

Irene Gomez-Bethke Papers.

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### CENTRO LEGAL, INC.

#### Finance Committee Meeting

12-12-85

12:00 noon

#### REPORT

Present: Tom Barrett (chair), Susan E. Conley, Debbie King, and Donn J. Vargas

Meeting was called to order at 12:15 p.m.

# A. 1986 Budget (Proposed)

The proposed 1986 budget of \$167,474. (see attachments) was recommended for approval. The unsecured amount for 1986 is listed at \$44 740.

# B. 1986 Salary Schedule (Proposed)

The proposed 1986 salary schedule as presented (see attachments) was recommended for approval. An increase of approximately 6% over 1985 levels was added accross the board.

### C. Accounting Services

Ms. Debbie King (accountant) proposed that Centro Legal change from a manual bookkeeping system to a computerized system. A handout was provided (see attachment) explaining the rationale for the change as well as the benefir that would be derived. The cost factor would be an initial investment of \$300., and the normal monthly charge for accounting services of \$125.00.

The software that is purchased will be the property of Centro Legal, and in the event of an increase for the update service fee, Debbie King will assume responsibility.

#### RECOMMENDATION:

Tom Barrett recommended that Centro Legal switch to the computerized system at our earliest convenience.

Being no further business the meeting adjourned at 1:30 p.m.

Respectfully.

Administrator

Vargas

J. X

DJV:slc

179 E. ROBIE ST. ST. PAUL, MN 55107 (612) 291-0110 400 E. LAKE ST. MINNEAPOLIS, MN 55408 (612) 825-5503

July 19, 1985

Dear Irene:

The meeting for the finance committee is scheduled for Friday, July 26, 1985 at 12:00 Noon at Thomas Barrett's office.

The address is:

Popham-Haik, Schnobrich Kufman & Doty, Ltd. 1240 Amhoist Tower 55 West 4th Street St. Paul 333-4878

The directions are:

94 East to Marion exit, down hill to Kellogg, follow Kellogg East untill 3rd, left, than right. It's next to the St. Paul Hotel, kitty-corner from the Landmark Center and 1 block North from Kellogg and 4th. I hope this helps you.

Good Luck!!!

**BOARD OF DIRECTORS** 

IRENE-GOMEZ-BETHKE President

MARTIN A. DIAZ, ESQ. Vice President/ Secretary

THOMAS J. BARRETT, ESQ Treasurer

OLIVIA ARREDONDO

ANGELITA ESTRADA

MIGUEL GARZA

JUAN LOPEZ

CARLOS MARIANI

WESLEY IIJIMA, ESQ

SUSAN E. CONLEY, ESQ

Chief Executive Officer

#### CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT

JULY 26, 1985

12:00 NOON

PRESENT: Thomas Barrett (Chair), Irene Gomez-Bethke, Susan Conley, Rafael Ortega, Donn J. Vargas

- 1. Monthly Financial statements, year to date revenue status reports, mid year financial statements and audit material was handed out for review.
- 2. Staff reported that discussions with both St. Paul and Minneapolis United Way representatives had taken place.

  A preliminary indication was that the Minneapolis United Way has tentatively scheduled a panel discussion for 9-11-85.

The panel participants will consist of agencies providing legal services that are under consideration for funding. These agencies include Centro Legal, Neighborhood Justice Center and The Lao family Services. A representative from SMRLS will be present to add clarification on federally funded legal programs. The purpose of the panel discussion is to clarify legal needs and services provided to each agencies constituents.

3. Rafael Ortega suggested that the Hispanic agencies currently funded by St. Paul United Way and those under consideration for funding do some " in service " training

for Hispanic Board Members of the St. Paul United Way. This idea was met with Approval and the planning will be done during the month of August.

4. Irene Gomez-Bethke suggested that Centro Legal do more P.R. about the new management structure of Centro Legal, to inform funders of the restructuring process that has taken place and our efforts to address some of the management problems that we have encountered in the past. Staff will work on some suggestions for distributing this information, prior to the next Executive Committee meeting.

Respectfully

CENTRO LEGAL, INC.

Finance Committee Meeting

12-12-85 12:00 noon

#### REPORT

Present: Tom Barrett (chair), Susan E. Conley, Debbie King, and Donn J. Vargas

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The software that is purchased will be the property of Centro Legal, and in the event of an increase for the update service fee, Debbie King will assume responsibility.

#### RECOMMENDATION:

Tom Barrett recommended that Centro Legal switch to the computerized system at our earliest convenience.

Being no further business the meeting adjourned at 1:30 p.m.

Respectfully.

Administrator

DJV:slc

CENTRO LEGAL, INC.

Finance Committee Meeting Report 1-8-85 lp.m.

Present: Tom Barrett, Susan E. Conley, Donn J. Vargas

- Financial Statement for period ending November 30, 1984 and December 31, 1984.
- Resubmittal of Proposed Operational Budget for calendar year 1985
- 3. 1984 audit for approval

#### CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT April 12, 1985 8:30 A.M.

Present: Thomas Barrett, Susan Conley, Rafael Ortega

Staff: Donn J. Vargas

- 1. Month financial statements submitted for review.
- 2. Status of funding requests submitted for review.
- 3. Susan Conley and Donn Vargas will be meeting with Mr. Arthur Himmelman of the McKnight Foundation to discuss potential financial assistance for Centro Legal. Among the alternatives include, establishment of a cash reserve account, outright grant or an outright grant with a position being used to develop a cash reserve account.
- 4. Anticipated Funding Sources.

Motion: Rafael Ortega moves approval of approaching Minneapolis United Way, St. Paul United Way, General Mills Foundation, Dayton-Hudson Foundation and the McKnight Foundation for operational support for calendar years 1985-86.

2nd: Thomas Barrett

Motion carries

- 5. In order to indentify an alternative to the United Ways, staff has been authorized to contact the "Consolidated Fund Drive" for information on their funding requirements and report back to the Finance Committee.
  - 6. Agenda items for next meeting Board members fund raising efforts, review of sliding fee scale for modification and breakfast meeting with other Hispanic organizations.

Respectfully yours,

pom J. Vargas

Administrator

DJV:jk



179 E. ROBIE STREET ST. PAUL, MN 55107 (612) 291-0110 400 EAST LAKE STREET MINNEAPOLIS, MN 55408 (612) 825-5503

TO: MEMBERS OF THE FINANCE COMMITTEE

DATE: 11/26/86

FROM: Tom Barrett, Esq.

REPLY TO: D. Vargas

SUBJECT: SCHEDULED MEETING OF THE FINANCE COMMITTEE:

Dear Colleagues:

The next meeting of the finance committee has been scheduled for Tuesday December 16, 11:30am at my office in Minneapolis. Information at this neeting will cover matters for period ending 12/31/86 and preperations for 1987. Please call if you will be unable to attend this meeting.

Respectfully:

POPHAM, HAIK, SCHNOBRICH, KAUFMAN & DOTY, LTD. 4344 IDS CENTER
MINNEAPOLIS, MN. 55402
43rd FLOOR

Centro Legal, Inc.
Finance Committee Report
11/19/84

The Finance Committee is submitting the following documents for Board approval.

- 11. September statement of expenses
- $\mathfrak{Z}_2$ . October statement of expenses
  - 3. 1985 proposed staffing patterns and salary schedule
  - 4. 1985 proposed operational budget

# CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT

- —(1) Balance sheet period ending July 31,1984.
  - (2) Statement of Revenue and Expenses period ending July 31, 1984.
  - (3) Proposed contract between Centro Legal and Ms. Deborah J. King outside bookkeeper to work with Donn Vargas.

(4) Revised Budget (5) Audit

Respectfully,

Donn J. Vargas Administrator

DJV/bjz

#### MEMO

TO: Finance Committee

RE: Scheduled Committee Meeting

DATE: November 24, 1987

# Dear Colleagues:

Please be advised that a meeting of the Finance Committee has been scheduled for Tuesday, December 8, at 5:30 p.m. at Centro's Minneapolis office. Please notify staff if you will not be able to attend the meeting.

Respectfully,

Juan Lopez

bz

Centro Legal, Inc.

