

**COMMITTEE:** GSHNJ Finance Committee

**DATE:** September 8, 2020

**TIME:** 7PM

**LOCATION:** Zoom

**CHAIR:** Emil Menzies

**SECRETARY:** Tara Faquir

**PURPOSE OF MEETING:** The Finance Committee has been established by the Board of Directors of Girl Scouts Heart of New Jersey (the “Board”) to assist the Board in discharging and performing the duties and responsibilities of the Board with respect to the financial affairs of Girl Scouts Heart of New Jersey (the “Corporation” or the “Council”). In assisting the Board in fulfilling its fiduciary responsibilities related to ensuring that accumulated assets and current income are managed properly.

**INVITEES / ATTENDEES:**

Name	Present
Asia J. Norton	In person / phone / absent / excused / Zoom
Barbara Kocis	In person / phone / absent / excused / Zoom
Emil Menzies	In person / phone / absent / excused / Zoom
Mahlet Woldermariam	In person / phone / absent / excused / Zoom
Mike Manley	In person / phone / absent / excused / Zoom
Princess Palmer	In person / phone / absent / excused / Zoom
Shana Dadlaney	In person / phone / absent / excused / Zoom
Shelly Masi	In person / phone / absent / excused / Zoom
Tara Faquir	In person / phone / absent / excused / Zoom
Dianna Beck-Clemens, Ex- Officio	In person / phone / absent / excused / Zoom
Lori Grier, Ex-Officio	In person / phone / absent / excused / Zoom
Natasha Hemmings, Staff Ex-Officio	In person / phone / absent / excused / Zoom
Michael Forrestall, Staff Ex-Officio	In person / phone / absent / excused / Zoom

## **July Financials:**

Balance sheet and Income statement review by Mike F. See presentation packet for line items

Balance Sheet: At present \$11.1M in assets up 1.3M or 13% from beginning of the year.

Increase in current assets: 366% increase due to Montclair sale, cookie proceeds and emergency disaster line of credit. I believe this is the PPP Loan (payroll protection program)

Liabilities- increased from start of the year.

Revenue year for council year is approximately 18 months long due to early registration- any council service fees received prior to Sept 30<sup>th</sup> is booked as deferred revenue.

## **Income Statement:**

Camp revenue- \$535K in budget, due to cancellation of camp, reduced to approximately 17k for 2020, resulted in a significant financial impact

Corporations, Foundations/contributions and grants- approximately 3K versus 26k LY – shift in giving primarily resulting from COVID. Many people are watchful of their wallets and larger organizations are giving to emergency responders/food banks or others impacted by the pandemic.

Additional giving decrease due shift in events from in person to virtual resulting in a decrease in overall giving. Down nearly 20% YOY.

Cookie program- no difference from numbers presented during the last FC meeting.

Retail and program revenue struggling more than originally anticipated. All B&M retail operations closed in March and clearly shows missing 5 months of revenue. Nature of retail business is changing and shifting to online. Creating some strategic challenges to work through.

All face-to-face program activity reduced significantly due to COVID. Program impact is essentially break even as not running program at a profit.

## **Budget Discussion**

Alignment of Strategy: GSHNJ objective is to align directly with GSUSA.

Traditionally, growth in membership would be a critical objective, however with the impact of COVID that will shift short term tactics, yet GSHNJ still will align with GSUSA's sustainable growth objectives.

Membership YTD: renewal: behind LY for both girls and adults. Although behind where GSHNJ would like to be, the gap has closed within the past 3 months. August and September are trending better and showing signs of movement.

Fall Product Program- slated to begin in 2.5 weeks.

## **GSHNJ Strategy:**

GSHNJ focus is on virtual events: meetings, events, recruiting opportunities. A focus on diversity and inclusion in national messaging as well as locally.

Supporting key volunteers as partners in serving girls through positive messaging and giving new leaders a plug and play option to creating effective meetings. Staff supporting retention efforts to ensure girls and adults are engaged.

Engaging with episodic and alum volunteers. Diversifying volunteer membership base.

GSHNJ has assigned staff to GSUSA key areas of membership support in order to support the strategic initiatives.

**GSHNJ Operational Goals:** Did not change much from last year. Noted change: strategic vision for council (who does what), diversifying revenue streams (reducing reliance on product program).

New brand identity standards rolling out by September 30<sup>th</sup> and will be embraced by GSHNJ.

Volunteer Systems 2.0- Natasha will send out a one-pager of what that entails. Essentially, will allow for a simpler platform, enhanced version of Volunteer Toolkit, new program registration platform. Allow for a better user experience both for volunteers as well as back end users.

### **Strategic Plan Alignment:**

Key takeaway- revision of the traditional delivery method. Focus on virtual and hybrid delivery models for meetings, programs and events. Provide a quality experience without all volunteer roles falling onto staff. Staff will support volunteers but not take on actual volunteer roles as they have done in the past. Consolidating Service Units with help staff better support members and their volunteers.

Q: Have there been any councils who had camps this year who have reported out on the experience:

A: Councils who held camps did report a loss due to decrease in registered campers. Important to note that councils that ran camp did not run buses. Additionally, those councils who ran camp were able to do so safely and did not report a spike in COVID cases.

Operating revenue slide- unchanged since last meeting.

Good news: Active family camping season in August and into September. Anticipating a successful Octoberfest at Hoover this fall.

COVID impact on FPP should not be significant due to its primarily significant nature of being digital as opposed to cookie program.

### **Operating Expenses:**

Salary line: note: expense goes down 9%, but headcount will decrease by 24% to 37 from current HC of 25. The budget takes into account the controller moving from professional fees to salary and the addition of camp staff in summer 2021.

Professional fees line include: Auditors and PR firm

Program expense: Includes cost for delivering camp and programs but will be lower than the 2020 budget due to running more programs virtually and being thoughtful about camp 2021 delivery methods.

Overall: 6% down from 2020 and down 22% from a "normal" year.

**Staffing Strategy beginning September 14<sup>th</sup>:**

Current head count: 49 – bulk of staff from the following departments: camp, membership and girl experience.

Total 37% reduction from 2019.

Strategy: Furlough staff beginning next week on a rolling basis through November. Staff members will be furloughed for 4 or 8 weeks, will vary by department and will essentially take place over the next 2.5 months. All furloughed staff should be back by end of November.

Current GSHNJ turnover rate is 8%.

Possible risk factor: employees going out on furlough and not returning, but that is a risk that GSHNJ is willing to take.

Observation on Risks/Opportunities: Opportunities do not appear as opportunities, appear more as hope as a strategy rather than an actionable strategic action. Belief is GSHNJ has the strategy behind the opportunities but it is not presented clearly as an opportunity. FC has asked Natasha and Mike to revise their presentation on risks/opportunities and present at next meeting on Monday September 14<sup>th</sup> @ 7pm.

September 14<sup>th</sup> meeting from 7pm-8pm to focus on strategic opportunities.

Send any questions regarding the deck to Natasha by 6PM on Thursday, September 10 so they can be addressed prior or during the meeting.

Meeting adjourned at 8: 42pm