

Hanover Seaside Club

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HSC
1898-2008
Wrightsville
Beach, NC



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Board of Directors
September 21, 2011

Attendance: Mike Lewis, Jean Lawler, Wilson Horton, Henrietta Godwin, Deak Walden, Elise Beall, Brad Walls, Duncan McFadyen, and Sally Godwin. John Cockrum was absent. Guests: Grady Windham, CPA and Crystal Ahumada from KaraTech Island Computers.

Mike Lewis asked for approval for the agenda. Brad Walls so moved.

Grady Windham, CPA, from Windham and Henderson CPA firm was introduced. His firm will be in charge of our audit of financial records. Crystal Ahumada, President of KaraTech Island Computers was introduced. Her firm will be doing the accounting of our everyday running of the Club.

Mike Lewis gave them a history of the Club. He explained that the Club needed to tighten up on our accounting process, including cash flow from meals, snack bar, and room rental. We have never had an internal audit. We have had 3 IRS audits with changes being made to keep our Non-Profit status. We need an exam of our current audit with recommendations on how we handle Club monies and the day to day running of the Club.

Grady Windham suggested his firm study of internal control first. The Board needs to do its fiduciary responsibility for the Club and go by its Charter. He will prepare a letter of engagement for an agreed upon procedures for the year end of October 2011. He recommends an Audit Committee to work with the CPA firm and the Bookkeepers instead of the whole Board. He suggests 2 Board members and 1 regular member, without using the Secretary/Treasurer. His firm will do the taxes for the Club, look at the systems to tell us what we need to be doing, and look at our records to see whether we will have a compilation, review, or an audit. He also suggests a business attorney.

Crystal Ahumada handed out a packet of her procedures. Her company will do the day to day running of the Club. She will also have a contract for the Board to sign. Her company has checks and balances within her staff when working on a client's account.

Surf board lockers-Deak Walden-Alan Richardson will start the work in a couple of weeks.

Light at the sound- Jean Lawler met with Progress Energy about the light at the Kayak space. It will go up in 2 weeks. Jim Morgan will cut a hole in the cement walkway to accommodate the pole.

At this time Mike Lewis moved we go into executive session. Duncan McFadyen seconded.

Brad Wall moved we come out of closed session. Elise Beall seconded. Motion passed.

During executive session the following outcomes occurred:

1. Brad Walls will chair a committee to work on job descriptions.
2. Wilson Horton moved we rescind last week's motion that the Assistant Manager's position becomes hourly. Duncan McFadyen seconded. Motion passed with 5 for and 1 against.
3. Wilson Horton moved that we leave the Assistant Managers as a salaried position until Duncan McFadyen gets information about the legality of the position. Duncan McFadyen seconded. Motion passed with 5 for and 1 against.
4. Mollene Smith will come to our next meeting.

There being no further business the meeting was adjourned.

Sally Godwin, Recording Secretary

Executive Session:

Mike Lewis discussion with the Manager about the following:

1. Assistant Manager Position going to hourly: Mollene explained that this would hurt her stable income. Now she gets paid every 2 weeks. If she goes hourly then she would not get a paycheck for the month of January. It is a concern about what duties the Assistant Manager and others do. It was felt that a job descriptions start progressing during the off season. Brad Walls will head the committee and has a list of names or regular members to call. Discussion will be held about the U. S. Department of Labor rules on hourly/salary criteria. Until the question about the EOC is cleared up Beth will clock in and out so hours worked can be seen. Wilson Horton moved we rescind the motion that was made last week that the Assistant Manager position goes hourly. Duncan McFayden seconded. Discussion was held. A vote was taken and it passed with 5 for and 1 against. Wilson Horton moved that the decision for the Assistant Manager position stay salaried until we get information about the legality of the position. Duncan McFadyen seconded. Motion passed with 5 for and 1 against.
2. Managers Family- It had been agreed that Mollene would have 4 half days off a week to keep her grandchildren so her daughter could work. This is the only place she has. Perception of members is that the family members come, go, and stay all day. She states that she pays for all meals her family eats in the dining room and snack bar. Discussion was held. It was decided to ask Mollene come to the next meeting of the Board.

There being no further business Brad Walls moved we come out of closed session. Elise Beall seconded. Motion passed.