



The mission of Clare Housing is to provide affordable housing, supportive services and compassionate care to people living with HIV/AIDS.

Our vision is that all persons living with HIV/AIDS have affordable, safe and stable housing with access to the supportive services that they need to lead satisfying lives with dignity.

**From previous meetings:**

**Host:** Chuck Peterson

**Host for next meeting:** Ryan Rollinson

**BOARD AGENDA**  
**September 25, 2012**  
**4:00 – 5:30 pm**  
**5:30 – 6:00 pm Executive Session**

Item	Person	Time
1. Welcome, Introductions and Review & Approval of Consent Agenda <ul style="list-style-type: none"><li>• Agenda</li><li>• Board minutes, August 28</li><li>• Governance committee minutes, August 14</li><li>• Executive Director's report</li></ul>	Chuck Peterson	5
2. Acknowledgement of anticipated conflict of interest	All	5
3. Executive Committee <ul style="list-style-type: none"><li>• No business</li></ul>		
4. Finance Committee <ul style="list-style-type: none"><li>• August financial report</li></ul>	Bob Siegfried/ Lee Lewis	15
5. Journey Home Team/Communication	Ann Ruff	10
6. Executive Director report <ul style="list-style-type: none"><li>• Review progress on strategic plan</li><li>• Impact Initiative</li></ul>	Lee Lewis	20
7. Annual Goals	Lee Lewis	10
8. Governance Committee <ul style="list-style-type: none"><li>• Board recruitment</li><li>• Follow up on board survey</li></ul>	Bob Brandt	10
9. Public Policy Committee	Anna Tockman	10
10. Retreat	Chuck Peterson	10

**5:30 Adjourn for Executive Session**

***Upcoming discussions:***

***Consent Agenda Items:***

- Agenda
- Board minutes, August 28
- Governance committee minutes, August 14
- Executive Director's report

***Enclosures:***

- August financial statements
- FY2013 Annual Goals
- Impact initiative report\*

*\*This will be sent out before the meeting.*

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## **Board of Directors Minutes**

**August 28, 2012**

**4:00 p.m.**

Members present: John Atkinson, Bob Brandt, Dan Caldwell, Jeffery Flynn, Nancy Lee, Chuck Peterson, Peter Scott, Robert Siegfried, Ann Ruff, Ryan Rollinson and Anna Tockman

Members absent: Mark Linne

Staff present: Lee Lewis, and Elisabeth Loeffler

Host for this month: Nancy Lee

Host for next month: Chuck Peterson

The meeting was called to order at 4:05 p.m.

### **I. Welcome, Introductions, Review & Approval of Consent Agenda**

Because of time constraints, Kay Cady has resigned from the board effective immediately.

MOTION: A motion was made to approve the consent agenda. Ann Ruff made a motion to pass the consent agenda. Peter Scott seconded it. The consent agenda passed.

### **II. Conflict of Interest**

There were no conflicts of interest.

### **III. Finance Committee**

#### **June Financial Report**

We will break even this year. The auditors have met with the finance committee and we will have a new audit partner this year. Lee related that he met with the new audit partner and reviewed the documentation that Clare was not subject to the Single Audit Act. The letter for work has been signed and the audit will begin on the following week.

#### **Fiscal Agency Resolution**

We have been asked to be a fiscal agent for a women's HIV hockey tournament. This will not require any staff time except for accepting some checks and paying out invoices. This tournament will have its own insurance. The benefit will help Clare Housing and Hennepin HIV Clinic. The tournament is being run in part by Michele Boyer and will be done on her spare time. This could potentially raise around \$6,500 for Clare Housing.

This has been approved by the executive committee.

MOTION: Nancy Lee made a motion to allow Clare Housing to be the fiscal agent for the women's HIV hockey tournament. Ryan Rollinson seconded it. No one was opposed. The motion carried.

#### IV. Journey Home Team/Communication

We need \$6,000 more in leadership gifts. There is also room for 133 more people at the event. Everyone was encouraged to make phone calls and bring friends to the event.

The breakfast is on October 3. There will be one more board meeting before the breakfast.

If anyone had any leads, please contact Ann or Elisabeth.

#### V. Executive Director Report

Impact Initiative. Lee and Michele attended this and Lee noted that Clare Housing was the least at risk of all of the other organizations because we do not use Ryan White funding. We are also one of the conveners for bring these organizations to talk. There were at least 30 leaders from the field. Four or five were from government and two or three were from clinics and the rest were base organizations.

The next step will be the compiling of the information and lessons learned. Lee will get a copy of this when it is published.

Program Development. A program development committee has been created. These are people who will know about and can help with development. The group will meet quarterly or as when needed. This group will advise Lee and not the board. If you are interested in being on this committee, please talk to Lee.

The group will meet on September 18 from 7:30 to 8:30 am.

Collaboration. There is still interest in collaboration but MAP's board is not interested but their executive director is still meeting with Lee. Lee thinks this is a great idea. There will probably be meetings with ARC of Wisconsin and from organizations in Colorado to see what they are doing. Lee hopes that these meetings will get conversations going.

#### VI. Governance

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This group is in the process of recruiting four or five new board members. We need people that are in non-profit and development, foundations, youth, and public policy.

Chuck will be doing exit interviews with all of the board members who have had to resign early.

If anyone has any names of possible candidates, please talk to Lee, Bob or Chuck.

#### VII. Public Policy

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#### VIII. Public Policy

The committee met in July. We are going forth with finding a contract lobbyist to work with the governor's office and with our staff and associates. A request for proposals will be sent out in the following week. Lee is not sure what we can get for the money we have and this will be a pilot year to see how it works. We are hoping to have the person on by mid-September and have the person come to the next board meeting.

