**BALTIMORE SHAMBHALA MEDITATION CENTER**

**GOVERNING COUNCIL**

**MINUTES**

**OCTOBER 13, 2014**

**5 PM TO 7 PM**

I. Approval of August and September Minutes

August and September Minutes were approved.

II. Financial Situation

A. Financial Results through September 2014

1. Our Treasurer reports that for the month of September 2014, our Baltimore Shambhala Center realized a net loss of $2,080 on $12,115 income (-17%). Of note is our quarterly contribution to Shambhala International of $4,000; i.e., 15% of gross income.

2. For 2014 Year-to-Date (YTD; Jan to Sept), our Center has a net loss of $8,798 on $93,448 income (-9%). For the same nine month period last year, 2013, our Center realized a $1,813 net profit on $96,377 income (+2%). During this period we have realized losses in 5 of the last 9 months.

B. Financial Comparisons

1. Dues and other contributions were $48,572 through September 2014, compared with $62,007 through September 2013, an unfavorable difference of $13,435, or 22%

2. Programs

a) Program Revenue was $44,876 through September 2014, compared with $34,370 through September 2013, a favorable variance of $10,506 or 31%.

b) Program Expenses increased by a lesser amount, $7,729

c) Profit on programs was $20,750 through September 2014, compared with $17,973 through September 2013, an increase of $2,777, or 15%.

C. We can summarize our financial situation as follows:

1. Our programs are making a greater contribution to our financial health compared with last year.

2. Non-program contributions are down significantly, reflecting attrition in member engagement.

3. Our inability to fulfill IRS requirements has resulted in fines roughly equal to the amount of our loss for the year.

D. To improve our financial situation, we must resolve our issues with the IRS, establish sound and reliable financial systems, and improve member engagement.

III. Martin Davidoff & Associates

A. Our Tax Situation

1.  Robbin Weiner and her associate were able finally to track down an IRS agent who could speak with them about what our situation is. They spoke with the agent for 2 1/2 hours. There are multiple problems.

a) In addition to the missing documents the IRS already has fined us for, they have not received a W-2s for 2013 or 2014, and they also have not received the 940s and 941's for 2013 and 2014. The IRS is two years behind in following up on these issues. Consequently, we are in store for two more years of notifications and fines, unless we can resolve these issues before the IRS gets to them.

b) The numbers on the reports that we have sent the IRS don't correspond to the numbers that they have. Robbin requested and received a digital copy of our QuickBooks so that she can reconcile our payroll tax obligations to the reports we should be sending. She also will give us a detailed list of the reports we must file. We will file them through her so that she has an opportunity to review them before submission to the IRS.

c) This is their firm's busiest time of year. It is a tax season for certain clients, which ends October 16. Her firm took on some large, important clients and hired additional staff to service them. These additional staff did not work out and had to be let go. Consequently, Robbin is working round-the-clock, seven days a week during this period. This labor will come to an abrupt end October 16, affording her dramatically more time to attend to our issues.

2. Meanwhile, John checked the Intuit QuickBooks files to examine the record of what reports we sent electronically to the IRS. He found there is no record of our sending anything. Consequently, while we have been paying Intuit for a payroll service we presumed was sending reports to the IRS, for some reason, still unknown to us, that has not occurred.

B. Our Plan of Action

1. Robbin will prepare a list of the reports we must file with the IRS, and then we will file them.

2. Once we have filed all of the reports we're supposed to, Chris will write a letter to the IRS explaining our situation and requesting a reversal of the fines they have charged us. Robbin indicates there may be little hope for years 2005 and 2007, since they are so old, but sometimes people have luck with more recent problems.

IV. C.E.A. Scholtes & Associates

The Council decided to engage C.E.A. Scholtes & Associates to perform an audit of the Center’s financial processes.

V. Dues

A.           Review of our dues payments has shown that members who used to contribute dues no longer do. Given these members’ reduced level of engagement, it is not surprising that they are no longer contributing.  Simply asking for money from them probably won’t be successful; we need to reengage them, if we can.

B.           We have had difficulty in the past ensuring that we were set up to collect dues from new members. We need to make sure this problem has been resolved.

C.           Many of the members who are engaged are deeply engaged.  This is a strength we can work with to increase the engagement of the entire community.

D.           Ray brought out that our approach to resolving the dues/membership issue suffers from lack of leadership.  No one will agree to be our Membership Coordinator.  He proposed that he might take on that role, after he’s had a chance to discuss his doing so with Chris.

VI. Community Building Meeting

A.           The Executive Committee has not convened since before the summer.

B.           The Plenary Meeting met before the summer and identified several goals.  Work on these goals has not gained traction, partly because it’s difficult to get people together over the summer, and because leadership has been absorbed with the Center’s financial issues.

C.           It would be useful to conduct a community building meeting to have a greater discussion of the issues the Center is facing. This meeting would go beyond the Plenary Meeting and include all those who are engaged in some form of leadership.

D.           Work to develop this meeting will begin after Ray and Chris have had an opportunity to speak about Ray’s potential role as Membership Coordinator.

VII. Societal Health and Well-Being.

The leadership transition for Societal Health and Well-Being will occur during Richard John’s visit.

VIII.  Scholarship

The Council approved $500 scholarships for John Lamoureux and Eric Laufe to attend the Ritual Academy.