

# **National Association of Credit Specialists USDA-FSA**



## **2015-2016 ANNUAL REPORT**

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<p><b>Zone B</b></p> <p><b>Joseph Grier</b></p> <p>Alternate Zone rep activated following Ryan Lukassen moving to another state in Zone A</p>		<p><b>Cell</b> 903-316-5098</p> <p><b>Work</b> 903-561-6042</p>	<p><a href="mailto:rigrier2540@att.net">rigrier2540@att.net</a></p> <p><a href="mailto:joseph.grier@tx.usda.gov">joseph.grier@tx.usda.gov</a></p>	<p><b>Home</b> 4411 Kinsey DR #1101 Tyler, TX 75703</p> <p><b>FSA- Tyler, TX</b> 4209 Republic Dr Tyler, TX 75701</p>
<p><b>Zone C</b></p> <p><b>Jeremey Burner</b></p>		<p><b>cell</b> 540-331-3232</p> <p><b>Work</b> 540-899-9492</p>	<p><a href="mailto:jburner@vt.edu">jburner@vt.edu</a></p> <p><a href="mailto:Jeremey.burner@va.usda.gov">Jeremey.burner@va.usda.gov</a></p>	<p><b>Home</b> 10096 Grasty Gold Mine Rd Rhoadesville, VA 22542</p> <p><b>FSA – Fredericksburg, VA</b> 4805 Carr DR Fredericksburg, VA 22408</p>
<p><b>Zone D</b></p> <p><b>Cheryl Brooks</b></p>		<p><b>cell</b> 870-318-5628</p> <p><b>Work</b> 870-238-3285 ext 108</p>	<p><a href="mailto:davischertl@hotmail.com">davischertl@hotmail.com</a></p> <p><a href="mailto:cheryl.brooks@ar.usda.gov">cheryl.brooks@ar.usda.gov</a></p>	<p><b>Home</b> 495 CR 333 Cherry Valley, AR 72324</p> <p><b>FSA – Wynne, AR</b> 810 Hwy. 64 East, Suite 14 Wynne, AR 72396</p>

## 2015-2016 NACS Committee Appointments

\*Chairperson

<b>FLP</b>	Member	Alt
Zone A	Chantel Haun, CA	Jessica Davis, ID
Zone B	<b>*Denise Lickteig, NE</b>	Brian Bagnell, MO
Zone C	Kim Eilerman, IL	Dustin Mattingly, KY
Zone D	Matthew Christian, TN	Tammy Jones, AR

<b>Mgt/Personnel</b>	Member	Alt
Zone A	Kim Adams, MT	Robbie McKenzie, NM
Zone B	<b>*Jason McMillin, TX</b>	Mark Moser, NE
Zone C	Amanda Robertson, KY	Jason Issac, KY
Zone D	Jamelda Fulton, MS	Alec Love, MS

<b>IT</b>	Member	Alt
Zone A	LeAnn Gibbs, NM	April Bryngelson, ID
Zone B	Brian Wheeler, MO	Kris Borgen, NE
Zone C	<b>*Becky Minter, VA</b>	Sara Possehn, MI
Zone D	Patricia Sorenson, FL	Lisa Gillespie, LA

<b>Legislative</b>	Member	Alt
Zone A	Bardell Faux, ID	
Zone B	<b>*Ben Herink, NE</b>	Heather Cox, TX
Zone C	Greg Koerner, OH	
Zone C	Brandon Waldron, VA	
Zone D	Bob Parris, SC	
Zone D	Dave Bonnett, NC	

<b>Farm Program</b>	Member	Alt
Zone A	Libby Anderson, WA	Dan Mattson, ID
Zone B	Kay McCoy, KS	Rebekah Martin, NE
Zone C	<b>*Tiffany Grody, OH</b>	Michael Albin, IL
Zone D	Charlean Smith, AR	Hendra Woodfork, AR

<b>Membership</b>	<b>Member</b>	<b>Alt</b>
Zone A	Joyce NevinsGinsberg, WA	Jeff Larsen, ID
Zone B	<b>*Kaiti Steckman, NE</b>	Joseph Grier, TX
Zone C	Carol Nagel, WI	Juanita Ballman, KY
Zone D	Mike Sullivan, LA	Patricia Wilkerson, AL



## PRESIDENT'S REPORT

This past year has been an amazing and exciting experience. It has been an awesome ride to serve as your President! I have had the opportunity to meet new people, rekindle friendships, lay the groundwork for new ideas, and bring your resolutions to the forefront. I have had the pleasure of working with a great group of Board Members to bring our association into the future.

Over the course of this past year, I have mentioned how we are “re-branding” NACS and, hopefully, you have seen some of the effects. Last summer, I appointed members to the newly created Communications Committee. Their objective is to improve NACS's way of communicating to members, including our website, Facebook page, and email messages. The Committee has made major changes to our website, making our website more user friendly and easier to navigate for people looking to become NACS members. The Facebook page now includes real-time posts from meetings throughout the year, giving members a place to hear and see what is happening. I want to thank Mark Drewitz, Joseph Grier, Ryan Lukassen, and Becky Minter for their contributions to the Committee.

The Membership Committee has been working very diligently under a new directive. Jill Colgan, Vice President of Communications at McAllister & Quinn, has been working with the Membership Committee on monthly conference calls this past year to revive our membership recruitment initiative. They have created new NACS logos and slogans, an outreach plan for National Convention with prizes, and a mentor program for Convention First Time Attendees.

This past year NACS has also been able to send representatives to various trainings and meetings, including the American Bankers Association Meeting/FSA Stakeholders Meeting, National FLP Policy Meeting, Managerial Cost Accounting Governance Board's Working Group, and the upcoming National Environmental Compliance Training. NACS representatives have also been placed on the following task forces/working groups this past year:

### Human Capital Workgroup:

- Work & Organizational Change - Nathan Denny, FLO, KY & Roy Jessup, FLO, KS
- Recruitment & Retention - Travis Cartright, FLO, UT & Joseph Grier, FLM, TX
- Employee Development & Training - Maria Santos, FLS, FL & Dave Bonnett, FLS, NC
- Accountability, Monitoring & Evaluation - Mitch Swanda, FLM, NE

Aspiring Leader Program - Lori Fink, FLM, IL  
IT Steering Committee - Kim Eilerman, FLM, IL

In closing, I want to remind all members of what I said in my first President's Update. I encourage you to continually ‘tell our story’ to other employees in FSA. There are many potential members you can inspire to join this great association. NACS brings the solution to both State and National Office leadership, and we can only continue to do so with your help. Keep the resolution process going strong, and remember to submit a resolution when you think of something we should change in the delivery of FSA programs. As an association, we DO make a difference, and we provide an avenue for members to become involved in leadership positions.

Thank you for allowing me to serve as your President! It has been a pleasure and honor!

Lisa A. Liska  
President  
NACS-FSA

## VICE PRESIDENT'S REPORT

It has been personally and professionally rewarding serving as the NACS Vice President. The responsibilities of the VP include organizing and assisting the committees as they complete their mission. Committee members have responded very well, especially considering the very busy and difficult times the current economic conditions have brought to our jobs.

The results of the Committee work can be found in the 2015 – 2016 NACS annual report and on our web site. We continue to evaluate the committee structure as we move forward and determine which committee's will best serve our membership in the years to come.

Two committees, Membership and Legislative, operate somewhat autonomous from the resolutions process, but still serve at the direction of the Board and the membership. Both of these committees have made great strides forward this year and benefited from the resources available at McAllister & Quinn. We anticipate seeing the full results of their efforts soon.

Within weeks of the conclusion of our National Convention, the Deputy Administrator of Farm Loan Programs (DAFLP) implemented a technical forum in USDA CONNECT. NACS Board members and committee chairs were given access so that concerns with forms, Agency Notices, etc. could be addressed immediately, rather than waiting for the resolutions process. This represents "change" from the way we have always done things. The forum has not reached its full potential and we must continue to embrace the new way of doing business that results in quicker action and solutions. We recognize the DAFLP and his staff for initiating this forum. I believe this demonstrates that the National Office values the NACS partnership. It benefits NACS members to increase our use of this tool and look for other ways to improve our collaboration with the N.O.

Our committee members continue to serve all FSA employees in addition to their job duties. I want to congratulate them on a job well done and thank them for their efforts on our behalf. I believe strongly that building relationships is a key to success as we manage large complex loan portfolios and work with people. The same philosophy applies to NACS and the relationships we develop with the National Office and our external partners. All parties benefit from these partnerships and we have an obligation to make NACS the best possible partner. Our members and our customers stand to benefit greatly; we can continue to make a difference in rural America.

John W. Gehrke  
Vice President  
NACS-FSA

## SECRETARY'S REPORT

This was my second year to serve as your Secretary and my fourth year as a member of the board. When I reflect back upon my tenure, I find that there are two things that become clear. First, that it is always good to have “New” eyes and ears on the board as they are generally less jaded. Second, that it is always good to have “Old” eyes and ears on the board because they know how to avoid some of the pitfalls. In summary, a mixture and diversity of ideas/knowledge and talent make for a more robust organization.

There are times that the board is involved in conversations that are not generally shared with the membership for various reasons. Although our primary mission is not focused on Personnel we do take steps to monitor potential impacts to membership in this regard and provide feedback within the organization's scope of influence.

Just shortly before the convention last year, I found myself in the unique position of moving into a new role as a District Director, after having been an FLM for a little more than 10 years. This was not something that I considered lightly; however, if you know me you know that I believe in action and not just complaining. I stepped out of my comfort zone to tackle the challenges associated more with management and personnel in the hopes that I would be able to influence some positive changes. That's fundamentally what NACS is about – influencing change.

I enjoy the opportunities that NACS has afforded me to discuss the challenges we encounter and to gain new perspective. The zone meetings and convention inspire me to approach issues in a different light and reinvigorate me regarding the future. Even as I continue to move into my new role within FSA, I look forward to contributing to the continued efforts of NACS.

As to my accomplishments as Secretary – well, I made it through another Annual Report without losing too much sleep; and, published several newsletters which I hope you found informative. I would like to thank Denise Lickteig for assisting with the typing and note taking at the convention last year, without which you would not have had the notes found in this report from the General Assembly. Let me just say that if you find your name spelled incorrectly, I hope that it was at least constant!

We have been revamping the Operating Manual which as this report goes to print is still in draft, think of it as a handbook – it may take years to revise but we will get there eventually.

In closing, I would like to include a modified quote that I recently found while doing some reading which resonated with me as I hope it will with you.

***If there is no struggle, there is no progress.  
Those who profess to favor progress, and yet depreciate agitation, are men who want  
crops without plowing up the ground. They want rain without thunder and lightning.  
Power concedes nothing without a demand – it never did and it never will.***  
***Frederick Douglas***

Theresa Windham  
Secretary  
NACS-FSA

## **TREASURER'S REPORT**

It has been a pleasure to serve as the NACS Treasurer since February of this past year.

The following reports are included in the Annual Report:

2016 Membership Summary Report  
2016 Budget/Actuals as of 5/31/2016  
Net Worth Statement as of 5/31/2015  
Net Worth Statement as of 5/31/2016

The past 6 months have been a challenge with the turn over and switch in the Treasurer position. I want all members to be aware of a situation that occurred during the transition from Tom to myself. During the transition, when the NACS checkbook was mailed from Tom to myself, it was intercepted in the mail. This resulted in fraudulent checks being written out of the NACS account. Immediately upon noticing this fraud, Wells Fargo was contacted and the NACS checking account was closed, fraud claims were filed and a new NACS checking account was established. All funds were returned to the NACS account by the Wells Fargo Fraud department.

The FY2017 Budget was developed by the Board at the Spring Board meeting and a conference call following the Spring Board meeting. The board voted to add \$1600 Convention Committee reimbursement similar to all other committees previously established. The board also voted to add \$500 reimbursement for the NACS President to attend the NASCOE National Convention. With the establishment of the convention committee the "host state reimbursement" has now been changed to "seed money" for convention.

We have asked that all State Treasurer's begin to send an electronic membership listing to the National Treasurer when they submit a due payment. This will help the Treasurer to better keep track of overall NACS membership. It would also be useful for the State Treasurer to indicate in the "memo" line of the check which quarters the check is for.

Thank you for the opportunity to server as your NACS Treasurer and for your patience through the transition. I have truly enjoyed being involved in the NACS association and with the Board over the past year.

Ryan Lukassen  
Treasurer  
NACS-FSA

## 2016 NACS Membership Summary Report

**May 31, 2016**

As of the end of the fiscal year, there were **702** regular members and **10** associate members. Throughout the year, **35** new members joined.

<b>Zone A</b>	<b>Members</b>		<b>Zone B</b>	<b>Members</b>
California/Nevada/Arizona	13		Iowa	40
Colorado	9		Kansas	27
Idaho	16		Minnesota	36
Montana/Wyoming	27		Missouri	24
New Mexico	12		North Dakota	21
Utah	8		Nebraska	43
Washington	16		Oklahoma	0*
			South Dakota	30
			Texas	40
<b>Total</b>	<b>101</b>		<b>Total</b>	<b>261</b>
<b>Zone C</b>	<b>Members</b>		<b>Zone D</b>	<b>Members</b>
Illinois	30		Alabama	27
Indiana	13		Arkansas	27
Kentucky	43		Florida	4
Michigan	11		Georgia	22
New York	17		Louisiana	15
Ohio	17		Mississippi	23
Pennsylvania	11		North Carolina	17
Virginia	26		South Carolina	6
Wisconsin	20		Tennessee	14
West Virginia	7			
<b>Total</b>	<b>195</b>		<b>Total</b>	<b>155</b>

\*The current status of the Oklahoma Association is unknown. At this point it is assumed the association is inactive as they have not paid any FY 2016 dues.

