

**The German Shepherd Dog Club of America, Inc**

**July 29-31, 2016 Board Meeting**

**St Louis Airport Hilton, St Louis, MO**

**Officers Present:** President Carmen Battaglia, Vice-President Frank Fasano, Corresponding Secretary Joy Schultz, Treasurer Larry Rock and Recording Secretary Dania Karloff.

**Directors Present:** Morton Goldfarb, Pam O'Dell, Zoe Backman, Jim Moses, Linda Bankhead, Gloria Birch and Helen Gleason. Absent: Ken Tank.

**Visitors:** Gail Stiefferman, Ken Cunningham, Chris Kimerer, Karen Schmaltz, Kathleen Riley-Davis and Elaine Bisbing.

**FRIDAY EVENING MEETING:**

Closed session to discuss personnel matters.

**SATURDAY MEETING:**

**EXECUTIVE COMMITTEE ACTIONS:**

- Invited the Review Editor to attend the July Board meeting.
- Approved sending contracts to the two judges submitted by the Obedience Committee

**RECORDING SECRETARY** – The minutes of the April 23-24 were approved.

**CORRESPONDING SECRETARY** – Joy Schultz requested approval from the Board to write a letter of recommendation for the Southeast German Shepherd Rescue to be eligible for the AKC Humane Fund Grant. Approved.

**VICE PRESIDENT REPORT** – Frank Fasano reported on the current status of the WDA lawsuit against the GSDCA.

**TREASURER'S REPORT** – At the request of Larry Rock, GSDCA Treasurer, a complete copy of his report is available at the end of this document. The following is a summary of the Treasurer's report and actions taken.

After a review and discussion of Ryun, Givens' 2015 audit, that showed a loss of \$34,870 and several other recommendations for the board to consider, Frank Fasano moved to accept the Ryun, Givens' 2015 audit as stated. 2015 Revenue was \$512,620. Expenses were \$547,490. Net Assets were \$357,074. Motion passed unanimously. It should be noted, once again, Ryun, Givens' recommended to hire an Executive Director. Motion by Frank Fasano, seconded by

Morton Goldfarb, to explore the cost and possibility of sharing this position with other organizations. Motion passed unanimously.

Following previous recommendations for the GSDCA Board to be fiscally responsible, Larry Rock moved that Directors set the tone for fiscal responsibility by changing the Director's meeting reimbursement to be up to \$500 per meeting when supported by receipts for transportation, lodging and meal costs to Directors attending Director's meeting except for those held in conjunction with the National Show or by conference call beginning January 1, 2017. Frank Fasano seconded. Motion passed with Zoe Backman and Linda Bankhead opposing it.

Larry Rock pointed out that we need to minimize any negative yearly operating results by not holding our National shows at sites that result in increased costs. Larry moved that the GSDCA holds its National Shows at the Purina Show site in Gray Summit, MO from 2018 onward until such time as the members' net asset position is at or above the 2009 level of \$583,000. Frank seconded. Zoe stated that it should go to the membership for a vote. For the motion: Morton Goldfarb, Pam O'Dell, Joy Schultz, Frank Fasano, Dania Karloff, Jim Moses and Larry Rock. Against the motion: Linda Bankhead, Gloria Birch and Helen Gleason. Abstaining: Zoe Backman. Motion passed.

DeHope Bequest & Distribution – Larry moved that the De-Hope funds (\$27,915.37) be administered under the following criteria: (1) The annual distribution be limited to 5 percent of the initial DeHope Restricted fund amount (approximately \$1,395.). (2) Any corporation requesting funds will demonstrate it has operated in a sound manner and shall submit copies of the past three tax returns, its bylaws, and a copy of the most recent IRS letter stating it remains in good standing if a non-profit. (3) Any request submitted should be supported with the completed form plus specific documents/receipts showing how the funds will be used or were distributed to other rescue groups. For the motion: Larry Rock, Frank Fasano, Morton Goldfarb, Pam O'Dell, Dania Karloff and Jim Moses. Against the motion: Linda Bankhead, Gloria Birch, Zoe Backman and Helen Gleason. Abstaining: Joy Schultz. Motion passed.

A \$10,228.38 check was received from Purina for weight circles redeemed during 2015. The letter received reads in part: "On behalf of the Nestle Purina PetCare Company, we are pleased to inform you that the 193 National Parents Clubs participating in the Purina Parent Club Partnership Program. The German Shepherd Dog Club of America, Inc. had 6,903 Pro Club Members declared for the Purina Parent Club Partnership Program. There were 745 Pro Club Members that submitted weight circles from January through December 2015."

