

2016 SCA Rescue and Health Foundation Annual Meeting

The annual meeting was held by teleconference and called to order on Saturday, June 25, 2016 by the chairperson, Lee Ann Stusnick, at 1:09pm CDT. It is noted that the Secretary is present.

Trustees present: Barbara Harris, Beth Lilly, Beverly Henry, Karen Ward, Lee Ann Stusnick, Michele Kasten and Shirley Quillen

Guests present: Mary Kraus, Cynthia Lewis and Barbara Murray plus two that did not inform us they were present.

Karen Ward moved to approve the minutes of the March 13, 2015 annual Meeting as published, seconded by Beth Lilly. Motion passed unanimously.

REPORT OF THE CHAIRPERSON

The Schipperke Club of America Rescue & Health Foundation was founded for the benefit of all Schipperkes. As an organization granted IRS designation as a public charity under 501(c)(3), it may accept tax deductible donations and distribute them to:

- advance Schipperke health and genetics
- support health research projects of importance to the breed
- promote education of owners, breeders and potential owners
- provide financial help to rescued schipperkes through approved rescue organizations.

The Foundation's established Rescue Assistance Policy is part of a continuing effort to provide financial assistance for those performing Schipperke rescue. The Foundation has provisions to assist individuals not associated with a rescue group, as well as a rescue assistance policy to accompany that. Additionally, nonprofit organizations may apply for funding by completing a grant application.

This year at the 2016 National the Foundation sponsored an educational seminar by Pat Hastings entitled "A Glimpse at Structure in Action". Thirty-eight individuals attended this very informative seminar. The feedback from attendees has been very positive. In addition the Foundation co-sponsored with the SCA Breeder Education Committee a seminar by Patti Strand Patti Strand, founder of NAIA. The topic was "Saving Purebreds - Challenges and Opportunities

The Foundation continues to host a website. Webmaster Beverly Henry does a great job of keeping the site updated. The Foundation has created an e-mail list to facilitate communication between the Foundation and Schipperke lovers everywhere. The link to join this group appears at the bottom of the Foundation website home page <http://www.schipperkefoundation.org>. Also see us on Facebook.

The Foundation would like to thank all those who have donated to further its mission. Our Treasurer, Karen Ward, mailed letters of substantiation to all 2015 donors, as well as those to date in 2016. These letters may be used to claim a deduction from income tax. Please note the Foundation is a public charity granted 501(c)3 status by IRS, making deductions tax deductible.

The ten years since our founding in 2006 has been a time of growth for our organization. The trustees will continue to update policies and practices to keep the Foundation current. The Trustees look forward to future opportunities to advance the stated mission of the SCA Foundation.

You may send your tax deductible donations to:
Karen Ward, Treasurer SCA Rescue & Health Foundation
9112 Madeline Drive
Huntington Beach, CA 92646

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REPORT OF THE SECRETARY

The following motions were made since the last Annual Meeting:

Shirley Quillen moved **that we advise AKC to use \$1000.00 from the funds the Foundation has already contributed for the Dallas, TX, AKC Disaster Relief trailer being planned.** Seconded by Beverly Henry. Motion passed on 5/22/15, all in favor.

Beth Lilly moved **that we dedicate the funds raised from the decal sales to benefit Schipperke health.** Seconded by Beverly Henry. Motion passed on 11/12/15, all in favor.

Lee Ann Stusnick, Shirley Quillen and Karen Ward were approved as the 2016-2018 trustees on 11/30/15.

Shirley Quillen moved **that the SCA Rescue and Health Foundation grant \$628 toward the care of the two dogs in the care of an individual rescuer* as per our parameters:**

Exams @\$39 each = \$78, Fecal one \$20, rabies x 2 @\$16 = \$32, K-9 vac (assuming DA2P-PV) @\$29 x 2 = \$58 = total of \$263

Neuter \$162.50, Spay \$172.50, 2 microchips @\$15 = \$30 for a total of \$365 disregarding her discount. Seconded by Karen Ward. Motion passed on 12/8/2015, all in favor. **name removed from motion to protect their privacy.*

Beth Lilly moved **that we order 40 black decals, left-facing, at approximately \$10 each to satisfy current interest and sales in the future.** Seconded by Beverly Henry. Motion passed on 12/30/15, all in favor.

Beverly Henry move **that we set up the following prices for the Hastings seminar:**

\$20.00 per person if you pre-register and pay prior to March 16, 2016.

\$40.00 any time during the SCA National or at the door 30 minutes prior to the start of the seminar. Refunds will only be accepted if Karen Ward is notified prior to March 16th

Seconded by Beth Lilly. Motion passed on 1/8/16, all in favor.

