

**Finance Committee Minutes**  
GoToMeetings Conferencing,  
Friday, April 22, 2016 4pm EST

1. Recognition of Conferencing attendees. Attendees are listed below.

**Finance Committee**

- X Brook Brosi
- Jessica Castleton
- Emily Corkery
- Dave Fadling
- X Rick Goldberg
- p Greg Hempen – Co-chair
- p Niall Henshaw – Co-chair
- p Garry Maurath

**Finance Comm** (cont.)

- X James May
  - Shant Minas
- Others Invited**
- Sarah Kalika – GR Co-chair
  - David Perry – GR Co-chair
  - Jessica Hosteter – HQ Acct’nt
  - Marrijane Jones – HQ Coord’t

**Executive Council**

- Dale Andrews – VP/Pres-Elect
- Ken Ferguson – Past Pres.
- X Kevin Richards – Secretary
- Paul Santi – President
- X Kathy Troost – Treasurer

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= invited; X = attended all; p = attended part; ☒ = unavailable by prior notice

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Agenda:

2. Minutes’ notes to be kept by all to be incorporated by Henshaw into draft minutes.
3. Old / Regular Business.
  - a. Fiscal review from the end of FY 2015 financials
  - b. 1Q FY16 Data Review.
  - c. FC Summary.
  - d. Recommendations for 2Q FY16
4. New Business.
  - a. Governance Restructuring:
    - i. Funding of Regional Director travel within their region.  
Some regions could have sizable travel costs – International, NW with AK and HI, and larger US regions
    - ii) Recommending a travel reimbursement criteria
    - iii) International Member dues assessment
  - b. FC Report to the Board of Directors (BoD) for the 2016 Mid-year BoD Meeting (MYBM).
  - c. Nomination & election of the Co-chair
  - d. Other new business items
5. Comments for the good of the AEG or FC.

**Minutes of FC meeting April 22th, 2016.**

Meeting commenced at 4:00 pm EST.

- 1) A roll call of the attendees were taken (see above).
- 2) Everyone will forward their notes/comments after the call.
- 3) Old/Regular Business:
  - a) No comments, other than the year went better than expected.
  - b) Discussion of FY16 fiscal issues:

- i) Kathy Troost indicated that the number of sponsors for the Annual Meeting in Kona appears to be on target.
- ii) Yolanda Navidad is our new point-of-contact for Offinger. Marijane Jones is retiring.
- iii) Q: Why has the website revenue declined when we were supposed to have the issues fixed?

A: Kathy Troost will contact Yolanda to see what is going on. This was something that Kathy also noted but did not have an explanation.

- iv) Q: Why are publication costs up?

A: There was one issue that had an abnormal quantity of color illustrations, which explains most of the cost expenditure. Kathy indicated that the increase in expenses is partially due to a lack of communication between the printer and the editors concerning the publishing of color prints without approval. Also, GSA has a goal of going “open publication” for all their publication. GSA has approached AEG and inquired what AEG’s plans were in the future concerning “open publication”. AEG’s response was that we might try going “open publication” with one issue first, but that we do not have plans for going totally “open publication”.

- v) Additional impacts in the costs and revenue may be occurring in the future. GSA has notified AEG that in future GSA is going to an open access for their Bulletin and Geology magazine. GSA’s intent to offset the costs by increasing member dues and using donations. If AEG goes “open access”, the loss in present revenue from the Journal will have to be generated through other channels. A suggestion is to reduce the current number of print editions by one from either the AEG News or the Annual Meeting Program with Abstracts.

One positive note is that the AEG Insider, the email blast that members receive, seems to be an effective way to disseminate Association information.

- vi) It was noted with great pleasure that the Treasurer’s Reserve received a deposit of \$20,000 in the First Quarter. This is seen as a very positive and hopefully is a start of a new trend.
- vii) Kathy Troost notified the FC that an unexpected expense is due. The IRS notified the Association that the yearly taxes for 2010 and 2012 were not filed on time and no request for extension was submitted. The total IRS penalty due is between \$4,000 and \$5,000. An extensive search of the Association records was done to find documentation for the requests for extension but nothing has been found. A letter was sent to the IRS requesting a waiver of the penalties but the request was denied. There was a suggestion to call the IRS and attempt to get the penalties waived person-to-person rather than in writing.

- c) FC Summary.

At this time the FC determined that no changes are needed on the FC Summary. The committee seems pleased with the summary and the fiscal information.

- d) Recommendation for 2Q FY16.

No specific recommendations were indicated. There was too little time to review the 1Q FY16 financials to assess any revisions for the coming quarters at this time. The FC will be happy to work with the current and incoming AEG Treasurers on the FY17 budget in the coming months.

- 4) New Business.

- a. Governance Restructuring:

i. Funding of new Regional Director travel expenses.