Finance Committee - Report 9-19-86 11:30 p.m.

Present: Tom Barrett. Juan Lopez

Staff: Donn J. Vargas

Monthly Finance Statements

Staff submitted monthly financial statements for Period 6-3-86, 7-31-86 and 8-31-86. As of period ending 7-31-86 the revised 1986 budgetary figures for line item delineation are in place.

2. 1985 Certified Audit

Staff distributed copies of the 1985 certified audit as prepared by Baily & Calof - Certified Public Accountants. In addition to the audit, the management letter was also distributed, outlining the improvements suggested for next years audit.

Recommendation - The committee recommends to accept the 1985 audit & management letter as submitted.

3. Sliding Fee Schedule

Staff submitted a revised sliding fee schedule (with detailed rationale) outlining proposed changes in the limits. It became necessary to redraft the fee schedule when it was determined that the current schedule did not accurately reflect Centro Legal client base.

Recommendation - The committee recommends that the revised sliding fee schedule as submitted be adopted.

4. 1986 Revenue Listing/Status

Staff reviewed the 1986 revenue listing noting contracts that have been approved for 1986. Our M.C.A.A. contract for period ending 9-30-87 has not been renewed. As an alternate the McKnight Foundation has ben approached to compensate for our loss of MCAA funds.

spectfully

Donn J. Vangas

Centro Legal, Inc. Finance Committee Report 4-17, 4-24, 5-22, 7-8

Present: Tom Barrett (Chair), Sue Conley, Juan Lopez, Rafael Ortega, Donn J. Vargas.

The committee met on several occasions to review the monthly financial statements, and make comments for consideration of review and adjustments in the reporting forms. Enclosed for Board ratification is;

- 1. Financial statement period ending 3-31-86.
- 2. Financial statement period ending 4-30-86.
- 3. Financial statement period ending 5-31-86.
- 4. Document translation fee schedule.

5. Proposed 1987 operational budget.

Respectfully

Donn J. Vargas Administrator Centro Legal, Inc.

Finance Committee - Report 9-19-86 11:30 p.m.

Present: Tom Barrett. Juan Lopez

Staff: Donn J. Vargas

1. Monthly Finance Statements

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spectfully

Donn J / Vangas

#### CENTRO LEGAL. INC.

#### MINUTES

#### FINANCE COMMITTEE MEETING

#### DECEMBER 11, 1989

Present: Irene Gomez-Bethke, Tom Barrett, Carlos Mariani, Karim El-Ghazzawy.

- 1. Proposed 1990 Budget: See Attachments:
  Recommendation: The 1990 budget should be subject to further discussion, particularly in light of the fact that the ILP project will sunset in May, 1990, prior to recommendation for approval. It was noted that monthly financial projection be made so that potential cash flow problems can be anticipated and acted on accordingly.
- 2. Funding Allocation: Mpls. United Way (1990) \$32,000.00 St. Paul United Way (1990) \$25,580.00

Funding was approved by the Minneapolis and St. Paul United Ways. One twelfth of the above amounts will be disbursed throughout the year on a monthly basis. Other monthly disbursements include IOLTA (\$1,667) and LSAC (\$1,167). It is expected that Centro Legal will generate slightly over \$2,000/month in attorneys fees on a consistent basis during 1990 (assumes three attorneys).

Recommendation: 1990 contributors should be identified and dates of disbursements noted. Please refer to attached 1990 fundraising request sheet and revenue projection sheet.

3. Neighborhood House Lease Renewal:
From 1/1/90 through 12/31/90
Rental \$882.49/monthly - reflects an increase of over
35 dollars over 1989 rent.
Recommendation: Centro Legal, Inc. should enter into a lease renewal contract with Neighborhood House during

1990.

4. Payment of remaining Pre-existing Debt:
Sprint - paid; \$852.25 compromised at 50%
Martin Diaz, accrued annual leave-paid \$1,000.00
West Publishing - \$2,861.53 paid; compromised at 60%
Drover's Bank - \$4,034.72 - debt as of 1/18/90 stands at approximately \$3,400.00 - \$600.00/monthly payments should continue until debt is paid in full.

Recommendation: Centro Legal is in a position where it must pre-pay its Professional Liability/Management Errors and Omissions Insurance. The Drover's debt should continue

to be paid on a (\$600) monthly basis unless it becomes feasible to pre-pay debt. Update 1/18/90 - the Butter-worth's 1987-88 debt was paid in full during the second week of January, 1990.

5. NLADA Professional Liability Insurance due December 15. 1989.

Recommendation: Centro Legal should obtain NLADA Professional Liability Insurance, Management Errors and Omissions (Board coverage) at Option I Standard Limits, and Punitive Damage Endorsement (\$100/annum). Decision made that we do not want prior acts coverage for new coverage (which in this case would include Management Errors and Omissions). Total cost of coverage: \$4,576.00. A check was issued on December 12, 1990 to obtain the coverage.

- 6. Creating a Fund Raising Committee.
  Recommendation: A Fund Raising Committee should be created. Centro Legal should develop and implement a fundraising strategy to increase contributions from the private bar. Funding requests to the private bar should go out the first part of February. 1990.
- 7. Phillips Gonzalez' position post May, 1990:
  Recommendation: Centro Legal should approach the St.
  Paul Foundation to continue Mr. Gonzalez position after the ILP project sunsets in May, 1990. It is important that this proposal go out during the month of February, 1990. If funding is secured to continue this attorney position, the Minneapolis and St. Paul United Ways, IOLTA and LSAC will be approached to fully fund this position in 19910.
- 8. Recommendation: Board Meetings in 1990 shall take place the third Thursday of every alternative month commencing in January. Meetings will alternate between St.Paul and Minneapolis
- 9. MJF Law Clerkship for Centro Legal, Inc.:
  Recommendation: Accept MJF clerkship. MJF is willing to provide clerkship on a pay as can basis.
- 10. DOC Repayment \$1,500.00.

  DOC has requested repayment of \$1,500 after audit of Proyecto Ayuda's 1988 fiscal year.

Recommendation: Continue follow up. Update: The matter has been favorably resolved. I telephoned DOC Internal Auditor Pete Maurer on January 18, 1990 and was advised that Centro Legal would not be required to repay any monies. Problem arose because Centro Legal did not list support staff in the initial FY 88 DOC contract.

11. Recommendation: Ratification of salary schedule. (attached). (Discussion of Edmundo Lijo's situation for Board).

Karin El-Bhar

# CENTRO LEGAL, INC. FINANCE COMMITTEE JANUARY 24, 1989

#### MINUTES

Present: Tom Barrett, Al Garcia and Martin A. Diaz.

The meeting originally scheduled for January 23, 1989 was rescheduled to January 24, 1989 and began at 9:00 a.m.

### 1. Review of 1988:

Marty handed out the unaudited year-end statement and 1988 list of Contributors. Centro ended up with a positive members equity of \$10,182.05, the first time in more than one year. Centro raised \$79,421.00 in contributions, \$40,000 of which were special funds. The agency had a positive balance of \$80,186.00 over expenses in 1988. The final audit will certainly reduce the fund balance to negative levels.

# 2. 1989 Operating Budget:

Marty developed a revised operating budget which includes \$9,000 in debt owed to Drovers. This is the only long term debt left to be paid. The MNAF Loan will be paid with restricted funds, and the other debt to Drovers has been paid with receivables from 1988. The revised budget is \$221,460.00.

Resolution: To approve the revised 1989 operating budget of \$221,460.00. Passed.

### 3. Staff Patterns:

Marty developed Full Time Equivalents for 1989 by Program and Staff person. In 1988, Centro had 5.0 FTE's. In 1989, the budget calls for 5.5 FTE's.

Resolution: To approve the staff patterns proposed by the Chief Legal Officer. Passed.

# 4. Cost Centers:

The Chief Legal Officer proposed Cost Centers for each program and for Administration. The Cost Centers are as follows:

Mpls.	\$41,800.68 41,800.68			
St. Paul				
ILP	40,825.69			
Ayuda	65,199.87			
Admin.	22,921.92			

The FTE's for each cost center are as previously passed by the Committee.

Resolution: To accept the Cost Centers as proposed. Passed.