We are intending to beef up the grass roots work with year. We will be working in part with ARRM. This means educating and mobilizing staff and family members on the issues that are important. Elisabeth and Debbie will be in charge of organizing this.

There is a plan for a journey home tour for elected officials on November 14 from 7:30 – 8:30 a.m. The committee will invite legislators though they may be asking other people to work on getting people to come. We will be inviting all legislators in the Clare House districts, county, board and state officials from the department of human services.

#### IX. Retreat

The retreat will be held on October 27 from 8:30 a.m. to around 3:00 p.m. at Open Book on Washington Avenue.

The retreat will focus on the Impact Initiative, bringing in Jodi Sandford from MNCN or the other co-host to go over their perspective and how this could impact Clare Housing moving forward. There will be discussion on the challenges we are facing and review the mission statement of Clare Housing. After the discussions, items will be added to future board meetings.

The schedule for the next retreat will be discussed. It will be decided if the retreat will be held in the spring next year or if there will be an extended board meeting in the spring.

#### NEXT BOARD MEETING

The next board meeting will be on September 25.

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Clare Housing Governance Committee Meeting Notes  
August 14, 2012  
5-6:15 PM, Clare Apartments

Present: Bob Brandt, Jeffery Flynn, Elisabeth Loeffler, and Lee Lewis

Absent: Anna Tockman and Dan Caldwell

1. Board recruitment

Initial contact should be made by the end of the month to determine who is interested in the position. A communication will be sent out at month end to check the responses.

There is a need for more people of color on the board. LLISC was used to find Sam.

The candidate will meet with two board members and then will be referred to meet with Lee. If the candidate wants to move forward, he or she will be given the application to fill out. As part of the process of recruitment the candidates should attend a tour.

The board will be asked for any recommendations.

Recruits to be contacted:

David Frank. Contacted by Chuck Peterson  
Don Taylor. Fund development/Leadership transition. Chuck Peterson  
Roberta Lee. Legal/person of color. Bob Brandt  
Amy Brugh. Public policy. Anna Tockman  
Scott Dibble. Public Policy. Bob Brandt  
Tom Harkom. Medical. Bob Brandt  
David Veiths. General. Lee Lewis  
Jason Sole. General/person of color. Lee Lewis  
Kelsey Levers. Finance. Nancy Lee

Future possible contacts:

Chad Brown. Fund development  
Scott Benson. Public Policy  
Suzie Schatz. Public policy  
Jodi Pritchard. Social work  
Jeff Meyer. Medical  
Mark Bishop. General

The Levinsons. General  
Daniel Miller. Youth  
Nick Paralek. Youth

## 2. Retreat

Because of the amount of things going on in October, the timeliness of the board retreat was questioned. Chuck felt that it should go on as planned because there is a need for work in strategic planning. The retreat will target all key discussion areas for the following board meetings.

Lee felt that transition to a different schedule makes sense but that there is a need for the retreat this year. The mission statement needs to be revisited and decided if it should be changed.

Benevon will not be discussed at the retreat.

## 3. Exit Interviews

Chuck is going to reach out to Sam and Stephanie to do an exit interview with them. He would like to find out if there was anything that could have been done to keep them on the board.

## NEXT MEETING

The next meeting is September 11, 2012

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## **Executive Director Report**

### **September 11, 2012**

#### **Journey Home Tour Feedback**

A couple of weeks ago we conducted a *Journey Home* tour for the Saint Anthony East Neighborhood Association [SAENA] board of directors, after which they held their monthly meeting in the community room. Working with SAENA on the development of the Apartments was, to put it mildly, a difficult challenge; so, it's heart-warming to get this kind of feedback.

"I was so happy to be part of the tour last week. I've lived on Madison St NE for 23 years, but I wasn't involved in SAENA at the time Clare Housing was being proposed, so I guess I wasn't paying attention. After hearing all the personal stories during the tour, I can say that I am proud to live in a neighborhood that supports such a wonderful environment and that you are caring for residents in such a kind, compassionate and generous way. I appreciated the sensitivity and candor of all the staff who led the tour and spoke to our group.

"I will try and stay informed about happenings and events at Clare Housing. I think that holding the SAENA meetings in your community room and being in the building once a month will help foster stronger relationships among the Clare Housing and SAENA residents. I look forward to learning more.

"Thank you again for the *Journey Home* tour."

#### **HOPWA Return on Investment Study**

Here's a quick update. As most of you know we received a \$30,000 grant from HOPWA to conduct a return on investment study at Midtown. We received permission from HOPWA to expand the study to the Apartments. In the last few months we contracted with Lorraine Teel as project manager and the Improve Group [<http://www.theimprovegroup.com>] to conduct the research.

The plan is to obtain Medicaid and other data for people who have moved into our supportive housing programs since 2005 and compare the costs of hospitalizations, nursing home stays and emergency room visits before and after the move in. If we can, we will also obtain cost data on medications, primary care and corrections. The hypothesis is that the investment in rental assistance and supportive services will significantly decrease costs in other parts of the system - to say nothing of improving the quality of individual lives.

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Getting this off the ground has not been easy, but here's the status of the project. In order to obtain Medicaid data from the state we have to submit a proposal to the Department of Human Services [DHS] Institutional Review Board [IRB]. The IRB is responsible for assuring that subjects' rights, well-being and privacy are protected. The proposal is written and we intend to submit it later this month to be considered by the IRB in October. We have also identified and are working with a sponsor/champion and a "traffic cop" in DHS to help shepherd the project through the DHS maze.

