

**IACBE Board of Directors Meeting**

**November 2, 2016**

**Teleconference Meeting**

**Minutes**

1. **Meeting Time and Location**

The fall 2016 meeting of the IACBE Board of Directors was held on November 2, 2016 via teleconference call from 10:00 am – 1:00 pm (CST).

1. **Agenda Presented**

The Board Book and agenda were provided to everyone via Dropbox.

1. **Call to Order and Attendance**

A: Call to Order:

The meeting was called to order by the Board Chair, Ann Tuttle, at 10:02 am (CST).

B: Recording of Attendance:

Roll was taken and attendance was recorded as follows:

*Officers of the Board:*

Chair: Ann Tuttle 🗹 Present 🞎 Absent

Vice Chair: Fred Chilson 🗹Present 🞎Absent

Secretary: Jorge Cardenas 🗹Present 🞏Absent

Treasurer: Randy Frye 🗹 Present 🞎Absent

Past Chair: Clara Munson 🗹Present 🞏 Absent

*Regional Directors:*

Region 1: Edward French 🗹 Present 🞏 Absent

Region 2: David Turi 🗹 Present 🞏 Absent

Region 3: Chip Mason 🗹 Present 🞎 Absent

Region 4: Pamela Imperato 🞏Present 🗹 Absent

Region 5: Rebecca Murdock 🗹 Present 🞏Absent

Region 6: Rickey Casey 🞏Present 🗹 Absent

Region 7: Hallie Neupert 🗹 Present 🞏 Absent

Region 8: Okeleke Peter Nzeogwu 🗹 Present 🞎 Absent

Region 9: Khalifa Sbih 🞎 Present 🗹 Absent

Region 10: V. J. Byra Reddy 🗹Present 🞏 Absent

Region 11: Carlos Villatoro 🗹 Present 🞎 Absent

*At-Large Directors:*

Patricia Cowherd 🞏 Present 🗹 Absent

Susan Silverstone 🗹 Present 🞎 Absent

*Public Members:*

Bert Dominique 🗹 Present 🞎 Absent

Phil Bussey 🞏 Present 🗹 Absent

Les Crall 🗹 Present 🞎 Absent

*Ex-Officio Members:*

Dennis Gash, President 🗹 Present 🞎 Absent

*Others:*

Kim Caedo, Director of Finance 🗹 Present 🞏 Absent

1. **Review and Revisions of Agenda – November 2, 2016**

No additions or deletions were offered. Ann Tuttle called for a motion to approve the agenda. It was moved and seconded to approve the agenda. Motion passed.

1. **Report of the Secretary – Minutes of Previous Board Meetings**
2. **Board Meeting Minutes – April 5, 2016**

The minutes of the April 5, 2016 Board of Directors meeting were presented. It was moved and seconded to accept the minutes as stated. Motion passed.

1. **Board Meeting Minutes – April 6, 2016**

The minutes of the April 6, 2016 Board of Directors meeting were presented. It was moved and seconded to accept the minutes as stated. Motion passed.

1. **Fees for Special Accounting Accreditation**

The President informed the Board that a pilot program was underway and that it would be available to all IACBE members starting in 2017. The President reminded the board that according to Article V, Section B of the IACBE Bylaws: “Fees for services, such as workshops, mentoring, accreditation applications and visits, publications, and other similar activities shall be established by the Board of Directors.” He stated that the staff of the IACBE is proposing that the fees associated with the special accreditation of accounting programs be set at (i) $1300 application fee if accreditation is sought non-concurrently with standard business accreditation; (ii) $800 application fee if accreditation is sought concurrently with standard business accreditation (plus the normal $1700 application fee for business accreditation); and (iii) accounting accreditation maintenance fee of $200 per year.

The Board asked how the staff arrived at those fee recommendations and the President indicated those fees were based on expected ‘administrative and maintenance time.’ He noted that it involves less time for IACBE staff if done concurrently with reaffirmation of accreditation site visits.

There were questions regarding whether there was a fee for each accounting program that a school wished to be accredited or if anything changed regarding their business accreditation. The President indicated that the fee is for all accounting programs submitted at that time by the school/institution and that nothing would change regarding their business accreditation.