A discussion between the FC and the EC was conducted concerning the associated costs for the Regional Directors to travel to the BoD meeting and internal travel within the new Regions. It was noted that some of the regions are large and may require substantial travel costs, for example: the International, NW with AK and HI, and larger US regions. The discussion was based on the principal topic of *who* should reimburse Association travel and intraregional travel. The FC understand that the current BoD standing rule will assess a fee increase of \$10 per member to chapters in FY17 for Regional Directors (RDs) travel to BoD Meetings. The FC suggest that this standing rule be reconsidered by the BoD for reimbursement purposes of RDs' travel to both BoD Meetings and intraregional travel. Several FC members expressed concerns with the equitable distribution of funds and the lack AEG reimbursement for Association business (BoD Meetings). James May indicated that chapters paying most of the expenses would logically expect more of the Directors time and influence. Another impediment to the distribution of funds could be potentially observed if the chapters will be reticent to release funds to support regional activities not specifically related to their chapter. While that the standing rule is for the chapters pay a \$10 fee increase to fund the BoD travel, it is also suggested that as the BoD is Association business, the Association should pay for the BoD travel costs. Local, interregional travel should potentially be taken up by the chapter fees.

The FC is proposing that the BoD revisit this reimbursement of travel issue for both Association duties and regional duties of the RD. The FC recommends and increase of Association dues by \$10 to reimburse up to \$1,000 of BoD-Meeting travel expenses for all Directors in a fiscal year. The FC recommends that the BoD resolve, or refer to a committee to resolve, how best to compensate RD for their travel well before the AEG dues notice is to be published. One method to be to keep the standing rule for chapters to have a \$10 fee per member, but direct that collection by HQ to reimbursement of RD' intraregional travel.

ii) Recommending a travel reimbursement criteria

At present, no constraint exists to control the reimbursement of expenses for conducting the Association's business. It is acknowledged that for the vast majority of the volunteers conducting the Association business, expenses are either minimized or not submitted for reimbursement. The AEG should find a means to thank either the member, their section or their office, when a travel reimbursement is not sought. However, to continue to protect the Association's resources, it is important to avoid the potential of receiving exorbitant requests for reimbursement, which do not exist at present. It is proposed to use several criteria to ensure reasonableness: 1) use of Federal per diem rates for lodging and incidentals (meals); 2) use of online flight websites (i.e. Kayak or Expedia) to compare flight costs; and, 3) being reimbursed for only the lowest cost of airfare, fare by other modes (train or boat) with taxi or shuttle costs, rental-car fees, or private vehicle mileage by IRS rates. If the actual costs are found to exceed a set percentage (i.e 25%) of these rates, then pre-approval for the approximate cost of the expenses should be obtained either at the chapter or EC level. These constraints should ensure costs are kept to a minimum and the Association's financial resources are protected.

The FC proposes that the EC or BoD resolve the issue of travel reimbursement constraints or refer the issue to a committee that includes the Treasurer.

iii) International Member dues assessment

It has come to the FC's attention the difficult for South African AEG members to pay their AEG dues. Foreign members ability to pay is both a difference in standard of living between countries and the exchange rate to US dollars for their AEG dues payment. The FC believes this is an issue of fairness and an impediment to gaining AEG members internationally. This is a particular issues now both as AEG develops the International Region and prior to the 2018 Annual Meeting with IAEG.

A proposal for graduated dues for International members was submitted for discussion by Greg Hempen. International members, both present and future, are faced with two criteria which may make joining the Association cost prohibitive: difference in standard of living costs and the exchange rate with the US dollar to pay their AEG dues. The proposal would create a graduated dues structure consisting of a base international (internet only services) membership dues with a country specific multiplier and dues minimum no matter the multiplicand. Two relatively simple, internationally available, and direct association by particular country tables were noted to resolve a suggested means to determine AEG dues internationally immediately before the annual dues table is determined.

The FC recommends that the BoD resolve, or refer to a committee to resolve, how best to assess international dues well before the AEG dues notice is to be published.

b) Submittal of the FC Report to the BoD for the 2016 MYBM.

The minutes and report will be submitted to the FC for review on Monday April 25<sup>th</sup>. Following a review by the committee, the report will be submitted to the BoD by Wednesday, April 27<sup>th</sup>. Greg Hempen will be attending the MYBM for the FC.

c) Nomination and election of Co-chair.

Greg Hempen graciously offered to continue to serve the FC in another two-year term as Co-chair. His previous term expired in December 2015 and at this time no member accepted nomination to become a co-chair. Greg was nominated by Niall Henshaw, seconded by James May. He was elected by majority with no Naves and one abstention.

d) Other new business items.

No new business at this time.

5) Comments for the good of the AEG or FC.

No new comments

Meeting was adjourned at 4:56 EST.