The reality is that we won't have the final results of this research until the end of 2013, though we may be able to have a less robust initial report before then.

**September 18, 2012**

#### **Clare House**

Things are moving along with the transitions at Clare House. The movement of residents is challenging because the individuals at Clare House are moving to other care homes within our system. In order to accomplish that the four individuals who are being discharged need to be transitioned to other settings.



Though complicated and time consuming, people are moving and we anticipate that everyone will be settled in mid-October.

However, the plan to convert Damiano and Grace II to overnight technological supervision has hit a snag. In order to do that all affected individuals have to give their consent and, for differing reasons, a couple of residents of the two homes are not willing to do that. Eventually, we may be able to convert, but not at this time. Remember that the conversion would save close to \$50,000 annually.

For the time being we will convert Agape Dos to asleep overnight supervision for a savings of around \$22,000. Again, we may be able to move to technological overnight supervision down the road.

Finally, we are in the process of laying off 4 employees with a 30 day notice. This is one of the more difficult and stressful aspects of the change.

### **Housing Development**

We hit a bump in the road with the property on the North Side. Though supportive of the type of housing we are proposing on Lowry at Oliver, the neighborhood association declined to vote in support of the project because the master plan calls for commercial development at that location.

We will continue to talk with people, e.g., the business association in the neighborhood to determine if there are ways to move forward and meet some of goals of the plan that has been developed for the Penn & Lowry intersection.

Also, it has come to my attention that the city is about to put out a request for proposals for development of the Mattress Factory. We will review the RFP and, if reasonable, will consider responding.

### **Planning and Development Committee**

The first meeting of the PDC was held on September 18. The charge of the committee is to provide advice and counsel to the executive director and serve as a liaison to the board in matters related to the development of Clare Midtown. Members are:

Michele Boyer, staff	Lee Lewis, staff
Barb Broen, consultant	Paul Mellblom, community
Colleen Carey	Chris Wilson, community
Allan Coleman, staff	Juile Zapp, community member
Dan Hunt, community member	

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The committee has a number of members from the community who have expertise that will be invaluable to both me and the board as we continue to develop real estate.

By the way, we still need at least two board members for the committee. If you're interested, please let me know.

## August 2012 Financial Statements

Please find attached the August 31<sup>st</sup> financial statements, as well as the finance policies, and the updated loan report. Please note that as I have not booked any new individual gifts, there are no gifts restricted as to time, and therefore no statement of restricted/unrestricted income. The subsidy report has also been omitted as it is very early in the year. And per the request from the last meeting, the balance sheet and income statement are attached as a pdf in one document. Please let me know if the print on the balance sheet is too small.

Regarding the income statement, please note the following:

- 1) This is our first financial statement of the year. As such, some entries (benefits allocation, HOWPA accrual, etc) in August for both July and August. So don't let some of those large numbers in the "August" column scare you.
  - 2) CADI income is \$6,000 under budget, mostly due to one foster care resident being in the hospital most of July and August. That resident has since been discharged from our care as we are unable to meet their needs. The opening in Foster Care actually makes it easier for the program people as that is one more slot available for a Clare House resident.
  - 3) We are under on food expense. That is more of a timing issue than an actual savings.
  - 4) We are under in liability insurance expense. Given that we had a large claim last year and the general nature of the insurance market, we projected a large increase. Instead, thanks to the hard work of Vicki Fraser, we received a 10% reduction, and they dropped the coinsurance clause from our policy too.
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**Clare Housing  
Consolidated Debt Summary  
June 30th, 2012**

**Clare Apartments**

Permanent Financing

Loans (Clare Apartments)

MHFA HOPWA	\$ 209,631	All are 30 yr mortgages, secured by property
CDBG Loan	\$ 435,000	No interest or principal due unless
HRA AHIF Loan	\$ 425,000	Clare Housing ceases to provide
MHFA HTF Loan	\$ 220,000	low income housing for HIV/AIDS
FHF Loan	\$ 100,000	All are renewable
City of Mpls	\$ 90,000	

Repayable Advances (Clare Housing)

HUD	\$ 850,000	Clare must provide supportive housing
HUD	\$ 400,000	for 10 (HUD) and 15 (FHL bank) years
FHL Bank	\$ 146,970	or repay the funds

Total Debt, Clare Apartments **\$ 2,876,601**

**Clare Hiawatha**

Permanent Financing

Loans (Clare Hiawatha)

CPED Home	\$ 2,308,255	As per Clare Apartments
MHFA	\$ 480,000	
Hennepin County HRA	\$ 616,950	

Deferred Grants (Clare Housing)

Minneapolis TCE Loan	\$ 1,279,395	Forgiveable after 15 years plus 15 year extended use.
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Total Debt-Clare Hiawatha **\$ 4,684,600**

**Clare Housing**

Repayable Debt

Loans

Mpls-CPED	\$ 60,000	Note secured by Agape Dos, Due 2019
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Forgiveable Debt

MHFA	\$ 42,000	Amortizes at 6,000/year til forgiven
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**Clare**  
**Income Statement**  
**Summary of All Units**  
For the Two Months Ending August 31, 2012

