

Sangre de Cristo Ranches HOA Executive Meeting

Minutes- Jan 7, 2022

Present Board Members

Doug Anderson- President

Daryl Moore- Vice President

Pam Thompson- Treasurer

Christy Kearns- Secretary

Wade Eppler- member at large

Brandon Carlisle- member at large

Deb Brunton- member at large

Welcome

Approval of previous minutes

Deb motioned to approve Dec 2021 minutes. Wade seconded the motion.

Discuss Best Practices

10 Nonprofit Accounting Best Practices

1. Have Internal Policies and Controls

Fraud is a real concern for nonprofit organizations. In fact, 40% of NPO professionals say they put “some or minor effort into helping prevent fraud”, according to Abila’s 2016 Nonprofit Finance Study.

By creating internal policies and controls, you significantly improve your fraud protection.

Code of Ethics:

Implementing a Code of Ethics is one way to show your donors, board of directors, and employees the values and morals your organization upholds. It also reminds your employees to uphold those morals while they are working.

2. Assign Different Financial Practices to Different People

Similar to the above, you want to protect your organization from any type of possible fraud. An easy way to do that is to assign different financial tasks to different people. Why do this? It has

to protect the integrity of your accounting data and help keep your employees ethically honest. If you have an employee regularly completing another employee's task and you notice discrepancies, then you can begin to troubleshoot the issue and get to the root of the problem.

Nonprofit fraud is still a huge concern for organizations. This allows you to be proactive in preventing it from happening to you.

3. Use Accounting Software Designed for Nonprofits

Nonprofits have unique accounting challenges and the best way to solve those challenges is to use nonprofit accounting software.

Nonprofit accounting software can streamline, simplify, and strengthen your budgeting, forecasting, HR management, grant management, and fundraising. The software can also provide internal controls over your financial data, helping you secure and protect your.

Popular accounting software solutions for nonprofits are MIP Fund Accounting, Blackbaud's Financial Edge NXT, and NetSuite.

CONSIDERING AN ACCOUNTING ASSESSMENT FOR YOUR ORGANIZATION?

4. Create an Annual Operating Budget

Every organization needs a budget, whether you are a nonprofit or for-profit. Each year you should create a realistic operating budget that you can adhere to as much as possible.

Changes are going to happen though – so do not think that once you set it, everything is good.

Your budget will evolve throughout the year, limiting expenses at certain times and allowing you to spend more at others to help meet certain goals.

It is also ideal that your budget get approved by your board. This way your board of directors will understand the upcoming initiatives – and will be more likely to approve increases if necessary because they understand how it's contributing to your organization's overall success that year.

Read [Tips for Nonprofit Budget Review and Maintenance](#) to learn more about nonprofit budgets.

5. Have Realistic Operating Expenses

Not only should you create an annual operating budget, but you should also have realistic expense expectations. Your donors want more of their hard-earned money to go towards the mission, but you also have to pay the lights, pay your employees, and put money back into marketing to generate more donations. Do not cut operating expenses too thin just to meet the

wants and needs of your donors. In order to effectively support your mission, you have to take care of the items needed to do business.

6. Understand Nonprofit Tax and Accounting Regulations

Nonprofit accounting is a completely different animal from regular for-profit accounting. Two things to be aware of are GAAP and IRS requirements.

- **GAAP:** The Generally Accepted Accounting Principles (GAAP) are guidelines that all accounting professionals must follow. They cover both for-profit and nonprofit tax rules. It is imperative that accountants and financial professionals understand the current GAAP rules and any changes that happen throughout the years.
- **IRS Requirements:** When filing and claiming your tax-exempt status, you definitely need to be aware of nonprofit IRS requirements

7. Create a Multi-Year Plan that Supports Your Strategic Plan

Where will your nonprofit be in 3 years? 5 years?

By creating a multi-year financial plan you can support your nonprofit's growth. If you want to raise a certain amount of money by year 2020, you'll probably need to hire some new employees, look at upgrading your fundraising or accounting software, and create some amazing marketing campaigns. By planning for it, you are able to support that growth and get buy-in from your board ahead of time.

8. Develop Strong Relationships with Other Departments

While you might not think of communicating as a necessary accounting function, it is actually one of the most important ones. Communicating with other departments about policies, procedures, grants, etc. should be handled regularly to keep everyone on the same page.

How can you develop healthy relationships with your fellow departments?

- Schedule regular meetings, once a week or biweekly, to keep them updated on policy, procedure, etc.
- Hold training's on GAAP or other accounting principles so they know why you are holding firm on certain things
- Reconcile difficult records together – this can help you talk through the different reasons a department did a particular item and explain how it affects accounting overall

9. Your Board is 100% Independent of Your Organization

Your Board of Directors is a critical component to the success of your organization. That is why it is important that everyone on the board is 100% independent of your nonprofit.

By independent, we mean that they are not employed by the nonprofit or have family members who work for the nonprofit. This is to ensure that they can vote in the organizations best interest and not base their decision on other internal factors.

10. Have Realistic Fundraising Plans

When you are planning your fundraising strategy, it can be really easy to get wrapped up in the fun and think that you'll be able to raise all the money in the world for your cause. I mean, your cause is the best, right? Who wouldn't want to donate and support your mission?

However, even the best-laid plans can go wrong. And the same can happen to your amazing fundraising strategy.

To prevent this, set realistic fundraising goals and plans. Use historical data to set your upcoming goals and develop a plan with these figures in mind.

If you are planning on using new tools or fundraising techniques, consider lowering your goal a bit until you feel comfortable that your new tactic will work. And don't be afraid to change your plans or goals if you find that you won't be able to achieve them. There is nothing wrong with adjusting plans to reflect a new strategy.