Beverly Henry moved **that Karen Ward set the Foundation up with the Square, getting two readers, one for her and one for the chair.** Seconded by Beth Lilly. Motion passed with one vote against from Michele Kasten on 1/25/16.

Karen Ward moved **that all communications such as reports, activity summaries, newsletter articles, financial reports provided to any entity shall be initiated by the Foundation Chairperson, or the individual specifically designated by the Foundation Chairperson, who will include all trustees in finalizing such a report.** Seconded by Beth Lilly. Motion passed on 4/15/16 with two votes against from Barbara Harris and Michele Kasten. **STANDING RULE**

Michele Kasten moved **that the SCA Rescue and Health Foundation ask AKC Reunite to hold our \$1000 contribution for the Pet Disaster Relief Trailer for Illinois until such time as the various dog clubs in central and southern Illinois make their pledges for a trailer in St. Clair County, IL.** Second provided by Barbara Harris. Motion passed on 5/10/16, all in favor.

We welcomed a new SCA board appointed trustee on January 1st. Barbara Harris joined us, bringing experience in fundraising, with a background of being involved in other 501c3 organizations.

There were no grants applied for in 2015 and only one Individual Rescuer Application (see above motion for financial details). As far as I know applicant still has one of the dogs we helped in her possession and was told at one of our Lone Star meetings that he was going to be taken to the vet to see if he is deaf and

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going blind. I do not know the outcome of that vet visit or if it ever happened. I emailed the applicant last week for an update and have had no response as of 8:30am on 6/25/16.

As reported by the Chair and Treasurer, the Foundation sponsored a seminar by Pat Hastings on “*A Glimpse at Structure in Action*” with 38 attendees and co-sponsored a seminar with the SCA Breeder Education Committee by Patti Strand on “*Saving Purebreds – Challenges and Opportunities*” with about 18 attendees at the 2016 SCA National Specialty in Portland, Oregon.

The Foundation also did fundraising by selling decals and plush puppies.

My duties also include posting to the Foundation’s Facebook page on a regular basis, as a moderator of our Yahoo Group and as webmaster.

REPORT OF THE TREASURER

- Individual balances for the following accounts as of June 24, 2016:

Checking account -- \$125,613.07
Savings account -- \$701.80

- The substantiation letters have been mailed to those who gave donations in 2015 and thus far in 2016. There have been donations in 2016 in the amount of \$600 - \$13.80 (PayPal fee) = \$586.20, plus \$75.00 received via check and \$31.24 from AmazonSmile for a total of \$692.44 (the \$50 was designated for Rescue the remainder assigned to the General Fund). A full financial report will be sent out by July 8 after the June bank statement is received at the end of this month as it will be the 2nd Quarter Report.
- The Foundation supported the Health Clinic (Patella and Thyroid, Eye Exam) at the 2015 National for an overall loss of **\$1328.75**

Gross Income Eye Clinic	\$ 960.00			
Louis J Laratta, DVM fee	- \$1390.00		<i>Eye Exam \$1280</i>	<i>Travel \$110</i>
Patella & Thyroid Clinic	- \$ 898.75		<i>Exhibitors paid for exams & SCAR&HF covered part of cost</i>	
Net	(\$1328.75)			

- The Foundation supported two seminars at the 2016 National for an overall estimated loss of **\$277.68**

Pat Hastings Seminar at the 2016 National:

Gross Income	\$ 798.18		<i>Deposit</i>	<i>Balance Due</i>	<i>Mileage</i>
Pat Hastings fee	- \$ 786.72		\$250	\$500	\$ 36.72
Hotel Estimate	- \$ 164.14				
Net	(\$134.54)				

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I have sent several emails to Lezlie Hall to provide me with the final invoice from the hotel as I only have the estimate BOE #323038 I received prior to the National staging:

Qty	Description	Unit	Total
	6' Drop Down Screen @ \$35/each + 22%	\$35.00	\$35.00
	Mt Adams .group bringing own projector		
	Single speaker sound system and lavalier microphone \$ 100.00+Mt Bachelor	\$100.00	\$100.00
1	Extension cord@ \$13.00+22%	\$13.00	\$13.00

Patti Strand, NAIA Seminar: Speaker fee donation of \$250 split with SCA, Foundation portion \$125

- IRS 990-N was submitted and accepted for 2015. There was no cost for the filing. [Discussed this with CPA and
- **Directors and Officers Liability Coverage:** I researched the cost of Directors and Officers Liability coverage and the annual premium for \$1,000,000 in coverage is \$1,236 per year. However, the file for this was closed as we needed to act upon it by May 20 therefore if we approve the coverage, I will have to reapply and I doubt the premium will change but it would be good to have \$1400 approved so I don't have to come back again to the Trustees for approval.
- **Certificate of Deposit:** Researched where would be the best institution to have a CD with the highest interest rate and the types of deposits as of June 23, 2016 (the following are for June 14-24, 2016)

