

ArtStream
Board of Director's Meeting
January 13, 2020

APPROVED MINUTES

ROLL CALL

Maggie Haslam conducted roll call. In attendance at the meeting: Kristen Chou; Kirsten Davidson, client liaison; Mike Cooper, Chair; Cameron Elliot; Adam Fine;* Lisa Gaffney, Vice President; Maggie Haslam, Secretary; Molly Myers; Julie Reddig; Irene Stephens; Sonia Trask; and Delia Zielinski.

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

Not Able to Attend: Eleanor Allen; Paul Murray, Treasurer

***Attended by phone**

FY19 AUDIT REVIEW WITH GorfineSchillerGardyn (GSG)

Scott Rodgville and Jennifer Estrada reported on three accounting policy changes related to ASU 2016-14, *Not-for-Profit Entities*. 1) Net assets used to be classified as unrestricted, temporarily restricted, or permanently restricted. Net assets are now listed as with or without donor restrictions. 2) The new “Note H-*Liquidity and Availability of Resources*” requires the disclosure of liquid assets and a plan to fund the nonprofit throughout the year. 3) The Statement of Functional Expenses moves to the front of the audit document (page 8), increasing its importance for a full understanding of how a nonprofit’s expenses are managed.

ArtStream received the highest-level unmodified/unqualified opinion. No problems were found with the audit or internal controls. Doreen Cronrath was thanked for her excellent record-keeping and quick turnaround of documents and data.

The Statement of Functional Expenses shows that Management and General and Fundraising expenses stayed about the same and spending on Program Services increased from 88% to 89%. United Way recommends that smaller organizations like ArtStream spend at least 75% on program services so ArtStream substantially exceeds this standard.

The auditors reported that changes to the standard and itemized deduction by the 2017 Tax Cuts and Job Act likely are causing donors to make larger gifts less often, which can impact cash flow. (e.g., instead of giving \$15,000 per year, a donor might now give \$45,000 every 3 years). This means nonprofits have to budget differently to forecast cash flow. Donors saw the impact on their 2018 tax returns, and GSG saw the effects on giving in 2019. They recommend organizations engage with donors to bring in the

revenue more often, emphasize monthly donor programs, and show donors what the money will purchase.

In order to change the Fiscal year to end June 30 instead of August 31, the Board must pass a resolution to change the year end. Then on the next 990 filing after the resolution is made, we must check a box on the form regarding a change in accounting (note: this can be done once every 5 years without penalty). There is no extra cost to prepare a 10-month audit. A 10-month audit is not significantly different from a 12-month audit.

Reasons to shift the year end include:

1. MSAC and AHCMC, the two largest funders, operate on a June fiscal year. Submitting the applications, budgets, and mid-year reports depend on having the audit completed by November
2. The change wouldn't impact donors because they give on the calendar year.
3. Forecasting revenues may be easier
4. There will be a lower deferred revenue line item because Gala donations will occur in the same fiscal year as the Gala
5. Most nonprofits have a challenge obtaining revenue in the summer, so ending the fiscal year before summer can alleviate the end-of-year stress.

Challenges to shifting the year end include:

1. The next 990 must be filed by November 15 without the possibility of extension.
2. State registrations would also be due by November 30.
3. There may be a larger burden on administrative staff to complete the audit and state registrations during Gala season.

Board members agreed to consider this change when the new Director of Finance and Administration is in place.

MINUTES RATIFICATION

A motion was made to approve the minutes from the November 5, 2019 meeting with the following changes to clarify that worker's comp is routinely provided to Teaching Artists.

Doreen Cronrath reported that our insurance company currently requires a list of subcontractors (Teaching Artists) and charges ArtStream for coverage of Worker's Comp for them. ~~However, covering worker's comp could also be viewed as an indication Teaching Artists should be classified as employees.~~

Options for supporting the Teaching Artists:

- ~~Worker's comp offered as a benefit~~

The motion carried without dissent.

**FAREWELL TO CLIENT LIAISON KIRSTEN DAVIDSON/WELCOME
TEACHING ARTIST BOARD LIAISON DELIA ZIELINSKI**

Mike Cooper thanked 2017-2019 Client Liaison Kirsten Davidson for her contributions to Board discussions and her willingness to express herself and give input about ArtStreamers. He also thanked her for giving curtain talks, drawing raffle tickets onstage at the Gala, and promoting ArtStream. Kirsten was presented with a plaque that reads “In appreciation of Kirsten Davidson, for sharing good ideas and speaking out.”

Kirsten thanked the Board and stated “I was very happy to be on the board. Thank you for this opportunity. Thank you for having me come, I really enjoyed the meetings, and I really like ArtStream a lot.”

Mike Cooper welcomed Teaching Artist Liaison Delia Zielinski and noted we look forward to her participation and hope she will give us insights into the Teaching Artists’ daily concerns and wishes, and communicate our sincerity to the Teaching Artists and our desire to support and advance their interests.

Delia stated “I am excited and honored to be on the board, thank you for your welcome and thank you for letting this position be created and provide insight into what we do. It is important for these bridges to exist. I plan to relay information back and forth.”

FY20 BUDGET UPDATE

At three months (Q1) into FY20, total income is \$382,612, which is 53% of budget and 112% of FY19 Q1 income. Total expenses are \$162,913, which is 22% of budget and 103% of FY19 Q1 expenses. This includes the largest portions of ArtStream’s total annual revenue stream (Gala, MSAC and AHCMC grants, Winter appeal, and Inclusive Theatre Company tuition).

