

**Worker Rights Consortium  
Minutes of the Governing Board Meeting  
June 3, 2002**

In Attendance: Horace Mitchell, Marcella David, Katherine Quan, Chris Howell, Douglas Shaw, Shahar Sapir, Matthew Teaman, Trina Tocco, Ginger Gentile, Suzanne Webb, David Dyson, Linda Chavez-Thompson; WRC staff: Scott Nova, Maria Roeper, HeeWon Khym, Erin McGrath, Kelly Shapiro. Jill Esbenshade by teleconference.

Meeting convened at 10:00 a.m.

**Minutes from March 3 Board Meeting approved.**

Changes made to Agenda: Treasurer's report moved to before Executive Director's report.

**Treasurer's Report:** A motion was made to approve the Treasurer's report with a change in foundation income from \$242,000 to \$212,000. (Jill did not have the report and so abstained.)

**Executive Director's Report:** Scott reported on finances including \$264,000 received in affiliation fees with an additional \$22,000 expected; and \$212,000 received in grant income, excluding the State Department grant which will be available for withdrawals with the new fiscal year starting next month. He explained the \$52,500 in grant income not yet received as a new grant from General Service Foundation, the second installment of \$45,000 from the Twentieth Century Fund and a small amount from the Phoenix Fund. He also announced a new grant of \$20,000 expected in the next fiscal year from the University of Iowa in connection with Senator Harkin to support work against child labor. Scott projected total revenue of \$625,000 by the end of the fiscal year. He also summarized expenses of \$140,000 for payroll and \$110,000 for projects and investigations, which is \$44,000 under projections creating a surplus of up to \$100,000 depending on actual revenue collected by the end of the fiscal year.

In the discussion that followed, it was proposed to create a reserve fund in case grant revenue declines. Scott responded that conservative cash budgeting and cash flow management provides a cushion and that the WRC is less susceptible to fiscal shocks than many NGOs because it is not totally reliant on grant income -- due to the substantial portion of the WRC's revenue that derives from university affiliation fees. Some board members still thought a reserve was needed, and some warned that some donors may resist giving to organizations with large reserves. It was suggested to seek advice from WRC's accounting firm that specializes in non-profits. One proposal was to begin by setting aside some of the projected FY 2003 surplus for a potential reserve fund, which could be released at the next meeting if WRC does not create the fund. It was decided to wait to make a motion to change the budget and **a motion was made and passed**

**unanimously for WRC staff to consult financial experts on reserve fund issues and set aside \$10,000 in the FY 2003 budget for a possible reserve fund.**

Scott then reported that WRC has not yet received 501(c)3 status because the IRS requested that the WRC file revised articles of incorporation to ensure that the language in the articles is consistent with the IRS definition of the legitimate purposes of non-profit organizations. The WRC subsequently learned that the process of filing the new articles would be delayed by the need to fulfill certain additional filing obligations to the Charities Bureau in the State of New York. Scott reported that this process would be completed soon and would pave the way for action by the IRS.

Scott announced that Ashwini Sukthankar will join the staff July 1 and that information about her was sent via e-mail to the board. This completes the staff hiring process discussed at the last board meeting. It was asked if Maria Roeper's former position would be filled and Scott replied he would explain later.

As an organizational update, Scott announced that seven new affiliates have joined since the last board meeting for a total of 100. Scott then discussed some program work pointing out the press clips in the back of the meeting binder as part of the favorable press coverage received for work on New Era. He announced that WRC anticipated initiating new factory assessments in the coming months. Scott updated activities in Kukdong saying that Nike continued to place orders after positive changes made there, but Reebok does not plan to place more orders because they are reducing the number of factories they use while consolidating products made in each factory. Scott's plan was to talk further with Reebok. This completed the Executive Director's report.

**Constituency Report:** Ginger delivered the USAS report saying that the conference call with her, Scott, Matt and Trina was a success. She said a large USAS conference was scheduled for August 7 to 9 in Boston. The decision to hire new USAS staff is imminent. Ginger also discussed a UNITE grant to fund an intern focused solely on international solidarity, as well as two overseas internships focused on Mexico and the Dominican Republic. There will be a delegation to the U.S.-Mexico border in August. A book called "Students Against Sweatshops" by Liza Featherstone was published, focusing on the history of USAS.

Next came the University Caucus Update. The annual Caucus meeting was hosted by Georgetown University in May. Caucus bylaws were discussed and approved by e-mail. There was a good discussion with Scott about investigations such as New Era. The big licensing schools were represented leading to a discussion of how to bring smaller schools to the table. This will be followed up through the year.

Jill provided an Advisory Council update. About eight Advisory Council members met about research priorities for the WRC. A working group of the Advisory Council was established to help WRC brainstorm about potential research. Agreement was reached on a structure to enable better contact with Advisory Council members in other countries.

There was a ten minute break followed by an executive session without observers.

**WRC Budget:** The proposed budget for fiscal year 2002-2003 was discussed. Scott presented the budget proposal to raise \$807,500 and spend \$807,253. **The budget passed by a unanimous vote.**

**Factory Updates:** Scott, Mark Barenberg and Greg Siwinski met with New Era at their New York offices in April. It was significant that New Era decided to meet with WRC, and that they provided almost all the documents WRC requested and responded to many issues raised.

In reference to PT Dada, Scott reported that he was in Jakarta in April and that there has been good progress in some areas including ending homework. He said he was optimistic about having a fair contract negotiation. He also reported reasonable progress on remediation at BJ&B in the Dominican Republic.

**A Motion to approve the Executive Director's report was unanimously approved.**

**A Board resolution to adopt a pension plan for WRC was approved unanimously. A motion to direct the Executive Director to propose an amount for the employer contribution and other terms of the WRC's pension policy was also approved unanimously.**

**A motion to authorize Doug Shaw to sign checks on behalf of the WRC passed unanimously.**

Marcella inquired about the proposed WRC reimbursements policy including meals for guests and receipts for purchases over twenty five dollars. Two amendments were suggested to remove a phrase and require receipts for purchases over \$25. **The motion to accept the policy with amendments was approved unanimously.**

**All new and returning Governing Board members were approved unanimously. New officers were elected, including Marcella David (representing the University Caucus) as Chair, Nancy Steffan (representing USAS) as Treasurer, and David Dyson (representing the Advisory Council) as Secretary.**

**The next Board meeting was scheduled for Saturday October 12.**

**A motion to adjourn was approved unanimously.**