

Committee Name:	Finance Committee (“FC”)		
Committee Chair:	Guy Davis	Vice Chair:	Jill Gellatly
Minutes recorded by:	Guy Davis	Date/time of meeting:	8:00 pm ET 2/28/2023

Motions Passed:

1.

Number of committee members present: 11	Absent: 2	Number of guests: 0
Committee members present: Guy Davis - Chair, Jill Gellatly - Vice Chair, Ralph Davis, Teddy Decker - Treasurer Ex-officio, Phil Dodson, Susan Ehringer, Brandon Franklin, Gary Keehner - Controller Ex-officio, Susan Nolte, Maddie Sabilia, Chris Wagner.		
Guests:		
Committee Members Absent: Dawson Hughes - CEO Ex-officio, Arlene Delmage		

Minutes

The meeting (conducted by Zoom call) was called to order at 8:02 pm ET

1. The first meeting of 2023 with 5 new committee members joining. Guy thanked all for volunteering to serve and welcomed the new members to the committee.
2. The principal business of the meeting was to 1. Review the preliminary USMS financial results for 2022 and the January 2023 USMS financial results; 2. to plan the business and meeting agenda for the FC for 2023; and 3. to discuss any questions new members might have about the operation or business of the FC.
3. Gary gave an overview of the annual financial management timetable of USMS. He had earlier circulated the relevant section of FOG describing the budget development process and the budget meeting schedule for 2022 to give FC members an example of the meeting program. The budget development meetings generally commence in July and for 2023 will be scheduled later in the year. In the recent past the pandemic subjected USMS budgets and financial results to greater uncertainty, often giving rise to the requirements for additional meetings to review or reconsider performance against budget. We expect financial performance will now be more predictable, but the FC will convene meetings as necessary to address any requirements that may arise. We are currently proposing the next meeting in May/June to review Q1 financial performance, to prepare for the 2024 budget/business plan meetings, and to review the FOG.
4. Gary had earlier circulated the preliminary USMS financial results for 2022 and for January 2023. He noted some points on the 2022 results, including the issues associated with how expenditures on USMS’s digital capabilities are treated for accounting purposes. As some of these expenses have been treated as capital investment rather than immediately expensed (i.e. they are not shown as an expense in the income statement until shown as depreciation), budget performance in this area needs to be tracked through the capital budget as well as the income statement. In any event, the multi-year “digital transformation” IT modernization project and all of its associated expenditures have been tracked and reported to the BOD and FC throughout its 5 year implementation, and Dawson and the NO will update the FC again on this in due course.
5. At this early stage in the year, the key budget (revenue) driver that is closely tracked is membership as a very significant proportion of our membership signs up or renews in the last two months of the prior year and the first months of the current year. At this stage membership trends are ahead of 2022 and in line with expectations set in the 2023 budget.
6. Guy invited all of the members to review the FOG by the end of April (an email will be circulated) and to list any comments/observations or housekeeping points they may have. He particularly invited new members to do so, welcoming their fresh perspectives on the document. Maddie and Chris volunteered to work with Guy in a small sub-group to collate comments which we will discuss with Gary and Teddy. In this year’s FOG review our goal will be to consider how the FOG should best be organized to make it as user friendly as possible and to make reviewing and updating it as efficient as possible.
7. We had a general discussion of various topics and questions on USMS’s financial management and the role of the FC, including LMSC budgeting and finances and the financial KPIs. Regarding the LMSC finances it was noted that LMSC reserves have increased significantly during the pandemic and represent a substantial financial resource potentially available to support local member value and to support the implementation of strategic USMS initiatives. The LMSC boards have authority and control over their budgeting and use of reserves and USMS leadership will continue to engage with them to

help them best deploy reserves for USMS member benefit. Regarding financial KPIs, and other KPIs used to track organizational performance, we suggested that we defer to when Dawson is available to lead the discussion.

8. No other business was brought forth.
 9. The meeting was adjourned at 9:03 pm ET
 10. The next meeting of the FC will be scheduled by Doodle poll, likely in May or thereabouts.
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