

MINUTES of the **Finance Committee** meeting

August 27, 2005 at the Marguerite Knapp Building in Lennoxville,
Quebec.

Committee Members Present were: Richard Evans, Treasurer, Marion Greenlay, Assistant Treasurer, Rod MacLeod, President, Dwane Wilkin, interim executive director.

Welcome and Call to Order.

The meeting got underway at 10:15 a.m., chaired by Rod MacLeod. Rod expressed his view that decisions about financial matters involving QAHN projects and its operating budget for 2005-06 be reached by way of strong recommendation from the Finance Committee, followed by ratification by the board.

Dick Evans added that any decisions reached during the Committee meeting ought to be made known to the board immediately following the meeting.

Assistant Treasurer's Report

Marion Greenlay presented an overview of QAHN's current financial state, stressing the organization's weak cash position. Marion reported that QAHN has borrowed \$3,300 in funds allocated for QAHN's Prospecting for Heritage project in order to cover normal operating expenses during the summer. This temporary current accounts deficit results from an especially long delay completing this year's Contribution Agreement with our chief sponsor, the Department of Canadian Heritage. QAHN's Accounts payable as of Aug. 27 stood at \$5,900. On the bright side, QAHN anticipated receiving a second installment of its program funding for 2005-06 soon. Marion also calculated that a forthcoming provincial sales-tax refund would permit QAHN to cover the cost of year-end auditing fees still owed to accountant Sylvain Bouchard.

Dick enquired how QAHN's current operating expenses compared with the organization's budget, triggering a general discussion about QAHN's perennial cash flow problems and the possibility that QAHN may run out of money in the last financial quarter of the year. Rod wondered if there was any way to set aside a portion of current operating revenue to tide QAHN over during the inevitable year-end cash crunch.

Dick said QAHN needs to find a way to generate an “operating surplus” to cover these recurring low-cash slumps and suggested that a target reserve of \$9,000 to 10,000 would be ideal.

Marion said she predicts QAHN will have to spend another \$5,000 of the Prospecting grant money to stay in operation through September.

Dick said in passing that he was pleased to learn that after many months’ delay, the Department of Canadian Heritage finally released the \$6,000 owed to QAHN under its 2004-05 operations grant. Dick said he had heard rumours about other community organizations in Quebec who had been denied the full amount of their 10 per cent funding holdback.

2005-06 Operating Budget

Interim executive director Dwane Wilkin presented his operations budget for the current fiscal year, which is based on total anticipated revenues of **\$94,290**. (See attached budget) As reported previously, QAHN will receive a \$75,000 grant from the Department of Canadian Heritage for 2005-06 operations, an increase of \$15,000 over last year. For the second year in a row, the provincial Ministry of Culture and Communications will also support QAHN operations with a grant of \$15,000. Membership sales, advertising revenue from Quebec Heritage News magazine and income from the sale of assorted QAHN publications are projected to make up the remaining \$4,290.

Much discussion centred on the proposed \$3,000 allocation for computers and computer software. Though a consensus emerged that investment in these tools is needed, the Committee was reluctant to support any major expenditure on equipment. Dick suggested that QAHN investigate the cost of leasing, and restated the necessity for building a cash “float” from current operating revenue.

Marion pointed out that the proposed budget understated the total cost of producing six issues of Quebec Heritage News magazine by approximately \$2,500. The error appears to result from the fact that in 2004-05 QAHN published only five issues of the magazine. Dick recommended that expenses for the last (sixth) issue of the magazine in 2005-06 be deferred to make up for this shortfall.

A number of minor adjustments to other line items in the budget were agreed upon, notably reductions in projected expenses for bookkeeping services, office supplies, reference materials and sponsoring special events with the Federation des sociétés d'histoire du Québec (FSHQ). Dwane agreed to bring copies of the revised 2005-06 budget to the next Finance Committee meeting.

Salary Increases

After a review of QAHN's current employee pay scale, the Finance Committee agreed to recommend salary increases for the executive director and executive secretary. Dick emphasized that the rate increase is required to help bring the organization's wage levels closer in line with industry standards. Rod pointed out that the board approved higher compensation rates in principle more than a year ago, although they never took effect because of cash-flow problems. Dick proposed hourly rate increases of \$2 for each position, effective retroactively to August 1, 2005. The hourly wage for the executive director rises from \$15 to \$17; the hourly rate for executive secretary rises from \$10 to \$12.

Travel Reimbursement Adjustment

The Finance Committee approved of Dick Evans' proposed changes to QAHN's travel-expense reimbursement policy. The Committee will recommend to the board that as of September 1, 2005, the personal car allowance increase from 30 cents per kilometre to 36 cents. in light of increasing automobile transportation costs.

The Committee also will also recommend to the board that drivers who transport fellow directors and staff on QAHN business be allowed to claim an additional 5 cents per kilometre.

Project Funding Outlook

Dwane reported briefly on two QAHN projects which are set to begin in the fall of 2005: the Prospecting for Heritage Project, funded through a \$10, 324 matching grant from the Museums Assistance Program (MAP) and the Outaoauis Heritage Webmagazine Project, which has been approved for funding of \$25, 829.

Dwane reported that he had completed fee negotiations with heritage consultant Lorraine O'Donnell, who will lead the Prospecting research project and write a formal report on her findings in the new year. He also reported that Matthew Farfan, creator of the Laurentians Heritage Webmagazine and our Heritage Portal Editor, will be available to work on the Outaouais heritage webmagazine, beginning in late September. The Outaouais heritage webmagazine project is funded by the Department of Canadian Heritage's Community Development Fund.

The Finance Committee briefly discussed ideas for designing a second Community Development Fund project proposal, which QAHN is invited to submit by September 16, 2005.

Charitable Foundation Status

Dick Evans reported that he and Charles Bury, editor of Quebec Heritage News, plan to meet soon to discuss setting up a new charitable foundation.

Other Business - Fundraising

Rod noted that the current budget doesn't allow for much in the way of special events, leading to a general discussion of possible fundraising and member-recruitment activities in Montreal. One theme suggested was books and it was proposed that QAHN might consider inviting English-language writers to conduct a workshop in historical fiction. The possibility of staging some sort of multicultural music festival was also raised. One fundraising idea that came up was the concept of organizing a veteran-oriented gala as QAHN's way to mark the Year of the Veteran. Someone suggested that an event such as this might be particularly well attended if it were held in Montreal's Lakeshore district.

Rod mentioned that QAHN directors should also plan to meet soon to conduct a formal staff-performance evaluation.

Dick said he would like to be able to track to QAHN's revenues and expenses on a quarterly basis, and requested heretofore that the Executive Director and Assistant Treasurer provide separate quarterly financial reports for Operations and Projects.

It was suggested that the Finance Committee meet next on October 21 in Montreal, the day before QAHN's fall board meeting, tentatively scheduled for October 22.

Meeting Adjourned

Dwane moved to adjourn the meeting at approximately 3 p.m. Rod seconded the motion. All present voted in favour.