# Budget - 2016

06/01/2015 through 05/31/2016 Using FY 2016 NACS Budget

Category	Actual	Budget	Difference
<b>INCOME</b>			
FY 2015 Dues			
Zone A			
California, Nevada, Arizona	\$432.00	\$0.00	\$432.00
Colorado	\$0.00	\$0.00	\$0.00
Idaho	\$0.00	\$0.00	\$0.00
Montana, Wyoming	\$1,944.00	\$0.00	\$1,944.00
New Mexico	\$828.00	\$0.00	\$828.00
Utah	\$0.00	\$0.00	\$0.00
Washington	\$0.00	\$0.00	\$0.00
Total Zone A	\$3,204.00	\$0.00	\$3,204.00
Zone B			
Iowa	\$0.00	\$0.00	\$0.00
Kansas	\$0.00	\$0.00	\$0.00
Minnesota	\$0.00	\$0.00	\$0.00
Missouri	\$0.00	\$0.00	\$0.00
Nebraska	\$0.00	\$0.00	\$0.00
North Dakota	\$648.00	\$0.00	\$648.00
Oklahoma	\$0.00	\$0.00	\$0.00
South Dakota	\$1,116.00	\$0.00	\$1,116.00
Texas	\$1,480.00	\$0.00	\$1,480.00
TOTAL Zone B	\$3,244.00	\$0.00	\$3,244.00
Zone C			
Illinois	\$0.00	\$0.00	\$0.00
Indiana	\$0.00	\$0.00	\$0.00
Kentucky	\$0.00	\$0.00	\$0.00
Michigan	\$468.00	\$0.00	\$468.00
New York	\$0.00	\$0.00	\$0.00
Ohio	\$0.00	\$0.00	\$0.00
Pennsylvania	\$0.00	\$0.00	\$0.00
Virginia	\$684.00	\$0.00	\$684.00
West Virginia	\$0.00	\$0.00	\$0.00
Wisconsin	\$0.00	\$0.00	\$0.00
TOTAL Zone C	\$1,152.00	\$0.00	\$1,152.00
Zone D			
Alabama	\$652.00	\$0.00	\$652.00
Arkansas	\$0.00	\$0.00	\$0.00
Florida	\$0.00	\$0.00	\$0.00
Georgia	\$792.00	\$0.00	\$792.00

# Budget - 2016

06/01/2015 through 05/31/2016 Using FY 2016 NACS Budget

Category	Actual	Budget	Difference
Louisiana	\$504.00	\$0.00	\$504.00
Mississippi	\$0.00	\$0.00	\$0.00
North Carolina	\$684.00	\$0.00	\$684.00
South Carolina	\$252.00	\$0.00	\$252.00
Tennessee	\$468.00	\$0.00	\$468.00
TOTAL Zone D	\$3,352.00	\$0.00	\$3,352.00
TOTAL FY 2015 DUES	\$10,952.00	\$0.00	\$10,952.00
FY 2016 Dues			
Zone A			
California, Nevada, Arizona	\$1,692.00	\$0.00	\$1,692.00
Colorado	\$1,296.00	\$0.00	\$1,296.00
Idaho	\$2,264.00	\$0.00	\$2,264.00
Montana, Wyoming	\$946.00	\$0.00	\$946.00
New Mexico	\$1,548.00	\$0.00	\$1,548.00
Utah	\$972.00	\$0.00	\$972.00
Washington	\$548.00	\$0.00	\$548.00
Total Zone A	\$9,266.00	\$0.00	\$9,266.00
Zone B			
Iowa	\$6,012.00	\$0.00	\$6,012.00
Kansas	\$3,852.00	\$0.00	\$3,852.00
Minnesota	\$4,592.00	\$0.00	\$4,592.00
Missouri	\$3,116.00	\$0.00	\$3,116.00
Nebraska	\$4,904.00	\$0.00	\$4,904.00
North Dakota	\$1,944.00	\$0.00	\$1,944.00
Oklahoma	\$0.00	\$0.00	\$0.00
South Dakota	\$4,536.00	\$0.00	\$4,536.00
Texas	\$4,332.00	\$0.00	\$4,332.00
TOTAL Zone B	\$33,288.00	\$0.00	\$33,288.00
Zone C			
Illinois	\$3,920.00	\$0.00	\$3,920.00
Indiana	\$2,160.00	\$0.00	\$2,160.00
Kentucky	\$3,647.31	\$0.00	\$3,647.31
Michigan	\$1,682.00	\$0.00	\$1,682.00
New York	\$2,200.00	\$0.00	\$2,200.00
Ohio	\$2,581.00	\$0.00	\$2,581.00
Pennsylvania	\$1,620.00	\$0.00	\$1,620.00
Virginia	\$2,792.00	\$0.00	\$2,792.00
West Virginia	\$936.00	\$0.00	\$936.00
Wisconsin	\$2,042.00	\$0.00	\$2,042.00

# Budget - 2016

06/01/2015 through 05/31/2016 Using FY 2016 NACS Budget

Category	Actual	Budget	Difference
TOTAL Zone C	\$23,580.31	\$0.00	\$23,580.31
Zone D			
Alabama	\$2,799.00	\$0.00	\$2,799.00
Arkansas	\$3,760.00	\$0.00	\$3,760.00
Florida	\$180.00	\$0.00	\$180.00
Georgia	\$828.00	\$0.00	\$828.00
Louisiana	\$2,036.00	\$0.00	\$2,036.00
Mississippi	\$2,988.00	\$0.00	\$2,988.00
North Carolina	\$2,700.00	\$0.00	\$2,700.00
South Carolina	\$684.00	\$0.00	\$684.00
Tennessee	\$508.00	\$0.00	\$508.00
TOTAL Zone D	\$16,483.00	\$0.00	\$2,799.00
TOTAL FY 2016 DUES	\$82,617.31	\$108,432.00	<b>-\$25,814.69</b>
FY 2017 Dues			
Zone A			
California, Nevada, Arizona	\$0.00	\$0.00	\$0.00
Colorado	\$1,584.00	\$0.00	\$1,584.00
Idaho	\$0.00	\$0.00	\$0.00
Montana, Wyoming	\$0.00	\$0.00	\$0.00
New Mexico	\$0.00	\$0.00	\$0.00
Utah	\$0.00	\$0.00	\$0.00
Washington	\$0.00	\$0.00	\$0.00
Total Zone A	\$1,584.00	\$0.00	\$1,584.00
Zone B			
Iowa	\$0.00	\$0.00	\$0.00
Kansas	\$0.00	\$0.00	\$0.00
Minnesota	\$0.00	\$0.00	\$0.00
Missouri	\$0.00	\$0.00	\$0.00
Nebraska	\$1,335.00	\$0.00	\$1,335.00
North Dakota	\$0.00	\$0.00	\$0.00
Oklahoma	\$0.00	\$0.00	\$0.00
South Dakota	\$0.00	\$0.00	\$0.00
Texas	\$0.00	\$0.00	\$0.00
TOTAL Zone B	\$1,335.00	\$0.00	\$1,335.00
Zone C			
Illinois	\$0.00	\$0.00	\$0.00
Indiana	\$0.00	\$0.00	\$0.00
Kentucky	\$1,492.00	\$0.00	\$1,492.00
Michigan	\$0.00	\$0.00	\$0.00



# Budget - 2016

06/01/2015 through 05/31/2016 Using FY 2016 NACS Budget

Category	Actual	Budget	Difference
New York	\$0.00	\$0.00	\$0.00
Ohio	\$0.00	\$0.00	\$0.00
Pennsylvania	\$0.00	\$0.00	\$0.00
Virginia	\$0.00	\$0.00	\$0.00
West Virginia	\$0.00	\$0.00	\$0.00
Wisconsin	\$0.00	\$0.00	\$0.00
TOTAL Zone C	\$1,492.00	\$0.00	\$1,492.00
Zone D			
Alabama	\$0.00	\$0.00	\$0.00
Arkansas	\$0.00	\$0.00	\$0.00
Florida	\$0.00	\$0.00	\$0.00
Georgia	\$0.00	\$0.00	\$0.00
Louisiana	\$0.00	\$0.00	\$0.00
Mississippi	\$0.00	\$0.00	\$0.00
North Carolina	\$0.00	\$0.00	\$0.00
South Carolina	\$0.00	\$0.00	\$0.00
Tennessee	\$0.00	\$0.00	\$0.00
TOTAL Zone D	\$0.00	\$0.00	\$0.00
TOTAL FY 2017 DUES	\$4,411.00	\$0.00	\$4,411.00
Host State Reimbursement	\$0.00	\$0.00	\$0.00
Interest Inc	\$30.00	\$50.00	-\$20.00
Lifetime Membership Dues	\$0.00	\$0.00	\$0.00
Other Inc.	\$500.00	\$1,000.00	-\$500.00
Wunder Fund Donations	\$1,097.92	\$0.00	\$1,097.92
Wunder Fund Transfer	\$0.00	\$0.00	\$0.00
Uncategorized*	\$1,391.47	\$0.00	\$1,391.47
<b>TOTAL INCOME</b>	<b>\$100,999.70</b>	<b>\$109,482.00</b>	<b>-\$8,482.30</b>

## Expenses

2015 Zone Meetings			
State Travel	\$1,200.00	\$0.00	\$1,200.00
Total 2015 Zone Meetings	\$1,200.00	\$0.00	\$1,200.00
Bank Charge	\$45.52	\$0.00	\$45.52
Consultant Fees	\$55,930.91	\$62,000.00	-\$6,069.09
Consultant Retainer Fees	\$0.00	\$0.00	\$0.00
Local Transportation	\$0.00	\$0.00	\$0.00
Meals	\$40.06	\$0.00	\$40.06
Miscellaneous	\$0.00	\$0.00	\$0.00
Parking	\$50.00	\$0.00	\$50.00

## Budget - 2016

06/01/2015 through 05/31/2016 Using FY 2016 NACS Budget

Category	Actual	Budget	Difference
Telephone & Communications	\$0.00	\$0.00	\$0.00
Travel	\$933.74	\$0.00	\$933.74
TOTAL Cosultant Fees	\$56,954.71	\$62,000.00	<b>-\$5,045.29</b>
Convention Expenses	\$1,500.00	\$1,500.00	\$0.00
Awards	\$1,509.49	\$700.00	\$809.49
Board Travel	\$4,318.19	\$4,500.00	<b>-\$181.81</b>
Committees	\$0.00	\$0.00	\$0.00
Farm Loan Programs	\$1,600.00	\$1,600.00	\$0.00
Farm Programs	\$1,600.00	\$1,600.00	\$0.00
IT	\$1,600.00	\$1,600.00	\$0.00
Legislative	\$2,400.00	\$2,400.00	\$0.00
Membership	\$1,600.00	\$1,600.00	\$0.00
Mgt & Personnel	\$1,600.00	\$1,600.00	\$0.00
Misc.	\$0.00	\$0.00	\$0.00
Convention Committee	\$2,278.16	\$1,500.00	\$778.16
First Time Attendee Incentive	\$2,200.02	\$2,200.00	\$0.02
Maketing-Membership Incentive	\$1,000.00	\$500.00	\$500.00
State Incentives	\$1,000.00	\$1,000.00	\$0.00
Total Convention Expenses	\$24,205.86	\$22,300.00	\$1,905.86
FY 2015 Legislative	\$2,405.01	\$0.00	\$2,405.01
Legislative	\$1,979.61	\$7,350.00	<b>-\$5,370.39</b>
Postage	\$39.20	\$50.00	<b>-\$10.80</b>
Supplies	\$113.99	\$150.00	<b>-\$36.01</b>
WDC Board Meeting	\$0.00	\$2,500.00	<b>-\$2,500.00</b>
Web Page	\$357.00	\$300.00	\$57.00
Zone Meetings	\$0.00	\$0.00	\$0.00
NACS President Travel	\$3,086.03	\$3,000.00	\$86.03
State Travel	\$8,400.00	\$10,500.00	<b>-\$2,100.00</b>
Zone Rep Travel	\$1,200.00	\$1,200.00	\$0.00
TOTAL Zone Meetings	\$12,686.03	\$14,700.00	<b>-\$2,013.97</b>
Misc.	\$100.00	\$0.00	\$100.00
NASCOE Conv. Pres. Travel	\$525.67	\$0.00	\$525.67
Uncategorized*	\$1,391.47	\$0.00	\$1,391.47
TOTAL EXPENSES	\$102,004.07	\$109,350.00	<b>-\$7,345.93</b>
<b>OVERALL TOTAL</b>	<b>-\$1,004.37</b>	<b>\$132.00</b>	<b>-\$1,136.37</b>

\*Uncategorized expenses are from fraudulent activity that occurred on the NACS checking account. All money was returned and there was no loss to the NACS association.

**NACS – FSA NET WORTH STATEMENT**  
**May 31, 2015**

**ASSETS**

<u>Account</u>	<u>Balance</u>
Wells Fargo Checking	\$ 13,539.05
Wells Fargo Savings	\$ 99,596.94
Includes:	
Fairness Fund	\$ 3,958.75
Wunder Fund	\$10,932.00
Total Bank Accounts:	\$113,135.99
Accounts Receivable (Dues received after and Unpaid dues)	\$ 14,016
<b>TOTAL ASSETS:</b>	<b>\$127,151.99</b>

**LIABILITIES**

Accounts Payable	
McAllister & Quinn	\$5,030.00
(May payable in June)	
Legislative Travel	\$2,405.01
<b>TOTAL LIABILITIES:</b>	<b>\$7,435.01</b>

<b>TOTAL NET WORTH</b>	<b>\$119,716.98</b>
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**NACS – FSA NET WORTH STATEMENT**

**MAY 31, 2016**

**ASSETS**

<u>Account</u>	<u>Balance</u>
Wells Fargo Checking (Includes \$4,411 pre-paid FY17 dues)	\$13,874.08
Wells Fargo Savings	\$85,631.86
Fairness Fund	\$3,959.94
Wunder Fund	\$9865.74
Total Bank Accounts:	\$113,331.62
Accounts Receivable	\$13,699
<b>TOTAL ASSETS:</b>	<b>\$127,030.62</b>

**LIABILITIES**

Accounts Payable	
Joseph Grier (NASCOE All West Rally)	\$828.07
McAllister & Quinn (May payable in June)	\$5061.70
Tanya Dostal (Awards)	\$84.06
<b>TOTAL Liabilities:</b>	<b>\$5,973.83</b>

**TOTAL NET WORTH** **\$121,056.79**

## **PAST PRESIDENT'S REPORT**

It has been my pleasure to serve on the NACS board this past year as the Past President. I must commend Lisa Liska for doing an awesome job as President this past year. We have continued to represent you, the members, with your concerns and issues throughout the year. Once again the entire board has worked very hard on your behalf.

It has been rewarding to see all of the newly hired FLOT's come on board and begin their training and career with FSA. This has definitely been a year of training and it will continue to be a big part of our job in the future. We have seen an improvement in the hiring process over the past year, which will hopefully help with filling future positions. Workforce engagement has also meant an increased emphasis on supporting our employees. However the volume of loans, servicing and training has definitely strained our employee resources to the maximum. We hope future developments in the IT world will provide us tools to streamline our processes so that we can focus more on the customers that we serve rather than the process to get there.

