

Finance Committee Meeting  
Friday October 14, 2011  
Minutes

The meeting was called to order at 3:08 p.m.

In attendance: Jamie Bukovac, Rich Wolff, Jeannie Dilger-Hill, Aaron Skog

SWAN Excess Cash

The Finance Committee recommends that SWAN retain four months of operating cash reserves as opposed to three months in order to provide for immediate support of SWAN if needed.

The committee also reviewed future potential costs including:

- If SWAN did have to move – moving costs, startup cost for T1line, staff computers, office equipment, staff furniture, supplies, facility build-out.
- Migration to a different software system – Aaron had ballpark costs for Evergreen and Sierra.

(Aaron has dollar amounts that can go here).

Based on these project costs, the committee recommends that any excess cash in the FY12 budget be retained as excess cash and not be used to offset operating costs for FY13. SWAN should also consider whether or not to retain the “reserve fund” monies that are paid by members as part of the financial formula to support SWAN or use those monies to offset operating costs for FY 13 as was done for FY12.

As this point, it appears that SWAN has \$1,000,000.00 that can be invested.

Emergency Expenditures

There is no process in place to accommodate an emergency situation that requires spending of SWAN money. The committee recommends that language be added to the bylaws to accommodate this. “In the event of an emergency situation that impacts the day-to-day operations of SWAN, the Executive Director, with approval of the SWAN Board President, of the Vice-President if the President is not available, is authorized to expend funds to resolve the emergency. In this event, a purchase made be made on a single quotation as is deemed prudent by the President, or Vice-President as needed, in response to the emergency.”

FY13 Budget

The committee decided that for the FY13 budget SWAN should take over all staff costs and potentially look at becoming completely independent. There was discussion about creating two budgets – one with all staff costs and one with costs for SWAN being independent. Dilger-Hill and Wolfe feel that only one budget should be prepared and that it should reflect SWAN independence.

The committee will ask the Council if they prefer to develop the budget as a committee of the whole or refer it back to the committee to work with Skog.

The committee feels it is important to hold a discussion with the members as a whole group rather than in committee groups to discuss the direction SWAN should take regarding SWAN staff and regarding complete independence. This discussion could be part of the November SWAN Council meeting.

The usual SWAN Council meeting would be Nov. 18 and the quarterly Dec. 1, with the Thanksgiving holiday in between. The committee recommends that the SWAN Council meeting be moved to 11/11. A request for the change in date was sent to the other council members.

The committee discussed the need for a contingency budget line for the FY13 budget, particularly if SWAN is independent. Skog will consider this and balance the impact on member fees.

Dilger-Hill left the meeting at 4:58.

#### FY12 Budget

Skog asked that instead of issuing credits to libraries for e-commerce, checks be issued instead. This would be much easier for RAILS finance department and would be easy for libraries to deposit checks into their fines revenue lines. The committee agreed this makes sense.

Skog also brought up the idea of members' checks going to a bank lockbox and being process by a bank rather than being processed by RAILS finance department (PALS currently does this). Bukovac asked Skog to find out what the fees are for this service.

The meeting adjourned at 5:08 p.m.