

**OAXACA LENDING LIBRARY**

**Extraordinary Board of Directors Meeting Minutes**

**February 24, 2017**

Agenda Item	Action Needed/Person
<p><b>1. ROLL CALL:</b> Present: Siobhan Grogan, President; John Dumsler, Vice President, John Burch, Secretary; Marcia Reddy, Director; Fay Henderson, Director; Sally Sell, Director; Judy Burrell, Director; Ralph Gault, Treasurer; Adriana Perez, Library Manager; Isabel Lopez Hernandez, Accountant Absent: Rebecca Severeide, Past President; Jeannie Kes, Director; Michelle Verduzco, Director</p> <p>The meeting was called to order at 11:00am.</p> <p>2. Siobhan welcomed the members, and introduced the new to the current members, as well as to our guest , Isabel, the OLL Accountant.</p> <p>Isabel was invited to provide the reasons for the meeting. She said that she and Adriana had recently met with a representative of SAT (Hacienda). One of the important takeaways from that meeting was the impending deadline, February 28, to change the Library's financial status from Association Civil (AC) to Donativa Autorizada (DA). She alerted Ralph Gault, Treasurer, who in turn requested this extraordinary Board meeting.</p> <p>The deadline is the same each year, February 28, and DA had to be renewed each year. Our previous accountant had never told us this. In any case, a change at this time would not relieve us of the responsibility for paying \$70,000.00 pesos in taxes due FOR 2016. Change to DA status would save the Library a gross 80% of future taxes. The savings would occur in the ISR (30%) of gross income. The IVA (16%) would still be payable.</p> <p>The disadvantage of such a change is that the DA has to be renewed annually. Moreover, there are monthly reports which have to be submitted, and SAT scrutiny of organizations having DA status is far closer than that accorded to AC status. Money earned by other than promotion of cultural activities, irrespective of tax-</p>	

deductible status, would be fully taxed. This would include interest paid of the Library's savings account.

DA status limits to 5% of income administrative expense. Siobhan and several others asked how close our admin costs were now to that figure, and Isabel said they were "close." However, Adriana's title would have to be changed to Librarian from Manager, and those of Carlos and Nancy to Assistant Librarians from Assistant Managers. We are already strict about working only with merchants who can provide facturas, although, there is still an issue (see below). Ralph observed that the Board should make the choice of status which best represents the Library's mission.

Siobhan then observed that we are still making payments in cash to vendors who don't/can't provide facturas. Adriana set that figure at about \$5,000.00 per month. Siobhan mentioned as an example the museum admittance fees paid in the course of Out and About trips. Since they are government supported to some degree, they should in theory be able to offer facturas. Siobhan suggested submitting the number of participants to the museums ahead of time so they could prepare a facture in advance. In any case, she reiterated that we must be absolutely strict about dealing only with vendors who can issue facturas for Library expenditures.

During the dialogue which provided the information, above, members either severally or collectively expressed concern at: the pressure of a short deadline—4 days; increased SAT scrutiny of Library financial accounting and activities; at the possibility of tax savings being negated by increased staff time composing the monthly reports.

Siobhan then said we had several choices to resolve the issue at this meeting: we could vote to rescind the earlier decision not to seek DA status; we could table any further discussion for the future; or we could refer the matter to the Finance Committee. Ralph asked for clarification of the expected time for study and recommendation, and the Board agreed on August or September as the time to bring Committee recommendations to the full Board for discussion and action.

This agreement having been achieved, Marcia Reddy moved to refer the matter to the Finance Committee, and John Dumser Miranda seconded the motion.

The meeting was adjourned at 12:00 noon.

Respectfully submitted,  
John M. Burch, Secretary

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