

Finance Committee Minutes

2 May 2002

The Finance Committee was called to order at 1420 hours on 2 May 2002, at the Atlanta Airport Hilton, Atlanta, Georgia. .

COMMITTEE MEMBERS PRESENT:

Col Andrew Skiba, NFO, Chairman  
Col Joseph Meighan, Jr., NC  
Col William Charles, GLR/CC  
Col Colin Fake, SWR/CC  
Col Richard Greenhut, NER/CC  
Col Antonio Pineda, SER/CC  
Col Scott Hamilton, Acting EX  
Mr. Thomas Hicks  
Mr. John Angle, FMB

OTHER INDIVIDUALS PRESENT:

Col Robert Bess  
Col Larry Kauffman  
Col Shelia Waldorf  
Col Robert Townsend

1. Col Skiba welcomed all members and visitors to the Finance Committee meeting. The first issue discussed was the financial plan for FY 03. Col Kauffman presented the following issues:

- a. Chaplain's budget was increased to \$10k due to the chaplain or his designee attending and traveling for Air Force requirements.
- b. Region commanders travel budget was increased \$2k to cover an additional two commander's calls.
- c. Col Kauffman stated the investments had been moved to Mutual of Omaha. The company has established our account as an institutional account and is not charging us for their services because we are a non-profit. Our funds are invested in conjunction with those of Mutual of Omaha in the GE Capital Fund 401(k) and GM Employees Benefit Plan. Another added benefit of this company is internet access to view our accounts real time.

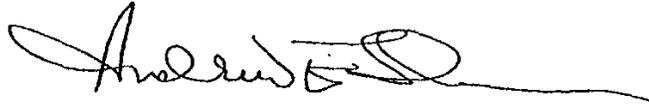
2. Mr. Angle reviewed the two changes to the fin plan since they had been emailed to the committee members. The first change was to CC Directed Travel increasing the budget an

additional \$20k to cover trips to D.C. to discuss Homeland Security. The other change occurred in the Chaplain travel line which had already been covered by Col Kauffman.

3. The following questions were asked about the fin plan for FY 03:
  - a. Dept 075, Chaplain Writing Team – Chaplain Hicks requested funds to bring in two CAP chaplains into the Headquarters to develop curriculum for the Chaplain program. This budget will cover their airfare, lodging, and per diem expenses.
  - b. Dept 085, Professional Re-certification - In the past, appropriated funds were used to pay for employees who had to renew their professional licenses. There has always been a question if appropriated funds could be used for this purpose. We have not had the audit yet by the Defense Contract Audit Agency (DCAA) to determine if this is an allowed cost under the OMB Circulars. \$10k is set aside in the event DCAA determines this expense is not allowed from appropriated funds.
  - c. Dept 095, Cadet AE Program – A question was raised about zeroing out this budget line. In the past, this budget paid for mailing cadet packets to new cadet members. The \$16 paid by new cadets only covered the cost of the materials and the bookstore paid the postage without being reimbursed. This expense has now been moved to appropriated funds starting May 2002. There is already a budget line in the appropriated budget for cadet education materials to cover this cost.
  - d. Dept 095, SR Region Staff College – Col Skiba raised the issue of the budgeted amount for FY 03 versus the actual amount paid in FY 01. The NEC established this budget line to reimburse each region up to \$3500 and established a maximum reimbursement cap of 35 students. Last year the NEC voted to eliminate the cap on the region reimbursement and on the number of students but voted to leave the budget line the same. Col Charles stated the regions may not be requesting reimbursement and billeting costs have gone up for these activities.
  - e. Dept 095, Member Orientation Flights – The \$5k will allow new AEMs to receive incentive orientation flights. This budget line had been requested last year but unfortunately funds were not available to fund the program.
  - f. Dept 100, Cadet Flight Orientation – Funding for this program has been moved to appropriated funds.
  - g. Dept 100, Region Cadet Leadership School – The budget has doubled due increased billeting costs and data will be gathered this year to determine a per capita amount per cadet.
  - h. Dept 110, PR Advertising – Col Skiba requested the status of where this program is for FY 02 and a spend plan for FY 03 to support the level of funding requested.

- i. Dept 120, Safety Flight Clinics – The increased amount will cover two flight clinics per wing as established by the NEC last year.
  - j. Dept 120, Critical Incident Stress Management (CISM) - Funds will be used to provide training and offset expenses associated with this program.
  - k. Dept 130, Oshkosh Improvement Fund – This project was approved by the NEC in May 2001. The NEC voted on a long-term plan to improve the facilities. Funds for FY 03 will be used for safety items such as paving parking lots, security lighting, etc.
4. The Finance Committee approved the recommendation allowing the Executive Director to provide incentive bonuses to Headquarters employees as in the past. Year-end fallout appropriated funds will be used.
5. There being no other business, the Finance Committee adjourned at 1515 hours.