Institution	Amount	Interest Rate	Terms
<i>Wells Fargo Bank</i>			
Platinum Business Savings	\$80,000	0.05%	
Money Market Account	\$80,000	0.03%	
CD	\$80,000	0.01%	9 months
CD	\$80,000	0.2%	12 months
CD	\$80,000	0.15%	24 months
Business Step Rate CD Rates ¹	Min \$2500		24 months APY 0.16%
1-6 months		0.01%	
7-12 months		0.11%	
13-18 months		0.21%	
19-24 months		0.31%	

¹A Step Rate CD is a 24-month CD featuring guaranteed interest rate increases and one penalty-free withdrawal every six months, provided the minimum opening balance is maintained (\$2500).

- **Audit**
Texas Audit Required: No state law requirement.
 Statute and Description: Tex. Bus. & Org. Code § 22.352 | A charitable organization with annual contributions over \$10,000 must have current and accurate financial records in accordance with GAAP. Based on these records, the board should prepare or approve a financial report that conforms

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to AICPA standards. The financial report must be made available to the public (§ 22.353(b)). Exemptions (§ 22.355).

Information is according to: https://www.councilofnonprofits.org/nonprofit-audit-guide/state-law-audit-requirements?has_js=1&_ga=GA1.2.2094568221.1465478040&_gat=1&_unam=6da976a-155354c51bc-1729795f-1&_qca=P0-713108732-1465478042327#TX:

I spoke with a CPA in my area explaining the Foundation and provided him with our 2016 1st Quarter Financial Reports and asked him about an audit and the cost. I did ask about auditing 10 years' worth of records. His response was "It would be ludicrous to do 10 years. In fact, there is no need to do an audit at all. It makes no sense to spend your limited resources on an audit for what you do. However, if the Trustees deem it necessary I would be happy to do a compilation of 2015, the cost would be \$1,000-\$2,000. Then it would cost \$3,000/year thereafter but again it makes no sense to do this."

On pages 4-6 of this report is Tex. Bus. & Org. Code § 22.352 for reference to show the Foundation is NOT required to perform an audit.

- Annual Budget – based on the financials from 2008-2015. Please keep in mind when looking at the financials, the Michael Downs Estate donation skews Income and Expense for Rescue.

<i>Income</i>		
Donations		
Education	\$100	
General Fund	\$2,500	
Health & Genetics	\$100	
Rescue	\$3,000	[\$102,004.42 in Rescue Fund]
National: Educational Seminar or Health Clinic	\$750	
Total	\$6,450	
<i>Expenses</i>		
Audit Fees	\$0	[not required by TX law]
D&O Insurance	\$1,300	
General Admin Expenses		
Website Maintenance	\$500	
PayPal Fees	\$100	
Square Fee	\$160	
Postage	\$100	
Health Research	\$1,000	
National: Educational Seminar or Health Clinic	\$2,500	
Rescue	\$3,000	[\$102,004.42 in Rescue Fund]
Total	\$8,660	

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The budget reflects a loss which is not accurate due to the \$102,004.42 in Rescue Funds most of it left from the Michael Downs estate donation of \$110,480.

Texas Business & Organization Code:

Sec. 22.352. FINANCIAL RECORDS AND ANNUAL REPORTS. (a) A corporation shall maintain current and accurate financial records with complete entries as to each financial transaction of the corporation, including income and expenditures, in accordance with generally accepted accounting principles.

(b) Based on the records maintained under Subsection (a), the board of directors of the corporation shall annually prepare or approve a financial report for the corporation for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include:

- (1) a statement of support, revenue, and expenses;
- (2) a statement of changes in fund balances;
- (3) a statement of functional expenses; and
- (4) a balance sheet for each fund.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 22.353. AVAILABILITY OF FINANCIAL INFORMATION FOR PUBLIC INSPECTION. (a) A corporation shall keep records, books, and annual reports of the corporation's financial activity at the corporation's registered or principal office in this state for at least three years after the close of the fiscal year.

(b) The corporation shall make the records, books, and reports available to the public for inspection and copying at the corporation's registered or principal office during regular business hours. The corporation may charge a reasonable fee for preparing a copy of a record or report.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 22.354. FAILURE TO MAINTAIN FINANCIAL RECORD OR PREPARE ANNUAL REPORT; OFFENSE. (a) A corporation commits an offense if the corporation fails to maintain a financial record, prepare an annual report, or make the record or report available to the public in the manner required by Section [22.353](#).

