

## **CR-08 Business Committee Report – Gary Kincel**

The Business Committee is charged with analyzing business related details of JCNA, administering the JCNA Insurance Policies, negotiating JCNA independent contractor agreements, coordinating the duties of the Administrative Manager and looking over the financial details of JCNA.

Since accepting responsibility for the Business Committee at the AGM in 2010, the committee has expanded to include John Masters, Greg Huelsman, Gary Hagopian, and Philip Taxman. We hold periodic conference calls as a Committee to discuss current events, and brainstorm new ideas. Since taking over as Treasurer/Business Manager, Deanie Kennedy has had a very positive impact in our financial management, and communication with our affiliate clubs. New financial software is in place and reporting is now more efficient, timely, and complete. In addition, Deanie has streamlined the membership renewal process with affiliate clubs.

### **Financial Issues & Financial Health**

With hard work by many involved, the financial health of JCNA has improved during this year. As reported on the December 2012 Financial statement, the bottom line when compared to the same period last year has improved from -\$5,323. to +\$6,574. Although the improvement is significant, we remain close to break even. Our combined cash & savings has also improved this year with adequate cash on hand to support normal operations, and if needed take care of an unexpected expense. Phil Taxman continues to manage our savings in a conservative manner with interest earnings generally above the S&P 500, and expected to be at 3.5% over the next 5 years.

### **Dues Increase**

The requested dues increase of \$8.00 was approved at the 2012 AGM. The implementation occurred with the billing to members for the 2013 year. These additional funds will place JCNA in a better financial condition and allow us to continue the reversal of the negative trend of the past few years. Any additional funds will be placed into savings with Merrill Lynch and Philip Taxman who has managed our investments for many years.

### **Administrative Manager/Treasurer**

Since accepting the role as Administrative Manager, Deanie Kennedy who is a CPA, has made significant improvements in the way we maintain records, along with how we communicate with the affiliate clubs. Membership renewal for the current year is computerized and feedback from the affiliate clubs has been positive. Financial records have been moved to a modern, broadly accepted accounting software that allows review in a common format. A new 800 line has been put into place that has options to speak directly with her, the tech line, or sales of regalia or publications. Deanie has taken over the process of billing and collecting for Journal advertising. Overall the improvements have been well received by the affiliate clubs and has helped with cash flow. In addition, the remaining records formerly housed in a rented space have now been forwarded to Deanie for permanent, safe keeping.

### **JCNA Contracts**

During recent year's, new positions were added to include Associate Editor of the Journal, Webmaster for the JCNA website, and Associate Webmaster. The term of most contracts, runs until 12/31/2013. Although the dollar amounts of these contracts are very reasonable for the work involved, they will place added pressure on the income statement of JCNA. Contracts were completed by JCNA legal counsel for our new Administrative manager along with manager of Regalia and Publication sales. The current agreement with Journal Editor has been extended into 2014.

### **JCNA Insurance**

J.C. Taylor continues to be our insurance broker. Currently we have General Liability for JCNA and affiliated clubs with a coverage limit of \$3,000,000 per occurrence and \$4,000,000 aggregate during a 12-month period. Directors and Officers Liability coverage with a limit of \$1,000,000 per occurrence and aggregate during a 12-month period. Local clubs should request a certificate of insurance for their events, however the event will be covered even if they do not. Our Liability Insurance coverage currently extends to cover all affiliate clubs and most events that they have. Our Directors and Officers Liability Insurance coverage extends to the National as well as Local Affiliate management group. Insurance has been one of the more active areas of involvement for the business committee this year, mostly with questions regarding coverage and insurability of places where events are held. At the request of the Jaguar Journal Committee, and Mike Cook, we have completed the application process for insurance to cover the printing and editorial content of the Jaguar Journal. Our new Publishers Liability Policy is now in place.

### **Trophy Management**

JCNA Trophies management and shipping has moved this year from Welch Jaguar to Coventry West. Storage of the trophies at Coventry West is at no charge to JCNA. As part of this move, George Camp took over inventory management and distribution to the affiliate clubs. During the current year, George has done a great job with order fulfillment, cost and inventory management. Club orders are handled quickly by George and shipped from Coventry West. We now charge the affiliate clubs for actual shipping charges related to their trophy order. In September, the remaining trophy Inventory not stored at Coventry West was moved there. Many Thanks to Dick Maury for coordinating the effort at Coventry West for JCNA. Annual on hand inventory will be taken for trophies on hand, and reconciled with the value maintained in our financial records.