**AKC DELEGATE REPORT** – Carmen Battaglia reported that there is a national and wide-world need for service dogs and military dogs. AKC is proposing to partner with breeders and become a co-op organization to supply the government with working dogs.

There is a proposal being discussed to allow one point for going BOW if there is only one dog and one bitch in regular competition

**Ad-Hoc FUTURITY COMMITTEE** – Helen Gleason reported that members are not breeding many litters thus impacting Futurity nominations and entries.

**PAM and AOE AWARDS** – Following the committee chairs requests, Linda Bankhead motioned to accept no changes to the PAM and AOE awards – not recognizing Barn Hunt, Lure Coursing and Dock Diving. Second by Zoe Backman. Motion passed with Frank Fasano and Larry Rock abstaining.

**PEGGY DOUGLAS AWARD** – Pam O’Dell motioned to reformat this award and change the recipients from individual members to regional clubs. A club recipient of the award would exhibit outstanding efforts to promote the total dog, and encouragement of new enrollment into the sport of conformation. Linda Bankhead seconded it. Passed unanimously.

**GSDCA HERO AWARD** - Pam O’Dell motioned to reinstate the revised Hero Award, seconded by Linda Bankhead. Motion passed unanimously. Letters of recognition and certificates will be mailed. Their pictures and stories will be published in our website.

**NATIONAL** – Gail Stiefferman reported that all was going well for the 2016 National. Agility classes are almost full. Gail plans to rope off the area next to the arena for special seating charging \$50 per seat. We will have Dock Diving and Lure Coursing but we will likely not have Barn Hunt. Gail needs ring steward assistance. Education Day is all set.

Larry stated that there are serious concerns with the Reno Event Arena contract for 2017. However the Circus Circus contract was finalized.

**GSDCA STORE:** Larry Rock suggested that we outsource the Store because of losses incurred. Gail explained that the losses were attributed to “free shipping” for Store items. Linda Bankhead motioned, Frank Fasano seconded, to stop offering free shipping. Passed unanimously.

**ETHICS COMMITTEE** - Pam O’Dell motioned and Gloria Birch seconded to accept the new Ethics committee code. Passed unanimously. It will be published in P&P and GSDCA website.

**REVIEW EDITOR** – The new GSD Review Editor, Kathleen Riley, presented her vision for the future of the magazine and possible marketing opportunities.

**ELECTRONIC BALLOTING** - Although Linda Bankhead’s negotiations with Honest Ballot did not produce a lower price for electronic balloting, President Battaglia asked her to continue exploring other possibilities.

**ILLUSTRATED STANDARD** – Chair Maryellen Kish, via phone, asked for approval of her committee members: Gloria Birch, Kent Boyles, Jim Moses, Dave Rinke and Vicky Roye. Pam O’Dell motioned and Linda Bankhead seconded. Passed unanimously. Gloria motioned and Pam seconded for Board authorization to proceed to develop this project and propose a budget. Motion passed unanimously. There was a discussion about this year’s Futurity Educational programs. (This year four clubs hosted these events - five did not)

**FUTURITIES**- Chair Cyndi Flautt, via phone, spoke about the Futurity systems. She announced the Chili Cook Off will be hosted on Tuesday and introduced a series of requests to the Board.

Cyndi requested and James Moses moved to create an award for the breeder of Best In Futurity at a regional futurity with at least twenty-five dogs shown. Seconded by Jim Moses. Passed unanimously.

Cyndi recommend that Futurity Victor and Futurity Victrix be awarded more ROM points than the current system indicates. There was a motion by Jim Moses to review all the ROM points awarded, second by Linda Bankhead. Gloria Birch and Zoe Backman will work on a proposed system and bring it to the Board for approval.

There was motion by Dania Karloff, seconded by Zoe Backman proposing that Futurity judges not be allowed to judge GSDs within 500 miles and 6 months of their assigned Futurity site for a period of six months preceding the date of the Futurity. Motion passed – opposed Joy Schultz, Larry Rock and Gloria Birch.

Linda Bankhead motioned and Jim Moses seconded that Futurity judges can only judge once every three years. Motion passed unanimously

Jim Moses motioned, seconded by Linda Bankhead, to allow non-members to show at Futurities provided if they win, they must join the GSDCA within 90 days to be allowed to further compete at the National. For the motion: Jim Moses, Morton Goldfarb, Linda Bankhead and Gloria Birch. Against the motion: Pam O’Dell, Dania Karloff, Frank Fasano, Larry Rock, Helen Gleason, Zoe Backman and Joy Schultz. Motion failed.