For comparison, at FY19 Q1, total income was \$340,790, which was 49% of budget. Total expenses were \$158,088, which was 23% of budget.

Invested funds total \$197,190.18.

Cash in the checking/savings accounts totals \$198,399.

Total assets are \$450,145 compared to \$424,103 at FY19 Q1.

Currently we are projecting to end FY20 with total revenue of \$727,082 and total expenses of \$726,220.

TEACHING ARTIST CONTRACT TASK FORCE UPDATE

Task Force members Mike Cooper, Adam Fine, and Julie Reddig, along with Delia Zielinski, reported on the Teaching Artist Town Hall meeting, held December 13, 2019. Six Teaching Artists participated in person, two participated by phone. After the meeting, 12 Teaching Artists listened to the recording.

The meeting offered a forum for an open and honest discussion about how we could work together. The Teaching Artists are the core of our work and the Task Force members made it clear that their happiness is important to ArtStream. The Teaching Artists

benefited from understanding why the contract changes were made. Mike reported that a second student solicitation letter was recently sent to families by the Burrs, specifically encouraging participation in one of their programs instead of ArtStream's.

The 2018-2019 version of the Teaching Artist contract has been signed by all Teaching Artists following the Town Hall meeting.

The Town Hall meeting concluded with the formation of three Teaching Artist Task Forces:

1. Contract Revision Task Force

Goals: Continue the contract discussion and work toward a contract between ArtStream and the Teaching Artists that promotes and supports the mission and goals of all the stakeholders in ArtStream: the ArtStreamers, Teaching Artists, Donors, and Volunteers, as well as our organization itself.

2. Code of Conduct Revision Task Force

Goals: Review and revise the Code of Conduct to reflect Teaching Artist and ArtStream values, meet the requirements set by the Maryland Standards of Excellence Institute, and best serve the needs of ArtStreamers.

3. Standard Operating Procedures Task Force

Goals: Review existing written materials and develop standard operating procedures, including procedures for handling problem situations, an onboarding process, and improved orientation/training for new Teaching Artists.

ArtStream's expansion and concerns expressed by Teaching Artists principally required the reworking of Teaching Artists' contracts and the development of new and revised policies and procedures. Board members feel that the contract issues, in particular, can be resolved using language the Teaching Artists will be comfortable with.

As of January 13, 2020, the Standard Operating Procedures Task Force is the only one with members. Delia offered to call a few people to find out why they might/might not want to serve on the code of conduct or contract task force. She also offered to share the code of conduct used by the National Association of Teachers of Singing.

DOCUMENT DESTRUCTION AND RETENTION POLICY FOR REVIEW/APPROVAL

A motion was made to approve the Document Destruction and Retention Policy, with a change to retain all documents for 7 years unless they are retained permanently or for a pending legal matter.

The motion carried without dissent.

Staff will contact the computer support provider to learn how to delete documents stored in online/cloud servers.

15TH ANNIVERSARY ACTIVITIES BRAINSTORMING

Heller An shared the 15th anniversary logo for use this year. The Board discussed honoring the co-founders at the Gala, launching the Deborah Jean Woolsey Mentor Award, soliciting individual and monthly donations/pledges in increments of \$15, and interviewing the co-founders for posting online and printing in newsletters.

Maggie will request a student video documentary project from the University of Maryland School of Journalism.

When planning the Gala, encourage the co-founders to invite people, consider including an improv exercise, and/or develop a special performance.

The suggested donation for the TV giveaway could be \$15.

FY20Q1 DASHBOARD

Heller An noted that the number of FY20 Q1 classes are .3% lower than FY19 Q1, and the number of students are 36% lower. This is due to contract classes starting later in the year. New outreach efforts to identify new class partners and students are continuing.

The number of donors is down 58% from FY19Q1 to FY20Q1 but the average gift amount is up 3%. A lapsed donor appeal will be sent in February. The new tax laws that encourage people to bundle their gifts or give every other year may be impacting the number of donations.

With an additional \$24,500 received in FY20Q2, grants are now ahead of FY19 total grants.

FY20Q1 STRATEGIC PLAN PROGRESS REPORT

The website development project is underway with the selection of SpringInsight to complete the project.

NEW BUSINESS

Board members thanked Doreen Cronrath for her work with a round of applause. Doreen's mind for numbers, ability to figure things out and make them work, getting Teaching Artists' and other payment checks in the mail quickly, and her six years of service to ArtStream are greatly appreciated.

A Teaching Artist fee increase was discussed. Increasing the Inclusive Theatre and Cabaret Company stipends 20% would cost \$15,840. This could start in FY21. If there is revenue available at the end of FY20, a bonus could be paid.

Compensation for Teaching Artists who wait after class for metro access/parents/counselors to pick up students could take the form of payment for an extra

30 minutes for all, or payment of a \$20 “late fee” for each incident. The late fee would compensate only those who stay late, rather than increasing everyone’s fees. Board Members recommended researching the impact of the late fee payments.

Maggie Haslam reported that ArtStreamer Peter Han landed a job at Top Golf because of ArtStream. Peter’s mom reported that his ArtStream experience provided him with poise, confidence, and the best interview skills of all the candidates.

NEXT MEETING

The next meeting of the Board of Directors will be **Monday, March 23, 7-9 p.m.** at the ArtStream office.

The meeting was adjourned at 9:10 p.m.

Respectfully submitted,
Maggie Haslam

2020 MEETING DATES

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

Monday, March 23, 7-9 p.m.

Monday, June 1, 7-9 p.m.

Monday, September 21, 7-9 p.m.

Monday, November 9, 7-9 p.m.