

LENTS NEIGHBORHOOD ASSOCIATION (LNA)
LNA TREASURER'S REPORT
LNA GENERAL MEETING
Tuesday, August 2, 2022
(General Meeting rescheduled from Tuesday, July 26, 2022)

I will also be submitting this Treasurer's Report to the Secretary for inclusion in the Minutes.

My name is Ken Luchini.

I am the LNA Treasurer.

My Board email address is:

LNATreasurerKen@outlook.com

LNA Members should feel free to contact me with any concerns about LNA finances or other Board business at that email,

This report is not a complete one.

It will be updated.

This report contains information that is known thus far.

This report is being offered for transparency.

This report is just a summary of what I have done, as Treasurer, since the first Board Meeting in June.

(1) As had been mentioned last month, the CT-12 filing with the Oregon DOJ, Charitable Activities Division, had been filed by the Interim Board by the deadline on May 16, 2022.

Thanks very much again to Interim Board Secretary and Interim Board Treasurer for taking care of this.

Regarding the on-line CT-12 filing by the Interim Board:

An unknown Board "officer" is listed as volunteering 10 hours a week on the CT-12 form.

However, there is no record of this Board "officer" having been appointed. The LNA Board will need to find out who this person is and when/if they were appointed.

(2) As had been mentioned last month, LNA Secretary Nancy Keating amended the LNA filing with the Secretary of State to update the record with elected Board Members.

At that time, LNA Secretary Nancy Keating also paid the \$50 filing fee to renew LNA licensing.

This was done because newly elected LNA Board did not have access to the LNA Bank Account, so money was fronted by the LNA Board Secretary. Thanks very much to LNA Secretary for making that payment out-of-pocket. It was motioned, seconded and approved at the July 14 Board Meeting to reimburse the LNA Secretary for this fee once the Bank Account has been transferred over.

Secretary Nancy will be reimbursed this evening.

(3) As Treasurer, I contacted East Portland Neighbors (EPN) to find out the status of LNA's EPN Activity Funds.

EPN is a nonprofit partner of LNA's district coalition, East Portland Community Office (EPCO).

EPN serves as fiscal sponsor and insurance provider for EPCO neighborhood associations and select community groups.

<https://www.eastportland.org/EPN>

Thanks very much to EPN Treasurer Arlene Kimura for sending me a spreadsheet of LNA EPN Activity from 2010 to 2019.

Volunteer EPN Treasurer Arlene did a lot of work on this and replied promptly.

The EPN email and spreadsheet has been cc'ed to the entire LNA Board.

As Treasurer, for transparency and accountability, I will be submitting the email and spreadsheet to be included in LNA General Meeting Minutes.

However, I need to check with EPN and EPCO as to what information might need to be redacted, before doing so.

The Activity Fund Account Activity seems to include free-will donations from individual LNA Members.

Those names might need to be redacted to protect privacy.

Per the email and the spreadsheet from the EPN Treasurer,

LNA's EPN account was closed in early 2019.

The account was closed with a negative balance of \$4,500.

EPN is recommending that EPN write-off LNA's \$4,500 debt.

Thanks very much to EPN for this recommendation.

As Treasurer, I had hoped that there might be some monies remaining in LNA EPN Activity Funds to ease LNA's financial situation.

There aren't any monies in that account.

It has been over-drawn by \$4,500 since early 2019.

(5) The LNA Bank Account has been transferred over to LNA from the former Board.

LNA, through a post on the LNA Website on January 21, 2022, had assured that all LNA infrastructure, including bank account, had been handed over to LNA.

Apparently, this was a miscommunication and misunderstanding.

LNA Board Chair, Vice Chair and Secretary headed to Unitus to initiate Bank transfer paperwork on Friday, July 15, 2022.

Understanding is that the former LNA Board Chairperson, Treasurer and Secretary did not wish to meet with "certain Board members" at the Bank.

As LNA Treasurer, I had to head to the Bank, separately, on Friday, July 22, 2022.

Accessors to on-line Bank Account are Treasurer and Vice Chairperson.

Check signatories will be Chairperson and Secretary.

Per LNA Bylaws, checks require 2 signatories on the check.

Treasurer will retain the checkbook.

For future reference: Newly elected LNA Boards can head to the Bank to transition financial paperwork as soon as the Secretary of State filing is completed.

LNA Board Members accessing the LNA Bank Account need to bring a copy of Minutes from the Elections Meeting.

Those Minutes confirm election of new Board Members.

LNA assets, as of 12/31/2021, per the CT-12 filing of May 16, 2022, were

\$1,504.19.

