

NASDCTEc/NCTEF Finance and Audit Committee

MINUTES
CONFERENCE CALL

June 5, 2013
4 p.m.– 5 p.m.

Attendees: Pat Ainsworth, Jeanne-Marie Holly, Lee Burket, Bernadette Howard, Donna Yurdin, Rod Duckworth

Staff: Kimberly Green, Karen Hornberger

Welcome: Ainsworth welcomed the Finance and Audit Committee and thanked them for joining us and their service.

Approval of Finance Committee Minutes: Ainsworth presented the minutes from the December 5, 2012 conference call of the Finance/Audit Committee.

MOTION: **Approve the December 5, 2012 Finance/Audit Committee minutes. Yurdin; Howard.**
MOTION ADOPTED.

State Account Update: Hornberger reported on the status of the remaining state accounts: District of Columbia, Kentucky and Arkansas. The State Directors from the three states are requesting an extension of deadline by which they need to use the balance of funds in a state account. Staff is recommending approval of the extension for the states as long as the state presents an acceptable plan to expend the funds within the allotted time and that the expenditures are within the guidelines approved by the NASDCTEc Board.

MOTION: **States requesting an extension of their state account must submit to NASDCTEc, by June 30, 2013, a written request explaining why the state was unable to expend the funds prior to the end of this fiscal year. In addition, the state must submit a detailed disbursement plan that will result in the account being closed by December 31, 2013. With this request and disbursement plan in place, an extension agreement will be approved and allow the state to extend its state account until December 31, 2013. If the state account funds are not fully expended by December 31, 2013, the state will be asked to make a decision on January 2, 2014 – to have a check returned to the state for the balance of the funds on account or have those funds applied toward the state’s FY 15 dues.**
Holly; Yurdin.
MOTION ADOPTED.

NCTEF Hotel Sleeping Room Attrition Penalty: Green reported that registrations for the National Career Cluster[®] Institute are very low compared to prior years, around 350 attendees. This created a situation where NCTEF may have to pay a significant attrition penalty for sleeping rooms committed to in the hotel block that were unused. This situation is one we have never faced before and could result in a significant expense. We have been working with the hotel and meeting planner to determine options to reduce or eliminate these penalties, but the hotel is not being easy to work with. The penalty is looking to be around \$40,000 plus, but we won’t know until after the meeting is completed.

We are in the process of negotiating the contract for the 2014 National Career Cluster[®] Institute in Phoenix, Arizona. Given the 2013 Institute, we have discussed a variety of options for the

Institute going forward – including the possibility is of not continuing the Institute, dramatically changing its structure, etc. and the implications of shift for both income and staff.

NASDCTEc Financial Report: Green provided an overview of the NASDCTEc financial reports, as well as the proposed FY14 budget.

Balance Sheet FY 13: The FY13 report reflects activity through June 3, 2013 but reconciled statements through April 30, 2013.

Income: While 93% of the fiscal year had passed, NASDCTEc received 92% of its budgeted income. Dues came in strong, meeting expectations for both states and organizational/associate membership targets. FY14 dues based on 95% of invoiced dues, less Puerto Rico and Virgin Islands, as we don't project payment from them. Conference registrations came in strong for the Spring Meeting, but the FY14 budget is conservative with lower registrations expected based on attendance at the FY13 Fall meeting. Reimbursement from NCTEF for staff salaries and benefits is not reflected for income on the FY 14 budget. This is to correct the duplication/complication from the past; therefore, the FY14 budget shows just the NASDCTEc portion of salaries and benefits.

Expenses/Liabilities: Expenses are in line with income at 69% of the budgeted total. The two categories projected to be over-budget is accounting and awards. The FY13 budgeted estimates for accounting were inaccurate as NASDCTEc will be under-budget and NCTEF will be over - budget. Awards for FY13 includes gift for the NASDCTEc/NCTEF Past President, which exceeded the original budgeted amount. This over-budget amount was approved prior to expenditure.

**MOTION: Approve the FY 14 budget and advance to the full Board for approval.
Ainsworth; Holly.
MOTION ADOPTED.**

NCTEF Financial Report: Green provided an overview of the NCTEF financial reports, as well as the proposed FY14 budget.

Balance Sheet FY 13: The FY13 report reflects activity through June 3, 2013 but reconciled statements through April 30, 2013.

Income: While 93% of the fiscal year has passed, NCTEF has received 66% of its budgeted income. Institute revenue is low due to the low registrations, but we have a strong showing in sponsorships (exceeding our budgeted estimate). The FY14 budget is very conservative estimating Institute registrations at 350 and keeping sponsorships. Product sales are on target due to a one large order of \$25,000. The FY14 budget for product sales is conservative, reflecting less the one large order, plus the book sales. Workshop revenue is below target as workshops are still under development. Also, the presented budget is very conservative in estimating projected workshop revenue, since this is the first year.

Expenses/Liabilities: Expenses are in line with income, being at 66% of the budgeted total. The majority of the Institute expenses have not been incurred, so the expense portion of the financials will change significantly in the year-end reporting. The accounting expense is over-budget previously explained and reported to the committee and Board. Board expenses were increased to reflect travel as approved by Board policy.

**MOTION: Approve the FY 14 budget and advance to the full Board for approval.
Howard; Yurdin.
MOTION ADOPTED.**

Meeting ended at 5 pm E.T.