I have been involved with NACS over the past 30 years and the strength of this organization is the process we have to bring concerns and solutions forward. Please continue to be an active participant in the process through the submittal of your resolutions or your willingness to step into a leadership position. You will find that the more active that you are in the association the more you will learn and grow as an employee and as a person. We need new views and new ideas to continue to grow and change as an organization. Please consider stepping up and becoming more active. The people you meet and the friendships that you create will span this entire country.

Thank you for the opportunity to serve on the Board. It has been an honor and a pleasure.

Tanya I Dostal  
Past President  
NACS FSA

## **ZONE A REPRESENTATIVE'S REPORT**

Thank you for the opportunity to serve as your Zone A representative once again, this is the second time that I've had the privilege of serving in this capacity. The first time on the board was a real eye opener and this year was just as exciting.

Thank you Zone A for all of your support and work to make the Las Vegas meeting it such a rip roaring success. Also the NACS board and other Zone Representative's for all of the help and support you have given and all the NACS Committee members that have worked so hard this year to represent Zone A's interest.

The NACS Board was once again afforded the opportunity to meeting with National Office Personnel and conduct the Spring Board meeting in Washington DC. It was a whirl wind of activities and meetings that allowed us to talk with the Administrator and many others. It was quite a surprise when the Secretary joined us at the joint session and it was fantastic to hear such praise regarding the accomplishments for Farm Loans.

Thank you for the honor of representing you in Zone A and I look forward to seeing you at the upcoming convention.

Clifford Russell  
Zone A Representative  
NACS-FSA

## **ZONE B REPRESENTATIVE'S REPORT**

It has been my privilege to come in and serve as the Zone B Representative this past year, where I have enjoyed working with the NACS board, state presidents, its members and National Office to assist in making FSA a better place. Our National Association of Credit Specialists is truly a nationwide network of professionals advancing its mission by service, growth, and support to make FSA better for all stakeholders. NACS and the Agency's greatest asset truly is its dedicated people and this past year we have continued to tell that story to all.

I would like to thank Kay McCoy of Kansas for her willingness to serve as the Alternate Zone B Representative.

I would like to recognize the committee members and alternates for all their hard work.

Zone B has been well represented by the following members: Farm Loan Programs, Denise Lickteig, NE and alternate Brian Bagnell, MO; Farm Programs- Kay McCoy, KS, and alternate Rebekah Martin, NE; Information/ Technology - Brian Wheeler, MO and alternate Kris Bargaen, NE ; Management and Personnel – Jason McMillin, TX, and alternate Mark Moser, NE; Membership- Kaiti Steckman, NE and alternate Joseph Grier, TX; Legislative Issue- Ben Herink, NE , and alternate Heather Cox, TX. Many hours have been spent pouring over resolutions, on conference calls and preparing for national convention. Thank you for all your hard work as the committee work is the backbone and pulse of our organization. Please continue to think of new and innovative ways we can make FSA a superior place to work and serve.

Our Zone B meeting was held February 4th- 5th in Bloomington, MN and the Minnesota folks were great hosts to the rest of Zone B NACS family. We had a good attendance in Minnesota and had a great meeting with good conversation and relationships formed. We appreciate Jim Radintz and Greg Deiphouse for making the trip, and the message and information that they provided for the group. We were also able to have a conference call with the finance office and Andy Quinn.

The NACS Board along with the other employee organizations was able to travel to Washington, D.C. March 28<sup>th</sup> - April 1<sup>st</sup> to represent NACS as an employee organization. We were able to hold our spring board meeting March 29<sup>th</sup>. The National Office held an opening session with all employee organizations on March 30<sup>th</sup>, where we were able to hear remarks by the Secretary Vilsack, with him mentioning the work and service FLP has performed many times.

The NACS board then met with the National Office on March 30<sup>th</sup> –March 31<sup>st</sup> one on one. The opportunity was an enlightening experience to be able to directly communicate and address questions/concerns from the membership directly to the decision makers in the National Office with their response given. Appreciation is extended to the National Office for giving us the opportunity to travel to WDC and taking the time out of their busy schedules to meet with us.

In addition to FSA Administration, NACS had the opportunity to meet with Deputy Under Secretary for Farm and Foreign Agriculture Services and Military Veterans Agricultural Liaison to discuss veterans issues related to FSA and Farm Loan Programs. A meeting was also held with Lilia McFarland, USDA's Coordinator of New and Beginning Farmer and Rancher Program to discuss the importance of Farm Loan Programs and its services to Beginning Farmers and Ranchers and the role NACS can play in support of that mission.

Again I would like to thank each of you for giving me the opportunity to serve as your Zone B Representative.

NACS continues to advance efforts in truly “Leading the Way” in furthering FSA, its Farm Loan Programs, and its employees. NACS is our professional organization, made up of hard working members serving our farmers and ranchers, and we will continue to tell our story to all. I would truly encourage everyone to find a way to become more involved in NACS as the effort and time that is given to NACS and FSA will be returned back exponentially in terms of networking, professional and personal development, job satisfaction and organizational engagement. I thank you all for your continued support and look forward to the progress, challenges, and achievements made in the coming year.

Joseph Grier  
Zone B Representative  
National Association of Credit Specialists



## **ZONE C REPRESENTATIVE'S REPORT**

It has been my privilege to serve as the Zone C Representative this past year. I would like to thank Tiffany Grody for her willingness to serve as the Alternate Zone C Representative. I have enjoyed working with the board, state presidents, NACS members and National Office to assist in making FSA a better place. NACS truly is a great organization where everyone is looking to make FSA better - not for our own good, but for the farmer.

I would like to recognize the committee members and alternates for all their hard work. Zone C has been well represented by the following members: FLP- Kim Eilerman, IL, and alternate Dustin Mattingly, KY; FP- Tiffany Grody, OH, and alternate Mike Albin, IL; IT- Becky Minter, VA, and alternate Sarah Possehm, MI; M/P- Amanda Robertson, KY, and alternate Jason Issac, KY; Membership- Carol Nagel, WI, and alternate Juanita Ballman, KY; Legislative- Brandon Waldron, VA and alternate Greg Koerner, OH. Each committee has spent many hours reviewing resolutions, on conference calls and preparing for national convention. Thank you for all your hard work as the work you do on these committees is the heart and soul of our organization. Please continue to think of new and creative ways we can make FSA a better place!

We held our Zone C meeting March 10- 12 in Lexington, KY. We had a great meeting with close to 50 in attendance. We appreciate Lisa Liska, Jim Radintz and Val Dolcini for traveling to be at the meeting in person. We were also able to have a conference call with the finance office, OCIO and Andy Quinn. We look forward to seeing everyone at the Zone Meeting in 2017.

The Board along with the other employee organizations were able to travel to Washington, D.C. March 28<sup>th</sup> - 31<sup>st</sup>. We held our spring board meeting March 29<sup>th</sup>. The National Office held an opening session with all employee organizations on March 30<sup>th</sup>. The NACS board then met with the National Office on March 30<sup>th</sup> - 31<sup>st</sup> one on one. This is a great experience as we are able to sit across the table from senior management and get immediate answers to questions/issues from the membership. I would like to thank the National Office for giving us the opportunity to travel to WDC and taking the time out of their busy schedules to meet with us.

I would like to thank each of you for giving me the opportunity to serve as your Zone C Representative. I encourage everyone to get involved in your state organization as well as the national.

"An organization, no matter how well designed, is only as good as the people who live and work in it."

-Dee Hock

Jeremey Burner  
Zone C Representative  
NACS-FSA

## **ZONE D REPRESENTATIVE'S REPORT**

This was my second year to serve as your Zone D Representative, and I truly appreciate being given the chance! Once again, in 2016, the NACS board traveled to Washington DC to meet with National Office officials and our sister Associations to discuss various ways to improve program delivery. The 2015 National Office emphasis was on hiring, effectively training and retaining GS employees. We have seen the accomplishment of this goal with new hires, both traditional and through the Pathways Program, New Manager training, and multiple training opportunities for current employees.

Our NACS Committees play a vital role in acting as liaisons between the field and National Office, and Zone D has some outstanding members who have stepped up to ensure the continued success of our resolution process! I would like to say thank you to each 2016 Zone D Committee member. Those who volunteered their valuable time are: FLP—Matthew Christian (Tammy Jones, Alternate); FP—Charlean Smith (Hendra Woodfork, Alternate); IT—Patricia Sorensen (Lisa Gillespie, Alternate); Mgmt/Personnel—Jamelda Fulton (Alec Love, Alternate); Membership—Mike Sullivan (Patricia Wilkerson, Alternate); and Legislative—Bob Parris & David Bonnett. Each employee should be encouraged to take advantage of the resolution process when an opportunity is presented to improve regulations, forms, etc.

Our 2016 Zone D meeting was held in historic Athens, GA. I am proud to say that we had representation from each state in Zone D. Our National Office was represented by Jim Radintz and Thomas Mulhern, NFACO as well as the FCA Chief were included via LiveMeeting. The 2017 Zone D meeting is being planned for Southaven Mississippi, and we are looking forward to another great meeting!

Farm Service Agency Farm Loan Programs is one of the best careers. Our involvement in NACS serves to keep issues faced by our Agency and Farm Loans relevant. Each one of us should encourage our fellow employees to join our Association, pointing out the great accomplishments we have achieved over the years that have resulted in the improvement of our positions.

Thank you to each and every member of NACS-Zone D for allowing me the opportunity to serve you!

Cheryl Brooks  
Zone D Representative  
NACS-FSA

## **FARM LOAN PROGRAM COMMITTEE REPORT**

### **Resolution 1**

**CONCERN:** The requirements under Handbook 2-FLP, Paragraph 313 A and Handbook 1-FLP, Paragraph 29 G requiring restructuring of SEL lender requests over the approval official's loan approval authority is not consistent with the direct loan PLS restructuring. SEL lenders are required to submit the restructuring request to be forwarded to an approval official with the appropriate authority for the amount of debt to be restructured. This can cause an undue delay in approving SEL loan restructures.

**PROPOSED SOLUTION:** Re-write Paragraph 29G of Handbook 1-FLP to indicate that loan approval officials can approve SEL restructures without debt write-down, regardless of loan amount to match 5-FLP, paragraph 226 A.

**NATIONAL OFFICE RESPONSE:** We disagree. Guaranteed loan amounts are significantly higher than the direct program; significantly more dollars are at risk. Lenders do not have a consistent loan servicing program that all their calculations are run through as the direct program has with PLS; the analysis of the lender's proposal for large dollar operations should require more experienced loan officials. Historically and also today, guaranteed loan restructuring activity has been minimal so while a specific case may result in delay, overall the impact is negligible.

**NACS RESPONSE:** We accept the National Office response.

### **Resolution 2**

**CONCERN:** Handbook 3-FLP, Paragraphs 352 B and 472 C require that the notification regarding the borrower training decision be indicated under the requirements and comments section of form FSA-2313. If training is required then list of approved vendors is to be included. If a waiver is requested but denied, then review rights have to be included. This is a lot to ensure is appropriately addressed each time a loan is approved. And is probably one of the items most frequently done incorrectly or not at all.

This form has been modified (10/2014) to now include the estimated payment and the notification regarding term limits (to replace the one we used to send in Oct).

**PROPOSED SOLUTION:** On form FSA-2313, add a new item under Part A labeled "Training Requirements" and provide optional paragraphs such as provided below:

- a) The FLM has determined that (financial and production) training has been waived for this loan request.
- b) The FLM has determined that (financial and production) training will be required for this loan request. At loan closing an agreement to complete training will be required at which time the courses to be completed and the time frame in which to complete this

requirement will be established. In addition, a list of approved vendors will be provided in this regard at loan closing.

c) You have requested a waiver of borrower training for (financial and production) training; however, the FLM has determined that you would benefit from additional (financial/production) training. The decision to not waive borrower training is non-appealable however you (insert par 15B from 1-APP)

**NATIONAL OFFICE RESPONSE:** We agree that borrower training should be addressed on the FSA 2313. After taking comments from the field through USDA connect we are currently working on a revised version. The changes will need OMB approval before being released to the field.

**NACS RESPONSE:** Form FSA-2313 is being reviewed again by the National Office staff to address this concern and concerns regarding the language for the term limits. It is anticipated that there will be future revisions on the form.

### **Resolution 3**

**CONCERN:** Forms FSA-2211 and FSA-2212 does not have a block for the lender/applicant to indicate the headquarters county. This information may not be specifically included in other documents submitted with the application. Its omission leaves the FSA official possibly making an error in the case number assigned to the account.

**PROPOSED SOLUTION:** Modify Forms FSA-2211 and FSA-2212 to include a block to provide headquarters county information.

**NATIONAL OFFICE RESPONSE:** We agree that on occasion an error in case number could result because FSA-2211 and FSA-2212 do not have a headquarters county block. And to be consistent with the FSA-2001, we will add a “headquarters county” block. Because adding a block on each of these forms would require a modification to our loan making Paperwork Burden Package, we will add the blocks the next time the form needs to be changed or when we have to modify our burden package, whichever comes first.

**NACS RESPONSE:** We will monitor this to be certain that the accepted revisions are made in the next form amendment.

### **Resolution 4**

**CONCERN:** On Form FSA-2525 it lists two options on why we are accelerating the producer’s loans. Option #1 states that the reason we are accelerating the loans is because you did not apply for servicing within the 60 day timetable allotted through the

previous letter. Option #2 states that the reason we are accelerating the loans is because they did not cure the non-monetary default.

**PROPOSED SOLUTION:** Option #1 should be changed from the reason we are accelerating your loans is due to the fact that you did not apply for servicing within 60 days to the following:

You did not correct your monetary default on your FSA loan account or apply for loan servicing within 60 days of receiving an explanation of your rights and instructions on how to apply for servicing.

**NATIONAL OFFICE RESPONSE:** We agree with this resolution as it stresses paying the account current, but we do not agree with combining the two reasons. We will revise the first section of FSA-2525 to read (approximately) as follows:

FSA will accelerate your loans. This means the Agency will take legal action to collect all the money you owe to the Agency on your Farm Loan Programs loans. The reason(s) for this determination is: *(Choose all which apply)*

You did not apply for loan servicing within 60 days of receiving an explanation of your rights and instructions on how to apply for servicing.

