



# Finance

## *Background*

The finance committee established the following objectives for the 2012-2016 Long Range Plan: produce accurate budgets, maintain a cash reserve of not less than \$2.0 million, ensure accurate reporting to the Board, and identify if there are adequate financial resources to carry out the mission and goals of the Board.

The objectives are being accomplished by preparing proposed budgets for fiscal years 2013 – 2017, maintaining short-term investments at a level of \$2.0 million or above, providing quarterly financial statements to the full Board and past chairpersons, having annual audits conducted on USPB financial records and reporting the outcome to the full Board.

## *Challenges*

USPB policy requires a minimum of \$1.5 million operating cash reserve be maintained to fund unbudgeted responses to a crisis or significant opportunities, and cash flow challenges and USDA requires a restricted cash reserve amount of \$500,000 in the event that the USPB should not survive a referendum. The Board policy also recommends, as guidance to future Executive and Administrative Committees, and as future plans and budgets are developed, that the grower leadership and staff strive to maintain the reserve fund at 50 percent of budgeted assessment revenue, unless a crisis, unique opportunity or budget shortfall requires investment of the reserves, following which replenishment of the reserves back to a 50 percent level would be seen as a priority.

## *Resolution*

Manage USPB financial resources according to the above plan. The Board has utilized a budgeted line item to replenish the set restricted and operating cash amounts in recent years and should implement that methodology again when appropriate.

### Scorecard Activities

#### Product Leadership

- Provide quarterly financial statements and annual audit reports
- Timely reporting to management

#### Customer

- Develop proposed operating and committee budget for review and approval at least 60 days prior to winter meeting
- Present reports to management and board members
- Maintain/Monitor designated cash reserve replenishment plan.

**Operational Excellence**

- Provide clean audits
- Training/Orientation for new committee members
- Enhance financial management and collections review through state-by-state analysis
- Maintain procedures to insure compliance with OMBA133 requirements.

**Build the Franchise**

- Maintain open communications with all departments, committees and the Board
- Engage staff with the industry and committee
- Increase client base

**Increase Customer Value**

- Demonstrate the USPB's financial acumen in managing the entrusted resources.

**Equitable to all Segments**

- Satisfy USDA financial requirements
- Board members, managers, handlers, growers and shippers

Finance	
<i>Growth Strategy</i>	<i>Productivity Strategy</i>
<p><b><i>Responsibly Manage USPB Finances</i></b></p> <ul style="list-style-type: none"> <li>• Produce accurate budgets for operating and committee requirements.</li> <li>• Maintain designated cash reserves of not less than \$2,000,000</li> <li>• Ensure accurate financial reporting to the Board</li> </ul>	<p><b><i>Maintain appropriate infrastructure to manage USPB finances.</i></b></p> <ul style="list-style-type: none"> <li>• Monitor the mechanism to replace and maintain the \$2,000,000 designated cash reserve.</li> <li>• Allocation of financial resources for programs and tools.</li> <li>• Identify if there are adequate financial resources to carry out the mission and goals of the USPB</li> </ul>