MINUTES APPROVED



ANDREW E. SKIBA, Colonel, CAP  
National Finance Officer

2 Attachments  
FY 03 Corporate Fin Plan  
Summary of Investment Performance

**FY 03 Fin Plan**

**Civil Air Patrol**

**Corporate Budget**

4 May 02

**INCOME (Estimated):**

<b>MEMBERSHIP</b>		
SENIORS	37,095 @ \$30.00	\$1,112,850
CADETS	25,980 @ \$20.00	\$519,600
ROTC		\$92,470
HULL SELF-INSURANCE		\$0
VEHICLE SELF-INSURANCE		\$35,265
NATL BOARD		\$117,500
NCASE		\$80,000
INTEREST & MISC INCOME		\$177,250
DEPOT		<b>(\$16,170)</b>
BOOKSTORE		<u>\$75,000</u>
TOTAL		\$2,193,765

**EXPENSES (Estimated):** \$2,193,765

**Balance** \$0

Account Description	FY 01	FY 02	FY 03		
	Actual	Budgeted	Request	Fin Comm Recomm	NEC Approved
<b>Dept 005 - National Commander</b>					
Travel and Expenses	\$18,542	\$20,000	<b>\$20,000</b>	\$20,000	\$20,000
IACE President Travel	\$3,200	\$3,000	<b>\$3,000</b>	\$3,000	\$3,000
CC Directed Travel	\$3,146	\$5,000	<b>\$90,000</b>	\$90,000	\$90,000
Department Total	\$24,888	\$28,000	<b>\$113,000</b>	\$113,000	\$113,000
<b>Dept 010 - National Vice Commander</b>					
Travel and Expenses	\$20,269	\$16,000	<b>\$16,000</b>	\$16,000	\$16,000
Department Total	\$20,269	\$16,000	<b>\$16,000</b>	\$16,000	\$16,000
<b>Dept 015 - Chief of Staff</b>					
Travel and Expenses	\$3,834	\$11,000	<b>\$13,000</b>	\$13,000	\$13,000
Department Total	\$3,834	\$11,000	<b>\$13,000</b>	\$13,000	\$13,000
<b>Dept 020 - National Finance Officer</b>					
Travel and Expenses	\$1,809	\$4,000	<b>\$4,000</b>	\$4,000	\$4,000
Department Total	\$1,809	\$4,000	<b>\$4,000</b>	\$4,000	\$4,000
<b>Dept 020 - National Investment Program</b>					
Investment Program	\$1,193	\$2,000	<b>\$0</b>	\$0	\$0
Department Total	\$1,193	\$2,000	<b>\$0</b>	\$0	\$0
<b>Dept 025 - National Controller</b>					
Travel and Expenses	\$2,525	\$4,000	<b>\$4,000</b>	\$4,000	\$4,000
Department Total	\$2,525	\$4,000	<b>\$4,000</b>	\$4,000	\$4,000

FY 03 Fin Plan Account Description	Civil Air Patrol		Corporate Budget 4 May 02		
	FY 01 Actual	FY 02 Budgeted	FY 03 Request	Fin Comm Recomm	NEC Approved
<b>Dept 030 - National Legal Officer</b>					
Travel and Expenses	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Department Total	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
<b>Dept 035 - Northeast Region Commander</b>					
Travel and Expenses	\$2,540	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$12,540	\$15,500	\$17,500	\$17,500	\$17,500
<b>Dept 040 - Middle East Region Commander</b>					
Travel and Expenses	\$2,578	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$12,578	\$15,500	\$17,500	\$17,500	\$17,500
<b>Dept 045 - Great Lakes Region Commander</b>					
Travel and Expenses	\$2,808	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$12,808	\$15,500	\$17,500	\$17,500	\$17,500
<b>Dept 050 - Southeast Region Commander</b>					
Travel and Expenses	\$3,735	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$13,735	\$15,500	\$17,500	\$17,500	\$17,500
<b>Dept 055 - North Central Region Commander</b>					
Travel and Expenses	\$2,573	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$12,573	\$15,500	\$17,500	\$17,500	\$17,500
<b>Dept 060 - Southwest Region Commander</b>					
Travel and Expenses	\$3,189	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$13,189	\$15,500	\$17,500	\$17,500	\$17,500
<b>Dept 065 - Rocky Mountain Region Commander</b>					
Travel and Expenses	\$3,206	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$13,206	\$15,500	\$17,500	\$17,500	\$17,500