	Monthly		Year to Date				
	August	Budget	Variance	YTD	Budget	Variance	Annual Budget
<b>Income</b>							
CADl Income	153,117	155,216	-2,099	304,354	310,431	-6,077	1,741,038
Room & Board	17,385	16,245	1,140	34,635	32,489	2,146	165,682
Tenant Portion-Cornerstone	2,977	3,191	-214	6,020	6,383	-363	38,296
Total Program Income	173,479	174,652	-1,173	345,009	349,303	-4,294	1,945,016
<b>Grants/Contracts</b>							
Foundation/Corporate Grants	-500	2,000	-2,500	0	2,000	-2,000	75,000
HOPWA	27,648	15,163	12,485	27,648	30,326	-2,678	187,960
MHFA Income	12,783	12,752	31	25,475	25,504	-29	153,024
Total Grants/Contracts	39,931	29,915	10,016	53,123	57,830	-4,707	415,984
<b>Contributions</b>							
Individual Gifts	7,374	8,333	-959	11,819	16,667	-4,848	250,000
Total Contributions	7,374	8,333	-959	11,819	16,667	-4,848	250,000
<b>Events</b>							
Minnesota Aids Ride	0	0	0	0	0	0	25,000
Total Events	0	0	0	0	0	0	25,000
<b>Other</b>							
Partnership Management Fee	0	0	0	0	0	0	14,928

Interest Income	31	125	-94	154	250	-96	1,500
Other Income	754	0	754	814	0	814	201,500
Total Other	785	125	660	968	250	718	217,928
<b>Total Income</b>	<b>221,569</b>	<b>213,025</b>	<b>8,544</b>	<b>410,919</b>	<b>424,050</b>	<b>-13,131</b>	<b>2,853,928</b>
<b>Expenses</b>							
Salaries and Benefits							
Salaries Expense	133,806	131,307	2,499	270,500	264,765	5,735	1,581,711
FICA Expense	8,672	10,045	-1,373	18,766	20,255	-1,489	121,001
Unemployment Tax	2,240	799	1,441	2,240	1,599	641	9,594
Health & Dental Insurance	29,462	14,422	15,040	29,462	29,079	383	173,720
Long-Term Disability Ins	1,929	946	983	1,929	1,908	21	11,400
Pension	2,178	2,902	-724	4,439	5,852	-1,413	34,972
Employee Recognition	0	0	0	-30	0	-30	2,500
Total Salaries and Benefits	178,287	160,421	17,866	327,306	323,458	3,848	1,934,898
Program Expense							
Food	8,136	8,534	-398	13,842	17,068	-3,226	92,508
Household Supplies	2,519	875	1,644	2,983	1,750	1,233	9,375
Medical Supplies	1,587	1,111	476	1,652	2,222	-570	12,432
Activities	587	1,050	-463	634	2,100	-1,466	12,150
Resident Transportation	408	550	-142	629	1,100	-471	6,150
Substitute Caregivers	623	1,386	-763	1,480	2,772	-1,292	14,652
Other Program Expense	961	1,125	-164	1,313	2,250	-937	12,600
Total Program Expense	14,821	14,631	190	22,533	29,262	-6,729	159,867
General & Office Expense							
Fundraising Supplies	520	500	20	3,020	1,000	2,020	25,000
Dues & Subscriptions	4,321	0	4,321	6,200	6,500	-300	6,500
Office Supplies	497	1,335	-838	698	2,670	-1,972	15,120
Meeting Expense	357	510	-153	398	1,020	-622	6,120

Postage/Shipping	234	333	-99	501	667	-166	4,000
Advertising/Recruiting	500	167	333	700	333	367	2,000
Printing & Copying	347	417	-70	347	833	-486	5,000
Publications	699	833	-134	699	1,667	-968	10,000
Workshops & Conferences	2,170	850	1,320	2,359	1,700	659	30,200
Public Relations	1,016	1,000	16	1,016	2,000	-984	12,000
Travel	1,222	168	1,054	1,317	336	981	12,199
Auto Expense	159	100	59	417	200	217	1,725
Equipment Rental	439	375	64	864	750	114	4,500
Payroll Service	11,108	5,834	5,274	11,448	11,667	-219	70,000
IT Support Maintenance	2,696	3,000	-304	5,462	6,000	-538	35,550
Web Site Services	0	167	-167	35	333	-298	2,000
Accounting Fees	0	0	0	0	0	0	11,500
Legal Fees	0	250	-250	0	500	-500	3,000
Miscellaneous Consulting	1,093	6,500	-5,407	2,202	12,999	-10,797	78,000
Licenses & Permits	1,410	2,000	-590	3,519	2,000	1,519	4,000
Bank Charges	157	150	7	404	300	104	3,300
Miscellaneous Expense	420	150	270	775	300	475	1,800
Total Gen & Office Expense	29,365	24,639	4,726	42,381	53,775	-11,394	343,514

Facilities Expense							
Electricity	3,809	2,550	1,259	5,846	5,100	746	28,600
Natural gas	313	1,000	-687	726	2,000	-1,274	10,400
Water/Sewer	404	730	-326	1,454	1,460	-6	8,160
Telephone	2,469	2,710	-241	6,413	5,420	993	30,064
Cable TV	998	490	508	1,374	980	394	5,200
Small Equipment	0	575	-575	800	1,150	-350	6,100
Apartment Leases	29,030	14,675	14,355	29,030	29,350	-320	176,100
Damage Claims	150	250	-100	150	500	-350	3,000
Equipment Repairs	443	0	443	443	0	443	0
Building Repairs	0	1,250	-1,250	0	2,500	-2,500	13,000
Building Maintenance	2,462	3,000	-538	5,477	6,000	-523	31,200
Property/Liability Insurance	3,963	3,416	547	3,963	6,832	-2,869	41,000
D&O Liability Insurance	190	200	-10	190	400	-210	2,400
Work Comp Insurance	5,281	2,657	2,624	5,281	5,357	-76	32,000
Property Taxes/Assessments	0	0	0	0	0	0	1,925
Depreciation Expense	16,000	8,550	7,450	16,000	17,100	-1,100	93,800