You did not pay your FSA account current within 60 days of receiving an explanation of your rights and instructions on how to apply for servicing.

You did not correct the non-monetary default on your FSA loan account within 60 days of receiving an explanation of your rights and instructions on how to apply for servicing.

You did not accept the offer of loan servicing from FSA within 45 days of receiving the offer.

**NACS RESPONSE:** We will monitor this to be certain that the accepted revisions are made in the next form amendment.

## **Resolution 5**

**CONCERN:** The FSA-2571 "Agreement For Voluntary Liquidation of Chattel Security" does not obligate the clerk of a public auction to provide information to us, to hold the proceeds, or to properly distribute the proceeds from the sale. It also does not have a place for the clerk to sign the agreement. These omissions could allow the proceeds to go to the borrower rather than to Farm Service Agency.

**PROPOSED SOLUTION:** Insert the following wording and signature line for the clerk of the sale to sign Form FSA-2571- Any clerk of the sale or other person signing this agreement, who may receive the proceeds of the sale, agrees to keep an itemized list of

purchasers and sale prices, and supply a copy of such list to any party to this agreement who requests it, and agrees to hold the proceeds of the sale in trust for the purposes of this agreement and to distribute such proceeds promptly to the parties entitled to them, as provided below on demand.

**NATIONAL OFFICE RESPONSE:** We disagree. The FSA-2571 is an agreement between the borrower, FSA, and other lienholders on the method of liquidation of chattel security and distribution of proceeds from liquidation. FSA-2571, paragraph 2 provides that the collateral covered by the security instruments be sold and the proceeds applied to the borrower's debt to the Government. FSA-2571, paragraph 4 specifically explains how proceeds from the sale will be used. FSA remains under the protection and the borrower under the obligation of the UCC and security instruments. Any buyer is bound by the requirements of the UCC. We see no need to turn the FSA-2571 into a "contract" with an auction or to place any unnecessary burden upon a public auction.

**NACS RESPONSE:** While we respectfully disagree, we accept the National Office response. Liquidations are often difficult situations and the more direction FSA can provide to the buyers of the collateral will protect our security interest.

## **Resolution 6**

**CONCERN:** Real estate partial release procedure in Handbook 4-FLP Paragraph 197 C requires SED consent for the use of funds for development of remaining real estate for any amount of transaction. This is not consistent with loan making procedure where development with FSA loan funds is approved by the local authorized loan official when within their loan approval authority. The approval official has the authority on partial releases to approve the release but not the use of funds. The result of this is unnecessary delay and submission of requests to the State Office.

**PROPOSED SOLUTION:** Allow the authorized loan approval official to approve partial releases and the use of funds, including development, when the transaction is within the approval levels contained in Handbook 4-FLP Paragraph 199 A.

**NATIONAL OFFICE RESPONSE:** We disagree with this resolution as there are differences between approving a Farm Ownership (FO) loan and releasing real estate security under the provisions of 7 CFR 765.352(a)(3). When an FO loan for development or enlargement of real estate is made, the loan (a) must be fully secured and (b) there must be a feasible plan, while releases of real estate do not have the same requirements.

The Handbook does not require any particular action be taken to obtain SED consent. The State can issue a State Supplement and provide additional guidance on the requirements for releases. This could be an email exchange where the local office describes the situation to the State Office and the FLP staff looks at the FBP online or it could be a full file submission.

**NACS RESPONSE:** We accept the National Office response.

## **Resolution 7**

**CONCERN:** Form FSA-2241, “Guaranteed Farm Loan Status Report,” does not provide meaningful information regarding either Protective or Emergency Advances. This results in confusion for lenders and poor information for FSA.

**PROPOSED SOLUTION:** Change the FSA-2241 (paper and electronic copies in LINK) to provide places for lenders to clearly report Current Balance On Protective Advances and Emergency Advances.

**NATIONAL OFFICE RESPONSE:** We agree that FSA-2241 should have some separate entry information, but only for loan advances and emergency advances. The FSA-2248 “Guaranteed Farm Loan Default Status Report” should capture protective advances as these are only authorized during liquidation and should be reported on the default status only. We will look at revisions to FSA-2241, which is subject to paperwork burden requirements and lengthens the process of form changes. Currently, lenders using LINC and FSA officials have the emergency and protective advance fields available to them on the Status and Default Status screens in GLS. The column on the FSA-2241 for “Amount Advanced During the Current Reporting Period” currently should only include loan advances and emergency advances advanced during the report period, but are not separately identified.

**NACS RESPONSE:** We will monitor this to see what form revisions are made based upon the acceptance of this resolution.

## **Resolution 8**

**CONCERN:** DDORS is behind changes that have been made in FLP. It still refers to the FSA-2040 instead of the FSA-2040 and FSA-2045. Loans listed under “May Require Attention” only have a yes/no choice but the question doesn’t really apply to all situations. This review, as currently formatted, does not meet any objectives for program management. Additionally, we still have several reports that are done monthly/quarterly/weekly outside of this report.

**PROPOSED SOLUTION:** One comprehensive report should be developed that looks at the overall performance of the portfolio and management to meet the established goals that is formatted in such a fashion that the DDs can actually provide some insightful and meaningful direction.

**NATIONAL OFFICE RESPONSE:** FSA-2101 and the DDORS website will be updated to reflect the FSA-2040 and FSA-2045 by end of calendar year 2015. We invite your suggestions for improving the current formatting to meet program objectives as well

as developing one comprehensive report. Provide your suggestions and recommendations to Teresa Martin at [teresa.martin@wdc.usda.gov](mailto:teresa.martin@wdc.usda.gov). Your suggestions and recommendations will be further evaluated under the DAFLP initiative to review all internal control policies and activities. Any programing changes requested for DDORS or other internal controls will be subject to available funding.

**NACS RESPONSE:** We encourage NACS members to submit suggestions and recommendations to the National Office staff so they can be considered during future revisions to the form and DDORS website.

## **Resolution 9**

**CONCERN:** 7 CFR 764.101(i)(4)(ii) states that alternative managerial ability eligibility requirements include a self-directed apprenticeship combined with either prior sufficient experience working on a farm or significant small business management experience. The 2014 Farm Bill gave the Agency the ability to substitute one year of leadership or management experience while servicing in any branch of the military when considering farm experience eligibility for FO loans. Since the Agency is marketing the microloan to veterans, the inability to consider their prior military leadership/management experience for the managerial ability eligibility requirement is restrictive to assisting veterans to starting their own operations.

**PROPOSED SOLUTION:** Include the leadership/management experience while servicing in any branch of the military to the microloan managerial ability eligibility requirements to the alternative for microloan requirement.

**NATIONAL OFFICE RESPONSE:** We agree with your proposal and will incorporate the change to CFR when we publish the rules for the new Farm Ownership Micro Loan.

**NACS RESPONSE:** The proposed solution has been implemented with the Direct Farm Ownership Micro Loan regulations.

## **Resolution 10**

**CONCERN:** 4-FLP states to return security instruments once the loan is paid in full. The PT manual says to return documents after 15 days. We are not receiving notification of a returned check for over 60 days.

**PROPOSED SOLUTION:** We need notification within 10 business days of the payment being received if the check was returned. We also need to be notified the reason the check was returned.

**NATIONAL OFFICE RESPONSE:** We agree with your comments and will revise the PT manual to eliminate the 15 day time frame for returning security instruments. We



also contacted the Kansas City Finance Office as they are responsible for processing checks. They explained the processes for notifying State and County Offices about dishonored checks. For current checks, they pull daily reports from Treasury and notify the state and county offices that the checks are dishonored as soon as possible after pulling the reports, typically within two working days. They are sending these notifications via email for several reasons, including efficiency, better tracking, and auditability. They are also sending notifications by email for old checks that Treasury returned as dishonored, but the remittances were never dishonored in NRRS. Due to limited resources follow up was not completed until fairly recently and these checks could be old.

**NACS RESPONSE:** We will monitor this to see that revisions are made to the PT manual based upon the acceptance of this resolution.

## FARM PROGRAM COMMITTEE REPORT

### Resolution 1

**CONCERN:** 1-FSFL, paragraph 127A, step 10 requires that a final lien search be completed within 5 working days of the closing of the FSFL loan.

2-FSFL, paragraph 400C, requires the input of the date of the final lien search before a check request can be made.

These two paragraphs create conflict since it generally takes at least 7 business days for receipt of the check so the loan closing can be scheduled. Once check(s) are received, it will be greater than 5 working days since the lien search is completed and the FSA employee will be in violation of 1-FSFL, paragraph 127A.

**PROPOSED SOLUTION:** Amend 1-FSFL to require a lien search be completed prior to processing a check request rather than within 5 working days of the loan closing.

**NATIONAL OFFICE RESPONSE:** Newly issued FSFL policy in 1-FSFL (Rev. 2), subparagraph 185 D provides a final lien search is required **before** FSFL can be disbursed. For FSFL's with no real estate security, State and County Offices are **required** to perform and record the final lien search within 5 workdays before the check is requested in DLS **or** FSFL closing.

When the FSFL requires additional security, the attorney or title company will perform the final lien search, according to 1-FSFL (Rev. 2), paragraph 187.

2-FSFL, subparagraph 400 C, provides the final lien search date must be entered in DLS after the structure has been completed.

**COMMITTEE RESPONSE:** Agree with DAFP response, no additional followup at this time.

### Resolution 2

**CONCERN:** 1-FSFL Paragraph 167A, indicates that a collateral check is required "when the full annual installment is not made within 30 calendar days after the installment due date." However, the example, which is provided for reference does not support the 30-day time frame. The example indicates a collateral check is required in Year 3, when the installment is made 18 days late and a collateral check is required in Year 6, when the payment is made 21 days after the due date.

**PROPOSED SOLUTION:** Amend the handbook example (chart) to show the payments being made in Years 3 & 6 more than 30 days after the installment due date.

**NATIONAL OFFICE RESPONSE:** The required inspections table has been updated in 1-FSFL (Rev. 2), subparagraph 215 A.

**COMMITTEE RESPONSE:** Agree with DAFP response, no additional follow up needed at this time.

### **Resolution 3**

**CONCERN:** Applicants for FSFLs are not required to meet the test of credit, and in many cases have large net worths/working capital in excess of the requested loan amount. With the exception of loans of \$10,000 or less, a financial analysis must be completed. In many cases, this process is of little value and time-consuming considering the financial strength of the operation.

**PROPOSED SOLUTION:** The financial analysis of applicants who are applying for loans of \$100,000 or less be waived when the requested loan is 20% or less of the working capital or the net worth is in excess of 10 times the requested loan amount.

**NATIONAL OFFICE RESPONSE:** We may consider allowing FSA State Committees to use statewide discretionary authority to implement the proposed solution to allow a financial analysis of applicants who are applying for a FSFL with an aggregate outstanding FSFL balance of \$100,000.00, or less be waived when the requested FSFL is 20 percent or less of the working capital or the net worth is in excess of 10 times the requested FSFL amount.

**COMMITTEE REPSONSE:** Agree with DAFP response, no additional follow up needed at this time.

### **Resolution 4**

**CONCERN:** Currently FSFL loan funds cannot be disbursed until construction of the facility has been completed in full. This requires the borrower to obtain interim credit or have the contractors carry the invoice until the project is completed in full. Many contractors are requiring at least partial payment before they will begin work on the facility. By making the borrower's wait for loan funds to be disbursed, the borrower's ability to obtain annual operating credit may be hindered.

**PROPOSED SOLUTION:** Change the method of disbursement for FSFL loans to be similar to direct term loan disbursements. This will allow the borrower to advance funds as work is completed.

**NATIONAL OFFICE RESPONSE:** Unfortunately, it is a statutory FSFL requirement, to allow a producer to select a partial/final or final disbursement only at the time of loan request.

For the partial/final disbursement, County Offices are authorized to disburse up to 50 percent of the approved FSFL amount, which is commensurate with the amount of construction completed. Refer to 1-FSFL (Rev. 2), paragraph 57.

**COMMITTEE RESPONSE:** Agree with DAFP response. No additional follow up at this time.

## **Resolution 5**

**CONCERN:** A number of new policies regarding wetlands and other environmental concerns are being implemented through a newsletter and not through the normal channels of writing the regulation change.

**PROPOSED SOLUTION:** Require that all changes in policies regarding wetlands and other environmental concerns be implemented through directives.

**NATIONAL OFFICE RESPONSE:** The FSFL program follows program related guidance received from the Conservation and Environmental Programs Division and Production, Emergencies, and Compliance Division when it pertains to wetland and environmental concerns. Respectively, applicable policies for wetland provisions can be found in Handbook 6-CP and for environmental concerns, Handbooks 1-EQ and 2-EQ.

1-FSFL (Rev. 2), paragraph 11 provides current environmental compliance policies for FSFL eligibility.

**COMMITTEE RESPONSE:** Agree with DAFP response. No additional follow up at this time.

## INFORMATION TECHNOLOGY COMMITTEE REPORT

### Resolution 1

**CONCERN:** GLS will not allow an application to be input into the system unless the first-time lender has a Lenders Agreement on file and has been assigned a lender's ID/branch with the FSA office.

**PROPOSED SOLUTION:** Revise GLS to allow an application to be input into the system prior to the lender being assigned a Lender's ID/branch.

**NATIONAL OFFICE RESPONSE:** In reviewing this resolution it does not appear that any changes are needed in GLS. If FSA receives an Application for Guarantee, the lender is required to provide their tax ID, address and oversight agency on the application, the office receiving the application would be able to review the lender for eligibility (regulator action, debarment and suspension, etc.), add the lender to GLS and process the application without a signed Lender's Agreement. As noted in Paragraph 247 of 2-FLP, a current Lender's Agreement is not required to process the application; it can be submitted with the loan closing forms and information. Since an Application for Guarantee can only be submitted by lenders and the lender is required to provide us with their tax ID, address, and oversight agency we would have all the information needed to determine lender eligibility, enter the lender in GLS and then enter the application without any changes to GLS.

**COMMITTEE RESPONSE:** We agree with NO response. This does not seem to be an issue.

### Resolution 2

**CONCERN:** When ordering money there needs to be a way in DLS to track use of funds.

**PROPOSED SOLUTION:** Add a dropdown box which allows you to select multiple expenses correlating to the expenses in FBP as to the use of funds and authorization. Also, make the information available on a report of the 1C transactions by borrower that we can generate periodically as needed by the approval official.

