

**COLLEGE & UNIVERSITY PROFESSIONAL
ASSOCIATION FOR HUMAN RESOURCES
BUDGET & FINANCE COMMITTEE**

FIRST DRAFT OF MINUTES

The call was convened Tuesday, October 27, 2015 at 3:03 pm EDT.

Members present: Barb Carroll, Chris Byrd, Kevin Fowler, David Blake, Deb Benton, Andy Brantley, Rob Shomaker, Glee Wilson

Guests: George Fleeson, Senior Financial Advisor at Wells Fargo Financial Services Network

Investments

Chris introduced George Fleeson, investment advisor to CUPA-HR since 1984. George began by reporting on the current economy especially the large correction (defined as a decline of 10% or greater) that occurred in August. The market has recovered and is now back in the black. George provided a chart of the Distribution of Annual Returns for the S & P 500 for the years 1926 through 2013. This chart shows that 73% of these years show a positive return and the majority of the positive returns are greater than 10%. George noted that lean periods are often followed by better returns. So, we should always look at the long term view of our investments. The investment advisors are predicting that interest rates will be lower for longer periods than normal and do not anticipate rates to reach 5% for at least five years.

Our current portfolio consists of 86% equities, 10% fixed income, 3% commodities and 1% cash. George stated that equities are the least risky investment for the next 4 – 5 years. He feels that this portfolio is the appropriate balance for CUPA-HR.

Several committee members asked clarifying questions regarding the economic situation which George answered.

Chris asked this question: If we decided to invest additional funds in our portfolio, do you suggest we do so all at once or on a gradual schedule?

George replied: If you were going to do this soon, I would say do it all at once while the market is lower. If you will be waiting several months, probably should invest gradually.

MOTION – Dave moved and Kevin seconded a motion to continue with our current investment portfolio mix into next year and send this recommendation to the full board for approval.

The motion passed unanimously.

Additional discussion was held on investing additional funds. Glee reported that she has CD's maturing continuously, but will need some of these funds for operation expenses as this time of year, cash inflow is less than cash outflow. Andy, Rob, Chris and Glee will analyze the cash flow for the next six months and provide a recommendation to the committee by mid-November if there are additional funds to invest at that time.

Financial Indicators

Chris reported that 2015-16 dues collections to date are 102.37% of budget.

Annual conference (ACON) registrants were at 892 and the budget was 943. Sponsorship & exhibit revenue exceeded budget. Due to the increase in sponsor and exhibitor revenue and ongoing careful management of expenses, this year's event was the most financially successful ACON ever!

We will have an updated projection of both revenue and expense for our next call.

Tax Return

Chris discussed the key sections of the tax return related to governance, management, disclosure and compensation. There were no questions.

MOTION – Deb moved and Kevin seconded a motion to approve the Form 990 and send this recommendation to the full board for approval.

The motion passed unanimously.

Andy will send the return to the full board tomorrow and ask for an e-mail vote to approve it quickly as the return is due November 15.

Conference Scholarships

Rob presented the Midwest Region board request to use reserves to fund \$4,250 for 10 scholarships (registration only) for early career professionals. This is in an effort to continue a program that has been in place for the last 3 years. These scholarships would be in addition to the 3 full conference scholarships (registration, hotel, travel up to \$450) included in their Region Governance budget.

Rob commented that this conference budget is already tight due to high costs at the Chicago location and registration had been pushed in order to make the budget work. If this is added to the budget, the return to reserve will be less than the 5% required by board policy. It was also noted that the Midwest Region Conference had returned to reserves in previous years and as we budget conservatively, we would most likely be able to absorb this additional cost and ultimately not need the reserve funds.

Barb asked if this was a one-time request or also for subsequent years. Rob said this is a program that the region board has developed to provide 10 registration scholarships to early career professionals every year.

The committee expressed support for early career professional outreach, but there was general concern regarding equity across the regions. Region reps to the B&F committee, Deb and Kevin, commented that their regions have already agreed to offer only the three scholarships as recommended. To provide a different scholarship opportunity for Midwest Region attendees would be of concern. This was not as much an issue of cost as it was setting a standard and creating equity across the spring events.

MOTION – Dave moved and Kevin seconded a motion not to approve the Midwest Region request for funds for 10 additional scholarships

The motion passed unanimously.

The call was adjourned at 4:19 pm EDT.

Next scheduled call/meeting

The next call will be Tuesday, November 17, 2015 3:00 pm EDT.