

January 27, 2021 with CFAs & Treasurers:

Presentation: Reserves: What is Appropriate for Non-Profit Organizations by Rick King

01:22:18 David Andersen: However, if liquid net assets are restricted, their use is limited. Therefore, what can be used for unforeseen needs or opportunities is only net assets without donor restrictions.

01:25:17 Derek McAleer, SGA, Treasurer: I think it is important to prepare for possible severance packages -- plan fair treatment for reductions in force.

01:25:43 Kendall Waller: Today is a good example

01:26:04 Jim Lebaron: You don't have to liquidate non-cash assets. You can collateralize them

01:26:23 Norlan Hinke: Iowa Methodist Conference established a Liquidity Policy requiring 90 - 120 days liquid funds or a Spending Contingency Plan is implemented.

01:34:15 David Andersen: Wespath does a great job of doing market forecasts and modeling market results. You can set your risk tolerance and probability of market results.

01:34:28 LaVergne Randolph: We are conducting Capital Needs Analysis for all of our hard assets to project future replacement needs.

01:37:00 John Hice: What kind of risk would be posed by "governance?"

01:37:47 Kendall Waller: Just a guess - number of bishops?

01:37:58 Bruce Berger: An unpopular Bishop.

01:38:12 Derek McAleer, SGA, Treasurer: SPLIT IN ANNUAL CONFERENCE WOULD BE A GOVERNANCE RISK -- CHANGE IN BYLAWS OF CONFERENCE AGENCIES WOULD

01:38:21 Derek McAleer, SGA, Treasurer: Sorry -- didn't realize caps lock was on

01:39:17 Andy Wayne: Governance risks might include mandates to increase spending in certain areas.

01:40:04 Kendall Waller: Public statement or position by the conference

01:40:04 Derek McAleer, SGA, Treasurer: We hired a business consultant to come meet with a risk team (from CFA, CBOP, Trustees, and Cabinet) to go through risk planning for our AC. It was a very helpful exercise.

01:41:57 David Andersen: We did the same except Wespath actuarial department filled the role of the consultants.

01:42:28 Kendall Waller: In the absence of a proposed structure it is a little difficult

01:42:47 Derek McAleer, SGA, Treasurer: AGREE! Having those "triggers" identified is very helpful.

01:44:43 Greg Carey: For risk management in 2020, we created an internal Operating Plan (less than Budget) to manage Conf cost management by departments in anticipation of lower CMG payout

01:45:08 Burke Owens: Can you speak more specifically about the GCFA setting of reserves in this past year?

01:48:46 Lonnie Chafin - NIC: what methodology does GCFA use to determine the right number for reserves in the several funds? is this a model for annual conferences?

01:48:51 Kendall Waller: Rick, do you have any rough estimates on litigation costs?

01:49:05 Kendall Waller: How did you quantify that risk?

02:02:21 Christine Dodson: What IRS regulation would come to play in reserve levels for NFPs?

02:02:48 Lonnie Chafin - NIC: while I'd like to introduce the IRS to
Jesus, I don't understand the last comment

02:02:59 GCFA-Lynne Neiderland: Christine, thank you for your question.
I will add your question and answer to the list

02:03:00 Lonnie Chafin - NIC: if I don't have a year's worth in
reserves I have to talk to the IRS?