MCDR Executive Board Meeting Draft minutes

Meeting Conducted September 9, 2014

In attendance at the September 9, 2014 quarterly meeting were: Lisa Battalia, Kristina Day, Donna Duquette, Tara Flynn, Ellen Kandell, Rob Ketcham, Shelley Korch, Thomas McCloud, Barry Weissman, and David Zoll.

Change in Board Member Terms:

The Board discussed and approved a pending proposal to change Board member terms to October 1 to September 30 each year, effective October 1, 2015. The Organization’s fiscal year would continue to run from January through December. The purpose of this proposal is to allow new Board members and Committee Chairs time to create proposals and budget requests to inform the annual budget. It would also allow time for the new officers to create grant requests for MACRO. The MACRO grant application deadline is normally in March of each year; in the past, new officers whose terms are effective at the beginning of January have not had adequate time to obtain approval for projects that could utilize MACRO funding. There was additional discussion of whether to consider expanding officer and Board terms to two years, but that proposal was tabled in favor of completing work on the change in terms as proposed.

To effectuate the change, proposed changes in the bylaws need to be prepared, approved by the Board and presented and voted on by the full membership. The proposed language must be offered to the membership at least 30 days prior to the December meeting. In addition, by law changes need to be registered with the Secretary of State.

Ellen Kandell offered to prepare the revisions to the bylaws. She will send it to Co-President Duquette, who will then forward it to the Board and membership. Once language is approved by the membership, Secretary Weissman will send it to the MCDR attorney for submission to the State.

Treasurer’s Report:

1. IRS Sales and Use Tax Exempt Certificate

MCDR applied for and obtained approval of a Sales and Use Tax Exempt Certificate. This allows the organization to make specific purchases without paying sales and use taxes. Barry distributed the IRS guidance on the use of the certificate to all of the Board members attending the meeting and indicated that if any one was making purchases on behalf of MCDR, they should e-mail him and he will provide the certificate number for use with the vendor. He cautioned that the certificate must only be used for purchases on behalf of the organization, and in accordance with IRS guidance. Further now that we have the certificate, MCDR will not reimburse people who do not use the certificate for taxes they may have paid where the certificate should have been used.

1. IRS Letter Audit for FY 2000

Last June 19, MCDR received at the Odenton office an audit letter from the IRS for several quarters of Form 941 TY2009 and TY2010.  Form 941 is filed quarterly for employee taxes.  The audit letter also requested a for-profit corporate income tax return Form 1120 for TY2000.

In 2009 and 2010, MCDR did not have any full-time employees for which to report any tax.  As a result of the passage of time (14 years) it is unclear whether MCDR actually did file form 1120 for 2000. However the IRS set a very stringent 10-day deadline for response to these matters.

The Treasurer promptly researched the history of these items and located a one-page financial statement for 2000 and concluded that MCDR had a few thousand dollars of revenues and a few expenses that arguably should have been reported.  In 2000 the MCDR Directors were debating whether to become a not-for-profit 503(6) corporation or a 503(c) corporation. After consulting with our attorney he determined the best strategy would be to authorize our attorney to file a return Form 1120 for TY 2000, pay any tax due with the return, and for the attorney to draft a letter to the IRS.

The TY 2000 Form 1120, a check for roughly $245 in tax due, and the attorney’s letter to the IRS was sent out within the required ten days.  In conjunction with these actions we have asked the IRS not to charge interest and penalties, forgive the debt due to the statute of limitations, and that asked for forgiveness of any taxes, penalties and interest due since the corporation was new and in its formative stage.  Last week MCDR received at the Odenton office a letter from the IRS stating they had received all of our documentation, cover letter and TY200 Form 1120.  This letter stated we could expect to receive a reply in 45 days.

Our attorney and the Treasurer are optimistic that the IRS will drop the issue considering the fourteen years, a statute of limitations, and the minimal amount of money.  However, interest and penalties accrued over a period of fourteen years might be several thousand dollars. We await the IRS response.

1. Fundraising Committee

The Treasurer recommended MCDR revive the Fundraising Committee. In past years, MCDR did have such a committee, formulated to raise funds for hire staff, or fund educational opportunities; that committee became defunct several years ago. Recently, the MCDR budget has been higher than our income. In part the recent expenditures that exceeded income were based upon the need to fund a paid administrative position, which is no longer the case. However, he proposed that we develop a program to select and prioritize worthy projects and to solicit donations. Barry has agreed to head this effort, and the Board approved his proposal to revive the Fundraising Committee.