# 5. Fundraising Plan

a. Administrative Cost Allocation: Marty gave the Committee three options on allocating the Administrative cost to each of the programs. He recommend Option #3. After discussion, the following resolution was made:

Resolution: To allocate Administrative Costs per Option #3. Passed.

As a result, the cost of each program, with administration added, is as follows:

Mpls.	\$48,218.82
St. Paul	48,218.82
Ayuda	71,618.01
ILP	44,493.19

b. Fundraising Requests: Marty discussed the revenue allocation by program and the amounts needed to operate programs in 1989 and based on that, proposed a Fundraising Request Schedule (Pages 11-12 of attachments).

Resolution: To approve the Funding Requests proposed. Passed.

# 6. United Way Capital Campaign

The Capital Campaign Agency Participation Agreement was discussed. Computers would cost \$20,700, including new printers. The cost of training is being investigated, as is the cost of new telephone equipment for Minneapolis to accompany the Computers. The allocation is \$15,000.

Resolution: To approve the agreement, subject to review of agency agreement by Chief Legal Officer. Passed.

#### 7. St. Paul Lease:

The new lease is for \$8.31 per square foot, or \$833.35 per month, a 5% increase over 1988's lease.

Resolution: To approve 1989 St. Paul lease. Passed.

### 8. Minneapolis Space Needs:

Discussion was had on the need to expand the space in Minneapolis. Marty noted that as a result of transfer of administrative duties to Minneapolis and the transfer of the paralegal to Minneapolis, the existing space is insufficient. Prevent leaseable space at Boyd Place is minimal but will be checked. Al offered the possibility of Ascension Church as a place where space may be obtained cheaply. Marty noted desire to stay at Boyd Place because of proximity to Minneapolis Legal Aid.

### 9. Audit: 1988

Marty noted that Paul Christiansen, who has done the two prior audits, has left Bailey, Dixon and Dahl. Marty suggested we get this done as soon as possible. Cash flow won't permit payment until April, at earliest. Tom noted that in the future, we should set aside (accrue) the audit expense monthly so that we can have funds available. He also noted that this should be done for professional liability insurance. Further discussion will be had after Marty checks on bids for audit and availability of Paul Christiansen. Al noted that cost of audit, \$4,500 - 5,000 seemed high. Marty noted that the cost has decreased as our fiscal organization has improved.

# 10. Liability Insurance:

Tom noted need to accrue this cost over 12 months. This will be looked at in April, 1989.

Marty noted the cost of attorney malpractice for 1989 is \$3,800. The cost of Management Errors and Omissions is \$1,526 for 1989. Marty passed out a copy of the coverage

and noted that there are exclusions for employment suits, tax problems and return of grant funds. Tom agreed to review it. The committee noted reservations on the Board coverage based on the exclusions.

### 11. Bonding Insurance:

Marty noted that he had found evidence to show that we had been covered under a Fidelity Bond for the last 3 years. The renewal begins 1-89 and is \$179.00 per year. Tom noted that Bonds like this are hard to collect on and may be of little value, despite the Auditor's interest. However, he noted the cost is minimal and so long as the coverage is good, he saw no opposition.

Resolution; To approve Fidelity Bond Coverage at \$179.00 per year, subject to review by Chief Legal Officer.

There being no further business, the meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

Chief Legal Officer

CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 9-23-87 6:00 p.m. Present: Juan Lopez, Martin Diaz, Recorder: Donn Vargas The meeting was called to order at 6:15 pm by Juan Lopez (chair). Financial Statement: The committee reviewed the monthly financial statement for period ending August 31, 1987. Staff reported that there have been no substantial changes with respect to revenue and expenses. The individual line items under "Liabilities" on the balance sheet were discussed. Staff has been instructed to bring to the next finance committee meeting an action plan to zero out the liabilities where possible. Additionally, the revenue line items listed under "Income Accounts" will be adjusted to reflect new accounts. A final revised 1987 budget will be prepared for distribution in October. Revenue List: The committee was given a list outlining the sources that had been contacted and the status of each request. The list contains information as of August 31, and a final list will be distributed at the end of 1987. Expenses / Revenue: Staff distributed financial projections for period ending 1987 to the committee members for review. anticipated expenses are listed at \$68,500. and projected revenue

at \$73,771. Based on the preliminary projections, the projected revenue will exceed the anticipated expenses. However, a final determination on expenses will be made once staff has had a chance to talk with the IRS in order to finalize payment of all delinquent payroll taxes.

#### RECOMMENDATION

Prior to the next committee meeting staff has been directed to:

- 1. Contact the IRS to secure the necessary information on 1987 payroll taxes.
- Develop a payment plan for delinquent payroll taxes and set up a budget for current payroll taxes.
- 3. Prepare a final revised 1987 operational budget for approval.
- Prepare a finalized fourth quarter cash budget to be adopted for the balance of 1987.

5. Submit a final listing of funding sources and the status of each request for the balance of 1987.

Upon receipt and review, The Finance Committee will prepare a balanced budget resolution to the Board for approval.

Staff Hours: Based on the latest information available regarding projected revenue, Martin Diaz has requested approval to reinstate all staff to full time status. He will require staff to work 7.5 hours on Friday October 2, as opposed to 3.5. Pending Board approval on October 6, the additional 4 hours will either be paid time or staff will be required to apply it toward compensatory time (comp time).

### RECOMMENDATION

The Finance Committee approves the request as presented by Martin Diaz and recommends Board approval.

Office Consolidation: In an effort to adopt the boards posture of (operations) austerity, staff has proposed that both the Minneapolis and St. Paul offices be consolidated. The centralized office would then be relocated to the Midway area in St. Paul. This would net a savings of \$3,500. for occupancy alone. Additional savings would be gained by eliminating the need to duplicate purchases needed to operate two different offices.

Staff efficiency and output would increase by consolidation and case management would become more exact.

#### RECOMMENDATION

The Finance Committee recommends that staff gather information regarding the office consolidation concept and present a formalized plan if possible to members of the Executive Committee at their meeting on Tuesday, September 29, 1987.

Sliding Fee Schedule: Martin Diaz has proposed that the net income definition be adjusted to increase the number of clients that would be charged for services. Currently when income eligibility is determined incidental costs (i.e., child care, etc.) are deducted from the gross to define the net income. The proposed action would eliminate all incidental charges except for payroll taxes, (gross pay less payroll taxes will equal net income). If approved this would go into effect October 1, 1987.

#### RECOMMENDATION

The Finance Committee has recommended that the "Net Income" definition be adjusted as per the proposal submitted by staff.

<u>Dental Insurance</u>: Staff reintroduced the request to initiate dental insurance for staff. The proposed action would include a co-payment concept.

# Monthly Charges

Agency		Staff					
100% 75% 50% 25% 0%		\$208.12 \$156.09 \$104.06 \$52.03 \$0.00	50% 75%	=	\$0.00 \$52.03 \$104.06 \$156.09 \$208.12	Single Family	(\$6.07) (\$17.17)

#### RECOMMENDATION

The Fiance Committee recommends that dental insurance be approved for staff on a co-payment basis. The percent of share is suggested at 50-50 pending Board approval.

The meeting was adjourned at 7:30 p.m.

Respectfully,

Donn J. Vargas

DJV:bz

#### CENTRO LEGAL, INC.

# FINANCE COMMITTEE REPORT 10-21-87 5:30 p.m.

Present: Juan Lopez, Martin A. Diaz, Donn J. Vargas

The meeting was called to order at 5:45 p.m. by Juan Lopez

#### 1986 Audit

The committee reviewed a copy of the 1986 audit and management letter as prepared by Bailey & Calof, CPA, for Centro Legal. As previously reported by the finance committee, there was an operating deficit at the end of 1986, of approximately \$30,500., (unaudited). The 1986 audited deficit is listed at \$42,312., which is \$11,812. above the unaudited amount.

The auditor made note of the fact that in 1986 there was a reduction in funding of approximately \$43,000. This reduction, had a direct impact on the bottom line, and the only way to offset the deficit would have been to reduce spending by the identified deficit amount.

#### Recommendation:

The finance committee recommends approval of the 1986 as prepared and submitted.

