

SDC Special Board Meeting

December 4, 2022

SDC President, Denny Foust called the meeting to order at 4:09 PM Eastern time.

Attendees: Roll Call was taken by Secretary, Cindy Foust. Officers present were: Denny Foust, President; Jane Stinson, Treasurer; and Cindy Foust, Secretary. Directors present were: Frank Philippi, Atlantic Zone; Harvey Snitzer; Crossroads Zone; Don Cox, South Central Zone, Ed Smith, Pacific Southwest Zone; Mark Carson, Pacific Can Zone; Warren Thompson, International Zone; Steve Grant, Northeast Zone; and Allan Dias, Southeast Zone; Tom Sexton, Upper Mississippi Valley Zone; and Chuck Donkle, North Central Zone. Don Jones, Vice President and Tom Curtis, Past President were absent. Carl Thomason, Parliamentarian was present.

- I. Minutes of the Special Board Meeting held on October 30, 2022 were approved, on a motion by Harvey Snitzer, seconded by Mark Carson. The motion passed by all Board members present.

- II. Review of the notice of rate changes from Cornerstone: Jane Stinson

Jane reviewed notice from Cornerstone/Mark Wheeler regarding changes to the service rate schedule for 2023. Per Jane's analysis, overall rate changes for the Membership Secretary fees will increase approximately 8.5%, rates to the International Meet fees will increase approximately 13%.

Cornerstone adds a 10% up-change in product costs, which includes postage. His administrative fees will also be increasing.

Options to reducing costs were made by most board members. Although no final decision was made, Denny offered to discuss the notice of fee changes with Mark Wheeler and report back to the board.

- III. Contracted Accounting Firm: Jane Stinson

Background: During a recent audit, the IRS Auditor advised that a compensated board member is considered an employee of the club/corporation by statute. Which means SDC is an employer. Don Jones (as stated in a previous meeting) said this would mean SDC would be subject to tax reporting as an employer and subject to additional insurance requirements as that of an employer. Don Jones also stated that it is in the best interests of SDC to contract the basic accounting/bookkeeping duties to an outside firm.

Jane proposed that One Plus One Accounting Service be the firm handling the bookkeeping services.

After discussion, where-in concerns and questions were raised by board members, Chuck Donkle suggested we defer further discussion and decision to the January Quarterly Board Meeting.

Carl reiterated that he had previously spoken with Mimi Halgren regarding New York Laws and the hiring of an accounting firm. The SDC Treasurer would be responsible for oversight of the contracted accounting firm. Should the SDC Treasurer, have any association with the contracted accounting firm,

they would be expected to recuse themselves from any voting of the board that would involve the contracted accounting firm, or compensation of the firm.

Both Cindy Foust and Carl Thomason reiterated the importance of the change to the Bylaws and Policy Procedure Manual, where-in the Treasurer's position can no longer be compensated, and needs completed by year end. A decision on One Plus One Accounting Service can be deferred until the January Quarterly Board Meeting. Changing the Bylaws and Policy Procedure Manual is the primary concern due to the yearend deadline.

IV. Recommended changes to Policy & Procedure Manual:

A review the changes discussed during the Special Board Meeting of October 30, 2022:

Bylaws:

Article III-B-3: in this section regarding the Suspension, Termination and Reinstatement of membership: recommended change: the removal regarding the following "*and has an opportunity to be heard. At the discretion of the Board of Directors, such hearing may be a personal hearing or a hearing solely on paper.*" Reasoning behind the change: each situation, wherein disciplinary action needs to be taken is unique and sensitive, and needs to be dealt with on a case-by-case basis.

Article VII-C: The SDC Treasurer position can no longer remain a compensated position. Therefore, the need to remove any reference to compensation of the Treasurer. Reasoning: this change was recommended during a recent IRS audit. This change then makes the need for the creation of a Contracted Bookkeeping/Accounting Firm to deal with the paying of invoices and basic bookkeeping duties.

Policy and Procedure Manual:

Table of Contents: The addition of a Contracted Accounting Firm. Reasoning: as described above as to why the Treasurer's position is no longer a compensated position.

Article I-3-A: Membership discipline: the removal of: "*and has the opportunity to be heard. At the discretion of the Board of Directors, such hearing may be a personal hearing or solely on papery*". Reasoning behind the change: each situation, wherein disciplinary action needs to be taken is unique and sensitive, and needs to be dealt with on a case-by-case basis.

