



Finance Committee Meeting
Thursday, September 24, 2020 1:00 pm - 2:00 pm
Via Zoom: [Meeting Link Sent Upon Registration Confirmation](#)

Time	Agenda Item
1:00 PM	Welcome & Call to Order
1:05 PM	Ice Breaker
1:10 PM	Approval of Minutes from July 20 th Finance Committee meeting
1:15 PM	Finance Committee Roles
1:20 PM	Executive Director Update
1:35 PM	First 8 Memphis January - June 2020 Financial Audit
1:40 PM	Review July & August Financial Statements
2:00 PM	Adjourn

FY 21 Finance Committee Meeting Dates
 Thursday, September 24, 2020
Thursday, November 19, 2020 (next meeting)
 Thursday, February 25, 2021
 Thursday, May 27, 2021



First 8 Memphis Finance Committee Meeting

Date: September 24, 2020

Time: 1:00pm – 2:00pm

Committee Members Present: Amber Huett-Garcia, Mary McDaniel, Keva Latham, and Kathy Buckman Gibson

Committee Members Absent: Michael Whaley

Staff Present: Dr. Kandace Thomas and LaDora Watkins

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

Welcome & Introduction

The meeting began at 1:07 pm.

Committee Business

Review of July 20, 2020 Finance Committee Meeting Minutes

A motion to approve the July 20, 2020 First 8 Memphis Finance Committee Meeting Minutes was made by Kathy Buckman Gibson with a second by Amber Huett-Garcia. The minutes were approved unanimously.

Finance Committee Roles

Director Keva Latham was named as the chair for the Finance Committee. Dr. Thomas also noted that the chair of the committee would also be a member of the Executive Committee.

Tennessee Community CARES Reimbursement Grant and Loan

The state of Tennessee has provided grant assistance to non-profit organizations across the state serving Tennessee communities. The Tennessee Community CARES grant is a reimbursement grant that provides Coronavirus Relief Funds to help with ongoing efforts to address needs created by the COVID-19 pandemic. To receive reimbursement, the funds must be spent. Dr. Thomas announced that First 8 Memphis had applied for the



grant on behalf of our Pre-K programs. First 8 Memphis was awarded \$875,000 to include \$500,000 for Wi-Fi hotspots and \$275,000 are for computers and software. Negotiations have been had with ATT and Verizon for support while we have partnered with our technology consultant for support. We have also been working with First Horizon to secure a loan for \$875,000 so that we can purchase the hotspots and devices and then get reimbursed from the state to pay off the loan. The remaining \$100,000 was budgeted for troubleshooting support from our technology consultant to our pre-k providers. Although the budget was buffered a bit, Shelby County Schools has since requested assistance with purchasing devices for the pre-k students. The committee discussed the importance of implementing a management process to administer devices as to not have any issues and bad press. Dr. Thomas noted that salaries can not be paid with the funds. The funds must be spent by November 15th. Our technology consultant, MTech will be the administrator and work with each operator to disburse, track, manage every device and hotspot First 8 Memphis is drafting a contract which will be legally binding. In essence it will state that First 8 Memphis was awarded a grant, made purchases, and gave x number of devices to the operator. The balance of the responsibilities will be within the operator's purview, including collecting devices at the end of the school year. The operators will keep the devices. Ronda Hughey pointed out that the state's tracking mechanism requires that we have signatures and can show that we have passed to a delegate, we have fulfilled our obligations per the reimbursement grant. A loan resolution will need to be brought forth for approval at the October 13th board meeting (to secure the loan with First Horizon).

Unspent Financed and Non-Financed Funds

Dr. Thomas reminded the committee about Pre-K program unspent funds in the Financed and Non-Financed accounts. There has been discussion about how to use these funds and more specifically, how those funds could be used to invest in Pre-K. First 8 Memphis advised the City and County that the \$500K Financed and \$420K Non-Financed dollars would be reinvested into Pre-K. Dr. Thomas provided a proposal of how the funds could potentially be reinvested:

1. \$8K; Brigance - high quality developmental assessment that aligns with F8M measurement assessments for 4-year olds
2. \$328K; Instructional Coaches and Educational Specialists – funding was not included in the budget or pre-K contracts last year even though it across 75 classrooms this year. Previously this has been funded through Shelby County Schools



3. \$240K; ASD – F8M and ASD have recently executed a contract, with the condition that ASD would provide First 8 Memphis with data before receiving payment. To date, no data has been received so no payment has been issued.
4. \$7K; Bonuses – one-time bonus for staff in start-up year of First 8 Memphis. Board Chair Kathy Buckman Gibson recommended a more appropriate way to account for this item is to include it in the administrative fee that was discussed previously. The committee was unanimous in agreeing that bonus percentage be increased as it has been hard earned and well deserved during this start-up year.
5. \$148K COVID-19 grant - good will gesture from First 8 Memphis to provide relief funding to Financed classrooms

It was noted that First 8 Memphis must spend the remaining \$172K Financed funds or return them to Maycomb Capital. Possible ideas to spend the funds include professional development, but conversations are still in the early stages. There was a question about the \$80K startup costs for classrooms, but it was included in the budget costs. Therefore, there is no need to fold the start up costs into the allocation that is being discussed currently. We have 5 classrooms at \$16K per classroom for a total of \$80K.

Some important considerations for us to think about are

- Director Huett-Garcia messaging campaign “Every Child Every Seat” long term expansion efforts and enrollment efforts (Aug-Nov) build the expansion case to find
- Teacher pipeline issue as we expand classrooms
- Data management and data analytics - to attract talent instead of using traditional marketing efforts we can move toward data analytics data intelligence analysts to look at enrollment, funding, tell our story

Review July & August Financial Statements

- The annual budget (July 1 – June) as of July we are at 1,226 for income. A couple of items were noted – Consultant for July Board retreat was \$5K and \$2K Rent for July was billed for two months by Seeding Success. It was billed late. All other items were normal.
 - The balances on the accounts as of July 31, including escrow totaled \$7M. There was a discrepancy between what the July 31 statement and the online balance for the escrow account. Chair Kathy Buckman Gibson will reach out to Susan Fletcher with the Trust Dept for clarity.
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- Items highlighted on the August Budget included the new rental rate of \$2K per month as well as a Validator invoice totaling \$13K (under Administrative costs) and Legal Fees of \$7K for contract negotiations that are in progress.
 - Balance Sheet highlights included the Escrow account \$6K, liabilities are the same, and accounts payables are going down.

A motion to approve July and August 2020 financial statements was made by Board Chair, Kathy Buckman Gibson with a second by Director Amber Huett-Garcia. The financial statements for July and August were approved without objection.

First 8 Memphis January – June 2020 Financial Audit

First 8 Memphis is going through an audit for the short year of January – June 2020. All requests for information and documents have been submitted to date. Ronda had a conference call with Dixon Hughes Goodman last Thursday. The firm advised that First 8 Memphis has submitted everything needed. They are working on the Seeding Success side currently. Once the Seeding Success side is completed, DHG will close out the First 8 Memphis short year audit. The next audit will happen this time next year.

Other Business

Board Chair, Kathy Buckman Gibson advised that it would be a good resource for others to have 'view access' to the Escrow account. Since it is not a traditional bank account, no monies could be moved. The committee discussed a list of people to add: Chair Keva Latham as Treasurer and Ronda, LaDora, and Dr. Thomas as staff. Board Chair, Kathy Buckman Gibson will inquire about the next steps with Susan Fletcher.

Adjournment

The meeting adjourned at 2:00 p.m.