Total Facilities Expense

65,512	42,053	23,459	77,147	84,149	-7,002	482,949
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Total Expense

287,985	241,744	46,241	469,367	490,644	-21,277	2,921,228
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Net Income

-66,416	-28,719	-37,697	-58,448	-66,594	8,146	-67,300
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Clare  
For the Two Months Ending August 31, 2012

	August	June 30, 2012
<b>ASSETS</b>		
Current Assets		
Petty Cash	\$522.78	\$522.78
Checking - Bremer Bank	\$26,494.73	5,894.80
Bremer Money Market	\$153,529.45	248,414.15
Money Market - Bremer	\$248,852.92	248,852.92
Money Market - Bremer	\$200,157.74	
Investment-USD	(10.93)	116,501.84
Cash Investments	\$629,556.69	620,186.49
Accounts Receivable	\$38,429.40	36,633.29
Accounts Receivable	\$177,419.94	177,419.94
Accounts Receivable	\$215,849.34	214,063.23
Pledges Receivable - General Fund	\$137,964.47	139,774.80
Pledges Receivable - Capital Campaign	\$425.00	700.00
Contributions Receivable	\$138,389.47	140,474.80
Grants Receivable	\$29,848.00	29,730.00
Resident Reimbursements	\$2,649.88	2,555.00
Total Pass Through	\$2,649.88	2,555.00
Accrued Interest Receivable		
Due From Limited Partnership-Clare Apts	\$97,628.50	147,719.25
Due From Limited Partnership-Clare Hanatha	50.00	40,000.00
Prepaid Expenses	\$53,408.08	50,243.36
Lease Deposits	\$8,218.77	7,013.77
Total Other Current Assets	\$157,455.35	244,976.38
Total Current Assets	\$1,173,548.73	1,251,975.90
Fixed Assets		
Buildings-Office Space	\$527,171.53	527,171.53
Buildings-Homes	\$1,520,871.28	1,514,755.28
Accum Depr-Buildings	(\$417,493.45)	(407,893.45)
Bldg Improvements	\$489,331.52	460,331.52
Accu Depr Bldg Improvements	(\$153,611.84)	(151,611.84)
Furniture and Equipment	\$245,868.88	245,868.88
Accum Depr Furn & Equipment	(\$202,546.69)	(198,546.59)
Land	\$126,100.00	126,100.00
Land Improvements	\$46,729.18	36,234.18
Accum Depr-Land Improvements	(\$25,816.67)	(25,416.67)
Total Fixed Assets	\$2,127,663.84	2,127,052.84
Other Assets		
Investment in Limited Partnership-Clare Apts	\$74,650.00	74,650.00
Investment in Limited Partnership-Clare Midtown	\$30,000.00	30,000.00
Development in Progress	\$51,880.10	50,800.10
Accrued Interest Receivable	\$184,991.00	184,991.00
110PWA Note Receivable	\$850,000.00	850,000.00
SHLP Note Receivable	\$400,000.00	400,000.00
FHLB Note Receivable	\$146,970.00	146,970.00
Total Other Assets	\$1,710,491.10	1,717,411.10
Total Assets	\$5,019,703.67	\$5,086,439.84
<b>LIABILITIES &amp; EQUITY</b>		
Current Liabilities		
Accounts Payable	\$10,732.89	25,223.85
Other Current Liabilities		
Unpresented Checks	\$380.20	380.20
Accrued Payroll Liabilities	(\$772.25)	3,059.85
Accrued Payroll	\$33,360.62	33,812.19
Accrued Time Off Payable	\$78,773.46	78,773.45
Total Other Current Liabilities	\$113,742.03	118,025.70
Accrued Expenses		
Accrued Expenses	\$2,139.30	1,655.44
Accrued Interest Payable	\$7,236.16	7,236.16
Total Accrued Expenses	\$9,375.46	8,891.60
Total Current Liabilities	\$133,850.38	152,141.15
Long Term Liabilities		
Notes Payable - CPED	\$60,000.00	60,000.00
110PWA Deferred Revenue	\$850,000.00	850,000.00
SHLP Deferred Revenue	\$400,000.00	400,000.00
FHLB Deferred Revenue	\$146,970.00	146,970.00
Deferred Revenue-Other	\$1,000.00	1,000.00
Deferred Grants	\$36,000.00	36,000.00
Total Long Term Liabilities	\$1,493,970.00	1,493,970.00
Total Liabilities	\$1,627,820.38	1,646,111.15
<b>EQUITY</b>		
Unrestricted Net Assets	\$2,819,359.01	2,786,252.86
Net Assets - Board Designated	\$100,000.00	100,000.00
Temporarily Restricted Net Assets	\$530,969.68	530,969.68
Net Income	(\$58,445.40)	0.00
Total Equity	\$3,391,883.29	3,450,328.69
Total Liabilities & Equity	\$5,019,703.67	\$5,086,439.84



# **Clare Housing Financial Policies**

## **PURPOSE**

**This document provides guidance to Clare Housing staff in accordance with the financial governance policies as established by Board of Directors.**

