is scheduled for **Tuesday, October 13, 2015**, at 4:30 p.m. The meeting adjourned at 5:06 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Phil Bonnet