It was moved and seconded to approve the specialized accounting accreditation fees that the staff proposed. Motion passed.

1. **Report of the Treasurer**

The Treasurer and Director of Finance presented the Treasurer’s Report, which included a review of the following documents:

1. Financial Reports for September 2016
2. Operating Budget vs Actual
3. Operating Budget vs Actual-Staff Compensation
4. Balance Sheet
5. Profit-and-Loss Statement with Previous Year Comparison
6. Accounts Receivable Aging Detail

The Treasurer noted that both revenue and expenses are up but that revenue was up more and that cash flow seems to be stronger. He pointed out that IACBE acquired new members, but 11 members have indicated that they wish to drop their membership at the end of 2017.

The Director of Finance explained that, although the financials show a net income of $132,000 at the end of September, there probably would not be much of a net income at the end of the year due to the purchase of some equipment and funding of a couple of initiatives including hiring a temporary worker, who works 20 hours/week, to help with some of the accounting daily duties. She also pointed out that salaries appear to be up considerably, but that, in the prior year, the health allowance was reported separately as opposed to appearing in the salary amount. That is no longer acceptable per the Affordable Care Act. The Director of Finance highlighted the fact that the staff are making a concentrated effort to manage travel costs effectively by combining trips whenever possible.

The Board inquired as to why institutions are leaving the IACBE. The Director of Finance and the President indicated that it is usually a result of budget constraints, changes in administration, or the lack of strong IACBE brand recognition. Some of the Board members asked if there was anything that they could do (like personally contacting them once we learn of their intent to drop membership) in hopes of retaining them as members and the Director of Finance indicated that such assistance would be helpful.

1. Budgetary Matters
2. Proposed Budget for 2017
3. Proposed Budget-Staff Compensation for 2017

The Director of Finance presented the proposed budget for 2017 and asked the Board how they felt about raising 2018 membership dues by $100. She pointed out that it has been 5 years since the dues were last raised. The Board asked how our dues compared with those of AACSB and ACBSP. The President stated that both ACBSP and AACSB have higher additional fees, but specifics on the dues themselves are not easily determined from their websites. The Board also asked if we give discounts for extra campuses. The President stated that there is no additional cost for extra campuses unless the campuses have different names. He highlighted that this is a key difference between IACBE and ACBSP, which charges dues by campus. After some additional discussion, the Board felt it was better to increase fees each year incrementally and the $100 increase for 2018 membership dues was approved.

The Director of Finance noted that the application fee for candidacy was increasing from $900 to $1200, which is similar to the mentoring fee. She also noted that the mentoring service is very popular. The President pointed out that these mentor visits help to improve the quality of site-visit materials and seem to result in fewer deferrals and notes associated with accreditation. The Director of Finance informed the Board that the workshop numbers have decreased, but felt that the workshop fee should be increased from $400 to $500 for next year’s budget. The Board asked if we provide any materials during mentoring visits. The President answered that we do and that similar materials are given out at the workshops, but that if fees are increased, we will give additional materials out at the workshops. The Chair inquired whether an increase in fees would increase or decrease the likelihood of attendance? The Vice Chair asked if there could be a discount on the registration fee based on number of people attending? The Director of Finance did not think the increase would affect the attendance numbers too much since these workshops are required, but did confirm that we already offer a group discount if more than 2 people from the same institution attend a workshop. The Chair asked the rest of the Board if anyone was opposed to the increase and no one indicated opposition. The Chair informed the Director of Finance that an increase in workshop fees was permitted.

1. **New Strategic Plan for the IACBE**

The Chair of the Strategic Planning Committee asked the Board members to direct their attention to the strategic plan document that was provided. He noted that a SWOT and a competitive analysis were used to brainstorm ideas. This resulted in 5 strategic objectives that led to the committee defining action items to meet the objectives. He noted that the action plans were still in need of assignments of responsible persons and timelines inasmuch as the committee agreed to ask for feedback from the Board and then assign the responsible person for each action item offline.

The President informed the Board that action item 3A-1 had been completed and needed to be edited to replace “marketing director” with “hiring an outside firm.” He noted that there will be targeted marketing elements for different markets and stakeholders.

The Board asked the President about communicating to parents and incorporating a ‘members only’ area with the existing website. The President indicated that a password-protected members-only section was already going to be a part of the new website.