FY 03 Fin Plan Account Description	Civil Air Patrol		Corporate Budget 4 May 02		
	FY 01	FY 02	FY 03		
	Actual	Budgeted	Request	Fin Comm Recomm	NEC Approved
<b>Dept 070 - Pacific Region Commander</b>					
Travel and Expenses	\$3,500	\$5,500	\$7,500	\$7,500	\$7,500
Region Operating Funds	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Department Total	\$13,500	\$15,500	\$17,500	\$17,500	\$17,500
<b>Dept 075 - CAP Chaplain Service</b>					
Travel and Expenses	\$6,457	\$5,800	\$10,000	\$10,000	\$10,000
Dean, Chaplain Colleges	\$3,230	\$2,400	\$5,000	\$5,000	\$5,000
RGN Chap Staff College	\$19,000	\$28,000	\$28,000	\$28,000	\$28,000
Chap Svcs Advisory Committee	\$0	\$2,000	\$2,000	\$2,000	\$2,000
Writing Team	\$0	\$0	\$7,000	\$2,700	\$2,700
Department Total	\$28,687	\$38,200	\$52,000	\$47,700	\$47,700
<b>Dept 080 - NEC Conference</b>					
Conference Expense	\$3,423	\$3,000	\$6,000	\$6,000	\$6,000
Department Total	\$3,423	\$3,000	\$6,000	\$6,000	\$6,000
<b>Dept 085 - Executive Director</b>					
Office Supplies	\$2,431	\$2,500	\$3,500	\$3,500	\$3,500
Telephone Support - HQ	\$8,322	\$9,000	\$9,500	\$9,500	\$9,500
Promotions - Bookstore	\$194	\$300	\$300	\$300	\$300
Promotions - Depot	\$0	\$300	\$300	\$300	\$300
Awards - Exec Director	\$10,385	\$12,000	\$14,000	\$14,000	\$14,000
Protocol	\$1,972	\$3,000	\$3,000	\$3,000	\$3,000
Contingency	\$30,595	\$48,000	\$52,475	\$52,475	\$47,475
Wellness Program	\$373	\$750	\$800	\$800	\$800
Professional Consulting Svcs	\$48,761	\$48,000	\$48,000	\$48,000	\$48,000
Natl Dir Advanced Technologies	\$25,131	\$40,000	\$40,000	\$40,000	\$40,000
Professional Recertification	\$0	\$0	\$10,000	\$10,000	\$10,000
Department Total	\$128,165	\$163,850	\$181,875	\$181,875	\$176,875
<b>Dept 090 - General Counsel</b>					
Professional Legal Services	\$2,915	\$8,300	\$2,000	\$2,000	\$2,000
Telephone	\$276	\$3,100	\$0	\$0	\$0
Hawk Mountain - Survey	\$1,946	\$10,000	\$0	\$0	\$0
Miscellaneous	\$614	\$1,000	\$1,000	\$1,000	\$1,000
Department Total	\$5,751	\$22,400	\$3,000	\$3,000	\$3,000
<b>Dept 090 - Insurance</b>					
Senior & Cadet Accident Claims	\$3,432	\$9,000	\$5,000	\$5,000	\$5,000
Employee Practice Liability	\$0	\$0	\$0	\$0	\$0
Accident/Death Benefits	\$0	\$15,000	\$20,000	\$20,000	\$20,000
Department Total	\$3,432	\$24,000	\$25,000	\$25,000	\$25,000