Jim Moses motioned and Linda Bankhead seconded to allow dogs to be shown in as many Futurities as they wish until they win BIF or BOF or Reserve. Passed with Morton Goldfarb and Dania Karloff opposing it.

Motion by Gloria Birch, seconded by Jim Moses, to approve Jeff Pyle as a member of the Futurity Committee. Passed unanimously.

Motion by Frank Fasano, seconded by Joy Schultz, to allow the Great Lakes Futurity and specialty show to change to April 15 and 16. Passed unanimously.

Motion by Jim Moses, seconded by Linda Bankhead to allow the MidWest Futurity and specialty show to change to May 13 and 14. Passed unanimously

Jim Moses motioned that handlers be allowed to judge Futurities. Seconded by Helen Gleason. For the motion: Helen Gleason, Zoe Backman, Larry Rock, Gloria Birch, Linda Bankhead, Jim Moses, Joy Schultz and Dania Karloff. Against the motion: Frank Fasano. Abstaining: Pam O'Dell and Morton Goldfarb. Motion passed.

Motion by Linda Bankhead and seconded by Frank Fasano to approve the proposed 2017 Futurity judges. Passed unanimously.

<b>REGION</b>	<b>JUDGE</b>	<b>ALT JUDGE</b>	<b>DATE</b>	<b>HOST CLUB</b>
NE	Channing Sheets	Lorry Bellah	June 11	GSDC of Grtr New Haven
MA	Kris Fasano	Rosalind Schaefer	May 6	GSDC of Northern NJ
SE	Sharon Avery	Lorry Bellah	April 8	GSDC of Northern FL
GL	Lisa Correia	Kathy Potter	April 16	GSDC of Southern IN
MW	Nancy McDonald	TBD	May 13	GSDC of St Louis
SW	Rita Sandell	Vicki Roye	March 24	GSDC of Dallas and GSDC of Baumont
MP	Gary Szymczak	Jamie Walker	March 26	GSDC San Diego
MP	Michael Metz	Karin Wagner	June 23	Diablo Valley GSDC
NW	Martha Simonett	Cindy Bartley	May 28	GSDC Pacific NW

**BY-LAWS** - Carmen Battaglia appointed a new Ad-hoc Committee to propose changes to our By Laws. Members of this committee are: Pam O'Dell, Helen Gleason and Gloria Birch.

**AWARDS** – Pam O'Dell revealed the awards which will be given at the National dinner.

Linda Bankhead made a motion to send certificates to ROM and Dual Award winners and include a card with instructions on how to order a plaque paid for by the GSDCA.

**SUNDAY MEETING:**

Dania Karloff announced her resignation as Recording Secretary citing personal reasons.

The Board went into closed session to discuss personnel matters. No action was taken.

Mindful of the GSDCA's need to be fiscally responsible and the losses in the SV program noted by our Treasurer, Frank Fasano reported that Joy Schultz offered to reduce her salary to \$1,000 a month, effective January 2017. Motion by Frank for Joy to fulfill the one year vacancy left by Dania's resignation effective 10/31/2016. Passed unanimously.

**SV Committee** - Frank Fasano motioned to suspend the combined trial. Morton Goldfarb seconded. Motion passed unanimously. This item will be brought up at the upcoming WUSV meeting in Germany. There was a discussion regarding travel cost for German judges.

**RENO ARENA CONTRACT** - After a long discussion regarding the proposed 2017 Reno site, Gloria Birch motioned and Jim Moses seconded. Motion reads, "If we do not resolve the contract disputes of the Reno Arena no later than August 3<sup>rd</sup>, we will have to move the 2017 National to Purina". Motion passed unanimously. We will have a phone board meeting on August 3<sup>rd</sup>.

**AGSRA** – Linda Kury sent the GSDCA a note which arrived yesterday requesting DeHope funds. The Board reiterated the decision that was made yesterday to follow prescribed directions to distribute funds.

#### **OLD BUSINESS:**

No action taken on the Tracking Committee request.

The Nominating Committee reported that there have not been any qualified applicants for the upcoming vacant Treasurer's position. It was decided to wait until the Oct Board meeting to look at alternatives.

Closed meeting to discuss Treasurer's position vacancy. No action taken.

#### **NEW BUSINESS:**

Motion by Helen Gleason, seconded by Jim Moses to add Kristin Brooks to the Obedience Committee. Passed unanimously.