LNA Bank Account balance, as of Friday, July 22, 2022, was \$1,106.24. LNA Expenditures between December 31, 2021 and July 22, 2022 included monthly auto-pay of PGE bills and an auto-pay domain name renewal registration.

As LNA Treasurer, as a sound financial practice, I will be recommending that LNA eliminate or minimize any auto-pay transaction opportunities.

As LNA Treasurer, as a sound financial practice, I will be encouraging payment by check drawn on the LNA Bank Account.

This will be subject to Board motion, second, discussion and approval. LNA will be enforcing the 2 signatories on checks as required by LNA Bylaws.

The LNA checkbook has been and is missing.

It is unclear who on former LNA Boards last had the checkbook.

Unitus cannot put a stop on checks because LNA did not order checks through Unitus.

Unitus recommended that the Treasurer monitor the bank statements for any irregular check activity.

No checks have been written from the LNA Bank Account the last year.

Minutes from the March 13, 2019 Board Meeting confirm that former Treasurer Ray Hites did turn over the checkbook to former appointed LNA Treasurer Brian Moore.

See page 2, Financial Update from Ray, of Minutes from the March 14, 2019 Board Meeting

https://drive.google.com/file/d/1RavCZLSTg0pfC9vSmNUN0LZ7I-g3Sf_L/view

LNA Board will attempt to find out who has the checkbook.

It might be any one of former Treasurers Brian Moore, Gerald Adkins or Interim Treasurer Topher Walke.

(6) IMPORTANT TO NOTE regarding fundraising:

LNA has been continuously registered as a 501(c)(4) nonprofit.

It is not a 501(c)(3) nonprofit.

The difference between a 501(c)(3) and 501(c)(4) nonprofit is detailed in the link below:

<https://donorbox.org/nonprofit-blog/501c3-vs-501c4>

501(c)(4) nonprofits cannot provide tax deduction/write-off receipts.

In the past, if LNA benefactors wished tax deduction/write-off receipts, checks needed to be made out to EPN, with a re/memo line earmarking the moneys for LNA.

Those moneys would then be kept in an LNA EPN Activity Account.

EPN also served as a repository for LNA grant monies.

In any of its fundraising activities, LNA, as a 501(c)(4), will not be able to offer a tax deduction/write off receipt to donors.

As Treasurer, I will find out whether EPN can provide tax deduction/write-off receipts for checks made out to LNA.

If EPN can serve as LNA's fiscal sponsor, checks would need to be made out to EPN, with a re/memo line earmarking LNA.

(7) As Treasurer, I am currently gathering signed conflict of interest disclosure forms from LNA Board Members.

This is a requirement of the IRS for tax-exempt purposes.

(8) As LNA Treasurer, I will be recommending that Interim Treasurer be reimbursed for the \$20 CT-12 filing fee it appears that he fronted LNA.

As LNA Treasurer, I will also be recommending that Interim Chairperson be reimbursed for the \$149 zoom contract, for which it appears he fronted money.

These \$20 and \$149 expenses do not appear on the LNA Bank statements currently in my possession.

CT-12 filing and zoom contract were renewed by someone other than LNA, but it's not clear by whom.

LNA Board will check with the Interim Treasurer and Interim Chairperson to

see whether they fronted those monies and if they are seeking reimbursement. This reimbursement will be subject to a motion, second, discussion (if any) and vote of the Board.

The PGE bill for lighting the monuments was due to be automatically debited around July 27.

That bill is around \$30/monthly.

As LNA Treasurer, I am recommending that the PGE Account be closed.

The former LNA Board, per Minutes from the August 2021 Board Meeting, was supposed to “reach out about terminating or transferring service.”

See page 6 under “Finance - Other,” of Minutes from 08/12/2021 Board Meeting, linked below:

https://drive.google.com/file/d/1EW7yYoKT6G4C9i0NwiMBSduN_kNSme dR/view

There seems to have been no follow up to this.

9) Currently, due to a very limited funds in the LNA Bank Account, as LNA Treasurer, I have recommended a spending freeze on anything other than operational expenses.

Operational expenses are expenses necessary to minimally carry on LNA business.

LNA thanks Board and LNA Members who are making free-will donations to help with other activities of LNA.

My understanding is that EPN can provide tax-deduction/write-off receipts for those free-will donations of money and goods.

Treasurer's Reports will become shorter as the finances get straightened out.

Thank you.

Submitted by Ken Luchini, LNA Treasurer

Tuesday, August 2, 2022

(The July 26, 2022 General Meeting was rescheduled to Tuesday 8/2/2022.)