

**CAPCA BOARD OF DIRECTORS MEETING**  
**June 17, 2006**  
**Columbia, SC**

*Please Note: New email contact information:*

Kay Aumiller [kaycapca@bellsouth.net](mailto:kaycapca@bellsouth.net)  
Charlie Carter [charlie.carter@troutmansanders.com](mailto:charlie.carter@troutmansanders.com)

The CAPCA Board of Directors met at the Eastman Chemical Company facility, in Columbia, SC on June 17, 2006. Peter Lloyd, President, called the meeting to order at 12:50 pm.

**Attendees:**

Peter Lloyd	Jim Joy	Mark Hawes	Charlie Carter
Peggi Davis	Phil Brantley	Hanneke Counts	Penny Mahoney
Tommy Bartlett	Ann Daniel	Don van der Vaart	(by conference call)

Absent: Kay Aumiller

Other guests included Eve McCoy, CPA, and the remaining members of the By-laws committee: Max Justice, Carl Burrell and Jim Witkowski

Minutes from the April 19 and April 21 meeting were approved, with a few minor corrections.

**Treasurer's Report**

Tommy deferred to Phil's Quicken report. As of the end of May, the account balance showed \$325,754.13. A major hotel payment (~\$105,000) was recently paid but not shown in the report. The account is in line with last year's status. This report is attached to these minutes as information.

Eve McCoy, CPA, was briefly introduced and reviewed her audit process. She verified she sees the activity on all accounts, and makes sure everything balances. IRS form 990 has been submitted on time, and a copy of the submittal was given to the CAPCA Secretary. There is a new question on the form regarding written procedures for addressing conflict of interest policy. While not required for non-profit organizations, Eve suggested it is the prudent thing to do. Eve recommended an attorney advise CAPCA as it is more of a legal issue. The wording included in the by-laws is not sufficient. A MOTION WAS MADE THAT CAPCA obtain legal advice from a non-Board member to address the written conflict of interest policy in relation to the question on IRS form 990. The motion passed. Tommy, the Treasurer, will follow up on obtaining legal advice. There is an IRS sample policy (form 1023 attachment) available for review.

Phil introduced Eve in more detail, providing her professional experience and relationship with CAPCA. Phil added Eve has been asked to look at how CAPCA business is conducted, not just a financial reconciliation of the accounts. Eve went on to review her 2004 audit report, which provides the highest level opinion – called an 'unqualified' or 'clean' report. Eve had submitted to the Board a separate letter which points out some suggestions for the Board to consider. During an audit, every transaction is not examined, but a random, representative sample is reviewed, confirmation made directly with the bank, review of minutes for Board authorizations to support financial transactions and to assure the audit is all inclusive. In alignment with standard accounting practices, the report is dated on the date the opinion report is made, even if additional information is collected, provided it does not change the findings. A suggestion was made that the cover letter indicate the date the report is submitted to the Board for review, so it does not look as if the Board is not acting on the recommendations in a timely manner.

Eve commented that the income reflected in the minutes as a general discussion is okay, though more specifics should be presented in a separate report. Ann asked Eve to review the new

database and comment and/or advise. Eve evaluates if business is being conducted in accordance with the by-laws, though generally not in too much detail. Eve agreed a written policy of procedures is a good thing to have, and it should not necessarily be included in the by-laws. If such a document existed, it would be reviewed during the audit process.

When asked, Eve responded that CAPCA has more money in the bank by comparison, but the procedures and comfort level are in line with other small organizations. The size of an organization is based on the number of members rather than financial transactions. She further commented contractual (legal) obligations should be reflected in the minutes; audit process looks for liabilities and financial obligations. It is not typical, but perhaps prudent, to get liability insurance (business interruption), if the cost benefit is there. It is not necessary to disclose cancellation policy or "act of God" liability in annual financial statement. Auditors project viability out one year, not further.

Eve stated Treasurer's responsibility is the oversight of financials. IRS document instructions explain authority to sign – usually someone who has day-to-day knowledge, and is not necessarily the responsibility of the Board. The Board asked if it is appropriate to have the audit completed before the May tax filing deadline. It is feasible, but because of the timing of the spring meeting, it is difficult. Eve would need all information no later than April 16 in order to complete report by May 15 filing. Typically an audit takes nine months after fiscal year. Existing March 1 audit deadline in by-laws is a result of the previous October through September fiscal year. Eve was thanked for attending the meeting and was excused.

#### **By-laws Committee**

Max Justice, By-laws committee leader, reviewed the findings and recommendations of the committee, which were previously distributed to the Board. Discussion ensued about whether and how to inform the general membership of changes since the original by-laws and the recommendations from the committee. Not all recommendations will require amendments to the by-laws. The committee will amend and restate (a.) of the report recommending streamlining of the by-law amendment requirements and procedures to separate two issues where there is consensus and disagreement. There was further discussion regarding tenure of the Board, and when new positions should take effect. The group was advised to submit concerns and comments on the by-law recommendations to Peter by July 12. A conference call was set up for 2 pm on July 19 to discuss these issues further. The non-Board by-law committee members were thanked for their work and attendance, and excused at 4:37 pm.

#### **Finance Committee**

Mark Hawes, committee leader, reviewed his team's recommendations that focused on three key areas: personal expense reimbursement, disbursement of funds, and delegated responsibility of officers. Three motions had been previously submitted to the Board to consider. The first MOTION STATED THAT *all personal expenses, as allowed in the by-laws, shall be submitted, with receipts and an explanation of each expense, in a timely manner for approval by the Treasurer, Vice President, or the President of CAPCA. A timely manner shall be defined as a period of time not to exceed a calendar quarter. Expenses shall be submitted no later than the month following the end of the calendar year quarter. For example: Expenses incurred in January, February and March shall be submitted not later than the end of April. This shall be effective for all expenses incurred beginning with July 2006. Expenses incurred prior to July shall be submitted not later than the 3<sup>rd</sup> quarter expenses in October 2006.* Phil stated he felt this level of detail was not necessary. Peggi offered to look in the files for reimbursement procedures discussed during a previous Board meeting. After further discussion, the motion carried.

After much discussion, the motion related to disbursement of funds with respect to meetings and conferences was withdrawn.

In addition, the finance committee decided to hold the proposed motion related to the Board's responsibility to enter contracts, signatory authority, etc, in order to amend and restate, with the

provision that CAPCA refrain from entering any future contracts until this issue is resolved by the Board. The Board concurred. Contracts are in place for CAPCA conferences until Fall 2008.

**Fall Conference**

Due to the lateness of the day, the conference was very briefly discussed. Gifts were selected for the upcoming fall and spring conferences.

The next Board meeting will be held at the Hilton in Myrtle Beach, SC on August 12. A conference planning meeting will likely be held prior to the Board meeting.

The meeting adjourned at 5:12 pm.

Respectfully Submitted,

Peggi Davis  
CAPCA Secretary