

HOUSTON RECOVERY CENTER LGC
MEETING OF FINANCE COMMITTEE
September 22, 2014

- I. The meeting was called to order by Arlo Welge at approximately 10:40a.m. on Monday, September 22, 2014, in the Sobering Conference Room, (150 N. Chenevey), Houston, Texas 77002.
- II. The following were present:
 - Arlo Welge, MD
 - Ursula N. Williams
 - Leonard KincaidAbsent:
 - Elizabeth T. Nunnally
- III. The committee discussed the benefit of establishing a firm committee meeting schedule. The schedule will be finalized once there is an opportunity to get input from all members in consideration of schedules.
- IV. Mr. Kincaid led a discussion on the 2014-2015 budget, including the 1115 funds which are budgeted separately and not intermingled with the funding provided by the City of Houston. The 1115 program is a pay for performance contract and the funds cannot be used to fund or supplant existing programs. The funds can only be used to enhance or expand. Therefore, it is important the budgeting and accounting for the 1115 funds is separate from the Sobering Center operations budget. Currently, the 1115 funds are being used to purchase detox and provide case management, aftercare services for Sobering Center clients who wish to pursue treatment.
- V. The role of financial consultant has not been revisited since the HRC LGC was in start-up phase. The Center is now fully operational with multiple funding sources and expanded services. Consequently, the financial services requirements have also evolved. The finance committee is working to identify the Center's specific financial service needs and generating recommendations to ensure that such services are available. (See attached for discussion points on this issue.)
- VI. The audit firm has completed their field work. Mr. Kincaid expects that they will have the audit report ready in for review well in advance presentation to the City. The Finance Committee requested the opportunity to meet with the audit team to address any questions or clarifications that may be required.

There being no further business, the meeting ADJOURNED at approximately 11:35 a.m.

By
Ursula N. Williams, Committee Secretary

Finance Committee
9/22/14

IDENTIFIED NEEDS- FINANCIAL ADVISOR

1. A financial professional that can serve primarily as financial consultant for Center operations: Provide financial advice regarding budget implications of programs and business expansion, cost based considerations, financial oversight, accounting procedures, fiscal year projections.
2. Account for funds in accordance with non-profit accounting requirements and generally accepted accounting principles.
3. **COMPLIANCE:** Ensure compliance with tax exempt requirements (i.e., timely preparation and filing of Form 990, consulting on activities that can jeopardize tax exempt status).
4. **COMPLIANCE:** Ensure compliance with City of Houston financial requirements as prescribed by the City Finance Department.
5. **Staff Development:** Provide direction to the Center's internal financial personnel on best practices for day to day financial recording and practices.
6. **Audit preparation:** Review and recommend financial controls, financial policies and procedures, help the Center remain audit ready at all times.
7. **Financial Reporting:** Prepare, present and discuss monthly and annual financial statements to Finance Committee and/or Board of Directors