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**Finance Committee Minutes
November 1, 2019
Times Union Center for the Performing Arts
300 W. Water St., Suite 201
Jacksonville, FL 32205**

Board Members Present

Lisa Moore (Chair), Jannet Walker Ford, Dave Faliszek, Kirsten Doolittle, Ari Jolley, Sandra Hull.

Staff

Joy Young, Amy Palmer, Glenn Weiss, Ronique Gibson, Ashley Wolfe

Guest

Dawn Brady, Essential Bookkeeping Solutions (EBS)

Public

Cathedral Arts Project

Introductions were made around the table and Ms. Lisa Moore, Chair, called the meeting to order at 2:07pm.

Ms. Moore made the request to pull together the finance committee together for a meeting in light of the recent termination of Mr. Cedric Lewis, finance director. Ms. Joy Young, executive director, provided background and context leading up to the termination of Mr. Lewis on October 24, 2019.

Ms. Joy Young introduced MS. Dawn Brady, owner and manager of EBS, whom she engaged several weeks earlier prior to Mr. Lewis' departure, to evaluate, and now to assist in organizing and managing the accounting and finance functions. Ms. Ann Carey, immediate past chair, noted that she and Ms. Young had discussed the possibility of outsourcing the finance role as a cost-savings measure for the FY2020 budget and recommended talking to Ms. Brady - an effort separate, yet parallel, with the performance issues of the finance director.

The terminated finance director did not share passwords and log-in information for essential operational functions. Ms. Brady spoke of findings thus far and confirmed the immediate issues requiring attention, including getting access to all systems, including Quickbooks and Email.

Ms. Brady's review of locked filing cabinets drawers revealed unopened bills; it is not yet known if these have been paid. Bounced payments to the IRS were also discovered and there is an issue with late tax filings of 2Q19 941 (payroll taxes) and an issue with the retirement plan. New signature authority is required on all bank accounts and all separated employees removed from accounts. Open credit cards for employees no longer with the agency must be closed.

There was discussion about the auditor and his exclusion of any of this information in his findings. Discussion also took place around FY19 year end close; until all invoices are reconciled through the end of the budget year, FY19 cannot be closed out.

The motion was made by Committee Chair Moore, and seconded by K. Doolittle to remove all separated employees and board members from the four bank accounts, which includes the removal of: Cedric Lewis, past finance director; Pamela Smith, past finance committee chair; Antonio Allegretti, past executive director; and Sarah Chau and Betty Francis, both past finance directors. The motion unanimously passed.

Ms. Brady was requested to continue with her review and to provide a 30-day report back to the finance committee. The following recommendations were made to the committee:

1. Continue to use EBS until at least the end of the calendar year.
2. Review/write financial procedures
3. Gain access to and/or reset payroll system to perform employee direct deposit (consider outsourcing to a third party)
4. Gain access to and/or reset State/Federal/Email/Bank portals
5. Gain access to and/or reset Google and Quickbooks to turn over primary control back to the agency
6. Develop and implement new signature authority
6. Develop a security and succession process
7. Evaluate pros/cons of giving finance committee access to view Quickbooks
7. Work with Google and Quickbooks to turn over primary control back to the agency
8. Bill Andrews to write a cease/desist letter regarding Mr. Lewis' access of Google and Quickbooks accounts
9. Ms. Ari Jolley agreed to discuss Mr. Andrew's knowledge of Sunshine; the committee may wish to engage a Sunshine expert in the handling of this case for discussion purposes
10. Discuss finance requirements with each of the staff to support them in their roles

Ms. Young also shared that the annual audit was completed week of October 24, 2019 by Scott Newsome of Newsome and Associates. No organizational funds appear to be missing. Mr. Newsome is aware of the unresolved issues with the IRS regarding both the Form 941 and Form 5500.

Next steps include the following:

1. The November 19, 2019 board retreat will cover the FY19 year end close (estimated to be completed by then) and the FY20 budget.
2. Mr. Dave Faliczek wants to understand how we got to where we are. It was agreed that the lack of responsibility and oversight contributed to the situation the agency finds itself in today. Some in-depth discussion about the context of the situation may need to take place in executive session.
3. New signature authority is required on all bank accounts and all separated employees removed from accounts.
4. Open credit cards for employees no longer with the agency must be closed.

The motion to adjourn was made and seconded. The meeting adjourned at 3:32pm.