(b) An offense under this section is a Class B misdemeanor.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Sec. 22.355. EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO FINANCIAL RECORDS AND ANNUAL REPORTS. Sections [22.352](#), [22.353](#), and [22.354](#) do not apply to:

- (1) a corporation that solicits funds only from members of the corporation;
- (2) a corporation that does not intend to solicit and receive and does not actually raise or receive during a fiscal year contributions in an amount exceeding \$10,000 from a source other than its own membership;
- (3) a private or independent institution of higher education described by Section [61.003](#), Education Code, accredited by a recognized accrediting agency as defined by Section [61.003](#), Education Code, a postsecondary educational institution authorized to grant degrees under a certificate of authority issued by the Texas Higher Education Coordinating Board or a foundation chartered for the benefit of the institution or any component part of the institution, a career school or college that has received a certificate of approval from the Texas Workforce Commission, a public institution of higher education or

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a foundation chartered for the benefit of the institution or any component part of the institution, or an elementary or secondary school;

(4) a religious institution that is a church, an ecclesiastical or denominational organization, or another established physical place for worship at which religious services are the primary activity and are regularly conducted;

(5) a trade association or professional society the income of which is principally derived from membership dues and assessments, sales, or services;

(6) an insurer licensed and regulated by the Texas Department of Insurance; or

(7) an alumni association of a public or private institution of higher education in this state that is recognized and acknowledged as the official alumni association by the institution.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

Barbara Harris had several questions pertaining to the Treasurer's report. The chair informed her that those items would be covered under New Business.

UNFINISHED BUSINESS

Discussed that the individual rescuer who received financial assistance not being in compliance with the contract signed. Lee Ann noted that the Secretary covered this in her report. Michele Kasten kept calling the dog a personal dog, which it is not. The individual does intend to reimburse the Foundation what is owed and place the dog if he is deemed adoptable. The situation has not met its end result and the individual will do things her own way. Barbara Harris stated that on paper it looks like an SCA member has personally benefited from financial aid.

Karen Ward made a motion **that the secretary ask for a written update on the dog in question and whether dog is or is not adoptable in opinion of vet.** Seconded by Beth Lilly. Shirley stated that a vet should not answer that question. Have a 3rd party who does rescue evaluate the dog.

Karen withdrew her motion after discussion on it. It was agreed that we ask the secretary to contact individual to find out whether the person who has dog wants to rehome him and what his medical diagnosis is (eyes, ears and general health) in her answer. The letter is to be shared with trustees before and after. Secretary to give individual 30 days from receipt of letter to answer. No objection.

Updating of forms was discussed. Changes to grant forms would be better done at another time. Michele is working with a team from NAIA to be a consultant for homes for heroes to retrain and rehome service dogs and they have forms that would be helpful – Michele will be attending a meeting at end of July and will get with Beverly afterwards to work on updating the forms. The individual rescuer form also needs to be updated.

NEW BUSINESS

Discussion on different investment choices. Trustees have discussed this in the past and with interest rates so low they were not invested. In the report of the Treasurer there are some rates listed with Wells Fargo Bank that would be very safe and incur no risk. Step CD rates are interesting. One penalty-free withdrawal every 6 months as long as \$2500 minimum is met.

We should get quotes from 3 different major firms. Important to get good information and make the best decision that is in the best interest of the beneficiaries. The Step CD might be a starting place.

Lee Ann investigated CD rates as a safe but low interest bearing account, varying greatly with the institution. She and Karen have had some discussion on this. We should be transferring \$100,000 from our Wells Fargo Bank checking account to our Wells Fargo Bank savings account. These two accounts

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are linked so funds are totally liquid. Nothing is really changed except that savings earns a measly 0.03% APR, or about \$30/year. At least it will be invested in an interest bearing account as required by the Texas Trust Code. There is no down side to this. We can move forward on it from here once we agree on what investment strategy best.

Shirley Quillen suggested investing \$80,000 putting half in CD 24 put rest in saving for now and decide over the next 6 months what to do.

Barbara suggested Lee Ann and Karen come up with questions to ask these different institutions. Karen said the first question to ask if they accept businesses. Let's see if we can get this done in 30 days.