#### Management Letter:

The committee reviewed the management letter as proposed by Bailey & Calof, CPA as part of the 1986 audit report. There are five (5) items that Bailey & Calof identified for consideration

1. Record Retention: It was suggested that Centro Legal develop guidelines for the disposition of agency records

Recommendation: The finance committee will draft guidelines outlining record retention and deposition to be ratified by the Board of Directors.

2. Inventory Control: It was suggested that Centro Legal develop a list of fixed assets for inventory control.

Recommendation: Staff will develop an inventory control policy and list. This will be reviewed annually to determine insurance value.

3. Capitalization Policy: It was suggested that Centro Legal develop a policy that would be used to determine what type of property is to capitalized. This policy should be ratified by

Board of Directors when completed.

Recommendation: The finance committee will develop a policy outlining the procedure to be used for capitalization of fixed assets. This policy will identify the dollar amount and number of years for depreciation.

4. Payment Priorities: It was strongly suggested that priority be given to paying payroll taxes when due. It was noted that failure to pay on a timely basis often results in significant penalties and interest.

Recommendation: The finance committee will make a concerted effort to develop a cash reserve account specifically for the purpose of paying payroll taxes when due. It is estimated that payroll taxes for 1988 will be \$30,000.

5. Operating Budget: It was suggested that future operating Budgets include revenue to cover unanticipated expenses. This would prevent the potential for operating deficits.

Recommendation: Future operational budgets will include revenue in excess of the estimated annual expense. It has been suggested that a starting point begin at 10-15% over and above the required budgeted amount.

### Sliding feel Schedule:

Staff is in the process of revising the current sliding fee schedule now in use. Once a draft has been developed it will be sent to the finance committee for review.

#### Office Consolidation:

The committee reviewed a sit comparison analysis that was prepared by staff. The analysis as presented used 3 potential sites, outlining the square foot rate and any operating costs for a 3 year period ( see attachment #1).

Of the 3 different sites, the space at the Ivy League place is the least expensive, with an annual rate listed at \$15,400.

However, there are 2 problems with this particular site. The first being that the building is located on a side street, 3 blocks off of University Avenue. The second problem is that the buildout (office construction) may cost in excess of \$10,000.

Therefore, while a consolidation of Centro Legal may be beneficial for management of programs and staff, the analysis reveals that there may not be the cost savings originally estimate.

Recommendation: The fiance committee recommends that the site analysis be sent to the Executive Committee for disposition.

# Financial Statement:

The committee reviewed the finance statement for period ending September 30, 1987, that includes a balance sheet and statement of expenses. Staff pointed out that some of the revenue that has been received has not been credited to the proper accounts. While the bottom line is accurate, the line item accounts are in error.

Recommendation: Staff is to prepare a revised statement, that will reflect a reallocation of revenue to their proper accounts. This revised statement should be available at the November finance committee meeting.

Respectfully

Donn J. Wargas Administrator

DJV:bz

#### CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 12-8-87 4:30 PM

PRESENT: Juan Lopez, Martin A. Diaz, Donn J. Vargas

# 1. 1987 REVISED OPERATIONAL BUDGET:

Staff reviewed the revisions that were made to the 1987 operational budget. The revisions consisted of changes made to the D.O.C. project, The Asian Legal project, and the Legalization project. These changes will not reflect on the services available but will be used to code expenses for bookkeeping use.

# 2. 1988 PROPOSED OPERATIONAL BUDGET:

The committee reviewed the options as developed for consideration and recommendation to the Executive Committee. Of the options presented, the one that would allow for a reduction of expenses while being the least disruptive would be the option that included contract services. This would include personnel at \$164,197., benefits at \$4,497., and expenses at \$72,435., a total of \$241,129. (monthly operating total of \$20,094.). With projected 1988 revenue at \$185,865., additional fund raising would be \$55,264.

These projections are based on available revenue as well as anticipated liabilities carried over from 1987.

#### RECOMMENDATION

The Finance Committee recommends that a 1988 budget of \$241,129. be sent to the Executive Committee for approval.

#### 3. LEGALIZATION PROJECT:

Staff reported that there had been an adjustment to the project as originally proposed. Centro Legal was under the impression that our budget of \$36,285. was for the calendar year 1987. However, based on recent conversations with S.M.R.L.S., the Legalization project will run from May 1987 through April 1988 (project year). This means that an adjustment will have to be made to our budget and may impact on our fund raising for 1988 with respect to this project.

The committee was also informed that the project monies received by S.M.R.L.S. to be released to Centro Legal do not always come when expected. This has an effect on how we budget as well as cause some problems when funds are not received when expected.

#### RECOMMENDATION

The committee recommends that staff (M. Diaz), send a letter to S.M.R.L.S. (D. Dorgan) requesting that funds be released to Centro Legal according to the allocation distribution dates, and explain that our budgeting process depends on a timely allocation of funds.

Being no further business the meeting was adjourned.

Respectfully:

Dom J. Vargas Administrator CENTRO LEGAL, INC.
FINANCE COMMITTEE REPORT
3/16/87 11:30AM

PRESENT: Tom Barrett, Juan Lopez(Chair),

Staff: Donn J. Vargas

- Staff distributed the financial statements for period ending 1/31/87, 2/28/87 and the list of funders that will be contacted in 1987. Staff explained that concerted efforts are being made to raise the operating revenue needed to meet monthly expenses. We need approximately \$21,641. per month to meet anticipated expenses.
- The Minneapolis United Way approved our appeal and authorized a performance rating change from "Fair" to "Satisfactory" resulting in an allocation increase from \$28,500. to \$29,213. for 1987. This decision opens the process for 1988 funding at an increased level.
- We are process of negotiating a reimbursement contract with Hennepin County for S.S.I. cases. General Assistance applicants will be referred to legal programs to assist them in their efforts to secure entitlements. Successful results will allow for a reimbursement of up to \$75. per hour for approved cases. This reimbursement agreement may include translation and Interpretation services for Hispanics and Asians as well.
- We are exploring the possibility of securing a Purchase of Service contract with Hennepin County/Community Service Department. If possible we will attempt to initiate contract proceedings to commence in mid 1987. If this is not possible we will submit our request for 1988 consideration.
- We plan to contact Ramsey County to inquire about entering into a Purchase of Service contract with them as well. This may be more difficult because the Public Defenders Office must initiate any contractual arrangements with non County vendors.
- The Membership Committee is in the process of drafting a policy position regarding a paid membership base. The anticipated goal is \$5,000. A general letter may be directed to Board members requesting a donation of between \$25. to \$100.
- We are having an 800 telephone number installed at our St. Paul office for the new INS project. SMRLS, has agreed to pick up 65% of the costs for this service. There will be 3 telephones that will be modified at \$110. per unit, the monthly service charge is \$45. and each hour of use will cost \$12.45. This service is only available for Minnesota callers, outside of the Northwestern Bell zone.

- Staff explained that the projected revenue for the retainer fee of \$25. has not met expectations. Our projected goal for 1987 is \$2,000., and to date we have generated approximately \$50. - \$75.

#### RECOMMENDATION

The committee would like staff to charge each client a minimum of \$25. for a "processing fee". This action may address the deficiency now being experienced.

1 A (/ | |

Respectfull

Donn's Vargas Administrator

# CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 3-10-87 6:00PM

Present: Tom Barrett, Juan Lopez(Chair), Guadalupe Luna

Staff: Donn J. Vargas

Staff distributed copies of the financial statement period ending 12/31/86, proposed format for tracking monthly expenses in 1987, a contributors list for 1987 and a list of potential contributors in 1987.

- The committee members reviewed the Balance Sheet and Statement of Income and Expense for period ending 12/31/86. Staff explained that our revenue goal was not met and the audit will give us an ending balance for 1986.
- The committee reviewed the proposed format for the Statement of Income and Expense that will be used in 1987. The major difference will be that expenses will be separated out between the St. Paul and Minneapolis offices. The balance sheet will remain the same.
- Staff distributed for review a list of funders that have been contacted for support previously. An additional list was distributed listing potential funders to be contacted for support in 1987. Committee members were asked to identify any funders on the list that they have had contact with in some capacity. The committee will be drafting a fundraising plan in order to meet the anticipated expenses for 1987.

