

Ad Hoc Bylaws Revision Committee

Meeting: November 24, 2009

Attendees:

Chuck W – EVI Treasurer; LynDee R – DCM Dist 33; Andre K – EVI Member at Large; Richard T – EVI Co-Chair; Lana Y – EVI Archivist; Ric H – EVI Bookkeeper

The following factors were identified:

- The newly elected Committee Chair Persons that rotate in during the month of December have too little time to consider their budget requests for the following year. It makes no sense to require those request submissions so soon after elections.
- Many of these new Committee Chairs need assistance drafting a budget request.
- To compute the upcoming year's Prudent Reserve, the Treasurer needs figures from the entire previous fiscal year (including the 'closed' books for the immediately previous month) and must also consider approved committee budget increases.

These factors compound to unreasonably compress the time frame for the Committee Chairs' budget request submission/approval process and the Treasurer's computation of the Prudent Reserve.

Therefore the committee recommends the following changes:

1. EVI's fiscal year be changed to begin on April 1. (Currently the de facto fiscal year begins on January 1.)
2. EVI host a Budget Workshop in January to assist new Committee Chairs and Co-Chairs in crafting their budget requests.
3. Committees submit budget requests to the Steering Committee at (by) the regularly scheduled February Steering Committee meeting (first Monday in February).
4. Steering Committee submits recommended Committee Budget amounts for approval at the regularly scheduled March EVI Business Meeting (second Monday in March).
5. The Treasurer calculates the new fiscal year's Prudent Reserve immediately after budgets are approved.

6. The new Committee Budgets and Prudent Reserve go into effect at the beginning of the new fiscal year (April 1)
7. The EVI Bylaws be amended to reflect these recommendations as follows:

Under the Heading **FINANCIAL OPERATIONS**, the sections that currently read:

On November 12, 2001 the body approved a "Prudent Reserve" amendment placed before it by the Business Practices Committee. This Prudent Reserve is intended to provide six months operating expenses in the event EVI receives no income whatsoever. The first year's Prudent Reserve will be 6 X \$1,450.00 (\$1,450.00 being the average monthly expense for the previous year) or \$8,700.00. The equipment fund for the first year will start at \$1,000.00. Therefore the Prudent Reserve for 2002 will be \$9,700.00. Each year prior to January 1, the Steering Committee will set the total amount of the prudent reserve based on the previous year's average monthly expenses plus any increases in approved committee budgets for the coming year.

On January 1st of each year the business checking account will be adjusted so that the balance in that account is equal to the sum of one month's operating expenses (based on the average monthly expenses from the previous year) plus the sum of \$1,000.00. The one months operating expenses represents anticipated daily costs. The extra \$1,000.00 is part of the prudent reserve to provide a "cushion" in the event monthly expenses occasionally exceed income. The regular monthly Treasurers report will include a statement as to whether it was necessary to dip into the prudent reserve at any time during the month. That will be cause for the Steering Committee to be looking at why expenses are exceeding revenue and take appropriate action if necessary.

The remaining Prudent Reserve balance of \$8,700.00 will be held in selected savings accounts as follows:

1. A \$1,000.00 "Primary Reserve" will be held in a money market interest bearing account. This money can only be accessed with the approval of the Steering Committee and only if the entire \$1,000.00 "cushion" in the checking account has been exhausted. A business plan to correct the problem must be adopted by the Steering Committee prior to the money being transferred into the checking account.

2. \$6,700.00 will be held as a "Secondary Reserve" in several Certificates of Deposit to provide a higher interest return on the money held in reserve. Several Certificates with staggered maturity dates will allow the money to be accessed every 30 days if needed. Money from this fund may not be accessed unless there are specific cost cutting recommendations from the Steering Committee for resolving the financial "crisis" which has exhausted both the \$1,000.00 "cushion" and the \$1,000.00 "Primary Reserve". That recommendation must be approved by a majority vote at a regular or special EVI business meeting where a quorum is present.
3. \$2,000.00 will be set aside in a separate savings account for an Equipment Replacement Fund. This fund may only be accessed by the Steering Committee for equipment costing over \$200.00.

be amended as follows:

As of December 31, 2009 EVI will change its fiscal year from January 1 to April 1.

