

WRC Governing Board Meeting March 1, 2002 Unofficial Minutes

In Attendance: Horace Mitchell, Marcella David, Rut Tufts, Katie Quan, Chris Howell, Doug Shaw, Shahar Sapir, Matt Teaman, Trina Tocco, Ginger Gentile, Suzanne Webb, Jill Esbenshade, Mark Barenberg, Dave Dyson, Linda Chavez-Thompson; WRC staff: Scott Nova, Maria Roeper, HeeWon Khym, Erin McGrath, Brian Elerding. Observers from Columbia Law School, Loyola University Chicago, USAS staff persons, Ben Hensler, Ron Blackwell.

Meeting convenes at 9:50 a.m.

Marikah Mancini joins by teleconference:

Motion to ratify all new Board Members; approved unanimously.

Minutes have been reconstructed due to a hardware failure, board will approve minutes after lunch; approved unanimously.

Treasurer's and Executive Director's Report:

Question raised concerning transfer of funds from fiscal sponsor account; will discuss in more detail with audit committee.

Question concerning the receipt of grants listed; all have been received.

Additional financial information:

Affiliation fees: Although revenue is already higher than expected, it is still expected to increase – some affiliates need to be invoiced, more will join, and some delayed because of reporting licensing revenues. A list of affiliates who have been invoiced but have not paid is distributed.

-Foundation grants- [See Executive Director's report]

Scott expects that many of the WRC's current grants will be renewed, but that there are no guarantees; concern is expressed about the possibility of too much reliance on grants that possibly won't be renewed. Scott offers that temporary hires can be made to offset chance of grants not getting renewed, states that WRC affiliation fees are more financially certain.

Comment made supporting the idea that hires made for particular, not necessarily renewable, grants can be temporary.

Ford Foundation: interested in the past but would not get involved in FLA/WRC controversy; however, things have moved considerably since then.

Scott explains that new staff positions are likely to be junior staff and may include international staff. Fundraising staff is suggested, Scott notes that this may not be cost-effective because position is a highly paid one.

Broader question raised about what will be done with increase in the budget in terms of the WRC mission.

Question is raised whether some grants are restricted in terms of what programs they can be applied to -- Scott relays that ARCA focuses on Latin America, Rockefeller focuses on having various monitoring efforts working cooperatively, the WRC acts in good faith to make sure those funds are used towards those purposes. There are no legal obligations with the funds given.

Question is raised whether the internship program is formalized. Executive Director and Business Manager explain that DC-based internship program is formalized and they are in beginning phases of developing an international internship program.

Scott informs that actual revenues granted or received, excluding carryover surplus are roughly \$497,000. Expenditures are running lower than projected for several reasons. In addition, the greater-than-expected expenditures on consulting occurred because of delays in hiring permanent staff and the need to substitute work by consultants. Current cash on hand is \$[See Executive Director's Report], in regard to the 501(c)(3) application pending with the IRS, they had certain questions regarding our bylaws (a normal occurrence) for which the WRC sought counsel and on which the Board must take action.

Question is raised as to when we the IRS process will be complete; WRC needs to submit a few additional things, including a revised copy of our corporate status application to New York State, but that it could be as soon as a week from now.

Horace Mitchell asks for copy of Form 990 recently filed with the IRS; these are distributed to officers, members of the audit committee and other interested board members.

New affiliates: Louisiana State University, Vanderbilt and California State University – Long Beach. WRC did a series of educational forums as a form of outreach, and has been receiving beneficial press.

It is noted that the UC system is trying to formalize and make permanent the involvement in the WRC.

It is noted that UNC-Chapel Hill is funding students' research and travel related to Code of Conduct issues, and this should be pursued more in the future.

Treasurer's and Executive Director's Report approved unanimously.

Suzanne calls for 15 minute break 11:15p-11:30p.

Discussion of Bylaws Revision

Scott explains IRS questions and expectations leading to removal of reference to physical location of WRC office in bylaws in Section 1.2. Bylaws revision has been distributed to board.

Bylaw changes approved by board unanimously.

Discussion of Articles of Incorporation Revision

Scott explains need for technical modifications to WRC articles of incorporation at the request of the IRS.

Article changes approved unanimously, Governing Board resolution is signed by Secretary Marcella David.

