
SOCIETY OF ST. ANDREW

Spring Board Meeting
April 29, 2016 ~ Big Island VA

Present: Andrew Benjamin, Ken Bradford, Wallace Bruce, Kyle Bullock (via phone), Cooper Davidson, Steve Jennings, Bill Moore, Barbara Perrone, Ida Powell, Bob Spencer, Cliff Steger, Julie Taylor, Ann Vest, Mike Waldmann, Brenda Patterson (Sec.)

Guest: Jeanie Duncan, Raven Consulting Group

Absent: Randy Beardsworth, Harriet Bryan, Larry Davies, Denny Engle, Barbara Gomez, Tom Green, Hasbrouck Hughes, Bill Kuecker, Joyce Moorman, David Moseley, Dan Ramsey, Hughey Reynolds

The meeting was opened with prayer by Steve Jennings and called to order at 9:40am.

Approval of Fall Board minutes: Bill Moore made a motion that the minutes be approved as written, Ida Powell seconded and the vote passed unanimously.

Approval of Executive Committee minutes: Ida Powell made a motion that the minutes be approved as written, Wallace Bruce seconded and the vote passed unanimously.

EXECUTIVE DIRECTOR'S REPORT: (Mike Waldmann)

Financially SoSA is in good shape. The first quarter started off well and Mike deferred the remainder of the financial report to the finance committee.

Programs are doing well. Gleaning is off to a good start with lots of field opportunities and warehouse loads. Harvest of Hope has already had their college event and is preparing for the summer events. The entire month of July is full of HOH events.

**SoSA Board of Directors
Executive Director's Report
04/21/16**

Financial update:

- Mike's end of MAR financial report has been distributed.
- Total income through MAR is \$672.7K against total expenses of \$603.8K leaving a positive balance of \$68.8K for the first quarter.
- Income is off to a fairly good start for the year and we are well ahead of plan by \$118K or 38%. Total income of \$672KM is above last year by \$83K or 14%. Income has been helped

by a \$250K grant we received but which we didn't expect would be approved. Additionally there are some large major donor gifts, totaling \$160K that normally are received by now but which have not yet arrived. We still expect those gifts later in the year.

- All income sources are in pretty good shape after the first quarter.
- Our expense plan this year is \$2.58 million. Through March our actual expenses are \$603K which is \$18.2K or 2.4% below our budgeted expenses.
- As most members will recall the period from February through October is typically characterized by deficit spending months. This is normal for SoSA. Although we are normally already in the red at this point in the year we are actually in the black by \$68.8K.
- Overall, SoSA is in very good financial shape with end of MAR cash on hand of \$1.683M (\$41.3K or 2.5% above last year). This is without the \$160K in major donor gifts that are normally received by now. This represents about 7 months of operating reserves and that is excellent.

Program:

- Gleaning programs started off well this year with total food distribution up 41% over last year.
- The Potato and Produce project is up 57% over last year.
- Harvest of Hope event registrations are coming in for the summer events. The college spring break event was well attended.

Gleaning Program Report for YTD		
Pounds	Events	Volunteers
4,227,134	471	5,123
3,154,198	Potato Project	
7,381,332	Total Pounds YTD	
Gleaning pounds up 31.5%		
PP up 57.7%		
Total Pounds up 41.6%		
Events down 12.5%, Volunteers up 27.8%		

Bob Spencer asked if SoSA had investments and Mike's reply was that we keep six months

operating funds in the bank which typically amounts to about \$1.4M. Some of those funds are invested in mutual funds through Scott and Stringfellow and that amount is currently about \$400K-\$500K. The amount of these general funds invested depends on our cash flow situation. The Endowment fund (\$190K) is also invested. All investments are in the moderate to low risk category. The Board has adopted specific instructions regarding investment of endowment funds but not general funds. Bob suggested that the board should adopt some investment guidelines for general fund investment. Mike Waldmann, along with Wallace Bruce, will look into this further.

The Endowment fund concept is to have \$12M invested so that \$100% of operating costs would be covered by earnings and donors could be told 100% of their donation is used to feed people. Currently when donors leave bequeaths we put part of that into the endowment fund unless the donor specifies otherwise. We have not withdrawn from this account.

PERSONNEL: (Mike Waldmann for Hasbrouck Hughes)

The personnel committee has had no activity at this point in the year. Later they will be developing a raise pool to present at the Fall Board meeting as part of the budgeting process.

The committee will also have some work to do related to the transition once the transition team has finished its work.

