

FIRST 100 DAYS: FINANCIAL REPORT: Rob Jacobs reported that for the past 10 years, our Federation has been overestimating our campaigns, resulting in insufficient funds to cover our approved overseas and national allocations (except for P2G and JFNA dues). We currently owe JFNA \$2.7 million for the unpaid overseas and national allocations. Instead of allocating 70% local and 30% for national/overseas, we've actually been allocating 78% local and 22% national/overseas. Based on discussions with the CFO of JFNA, JFNA has offered to write off the entire amount currently due from us.

Rob outlined recommended steps for moving forward:

- Accept JFNA's offer to write off entire account payable
- Commit to full transparency.
- Acknowledge a 10% drop in our campaign.
- Work with our auditors to implement financial controls and reporting requirements.
- Reconstitute the Finance & Audit Committee, and include an independent accountant on the Committee and/or our Board
- Going forward, use conservative campaign numbers
- Create Board training on how to understand financial statements
- Share monthly financial reports with Board
- Send out all materials to the Executive Committee and Board at least a week before meetings
- Follow guidelines of Guidestar & Charity Navigator to comply with best practices for 501(c)3 organizations
- Create new development strategies to grow campaign

Ensuing discussion (**confidential**) covered several areas including:

- Rob was thanked for tackling this issue and bringing it to the Board.
- Federation needs improved fiscal controls and business procedures. This would include reinvigorating the Audit and Finance Committees. An outside consultant might be hired for this, and we may need to set different parameters for our auditors.
- Federation needs an immediate communication plan with a controlled message.
- Federation should realign its allocation cycle to coincide with its fiscal year.
- Federation will send an accurate payment to JFNA for 2017 allocations, thus stopping the cycle of over allocating and underpaying.
- Allocation to our local agencies and to P2G have been protected.
- Federation will reconvene its CBRC National/Overseas Subcommittee to reallocate based on real numbers.

The Board voted unanimously on the following recommendations made by the Executive Committee:

1. The Board voted to accept JFNA's offer to forgive \$2.7 million in receivables from the Jewish Federation of Greater St. Paul.
2. The Board voted to reconvene the CBRC National/Overseas Subcommittee to reallocate reduced funding available for fiscal year 2017 for Board approval.

ADJOURNMENT: Steve Brand wished everyone a Happy Chanukah, and the meeting was adjourned at 9:17 p.m.