**NATIONAL OFFICE RESPONSE:** NACS has a similar resolution still open from 2012. The National Office is currently implementing an enhancement within DLS that will address at least part of this concern. It will notate the authorized official who processed the request. The enhancement is in the development stage. We will look at further enhancements to address the use of funds record as automation resources become available. No change to status at this time.

**COMMITTEE RESPONSE:** We appreciate the upcoming enhancement to notate the authorized official who processed the request, however the dropdown box to notate use of funds will remain on our wish list. This is especially important as we move towards a paperless office.

### **Resolution 3**

**CONCERN:** We are continually getting notifications that software must be updated. We are required to leave the computers running at night so updates can be done at night but now it seems this has shifted to business hours along with virus scanning (which slows the PC to a glacial pace). Taking our time to run software updates and slowing our machines takes our time away tasks that directly impact program delivery. Virus scanning cannot be stopped and is outside the control of employee.

**PROPOSED SOLUTION:** It should be recommended to IT to schedule essential updates for non-business hours by location (i.e. – time-zone specific). If, in some limited cases, that cannot be done, we propose the employee be given the ability to schedule the update/scan to run at end of day when employee departs or during lunch.

**NATIONAL OFFICE RESPONSE:** FSA’s Office of Chief Information Officer will be issuing guidance to inform field employees on how to set core business hours in their system to lessen the impact of software updates during peak hours.

**COMMITTEE RESPONSE:** No discussion – We have since received guidance.

### **Resolution 4**

**CONCERN:** Payment Due date does not appear on the Customer Management Farm Business Plan loan schedule in DLM.

**PROPOSED SOLUTION:** Revise the schedule to include the payment date.

**NATIONAL OFFICE RESPONSE:** The DLS FBP Loan Schedule was not developed as a tool to provide loan balance information to the customer. It is to be used by the FLO/FLM in completing FBP data entry when there was an active deferral on the account. This specific status screen provides a breakdown of the accrued interest on deferred principal when the customer is on an active deferral (flagged DEF 2). The Unpaid Deferred interest will display the amount of accrued interest on deferred principal as of the accrual date. (This will correspond to the amount displayed on page 4 of the ADPS AI screen.) The DLS Customer Statement is already in place and meets the information and PII requirements requested by this resolution.

**COMMITTEE RESPONSE:** Although the Customer Statement and Customer Status screens have this information for each individual loan, there is no screen that shows all

outstanding loans with principal balance, accrued interest, deferral amount, payment amount, and payment due date. This is convenient when wanting to see all outstanding loans together in one place. The FBP Loan Schedule screen has all of this, except the payment due date, therefore it should be easy to add. This information is also available on the 540 report, but we would like to be able to see it for just one borrower at a time as well. NO agreed this would be nice once hearing our explanation and said they would look in to it further. We will continue to keep this on our wish list.

## **Resolution 5**

**CONCERN:** The FSFL checklist is lengthy and must be completed manually. It would seem it could be added to DLM and be completed there.

**PROPOSED SOLUTION:** Add the FSFL checklist to DLM.

**NATIONAL OFFICE RESPONSE:** CCC-195 forms are a requirement of 1-FSFL and while DLS does have the checklist function and National Office FSFL Administration does have access, they have opted not to use the DLS Checklist function since it will not generate the CCC form from the system.

**COMMITTEE RESPONSE:** No discussion

## **Resolution 6**

**CONCERN:** Customers want to pay FSA program and application fees with a debit or credit card.

**PROPOSED SOLUTION:** Provide offices with the ability to accept fees by use of credit or debit card. Any transaction/swipe fees would be passed on to the customer.

**NATIONAL OFFICE RESPONSE:** We are currently testing the Pre Authorized Debit (PAD) in two states for current customers to make their payments and are working to expand this testing. At this point in time, we are not aware of anything going on to enable the customer to pay FSA program and application fees with their debit or credit cards. No further action can be taken on this resolution, however we continue to work with Finance to advance alternate payment methods.

**COMMITTEE RESPONSE:** It is our understanding that the PAD only deals with making automatic withdrawals for loan payments – it will not be available for application fees (credit report fee) via credit or debit card. Not only are fewer and fewer people using checks, this would be especially helpful as we move towards online submission of applications. NO stated they agreed with this and will continue to work with FO to see what is possible down the road.

## **Resolution 7**

**CONCERN:** We need to print a receipt for FSFL payments. In the case where they are lost or fail to print properly there is no way to reprint the receipt.

**PROPOSED SOLUTION:** Add a means (i.e. – a hyperlink) to be able to reprint the FSFL payment receipt if needed.

**NATIONAL OFFICE RESPONSE:** DLS currently provides the ability to print a receipt. There is procedure in place instructing the field how to print before submitting the payment to NRRS. There is a fallback, however; if the office does not print the receipt in DLS then they can go to NRRS and print off a receipt.

Release 2B will have enhancements to automatically print the receipt; however, until its release follow guidance in 2-FSFL.

**COMMITTEE RESPONSE:** No discussion, should be fixed with update.

## **Resolution 8**

**CONCERN:** The beginning cash section of the Farm Business Plan in cash flow section continues to be extremely slow and cumbersome.

**PROPOSED SOLUTION:** Correct software issues to improve the speed under this section.

**NATIONAL OFFICE RESPONSE:** With the next version release FBP will be moved to new servers. This move should improve the overall performance in FBP and we hope will correct the slowness in the beginning cash section. If after the release there is not a noticeable improvement a request will be submitted for further evaluation of the system.

**COMMITTEE RESPONSE:** New version of FBP has not been released yet. As of 12/14 it took 30 seconds to open the beginning cash link. We will review this again once the new version is released.

## **Resolution 9**

**CONCERN:** When printing using Adobe in Farm Business Plan it requires an extra step to complete the printing.

**PROPOSED SOLUTION:** Revise software to do a more direct print command on items that are being printed in reports section of Farm Business Plan.



**NATIONAL OFFICE RESPONSE:** After further discussion with NACS IT committee members it was determined that the printing issue was resolved with a recent update.

**COMMITTEE RESPONSE:** No discussion, this has since been improved.

## **Resolution 10**

**CONCERN:** There would be considerable time savings in the Farm Business Plan if the Credit Presentation could be duplicated when processing Streamline or subsequent OLs in same production cycle.

**PROPOSED SOLUTION:** Allow the Credit Presentation to be duplicated in the above situations.

**NATIONAL OFFICE RESPONSE:** The FBP functionality will not allow a user to only duplicate in certain situations, therefore we are unable to restrict duplication to only Streamlined or subsequent OL's. Each loan is unique and the items in the credit action should be completed for the loan being approved.

**COMMITTEE RESPONSE:** No discussion

## **Resolution 11**

**CONCERN:** ITS just began putting size limits on our H drives and office shared drives. While the agency is moving toward a paperless environment we are limited to 10 gb per user and 30 gb per office shared space. Many of us already exceed these limits. We have been told for years that we are not to delete anything, and now we are told to delete the old files and keep it under 10gb. So we either delete or to keep the data, it now has to be stored on a CD or DVD. With today's low cost of storage this is unreasonable. We have terra bit drives on most servers and have sufficient space without incurring any additional cost.

**PROPOSED SOLUTION:** Change the harddrive limit to reflect what is needed in the county office. Some don't use much at all, and others use quite a bit.

1. Remove the limits, but follow up with concrete direction as to what needs to be kept/stored and what can be legally deleted. As of now the County Office does not have sufficient direction on what to keep or what to delete regarding electronic files.
2. Set up a simple archive sytem for long term storage with clear direction on what should be stored and what and when files can be deleted.
3. Provide direction on a file structure to orderly store and easily retrieve information if needed for both near-term and long-term.

**NATIONAL OFFICE RESPONSE:** We understand the issues the restriction on the size limitation on the H drive is causing. However, since the solution is outside of FLP's scope, we have forwarded the resolution to FSA's Chief Information Office.

**COMMITTEE RESPONSE:** We appreciate this getting passed on to CIO, and request a follow up, as this will continue to be an issue as we move towards a paperless office. NO also stated the agency is working on some sort of "storage warehouse", but they don't know much about it yet. Courney Dixon will take lead in finding us an interim solution.

## **Resolution 12**

**CONCERN:** It is time consuming and inefficient to continually fill in application and closing forms with the same information like name and address.

**PROPOSED SOLUTION:** Provide a solution where the information can be entered or input once and used to automatically data fill in the application and closing forms.

**NATIONAL OFFICE RESPONSE:** This will be addressed as we move forward with the paperless office and online application processes.

**COMMITTEE RESPONSE:** No discussion, however staying on our wish list.

## **Resolution 13**

**CONCERN:** When printing loan packages from Farm Business Plan in duplex, if the pages for each section are not even, the report may have balance sheet info on one page and the back page will have income/expense info.

**PROPOSED SOLUTION:** Insert a page break between the reports when necessary.

**NATIONAL OFFICE RESPONSE:** The current print package process appends the information from the reports into one long report. WebEquity was contacted and their programming department reviewed and determined that page breaks could not be inserted in the process currently in use. A request has been submitted to their product development team, and WebEquity will consider changing the process in a future version release.

**COMMITTEE RESPONSE:** We appreciate you submitting this to WebEquity and will keep this on our radar with future WebEquity updates.

## **Resolution 14**

**CONCERN:** It would be a huge time savings and less confusion for managers when developing performance plans if there was a drop down menu in EmpowHR for Elements and then from the Element chosen, a dropdown menu for Standards. The only thing that would need to be created and individualized would be the measures and results.

**PROPOSED SOLUTION:** Create drop down menus in EmpowHR for Performance Elements and Standards in line with 5-PM.

**NATIONAL OFFICE RESPONSE:** EmpowHR is a USDA-wide system and outside of FSA's control. We have informed FSA's Chief Information Office of the concern; however, we cannot guarantee that any action will be taken in response.

**COMMITTEE RESPONSE:** Thank you for forwarding this to the CIO, we will keep this on our wishlist

## **Resolution 15**

**CONCERN:** There is no notification in DLM if an account is not properly linked or a number has been put in incorrectly.

**PROPOSED SOLUTION:** Send a notification or flag before a paper check is to be issued.

**NATIONAL OFFICE RESPONSE:** Since DLS obtains customer information from Business Partner > SCIMS, the assumption is that the end user has entered the customer information correctly into the system of record from customer provided application information. For existing customers, if a change to the tax ID has been made to the BP/SCIMS information since the last time the account was accessed in DLS, the system will prompt the user to process a manage case number immediately upon accessing said customer in DLS.

**COMMITTEE RESPONSE:** This is a resolution we have been discussing for years. The response given does not address the concern we meant – which deals with account numbers, borrower id numbers, loan numbers, etc. being input wrong in EFT – which results in a paper check. The system is not user friendly and mistakes are easily made. We need to be notified before a paper check is issued. NO said they understood the issue and are currently looking for an alternative to EFT, including the same system program side uses, but no answer on how long before this happens.

## MANAGEMENT/PERSONNEL COMMITTEE REPORT

### Resolution 1

**CONCERN:** As security incidents (terrorist or homegrown) are happening more often in addition to certain individuals dislike of the government the security risk of county offices are becoming more probable. Many times you don't know someones mental state and what could trigger them to act on their negative feelings against the government.

**PROPOSED SOLUTION:** National Office to provide guidance on proper protocol for whom to contact in regard to security awareness and threat assessments. Inform each state office of DHS Federal Protective Service contact information.

**FSA DAM Response:**

EPD will provide information in the revised handbook to address NACS recommendation to be released early in the 1stQtr, FY16.

**COMMITTEE RESPONSE:** This response is acceptable to the committee. As of the meeting committee meeting on February 4<sup>th</sup> 2016 we had not seen these updates: we will need to revisit this topic at the convention to ensure it is done.

### Resolution 2

**CONCERN:** The current hiring process appears to take an excessive amount of time and we have problems getting qualified candidates to make the best qualified list for FLOT positions.

**PROPOSED SOLUTION:** Give states the opportunity to establish rating panels within the states when advertising for positions.

**FSA DAM Response:**

The agency has taken several steps to improved the timliness of the hiring activity. These steps include hiring more staffing specialists in HRD, forming an agency-level task force to analyze the hiring process and make some changes or suggestions for change, forming a tiger team of volunteers from the states to develop an 'Express Lane' which cuts at least 20 days off of the time to hire, and establishing a Lean Six Sigma improvement effort on the hiring process.

Up to this point, the focus has primarily been on addressing the timeframes of the hiring activity. However, we do intend to shift the process improvement focus into the qualitative realm and using subject matter experts to analyze the applicant responses before the selection certificates are generated is something we have discussed. So, stay tuned.

**COMMITTEE RESPONSE:** This response is acceptable to the committee. It appears that hiring is improving however it is not at an acceptable level yet: we will need to revisit this topic at the convention to ensure progress is made.

## Legislative Committee Report

The NACS-FSA Legislative Committee members this year were:

Members:

Bardell Faux, ID - Zone A (Vice-Chair)  
Ben Herink, NE - Zone B (Chair)  
Greg Koerner, OH - Zone C  
Brandon Waldron, VA - Zone C  
Bob Parris, SC - Zone D  
Dave Bonnett, NC - Zone D

Alternates:

Heather Cox, TX - Zone B

All members fully participated in the committee and all Zone meetings were attended by a committee member. The committee did not make a full spring trip to Washington, D.C. (DC) this year as we will use our National Convention trip this year to spend time on the Hill. Although we did add two new members to our committee this past year, I continue to think of our group as seasoned vets as we have been able to mostly maintain consistency in our membership for a number of years now. This aids greatly in building relationships and understanding the nuances of work in DC. I am proud of the work our committee does and the way we do it. Thank you for your time, effort, and dedication to NACS and this committee.

Two visits to DC were made since our last convention. On September 23, 2015 NACS held the inaugural Ag Lending Forum at McAllister & Quinn's (M&Q) office. The following groups were invited to and represented at this forum:

American Bankers Association (ABA), Farm Credit Council (FCC), Independent Community Bankers of America (ICBA), NACS, National Rural Lenders Association (NRLA), National Sustainable Ag Coalition, and National Young Farmers Coalition (NYFC)

M&Q and the Legislative committee were very proud to be able to get these groups in one room, as many of these groups have historically feuded in Congressional hearings. One of the overwhelming discussion points of the forum was the need to increase FSA's guaranteed loan limit. This was one of the major agenda items for ABA, FCC, ICBA, and NRLA. There were many other agenda items discussed during the forum. Most notably, all groups had a great interest in expanding opportunities to beginning farmers, whether it be through expanded credit initiatives or student debt relief. There was no opposition from the groups present concerning NACS' push to increase direct loan limits or to abolish direct term limits. It became apparent though that in order to get all groups to sign off on a support letter to Congress in favor of raising direct loan limits and abolishing direct term limits, NACS would need to sign off on a proposal to raise the guaranteed loan limit.