New Hires:

Tennessee Program Coordinator: Charlie Overton has been with SoSA a little over a year. His wife accepted a job in Kansas so they had to move. We kept Charlie on staff as a part-time Hunger Relief Advocate and hope to be gleaning in central Kansas this season.

Alabama Program Coordinator: Our Alabama Program coordinator left SoSA to go back into church ministry and this position has been filled.

Bill Moore asked if any opportunity was provided for the entire staff to gather together. Mike replied yes we do try to get the staff together about every three years. Since our staff is located throughout many states it can be expensive to do more frequently. We have monthly conference calls for staff to report, ask questions, and network with each other, and we already have plans to get everyone together face-to-face this October.

AUDITORS REPORT: (Herman Murray, Independent Auditor, Cherry Bekaert & Holland)

Herman Murray reported that the financial statements are correct and there were no difficulties with the audit. The Balance Sheet is strong, SoSA is keeping enough cash on-hand, investments are good, and liabilities are small. There was an increase in net assets of about \$30K, and revenue was more than expenses. In financial statements there are several fields that require estimates, such as value of donated produce. When the auditor first arrived, Mike Waldmann told him that the value of produce was being estimated too high by the produce providers, and those corrections were made. There were no management issues. Larger companies have multiple people in an accounting department; however SoSA is smaller, so in order to achieve separation of responsibilities other staff are in place to help with bank reconciliation and balancing books. The proper controls are in place for an organization the size of SoSA and all accounting related functions have been done properly. Herman indicated that he has an all clean audit opinion with nothing negative to report.

NOMINATIONS COMMITTEE: (Ida Powell)

Please send good suggestions of nominees to be added to a pool of nominees for the board. Please send their name and a paragraph of what expertise this person has to offer to the board. Refer to the matrix on the SoSA website board page for our current needs (www.endhunger.org scroll to the very bottom left corner and select board room. The password is **boardmember** in all lowercase with no spaces. Select the Membership Attribute Matrix.)

DEVELOPMENT COMMITTEE: (Steve Jennings)

It is a requirement by the Bylaws that all board members contribute financially as you are able. It does not matter how much. This is necessary for grant requests because they often ask "Does 100% of your board support you financially?" We need to be able to answer "Yes" for funding. If you contribute to SoSA through your church please let Brenda know.

AAA Program: (Ambassadors, Advocates, Askers)

There are business cards and note cards available if you are interested in writing thank you notes to donors. Sending a hand written note from a board member speaks volumes to donors and helps reduce the donor attrition rate. Please contact Brenda if you would like to participate and need supplies (brenda@endhunger.org or 800-333-4597)

Andrew Benjamin volunteered to work booths at conferences in his area when needed. If anyone else would like to do this please be sure to contact Mike Waldmann first so SoSA can be sure to apply first, and get approval to attend. We have portable display boards we can mail to you, along with brochures. This opportunity is available for churches of various denominations as well. If you would like a display board and brochures for a church event please contact Lynette Johnson (church@endhunger.org or 800-333-4597)

New Direction for Development Committee:

The development committee would like to add some new direction by working on a path with Mike Hickcox, PR Director, on how SoSA tells its story. Instead of focusing on what SoSA does, Steve and Mike Hickcox have focused the newsletter on those who *receive* the food. We want to tell how nutritious produce has made a difference in their lives and would like several scenarios. (How healthy food can make a difference in the way children learn in school, canned foods vs. fresh produce) Putting a face to statistics makes a huge impact and garnishes a better response. Ideally we would like to show the complete story of farmer ~ through transportation ~ through receiving agency ~ to recipient. If any board members have suggestions or contacts with any food pantries, church pantries, or anyone who would be willing to let us tell their story please contact:

Steve Jennings (teensopposingpoverty@hotmail.com or 540-955-2737) or
Mike Hickcox (sosapr@endhunger.org or 800-333-4597)

Wallace commented that one good source of stories is from the gleaning fields. Gleaning directors often have some great stories.

Ken Bradford suggested that the Development committee create a list of what they would like board members to do , let them check off what they are willing to do, and then encourage them to complete it. The development committee will create a complete list for the fall board meeting.

Steve also recently discovered an organization that does grants for documentaries. He will give that info to Mike Waldmann.

FINANCE COMMITTEE: (Wallace Bruce)

Income is above budget, expenses are below plan, and we have a positive balance during the first quarter which is typically deficit spending. Good planning and management.

