

Historic South Downtown  
Tuesday, January 28, 2020  
Board Meeting Minutes

Attendees: Ken Takahashi, HyeEun Park, Jessica Rubenacker, Derek Lum, Dana Phelan, Jamie Lee, Stephanie Pure, Julie Fonseca de Borges, Carl Seip

Not Present: Karen True, Azar Koulibaly

Visitors: Steven Judd & Jenny Gebhart Finley, Neil & Company Auditors

Staff: Kathleen Johnson, James King, Jr

Meeting called to order at 5:06pm by Jamie Lee.

Draft of Audit Reporting Package presented by guests from Neil & Company Auditors

- Pg 1: Independent Auditor's Report "as good as it gets"
- Pg 2: Supplementary Management Discussion and Analysis (MD&A: 5-8 pgs of narratives, charts of major things that happened this past year as well as looks at key highlights for the coming year)
- Pg 3: statement of net position (balance sheet)
- Pg 6: footnotes to the financial statements, general statements of how the organization operates
- Pg 7: summary of recent adopted accounting principles and reasons for the change, affects the organization operations
- Pg 9: disclosure statements, need to highlight the concentration of income source, cash footnote explains
- Pg 11: disclosure of actual commitments made after year end (signed grants/contracts), as well as "related parties" (organizations who receive support from HSD who also have board members/staff associated with the receiving organizations, conflict of interests); need to include some discussion of competitive grants and direct investments procedures
- Auditor Recommendations (no written documentation forthcoming):
  - accrual process at quarter and year end for budget balances; Risk Assessment - formal risk assessment needed, brief narrative of how we might respond if X,Y,Z were to happen (think through various risks and how we might need to respond): cyber security, wire transfers that are not authorized example, organizational relationships, etc.
  - Questions about grant expenses? clarification that we will see grant tracking sheet at each board meeting as part of the consent agenda process; full accrual will likely happen when awarded or when the benchmarks are reached; all grants tracked in QuickBooks
  - Allocation of salary expenses: need allocation process as the organization grows (categories need to be tracked)
  - Consider an investment policy that shepherds the funds appropriately
  - Required letter to the board of directions: outlines certain requirements for reporting of audit adjustments, anomalies
- Vote to approve audit tabled to next board meeting b/c of missing MD&A

Consent Agenda:

- Motion to approve new bank signers; need written confirmation from bank of who was removed as authorized signers; Kathleen stays on as a signer.
- HyeEun Park motioned, Carl Seip seconded
- No oppositions/abstentions
- All Approved, motion passes

Grant Making Process

- any substantive changes to a proposal/ grant contract that matches the original scope will need to go back to the grant committee for review rather than presenting at the board meeting
- Consider adding a mechanism in the application process that allows the grant making committee to consider past/current performance in determining awards in the application process (discuss with HSD staff, consider progress of prior awards)
- Current scope of work process allows for slight modification of proposed project; need to articulate when the threshold of change triggers further review from the grant review committee
- Propose that exemptions to the policy need to be made in writing with explanation to the executive committee
- This policy should be included in the application process
- Questions:
  - Retroactive policy? Yes, but time extension should be offered for retroactive affected organizations.
- it should go back to the grant committee before the board can consider a motion. Tabled to future board meeting

Review of Survey & Next Steps: refer to link sent with board packet

- How do the results impact future grant awards and/or how HSD staff spend their time?
- Grant making committee will discuss further.

For the Good of the Order

- Availability for board retreat in spring
- Feb 8, 11-4 Lunar New Year Celebration in the C-ID
- Next Board mtg, Feb 25 at Hing Hay

Adjourned at 6:31pm by Jamie Lee

Approved: 3/7/2020  
(date)

DocuSigned by:

Julie Fonseca de Borges

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Julie Fonseca de Borges, Secretary