This proposal was discussed with all Legislative Committee members, and Vice-President, John Gehrke, during a conference call on January 14, 2016. The NACS board approved the proposal presented by the Legislative committee that NACS should support a one-time increase of the FSA guaranteed loan limit to \$2.5M. FSA Guaranteed loans were increased in 1999 to \$700,000, with 2000 the first year this limit was put into action. They were also indexed at this time and adjusted annually for

inflation based on the Prices Paid by Farmers Index, which is computed from data collected by NASS each year. Since 2000, indexing the program has resulted in annual increases to our program to today's loan limit of \$1,399,000. Given the ever increasing size of "family size farms", increased demand for long term refinance usage, the increase in ag real estate prices, and increases in ag input costs, ag credit groups from across the country are actively speaking out for the need for FSA to raise its Guaranteed Loan limit.

The Legislative Committee continues what is projected to be a long educational process on the need to increase loan limits on the direct side. This was a primary agenda item for NACS during the September Ag Lending Forum. NACS has found written support for the increase of direct loan limits from most all of our ag lending partners.

In late March I was able to travel to DC with the NACS board and briefed them on our progress to date legislatively. I also made six targeted Congressional visits. M&Q scheduled meetings that focused on key House and Senate Ag Committee members, as well as Appropriations Committee members. The hill meetings focused on the agenda items that arose out of the Ag Lending Forum and the support letter that was provided to them around this time promoting the need for increased loan limits and additional funding. The success of Farm Loan Programs and efficiency in which we are able to convert congressional funds into a large economic impact in rural America carries much weight. Our committee is quick to point out to congressional members that any potential increases in loan limits must be supported with an increase in appropriations so that we are not decreasing the number of farmers and ranchers who may need our credit.

We also continue to promote the repeal of term limits on direct borrowers. FSA's borrower "churn" data continues to reflect the strong graduation rates among our direct loan customers. This churn data, along with credit deserts and/or access to credit issues and the ability of an applicant to make themselves appear credit worthy, continue to be the leading factors in support of the repeal of direct term limits. The Department provided Congress with a report in late 2015 focusing on data that outlines the overall impact and effect of term limits. This 28-page report was provided to NACS on February 4, 2016. M&Q and the committee reviewed this report, but the basic conclusion of the report found that term limits have not had a significant impact in the last 10-15 years. It did however indicate that term limits will likely become a bigger issue given the current downturn in the ag economy and that certain areas of the country are impacted more than others by term limits.

Recently we have feverishly been pressing Congress for additional loan funds and continue to stress the importance of maintaining an adequate level of Farm Loan Programs' staffing in the field in order to continue to provide superior customer service in the area of supervised credit. NACS helped co-write a support letter to key Congressional members on the need for greater loan funding. This letter was signed by multiple ag partners.

As noted throughout this report, the committee has spent considerable time building our rapport with other ag credit partners across the country in the hopes of increasing collaboration and strengthening our bargaining power. In addition to the Ag Lending Forum mentioned above, another example of this renewed outreach was NACS' invitation and presence at the inaugural NRLA National Convention held at the offices of

Farmer MAC in DC in September 2015. John Gehrke, Andy Quinn, and I were present and I was given the honor of presenting for almost an hour to the NRLA members on who NACS is (our story), our mission, and what our priorities were this past year. The Undersecretary for Rural Development and Jim Radintz were also guest speakers at the NRLA convention.

The committee and M&Q has also monitored the progress of the sponsorship legal opinion received in January 2016 and will also begin its proactive media campaign in 2016. We are very much looking forward to taking advantage of National Convention being in DC and the execution of the planned larger scale "Hill Day".

I would like to thank McAllister & Quinn for their innovative new ideas and valuable guidance, information, and contacts. Andy and his staff, most notably Kelsea Guckin, have developed relationships with key staffers and Ag partners and conveyed our message before, during, and after our trips. Andy has met with multiple Congressional offices throughout the year on NACS' behalf. The weekly and sometimes daily briefings assisted us to develop targeted action plans and implement those plans. Their follow up visits remain a vital part of our legislative effort.

NACS and Farm Loan Programs are well received on Capitol Hill and we have a tremendous story to tell. I again thank all those who contributed to our legislative efforts this past year, especially John Gehrke. His leadership and guidance on this committee are invaluable. Please continue to make your legislative concerns known to the NACS Board. They set the priorities for the Committee and our legislative consultant.

Ben J. Herink, Chairperson  
NACS Legislative Committee

## MEMBERSHIP REPORT

I would first like to take this opportunity to thank the Membership Committee Members and their Alternates:

	<u>Member</u>	<u>Alternate</u>
Zone A:	Joyce Nevins-Ginsberg, WA	Jeff Larson, ID
Zone B:	Kaiti Steckman, NE	Joseph Grier, TX
Zone C:	Carol Nagel, WI	Juanita Ballman, KY
Zone D:	Mike Sullivan, LA	Patricia Wilkerson, AL

It has been an exciting year for Membership Committee. The agency was hiring at levels we hadn't seen in several years, which for NACS meant new farm loan employees to recruit to the association. At this same time, NACS began its relationship with Jill Colgan, VP of Communications at McAllister & Quinn. Jill developed the NACS Marketing Strategy last spring, with Phase One focused on Membership recruitment, and Phase Two will implement Media Marketing. Jill has been an invaluable asset for the committee. She hosted monthly conference calls and enthusiastically accepted any challenge presented to her.

At the 2015 Convention, the committee was tasked to "rebrand" NACS in the upcoming year, in a way geared toward a new generation of employees. It was decided during the committee meeting to market NACS as "Leadership Training," focusing on career and professional development opportunities available to our members, and answering the pressing question - *What can NACS do for me?* Along with the rebranding, the committee was also asked to promote this year's convention in Washington, D.C.

We utilized Jill's background in Communications as much as possible. With input from the committee, she created our supplemental logo and slogan "Leading the Way." Together we created promotional material for D.C., a one-page summary membership document, and developed the incentives for attendance at Convention. The committee reworked the membership packet – highlighting the leadership training aspect - and made it easier to locate this document on the website. Jill has also worked behind the scenes on President's messages and Convention updates.

Thank you again to the Membership Committee members/alternates. The time commitment to serve in this capacity was above and beyond what you may have expected, and I hope you all feel our efforts were worthwhile. I hope the new committee can build upon these concepts even further in the upcoming year.

Please take the time to introduce NACS to new-hires in your state, and check out the new membership information available on the NACS website. Any input or suggestions on ways this committee can help with recruitment is appreciated.

It has been a pleasure and honor serving as the Membership Committee Chairperson. Thank you to the NACS Board for allowing me this opportunity.

Kaiti Steckman, Chairperson  
NACS Membership Committee



**June 28, 2015**

**FINAL 2014-15 BOARD MEETING**

The NACS Board met June 28, 2015 at the Hilton Frontenac in St Louis, Missouri with Tanya Dostal calling the meeting to order at 3:36 CST. Members in attendance were Tanya Dostal, Lisa Liska, Theresa Windham, Marla Koerner, Allen Hall, Kim Adams, Tom Shelton, Jeremey Burner and Cheryl Brooks.

**I. Minutes**

The minutes from previous meetings, April 14, May 5 and June 16, 2015 were reviewed with no corrections noted. Tom Shelton moved to accept the minutes as presented, Cheryl Brooks seconded the motion. Motion passed.

**II. Treasurer Report**

The treasurer's report was presented as shown in the annual report, page 13. Lisa Liska moved to accept the report, Kim Adams seconded. Motion passed.

Notes:

- TN has to resubmit the dues check
- Received all outstanding dues for FY15; however, OK has not paid since June 2014 and is not responding to any contacts.
- Still need legislative travel voucher for one member
- Checks were reissued to all states that have not received check from zone meeting.

**III. Other**

The convention agenda was reviewed

There being no further business the meeting was adjourned at 5:30 CST

Theresa L Windham  
NACS Secretary  
2014-15

## **GENERAL ASSEMBLY JUNE 29, 2015**

The NACS/NASE joint session opened at 8:00 a.m. After the Invocation led by Jason McMillin, TX and Pledge of Allegiance by a NASE member; the assembly was led by Hendra Woodfork, AR, in the National Anthem. Those in attendance that served in the military and those that have family that have served were recognized. Tom Shelton, MO State President provided some convention announcements and introduced guest speaker, Mark Cadle, MO FSA State Executive Director.

Maureen Mausbach, NE introduced the sponsors who provided a brief statement regarding services and invited all attendees to learn more at their information booths. Sponsors in attendance included: Blue Cross/Blue Shield, Erica Graff; JM Marketing, Ty Christenson; GEHA, Kelly Bremer. Appreciation was expressed for additional sponsors not in attendance: FarmerMac and FEDS.

Mark VanHoose, NASCOE President, spoke to the group about the success of having the all association joint meeting with National Office and the hope that this would continue with all associations staying at the same hotel to promote more movement; goal is to increase opportunities for PTs and utilize the Key PT in more states. Developing an "Aspiring Leader Program" for more leadership opportunities. Some remarks about programs being delivered and closed expressing hope to one day have a joint national convention.

Donald Dunn, NADD President, also spoke to the group about our common ground and working together to promote professionalism within our organization.

Dan Gieseke, MO FLC spoke on behalf of the Chief Association acknowledged that NACS respected and resolutions are well received by National Office, as the membership were the ones delivering the program and he was proud to also be a member.

Doug Jones, Chief of Farm Credit Applications, addressed the membership to discuss with members accomplishments achieved so far this year, upcoming improvements, and answer questions from the membership. Plans are being implemented to improve communications with some backend technology changes to improve structure and reduce vulnerabilities. The software to address needs for highly fractionated land is still in early stages. Working on items such as the online customer portal; online application; paper-less office. National appraisal tracking system is projected for FY16; Courtney Dixon is the led for appraisal requirements. PLAS migration continues with customer history next with no plans to turn PLAS off until all information in DLS, projected December of 2015. FSFL enhancements include recording the payment in DLS without the use of NRRS, which will be done for FLP in the future. Transactions going real time is a 3 year project, cannot finish until PLAS is turned off. On-line payment options are still be explored.

NACS members had the pleasure to hear from multiple staff members of the National Finance and Accounting Operations Office face-to-face. The Finance Office located in St. Louis has undergone an extensive reorganization to create the National Finance and Accounting Operations Office, which has combined the accounting functions of RD and FSA and is led by Tony Bainbridge, Director.

Cindy Haas, Farm Services Branch Chief, provided some updates to the restructuring of NFACO with some state assignments being changed. Reminded the assembly to provide the

full name of contact person when submitting information so that the completion letter can be provided and that all requests should be sent through the ECM. Fedwire should be used in absolute emergency, cost \$35; whereas, ACH is \$0.30. There is a process to return Fedwire for which there is a manual. Sharon Mull can provide help on ACH problems. The FSA 2429 should not be sent through ECM as this can be done within NRRS.

Sharon Sachs, Branch Chief of Guaranteed Loans, indicated there had been some minor fixes in GLS and EFT validation time had reduced from 14 days to 3 days. If the information is submitted on Monday (T, W, R) and does not reject on Friday it will be assumed, money can be requested that day and 2 days more money is in the account by Tuesday. Manual validations for EFT can still be requested. New site to allow automated process for identity proof with LRA. By July will be able to add multiple applicant/co-applicants at time of application in GLS and maximum indebtedness will be validated. Loans \$50,000 and under will be tracked as ML but using the same type of assistance. Micro lender, like CDIF, is still under development. GLS reports for MLs being developed by end of year. On loan closings, if the fee paid is more change amount due to match. Only use FSA 2247 to make corrections and fill out completely. Lenders receive 5 different notices before automated termination.

Many members of the NFACO staff were present during breaks members present were able to mingle with those present to put faces with names.

The joint meeting was recessed at 10:07 a.m.

At 10:38 am, Tanya Dostal, President convened the 43<sup>rd</sup> Annual NACS-FSA Meeting and introduced the 2014-2015 NACS Board: Lisa Liska, VP; Theresa Windham, Secretary; Marla Koerner, Treasurer; Allen Hall, Past President; Kim Adams, Zone A Rep; Tom Shelton, Zone B Rep; Jeremy Burner, Zone C Rep; Cheryl Brooks, Zone D Rep.

Marla Koerner, Treasurer and Theresa Windham, Secretary presented the Credentials Report. Bob Ledingham, NM moved to accept the Credentials Report as presented. Juanita Ballman, KY seconded the motion.

**Motion Passed**

Tanya Dostal, President appointed Jason Issack, KY as Parliamentarian who then reviewed the Roberts Rules of Order.

Lisa Liska, Vice President presented the Convention Rules and moved that they be adopted as presented. Clifford Russell, UT seconded the motion.

**Motion Passed.**

Lisa Liska, Vice President introduced the 2014-2015 Committee members and alternates as shown in the Annual Report with Chantal Haun being named to FLP committee for Zone A at convention.

Tom Shelton, MO moved to adopt the 43<sup>rd</sup> Annual Convention Agenda, the motion was seconded by Dan Gieseke, MO.

**Motion Passed**

The Audit Committee was appointed by President Tanya Dostal as follows:

Zone A – Bob Ledingham, NM

Zone B – Kristina Bargaen, NE

Zone C – Mike Albin, IL

Zone D – Robin Hampton, NC; Chair

Tanya Dostal, President then appointed the Election Committee as follows:

Zone A – Bob Ledingham, NM

Zone B – Brian Bagnell, MO

Zone C – Darren Metzger, OH; Chair

Zone D – Dave Bonnett, NC

First time attendees to National Convention were recognized with 16 being present. Special drawing for first time member at first convention was completed with Kimberly Eilerman, IL being selected.

Tanya Dostal, President encouraged members to 'feed the pig' with donations for the Wunder Fund to help assist with first time attendees travel costs to National Convention.