Mike Waldmann added that one of the main reasons for such a good first quarter is that Walmart gives locally and also gives by state. There is a separate entity called Walmart Foundation which is different than Walmart Corporate. We applied to them and received a \$250K grant that we have not applied for in the past.

MARKETING (Mike Waldmann for Bill Kuecker)

Email Marketing: The marketing committee has been testing the effectiveness of SoSA using email marketing. We went through a commercial firm and acquired a list of individuals in the locations where we have offices. These individuals were selected on certain criteria including having a certain wealth level, having a religious connection, and having volunteered within the past 12 months. We developed three different email focuses: 1) Hunger 2) Food Waste and 3) Environmental issues (decomposing food is the second leading cause of methane gas in the U.S. When food is wasted all the resources used to produce it are also wasted.)

The mailings were sent to 35,000 people between Christmas and New Year's. The results were terrible, but the testing was much cheaper than direct mail. The trick is to create a catchy subject line to make recipients open the email and eventually lead them to our website. Of those targeted, only eight went through the entire process. We were not convinced that the company did the results properly so SoSA re-sent the emails ourselves to 9,000 and we got better results. This program allows us to determine how many open the email, and also how many actually go to our website landing page. The Marketing committee will develop a different landing page and try again.

The question was asked if there was a way to track how many report us for spam? And the answer was no, we did not research that avenue. There is a risk that if enough people report you for spam your email IP address will be put on a black list which will exclude the emails from going out. Sometimes this is determined electronically, for example, if there is no subject line. Mike stated that we are familiar with the process needed to get removed from lists of identified spammers.

Marketing Handout: Attached is a handout that has been developed to give someone after introducing them to SoSA. It can serve as a handout after giving an "elevator speech". It is produced and printed in-house so if you need any please let Brenda know (Brenda@endhunger.org)

TRANSITION TEAM: (Wallace Bruce)

The transition team consists of Ann Vest, Ida Powell, Wallace Bruce, Bill Keucker, former board member/chair Jim Tongue, and former board member/chair Gil Hanke. The Executive Director position received over 50 applications. The transition team used a methodical process to evaluate them according to criteria the committee established based on Mike's duties. The applicants were narrowed to a list of the top 11. Then it was refined down to a final list of four individuals for in-person interviews. Interviews took place the day before the board meeting. Each applicant is qualified, capable, and enthusiastic about the position. No decision has been made yet.

The goal is to have the new Executive Director on-site with several months overlap with Mike before his retirement the end of this year. The advertising was promoted on religious websites, as well as DoC/Presbyterian/Methodist publications. The position was also posted on some secular job sites. Ken Bradford recommended that the Board have a final vote on the Executive Director, salary, benefits, etc. Steve Jennings added that the information could be distributed via email, and a conference call scheduled for a vote. The transition team is available to answer any questions prior to the conference call. The transition team will create a re-structuring of the Executive Directors tasks to allow the new leader more outside time, and will work with the Personnel committee to make a recommendation to the board for a vote.

STRATEGIC PLAN (Jeanie Duncan, Raven Consulting Group)

The board entered a facilitated process lead by Jeanie Duncan of Raven Consulting Group about the strategic plan for SoSA and the transition of leadership to a new Executive Director. We had small group and large group discussions of the current state of SoSA, and where we envision it to be in the next 10 years. Some questions focused on what we need to preserve and what needs to change?

In relation to the transition into new leadership, there was discussion as to what the next several months should involve to ensure a successful ending for Mike, and a successful beginning for the new leader. Discussion included ways the board can be welcoming, supportive, and responsive when called upon by the new leader. The main focus of discussions was to help identify strategic imperative for the next 18-24 months. (See attached summary from Jeanie Duncan)

UPCOMING MEETING DATES:

2016

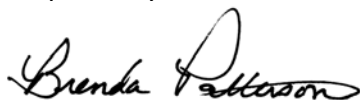
Special called meeting	Sometime in late May
Fall Executive Committee	9/15/2016 (conference call)
Fall Board Meeting	10/14/16 (SoSA Big Island Office)

2017

Spring Executive Committee	4/21/17 (Conference Call)
Spring Board Meeting	5/26/17 (To Be Determined)
Fall Executive Committee	9/15/17 (Conference Call)
Fall Board Meeting	10/13/17 (SoSA Big Island Office)

The meeting was adjourned by Ann at 4:05

Respectfully submitted,



Brenda Patterson
Secretary to the Board