## **I. GENERAL**

1. The Board of Directors delegates administration of the financial policies to the Executive Director and reviews operations and activities.
2. The Executive Director has management responsibility including financial management.
3. Current job descriptions will be maintained for all employees, indicating financial duties and responsibilities.
4. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts; disbursements; payroll; reconciliation of bank accounts; etc.
5. All employees involved with financial procedures shall take vacations or leaves of 5 consecutive work days each year. During such periods, back-up personnel who have been cross-trained in their duties will perform their tasks.
6. Blanket employee dishonesty coverage in the amount of \$ 25,000.00 shall be maintained.
7. Professional financial service providers will be established annually. Currently these are Microsoft Dynamics, Raisers Edge, Gotimeforce, First Nonprofit Mutual Insurance Company for Property & Liability Insurance, United States Liability Insurance Company for Directors and Officers Liability Insurance, State Fund Mutual for Workers Compensation insurance, Bremer Bank, N.A. for general banking, UBS Financial Service for investments, Mutual of America for retirement benefits, and Mahoney, Ulbrich, as auditors.
8. The Operations Director will maintain a current and accurate log of the chart of accounts, project/grant accounts and accounting classes.
9. These policies will be reviewed annually by the Finance Committee .

## **II. SALARIES & BENEFITS**

### **1. SALARIES**

- i. The Board of Directors negotiates and sets the Executive Director's compensation package.
- ii. The Executive Director sets and approves the salaries for all program and administration staff.
- iii. Performance reviews are documented and performed on at least an annual basis.
- iv. Personnel action forms are entered in ICIMS by cost center managers to document all changes in salary, wage rates and payroll deductions. New Hires are entered into the payroll system by MACC Commonwealth (MCW).

### **2. BENEFITS**

- i. The Executive Director reviews and approves changes to Clare Housing's employee benefit package. The benefit package includes Health, Dental, Long Term Disability Coverage, Short Term Disability Coverage, 403(b) pension program, Flexible Spending Account and Health Savings Account.
- ii. The Operations Director will work with MCW to ensure Clare Housing's benefit packages remain competitive and cost effective.

## **III. PURCHASING**

### **1. PURCHASES UNDER \$1,000**

- i. All purchases must be approved by the appropriate cost center manager.
- ii. Purchases excluded from this process are; groceries, resident transportation, substitute caregivers, mileage expenses, utility services, and indirect facility and administration allocations. The cost center manager is responsible for reviewing receipts of the aforementioned expenses for unusual or excessive purchases.

### **2. CAPITAL EQUIPMENT & PURCHASES OVER \$5,000**

- i. All purchases including services over \$5,000 must be approved in advance by the Executive Director.
- ii. Purchases over \$10,000 are required to undergo a competitive bid procedure.
- iii. Cost center managers will obtain at least 3 bids unless prior approval by Executive Director has been obtained.

- iv. All requests for proposal (RFP) will contain clear specifications and will not contain features which unduly restrict competition.
- v. Cost center managers will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.
- vi. Purchases of over \$10,000 will not be fragmented or reduced to components of less than \$10,000 to avoid the bid process.
- vii. The Executive Director is authorized to approve all purchases up to \$20,000.
- viii. A competitive bid process and board resolution is required for all purchases over \$20,000.

#### **IV. CASH DISBURSEMENTS**

##### **1. CHECK AUTHORIZATION**

- i. The Executive Director, the Program Director, and the four members of the Executive Committee are authorized to sign checks.
- ii. Signature cards are updated within 5 business days of a change in the Executive Committee membership and immediately upon the resignation or dismissal of the Executive Director.
- iii. Signature cards are scanned and retained in electronic format in the organizational documents file.

##### **2. CHECKS**

- i. Blank checks will be kept in a secured location. Access keys will be controlled by the Operations Director.
- ii. Voided checks will have "VOID" written boldly in ink on the face and have the signature line defaced. Voided checks will be kept on file.
- iii. In no event will:
  - a. blank checks (checks without a date or payee designated) be signed in advance
  - b. checks be made out to "cash", "bearer", etc...
  - c. checks be prepared on verbal authorization, unless approved by the

Executive Director.

- iv. In the event that it is necessary to issue a duplicate check for checks in an amount over \$50, a stop payment will be ordered at the bank on the original check.

### 3. CREDIT CARDS

- i. The Executive Director, Operations Director, Development Director, Program Director, Executive Assistant, and Supporting Services Manager (Midtown) are authorized users of the company credit card.
- ii. Cards are returned and authorized users are updated immediately following the resignation or discharge of the Executive Director or Operations Director.
- iii. Original documentation or web site receipts are submitted to the Operations Director for reconciliation of credit card statement and subsequent payment.

### 4. BANK RECONCILIATIONS

- i. The Operations Director will reconcile the bank statement once a month.
- ii. The Executive Director shall verify the reconciliation of the bank accounts on at least a quarterly basis.
- iii. On all checks outstanding over 360 days, the Operations Director should take appropriate action according to the "Escheatment Laws" of Minnesota.

### 5. PAYROLL TAXES

- i. MCW-Gotimeforce is contracted to prepare and transmit the quarterly and yearly payroll tax reports and W-2 forms. The Operations Director is to verify payroll tax report preparation on a quarterly basis.
- ii. MCW-Gotimeforce is contracted to submit payroll taxes after each bi-weekly pay period. Payment of the tax submission is to be verified at least monthly by the Operations Director during bank account reconciliations.

## **V. TRAVEL & EXPENSES**

1. Mileage to and from residence will not be paid by Clare Housing, except for board members traveling from outside the Twin Cities to board meetings.
2. Employees and board members will be reimbursed for travel and other related expenses under an "accountable" plan. Under an "accountable" plan, expense receipts must be submitted for non-taxable reimbursement.
3. The organization will reimburse no more than the standard mileage rate for the business use of a car as established by the IRS. Clare Housing will reimburse meal expenses incurred in direct connection with Clare Housing employment, not to exceed the per diem rate as established by the IRS.
4. The expense voucher and travel authorization is to be submitted within 10 days of travel completion for payment.

