

Girl Scouts Heart of New Jersey
Finance Committee to the Board Meeting
July 27, 2020

Attendees: Natasha Hemmings, Dianna Beck-Clemens, Mike Forrestall, Emil Menzies, Mike Manley, Shana Dadlaney, Princess Palmer, Mahlet Woldemariam, Barb Kocsis, Asia Norton
Guest: Garrie Lewis – Merrill Lynch
Excused: Tara Faquir, Lori Grier and Shelly Masi

The meeting commenced at 7:03PM

The meeting began with the semiannual investment portfolio review from Merrill Lynch. Guest, Garrie Lewis, from the Merrill advisor team presented by reviewing balances. Asset allocations are in accordance with GSHNJ mandates and utilize both Merrill and Bank of America Private Bank. Largest equity allocation is Large Cap stocks. Largest fixed income allocation is long term bonds. There is no international exposure in the portfolio. The first half returns are in alignment and they have slightly over performed the account benchmark – advisor style index – slight up 1.17%.

External concerns that can impact the portfolio include the expected COVID-19 round 2 in the second half of the year along with the Presidential election. There is an expectation that companies with a strong ESG strategy will outperform other companies. Staying in alignment with the Girl Scout values is working.

End of Merrill Lynch report

The committee then reviewed the newly updated Finance Committee Charge. The Finance Committee Charge was updated by a subcommittee of the full Finance Committee. Comments and discussions included:

- The Charge considers the Treasurer as an ex-officio member, but the By-Laws consider the Treasurer a voting member of the Finance Committee. There needs to be a resolution to the By-Laws to accommodate which Dianna will take away with the full Board.
- The Audit Committee has taken into their charge the two items removed from the Finance Committee Charge: Risk Management and Financial Controls.
- Committee charge changes for both the Audit Committee and Finance Committee are to be approved by the Board.
- No additional questions were posed
- Appreciation was extended to the subcommittee for their work

A motion to approve was made by Barb and seconded by Dianna. The motion was unanimously approved and will move to Board approval.

The Council financial results were verbally reviewed by Mike Forrestal and followed closely to the Management Discussion provided to the Committee members prior to the meeting.

Additional comments shared included the following:

- The cookie program receivable has since been substantially collected
- Emil commented on the need for a reconciliation of the balance sheet and the balances on the Merrill presentation to provide greater transparency to the Committee

- Princess commented on the timing differences that contribute to the differences.
- Princess to share with the Committee a reconciliation typically performed by the auditors each year to assist in understanding.
- The Payable to Little Brownie has since been paid.
- A monthly income statement view has been added to the presentation as requested by the Committee
- A comparison to last year will see a disparity due to the hosting of last year's nationwide cookie conference and this year's sale of the Montclair Service Center.
- The 2020 Product Sale net is still projected to be very close to the 2019 fully net results
- The cancellations of the Volunteer Recognition and Gold Award events has contributed to the reduction of Facilities and Occupancy costs in 2020.

A discussion ensued about email issues and member not receiving materials timely. Emil emphasized the need to get materials out to the Committee at least three business days prior to the scheduled meetings. Natasha commented that this is difficult without a full time CFO. Mike F. added that he is currently burdened with preparing the budget, managing staff remotely and the overall operations of the Council.

Emil continued to encourage the members to participate in the meeting.

The budget early projections were discussed. Several COVID challenges and operational impacts are being analyzed. Emil encouraged the Committee to also contribute ideas about how to help the Council evolve beyond their Finance Committee responsibilities. Natasha shared that GSUSA will not and cannot bail out any Council.

Princess asked

- Is there any discussion at GSUSA regarding pension obligation relief?
- Is GSUSA considering merging Councils?
- Are there unique ways to work with the schools as ways to innovate?

Natasha responded that there will be no pension relief and currently no discussion of merging Councils.

Natasha also commented that two of the Councils virtual programs have been deployed nationally. The Council will continue to create great virtual programs

Dianna encouraged the Committee to share ideas as soon as possible and that there is no need to wait until a meeting.

The meeting adjourned at 8:11pm