

February 22, 2024

The Audit/Investment Committee was tasked by the MMB Executive Committee to review the Financial Policies Information in regards to expenditure thresholds and the approval method of expenditures as it is currently stated, in comparison to the consensus method of approval as it is currently practiced in board meetings. We met by zoom on 2 separate occasions, with one of the meetings enlisting the guidance of Colin Scott in answering some questions. Ed Woolf was also helpful in relating information within the financial communities. I will provide at the end of the report, the various items of discussion that have brought us to the following proposal.

Proposal to the Executive Committee following the task given to the Audit/Investment Committee as described above is as follows:

- A. Accept the current thresholds for expenditures on the 5 different areas**
 - 1. Capital**
 - 2. Grant Approvals**
 - 3. Staff/board initiated non budgeted projects**
 - 4. Appropriations Funds**
 - a. Global Food Initiative Fund**
 - b. Emerging Global Mission Fund**
- B. Proposing a change of approval from 3/5 majority and a simple majority to consensus unless a consensus cannot be reached.**
 - 1. Executive Committee would become 4/5 approval**
 - 2. The full board would require an 80% approval**

Audit and Investment Committee: John Hoffman-Chair, Joel Gibbel, Robert Jackson

Discussion which resulted in the above proposal are as follows:

Concerning the Thresholds:

- 1. Discussion included Financial industry standards as presented by Ed.

Discussion concerning a change from Simple majority to a form of Consensus which also led to the executive committee is the result of:

- 1. Alignment with our current practice of Consensus in board decisions, while understanding that there may not be full consensus on major expenditures.
- 2. A requirement of a minimum of approval votes so a red card does not restrict An approval to move forward
- 3. A discussion regarding what is necessary to be the minimum approval taking into consideration that it's currently 3/5 for the Executive Board and it's simple majority for the full board.
- 4. Adjust the required board member and executive committee to 80%, thus 4/5 executive board and 80% full board approval if necessary (both 80%)