## **VI. CONSULTANTS**

1. The Executive Director is authorized to approve consultant and contract services up to \$20,000.
2. The Board of Directors will approve audit and other significant contracts above \$20,000.
3. Consideration will be made of internal capabilities to accomplish services before contracting consultants.
4. Written contracts clearly defining work to be performed, terms and conditions will be maintained for all consultant and contract services.
5. A certificate of insurance and W-9 form will be maintained for all consultant and contract services.
6. The qualifications of the consultant and reasonableness of fees will be considered in hiring consultants.
7. Consultant services will be paid for as work is performed or as delineated in the contract.

## **VII. PROPERTY**

### **1. EQUIPMENT**

- i. Equipment shall be defined as all items (purchased or donated) with a unit cost of

\$1,000 or more and a useful life of more than two years.

- ii. The Operations Director will maintain a fixed asset log; which shall contain a description of the item, date of purchase or acquisition, price or fair value of the item and its location.
- iii. A fixed asset and depreciation schedule shall be prepared and reconciled at least annually for the audited financial statements.
- iv. In no event are equipment sales or disposals to occur prior to the Executive Directors authorization.
- v. The Operations Director is to be notified within 5 days of all equipment damaged, transferred, sold, or disposed.
- vi. A physical asset inventory will be conducted by Property Maintenance staff on a bi-annual basis or when there is a change in the asset custodian.
- vii. Property Maintenance staff are responsible for locating missing assets and filing report to Operations Director.
- viii. Real estate purchases must be approved by the Board of Directors.

## **VIII. LEASES**

### **1. REAL ESTATE**

- i. The Executive Director and Operations Director will review leases prior to submission to the Board of Directors for approval.
- ii. All leases, clearly delineating terms and conditions, will be approved by the Board of Directors and signed by two officers of the Board.
- iii. The Operations Director will keep a copy of each lease on file.
- iv. Upon approval, the Operations Director will make proper general journal entries for same.

### **2. EQUIPMENT**

- i. The Operations Director will review all operating leases prior to submission to the Executive Director for approval.
- ii. All leases, clearly delineating terms and conditions, will be approved and signed by the Executive Director.
- iii. The Operations Director will keep a copy of each lease on file.

- iv. Upon approval, the Operations Director will make proper general journal entries for same.

## **IX. INSURANCE**

1. Reasonable, adequate coverage will be maintained to safeguard the assets of the corporation. Such coverage will include property and general liability, worker's compensation, Directors & Officers Liability, employee dishonesty and other insurance deemed necessary. Theft and casualty losses will be insured to at least 80% of replacement value.
2. The Executive Director will carefully review insurance policies before renewal.
3. The Operations Director will maintain insurance policies in insurance files.
4. Annual review by Finance Committee.

## **X. BOOKS OF ORIGINAL ENTRY**

1. Clare Housing will utilize a double entry system for accounting purposes.
2. Adequate documentation will be maintained to support all general entries.
3. At the end of each month, the Operations Director will prepare a Balance Sheet, Statement of Activities, and Statement of Activities by Department that will be reviewed by the Executive Director and the Finance Committee.
4. The Statement of Activities report will include a comparison to budget.
5. Clare Housing will maintain its accounting records on the accrual basis in a manner that facilitates the preparation of audited financial statements conforming to generally accepted accounting principles.

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## **XI. GRANTS AND CONTRACTS**

1. The Executive Director will carefully review each award and contract to ensure compliance with all financial and programmatic provisions. The Director of Development will maintain originals of all grants and contracts in a file and forward copies of grants and contracts to the Operations Director. The Operations Director will prepare initial entries as appropriate to record each award.
2. Payments for projects for which Clare Housing serves as fiscal agent shall be paid out within 30 days.
3. The Operations Director will prepare financial reports and the Development Director

will prepare narrative reports to funding sources as required.

4. It will be the responsibility of the Director of Development to ensure that all financial and narrative reports are submitted on a timely basis.

## **XII. BUDGETS**

1. The Executive Director and the Operations Director will prepare the financial budget.
2. The Operations Director will ensure that budgets are on file and available for review by the Finance Committee and Board of Directors.
3. The Board of Directors must approve all budgets and changes to the budget.

## **XIII. LOANS**

1. The Board of Directors will approve all long term financial obligations.
2. Long Term promissory notes, as prepared by the financial institution, will be forwarded to and signed by the Board Chair and another officer of the Board before funds are borrowed.
3. The Executive Director and one member of the Executive Committee will approve all short term financial obligations exceeding 90 days.
4. Short term promissory notes exceeding 90 days, as prepared by the financial institution, will be forwarded to the Executive Director and signed by Executive Director and one member of the Executive Committee before funds are borrowed.
5. Copies of promissory notes will be forwarded to the Operations Director who will prepare initial journal entries appropriate to each note.

## **XIV. OTHER**

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### **1. MINUTES OF MEETINGS**

- i. The Secretary, of the Board of Directors, will prepare accurate minutes of all meetings of the Board of Directors and all committees.

### **2. ACCOUNTS RECEIVABLE**

- i. Supporting documentation will be maintained for account and pledge receivables.
- ii. Income certifications will be obtained for all incoming residents.
- iii. Account and pledge receivables will be recorded in the books and collected on a



timely basis.