Tanya Dostal, President opened the floor for NACS Board Candidate Announcements and speeches by candidates:

President Candidate:	Lisa Liska, NE
Vice President Candidate:	John Gehrke, IL
Secretary Candidate:	Theresa Windham, GA
Treasurer Candidate:	Tom Shelton, MO

Maureen Mausbach, NE, Chair of the Convention Committee presented the Convention Report. Maureen introduced the committee members Stu Skidmore, WA, Darren Metzger, OH and Mike Gibbs, GA. Maureen provided an update on the plans for the 2016 National Convention to be held in Washington, DC July 10-14 at Patriot Plaza 3 and using the Residence Inn. Rates are lower in DC after the recess and location is near Federal Center South metro stop.

Tanya Dostal, President recessed the 43<sup>rd</sup> Annual NACS-FSA Meeting at 11:18 p.m. for a 1-hour lunch. The meeting was reconvened at 1:36 pm.

Lisa Liska, NE provided the membership with a presentation regarding the NACS public relations initiative which is being done in collaboration with Jill Colgan, McAllister & Quinn who was not able to attend.

Tanya Dostal, President reviewed room assignments for committee breakout sessions and encouraged members to move between sessions and to participate in committee discussion. All committees are to remain in session until 3:45 at which time all members should be preparing to assemble for transportation to the evening event.

## **GENERAL ASSEMBLY JUNE 30, 2015**

The NACS/NASE joint session reconvened at 8:05 am the blessing being returned by Marilyn McMullen, NASE President. The assembly was led in the Pledge of Allegiance by Chantal Haun, CA.

Tanya Dostal, NACS President, introduced guest speaker, Val Dolcini, Administrator who addressed the assembly and answered questions; remarks are as follows. Extraordinarily busy year in Ag Credit: exceeded 3 billion in guaranteed lending and 2 billion in direct loans, all signs point to another robust year in lending. It is a good time for us to take stock in what we are doing and see what we can do better. The future of FSA is growing on a strong foundation—us. We are a team, pushing in the same direction. The Employee Viewpoint Survey indicated that we are happy with our jobs and helping our farmers & we will put in the extra effort when needed. Working with states on improving the areas of discontent: launched Workforce Engagement Initiative which focuses on three primary areas: engagement, communication and action.

Tanya Dostal, NACS President recessed the meeting for a short break at 9:08 am and reconvened at 9:18 am.

Marilyn McMullen, NASE President, introduced guest speaker, Chris Beyerhelm, Associate Administrator who addressed the assembly and answered questions; remarks as follows. Have to make sure your circle of influence grows along with the size of your concerns. Updates on breaches to security and what to expect. Hiring not at rate expected – something of a “perfect storm.” Yearlong evaluation of workload with outside group, NAPA. Chris Beyerhelm then introduced the new CIO, Lawrence Gross who addressed the assembly with a few remarks to answer some question.

Tanya Dostal, NACS President recessed the meeting for a short break at 10:00 am and reconvened at 10:15 am.

Tanya Dostal, NACS President introduced guest speaker Jim Radintz, Acting Deputy Administrator Farm Loan Programs who addressed the assembly and answered questions, remarks are as follows. Have to acknowledge value of NACS, NASE and other FSA employee organizations. Resolutions received in DC are taken very seriously. Resolution process is a very strong way to make a difference. We’re in a pretty good place, especially compared to several years ago. CFAT forms the cornerstone of the FLO’s training, and is critical to being a successful FLO. Working on model that will be sustainable going into the future. What does management see as our biggest challenges going forward? Managing change, making use of our technology, human capital and succession planning, and uncertainty in agriculture.

Marilyn McMullen, NASE President, introduced guest speaker, Greg Diephouse, Deputy Administrator for Field Operations who addressed the assembly and answered questions concerning areas as follows: Receipt for Service, Phase II of Bridges to Opportunities, Workforce Engagement, and New & Beginning Farmer Initiative.

Tanya Dostal, NACS President recessed the meeting for a lunch break at 12:00 pm and reconvened at 1:05 pm.

Question and Answer panel included the above speakers that addressed the assembly and the following additional members: Tom Mulhern, HR; Lawrence Gross, CIO; Radha Sekar, CFO, Tony Bainbridge, Director NFACO. Additional NFACO staff members were present during the meetings to speak with members. Those in attendance included the following and more: Tonia Lohman, Division Director; Kristine Knetch, Lead Accountant; Mark McKinley, Director Direct Loan; Gerald Hagedorn, Direct Application Development Center, KC; Edwin Henry, Chief Cash Management Division.

Following the Q&A Panel, Tanya Dostal, NACS President thanked all the guest speakers and attendees, updated the members on the location for zone meetings. The meeting was then recessed at 2:30 pm for members to break into their respective zone meetings until 5:00 pm. Candidates visited each zone to allow members an opportunity to ask any questions.

The meeting was reconvened at 7:04 pm with a recess for dinner until 7:48 pm at which time the committee awards were presented; Tanya Dostal thanked the retiring board. Maureen Mausbach, NE was announced as the Blood, Sweat & Tears winner for this year and all past winners that were present were recognized.

The meeting was recessed at 8:40 pm with the zone meetings set to continue the following morning until 9:30 am.

## NACS ANNUAL MEETING JULY 1, 2015

The NACS assembly met for a Legislative Briefing provided by Ben Herink, Legislative Chair and Andy Quinn, Legislative consultant of McAllister and Quinn. A discussion on the potential legislative priorities to include increase loan limits, abolishing term limits, program integrity and farm economy increased defaults.

Tanya Dostal, President reconvened the 43<sup>rd</sup> NACS Annual Meeting at 11:05 with the innovation being provided by Denise Lickteig, NE and the assembly being led in the Pledge of Allegiance by Charlene Smith, AR.

Roll call of delegates by State was completed by Theresa Windham, Secretary and Marla Koerner, Treasurer. There were 55 delegates present and 8 alternates.

Board reports were presented as by the President, Tanya Dostal and Vice President, Lisa Liska as referenced in the 2014-15 annual report.

The Secretary's report was presented by Theresa Windham, as referenced in the 2014-15 annual report. It was moved by Nathan Denney, KY and seconded by Dustin Mattingly, KY to dispense with the reading of the minutes and accept the minutes as presented in the 2014-15 annual report on pages 48-61 which is available on the NACS-FSA website. **Motion Passed**

The Audit Committee report was presented by Robin Hampton, NC, no major discrepancies were found and the committee made several suggestion. It was moved by Cheryl Brooks, AR and seconded by Clifford Russell, UT to accept the report as presented. **Motion Passed**

The Treasurer's report was presented by Marla Koerner, as referenced in the 2014-15 annual report. It was moved by Katie Richburg, AL and seconded by Greg Koerner, OH to accept the Treasurer's report as presented. **Motion Passed**

Board reports were presented as by the Past President, Allen Hall, NE; Zone A Representative, Kim Adams, MT; Zone B Representative, Tom Shelton, MO; Zone C Representative, Jeremy Burner, VA; and Zone D Representative, Cheryl Brooks, AR as referenced in the 2014-15 annual report.

Past Presidents of NACS-FSA were recognized with seven being present: Steve Pratt, 1987; Millie Turner, 1997; Robin Hampton, 2001; Darren Metzger, 2006; Mark Drewitz, 2010-11; Maureen Mausbach, 2012-13; and, Allen Hall 2014.

All attendees were asked to stand for the convention attendance roll call with the convention locations being named from 2015 to 1973. The last member standing was Tanya Dostal who attended her first convention in Oklahoma City, OK 1988.

The Historians report was provided by Mark Drewitz, MN.

Tanya Dostal, President recessed the meeting at 11:52 am for lunch and reconvened at 1:14 pm at which time the President called for the committee reports.

## FARM LOAN PROGRAM COMMITTEE REPORT

The Farm Loan Program Committee Report was presented by Katie Richburg, AL, who then moved to accept the Farm Loan Program Committee Report as presented with a typo correction to Resolution 2. Tiffany Grody, OH, seconded the motion.

Clifford Russell, UT moved to amend the report by moving Resolution 5 from adopt to non-adopt; LeAnn Gibbs, NM, seconded the motion: **Motion Passed**

LeAnn Gibbs, NM moved to amend the report by adding a new resolution; Joyce Nevins-Ginsberg, WA, seconded the motion: **Motion Passed**

Brandon Waldron, VA move to amend the report by moving Resolution 1 from adopt to non-adopt; Jason Issac, KY, seconded the motion: **Motion Passed**

Brandon Waldron, VA move to amend the report by moving Resolution 12 from adopt to non-adopt; Jason Issac, KY, seconded the motion. **Motion Passed**  
*Division of the house was called – Motion passed*

Danny Lindsey, AL, moved to amend Resolution 3 with a language change to the concern; Cheryl Brooks, AR, seconded the motion. **Motion Passed**

Joyce Nevins-Ginsberg, WA, moved to amend the report by moving Resolution 8 to non-adopt; Bardell Faux, ID, seconded the motion. **Motion Failed**

Steven Lair, MO, moved to amend the report by moving Resolution 26 from non-adopt to adopt; Brian Wheeler, MO, seconded the motion. **Motion Failed**

Bardell Faux, ID, moved to amend Resolution 11 with a language change to the concern; Kim Adams, MT, seconded the motion. **Motion Passed**

Juanita Ballman, KY, moved to amend the report by adding a new resolution; Amanda Roberts, KY, seconded the motion. A friendly amendment was offered by LeAnn Gibbs, NM, and Ben Herink, NE, that the amendment be changed 10 business days instead of 5 days. Both or the original parties agreed to the amendment. **Motion Passed**

Charlotte Holeman, MO, moved to amend the report by adding a new resolution; Brian Wheeler, MO, seconded the motion. **Motion Failed**  
*Division of the house was called – Motion Failed*

Dave Bonnett, NC, moved to amend the report by moving Resolution 2 from adopt to non-adopt; Bob Parris, SC, seconded the motion. **Motion Passed**  
*Division on the house was called – Motion Passed*

With no further discussion, Tanya Dostal, President, called for a vote to adopt the report as amended. **Motion Passed**



## MEMBERSHIP REPORT

Kaiti Steckman, NE, Chairperson presented the Membership Committee Report. Incentive awards of \$100 were given to states for reaching membership goals: Colorado, New Mexico, Washington, Missouri, Illinois, Kentucky, Michigan, New York, Ohio, Wisconsin, Alabama and Florida. For the upcoming year the committee will update the membership packet; redevelop the marketing plan and branding of NACS-FSA with the focus on NACS-FSA as leadership training and networking/engagement aspects of the organization; and, developing a toolbox for the states to use in their membership recruitment.

Kaiti Steckman, NE, moved to accept the Membership Committee Report as presented; Joyce Nevins-Ginsberg, WA seconded the motion. **Motion Passed**

## FARM PROGRAM COMMITTEE REPORT

The Farm Program Committee Report was presented by Ryan Lukassen, NE, who then moved to accept the Farm Program Committee Report as presented; Charlene Smith, AR, seconded the motion.

Bradell Faux, ID, moved to amend the report by moving Resolution 3 from adopt to non-adopt; seconded by Chantal Haun, CA. **Motion Failed**

Mike Albin, IL, moved to amend the report by moving Resolution 4 from adopt to non-adopt; Darren Metzger, OH, seconded the motion. **Motion Passed**

Mike Sullivan, LA, moved to amend the report by moving Resolution 5 from adopt to non-adopt; Alec Love, MS, seconded the motion. **Motion Failed**

*Division (standing vote called by President)*

With no further discussion, Tanya Dostal, President, called for a vote to adopt the report as amended. **Motion Passed**

## INFORMATION TECHNOLOGY COMMITTEE REPORT

The Information Technology Committee Report was presented by LeAnn Gibbs, NM, who then moved to accept the Information Technology Committee Report as presented; Tammy Jones, AR, seconded the motion.

Jason McMillin, TX, moved to amend the report by adding a new resolution, which is Management/Personnel resolution #5 (non-adopt); Amanda Roberts, KY, seconded the motion. **Motion Passed**

Juanita Ballman, KY, moved to amend the report by moving Resolution 14 of the presented report from adopt to non-adopt; seconded by Betty Garrett, MI. **Motion Passed**

Becky Minter, VA, moved to amend the language to Resolution 4; seconded by Brandon Waldron, VA. Brandon Waldron, VA, offered a friendly amendment to the amendment to state "Payment due date does not appear on the Customer Management Farm Business Plan Loan Schedule under in DLS." All parties agreed to the change. **Motion Passed**

Mike Albin, IL, moved to amend the report by moving Resolution 5 from adopt to non-adopt; seconded by Jason Issac, KY.

**Motion Failed**

Brandon Waldron, VA, moved to amend the report by moving Resolution 13 from adopt to non-adopt; seconded by Jeremy Burner, VA.

**Motion Passed**

Ryan Lukassen, NE, moved to amend Resolution 2 with a language change to the concern; seconded by Rebekah Martin, NE.

**Motion Failed**

*Division of the house, Motion Failed*

Brandon Waldron, VA, moved to amend the report by adding a new resolution; seconded by Jeremy Burner, VA.

**Motion Passed**

With no further discussion, Tanya Dostal, President, called for a vote to adopt the report as amended.

**Motion Passed**

## **LEGISLATIVE ISSUES REPORT**

The Legislative Committee Report was presented by Chairperson Ben Herink, NE, who then moved to accept the Legislative Committee Report as presented; John Gehrke, IL, seconded the motion.

With no further discussion, Tanya Dostal, President, called for a vote to adopt the report as presented.

**Motion Passed**

## **MANGEMENT PERSONNEL COMMITTEE REPORT**

The Management Personnel Committee Report was presented by Chairperson Jason McMillin, TX, who then moved to accept the Management Personnel Report as presented; Joseph Grier, TX, seconded the motion.

Ryan Lukassen, NE, moved to amend the report by moving Resolution 3 from non-adopt to adopt; Maureen Mausbach, NE, seconded the motion.

**Motion Failed**

With no further discussion, Tanya Dostal, President, called for a vote to adopt the report as presented.

**Motion Passed**

Tanya Dostal, President recessed the meeting for a brief break at 2:28 pm and reconvened at 2:40pm. There being no Old Business, the President, called for items of new business.

## **NEW BUSINESS**

Announcements were made regarding tentative dates and locations for 2016 Zone meetings as follows:

Zone A	Las Vegas, NV	Feb 22-26
Zone B	Twin City, MN	Feb 5-6
Zone C	Lexington, KY	March
Zone D	Savannah, GA	Feb 11-14

Convention Committee Chairperson, Maureen Mausbach, NE, presented the plans for the 44<sup>th</sup> Annual Convention which will be July 10 -14, 2016 in Washington DC.

