

**Minutes**  
**IBBA Board of Directors Meeting**  
**Conference Call**  
**4-15-2020**

President Chris Heptinstall called the meeting to order at 7:11 p.m. CDT.

Secretary/Treasurer Mike Weathers called roll. The following members were present:  
Chris Heptinstall, Mike Weathers, Shiloh Hall, Mary Douglass, Allen Goode, Vern Suhn, Jeremy Jackson, Rob Singleton, Troy Floyd and Greg Romans.

Board members not in attendance: Darrel Law, Doyle Miller, Lee Alford

Mr. Weathers declared the presence of a quorum.

IBBA Staff present: Darrell Wilkes

President Heptinstall called for additions to the agenda. None were offered.

The minutes of the March 5, 2020 meeting were reviewed. **A motion was made by Mike Weathers, seconded by Allen Goode, to approve the minutes of the March 5, 2020 meeting. The motion passed by voice vote without dissention.**

D. Wilkes presented the March 2020 financial statements. Wilkes opined that the financials are getting cleaner, with aged receivables still being a significant issue. Through the end of March, operating loss was budgeted to be -\$136,367. It is normal and expected to operate with a deficit through the first and second quarters until THR is billed. Actual operating deficit through March was -\$95,395. The \$40K positive difference shows up in the revenue line since the expense total was precisely as budgeted.

Wilkes noted that IBBA did not bill for transfers in 2019 due to system inadequacies and other priorities. He noted that the current plan is to catch up on transfers and then move to monthly billing for transfers. The process for capturing the data necessary to bill for transfers is still very manual, but will be done nevertheless. Wilkes asked if there was a concern about going back to October 1, 2019 and billing for transfers since then.

Mr. Weathers expressed concern that picking a date in the Fall, such as October 1, would appear to arbitrarily favor those who happened to have a sale before October 1. Mr. Hall suggested setting the retroactive date to July 1, 2019. It seems less arbitrary since that is the beginning of the THR Cow Year.

Discussion ensued on whether to use the Effective Ownership Date or the actual Transfer Date. Discussion favored the Effective Ownership Date.

**Rob Singleton moved, with a second by Shiloh Hall, to use July 1, 2019 as the retroactive date for billing for transfers, and that the date is relative to the Date of Effective Ownership. Motion passed without dissent.**

D. Wilkes noted that the receivables and payables for DNA are caught up. Both are current through February, which means that all tests conducted in February, which are billed to IBBA in March, have also been invoiced to members and are reflected in the income statement and balance sheet accordingly.

Wilkes noted that the audit fees were budgeted to be paid in March but were not invoiced to IBBA until April. If this had been invoiced and paid in March, the better-than-budgeted operating margin through March would have been \$25,000 worse than reported.

Wilkes noted that the Promotion and Marketing expenses are running about \$7,000 ahead of budget through March due to front-loading of print advertising. Front-loading the general Brangus advertising to help support Brangus bull sales in the spring is appropriate, but it was not budgeted that way. The Promotion Committee is aware of the funds remaining for promotion and marketing and will be kept informed month to month.

Regarding BPI financials, Wilkes noted that Frontline Beef Producer (FBP) magazine is a losing proposition. FBP is seen as a promotion outlay for Brangus. The magazine is sent twice per year to over 30,000 people. It is not sustainable without a much lower circulation or a much higher level of advertising revenue.

Wilkes noted that the Promotion Committee has been asked to work with staff to review the strategy and cost of FBP.

Rob Singleton suggested including a questionnaire with FBP to recover information from recipients regarding their bull purchase interest and to use this information to re-shape the distribution list.

Vern Suhn suggested that a change in format be considered. Frontline was previously published as a newspaper-type publication. This option should be considered by the Promotion Committee.

Mr. Weathers opined that the March 2020 financials are the cleanest that he has seen during his time on the Board, noting that there are still things to be cleaned up.

D. Wilkes introduced the issue with accounts receivable, noting that a good number of receivables are quite old and probably not collectable. There were 997 names on the Accounts Receivable file as of 3-31-20, some of which are current and some are 3 years old and should have been settled or written off sooner. Based on the model assumptions, it appears that IBBA could end up with a write-off of \$90,000 to \$120,000.

Vern Suhn expressed concern about Accounts Receivable and raised concern that invoices are not consistently sent out timely or at all. Mr. Weathers reported that he has heard from others that claim they did not receive invoices.