The next meeting is scheduled for March 16, 11:30am at Tom Barrett's office in Minneapolis.

Respectfully:

Administrator

# CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 5-14-87 5:30pm

PRESENT: Tom Barrett, Martin A. Diaz, Juan Lopez

Recorder: Donn J. Vargas

#### MARCH FINANCIAL STATEMENT

Staff presented the March financial statement for review. The monthly expenses were listed at \$13,093. and the revenue was at \$16,107., a gain of \$3,013. However, it should be noted that the expenditures during March did not meet anticipated levels, creating the positive cash flow.

#### STATUS OF THE HENNEPIN COUNTY REQUEST

Our request to Hennepin County was deferred to 1988 funding. This means that we will go through the regular funding process during the end of the year.

#### REVENUE STATUS

Staff presented an update on our funding requests to date. The requests to new funders is not meeting expectations and a new strategy will have to be considered.

#### BAR ASSOCIATION

Staff will approached the Bar Association (Henn. Cty./Ramsey Cty.) to seek their support of our operations. It is assumed that because of the time of year, any consideration of support will be deferred to 1988.

#### ST. PAUL UNITED WAY

Staff reported that in 1987, the program descriptions that are to be submitted will be separated out between types of legal services with individual budgets. As a result, each request will be weighed individually and the allocation process will require us to speak to each request on its merits as opposed to a general request for support. Depending on how the allocations process goes, this new system may or may not be beneficial with respect to the amount of dollars allocated.

#### RECOMMENDATION

The committee recommended that an active effort be undertaken to educate (value of Centro Legal), those individuals that will have an impact on the decision process. The advocacy effort could take the form of a presentation, community meeting or reception.

#### COMPUTER SERVICES

A request has been made to the Gannett Foundation to fund the purchase of a computer for the administrative office. The amount of the request is \$3,000., and a decision will be made in July.

#### RECOMMENDATION

Staff is instructed to seek out bids from vendors for a computer. The amount of the purchase price should not exceed the amount of the request to the Gannett Foundation. When the right bid has been secured make the necessary purchase arrangements.

Respectful/

Administrator

# CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 6-23-87 5:30pm

PRESENT: Tom Barrett, Martin A. Diaz, Juan Lopez

RECORDER: Donn J. Vargas

#### FINANCIAL STATEMENTS

Financial statements for April and May were submitted for review. Aprils expenses were listed at \$13,661. and the revenue at \$9,874. a loss of \$3,786. In May expenses were listed at \$21,013., revenue at \$24,527. showing a gain of \$3,514.

#### REVENUE LINE ITEMS

Suggested adjustments will include the addition of two new line items. These will be 1. Attorney fees awarded, and 2. Client contributions. The addition of these two line items will allow staff to monitor revenue generated from court awards and contributions not directly tied into any specific catagory.

#### REVENUE STATUS

Staff reviewed the status of the fundraising efforts to date. It appears as though anticipated revenue is falling behind expectations and staff will start calling individual contributors to set up informational meetings.

The Membership Committee is in the process of developing a campaign to generate a paid membership base, and their goal is set at \$1,500.

#### OPERATIONAL BUDGETS

- 1. Staff distributed copies of the proposed revised 1987 budget for review and approval. The revised budget calls for a reduction in the total budget of approximately \$20,000. This revision has come about because some anticipated expenses have been reduced by start the late start up dates.
- 2. Staff distributed a proposed operating budget and salary schedule for 1988, with an increase of 5% over 1987 levels. This is a preliminary operational request that will allow staff to start preparing for 1988. The final revised budget will be presented to the Board at the November meeting.

# SALARY SCHEDULE FOR 1988

Staff presented the proposed salary schedule for 1988 with a 5% increase over 1987 levels. However, the final levels will be determined by the level of support that is generated for 1988. A final recommendation will be presented at the November boardmeeting.

#### EXPENDITURE FREEZE

The committee discussed ways to keep expenses within funding limitations. Suggestions were made about different methods that could be adopted to monitor expenses and keep them within reasonable levels of growth. Part of the problem that has come to light is that operational growth is taking place, while the level of support (financial) is not growing in a comparable fashion.

#### RECOMMENDATION

The committee made the following recommendations based on the information presented.

1. Approve the 1987 revised budget, 590 W

Approve the preliminary 1988 budget
 Freeze salaries at 1987 levels until further notice,

4. Initiate a co-payment plan (employee benefits) for 1988,

 Review aniversary dates to determine if a cost adjustment can be realized.

Staff is instructed to prepare a draft expense statement for the balance of 1987, with recommendations on areas that can be cut back if necessary, in order to finish the year with a balanced budget. This report is to be presented at the next Finance Committee meeting.

Respectfullx

Administrator

#### CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 4-23-87 5:30pm

PRESENT: Tom Barrett, Juan Lopez

Recorder: Donn J. Vargas

#### REVENUE SOURCES

Staff presented to the committee a list of sources that had been contacted and the status of each. The main emphasis will be to target new funders for 1987 with the hope of securing their support. The goal of this fundraising effort will be to secure funds to augment revenue committed for 1987.

# HENNEPIN COUNTY

Staff explained that a request had been submitted to Hennepin County for consideration of a Purchase of Service Contract. The Ways and Means committee will be meeting May 14, to hear our request. During the period, meetings will be held with individual Commissioners to solicit their support for our request. The difficulty we will have is that the budget has been set for 1987, and we are asking for monies from their contingency funds.

#### RAMSEY COUNTY

Staff explained that Ramsey County does not enter into individual service contracts but relies on each Department to act on their own as the need may arise. This means that the Ramsey County Public Defenders office would have to contract with Centro Legal if they had a need for our services.

# REVISED OPERATIONAL BUDGET

Staff will be developing a revised operational budget for the balance of 1987 and presenting it to the Finance Committee for approval. If approved it will be effective July 1, 1987.

Respectfully:

Administrator

CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 7/15/87 5:30pm

PRESENT: Martin A. Diaz, Juan Lopez, Donn J. Vargas

# 1. LEGALIZATION PROJECT

Staff reported that to date \$28,916. has been secured leaving a balance of \$7,500. still pending. However, due to staggared distribution dates only \$10,091. of that amount has been received for program operations. The balance will be distributed over the course of the next five months of 1987.

For 1988, approximately \$51,000. of the needed \$153,130. (total project monies) have been secured to dated. There is some concern that because of recent negative publicity (low numbers of people requiring legalization), the project may not receive the funding requested. The bottom line is that the project would be cut back to reflect reduced funding. Steps are being considered to stem any negative publicity before it has an impact on project operations in 1988.

#### RECOMMENDED ACTION STEPS

Make arrangements with Drovers Bank to adjust our operating line of credit to reflect the distribution dates for the Legalization Project monies. As the funds are released, they are to be sent directly to Drovers from the allocating Foundations to cover the adjustments.

The staff attorney (Legalization Project) will be retained only as long as funding is available. If the project has a reduction in funding, efforts will be made to secure the staff position through the end of May 1988.

# 2. FUNDING STATUS

Staff reported that the 1987 fundraising goal of \$116,843. (revised 7/87) may be short by an estimated \$47,000. Pending requests to date amount to approximately \$70,000. However, this does not mean that we should expect 100% of the proposals to be funded at the requested levels. If we are to reach a balanced budget by the end of 1987, with no additional revenue we will have to cut expenses by at least \$47,000.

#### RECOMMENDED ACTION STEPS

After careful analysis of the information as presented, the Finance Committee is recommending the following action to take place.

1. Staff be required to reduce their weekly hourly schedule by 4 hours (1/2 day on Fridays) over the next 21.5 weeks (8/1 - 12/31). This would be a cost savings of \$6,794. (\$79./hr. x 4 hrs. over the 21.5 wk period). The reduction in hours would save on payroll taxes in the amount of \$912., bringing a total savings of \$7,706.

2. Employees with dependent health coverage will be asked to voluntarily consider removing their dependents from Centro Legal if possible. This may save an estimated \$2,000., however, this will not be figured in the initial spending reduction plan.