**FY 03 Fin Plan**

**Civil Air Patrol**

**Corporate Budget**

4 May 02

Account Description	FY 01	FY 02	FY 03		
	Actual	Budgeted	Request	Fin Comm Recomm	NEC Approved
<b>Dept 095 - Aerospace Ed &amp; Trng</b>					
Senior Trng Ribbons & Post	\$285	\$400	\$400	\$400	\$400
Cadet AE Program	\$87,325	\$63,000	\$63,000	\$0	\$0
Nat Legal Officers Staff Coll	\$2,706	\$0	\$4,500	\$4,500	\$4,500
Natl Inspector General College	\$0	\$4,252	\$0	\$0	\$0
SR National Staff College	\$6,820	\$7,500	\$7,500	\$7,500	\$7,500
SR Region Staff College	\$7,400	\$28,000	\$28,000	\$28,000	\$28,000
SR Sqdn Leadership School	\$11,280	\$12,480	\$12,480	\$12,480	\$12,480
Corporate Learning Course	\$4,900	\$7,280	\$7,280	\$7,280	\$7,280
SR Wing Commander Course	\$11,980	\$11,250	\$12,150	\$12,150	\$12,150
Aerospace Ed Promotion	\$16,758	\$26,600	\$26,600	\$26,600	\$26,600
Member Orientation Flights	\$0	\$0	\$5,000	\$5,000	\$5,000
Department Total	\$149,456	\$160,762	\$166,910	\$103,910	\$103,910
<b>Dept 100 - Cadet Program</b>					
IACE Support	\$135,836	\$176,700	\$181,280	\$181,280	\$181,280
Cadet Flight Training	\$0	\$30,000	\$27,000	\$27,000	\$27,000
Cadet Fit Orientation	\$252,460	\$100,000	\$0	\$0	\$0
Cadet Officer School	\$8,038	\$12,000	\$11,000	\$11,000	\$11,000
Blue Beret	\$5,155	\$5,500	\$5,500	\$5,500	\$5,500
Natl Flight Academy - Powered	\$28,000	\$35,000	\$44,000	\$44,000	\$44,000
Natl Flight Academy - Glider	\$33,249	\$35,000	\$35,000	\$35,000	\$35,000
Natl Specialized Academies	\$0	\$5,000	\$9,000	\$9,000	\$9,000
Familiarization Courses	\$13,000	\$15,000	\$18,150	\$18,150	\$18,150
Natl Cadet Comp & Color Guard	\$29,863	\$54,000	\$64,850	\$64,850	\$64,850
Hawk Mountain Ranger School	\$5,000	\$5,000	\$3,000	\$3,000	\$3,000
Pararescue Orientation Course	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
RGN Cadet Leadership School	\$3,500	\$4,000	\$8,000	\$8,000	\$8,000
Senior Training for Cadet Leaders	\$1,084	\$2,500	\$2,500	\$2,500	\$2,500
NCC Trip to DC	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Natl Cadet Advisory Council	\$2,394	\$4,500	\$4,500	\$4,500	\$4,500
Department Total	\$529,579	\$497,700	\$427,280	\$427,280	\$427,280
<b>Dept 110 - Marketing &amp; PR</b>					
Personnel Salaries	\$15,885	\$113,120	\$113,120	\$113,120	\$113,120
Health Insurance	\$671	\$10,456	\$10,456	\$10,456	\$10,456
FICA/Medicare	\$1,369	\$12,560	\$12,560	\$12,560	\$12,560
1-800 Number	\$2,729	\$4,000	\$6,000	\$6,000	\$6,000
CAP News - General	\$235,729	\$250,000	\$275,000	\$275,000	\$275,000
Special Printing	\$10,107	\$10,000	\$10,000	\$10,000	\$10,000
Travel - NA Phil & Endowments	\$6,286	\$25,000	\$50,000	\$50,000	\$50,000
Electronic Media	\$594	\$110,000	\$25,000	\$25,000	\$25,000
CAP Exhibits	\$24,072	\$70,000	\$70,000	\$70,000	\$70,000
Promo Items	\$6,262	\$10,000	\$10,000	\$10,000	\$10,000
PA Resource/Membership Dues	\$1,573	\$3,500	\$3,500	\$3,500	\$3,500

FY 03 Fin Plan Account Description	Civil Air Patrol		Corporate Budget 4 May 02		
	FY 01 Actual	FY 02 Budgeted	FY 03 Request	Fin Comm Recomm	NEC Approved
Oshkosh Aircraft Display	\$4,273	\$10,000	\$10,000	\$10,000	\$10,000
PR Advertising	\$53,064	\$100,000	\$100,000	\$100,000	\$100,000
Membership Development	\$6,871	\$24,000	\$24,000	\$24,000	\$24,000
Department Total	\$369,486	\$752,636	\$719,636	\$719,636	\$719,636
<b>Dept 115- Data Automation</b>					
Membership Supplies	\$36,690	\$40,100	\$40,100	\$40,100	\$40,100
Department Total	\$36,690	\$40,100	\$40,100	\$40,100	\$40,100
<b>Dept 120 - Operations</b>					
Safety Flight Clinics	\$6,195	\$5,000	\$20,000	\$20,000	\$20,000
Safety	\$99	\$2,000	\$2,000	\$2,000	\$2,000
Emergency Services	\$5,928	\$10,000	\$10,000	\$10,000	\$10,000
Stan Eval	\$450	\$5,000	\$5,000	\$5,000	\$5,000
National GSAR School	\$8,000	\$10,000	\$10,000	\$10,000	\$10,000
CISM	\$0	\$0	\$8,000	\$8,000	\$8,000
Department Total	\$20,672	\$32,000	\$55,000	\$55,000	\$55,000
<b>Dept 130 - CAP Education &amp; Training Center, Oshkosh</b>					
Lease	\$307	\$1,000	\$1,000	\$1,000	\$1,000
Utilities	\$4,489	\$3,500	\$3,500	\$3,500	\$3,500
Facility MX	\$3,352	\$7,500	\$7,500	\$7,500	\$7,500
Improvement Fund	\$0	\$5,000	\$10,000	\$10,000	\$10,000
Property Taxes	\$225	\$500	\$500	\$500	\$500
Department Total	\$8,373	\$17,500	\$22,500	\$22,500	\$22,500
<b>Dept 140 - Hull Self-Insurance (Reimb from Investments)</b>					
Claims	\$216,528	\$0	\$0	\$0	\$0
Claims - Regions & Wings	\$120,063	\$0	\$0	\$0	\$0
Department Total	\$336,591	\$0	\$0	\$0	\$0
<b>Dept 140 - Vehicle Self-Insurance (Offset by Income)</b>					
Claims	\$0	\$0	\$0	\$0	\$0
Claims - Regions & Wings	\$22,045	\$35,265	\$35,265	\$35,265	\$35,265
Department Total	\$22,045	\$35,265	\$35,265	\$35,265	\$35,265
<b>Dept 145 - National Programs</b>					
Natl Board Conference Fee	\$123,038	\$94,000	\$110,000	\$110,000	\$110,000
Natl Board Transportation	\$8,200	\$6,000	\$7,500	\$7,500	\$7,500
Natl Board Hall of Honor	\$0	\$1,000	\$0	\$0	\$0
NCASE	\$86,765	\$75,000	\$80,000	\$80,000	\$80,000
Natl Board Committees	\$4,734	\$10,000	\$10,000	\$10,000	\$10,000
Board of Governors	\$14,219	\$0	\$0	\$0	\$0