Motion by Dania Karloff to dedicate this upcoming 2017 National to the memory of Fred Migliore and Fran Ford. Gloria Birch seconded. Discussion followed on the issues that may arise from this action. Dania withdrew her motion. Pam O'Dell will add Fran Ford to the Joan Ford Memorial trophy.

Loose Lead Temperament Test: Discussion. Appointed Ad-Hoc Committee: Jim Moses, Linda Bankhead, Frank Fasano and Helen Gleason.

Meeting adjourned at 11:15 AM

Dania Karloff, GSDCA Recording Secretary

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*Special Executive Board meeting of August 3, 2016 via phone*

During the July Board meeting, the Board had agreed to reconsider the costs and risks associated with the Reno Sparks Convention Center. More information was gathered from the show chair and outside attorneys. The board then again considered the cost differences of Reno vs. Purina and the legal risks to the GSDCA. The costs (rounded) for Reno were: \$68,000 vs Purina \$21,000. Certain contract terms pertaining to insurance were deemed a major reason that Larry Rock did not recommend the signing of the contract in its current state. Attempted negotiations with Reno Arena attorneys proved fruitless. In the end, the Board voted to return to Purina for 2017. The dates will be October 7-13, 2017.

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Treasurer's Report – July 2016 Board Meeting

2015 audit results –

We received an unqualified audit report for the German Shepherd Dog Club of America from Ryun, Givens & Company, P.L.C. on July 22, 2016 showing a decrease in net assets (operating loss) of \$33,540, which is similar to the updates given at the January and April board meetings.

I move the 2015 audit report dated July 22, 2016 and SAS 114, and SAS 115 letters issued by Ryun, Givens be accepted as stated. Those items shall be placed behind the "Wall" after this meeting.

The audit shows:

- Revenue was \$512,620
- Expenses were \$547,490
- Net Assets were \$357,074

A review of the supplementary information on page 12 gives us a recap of the various club segments.

- The only area showing significant profit is the Specialty Show with an income of \$48,253. The profit from the Specialty Show is expected to be negative with the 2017 Show being held in Reno.
- The SV Program is showing a loss of \$43,177.
- Actions to address the Review have been undertaken.

- The Futurities program showed a net income of \$3,928.

Details about each program are shown on pages 13 – 17.

The day-to-day operations have been funded by moving \$70,000 during 2015 and \$50,000 during 2016 from Morgan Stanley (savings) to Bank of America for operating needs.

The SAS 115 letter lists the following recommendations.

- ✓ Segregation of Duties – we now require the approval of President or Chair of Budget and Finance Committee for all disbursements, receipts and closing entries.
- ✓ Documentation of Internal Controls and Accounting Procedures – A checklist of these activities is currently used. An operating guide is being developed with plans for it to be done by end of 2016.
- ✓ Preparation of Financial Statements – it is our intent to continue our reliance on Ryun, Givens & Company P.L.C. to perform this task.
- ✓ Establish Written whistle blower policy and written documentation retention and destruction policy. This will be discussed with the Board and action taken if deemed necessary.
- ✓ Hire an Executive Director – this was mentioned during April board meeting, but no action taken.
- ✓ Property and Equipment Records – The existing policy states the Corresponding Secretary is to send a request to each Board Member and Committee Chair after the National Specialty Show in October asking each to submit a listing of property assets in his/her possession has not been done in recent years. During the April board I requested this be done before this meeting, but do not believe it was done.

The June 30, 2016 cash balance was \$440,729 versus \$414,414 at June 2015. The June 2016 balances by account were:

Bank of America \$160,049,  
Wells Fargo \$29,256, and  
Morgan Stanley \$251,001

A \$10,228.38 check was received from Purina for weight circles redeemed during 2015. The letter reads in part:

“On behalf of the Nestle Purina PetCare Company, we are pleased to inform you that the 193 National Parents Clubs participating in the Purina Parent Club Partnership Program have earned in excess of \$440,000 in 2015 to benefit canine health research, education, and rescue efforts. The funds will be evenly distributed between the Canine Health Foundation and the individual National Parent Clubs. Your club’s earnings are based on its proportionate share of weight circle submissions.

The German Shepherd Dog Club of America, Inc. had 6,903 Pro Club Members declared for the Purina Parent Club Partnership Program. There were 745 Pro Club Members that submitted weight circles from January through December 2015. The German Shepherd Dog Club of America, Inc. earned \$20,456.76 for their participation. \$10,228.38 will be given to Canine Health Foundation for use in your



donor advised fund. \$10,228.38 is enclosed for your club's use in funding education, health research and/or rescue efforts."