### **JCNA Shop**

Thru the efforts of George Camp and Steve Kennedy, with support from our Webmaster, the JCNA shop continues to show improved overall performance. Since the last AGM Steve and George have reviewed our retail prices, made some adjustments where appropriate, and talked to vendors about reducing cost of goods, the results of these efforts are improved margins. In addition, Steve recently put on sale at markdown prices, the remaining E-50 merchandise to clear the remaining on hand inventory. A new shipping charge schedule was recommended for use with future orders. If implemented, the charges overall will be more balanced based on order size, and better cover the shipping expense.

### **Tool Loan Program**

After a lot of hard work by George Camp and others, the Tool Loan Program was launched at the AGM. The tools are housed, and are being shipped from Coventry West. George will report separately on the details of this program, but we extend appreciation and thanks go George for keeping this concept alive, and achieving the ultimate goal of a working program available to all JCNA members. Since the AGM additional tools have been acquired to fill some of the gaps in the program.

### **JCNA Event Funding**

JCNA request from Jaguar Cars. Starting this year, we made an annual request for affiliate club event funding at the end of February to coincide with the Fiscal Year of Jaguar Cars. It was necessary for affiliate clubs to complete their request and forward to Deanie Kennedy in advance of that date, so that a summary for all JCNA affiliate clubs could be presented to Jaguar Cars. This year our total request was \$32,500. The requested amount was reduced, and the final amount was received by Deanie and dispersed to the affiliate clubs during the summer. This process will continue each calendar year with the goal of sending the final request to Jaguar Cars by the end of Feb. each year. Although there is no guarantee that Jaguar Cars will fund these events, we believe it is in our best interest to be timely and organized with our request. Additionally this year Jaguar Cars did help support the AGM with a financial contribution. Request has been made for both the Challenge Championship, and AGM to be held in 2013. National event funding support is separate, and in addition to support noted above to affiliate clubs.

### **Jaguar Journal**

Billing for Jaguar Journal advertising became the responsibility of our Administrative Manager last year. After the AGM, Dick Maury set up a committee to work on all things related to the Jaguar Journal. This group has been very active reviewing current practices, and implementing changes where needed for improved results. The role of the business committee at this time, is to be available as a resource to the Journal Committee. I will defer additional comments to the report from that Committee.

### **Accounting Method**

JCNA Accounting method. For many years, JCNA has used accrual accounting. Allowing for income and expenses to better match the reality of their receipt. "The accrual method of accounting is generally accepted as a more accurate estimation of the financial activities of an Organization".

### **Other and Recommendations**

Tech Line Sponsorship. After the AGM and in discussion with George Camp, it was decided that we seek sponsors for the JCNA tech line. That task was quickly completed with agreement of SNG Barratt, and Coventry West to sponsor the tech line for a period of 1 year. Total income to JCNA is \$3,000.00.

### **Co-Branded Insurance**

We previously reported the exploration of the possibility of a co-branded insurance deal that would mutually benefit JCNA and our selected insurance partner. The anticipated benefit would be both an increase in membership, and increased funds to JCNA. Gary

Hagopian has taken over responsibility to nurture this concept and is actively involved with potential vendor partners. Gary has now completed an agreement with Hagerty Insurance that is called a “Mutual Promotional Agreement”. As part of this agreement, Hagerty will become a regular advertiser in the Jaguar Journal, Provide JCNA a presence on their website, and provide a 5% discount for purchase of collector car insurance to JCNA members.

### **Membership**

Needless to say, Membership is the lifeblood of our organization. After some conversation around ways to grow membership, Greg Huelsman has prepared recommendations for a nationwide effort to increase membership. These ideas were forwarded to our President for consideration and possible implementation. The ultimate goal is to have a nationwide group of very engaged individuals who would market the club to potential new members. Since the fall BOD meeting, this initiative has really picked up momentum, a very high energy team has been assembled and will become a permanent committee of JCNA. We look forward to their efforts and the resulting increase in membership.

### **Recommendations**

Although we are a Not-For-Profit (501C7) group made up of local clubs and members with a motorsports hobby, we must continue to keep an eye on the financial health of the club. With annual budget that can run \$250,000 and higher, along with the need for liability protection of those involved in the club and events, income is paramount. We continue to monitor and recommend ways to improve income or reduce expenses with an eye on maintaining the integrity of both JCNA and the Jaguar Brand.

Respectfully Submitted

Business Committee

Gary Kincel  
John Masters  
Greg Huelsman  
Gary Hagopian  
Philip Taxman