3 only

 Suspend the monetary reimbursement of accrued annual and sick leave over cap limitations until further notice.

4. Do not renew the CAR's Dental Plan (membership fee), a spending reduction of \$428.

5. Explore the possibility of fundraising assistance from outside resources (contract services). Tem Gowley assoc. Bible

6. As a part of a recommendation from a previous committee meeting, staff has been instructed to seek an outside consultant (contract services), to assist Centro Legal in the development of a short and long range financial management plan. This may include restructuring our current financial scheme to be more in tune with current funding resources, (i.e., creative financing). In conjunction with any financial restructuring, consideration will be given to operational reorganization to make the best possible use of existing and/or new personnel resources.

Staff are instructed to report on the progress of these spending reduction recommendations at the next Financial Committee meeting in August.

Respectfully/:

Donn J. Varga Administrator

DJV/

Major Fundu Short Turn

## CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 8-12-87 6:00PM

PRESENT: Juan Lopez, Martin A. Diaz,

RECORDER: Donn J. Vargas

Juan Lopez called the meeting to order at 6:15pm.

# FUNDRAISING UPDATE

- 1. Staff reported that a meeting was held with Ms. Karen Starr of the OTTO Bremer Foundation to discuss the pending request of \$25,000. The request if approved would finance core operations in St. Paul (Immigration Program Services). Distribution of any funds would be at the end of August. Preliminary indications are that of the \$25,000. request, only \$10,000 may be approved if at all.
- 2. Our request to the F.R. Bigelow Foundation (\$25,000.) for support of our core programs in St. Paul is now before their distribution committee. If a decision is made to approve our request, the allocation will be made at the end of August. However, a decision to approve our request is not assured.
- 3. A request is being prepared for submittal to the Department of Corrections, in the amount of \$40,000. The project being proposed is to provide legal services to Hispanic battered women in Minnesota. The submission date is August 20, for project dates October 1, 1987 through June 30, 1988. The plan is to use existing staff where possible for this new project.
- 4. It appears as though our request before the Minneapolis Community Action Agency (MCAA), for \$25,000. will be denied. This project was to provide law clerks in our Minneapolis Office for period October 1, 1987 through September 30, 1988. Procedures for submitting an appeal is being reviewed by staff, and the information will be presented to the Finance Committee for a recommendation.

# CONSULTANT ASSISTANCE

1. Staff met with representatives of Terry Crowley & Associates to discuss a potential partnership for the balance of 1987. Crowley & Associates would assist staff in redrafting funding proposals and identify potential contributors. Approximately 25 hours would be needed for this effort, at a cost of \$1,500. The Dayton-Hudson Foundation would be willing to review a request for this project if authorized by Centro's Board of Directors.

# MANAGEMENT IMPROVEMENT FUND UPDATE

- 1. Staff has met with and received a proposal from Ann Waterhouse & Associates as part of the action to be taken in order to submit a request to the M.I.F.- St. Paul Foundation. The proposed plan is now being reviewed by staff.
- 2. Staff met with a representative of Sue Steven & Associates in order to secure the second bid required as part of the M.I.F. St. Paul Foundation action. However, due to time constraints and previous commitments, they may not be available, in which case we will have to seek other candidates.

## AUDIT SERVICES

Audit preperations are underway for 1986 reports. Centro Legal will us the services of Baily & Calof, C.P.A. Staff will meet with representatives of Baily & Calof to negotiate the work requirements and charges. The audit should be available for distribution by mid September.

# FINANCIAL STATEMENT - 6/30/87

1. A question was raised on how I.O.L.T.A. expenses are being tracked. Even though we have separate accounts, on paper it appears as though IOLTA funds are being co-mingled with the general account.

Staff was instructed to have the IOLTA expenses clearly identified and take steps to make the necessary adjustments to both revenue and expense line items.

2. The Asian Legal Project revenue line item was incorrectly placed under the St. Paul section and should be moved to the Minneapolis section.

Staff will take the necessary action to adjust the financial printout on the September statement.

# NEW REVENUE SOURCE

Staff reported that Centro Legal may be able to enter into a formal agreement with private attorneys to refer Personnel Injury cases to them. The office would receive 1/3 of any attorney award realized from the successful outcome of a referred case. However, before an agreement of this type can be approved, operating procedures must be developed to safe guard Centro Legal from any adverse action.

#### RECOMMENDATION

Staff should proceed with developing an operating procedure for review by the Finance Committee at their next regularly scheduled meeting. Upon review, the Finance Committee will recommend a policy consideration to the Board of Directors.

Respectfully:

Donn J. Vargas Administrator

DJV/

#### CENTRO LEGAL, INC.

# FINANCE COMMITTEE REPORT 10-21-87 5:30 p.m.

Present: Juan Lopez, Martin A. Diaz, Donn J. Vargas

The meeting was called to order at 5:45 p.m. by Juan Lopez

# 1986 Audit

The committee reviewed a copy of the 1986 audit and management letter as prepared by Bailey & Calof, CPA, for Centro Legal. As previously reported by the finance committee, there was an operating deficit at the end of 1986, of approximately \$30,500., (unaudited). The 1986 audited deficit is listed at \$42,312., which is \$11,812. above the unaudited amount.

The auditor made note of the fact that in 1986 there was a reduction in funding of approximately \$43,000. This reduction, had a direct impact on the bottom line, and the only way to offset the deficit would have been to reduce spending by the identified deficit amount.

#### Recommendation:

The finance committee recommends approval of the 1986 as prepared and submitted.

#### Management Letter:

The committee reviewed the management letter as proposed by Bailey & Calof, CPA as part of the 1986 audit report. There are five (5) items that Bailey & Calof identified for consideration

1. Record Retention: It was suggested that Centro Legal develop guidelines for the disposition of agency records

Recommendation: The finance committee will draft guidelines outlining record retention and deposition to be ratified by the Board of Directors.

2. Inventory Control: It was suggested that Centro Legal develop a list of fixed assets for inventory control.

Recommendation: Staff will develop an inventory control policy and list. This will be reviewed annually to determine insurance value.

3. Capitalization Policy: It was suggested that Centro Legal develop a policy that would be used to determine what type of property is to capitalized. This policy should be ratified by

#### Comments:

- As a result of this audit, the finance committee will take steps to address the issue's of the operating deficit as well as preparing an operating budget to prevent a repeat.
- It may be necessary to reduce staff and other operating expenses to keep spending in line with the available revenue.

Recommendation: The Finance Committee is to prepare a 1988 operational budget that is consistent with available revenue. In addition; this budget should include surplus revenue in order to eliminate any carryover operational deficit from 1987.

Respectfully

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DJV:bz

#### CENTRO LEGAL

# FINANCE COMMITTEE REPORT DECEMBER 16, 11:30

Present: Tom Barrett (Chair), Juan Lopez, Rafael Ortega, Susan E. Conley, Donn J. Vargas.

Meeting was called to order at 11:45 by Tom Barrett.

- Staff presented to the committees the November 1986 financial statement. Changes to the line item designation were noted and approved. A proposal to track monthly expenses using two separate budgets for St. Paul and Minneapolis was discussed and approved for internal use only. The Board will still receive the combined monthly statement.
- 2. The 1987 operating budget was presented and approved for recommendation to the Executive Committee.
- Salary schedules approved at the 11-18 Finance Committee meeting were reviewed for members not present at that meeting.

Discussion -

Future salary schedules should be adjusted using employee performance review documents and may include a merit increase pending approval of a procedure.

# Committee Recommendation

Employee anniversary dates will remain as they are. Future salary adjustments should be presented with enough lead time to avoid retroactive pay. The annual operating budget should reflect a salary surplus to ensure that salary increases can be awarded when due.

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Administrator

Respectfully.

DJV:bjz

Centro Legal, Inc Finance Committee Report November 18, - 11:30 A.M.

PRESENT Tom Barrett (Chair), Juan Lopez, Donn J. Vargas

Meeting was called to order at 11:45 a.m. by Tom Barrett.

- 1. Staff presented the October 1986 monthly financial statement for review.
- 2. Staff presented the status report for operating revenue secured to date.
- 3. Staff presented the proposed salary schedule for 1987 for approval subject to review by the Finance Committee.