Discussion of Audit Committee Roles and Procedures

Reason for audit committee is explained. Audit committee members should be familiar with and check financial statements from the WRC; also help address process for independent auditing.

Scott clarified that he would like an executive committee to continue standing.

Marcella expressed that the more grants we get, the more careful we need to be with our books.

Scott explains that he would like to be able to enter into contracts for more than five thousand dollars quickly when necessary, without a board meeting.

It is proposed that the executive committee be authorized to approve contracts on behalf of the board while the board is not in session. Approved unanimously.

Scott confirmed that contracts under \$5,000 do not need approval by the board.

Clarification is requested on how broadly the WRC is interpreting the word “contract.”

It is suggested that we look into what kinds of contracts the WRC has entered into so far, and use that to analyze this topic further.

Discussion to Audit committee.

It is proposed that there be a charter written for the Audit committee, board will return to the topic of an audit committee.

Board convenes in Executive Session at 12:26p.

Open session reconvenes:

Scott discusses funding from the State Department, explains that this week or next week WRC will sign a contract for \$415,000, and may need to create staff positions not included in approved annual budget.

It is asked if there will be restrictions on the grant; Scott states that there are certain technical and geographic requirements, but that the work described in the grant is consistent with the WRC's normal functioning.

It is asked that the WRC provide a "vision" for the expenditures of the State Department money sometime before it's spent; there is general support for this idea.

Support is expressed for the idea that new positions should be filled with people who will be trusted by the people that the WRC works with – meaning, in part, emphasizing diversity.

It is expressed that a board meeting shouldn't be needed every time a grant is received, so that a general vision would be beneficial, but that micromanagement of contracts isn't necessary.

A question is raised about benchmarks in the State Department grant.

Scott explains the grant obligates the WRC to carry out a minimum of 7 investigations in three countries.

Board asks staff to leave for Executive Director Evaluation in Executive Session.

Board reconvenes in open session at 2:21 p.m.

Minutes approved, Rut abstains.

Board discusses and affirms creation of an Audit Committee, charged with the responsibility of:

- 1) Examining the financial records to assure compliance with the generally accepted accounting principles and
- 2) Reviewing potential external auditors and making recommendations to the board for engaging an external auditor as necessary. The Audit committee shall be headed by the treasurer, drafted by Marcella.

It is agreed that the next board meeting will be June 3rd.

A general discussion is organized concerning challenges facing the WRC and its constituencies.

Challenges identified by student representatives include:

- WRC being separated from USAS.
- Ongoing vitality of constituent groups.
- Communications with constituency groups may not be given enough time. (staff not communicating with constituency groups evenly or enough)
- WRC is not equally responsive to student constituents.
- WRC is administratively focused rather than student focused.
- Students don't feel ownership.
- Role of students unclear.

General discussion ensues, emphasizing the need for better constituency communications, especially with the USAS constituency.

Several ideas are suggested:

-Holding a conference of WRC constituencies -- not for decision-making but for education on how the WRC works and how the anti-sweatshop movement works.

-Putting money into a program that sets up an internship program that keeps students more involved.

-More formalized system for communication among constituencies.

-It is suggested that the WRC should not do anything concrete to move on these issues yet, because the USAS representatives are in thought and idea gathering phase, and more discussion is necessary.

-WRC should have working groups involving local participants.

5 minute break.

Meeting returns to Executive session for discussion of individual investigations.

Open Session reconvenes.

Brief discussion of staff plan to organize a working group to explore the needs and concerns of small schools within the WRC; board expresses informal approval.

Meeting adjourned at 5:00pm.

Official Governing Board Actions and Requests:

- Ratification of new Board Members
- Treasurer and Executive Director reports approved
- Bylaw changes approved.
- Articles of Incorporation changes Approved, signed by Secretary Marcella David.
- Motion to authorize Executive Committee of the WRC board to approve contracts approved.
- Executive Director will provide a “vision” for the expenditures of the State Department money sometime before it’s spent.
- Minutes from the last board meeting approved.
- Next board meeting will be June 3.
- Audit committee’s responsibilities defined as:

1) Examining the financial records to assure compliance with the generally accepted accounting principles

2) Reviewing potential external auditors and making recommendations to the board for engaging an external auditor as necessary. The Audit committee shall be headed by the treasurer.