- iv. Write-offs over \$500 require approval by the Executive Director.

### 3. FORM 990

- i. The Board of Directors, in conjunction with the audit, will authorize the preparation of Form 990. The Form 990 will be signed by an officer of the Board.
- ii. The original copy of Form 990 provided by the auditing firm will be kept in a fire safe cabinet. An electronic copy of the completed Form 990 is to be retained in electronic form.

### 4. AUDITS

- i. At least every five years the Operations Director shall prepare and send requests for proposal to a minimum of 5 independent auditing firms to conduct a full audit of the books, and prepare the organizations Form 990.
- ii. The Finance Committee shall review proposals, select, and contract an independent auditing firm to conduct a full audit prior to the following first of September, and prepare the organizations Form 990.
- iii. Recommend approval to the board of directors.

### 5. PERSONNEL FILES

- i. MCW will maintain a secured personnel file for each employee, containing appropriate documents, employee handbook acknowledgement receipt, an I-9 immigration form with copies of documentation provided, benefit enrollment forms, tax withholding forms, salary reduction agreements for benefits, and employee performance reviews.

### 6. FISCAL AGENT STATUS

- i. The Clare Housing Executive Committee must authorize all fiscal sponsorship arrangements, which are then approved by the board.
- ii. All fiscal sponsorship arrangements will begin with a written agreement, stating the terms of the relationship and the purpose for the use of funds.
- iii. Fiscal sponsorships will be limited to projects for which the Clare Housing Executive Committee determines that the project is charitable and consistent with Clare Housing's mission of strengthening the nonprofit sector, and that no real or perceived conflicts of interest exist with board or executive committee members.

- iv. The Executive Director will negotiate with the sponsored project a rate for indirect or direct costs to cover Clare Housing's expenses of administering the temporarily restricted fund.
- v. Sponsored projects will be required to submit full and complete quarterly and year end reports to the Executive Director by the end of Clare Housing's fiscal year, June 30: and must include:
  - a. detailed expenses using budget categories for original grant;
  - b. program accomplishments and activities;
  - c. lobbying expenditures;
  - d. amount of remaining funds.
- vi. Any changes in the purpose for which grant funds are spent must be approved in writing by the Executive Director before implementation. Clare Housing retains the right, if a sponsored project breaches the fiscal sponsorship agreement, or if a sponsored project jeopardizes Clare Housing's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
- vii. Clare Housing's Executive Director will submit quarterly reports to the Executive Committee, to be circulated to the entire board, on the status of active fiscal sponsorships.
- viii. The Operations Director will file appropriate tax forms for sponsored projects, including IRS form 1099.

## 7. RECORD RETENTION & DOCUMENT DESTRUCTION

- i. Accounting and finance records will be kept in accordance with the Clare Housing Record Retention and Destruction Policy and the Internal Revenue Code.

Approved by:

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Lee Lewis

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Date

## **Draft FY2013 Annual Goals:**

June 26, 2012

In developing the FY13 goals it became apparent that the landscape has changed, as has our direction, since the strategic goals were developed in 2009. Some of the strategic goals have been made less relevant by time and events. On the other hand, some new opportunities, ways of thinking and challenges have presented themselves.

The categories of the strategic goals contained in the 2010-2014 plan remain; however, a new category has been added to capture the new environment and circumstances that face Clare Housing.

### **Increase housing opportunities**

- i. Acquired or have a purchase agreement for a site for a new LIHTC deal of between 30 – 50 units by 12/31/2012
- ii. Successfully implemented two or more of the following expansions of Project Cornerstone:
  - a. secured funding for 10 units of rental assistance in SE MN for individuals and families who have been homeless [in partnership with Rural AIDS Action Network [RAAN] and Mayo's HIV Clinic]
  - b. completed lease-up for 5 units of housing at Spirit on Lake targeted at homeless individuals
  - c. expanded Project Cornerstone by 11 – 20 units targeted to low income individuals and families through a partnership

### **Expand and enhance programs**

A good deal of FY2013 will be devoted to analyzing potential changes in programs, either by creating new or enhancing current programs; hence, a new category of strategic goals. Programs would be added or closed in order to increase the number of people served, increase the effectiveness of current programming and/or increase net revenues.

To that end, staff will have analyzed the risks and benefits/pros and cons and make a recommendation to the board on one or more of the following:

- ii. implementation of a congregate meal program at one or more of the supportive housing sites
- iii. implementation of a Medicare/Medicaid-certified home health agency
- iv. implementation of a Medicare/Medicaid-certified transportation program
- v. increase in the level of services and care provided at one of the supportive services programs [board action not required]

### **Increase our influence in the creation of policy and allocation of resources**

- i. Analyzed various strategies for legislative and administrative advocacy [contract lobbyist, internal staff devoted, grass roots and associations] to effectively influence public policy and resource allocation with recommendations to the board by 10/31/12
- ii. Implemented a grass roots public policy component to our work

**Enhance our financial stability**

- i. Created a response to the plans that emerge from the *Impact Initiative: Re-imagining Systems*
- ii. Continued the work of the strategic collaborative between Clare Housing, RAAN, Minnesota AIDS Project [MAP] and Hennepin County's Positive Clinic to improve access, quality and/or cost-effectiveness of HIV-specific housing with services
- iii. Successfully close Clare House with all discharged tenants smoothly transitioned to other residential settings with minimal disruption to the organization, its finances and restructure foster care operations and implement electronic monitoring
- iv. Continued successful implementation of sustainable benefit modeling within the revenue, operating expense, and operating excess [deficit] of the FY13 budget