1. Dues Structure

A proposal was offered and passed to eliminate the current two-step membership rate. Up until this time, first year members were charged $50 for annual membership and renewing members were charged $75. The Wild Apricot system that is used to maintain membership records is not adaptable for such a structure, and it has resulted in billing errors and difficulty for returning members who are billed $50 necessitating a call from a MCDR officer to tell them they owe additional funds. The Board agreed that the damage from the billing errors has been substantial and had an adverse effect on membership, and therefore approved a single rate for membership - a fee of $75 per year. However, the Board agreed that under certain conditions, the Board could authorize a discount to members as a special promotion, such as those instances where prospective members attend a Master Class, or other worthy activity sponsored by MCDR. Board members urged that such a program be established to allow for anonymous donations.

4. New Brochures

The Treasurer has arranged for updating and printing of additional informational brochures.  Bundled in packets of 20, the new pamphlets will be available for members to use to help grow our membership at the September 23 MCDR quarterly meeting. If anyone needs a batch and will not be attending the meeting, please send Barry Weissman an e-mail; you will receive a batch of brochures within two or three working days.

The Certification Committee Chair Report:

Rob is pleased to report that he has completed a Procedure Manual for the Certification Committee. He will be leaving the committee after this term and wanted to make sure to share the processes and procedures that he and the committee have developed so that the future Chairs will have guidance.

He noted that Talbot County requires its mediators to be certified through a performance based assessment and the program has taken off, with other courts expressing interest. A new Talbot County Chief Judge has been named and will take over at the beginning of November so it remains to be seen whether the new Judge will modify the current procedures. He also reports that case intake has recently dropped so now mediators are not getting many cases.

The Nomination Committee and Extension of the appointment of the Membership Chair:

The nomination committee is formed and is in the process of preparing next year’s slate for candidates. The Committee includes Barry Weissman, Barbara Williams, Ellen Kandell and Donna Duquette. At the present time the nominating committee is still recruiting for several positions: Program Chair, Membership Chair, Co president and possibly another VP chair.

The Chair of the Committee noted that the Membership Chair, Cynthia Langford has served for three terms; we need to address this because MCDR by-laws limit the incumbent of that position to three consecutive terms. The Board is most appreciative of Cynthia’s work and acknowledged her replacement will have big shoes to fill, particularly because Cynthia provides considerable technical advice and assistance, and because she has devoted countless hours to managing the MCDR website. Although a replacement had been initially identified, that person subsequently declined to serve and we are now approaching nominations for next year with no viable candidate.

The Board considered changing the by-laws to allow the current Membership Chair to serve another term, but decided to request the President seek the unanimous consent of the membership at the next membership meeting to allow Cynthia to continue in her position for up to a year to allow the appointment of a qualified replacement. The resolution was offered and approved by the Board.

Committee Reports and Updates:

Pilot for Outreach:

A status update was provided on a pilot program involving Anne Arundel County mediation cases that might be applied to other counties in the state. David Zoll is working on the MACRO(?) or CRCMC? sponsored program which is focused on developing an intentional or systematic way of reaching out to parties involved in conflict that appear in the media to explain mediation and suggest how it could be used in their particular situation. The pilot is envisioned to have a two tier approach: an initial year where the focus is on raising awareness, and then move on to exploring options and finding providers. There was discussion of establishing a steering committee, which would include 2 members of the bar who are mediators and one mediator who is not a member of the bar. In addition the Board discussed ways to highlight appropriate cases and ways to optimize outreach. A proposal will be prepared and reviewed by the Board. The Board supported efforts to publicize the development of the program to provide a foundation for consideration of similar programs in the State.

Next Quarterly Meeting:

The next quarterly meeting will be held at the Silver Spring Civic Center, in the Ellsworth Room on Sept. 23.

Sharon Picket Award:

The Award will be presented on December 12 in Annapolis to Rob Ketcham. The Board approved a motion to allow the payment of up to $1000 honorarium for a speaker or trainer.

Master Classes:

A question was raised about how to handle unsolicited requests to present Master Classes on behalf of MCDR. Since the Board did not want to encourage the use of such classes for advertising, it was decided that the requester should be instructed to prepare a written proposal outlining content and requirements, and submit them to the Board. Shelley Korch will review them initially and make recommendations regarding approval by the President.

Additional Committee Reports:

The Board looks forward to updates from the Needs Assessment Task Force, the Sara Grebe Committee and the Court Report Task force at the next Board Meeting that will be held November 12 at Ellen Kandell’s home.

Respectfully submitted:  /s/  Shelley Korch Co- Secretary MCDR