



FLORIDA NATIVE PLANT SOCIETY

GoToMeeting
Finance Committee
Monthly meeting, July 23, 2019
Jim Erwin
August 5, 2019

MINUTES
July 23, 2019
FNPS Finance Committee

Jim Erwin
Shirley Denton
Paul Schmalzer
Susan Carr,
Bonnie Basham

Tasks assigned to committee members:

Shirley Denton: 1. make a preliminary list of questions to be asked of top three Community Foundation
Susan Carr Representatives.

2. Contact Jacksonville, Tampa and Sarasota Community Foundations and request they make presentations to our committee as part of our research on
 - (a) whether a Community Foundation is an appropriate means of investing FNPS funds;
 - (b) if this is a viable alternative, which of the Community Foundations is the best fit for FNPS

Paul Schmalzer 1. Research investment options within Vanguard
2. Research how much money is necessary to have for the annual research grants
3. Suggest an amount as a target for grant awards (do we want to fundraise so we can award \$2500 awards as in the past, remain at the \$1500 threshold or is there some other cash award amount that we should strive to achieve.

Bonnie Basham Work with Juliet to determine what amount of cash reserves could be put into CDs
Jim Erwin jeopardizing FNPS cash flow.

Target for preliminary information is on or after August 10. The committee will try to meet at a mealtime over the August 10 weekend meeting to discuss our progress. The committee will reconvene after August 10.

The meeting began with a review of whether the Endowment Fund is truly “restricted.” While there has never been an official statement as to whether the fund is completely restricted or whether it is “board restricted” the consensus is that the fund is “board restricted” meaning that in the case of a catastrophic event, the principle could be accessed by a vote of the board.

Paul made the observation that FNPS has not been aggressive in its oversight of the endowment fund. The funds have been invested with Vanguard in either a Money Market or Life Strategy Fund. Over the last ten years the yield has been around 5.6%

The dividends have only covered one \$1500 grant and sometimes also covered half of a second grant. Thus, FNPS has asked chapters to assist in funding the grants.

A discussion about Community Foundations followed with Shirley briefly describing various Florida-based Community Foundations. She observed that there is a cost to putting funds into these foundations but that they yield between 4-5% on the low side and around 7% from the more aggressive investments. The committee wants to clarify what these funds charge and other aspects about the individual funds. From her research, Shirley believes the larger foundations in Jacksonville and Tampa are better suited to our needs than the smaller foundations found in Orlando and other Florida cities. The committee decided to have Shirley ask the three top Florida funds to make presentations to us. The presentations would probably have to be in a go-to-meeting format.

A discussion then took place about whether the funds should stay at Vanguard but be put in index funds or split between life strategy and index funds. The committee agreed that option should still be in the mix.

The committee turned its attention to the purpose of the FNPS endowment which is to fund research grants. Paul indicated that before 2008, FNPS gave \$2500 grants but that after 200, that amount was reduced to \$1500. From this discussion came the decision to consider setting a goal for the amount of money we want to have on hand to cover the research grants and work to have the endowment cover this amount. Paul was asked to research what goal amount FNPS should raise for these grants.

A discussion ensued regarding the amount of the operating fund which is currently around \$300,000. Those funds are sitting in a savings account and the committee was of the opinion something more aggressive like putting some of the operating fund in CDs would yield a better return for FNPS. Jim and Bonnie were tasked with researching this with Juliet and returning to the committee with an answer.

A further question was asked regarding who or by what means could a motion be entertained to change the current system of putting the cash reserve in a savings account to leaving some amount in the savings account and purchasing CDs with the remainder. The question was whether the VP of Finance and Treasurer can make that decision; whether the Executive Committee could approve the change or whether the full board would be required to vote on the measure.