FY 03 Fin Plan Account Description	Civil Air Patrol		Corporate Budget 4 May 02		
	FY 01 Actual	FY 02 Budgeted	FY 03 Request	Fin Comm Recomm	NEC Approved
National Curator	\$0	\$5,000	\$5,000	\$5,000	\$10,000
Legislative Liaison & Program	\$13,093	\$20,000	\$20,000	\$20,000	\$20,000
Department Total	\$250,048	\$211,000	\$232,500	\$232,500	\$237,500
<b>Total</b>	<b>\$2,055,045</b>	<b>\$2,191,413</b>	<b>\$2,261,065</b>	<b>\$2,193,765</b>	<b>\$2,193,765</b>
<b>Dept 150 - Bookstore</b>					
Salaries	\$388,182	\$490,500	\$517,445	\$517,445	\$517,445
Retirement Annuity	\$6,454	\$19,000	\$15,000	\$15,000	\$15,000
Health Insurance	\$52,704	\$57,000	\$70,000	\$70,000	\$70,000
Life Insurance	\$855	\$1,056	\$1,000	\$1,000	\$1,000
FICA / Medicare	\$28,801	\$37,530	\$32,000	\$32,000	\$32,000
Office Supplies	\$2,229	\$3,000	\$3,000	\$3,000	\$3,000
Data Processing Supplies	\$12,783	\$14,000	\$14,000	\$14,000	\$14,000
Operating Supplies	\$53,364	\$50,000	\$50,000	\$50,000	\$50,000
Telephone	\$66,924	\$60,000	\$75,000	\$75,000	\$75,000
Postage	\$98,948	\$100,000	\$100,000	\$100,000	\$100,000
Equip. Rental & Maint.	\$5,435	\$35,000	\$35,000	\$35,000	\$35,000
Vehicle Maint.	\$1,883	\$5,000	\$5,000	\$5,000	\$5,000
Vehicle Operating Exp.	\$1,360	\$4,000	\$4,000	\$4,000	\$4,000
Exec Dir Promotions	\$480	\$1,000	\$1,000	\$1,000	\$1,000
Travel	\$504	\$2,500	\$2,500	\$2,500	\$2,500
Meals & Lodging	\$9,562	\$13,000	\$13,000	\$13,000	\$13,000
Depreciation	\$0	\$5,940	\$10,150	\$10,150	\$10,150
Outbound Freight	\$0	\$300	\$1,000	\$1,000	\$1,000
Bad Check Expense	\$87	\$250	\$250	\$250	\$250
Credit Card Expense	\$33,019	\$34,000	\$40,000	\$40,000	\$40,000
Gain/Loss on Sales	\$0	\$2,500	\$2,000	\$2,000	\$2,000
Miscellaneous	\$1,551	\$2,000	\$2,000	\$2,000	\$2,000
Fixed Assets - Vehicle	\$26,869	\$0	\$0	\$0	\$0
<b>Fixed Assets - Equipment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$40,000</b>
Advertising Expense	\$0	\$20,000	\$20,000	\$20,000	\$20,000
Equipment Purchases	\$0	\$20,000	\$20,000	\$20,000	\$20,000
National Board Expense	\$0	\$0	\$5,000	\$5,000	\$5,000
Department Total	\$791,993	\$977,576	\$1,078,345	\$1,078,345	\$1,078,345
<b>Dept 155 - Supply Depot</b>					
Salaries	\$474,704	\$612,873	\$387,569	\$387,569	\$387,569
Retirement Annuity	\$14,381	\$17,946	\$17,607	\$17,607	\$17,607
Health Insurance	\$38,327	\$74,856	\$39,336	\$39,336	\$39,336
Life Insurance	\$609	\$977	\$533	\$533	\$533
FICA	\$33,420	\$46,885	\$29,649	\$29,649	\$29,649
ADP Payroll Expense	\$1,939	\$2,000	\$1,700	\$1,700	\$1,700
Audit	\$4,500	\$10,000	\$0	\$0	\$0
Office Supplies	\$3,148	\$4,250	\$2,000	\$2,000	\$2,000
Data Processing Supplies	\$5,057	\$10,600	\$5,000	\$5,000	\$5,000
GPS Tech Support	\$0	\$7,500	\$0	\$0	\$0