#### COMMITTEE RECOMMENDATION

Susan E. Conley	27,300
Martin A. Diaz	24,000
Christine Rosario	13,000
Donn J. Vargas	26,500
Elisa Ybarra	18,800
Betty Jo Zepeda	14,500

Special project staff salaries pending revenue

Asian Legal Project 13,500 INS Project 22,500

4. Staff requested that the committee approve the securing of a bank note to be used to aid in cash flow and to be reimbursed from the securing of a 1987 grant in the first quarter.

#### COMMITTEE RECOMMENDATION

Direct staff to secure a 90 days bank note to aid cash flow and negotiate the repayment plan. The note is not to exceed \$25,000.

5. Staff presented the committee with a tentative operating budget for the INS project. Staff was directed to adjust the line items to make sure that all direct costs would be subsidized by project revenue.

Respectfully,

Donn J. Vargas

#### CENTRO LEGAL, INC. Finance Committee Meeting Minutes September 19, 1990

Present: Irene Gomez-Bethke, Artie Martinez, Karim El-

1. 1989 Audit. The Members had an opportunity to review the audit. Irene and Artie expressed satisfaction with the Audit's prompt completion. It was noted that the audit at a final cost of \$3000 reflected a considerable savings over the cost of the 1989 audit. Irene suggested that the audit should be formally accepted by the Board.

RESOLUTION: Submit audit for Board approval.

- 2. Financial update and review of Funding during 1990. Karim distributed copies of the monthly financial statement ending August 31st, 1990. The committee discussed funding for 1991.
- 3. Staff raises revisited: The Committee discussed the issue of compensation. Irene and Artie both expressed opposition to the notion of an across the board raise on the theory that there would be little incentive to improve performance. Artie suggested that all employees should be eligible for a 0 to 10% raise commensurate with performance. It was noted that the issue of raises would have to be acted upon in November to be effective in January of 1991. Additionally, our 1991 budget must be capable of accommodating this variance.

RESOLUTION: Karim should present recommendations at November meeting so that appropriate action may be taken.

# CENTRO LEGAL, INC. FINANCE COMMITTEE AGENDA May 9, 1990

Present: Irene Gomez-Bethke, Tom Barrett, Arturo Martinez, Karim El-Ghazzawy.

- Status of 1989 Audit Brad Begley, J.D., CPA of Romer & Company has been retained by Centro Legal for its
   1989 Audit.
- 2. Status of Computerization- The St. Paul Capital Campaign's Allocation Committee has indicated that Centro Legal, Inc., has been awarded \$15,000.00, available for immediate disbursement upon receipt of invoices. Two proposals are on the table.
- 3. Fund Raising- The Dayton Hudson Foundation has disbursed \$12,500.00 for 1990 general operating 2 1/2 1/4 90 support and has committed \$15,000.00 for general 2 1/2 1/4 operating support during 1991.

DOC - funding will likely be renewed at \$50,520 for FY 1991 (July 1st, 1990 - June 30th 1991).

LSAC - Request for increase from \$14,000.00 to \$20,000.00 for FY 1991.

IOLTA - Request for increase from \$20,000.00 to \$25.000.00 for FY 1991.

Proposal to Hennepin County Bar Foundation for \$6,000.00.

Proposal to General Mills for \$7,500.00.

Proposal to Fingerhut for \$5,000.00. ?

Proposal to Northern States Power for \$7,500.00.

To be submitted by May 15, 1990-

Proposal to St. Paul Foundation and Bigelow for \$7,500.00, respectively.

Proposal to Minnesota State Bar Association for \$6,000.00.

Proposal to Minnesota Women's Fund for \$7,500.00 due May 15th, 1990.

In addition, I will be meeting with <u>Bob Zalk</u>, a partner at Fredrickson & Byron to discuss strategy for fund raising in the large law firms.

- 4. United Way Minneapolis I will request that additional support be provided to acknowledge that Phillips Gonzalez, will be shortly begin to assume regular Proyecto Justicia cases. Funding for the ILP project sunset effective May 1, 1990. A similar requests will be made to the St. Paul United Way. Request for assistance in lobbying United Ways.

  N.B. It is expected that the ILP project will receive a final disbursement of approximately \$5,000 on or before June 15, 1990.
- 5. Attorneys Fees Appear to be slightly under expected projections, in terms of monies actually collected.

  There is a strong possibility the attorneys fees will meet \$25,000.00 projection by year end 1990.

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6. Christine Rosario's request for \$1,000.00 per annum increase in salary.

7. Other.

# CENTRO LEGAL, INC.

#### FINANCE COMMITTEE AGENDA

# SEPTEMBER 19, 1990

- 1. Review of 1989 Audit
- Financial update Review of August, 1990 statement
   Funding throughout 1991.
- Staff raises revisted.

Paliny -

# CENTRO LEGAL, INC. MAY 9, 1990 FINANCE COMMITTEE MEETING MINUTES

Present: Irene Gomez-Bethke, Arturo Martinez, Karim El-Ghazzawy.

1. Status of 1989 Audit - Brad Begley, J.D., C.P.A., has been retained by Romer & Company to complete Centro Legal's 1989 Audit. Mr. Begley has provided me with a "Client to do List". I am in the process of compiling/obtaining the requested information. Mr. Begley has indicated that he will be able to commence the actual audit on Tuesday, May 22nd, 1990.

Resolution: Karim should provide Mr. Begley with all necessary materials to expedite completion of the audit and update the Finance Committee on the audit's status.

2. Status of Computerization- The St. Paul Capital Campaign's Allocation Committee has awarded Centro Legal, Inc., \$15,000.00 in order to computerize its St. Paul and Minneapolis offices. Funds are available for disbursement upon receipt of invoices.

Resolution: Karim should provide Finance Committee members with financial proposals and a training budget should be allocated. Contact with Finance Committee members may be by telephone. Actions taken regarding entering actual purchases should be confirmed by letter. Computer purchases should take place as expeditiously as possible.

Fund Raising- Karim indicated that the Dayton Hudson Foundation has disbursed \$12,500.00 for 1990 general operating support and has committed \$15,000.00 for general operating support during 1991. This Foundation is very pleased with our progress during 1988-89 and has indicated that if all goes well they will commit to a substantial increase in funding during 1992. This grant may be used as a leverage to obtain additional funding.

DOC - funding will be automatically renewed at \$50,520 for FY 1991 (July 1st, 1990 - June 30th 1991). Approved.

LSAC - Request for increase from \$14,000.00 to \$20,000.00 for FY 1991. (7/1/90 - 6/30/91). Pending

IOLTA - Request for increase from \$20,000.00 to \$25.000.00 for FY 1991. (\$25,000 granted for 7/1/90 - 6/30/91).

Proposal to Hennepin County Bar Foundation for \$6,000.00. Pending.

Proposal to General Mills for \$7,500.00. Pending

Proposal to Fingerhut for \$5,000.00. Pending

Proposal to Northern States Power for \$7,500.00. Pending

Karim indicated that the following proposals would be submitted shortly.

Proposal to St. Paul Foundation and Bigelow for \$10,000 and \$7,500.00, respectively.

Proposal to Minnesota State Bar Association for \$6,000.00.

Proposal to Minnesota Women's Fund for \$7,500.00, due May 15th, 1990.

In addition, I will be meeting with Bob Zalk, a partner at Fredrickson & Byron, to discuss strategy for fund raising in the large law firms.

Resolution: Submit proposals as soon as possible.

4. United Way - Minneapolis - I will request that additional support be provided to acknowledge that Phillips Gonzalez, will begin to assume regular Proyecto Justicia cases. Funding for the ILP project sunset effective May 1, 1990. A similar request will be made to the St. Paul United Way. Karim requested for assistance to lobby United Ways.

N.B. It is expected that the ILP project will receive a final disbursement of approximately \$5,000 on or before June 15, 1990.

Resolution: Centro Legal should take a proactive approach with the United Way and stress the importance of civil legal services to the Twin Cities' Hispanic community.

5. Attorneys Fees - Appear to be slightly than expected projections, in terms of monies actually collected. There is a strong possibility the attorneys fees will meet \$25,000.00 projection by year end 1990.

