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**Community Development Finance Authority
Finance Committee Meeting**

**Community Action Partnership of Strafford County
577 Central Avenue, Suite 10
Dover, NH 03820**

**May 14, 2024
12:00 PM**

CDFA FINANCE COMMITTEE PRESENT: John Manning, *Chair*, Robert Tourigny, CDFA Board Member.

STAFF: Ian Hart, *Chief Financial Officer*, Kim Pacocha, *Senior Accountant*, Felicity Winters, *Executive and Marketing Assistant*.

1. Open, Chair Announcements, Approval of Meeting Agenda, Public Comments

Mr. Manning called the meeting to order at 12:06 PM. Mr. Manning noted there were no announcements; there were no members of the public in attendance. There was no public comment.

Mr. Manning called for a motion to approve the agenda, as presented.

Motion – 12:06 PM

Mr. Tourigny moved to approve the meeting agenda, as presented. Mr. Manning seconded, and the motion carried by a unanimous vote of the Committee.

2. Consent Agenda

Mr. Manning called for questions or comments on the March 12, 2024 and April 9, 2024 draft minutes. None were offered.

Motion – 12:07 PM

There being no questions or comments, Mr. Tourigny moved to approve the March 12, 2024 Finance Committee minutes, as presented. Mr. Manning seconded, and the motion carried by a unanimous vote of the Committee.

Motion – 12:07 PM

There being no questions or comments, Mr. Manning moved to approve the April 9, 2024 Finance Committee minutes, as presented. Mr. Tourigny seconded, and the motion carried by a unanimous vote of the Committee.

3.1. Review of Quarterly Financials – 12:07 PM

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Mr. Hart presented the Quarterly Financials to the Committee. Mr. Hart stated that on the Balance Sheet the Tax Credit Pledges receivable continue to lag past years. Mr. Hart states that many factors contributed to this challenge: the year started with fewer carryforward pledges and contributions compared to recent years; the Gap awards were only approved in November, reducing the fundraising duration; several awardees have run into fundraising and other challenges; and banks have had to cut down on donations due to economic challenges.

On the Income Statement, Mr. Hart explained that the Salaries, Benefits and Payroll Taxes has seen increased spending in these categories in Quarter Three due to two new Program Administrators that started at the beginning of January, and CDFA saw an increase in benefits enrollments at the start of the calendar (plan) year. In addition, CDBG and CDBG-CV flowthrough spending has lagged the budget, while spending would be expected to be higher in Quarter 4 as CDFA closes out the Community Navigator Pilot Program, Council on Housing Stability, and the Workforce Child Care Pilot Program close out or ramp up, respectively.

The Committee asked about the budget to funding ratio. Mr. Hart stated CDFA was experiencing delays in recovery payments. With no further questions, Mr. Manning called for a vote to approve the Quarterly Financials as presented.

Motion – 12:13 PM

Mr. Tourigny moved to approve the financials as presented, Mr. Manning seconded, and the motion carried by a unanimous vote of the Committee.

3.2. Banking Security Discussion & Electronic Fund Transfer Policy – 12:13 PM

Mr. Hart stated that the Bank of NH alerted CDFA about a fraudulent check that appeared to have come from CDFA. CDFA immediately worked with the bank to implement positive pay and other security protections. Those protections flagged two more attempts at passing fraudulent CDFA checks. Though working with the bank and implementing the protections, CDFA experienced no loss of funds. Mr. Hart requested the Committee's guidance on whether there are any other actions the Committee suggested. The Committee responded that they would have also implemented positive pay in that situation, and did not have further recommendations on the handling of bank accounts.

To further mitigate the risk of check fraud and account information compromise, CDFA is proposing to add an Electronic Fund Transfer Policy to the Board-approved Accounting Policy.

The Committee asked Mr. Hart how the policy would work, and Mr. Hart explained CDFA would request EFT information securely through in-person drop-off, mail, or secure upload. Awardees would be strongly dissuaded from emailing this information. Under the policy, if the awardee wished to continue to receive paper checks, that request would need to be made by the awardee's authorized representative.

With no further questions, Mr. Manning moved to approve this motion.

Motion – 12:25 PM

Mr. Tourigny moved to approve bringing an Electronic Fund Transfer Policy to the Board for the Board's approval. Mr. Manning seconded, and the motion carried by a unanimous vote of the Committee.

3.3. FY25 Draft Budget & Discussion – 12:26 PM

Mr. Hart discussed new and retiring funding opportunities during the earlier Board meeting. Mr. Hart shared numbers for how much CDFA is budgeting to give in FY25. Mr. Hart shared what is driving the FY25 operating budget changes and is looking at higher spending in CDBG specifically from CV and Recovery Housing programs. CDFA will be working with HUD to unstick RHP work. The budget also includes funding to assist awardees in CCIP.

Mr. Hart explained that the increase in salaries is attributed to one new position, the annualization to two positions CDFA filled in January, an across the board salary adjustment, and benefits based on participation. The Committee asked if the utilization is why the benefits budget item was increasing, and he confirmed that the increase was attributed to increased participation and qualification. The Committee expressed concerned about the number having a more than 50% increase, and Mr. Hart said he would take another look at the calculation and underlying assumptions.

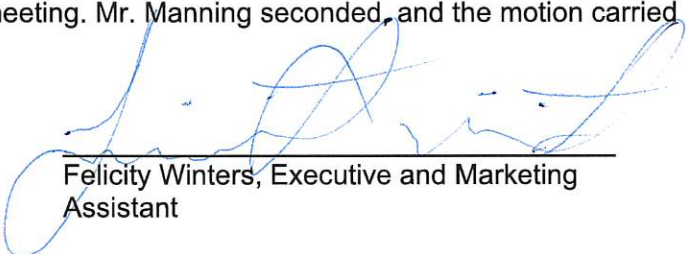
Mr. Hart explained the cost curves and pass through spending through select programs. He shared a figure showing past and future spending.

Mr. Hart asked if there were any further questions, none were offered. Mr. Manning moved to adjourn the meeting

4. Adjourn

Motion – 12:52 PM

Mr. Tourigny motioned to adjourn the meeting. Mr. Manning seconded, and the motion carried by a unanimous vote of the Committee.



Felicity Winters, Executive and Marketing
Assistant

John Manning

John Manning (Sep 24, 2024 11:07 EDT)

John Manning, Chair
CDFA Finance Committee