The year-to-date results compared to budget are in a separate handout that I request be returned since 2016 is not over and that audit not yet done.

The operating trend shows losses occurred during 6 of past 7 years – our auditor could not certify 2012 operating results, which was the only year of profit. The auditor certified only balance sheet and not the operating results.

Year	Income	Expense	Income/(loss)	Net Assets
2015	512,620	547,490	(33,540)	357,074
2014	474,185	504,734	(32,185)	390,614
2013	634,203	748,914	(114,711)	422,799
2012 *	474,860	466,529	8,332	526,516
2011	404,000	415,052	(11,051)	518,467
2010	441,984	494,102	(52,118)	527,410
2009	515,625	537,314	(21,689)	583,203

We as board members have a fiduciary responsibility to be fiscally responsible. We cannot continue to do as we have always done given the past 7 year's results. The following 4 motions are being made to address the negative operating trends of the GSDCA.

#### **Director Stipend vs current reimbursement practice**

We as Directors need to set the tone at the top and show we are serious about restoring the viability of this club.

I move that Directors attending any Directors' meeting except for those held in conjunction with the National Show or by conference call be paid up to \$500 per meeting with receipts showing transportation, lodging and meal costs beginning January 1, 2017.

The cost savings potential from 2010 through 2015 could have been between \$4,800 to \$18,500 per year – see the handout obtained from QuickBooks records.

#### **National Show location**

We need to minimize any negative yearly operating results by not holding our National Shows at sites that result in increased costs to offset the nearly 39 percent reduction in net equities (members' equities) since 2009.

I move The German Shepherd Dog Club of America holds it National Specialty Shows at the Purina Show site in Gray Summit, Missouri from 2018 onward until such time as the members' net asset position is at or above the 2009 level of \$583,000.

### **DeHope Bequest & distribution motion**

We as a board need to set some requirements for releasing the DeHope funds of \$27,915.37 received earlier this year and any other restricted funds that follows their wishes, but also acts in a prudent and fiscally sound manner. I move the DeHope Restricted Funds be administered under the following criteria:

- The GSDCA board take action during its July meeting to consider grant requests using the form provided based on recommendations provided by the Budget & Finance Committee.
- The annual distribution be limited to 5 percent of the initial DeHope Restricted fund amount (approximately \$1,396).
- Any corporation requesting funds will demonstrate it has operated in a sound manner and shall submit copies of the past 3 tax returns, its bylaws, and a copy of the most recent IRS letter stating it remains in good standing if a non-profit.
- Any request submitted should be supported with the completed form plus specific documents/receipts showing how the funds will be used or were distributed to other rescue groups.

These limits are necessitated by the nearly 39 percent reduction in net equities (members' equities) since 2009.

The last two points are strongly encouraged based on discussions with several accountants to insure our tax exempt status continues without challenges from the IRS and no one, individual or other entity, can claim the DeHope or any other funds were mishandled.

**GERMAN SHEPHERD DOG CLUB of America, INC.**

Date \_\_\_\_\_

**Request for Rescue Grant Application**

Please provide the following information and documentation and forward to:

Pamela O'Dell  
PO Box 1703  
Snohomish, WA 98291

The Board of Directors will review and take action on request during the July Board meeting. If this is urgent, please identify your deadline request and why when submitting for consideration of a special meeting.

**Registration Information**

Organization Name and Zip Code  
Organization Tax Identification Number

**Organization Information**

Organization Name  
Address  
Phone Number  
Website Address

**Contact Information**

Contact Name  
Contact Address  
Contact Phone Number  
Contact Email  
Contact Occupation  
Contact type: Administrator, Director, Board member, Etc.

**Organization Background**

Organization's Mission Statement  
Brief overview of the organization and evidence of it's impact  
Copy of Bylaws  
Listing of Officers and Directors and their term expiration dates  
Qualifications of organization's Board of Directors  
Non-Discrimination Policy (if available)

**Grant Request**

Requested amount  
Support documents showing expenses incurred  
Total annual Organizational Operating budget  
Organization's IRS 501(c)3 designation letter  
Organization's 990 or 990PF Federal Tax Return  
Organization's current audited Financial Statement

**Grant Evaluation**

If this is an ongoing project, how was it funded in the past.  
Explain how you define success for this project  
Explain the assessment strategies that will be used to measure the project's success  
Please describe the involvement of stakeholders (board members,)