FY 03 Fin Plan Account Description	Civil Air Patrol		Corporate Budget 4 May 02		
	FY 01 Actual	FY 02 Budgeted	FY 03 Request	Fin Comm Recomm	NEC Approved
Operating Supplies	\$3,554	\$8,500	\$4,000	\$4,000	\$4,000
Telephone	\$64,563	\$48,000	\$48,000	\$48,000	\$48,000
Gas Heating	\$6,129	\$10,800	\$6,000	\$6,000	\$6,000
Water	\$1,660	\$2,000	\$1,500	\$1,500	\$1,500
Electricity	\$6,467	\$14,000	\$5,500	\$5,500	\$5,500
Postage	\$80,389	\$75,000	\$5,000	\$5,000	\$5,000
Office Machine Maint.	\$2,852	\$3,500	\$3,000	\$3,000	\$3,000
Vehicle Maintenance	\$8,937	\$12,500	\$8,000	\$8,000	\$8,000
Facility Maintenance	\$12,647	\$19,700	\$3,000	\$3,000	\$3,000
Vehicle Oper. Expense	\$3,554	\$6,000	\$3,000	\$3,000	\$3,000
Advertising	\$0	\$0	\$1,600	\$1,600	\$1,600
Travel	\$1,191	\$2,400	\$0	\$0	\$0
Meals & Lodging	\$1,356	\$3,100	\$0	\$0	\$0
Conference Activity	\$14,059	\$35,000	\$14,470	\$14,470	\$14,470
Depreciation	\$0	\$49,663	\$22,500	\$22,500	\$22,500
Facility Lease	\$17,570	\$17,571	\$17,571	\$17,571	\$17,571
Outbound Freight	\$18,917	\$36,000	\$0	\$0	\$0
Credit Card Expense	\$17,362	\$13,200	\$16,000	\$16,000	\$16,000
Tech Pubs	\$158	\$2,400	\$0	\$0	\$0
Catalog Expense	\$1,786	\$44,600	\$16,130	\$16,130	\$16,130
Bad Debt Write-off	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$16,315	\$18,000	\$3,000	\$3,000	\$3,000
Professional Development	\$1,629	\$3,700	\$0	\$0	\$0
Major Equip Purchases	\$0	\$0	\$0	\$0	\$0
Department Total	\$857,180	\$1,213,521	\$661,665	\$661,665	\$661,665
<b>Total Expenses</b>	<b>\$3,704,218</b>	<b>\$4,382,510</b>	<b>\$4,001,075</b>	<b>\$3,933,775</b>	<b>\$3,933,775</b>

**Summary of Investment Performance**  
**Market to Market Comparison**  
**For the Six Month Period October 1, 2001 through March 31, 2002**

	<u>Market Value</u> 10/1/01	<u>Market Value</u> 3/31/02	<u>Net</u> <u>Change</u> Unrealized Gain/ (Unrealized Loss)	<u>Net</u> <u>Change %</u> Unrealized Gain/ (Unrealized Loss)
<b>Restricted by Donors:</b>				
AMA Fund	\$0	\$710,231	\$710,231	
APA Fund	\$0	\$713,215	\$713,215	10.35%
CAMP Fund Note 1	\$1,289,969	\$0	(\$1,289,969)	
Crossfield Fund	\$29,872	\$29,091	(\$781)	-2.61%
Clara Livingston Fund	\$106,530	\$120,041	\$13,511	12.68%
Historical Fund	\$1,388	\$1,351	(\$37)	-2.67%
	<u>\$1,427,759</u>	<u>\$1,573,929</u>	<u>\$146,170</u>	
<b>Designated by the Governing Board:</b>				
Reserve Investments Note 2	\$4,044,253	\$3,402,907	(\$641,346)	-15.86%
National Congress	\$48,930	\$60,630	\$11,700	23.91%
CAP Defense Note 2	\$1,327,038	\$0	(\$1,327,038)	-100.00%
Vehicle Self Insurance Note 4	\$102,582	\$0	(\$102,582)	-100.00%
Hull Self Insurance Note 3	\$1,405,796	\$163	(\$1,405,633)	-99.99%
Scholarship Fund	\$841,646	\$899,613	\$57,967	6.89%
	<u>\$7,770,245</u>	<u>\$4,363,313</u>	<u>(\$3,406,932)</u>	
<b>Items Unrestricted and Not Designated:</b>	<u>\$92,690</u>	<u>\$94,954</u>	<u>\$2,264</u>	2.44%
<b>TOTALS</b>	<u>\$9,290,694</u>	<u>\$6,032,196</u>	<u>(\$3,258,498)</u>	-35.07%

