



VULNERABLE CHILDREN SOCIETY

Director Meeting Minutes

Meeting Title	:	Directors Meeting
Date	:	September 30, 2012
Time	:	9am Pacific time, noon Toronto time, 1pm Atlantic, and 7pm in Ethiopia (2:00 Ethiopian time!)
Place	:	Skype
Chair Person	:	Arnica Rowan
Invitee List	:	<p>Internal: Arnica Rowan, Chris Ardern, Dacia Douhaibi, Menbere Shiferaw, Muluneh, Nicole Bellefleur, Pam Carlson, Tawnya Pattie,</p> <p>External: Birhan Alem, Lindsay Hayter</p>
In Attendance	:	<p>Internal: Arnica Rowan, Dacia Douhaibi, Nicole Bellefleur, Tawnya Pattie</p> <p>External: Birhan Alem & Lindsay Hayter</p>
Absent	:	<p>Internal: Dacia Douhaibi, Pam Carlson</p> <p>External:</p>
Agenda	:	<ul style="list-style-type: none"> • Introduction of each other • Annual Fiscal Report – Tawnya • Suggestions on Micro-financing – Nicole & Dacia • Reporting with Partner Faya Orphanage – Arnica & Tawnya
Minutes Submitted By	:	Lindsay Hayter
Minutes Submitted On	:	October 2, 2012
Next Meeting	:	<p>Date: November 2012</p> <p>Time:</p> <p>Place: Skype</p> <p>Chair: Arnica Rowan</p>

**ATTACHED: Recommendation Reports from Dacia about Micro Finance
DRAFT P& L / Balance Sheet Statements August 2011 through July 2012**

#	Discussion Items
1.	<p>Annual Fiscal Report</p> <p>August – July (not exactly what will be submitted, but close)</p> <p>-Earned \$53,000 in the past year</p>

	<ul style="list-style-type: none"> - Faya is showing of all their expenses \$34,000 - More money to offset Arnica’s travel expenses from the gifts she brought back and sold - CHALLENGE – admin costs are not being covered by the \$2 that is being allocated from each donation - Special project \$10,000 for Gindo Centre <p>Balance Sheet – admin fund is (1600), so Tawnya reallocated and charged all of the admin costs under general funds</p> <p>Records of all expenditures must be completed for report to Canadian Revenue Agency. Due date is December but as a new organization we want to have it completed no later than November.</p> <p>Faya – require regular statements from Faya as to how they spend dollars from us separate our funds than funds from other donors. Challenge to get remainder of statements. Last statement received in April. Not receiving because of their personal issues , and not prioritizing our needs for reporting. Issue of getting too far behind and we need to be accountable for that information. It was difficult to get in the beginning. Will need to continue to withhold money in order to get the statements. Accurate accounting is essential for our continued good status with Canada Revenue.</p> <p>Budgeted \$2800 for admin costs, have already spent \$4500.</p> <ul style="list-style-type: none"> - Predominate expense - costs of sending \$ to Ethiopia via: money gram, use of “Paypal” & “Canada Helps” – Categories them “administrative” instead of “operational” - Currently taking \$2 from every sponsorship for admin. - Started recording the \$2 in September even when it was approved in Jan and we’re still at a deficit. - Suggestion: Increase allocation from \$2-\$3 dollars. Which would mean \$3 to admin and \$2 to project (instead of the previous practise of \$2 to admin & \$3 for projects) <p>Discussed but did not decide to move a fixed amount from general fund be transferred to admin fund so that it is at zero, either today or before year end. Tawnya will discuss with accountant for advice by November meeting.</p>
2.	<p>Micro-Financing</p> <p>Recommendations from Dacia’s reports (attached)</p>

	<ul style="list-style-type: none"> - Community based projects - Tradition - Support private sector (businesses being created) - Prioritize being efficient - Importance of training and local leadership - Target groups run by women <p>Our discussion centred around Dacia’s recommendations. Start with one small project, have a local board to monitor the lending system in place. Need a volunteer board responsible for board meetings, supervise re payment and review applicants applying for funds. Funding distributed on a quarterly basis.</p> <p>Should we start our own instead of using an Ekob that is already there? Lending program instead of a lending circle, seems less communal. Lend to several Ekob’s instead of working with just one. Lend to the ekob instead of an individual?</p> <p>Pam outlined it is really important to have local people and make sure there is a lot of opportunity/skill and a demand for these products. <i>Look at this as an investor</i>, is there a payoff? Even when we’re not in it for profit.</p> <p>Local board would become sustainable on their own? Or do we maintain the connection, if so how long?</p> <p>A connection with Sunrise Group in Guder is already a there and there could potentially with the group in Gindo.</p> <p>It is not a simple project to take on, it is a complicated task. Do not want to involve Faya in this new project, as it requires a strong structure and reporting, which is not their strong suit. Need to find a new local partner that would be administratively appropriate.</p>
3.	<p>Reporting With Faya Orphanage (in camera)</p> <p>Our reporting needs are not being met by Faya Orphanage. Despite previous agreements and much discussion in Ethiopia and one the phone/email since, we have not received monthly bookkeeping statements since April and the receipts for school fees and school registration have not been delivered to Birhan.</p> <p>The lack of detail is a problem for financial recording – we’re responsible to have an accounting of how our money is spent, we will be audited in the future so it must be rectified very soon. Currently are not meeting the requirements of the Canada Revenue Agency for tracking our project dollars.</p> <p>We are not prepared to continue a relationship that jeopardizes our charitable</p>

	<p>status or accountability with our donors.</p> <p>We have and will continue to communicate with Sintayehu and Meseret that our government needs this information.</p> <p>If we lost Faya Orphanage as a partner, then we do have another organization waiting to do child sponsorship.</p>
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#	Decisions
1.	Increase administrative allocation from \$2-\$3 dollars from each \$35 sponsorship and decrease project fund allocation from \$3 to \$2.
2.	That the micro-financing project is separate from Faya Orphanage. We will find another local partner to work with that can meet our administrative and accountability needs.
3.	<p>The board agrees that they will not send the balance for uniforms and registration to Faya Orphanage until receipts are given to Birhan as previously agreed with Faya Orphanage.</p> <p>We will give Faya one more month for the monthly budgetary financial reports to be received by VCS. Then we will discontinue our monthly transfers as well until reports are up to date and a system is in place to receive these reports regularly. No reporting – no funds.</p>

Action Items					
#	Action Item	Owner	Status	Due Date	Comments
1.	Have report prepared, discuss with accountant when to transfer funds from general to admin. (now or yearend)	Tawnya		November	
2.	Follow up for Dacia: Why not use existing ekob? Local board would become sustainable on their own? How long would we maintain the connection?	Nicole asking Dacia and sharing with board		After thanksgiving, before November meeting	

3.	Birhan research of other micro-lending programs and potential partners - up to 4 or 5 days max of research.	Birhan		November Meeting	
4.	WORK GROUP Working together for a long-term plan to solve the lack of financial reporting. Via e-mail.	Arnica, Tawnya, Menbere, Chris & Birhan		Before Next Meeting	
5.	Menbere to contact Meseret to make sure she knows what is going on with reporting and financials.	Menbere		October	

#	Carry-Over Items for Next Meeting
1.	Approval of annual financial statements
2.	Ekob program structure and potential partners
3.	When should funds from general to admin be transferred
4.	Have receipts for uniforms & registration been received