

ArtStream
Board of Director's Meeting
November 5, 2018

APPROVED MINUTES

ROLL CALL

Sari Hornstein conducted roll call. In attendance at the meeting: Eleanor Allen; Kristen Chou, Mike Cooper; Kirsten Davidson, client liaison; Cameron Elliot; Adam Fine; Lisa Gaffney; Sari Hornstein, Vice President; Frank Myers, Chair; Paul Murray, Treasurer; and Julie Reddig.

ArtStream staff in attendance: Doreen Cronrath, Director of Finance and Administration; and Heller An Shapiro, Executive Director.

Not able to attend: Pamela Brown; Maggie Haslam, Secretary; and Karen Mitchell.

MINUTES RATIFICATION

A motion was made to approve the minutes from the September 17, 2018 meeting. The motion carried without dissent.

AUDIT REVIEW

Scott Rodgville and Jennifer Estrada of GorfineSchillerGardyn reviewed the FY17 and FY18 Audited Financial Statements. Scott and Jennifer congratulated Doreen Cronrath for her excellent preparation and assistance. They do not have any concerns requiring the preparation of a management letter.

The most important page in the audit shows the functional allocation of expenses. This allocation involves estimates by management of how each staff member spends their time. It is subjective. Files are kept showing how time is allocated toward management and general, fundraising, and programs. In FY18, 88% of expenses are allocated to Program Services, 3% to Management and General, and 9% to Fundraising. (Give.org, the Better Business Bureau's nonprofit arm recommends allocating 65% or more to Program Expenses and no more than 35% to Fundraising Expenses.)

Payroll and donor processing were substantively tested and there were no concerns about internal controls.

Contributions (individuals, corporate, foundation and government grants) went up by \$92,344 in comparison to FY17 (from \$313,645 to \$405,989).

Program service revenue increased \$32,247 in comparison to FY17. Tuition went down from \$117,169 to \$116,238. Contracted services went up from \$65,980 to \$97,643.

Support and revenue went up by \$82,791 in comparison to FY17 (from \$579,778 to \$662,569). Expenses went up by \$15,454 in comparison to FY17 (from \$636,996 to \$652,450).

For the FY19 audit, all nonprofit organizations will be required to:

- Change terminology regarding how donations are described: “unrestricted or permanently restricted” language will change to “with or without donor restriction.”
- Include a liquidity disclosure describing how financial needs will be met in the coming year
- Change how revenue is classified and recognized.
- Pay Unrelated Business Income Tax (UBIT) on individual product profits, without aggregating profits and losses from multiple products.

FY19 BUDGET UPDATE

As of 10/22/18, gross revenue is \$275,829 which is 39% of the total year’s budget (\$699,450). Total expenses are \$77,546 which is 11% of the total year’s budget (\$699,450).

As of 9/30/2018, there is \$186,172.68 in reserve funds invested with District Capital.

Thanks to a successful Gala, \$100,000 in FY18 revenue will be placed in a money market fund at Capitol One Bank, earning interest of 1.98% with APY of 2.00%, until needed later in the year.

Upcoming activities to increase revenue include adding a development assistant to the staff, and a Cabaret dessert reception/fundraising event sponsored by Kristen Chou and Michelle Lee.

WHISTLEBLOWER POLICY

The proposed Whistleblower policy was reviewed, and recommendations were made to:

1. Add a description of what ArtStream will do upon receipt of a complaint, e.g.: conduct an investigation.
2. Focus the whistleblower policy on fraud or financial issues and provide a separate anti-harassment policy covering behavioral issues.
3. Provide as many options as possible for people to report to, including an option outside the Executive Director.

Revisions to paragraphs two and three include:

ArtStream will investigate any possible impropriety or fraudulent or dishonest use or misuse of ArtStream’s resources or property by board, staff, ~~contractors~~ or program participants. Anyone found to have engaged in an impropriety or fraudulent activity is subject to disciplinary action by ArtStream up to and including termination or dismissal, and civil or criminal prosecution when warranted.

All members of the ArtStream staff, board, and stakeholder community are to report possible fraudulent or dishonest conduct (including but not limited to financial improprieties or misuse of ArtStream's resources) confidentially to the ~~Board Chair, Board Vice President,~~ **Executive Director**. If for any reason an employee finds it difficult to report his or her concern to the **Executive Director**, the employee can report it directly to the **Board Chair or Board Vice President**.

The policy will be revised for review at the January 14, 2018 meeting.

An updated Volunteer Code of Conduct and training program might be modeled after those used by Special Olympics.

GALA REPORT

Although the 2018 Gala was sold out, a review of past Gala attendance from 2014-2018 shows attendance ranged from 109-248. Board members recommended returning to *The Ballroom - Bethesda*, which can hold 250, for at least one more year. The proposed date is Sunday, September 22, 2019. Participants will be encouraged to reserve tickets early so no one will be disappointed.

2019 MEETING DATES

Board members approved meeting dates for FY19 (see below) and scheduled a Strategic Planning Retreat to create the FY20-22 Strategic Plan for Monday, May 6, 2019, 4-9 p.m.

STRATEGIC PLAN PROGRESS REPORT

Based on the Marketing Research completed in July 2019 by Lisa Gaffney, ArtStream's best referral method is word-of-mouth from parents and transition counselors. Our new outreach strategy is to offer two free tickets to transitioning youth, age 16-26, for Cabaret and Inclusive Theatre Company performances. This will be advertised through transition counselors and related organizations. The offer will allow them to call 3 days in advance to reserve their tickets. A welcome packet with information about ArtStream and an invitation to attend classes will be provided at the door. This is an opportunity to reach out to all transition counselors, increase positive word of mouth, and fill empty seats at performances.

Parent Meet and Greet events for the Cabaret and Inclusive Theatre parents are ongoing. One frequent request is that we improve website navigation. We plan to offer a "current student" section with specific information about times, dates and locations.

Background checks for Teaching Artists will now be repeated randomly every year for 1/3 of Teaching Artists. All adult volunteers will now complete a background check, with a goal of completing them for the 17 current volunteers by January 2019. Background checks cost \$21.95 each.

NEW BUSINESS

Kirsten Davidson's new boss told her she is outstanding and gave her a raise! She received a choice of an award of money or leave, and she will take leave.

Thanks to Kristen Chou for sponsoring a Cabaret Dessert Reception at Signature Theatre, November 28, 2018. This post-show reception will offer dessert and wine, along with raffle prizes for donations. An e-invitation will be sent to Board members to share with colleagues.

Thanks to Adam Fine for helping to revise Teaching Artist contracts to resolve a copyright issue. ArtStream is now sharing copyright with Teaching Artists. Sari Hornstein noted that a prior board discussion about selling the ITC scripts resulted in a decision not to sell them. Sales would violate the basic ArtStream principle of presenting original work created by the performers.

Board members requested more ArtStream note cards to use in their correspondence.

Heller An Shapiro is meeting with Ivymount School and the Bender JCC to discuss new class contracts.

NEXT MEETING

The next meeting of the Board of Directors will be **Monday, January 14, 7-9 p.m.** in the ArtStream office. Investment Advisor Alvin Carlos will present to the Board.

The meeting was adjourned at 8:54 p.m.

Respectfully submitted,
Sari Hornstein

2019 MEETING DATES

All meetings are scheduled from 7-9 p.m.

Monday, January 14, 2019

Monday, March 11, 2019

Monday, June 17, 2019

Monday, September 16, 2019

Monday, November 4, 2019

Board Strategic Planning Retreat

Monday, May 6, 2019, 4-9 p.m.