Ann Tuttle, member of the Strategic Planning Committee, went through each objective and stated that a final draft would be sent out with assignments of responsible persons and timelines for each of the action items.

The President indicated that the committee was seeking approval of the draft plan from the Board and noted that the committee would finalize the plan details. It was moved and seconded to approve the IACBE new strategic plan with discussed revisions. Motion passed.

1. **Report of the Executive Committee: Separation of Robert Hilton’s Employment from the IACBE**

The President stated that we needed to eliminate the position because of other needs, including new marketing initiatives. He noted that Robert requested an additional severance package, but that the Executive Committee met and voted to maintain the original severance of 1 months’ pay plus pay for the remainder of June. The President indicated that this decision needed to be ratified by the full Board. After a discussion regarding possible legal ramifications, it was moved and seconded to ratify the Executive Committee’s decision to affirm the original severance package. Motion passed.

1. **Board Discussion – Expanding the Scope of Accreditation to Include Community Colleges**

The President led a discussion regarding whether to expand our scope of accreditation to include programs offered by community colleges. He noted that the strategic planning committee approved expanding the scope of accreditation to include community colleges at all levels. He also noted that ACBSP has the entire market at the present time. It was moved and seconded to approve expanding our scope to include community colleges. Motion passed.

1. **Update on IACBE Name Change – Amended Articles of Incorporation**

The President stated that changing our name to ‘International Accreditation Council for Business Education’ better reflects what we do. He indicated the new name would be rolled out in April 2017. He informed the Board that these changes would be submitted to the state of Kansas and the IRS along with amended Articles of Incorporation. He informed the Board that a vote would be needed to approve the amendment. After a brief discussion, It was moved and seconded to approve the amended Articles of Incorporation. Motion passed.

1. **Report of the Nominating Committees:**
2. Board of Directors Nominating Committee

The President stated that Randy Frye and Dr. Nzeogwu would need to be replaced on the Board because they are finishing their second terms.

1. Board of Commissioners Nominating Committee

The President stated that we would need to elect 3 commissioners.

**13. Update on Special Accounting Accreditation**

The President informed the Board that the principles and manual are complete. He noted that the IACBE was currently conducting pilot site visits for 5-6 schools. He noted that the specialized accounting accreditation would be available to all institutions in 2017.

**14. Report on IACBE Marketing Initiatives and Staffing**

The President reported that the IACBE has hired a marketing company in Kansas City and that the company is developing a strategic roadmap, a brand-new website, a new logo, and some marketing materials for the IACBE. He pointed out that this alternative is less expensive than hiring a full-time Marketing Director, and that we would be elevating Rochelle Petway to help with accreditation responsibilities.

**15. Report on AACSB and CHEA**

The President informed the Board that AACSB International is withdrawing its CHEA recognition and pursuing ISO certification. He thought the real reason for AACSB’s withdrawal was that they were deferred twice because their members were still not publicly disclosing student achievement information and that CHEA’s Committee on Recognition had subsequently recommended denial of recognition. AACSB withdrew its recognition prior to official denial by CHEA’s Board of Directors. The President believes that AACSB took this action in order to avoid further public embarrassment. The Board wondered whether this was an opportunity to gain new members, but the President indicated that the staff had not had time to discuss and research this. One Board member felt that losing AACSB lowered CHEA’s credibility, but another Board member felt that it was good news. There was discussion as to whether there might be any more defection from CHEA and that the IACBE needed to keep this on our radar. The President wondered whether the Board needed to have a meeting before the April meeting to discuss how the IACBE should monitor this.

**16. Report on IACBE Accreditation Activities**

The President presented a list of planned accreditation-related visits and asked whether there were any questions. There were none.

**17. Report on IACBE Membership Status**

The President indicated that a current membership list was enclosed in the Board Book.

**18. Summary Report on Future Annual Conferences and Assembly Meetings**

The President summarized the dates and locations for future IACBE annual conferences.

**19. Adjournment**

It was moved and seconded that the meeting adjourn. Motion passed.

The meeting was formally adjourned at 12:28 pm (CST).

**Respectfully submitted by Dr. Jorge Cardenas, Board Secretary.**