

MINUTES
FINANCE COMMITTEE
ASSOCIATION OF CLINICAL RESEARCH PROFESSIONALS
VIRTUAL MEETING
NOVEMBER 8, 2021

Pursuant to notice duly given, ACRP Chair Erika Stevens called to order a meeting of the Association of Clinical Research Professionals (ACRP) Finance Committee on Monday, November 8, 2021, at 1:02 p.m. ET. Ms. Stevens chaired the meeting in place of Treasurer Sergio Armani.

Members Present: Erika Stevens, ACRP Chair; David Morin, ACRP Vice Chair; Catherine Shuster, Public Member; Christina Brennan

Members Absent: Sergio Armani, Chair; Deborah Driscoll

Others Present: Susan Landis, Executive Director; Christy Herz, Director of Governance; Janette Schwartz, Cordia Partners; Larry Wethje, Morgan Stanley

FORM 990 FILINGS

Susan Landis, Executive Director, presented ACRP's 2020 IRS Form 990, the organization's tax return that is filed annually and is open to the public. Staff will send Finance Committee Members and the full Board of Trustees the final drafts of both ACRP and the Academy's 2020 990 forms. The forms are due to be filed with the IRS by November 15, 2021. If committee members have questions about the forms, they should let staff know and, if needed, staff can connect them with RSM, the auditing firm who prepared the filings.

The draft ACRP 990 is attached as Exhibit A.

MEETING MINUTES

Ms. Stevens presented the minutes of the Finance Committee's October 27, 2021, meeting.

Action No. 1: Motion was made by Dr. Morin, seconded by Ms. Shuster, and carried unanimously, approving the minutes of October 27, 2021.

The October 27, 2021, minutes are attached as Exhibit B.

INVESTMENT UPDATE

Larry Wethje, Financial Advisor & Vice President of Morgan Stanley, presented the Investment Report as of October 29, 2021, highlighting that ACRP's investment portfolio is up 12.75% YTD and has an annualized net return of 8.55% since inception. He reviewed ACRP's Liquidity Access Line of Credit (LAL) showing the current loan balance is \$1,684,000 with an interest rate 1.83%. He informed the Committee that ACRP's borrowing limit now has been capped at \$1.7 million and recommended that ACRP begin paying down the line of credit, starting at least with paying the monthly interest. He also informed the Committee that ACRP's pledged assets are \$4.3 million and that ACRP needs to maintain \$2.8 million in assets in the account. In addition, he noted that for the year 2021, ACRP has gained \$500,000 on its investments and noted that the Association should discuss if these monies should be removed to protect the cash gain in the event of a market downturn and, if needed, to have on hand for any project needs in FY22. The group discussed the impact of converting some investments into cash. Mr. Wethje said good practice is to keep at least 50% of annual operating expenses in reserve. The question of whether to liquify some investments will be discussed at the Board meeting.

The investment and LAL reports are attached as Exhibit C.

FY22 BUDGET

Susan Landis presented a proposed FY22 budget, revised to be balanced with input from the committee's October meeting, She highlighted the budget situation, key strategies, and budget assumptions for FY22. She presented a phased-in expense management model to incur expenses depending on attendance at the Association's Annual Conference, lease relief, and B2B sales in the first part of FY22. Committee members agreed with programs identified to be placed on hold until after the Annual conference. The balanced budget will be forwarded to the Board of Trustees for approval at their November meeting.

It was noted that the Association Management System (AMS) is the largest item in the budget and the Finance Committee would like to be kept informed of status and costs of that project. It was noted that the top two priorities not included in the budget are the Learning Management System and the Association website refresh, and that these items could be implemented after April if the budget allows. It was noted that the organization should not borrow against its assets to pay for these items.

Action No. 2: Motion was made by Ms. Shuster, seconded by Dr. Brennan, and carried unanimously, to approve the budget plan as presented, with adjustments Ms. Landis will make to ensure the budget is fully balanced for consideration by the Board of Trustees at their November meeting.

After reviewing the budget, it was noted that a motion should be put before the Board of Trustees at their November meeting to sell some of ACRP's investments to protect them from market risk and to have cash to use for future expenses if needed.

The FY2022 strategic goals and draft budget are attached as Exhibit D.

There being no further business, the meeting adjourned at 1:58 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Susan P. Landis". The signature is written in a cursive style with a large initial 'S' and a long, sweeping underline.

Susan P. Landis
Executive Director