Article I-3-B: Regarding an expelled SDC member, and that member being able to petition the Board of Directors for reinstatement as a member: Removal of: *At the Board's discretion, it may conduct a hearing with the petitioner, either in person or on paper, regarding their petition for reinstatement, this procedure shall also be utilized for the reinstatement of a former vendor or advertiser who has been banned from selling at Studebaker meets or advertising in Club publications.* Reasoning behind the change: each situation, wherein disciplinary action needs to be taken is unique and sensitive, and needs to be dealt with on a case-by-case basis.

Article VII-1-E: On the first line: the addition of: The Treasurer is responsible for the oversight of the Contracted Accounting Firm. Also, under the listing of duties of the Treasurer, the addition of item "z": Maintains the safekeeping of all documents. Reasoning: all financial documents need maintained.

Article VIII: The addition of the item #10, the position of Contracted Accounting Firm: Reports to the SDC Treasurer: paying all invoices as directed by the Treasurer, other duties as assigned by the Board of Directors. Reasoning: this change was recommended during a recent IRS audit. This change then makes the need for the creation of a Contracted Bookkeeping/Accounting Firm to deal with the paying of invoices and basic bookkeeping duties.

Allan Dias made the motion to adopt the changes to both the Bylaws and the Policy Procedure Manual, Frank Philippi seconded the motion. Motion was approved by all members present.

V. Transfer of funds in May 2020:

Jane mentioned that during the IRS Audit, questions arose regarding the transfer of \$100,000 from the brokerage account into the GBU investment fund. The funds transferred in May 2020; and the auditor requested confirmation that the board voted on the transfer. When researched, it was discovered that a formal vote from the board had not been done. The Investment Committee had met with our Investment Rep on April 20, 2020 following the April 19, 2020 SDC BOD meeting. When Jane spoke with Peter Bishop, then President of SDC, he felt the recommendation of the Investment Rep and the agreement of the Investment Committee was sufficient, and a vote from the board would not be needed. Due to circumstances of COVID, cancelling of the International Meet, and the resignation of Peter Bishop on August 25, 2020 a vote from the board did not happen.

Per Jane's minutes of the Investment Committee Meeting with the Investment Rep, additional allocations were made: up to \$15,000 each in the Blackrock and Capital Income Builder, and to add CDs, up to \$130,000 with laddered maturities.

Jane made the motion to accept the transactions that occurred in May 2020, Frank Philippi seconded the motion. Motion passed by all board members present.

VI. Group Works: Denny Foust

Denny updated everyone on the progress being made with the installation of Group Works. Keystone Region Chapter and the Hawkeye Chapter members are in the process of being added to Group Works. Both Chapters have agreed to be brought on board at recent Chapter business meetings. Cindy Sale is developing a You Tube video tutorial to assist members in navigating within Group Works. Invitations to join Group Works will be going out to those chapter members shortly. The links to the Yu Tube video tutorials/videos will be included within the letter of invitation.

The goal is to have Group Works available to the General Membership of SDC on board by the next International Meet. Cindy Sale has been given access to search the membership data base to verify that all people invited to join Group Works are also members of SDC. Cindy Sale will be working with Mark Wheeler to assign Zones to members that are not affiliated with Chapters.

VII For the Good of the Order:

Mark Carson asked for updates on the 2023 International Meet. Jane reported Mark Wheeler is working on the registration form and Meet Website. Information including hotels will be in Turning Wheels and on the Meet Website shortly, as some pricing is yet to be completed.

Mark Carson asked if there was any update on the letter sent to Bo Markham regarding reinstatement of Forum privileges. Correspondence from Bo indicated that the individual who originally threatened a law suit, has passed away. This is no longer an issue.

Allan Dias asked if there has been any response from Brian Millette in regards to forwarding any financial records from his term as SDC Treasurer to Jane Stinson. Ed Smith said Brian told him, he had turned everything over to Jane. Jane stated: although she did receive some of the information, she has never received tax documents.

Holiday wishes were expressed by and to all.

Meeting adjourned at 5:11 PM Eastern Time.

Respectfully Submitted,

Cindy Foust

SDC Secretary

Next meeting dates:

EC: January 8, 2023 at 4PM Eastern time

SDC BOD: January 15, 2023 at 4PM Eastern Time