DNA charges are a special case where having uncollected receivables is very damaging to IBBA because IBBA is fronting the cost of the tests. If members refuse to pay, IBBA not only has overhead charges associated with the test management but also the hard outlay of cash to pay the DNA lab for the tests.

Discussion ensued on how to expedite the invoicing process for DNA test orders. Presently, members are not invoiced for DNA test costs until the results are received by IBBA and, further, are processed and posted into registr. This can extend the time between test ordering and invoicing to as much as 85 days. If members delay payment, the time lapse between test ordering and receipt of payment by IBBA can easily extend to 120 days.

A consensus emerged that, at a minimum, members should be invoiced within 7 days of placing a DNA test order and that the results from the tests would NOT be provided to the member or posted to the registr database until the invoice was paid. Ultimately, IBBA should move to a system where members pay online for DNA tests before the order is accepted for processing.

D. Wilkes noted that steps are being taken to give staff access to account information in the accounting system so that, at a minimum, they can advise a member with a past due balance that their DNA test order cannot be placed until arrangements are made to get current on any past-due amounts.

D. Wilkes reported that the on-line DNA order process will be operational by the first week in May. The new form will show the member what the charges are for the specific tests, and will generate a total dollar amount of the tests ordered during that session.

Commensurate with launching the new online DNA test order feature, educational webinars will be held and will be recorded for members to view repeatedly if they wish.

Following discussion regarding Board Policy on when and how to expedite the billing for DNA tests;

**Mike Weathers moved, with a second from Vern Suhn, to table a decision on payment or invoicing timing until the DNA test order form is on-line and functioning properly. Motion passed without dissent.**

The Board was presented with 6 cases for parentage override. All scored higher than zero, which is the cut-off for approval based on precedent.

**Mary Douglass moved, seconded by Mike Weathers, to accept the parentage override cases as presented. Motion passed without dissent.**

Discussion ensued on rescheduling the Brangus Summit. There was consensus that there are too many unknowns at this moment in light of the COVID-19 situation to even begin thinking about rescheduling. Mr. Weathers suggested that, in the process of re-planning the Brangus Summit, we attempt to secure enough advance registrations to mitigate some financial risk associated with the conference. Mr. Suhn added that the Summit event will be enhanced significantly when the registr system is fully functional and people can come to a meeting with a positive frame of mind.

Shiloh Hall suggested making greater use of webinars and other electronic communications to engage as many members as possible in the key aspects of the Long Term Plan. This cannot replace the Brangus Summit, but will serve to get members engaged in the discussion.

**Mike Weathers moved, seconded by Troy Floyd, to table any decision on rescheduling the Brangus Summit pending some more certainty in the general economy and achievement of significant milestones with the regstr system. Motion passed without dissent.**

President Heptinstall called for committee liaison reports:

Mary Douglass reported on the deliberations of the Junior Brangus Board regarding the National Junior Brangus Show, which is scheduled for July in Beaumont, TX. The Junior Board will meet again in May after the expected announced of ongoing COVID-19 restrictions by the Governor's office.

Mike Weathers reported that he has recruited additional members to serve on the Finance Committee and will get the list to the President.

D. Wilkes updated the Board on THR preparations. The software to make the animal disposal process much easier and more efficient for the members is nearly done. Jessie England is putting together a group of 10-12 members to serve as a test group for the new software, beginning with animal disposals and culminating in the production of an accurate invoice that perfectly reflects the inventory adjustments made by each member. The target date for invoicing THR is July 1, 2020. The Preliminary Herd Inventory reports will be available June 1 if not sooner. Preliminary reports will be mailed, e-mailed and made available online simultaneously. Tutorial materials and online webinars will also be conducted to go over the THR process.

Discussion ensued on the issue of Board Electoral Redistricting and the plan to begin informing the members on this change via webinars. Staff was directed to proceed, seeking input and critique from the Board before final release of the webinar materials.

Jeremy Jackson suggested that the policy positions of IBBA be summarized in a concise policy handbook, and volunteered to lead the effort to put together an ad hoc committee to pursue this project. Shiloh Hall volunteered to help.

Shiloh Hall brought up the hair shedding project that the University of Missouri is conducting and inquired as to when the scores are to be collected. D. Wilkes committed to get the information to the study participants.

President Heptinstall called for any additional New Business. None was brought forward.

The Board adjourned the open meeting and went into executive session.