An annual budget would be an estimate of income and expenses for the year. Included should be expenditures for (a) cost of doing business, to include insurance, audit fees, website maintenance, mailing, etc.; (b) donations to health research; (c) anticipated amounts of requests for financial assistance from individuals and grants to other organizations in the area of rescue; (d) educational seminars and or health clinics to be offered at the 2017 national specialty. This would be a start but could include other things. Karen included a draft of a proposed budget in her treasurer's report. Michele Kasten moved **to adopt the budget presented by Karen Ward in her 2016 annual treasurer's report, to include the addendum regarding the rescue fund.** Barbara Harris seconded. Motion passed unanimously. Barbara suggested having a multiple columns so we can easily compare the different years. Karen said she can do that with no problem.

Conflict of interest statement could be disclosure in email at the time such occurred. For instance Lee Ann noted in the email chain regarding assistance to the individual, which she and Beverly did state that we knew the individual. Perhaps an annual statement, like our statement to conduct business by email, would be a simpler and more direct route. Barbara was asked if she would be willing to draft something basic and simple for us to consider. Barbara is working on several different versions and would like time to draft a final simple version and will get back to the trustees within 30 days.

Discussion on internal audit. There is no state law requirement requiring an audit. Michele: have someone other than a professional do an audit. Karen corrected us, stating that an "audit" is done by a professional firm whereas if trustees do it or it is done by laypersons it is called a "financial review". Beverly Henry moved **that we do a financial review on the 2015 books by two people, without conflict of interest, suggested by the treasurer with approval of the trustees, then reviewed every year thereafter.** Barbara Harris seconded. Motion passed unanimously. **STANDING RULE**

Lee Ann requested Karen Ward investigate Liability Insurance which she has done. The quote of \$1,236 for \$1,000,000.00 coverage is good only for thirty days. Karen reported on Travelers in her treasurer's report she will also check with Equisure and get back with us within 2 weeks. Barbara questioned whether 1M is enough for 7 people. Karen asked the agent that question and he said it should suffice.

In the event that we get an application before we get the new forms done, in the interim a statement regarding additional questions be added to all applications and the cover letter.

Beverly Henry moved **to add to all application forms and cover letter that we have the right to ask additional questions.** Seconded by Shirley Quillen. Motion carried unanimously.

Beverly wanted this update from AKC on one of the AKC Pet Disaster Relief Trailers we helped fund to be entered into the minutes:

In San Diego, with numerous small animals being evacuated due to the Border Fire, Animal Services has deployed one of their donated AKC Pet Disaster Relief Trailers to a receiving area near the fire. Having the supplies nearby means that the Department does not have to bring sheltering supplies from their

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nearest facility which is an hour away. The supplies will be used for people that have evacuated without their own crates or cages, giving the community and the first responder's peace of mind that the animals will be able to be properly cared for at this time of need.

Special thanks to the following AKC Clubs that helped us with this life-saving donation to San Diego Animal Services: Silver Bay Kennel Club, Del Sur Kennel Club, Bahia Sur Kennel Club of Chula Vista, Cabrillo Kennel Club, Hidden Valley Obedience Club, The Obedience Club of San Diego County, Inc., American Tibetan Mastiff Association, Australian Terrier Club of America, American Shih Tzu Club, Tibetan Terrier Club of America, Schipperke COA Rescue & Health Foundation, Collie Club of America, Borzoi Club of America, Pembroke Welsh Corgi Club of America, Western Fox Terrier Breeders Association, Spinone Club of America, English Springer Spaniel Foundation and The Vizsla Club of America.

Time and date for annual meeting next year was discussed. After looking at the preliminary schedule and consulting with Beth Lilly, the Show Chair, our 2017 Annual Meeting will be held on Wednesday, April 5 after Futurity/Maturity and before Top 20 pre-judging. Actual time of meeting to be determined by chair with approval of trustees. Approved with no objection.

What should be offered at the 2017 National Specialty in TX has not been decided yet. Michele would like to see this postponed for right now. Would like to see us hold a raffle at our annual meetings to introduce us because so many people don't know who we are. Beverly was appointed to find out the rules for holding raffles in the state of Texas.

Barbara asked that we submit our reports at least 5 days prior to the annual meeting in the future.

Barbara Harris moved **that the foundation review the operating procedures, standing rules, policies and actual practices every two years to ensure compliance with federal and Texas laws governing the trust and realign them in a timely manner.** Michele Kasten seconded. Motion passed unanimously. **STANDING RULE**

Barbara Harris moved **that we include date of our annual meeting on our website and on Facebook page in a timely manner.** Seconded by Michele Kasten. Motion passed unanimously. **STANDING RULE**

Mileage reimbursement on Pat Hastings bill discussed.

Barbara stated that all trustees should be included in all communication regarding financial dealings; Beverly stated that they always have from the very beginning.

Without objection Lee Ann asked to be adjourned at 4:51 pm.

Respectfully submitted.

Beverly Henry, Secretary