In preparation for the fiscal year start, the Steering Committee will host a Budget Workshop in the month of January to assist new Committee Chairs to create their budget requests. It is strongly recommended that all sitting and outgoing EVI Committee Chairs and/or Co-Chairs attend to share their Experience, Strength and Hope to assist incoming Chairs and Co-chairs in this budget creation process.

Committee Chairs will submit budget requests to the Steering Committee at the February Steering Committee Meeting for consideration (first Monday in February).

Steering Committee will present its budget recommendations to the body at the March EVI Business Meeting for approval (second Monday in March).

Approved Budgets will go into effect at the start of the fiscal year (April 1)

On November 12, 2001 the body approved a "Prudent Reserve" amendment placed before it by the Business Practices Committee. This Prudent Reserve is intended to provide six months operating expenses in the event EVI receives no income whatsoever. The Prudent Reserve will be calculated to be

- 6 times the average monthly expense for the immediately preceding 12 month period (April – March)

- plus any approved increases in Committee Budgets for the coming year (calculated as: total annual committee budget increases divided by 12 times 6),
- plus a \$2000.00 Equipment Fund (for repair or replacement of office equipment, as needed).

Each year prior to April 1, the Steering Committee will set the total amount of the prudent reserve according to the formula above, based on the previous fiscal year's financial statement.

On April 1st of each year the business checking account will be adjusted so that the balance in that account is equal to the sum of one month's operating expenses (based on the average monthly expenses from the previous fiscal year) plus the sum of \$1,000.00. The one month's operating expenses represents anticipated daily costs. The extra \$1,000.00 is part of the prudent reserve to provide a "cushion" in the event monthly expenses occasionally exceed income. The regular monthly Treasurers report will include a statement as to whether it was necessary to dip into the prudent reserve at any time during the month. That will be cause for the Steering Committee to be looking at why expenses are exceeding revenue and take appropriate action if necessary.

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2. The balance will be held as a "Secondary Reserve" in several Certificates of Deposit to provide a higher interest return on the money held in reserve. Several Certificates with staggered maturity dates will allow the money to be accessed every 30 days if needed. Money from this fund may not be accessed unless there are specific cost cutting recommendations from the Steering Committee for resolving the financial "crisis" which has exhausted both the \$1,000.00 "cushion" and the \$1,000.00 "Primary Reserve". That recommendation must be approved by a majority vote at a regular or special EVI business meeting where a quorum is present.

3. \$2,000.00 will be set aside in a separate savings account for an Equipment Replacement Fund. This fund may only be accessed by the Steering Committee for equipment costing over \$200.00.

This amendment was adopted by a group conscience of the member groups at the EVI Business Meeting on **(insert Business Meeting Date here)**. The Prudent Reserve will be funded annually according to the above formula based on the prior fiscal year's average monthly expenses, including the budgets approved by the group representatives, at the regular EVI business meeting. Consequently, the amount of the reserve will increase or decrease as budgets for committees, and therefore, monthly operating budgets, increase or decrease each year. The amount held as a "Secondary Reserve" will be adjusted accordingly. If our experience in the coming years indicates the amounts are reasonable, there will be no need to require an annual Group Conscience for approving the Prudent Reserve. In the event our experience indicates the reserve is too high or too low, the number of months of operating expenses required to be held in reserve can be amended in the future by an amendment to the Bylaws to conform with a Group Conscience of the membership as a whole.

Respectfully Submitted in Love and Service,

Ad Hoc Bylaws Revision Committee

Transcribed by Ric H – EVI Bookkeeper