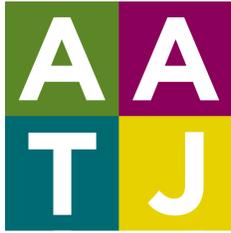


Arkansas Access to Justice Foundation Board Meeting
November 12, 2021 via Zoom



ARKANSAS
ACCESS TO
JUSTICE
REPRESENTING HOPE

Foundation Board Members: Cliff McKinney- Chair, Brian Clary- Secretary, Hillis Schild-Treasurer, Stacey Pectol, Gwendolyn Rucker, Aaron Brooks, Debby Nye, Vicki Smith, John Thomas Shepherd, Chad Owens, Kristin Pawlik

Unavailable: Sainabou Sonko-Vice Chair, Jonathan Warren, Harry Light & Tabitha Lee

Guests: Courtney Nosari-Wall (Law Clerk, Arkansas Supreme Court), Marty Sullivan (Director, Administrative Office of the Courts), & Zina Frazier (Center for Arkansas Legal Services)

Staff: Jordan Bates-Rogers, Tameka Parker, & Desirae' Walker

1. **Welcome and Introductions** – Mr. McKinney called the meeting to order and introductions were made.
2. **Business Items**
 - a. A quorum was present for the meeting.
 - b. **Approval of September 2021 Minutes-** Mr. McKinney asked for a motion. Ms. Smith made a motion to accept the minutes as written. The minutes were approved.
 - c. **Approval of 990 -** Mr. Bates-Rogers provided a brief summary of the Form 990. It was previously discussed with the auditors and will be filed on November 15, 2021. The auditor's math has been double checked and everything is correct. The 990 is actually an informational return. It's largely to inform the public of where our funds come from and how they are spent. There is a detailed checklist of best practices that the IRS asks about, these questions are for public disclosure and not a list of requirements. There are no salaries for staff listed, as the Arkansas Supreme Court pays the salaries for all the Access to Justice staff. The Foundation does not have any employees of its own. The finance committee did a thorough review of the 990 and

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- made a motion to approve. The motion was seconded by Mr. Clary and passed unanimously.
- d. **Review of Proposed 2022 Budget** – Mr. Bates-Rogers provided a brief summary of the proposed 2022 budget for review and approval. The proposed budget anticipates a surplus. This is possible, unlike in years past, because the Bank of America grant cycle is concluding. Event sponsorships income is estimated at \$15,000 despite this year being lower, due to the planned resumption of in-person activities in 2022. IOLTA revenue is budgeted flat, on the advice of the Finance Committee. The Federal Reserve has sent signals that rates will increase, but we want to take a conservative approach to budgeting. Ms. Schild commented that given uncertainty in the market, this is a prudent position. If there is a rate increase, that will be to our benefit. On the expense side of things, meeting expenses and travel expenses were increased in anticipation of a return to in-person activities. Also, on the advice of our accountants, we are now budgeting for the Bank of America grant payments as expenses, rather than changes in book value of the investments at Stephens. Mr. Clary asked about the cost of our rent and whether the Foundation could move into the Justice Building. Access to Justice is currently in year 5 of an 8-year lease. Mr. Bates-Rogers opined that the Foundation is overpaying for rent. Mr. Clary asked whether the Foundation would continue to pay rent at the end of the lease or move into the Justice Building. Mr. Bates-Rogers said that there are many options, including work from home. The group discussed options for reducing rent expense when the Foundation's lease expires. The Finance Committee made a motion to approve the 2022 budget as presented. The motion was seconded by Ms. Smith and passed unanimously.
- e. **Approval of Financial Reports** – Mr. Bates-Rogers provided a review of the August and September 2021 financials. August total current assets are \$2,187,300. We do have a credit card payable amount each month. We have payments coming out of the Bank of America settlement for Dec. 2021 and June 2022 before that grant cycle concludes. IOLTA income has been holding pretty steady at \$37,855, we are actually over budget for the year. Unclaimed and unidentifiable funds are under budget. It usually varies and depends on whether attorneys are reviewing their trust accounts

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and maintaining accurate records. Expenses are normal. September total assets and liabilities are holding steady, nothing unusual to report. The Simmons operating account appears to be above FDIC insurance limits, but it has been converted into an insured cash sweep account which addresses that issue. We are a bit short of our target reserve goal of \$750,000, which we should be able to reach pretty quickly in 2022. The Finance Committee made a motion to accept the financials as presented, which was seconded by Mr. Clary. The motion passed unanimously.

- f. **Investment/Endowment Statements** – Mr. Bates-Rogers reported to the board that at the end of the Bank of America grant cycle there will likely be surplus funds from the funds invested at Stephens, assuming stable market conditions. The Finance Committee will need to consider if those funds will become a part of the endowment or be kept at Stephens. The endowment statement is not available at this time due to a change in the database used by the Arkansas Community Foundation. Our balance is \$201,283.97, which is different from the financial statements due to the Foundation using the modified cash basis of accounting.

- 3. **Executive Director's Report**-Mr. Bates-Rogers reported that the Campaign for Legal Aid letters are currently being processed and will be mailed just before Thanksgiving. There are roughly 7,000 letters total. Our goal is to acquire 100 new monthly donors. If new donors give at the same average amount as our current monthly donors, this would be enough to fund at least one legal aid lawyer's salary through our monthly donor program. We will also be sending out postcards reminders about Giving Tuesday. We are also looking at rebranding our monthly donor program from the 6.1 Society to Justice For All Partners. We have reached out to a local artist for help in designing a new logo for the monthly donor program. Ways that board members can help with our fundraising efforts are to become a monthly donor, help follow-up with prospective donors (email, calls and notes), or record a video explaining why you support legal aid.

- a. **AR Free Legal Answers** – There have been 621 questions answered this year. The top two categories are family law and housing. Other notable categories include expungement and unemployment.

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- b. **Program Coordinator Job Opening** – Cristy Park has left for a position with the Arkansas Department of Education, we currently have a vacant position. Please pass this information to anyone that you think might be interested.
- 4. IOLTA Report**—Ms. Walker reported that IOLTA revenue is continuing to hold steady. Participating banks continue to drop their rates as the pandemic continues. However, our preferred banks are continuing their participation and generated \$288,519 or 77% of program revenue. Arvest, Regions, and Simmons have the most IOLTA accounts to date. Unclaimed and unidentifiable revenue is down compared to last year. Compliance statements will start coming in as early as next month.
- 5. Partner Organizations** – Ms. Zina Frazier provided an update for Center for Arkansas Legal Services. Ms. Frazier reported that they have changed their program structure. They now have an Executive Director, two Deputy Directors, Regional Supervisors, Subject Area Managers, and Pro Bono Recruiters. CALS has also increased their helpline staffing to meet the demand of approximately 30,000 calls per year. They have revamped their volunteer attorney recruitment efforts and are increasing their community outreach efforts.
- 6. Next Meeting Date** - To be determined, an email will be sent out with a poll.
- 7. Meeting adjourned.**