The following funds are **restricted by donors** for specific uses and may not be used for any other purpose:

- AMA - restricted for the maintenance of the organization's airfleet
- APA - restricted for the modernization of the organization's airfleet
- CAMP - restricted for the modernization and maintenance of the organization's airfleet
- Livingston - restricted for the Cadets of the Puerto Rico Wing
- General Fund - 74.55% of this investment account is *unrestricted*; 25.45% is restricted for the following purposes:
  - Crossfield - represents 24.1% of the investment; restricted for the benefit of the AE Program
  - Historical - represents 1.12% of the investment; restricted to defray costs for the historical committee
  - Red Cross - represents 70.95% of the investment; *unrestricted*
  - Bailey - represents .23% of the investment; *unrestricted*

The following funds have been **designated by the board** for the following specific purposes:

- Reserve - for use in cases of extreme emergency
- NCASE - to defray costs associated with NCASE
- Defense - for uninsured legal defense; \$4 million dollar limit on fund
- VSI and HSI - to self insure any hull damage to airfleet or vehicle property damage
- Scholarship - to provide scholarships

- NOTES:**
1. Funds in the CAMP Account were moved into the AMA and APA Accounts.
  2. Funds in the Reserve and Defense Accounts were used for the marketing platform.
  3. Funds in the Hull Self Insurance Account were moved to the CAP Operating Account to cover aircraft damage and loss.
  4. Funds in the Vehicle Self Insurance Account were moved to the CAP Operating Account to cover vehicle damage and loss.

**Summary of Investment Performance**  
**Cost to Market Comparison**  
**March 31, 2002**

		<u>Cost</u>	<u>Market Value</u>	<u>Net Change</u>	<u>Net Change %</u>
				Unrealized Gain/ (Unrealized Loss)	Unrealized Gain/ (Unrealized Loss)
<b>Restricted by Donors:</b>					
AMA Fund	Note 1	\$700,471	\$710,231	\$9,760	1.39%
APA Fund	Note 1	\$703,382	\$713,215	\$9,833	1.40%
Crossfield Fund		\$28,388	\$29,091	\$703	2.48%
Clara Livingston Fund		\$117,129	\$120,041	\$2,912	2.49%
Historical Fund		\$1,316	\$1,351	\$35	2.66%
		<u>\$1,550,686</u>	<u>\$1,573,929</u>	<u>\$23,243</u>	
<b>Designated by the Governing Board:</b>					
Reserve Investments	Note 2	\$3,427,901	\$3,402,907	(\$24,994)	-0.73%
National Congress		\$59,162	\$60,630	\$1,468	2.48%
CAP Defense	Note 2	\$0	\$0	\$0	0.00%
Vehicle Self Insurance	Note 4	\$0	\$0	\$0	0.00%
Hull Self Insurance	Note 3	\$163	\$163	\$0	0.00%
Scholarship Fund		\$931,527	\$899,613	(\$31,914)	-3.43%
		<u>\$4,418,753</u>	<u>\$4,363,313</u>	<u>(\$55,440)</u>	
<b>Items Unrestricted and Not Designated:</b>					
		<u>\$92,654</u>	<u>\$94,954</u>	<u>\$2,300</u>	<u>2.48%</u>
<b>TOTALS</b>		<u>\$6,062,093</u>	<u>\$6,032,196</u>	<u>(\$29,897)</u>	<u>-0.49%</u>

The following funds are **restricted by donors** for specific uses and may not be used for any other purpose:

- AMA** - restricted for the maintenance of the organization's airfleet
- APA** - restricted for the modernization of the organization's airfleet
- Livingston** - restricted for the Cadets of the Puerto Rico Wing
- General Fund** - 74.55% of this investment account is *unrestricted*; 25.45% is restricted for the following purposes:
  - Crossfield** - represents 24.1% of the investment; restricted for the benefit of the AE Program
  - Historical** - represents 1.12% of the investment; restricted to defray costs for the historical committee
  - Red Cross** - represents 70.95% of the investment; *unrestricted*
  - Bailey** - represents .23% of the investment; *unrestricted*

The following funds have been **designated by the board** for the following specific purposes:

- Reserve** - for use in cases of extreme emergency
- NCASE** - to defray costs associated with NCASE
- Defense** - for uninsured legal defense; \$4 million dollar limit on fund
- VSI and HSI** - to self insure any hull damage to airfleet or vehicle property damage
- Scholarship** - to provide scholarships

- NOTES:**
1. Funds in the **CAMP** Account were moved into the **AMA** and **APA** Accounts.
  2. Funds in the **Reserve** and **Defense** Accounts were used for the marketing platform.
  3. Funds in the **Hull Self Insurance** Account were moved to the **CAP** Operating Account to cover aircraft damage and loss.
  4. Funds in the **Vehicle Self Insurance** Account were moved to the **CAP** Operating Account to cover vehicle damage and loss.