Discuss Ranch Concerns

This Month's Community Feedback

Some quotes or questions raised by our constituents

The next lines reflect some quotes and phone calls received. I did not quote in the phone calls I got but they mimic what was written to me here. I made a point to ask people about our savings as we have had so many believe we are holding money or just keeping for ourselves.

1. HOA is very disorganized.
2. An audit. Not some chincy bank balance piece of paper than may or may not be real
3. At the December meeting... there was quite a few people that were in favor of an audit and the young man on the board seemed keen about it... but the lady on the board that I got the impression has been on the board for some time was clearly against it. My impression on witnessing the exchange that took place that night...raised suspicion that the woman may have something to hide about how the previous board members spent money and managed assets purchased by the HOA in years past. Of course it may simply be that she knows money was handled properly and an audit is a waste of money.., but how could anyone know for sure unless an audit is conducted. Therefore, for your own

legal sake and to prove to the HOA members...and in the interest of full transparency to gain the trust of people who suspect wrongdoing... I would absolutely do an audit of past years as well as an annual audit in the future.

4. Even though I have not had any real problems there is the problem of overreaching. One of the reasons I chose the ranches over Forbes Park was their restrictions. If the money is meant for the ranches then that's where it should be used. I think having a decent amount in saving is good because disasters happen and they are not cheap. Money is a cruel and evil thing that makes the world turn round. If the price needs to go up then it would be a thought but if it's not needed then there is no need to change it. If it works and things are still covered then why change. Unless it can be agreed upon that it should go up then it can.
5. I would be curious of the reasoning behind holding so much back for a non profit organization, and find out how much is available on a weekly or monthly basis, then I would figure out how best to spend that towards the ranches, like clean up services, neighborhood security watch services, free dumpster in multiple sections of the ranches, after you get noticed and people are more comfortable and satisfied that things are going to get taken care of they'll be more likely to invest more money for the cause.

Monthly complaints about Brent here

1. We live by the prior prez...I questioned where the dues were going as he lives on his property he says his business has others in numerous trailers out there. We met his brother he told us their prior tenant was subletting a trailer and made the mess that blows up the hill to us daily. We also watched as runoff waters came and we have full rights to that and our spring...we watched him start digging a retention pond and go on to vacant land next to him scraping the creek to come to him. He has done what he wants tried to steal water he is not entitled to. And has a meth camp going I pray y'all find the truth. His lucrative business we have paid enough for. Thank u I hope y'all get to the bottom of things I speak this to u in confidentiality please. He is crooked we have had his attempts to steal water redirect it etc we have not met him yet but have heard the meth rage fights it's chaos please find those records...they all five six campers on a outhouse and tenant etc does not seem legal

Other items I am hearing often

*Fire Mitigation

*Crime

*Trash Cleanup

*Membership lagging--Based in on our actual membership and at least two groups formed to sort of replace us I would say about 75% of the Ranches owners have concerns about our HOA

Consider Possible Remedies

- We need to plan events to build community + build trust
- Trash clean-up day
- Bring out fire department to our next community meeting to discuss fire mitigation
- Bring out police department to a community meeting to discuss crime & neighborhood watch
- Signs- look into possible grant available?
- Newsletter- maybe a more often (monthly) emailed newsletter?
- Use new source for newsletter printing to save money
- Get audit done ASAP! Doug, Brandon, and Pam looking into possible auditors
- Daryl motioned to give all people wronged by Brent free membership for one year. Wade seconded this motion
- Continue being transparent and sharing minutes, accounting reports, etc. on Facebook groups, website, and in meetings
- Better advertisement of upcoming community meetings

Treasurers Report

Finance reports- See attachments

New Members 2021

January- 5

February- 11

March- 20

April- 5

May- 6

June- 4

July- 2

August- 20

September- 3

October- 1

November- 1

December- 10

Total: 88

2022 Calendar

Jan 7th- Executive Meeting

Feb 3rd- Community Meeting- CANCELED due to weather

March 4th- Executive Meeting

April 7th- Community Meeting- Fire Dpt. Speak on fire mitigation, Police dpt. Speak on crime & neighborhood watch

May 6th- Executive Meeting

May TBH- Barter/Sell/Trade Event

June 2nd- Community meeting- emphasize trash cleanup

June TBH- Trash Cleanup (thinking a Saturday may be best)

July 1st- Executive Meeting

August 6th- ANNUAL Community Meeting- Voting & Publicize fun fest

August TBH- Fun fest

September 2nd- Executive Meeting

October 6th- Community Meeting

November 4th- Executive Meeting

December 1st- Community Meeting- Cookie Exchange

December TBH- Parade of Lights in partnership with American Legion

Yearly Budget- **working numbers that are only guesses while we find price points

Bi-monthly meeting cost- \$600

Insurance- paid

Fun Fest- \$3,000

Barter/Sell/Trade- \$0

Trash Clean-up- \$1,200

Parade of Lights- ? VOTE in community meeting

Signs- looking into grant \$\$ for this

Stickers- ?

February Pinon Newsletter- \$1,700

Summer Pinon Newsletter- estimating \$200-300.00 printing expense + \$240 postage (need paper used in past to get better printing estimate)

Core Expenses- \$7,500

Audit- \$500

Total: \$15,040

Old Business

Pam motioned to give the American Legion \$100 from Funfest and Deb seconded the motion.

Resignation of Brandon Carlisle

Community Meeting things to talk about

1. Parade of lights budget
2. Form committees for all events
3. Talk about adding a finance secretary to the board

Adjourn