(6.) Christine Rosario's request for \$1,000.00 per annum increase in salary.

The committee discussed the request and concluded that 5% across the Board increases, approved effective January 1st, 1990, would not be subject to amendment throughout the year. The committee indicated that compensation issues would be reviewed toward the end of the year and that, funding permitting, increases from 0% - 7% would be allocated. The amount of the salary increase would be based on performance.

<u>Resolution</u>: Deny request for increase. Establish an employee review process that would allocate salary increases based on merit.

There being no other business the meeting was adjourned.

Respectfully Submitted,

Karim El-Ghazzawy

Chief Legal Officer

TO: Board of Directors

FROM: Karim El-Ghazzawy

RE: Finance Committee Minutes

Date: July 25, 1989

Present: Irene Gomez-Bethke, Tom Barrett and Karim El-Ghazzawy.

- 1. Change in Fee Schedule. Resolved: Incorporate a \$5.00 per hour charge and shift remainder of schedule up one notch. This is a time limited proposal subject to review after six (6) months.
- 2. Update on current status of fundraising efforts. (Refer to attached sheet).
- 3. Response to Minneapolis United Way's July 20, 1989 Midcycle Report and financial assessment:
  - Forcefully present our position
  - Personal Meeting with Irene and Tom.
- 4. Audit is almost completed a draft will likely be available by end of August to distribute to funders. Send copy of draft letter to Tom.
  - 5. DOC post audit recommendations.
    - Addressing the \$1,700.00 overpayment.
    - Response due shortly.
- 6. Centro Legal has received a \$10,000.00 grant award from the St. Paul Foundation to pay off pre-existing debt which includes:

Drover's Bank Loan - \$6,500.00
West Publishing - 4,600.00
Sprint - 1,700.00
Butterworth's - 1,200.00

N.B. The latter 3 debts are not noted in Centro's monthly computer print out.

Resolved: Upon disbursement, pay Drover's debt in full, attempt to favorably settle West and Sprint accounts.

7. I was directed by the Board President to have Centro Legal become a member of MAP.

Resolved: Centro Legal will become a member of the Management Assistance Project (MAP) with the goal of securing a member to fill our Board vacancy.

- 8. I received a call from a Board member who indicated reluctance to attend Centro's upcoming general board meeting based on the fact that it would be held in Minneapolis.
- Approximately one half the Board resides in Minneapolis and outlying suburbs the other half in St. Paul.
- Possible solution: alternate site of general meetings between Minneapolis and St. Paul.
- Resolved: Bring before Board for discussion and approval of site for general meetings.
- 9. Possible expansion of Proyecto Ayuda. DOC allegedly has additional monies which Centro can bid for.

I would be interested in hiring a bilingual attorney to assume primary responsibility for Proyecto Ayuda's caseload. Such a move would greatly free up CLO time for fundraising.

- Resolved Bring before full Board.
- 10. Position of Finance Committee regarding Centro's participation in the "Hispanic Aids Proyect" coordinated by John Pacheco.
- Resolved: Bring before full Board for discussion. General consensus was that it was a project worthy of our involvement.
  - 11. Suggestions for fixed meetings throughout the year.
  - 12. 1989 Financial Projections.
- Resolved: CLO will produce monthly Financial projections for 1989 through mid 1990 and forward to the Tresurer.

The Meeting was adjourned.

Respectfully Submitted,
Karin El- Lhaylaw

Karim El-Ghazzawy Chief Legal Officer

#### CENTRO LEGAL, INC. FINANCE COMMITTEE REPORT 1-13-88 4:00PM

PRESENT: Irene Gomez-Bethke, Martin A. Diaz, Steven Hoffmeyer, Donn J. Vargas

# OPERATIONAL BUDGET

The committee met to discuss the options available, in order to comply with the board resolution of limiting the 1988 budget to \$242,562. Staff distributed a draft budget listing anticipated expenditures based on 1987 expenses. The budget figure as proposed is approximately \$240,000. However, this figure does not include an adjustment for 1987 liabilities but rather act as a starting point.

# Recommendation:

In light of the previous action by the board the committee recommended that;

- Restrict expenses to 1987 levels except for items authorized by the board.
- 2. Await the report from the Sue Stevens Company, adopt corrective action recommended, and
- As a last resort cut staff positions.

It was felt that this initial action would allow the management time to develop a fund raising strategy, and a plan to pay off 1987 liabilities.

#### FUNDING OPTIONS

An ongoing concern has been the cash flow and the ability of the agency to meet all of its expenses in a timely fashion. Part of the difficulty has been the turn around time for contract reimbursements and the allocation of approved grants. As a result, the committee reviewed the available options and discussed the action needed to adjust the situation so that it becomes favaorable.

# Recommendation:

The issue of cash flow and new revenue needed for 87 liabilities are two different items although interrelated. Therefore, the committee has decided to address each individual.

NEW REVENUE - In order to raise new revenue to off set carry over liabilities it was decided to take the following position.

- \* A set number of our past major funders would be approached,
- \* The request would be a one (1) time special funding request seperate from our annual appeal,
- \* We would try to solicit at least \$5,000. from each source for a total of \$25,000. \$30,000., and,
- \* Due to the nature of this effort it is important for board leadership to initiate the contacts.

The committee felt that by following these steps it would be easier to track the contacts to determine how successful this effort would be. As time is of the essence, arrangements were made to initiate the first contact with Mr. Russell Ewald of the McKnight Foundation.

CASH FLOW - As a direct result of past difficulties concerning cash flow, the committee discussed ways in which adjustments could be made. Some of the difficulties are the turn around for contract reimbursements and the distribution of grant monies.

#### Recommendation:

Staff is to develop a cash flow-chart that will identify each funding source, the amount of each allocation and when funds are usually received. The next step would be to contact the committed funding sources and inquire about the possibility of adjusting the distribution schedule to ensure a positive cash flow when needed.

FUND RAISING COMMITTEE - The committee was informed that a fund raising committee had been appointed to assist in the development of an enlarged funding base. Staff will be contacting each of the members to determine the first meeting date. It is understood that this committee will be independent of the Finance Committee but will have to develop some type of relationship in order to meet the stated objectives of each.

#### Recommendation:

While it is understood that the Fund Raising committee will act independently of the Finance Committee it should consider the Chair of the Finance Committee as an ex officio member.

Being no further business, the meeting was adjourned at 6:00pm.

Respecfully:

Donn J. Vargas Administrator Board of Directors when completed.

Recommendation: The finance committee will develop a policy outlining the procedure to be used for capitalization of fixed assets. This policy will identify the dollar amount and number of years for depreciation.

4. Payment Priorities: It was strongly suggested that priority be given to paying payroll taxes when due. It was noted that failure to pay on a timely basis often results in significant penalties and interest.

Recommendation: The finance committee will make a concerted effort to develop a cash reserve account specifically for the purpose of paying payroll taxes when due. It is estimated that payroll taxes for 1988 will be \$30,000.

5. Operating Budget: It was suggested that future operating Budgets include revenue to cover unanticipated expenses. This would prevent the potential for operating deficits.

Recommendation: Future operational budgets will include revenue in excess of the estimated annual expense. It has been suggested that a starting point begin at 10-15% over and above the required budgeted amount.

# Sliding feel Schedule:

Staff is in the process of revising the current sliding fee schedule now in use. Once a draft has been developed it will be sent to the finance committee for review.

#### Office Consolidation:

The committee reviewed a sit comparison analysis that was prepared by staff. The analysis as presented used 3 potential sites, outlining the square foot rate and any operating costs for a 3 year period ( see attachment #1).

Of the 3 different sites, the space at the Ivy League place is the least expensive, with an annual rate listed at \$15,400.

However, there are 2 problems with this particular site. The first being that the building is located on a side street, 3 blocks off of University Avenue. The second problem is that the buildout (office construction) may cost in excess of \$10,000.

Therefore, while a consolidation of Centro Legal may be beneficial for management of programs and staff, the analysis reveals that there may not be the cost savings originally estimate.

Recommendation: The fiance committee recommends that the site analysis be sent to the Executive Committee for disposition.