**CAP Development Committee  
Minutes**

22 April 2002

2100 Hours

**1. Members participating:**

Col Davis R. Bonner, CAP, Chairman  
Col Betty L. Cash, CAP  
Col Chris Donaldson, CAP  
Col Jacquelyn L. Floyd, CAP  
Col D. Scott Richards, CAP, HQ CAP Director of Personnel  
Lt Col Amanda B. Anderson, CAP  
Lt Col Edward A. Wasserman, CAP

**2. Members absent:**

Col Colin F. Fake, CAP  
Col Lynda C. Robinson, CAP

**3. Nonmembers participating:**

Col Stan Leibowitz, CAP, General Counsel  
Ms Susan P. Parker

4. The minutes of the 24 February 2002 meeting were reviewed and approved as written.

**5. Open Items from the last meeting:**

**a. Wear of CAP Uniform While Providing Support to Federal Agencies.** The Chairman asked Col Leibowitz to provide a brief synopsis of his legal opinion in this area. After considerable discussion the Committee accepted the General Counsels' interpretation of the regulation that members cannot wear the **service** uniform when participating in a number of situations including while performing paid duties. Further, the Committee recommends that the regulation be modified to disallow the wearing of **any** CAP uniform while participating in these situations/activities. **Recommend the NEC direct National Headquarters to make the appropriate change to CAPM 39-1, CAP Uniforms.**

General Counsel further recommended that the Committee consider the propriety of any member being paid to perform volunteer duties. After additional discussion the committee recommends that appropriate regulations be modified. **Recommend the NEC direct National Headquarters to add the following to CAPM 39-1, CAP Membership, paragraph 1-1a, "CAP members cannot receive compensation from the agency/organization at which they are providing the CAP volunteer service."**

**b. National Honor Guard Academy Patch.** The National Historian did not approve the previous design so the Honor Guard Academy was asked to submit a new design. The National Historian has approved the new design and the Committee felt it was an attractive, well-designed, patch. **The Committee recommends the NEC approve this new special activity patch.**

**6. Items Referred to the Committee at the Winter National Board Meeting.** The Committee reviewed the information contained in the National Board minutes concerning changing the membership termination criteria to include the previous nonrenewal criteria. Colonel Richards' briefed the Committee on his plans to revise the regulation to include other adverse personnel actions. After considerable discussion the Committee determined that it would be better to allow DP to work the issue of an overall re-write rather than try to adjust the current wording. **The Committee recommends the NEC task National Headquarters/DP with revising the current termination regulation to incorporate other membership corrective actions.**

**7. Items Submitted for the May NEC agenda and forwarded to the Committee for comments:**

**a. Civil Air Patrol Assessment Program submitted by Col James A. Mooney (Compensation for IG Inspections).** The Committee discussed this item at some length and determined that sufficient notification is given prior to IG inspections for CAP wings to make the necessary arrangements to have vehicles, aircraft and files/documentation available. **The Committee recommends the NEC disapprove this item.**

**b. Civil Air Patrol Assessment Program submitted by Col James A. Mooney (Reduced Functional Area Inspection Requirements).** The Committee felt that Civil Air Patrol is bound by the State of Work to have an inspection program. If the director or someone knowledgeable in his/her functional area is not available there is no way CAP can comply with this requirement. **The Committee recommends the NEC disapprove this item.**

**c. Waiver Provisions to the CAP Regulations submitted by Col James A. Mooney.** The Committee felt strongly that this request would not be in the best interest of Civil Air Patrol as a Corporation. If individual wings were allowed to pick and choose which regulations/requirements they would comply with, the organization as a whole could suffer. Although the scenario sited in the agenda item appears on the surface to be reasonable, that aircraft could be transferred to a different climate due to a national emergency or disaster and suffer significant damage because the protective action had not been accomplished in accordance with the regulations. **The Committee recommends the NEC disapprove this item.**

7. There being no further business the Committee adjourned. The next meeting will be held on 2 June at 2100 hours eastern time.

DAVIS R. BONNER, Colonel, CAP  
Chairman

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1. GC Opinion
2. Honor Guard Academy Patch Design
3. Civil Air Patrol Assessment Program (Compensation) Agenda Item
4. Civil Air Patrol Assessment Program (Reduced Functional Area Requirements) Agenda Item
5. Waiver Provisions to the CAP Regulations Agenda Item