



Finance Committee Meeting
Thursday, May 27, 2021 1:00 pm - 2:00 pm
Via Zoom: [Meeting Link Available Upon Registration Confirmation](#)

Time	Agenda Item
1:00 PM	Welcome & Call to Order
1:05 PM	Approval of Minutes from February 25, 2021 Finance Committee meeting
1:10 PM	Executive Director Update
1:20 PM	Review February, March and April, 2021 Financial Statements
1:30 PM	Other items:
1:40 PM	First 8 Memphis FY22 Proposed Budget
1:55 PM	Next Steps
2:00 PM	Adjourn

FY21 Finance Committee Meeting Dates
 Thursday, September 24, 2020
 Thursday, November 19, 2020
 Thursday, February 25, 2021
Thursday, May 27, 2021



First 8 Memphis Finance Committee Meeting

Date: May 27, 2021

Time: 1:00pm - 2:00pm

Committee Members Present : Kathy Buckman Gibson, Mary McDaniel, and Keva Latham

Committee Members Absent : Michael Whaley

Staff Present: Dr. Kandace Thomas

Visitors Present: Ronda Hughey (Hughey's Debits and Credits)

Welcome and Call to Order

The meeting was called to order at 1:05 p.m.

Review of February 25, 2021 Finance Committee Meeting Minutes

A motion to approve the February 25, 2021, First 8 Memphis (F8M) Finance Committee Meeting Minutes was made by Director Mary McDaniel with a second by Board Chair Kathy Buckman Gibson. The minutes were accepted without objection.

Executive Director Update

Tennessee Community CARES Reimbursement Grant and Loan

- F8M requested and received reimbursement for all Tennessee Community CARES grant dollars requested.
- All accessories and devices that could be distributed have been given to operators.
- F8M still has hotspots that were not able to be used per the provisions of the grant. Verizon has a new VP that is working to help F8M return the hotspots to Verizon.
- The First Horizon loan was paid off as well.

Q3 Pre-kindergarten advance payments and Q4 reimbursements

- Pre-K operators have been paid through the third quarter of this year. Last year, the Finance Committee determined that operators would receive advance payments in quarters one through three, while quarter four would be reimbursement only. Fourth quarter payments are likely to be made soon.

Organizational and programmatic updates

- Consultation hours were added to our staff capacity. Two consultants have been contracted to work 10 to 20 hours per week on various projects for the team. They have been very helpful and will stay on while new staff are onboarded.

Review of February, March, and April Financial Statements

February

- Grant income was the administrative portion of the Ballmer grant for year one.
- Classroom expenses are now reported as usual instead of as an estimate.
- Legal fees increased due contract negotiations. F8M is in discussion with the legal team for a retainer package to alleviate overage in year three.
- Supplies YTD reflects costs associated with Tennessee Community CARES Grant
- Contract with NEXT Memphis expected to be executed this year; partial payment will be made this year, but remainder will roll over to FY22.

March

- Grant income was from the Tennessee Community CARES Grant.
- Accounting fees increased due to the last payment due to the audit team in preparation for the FY20 audit.
- Legal fees are being monitored and reflected in the decrease in bill.
- Rent doubled this month because payment due date is prior to the end of the month.
- Admin fees due to First Horizon quarterly payment for the management of the escrow account

April

- Grant income reflected the final reimbursement payment for the TN CARES grant
- The First Horizon loan has been paid in full.

Other discussion:

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- Consider a cost analysis to get a true run rate expense for legal fees; may want to explore recruiting an attorney for the Board that can provide legal advice for F8M.

A motion to approve the February, March, and April financial statements was made by Director Mary McDaniel with a second by Board Chair Kathy Buckman Gibson. The financial statements were accepted and approved without objection.

Other items

Updated Procurement and Purchasing

- Any payments over \$30K will be approved by the Executive Director and a Finance Committee member.
- Any checks over \$50K require signature of ED and a member of the Finance Committee.
- Purchases over \$100K must be approved by the Finance Committee and the full Board.

A motion to approve the updated procurement and purchasing policy was made by Board Chair Kathy Buckman Gibson with a second by Director Mary McDaniel. The updated policy was approved without objection.

Audit recommendation

- Watkins Uiberall submitted a proposal to provide one year audit services for F8M; they have agreed to a January 31st deadline to have audit issued; if info provided prior to November, they may be able to turn around before January.
- The history should be documented to record the context to this point based on approved policy and procedure.

A motion to approve selecting Watkins Uiberall as the new auditor and have them work with the previous auditor, Dixon Hughes Goodman to obtain work papers to begin the FY21 audit was made by Board Chair Kathy Buckman Gibson with a second by Director Mary McDaniel. The motion was approved without objection.

First 8 Memphis FY22 Proposed Budget

Growth and changes in expenditures reflect strategic planning from F8M.

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- The projected increase to 80 classrooms has associated costs.
 - The contract negotiations with NEXT Memphis will have costs due to contractual agreement.
 - A new line item, Speaker Series, is part of the strategy to build F8M name recognition in the community; F8M will host local and national speakers in various topics in the field of early childhood for early childhood professionals.
 - Communications cost increases include an early childhood campaign.
 - Consulting increases are due to the hiring of a consultant to support the Leadership Council relaunch and contracting of two consultants to build staff capacity.
 - Legal fees are expected to be kept flat for next year.
 - Board expenses include selecting a strategic planning firm, additional costs around organizational capacity and a board retreat.

A motion to approve the FY22 proposed budget was made by Director Keva Latham with a second by Director Mary McDaniel. The motion was approved without objection.

Next Steps

- FY22 Proposed Budget will be brought to full board on June 8th. The eye-catching Revenue Trends and Expenses Summary document will be included in the materials.

The meeting was adjourned at 1:49 p.m.