Ryan Lukassen, NE, moved to amend the Constitution and By-laws, Article III Membership, Part A, Item 3 as follows:

*“Retired – All retired employees of the USDA Agencies shall be eligible for retired membership by payment of lifetime dues of \$100.00 and agreeing to abide by the Constitution and By-Laws of the Association.”*

The motion was seconded by Rebekah Martin, NE. Lisa Liska, NE, offered a friendly amendment to remove “dues of \$100.00.” All original parties agreed.

A vote of  $\frac{3}{4}$  of delegates (37) and a vote of  $\frac{3}{4}$  all attendees (44) was required to pass. The final vote as determined by the election committee was delegates 49 and for all present 58.

**Motion Passed**

Bob Paris, SC, made a motion for the assembly to empower the NACS board to explore and act upon seeking corporate sponsorship; seconded by John Gehrke, IL.

**Motion Passed**

## **ELECTION OF OFFICERS**

Maureen Mausbach, NE, moved to eliminate all candidate seconding and nominating speeches which was seconded by Ben Herink, NE.

**Motion Passed**

Denise Lickteig, NE, moved to nominate Lisa Liska, NE, for NACS President; Chantal Haun, CA, seconded the motion.

Lisa Liska, NE was elected President

Bradell Faux, ID, moved to nominate John Gehrke, IL, as Vice President; Bob Parris, SC, seconded the motion.

John Gehrke, IL was elected Vice President

Cheryl Brooks, AR, moved to nominate Theresa Windham, GA, as Secretary; Kay McCoy, KS, seconded the motion.

Theresa Windham, GA was elected Secretary

Brian Wheeler, MO, moved to nominate Tom Shelton, MO, as Treasurer; Brian Bagnell, MO, seconded the motion.

Tom Shelton, MO was elected Treasurer

Announcement of the elected Zone Representatives and alternates were as follows:

Zone A	Clifford, Russell, UT - Representative	Roberta McKenzie, NM - Alternate
Zone B	Ryan Lukassen, NE - Representative	Joseph Grier, TX - Alternate
Zone C	Jeremey Burner, VA – Representative	Tiffany Grody, OH - Alternate
Zone D	Cheryl Brooks, AR – Representative	Dave Bonnett, NC - Alternate

Following the election of officers, Past President Tanya Dostal, WA, transferred the gavel to the newly elected President, Lisa Liska, NE.

Amanda Robertson, KY led the assembly in God Bless America.

Mike Sullivan, LA moved to adjourn; Jason McMillan, TX seconded the motion.

There being no further discussion, Lisa Liska, President, adjourned the meeting at 3:37 pm.

## AUDIT COMMITTEE REPORT

June 29, 2015

The Audit Committee met with NACS-FSA National Treasurer, Marla Koerner, on June 29, 2015, at the Hilton St. Louis Frontenac-Hotel, 1335 South Lindbergh Blvd, St. Louis, MO 63131. The committee reviewed bank statements, Quicken reports, and membership spreadsheets. All account balances, per May 31, 2015, balanced with bank statements.

Account Balances were as follows:

WF Checking	\$13,539.05
WF Fairness Fund	\$3,958.75
WF Savings	\$84,706.19
WF Wunder Fund	\$10,932.00

Treasurer has all accounts on Quicken and has maintained a previously developed spreadsheet with all members and when dues are paid. All accounts are now on Quicken and reports can be pulled by several different categories. Treasurer will file IRS 990 EZ in a timely manner. The President was not added as a signatory on all accounts. Only the Treasurer had signatory authority to transact business for NACS.

Committee Suggestions:

1. Committee recommends a change of number 11 of the Audit Committee Guide Ex. 2-J, that the dates of the audit should be from June 1 to May 31<sup>st</sup>, so as not to conflict with the Organization Operating Guide H.4.C.
2. It was noted that the amount paid out for convention award expenses exceeded the amount budgeted for 2014 convention.
3. The amount paid out for web page expenses exceeded the amount budgeted with no record of board approval.
4. The Audit Committee recommends that the Membership Committee track potential members and not the Treasurer as indicated in the Operating Guide.
5. We recommend that the Position Duties and Responsibilities H.4.D.9. of the treasurer be deleted. (Lapel pins.)
6. Add treasurer's laptop as an asset that is addressed in the operating guide.
7. The Treasurer's laptop should have email capabilities with an outlook account and a standard invoicing system developed utilizing the current membership spreadsheet.
8. The Treasurer should have one email account that is unique to the laptop.

It is also noted by the Audit Committee that the treasurer has gained additional responsibilities that would be more suited to other board members and/or committees. In Addition, the audit committee's responsibilities should be narrowed down to monitoring income and expenditures, account balances, and supporting documentation, which includes board approval in the minutes.

Bob Ledingham, NM Zone A

Mike Albion, IL Zone C

Kristina Borgen, NE Zone B

Robin Hampton, NC Zone D, Chairperson

## NATIONAL CREDENTIALS REPORT 2015 ANNUAL CONVENTION

St Louis, Missouri  
June 29 – July 1, 2015

Zone A	# Delegates	# Alternates
California / Arizona / Nevada	1	0
Colorado	0	0
Hawaii	0	0
Idaho	1	0
Montana / Wyoming	1	0
New Mexico	3	0
Utah	1	0
Washington	2	0
Zone A Total	9	0

Zone B	# Delegates	# Alternates
Iowa	0	0
Kansas	1	0
Minnesota	1	0
Missouri	4	4
Nebraska	4	4
North Dakota	0	0
Oklahoma	0	0
South Dakota	0	0
Texas	4	0
Zone B Total	14	8

<b>Zone C</b>	<b># Delegates</b>	<b># Alternates</b>
<b>Illinois</b>	<b>4</b>	<b>0</b>
<b>Indiana</b>	<b>0</b>	<b>0</b>
<b>Kentucky</b>	<b>5</b>	<b>0</b>
<b>Maine</b>	<b>0</b>	<b>0</b>
<b>Mass. / Conn / R.I.</b>	<b>0</b>	<b>0</b>
<b>Michigan</b>	<b>1</b>	<b>0</b>
<b>New York</b>	<b>1</b>	<b>0</b>
<b>Ohio</b>	<b>4</b>	<b>0</b>
<b>Pennsylvania</b>	<b>0</b>	<b>0</b>
<b>Virginia</b>	<b>3</b>	<b>0</b>
<b>West Virginia</b>	<b>0</b>	<b>0</b>
<b>Wisconsin</b>	<b>1</b>	<b>0</b>
<b>Zone C Total</b>	<b>19</b>	<b>0</b>

<b>Zone D</b>	<b># Delegates</b>	<b># Alternates</b>
<b>Alabama</b>	<b>3</b>	<b>0</b>
<b>Arkansas</b>	<b>4</b>	<b>0</b>
<b>Florida</b>	<b>0</b>	<b>0</b>
<b>Georgia</b>	<b>1</b>	<b>0</b>
<b>Louisiana</b>	<b>1</b>	<b>0</b>
<b>Mississippi</b>	<b>1</b>	<b>0</b>
<b>North Carolina</b>	<b>2</b>	<b>0</b>
<b>Puerto Rico</b>	<b>0</b>	<b>0</b>
<b>Tennessee</b>	<b>0</b>	<b>0</b>
<b>South Carolina</b>	<b>1</b>	<b>0</b>
<b>Zone D Total</b>	<b>13</b>	<b>0</b>

<b>Convention Total</b>	<b>55</b>	<b>8</b>
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Respectfully Submitted,

**Marla Koerner, Treasurer**

**Theresa Windham, Secretary**



*Building Rural America*  
**National Association of Credit Specialists**  
of the  
**USDA – Farm Service Agency**  
Farm Loan Programs Committee

**THE FARM LOAN PROGRAMS COMMITTEE MET AT THE HILTON FRONTENAC HOTEL IN ST. LOUIS, MISSOURI, ON JUNE 29, 2015, TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP.**

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR ADOPTION:**

**Resolution 1**

**CONCERN:** The requirements under Handbook 2-FLP, Paragraph 313 A and Handbook 1-FLP, Paragraph 29 G requiring restructuring of SEL lender requests over the approval official's loan approval authority is not consistent with the direct loan PLS restructuring. SEL lenders are required to submit the restructuring request to be forwarded to an approval official with the appropriate authority for the amount of debt to be restructured. This can cause an undue delay in approving SEL loan restructures.

**PROPOSED SOLUTION:** Re-write Paragraph 29G of Handbook 1-FLP to indicate that loan approval officials can approve SEL restructures without debt writedown, regardless of loan amount to match 5-FLP, paragraph 226 A.

**Resolution 2**

**CONCERN:** Handbook 3-FLP, Paragraphs 352 B and 472 C require that the notification regarding the borrower training decision be indicated under the requirements and comments section of form FSA-2313. If training is required then list of approved vendors is to be included. If a waiver is requested but denied, then review rights have to be included.

This is a lot to ensure is appropriately addressed each time a loan is approved. And is probably one of the items most frequently done incorrectly or not at all.

This form has been modified (10/2014) to now include the estimated payment and the notification regarding term limits (to replace the one we used to send in Oct).



**PROPOSED SOLUTION:** On form FSA-2313, add a new item under Part A labeled "Training Requirements" and provide optional paragraphs such as provided below:

a) The FLM has determined that (financial and production) training has been waived for this loan request.

b) The FLM has determined that (financial and production) training will be required for this loan request. At loan closing an agreement to complete training will be required at which time the courses to be completed and the time frame in which to complete this requirement will be established. In addition, a list of approved vendors will be provided in this regard at loan closing.

c) You have requested a waiver of borrower training for (financial and production) training; however, the FLM has determined that you would benefit from additional (financial/production) training. The decision to not waive borrower training is non-appealable however you (insert par 15B from 1-APP)

### **Resolution 3**

**CONCERN:** Forms FSA-2211 and FSA-2212 does not have a block for the lender/applicant to indicate the headquarters county. This information may not be specifically included in other documents submitted with the application. Its omission leaves the FSA official possibly making an error in the case number assigned to the account.

**PROPOSED SOLUTION:** Modify Forms FSA-2211 and FSA-2212 to include a block to provide headquarters county information.

### **Resolution 4**

**CONCERN:** On Form FSA-2525 it lists two options on why we are accelerating the producer's loans. Option #1 states that the reason we are accelerating the loans is because you did not apply for servicing within the 60 day timetable allotted through the previous letter. Option #2 states that the reason we are accelerating the loans is because they did not cure the non-monetary default.

**PROPOSED SOLUTION:** Option #1 should be changed from the reason we are accelerating your loans is due to the fact that you did not apply for servicing within 60 days to the following:

You did not correct your monetary default on your FSA loan account or apply for loan servicing within 60 days of receiving an explanation of your rights and instructions on how to apply for servicing.

## **Resolution 5**

**CONCERN:** The FSA-2571 "Agreement For Voluntary Liquidation of Chattel Security" does not obligate the clerk of a public auction to provide information to us, to hold the proceeds, or to properly distribute the proceeds from the sale. It also does not have a place for the clerk to sign the agreement. These omissions could allow the proceeds to go to the borrower rather than to Farm Service Agency.

**PROPOSED SOLUTION:** Insert the following wording and signature line for the clerk of the sale to sign Form FSA-2571- Any clerk of the sale or other person signing this agreement, who may receive the proceeds of the sale, agrees to keep an itemized list of purchasers and sale prices, and supply a copy of such list to any party to this agreement who requests it, and agrees to hold the proceeds of the sale in trust for the purposes of this agreement and to distribute such proceeds promptly to the parties entitled to them, as provided below on demand.

## **Resolution 6**

**CONCERN:** Real estate partial release procedure in Handbook 4-FLP Paragraph 197 C requires SED consent for the use of funds for development of remaining real estate for any amount of transaction. This is not consistent with loan making procedure where development with FSA loan funds is approved by the local authorized loan official when within their loan approval authority. The approval official has the authority on partial releases to approve the release but not the use of funds. The result of this is unnecessary delay and submission of requests to the State Office.

**PROPOSED SOLUTION:** Allow the authorized loan approval official to approve partial releases and the use of funds, including development, when the transaction is within the approval levels contained in Handbook 4-FLP Paragraph 199 A.

## **Resolution 7**

**CONCERN:** Form FSA-2241, "Guaranteed Farm Loan Status Report," does not provide meaningful information regarding either Protective or Emergency Advances. This results in confusion for lenders and poor information for FSA.

**PROPOSED SOLUTION:** Change the FSA-2241 (paper and electronic copies in LINK) to provide places for lenders to clearly report Current Balance On Protective Advances and Emergency Advances.

## **Resolution 8**

**CONCERN:** DDORS is behind changes that have been made in FLP. It still refers to the FSA-2040 instead of the FSA-2040 and FSA-2045. Loans listed under “May Require Attention” only have a yes/no choice but the question doesn’t really apply to all situations. This review, as currently formatted, does not meet any objectives for program management. Additionally, we still have several reports that are done monthly/quarterly/weekly outside of this report.

**PROPOSED SOLUTION:** One comprehensive report should be developed that looks at the overall performance of the portfolio and management to meet the established goals that is formatted in such a fashion that the DDs can actually provide some insightful and meaningful direction.

## **Resolution 9**

**CONCERN:** 7 CFR 764.101(i)(4)(ii) states that alternative managerial ability eligibility requirements include a self-directed apprenticeship combined with either prior sufficient experience working on a farm or significant small business management experience. The 2014 Farm Bill gave the Agency the ability to substitute one year of leadership or management experience while servicing in any branch of the military when considering farm experience eligibility for FO loans. Since the Agency is marketing the microloan to veterans, the inability to consider their prior military leadership/management experience for the managerial ability eligibility requirement is restrictive to assisting veterans to starting their own operations.

**PROPOSED SOLUTION:** Include the leadership/management experience while servicing in any branch of the military to the microloan managerial ability eligibility requirements to the alternative for microloan requirement.

## **Resolution 10**

**CONCERN:** 4-FLP states to return security instruments once the loan is paid in full. The PT manual says to return documents after 15 days. We are not receiving notification of a returned check for over 60 days.

**PROPOSED SOLUTION:** We need notification within 10 business days of the payment being received if the check was returned. We also need to be notified the reason the check was returned.

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR  
NONADOPTION:**

**Resolution 11**

**CONCERN:** Handbook 2-FLP, Paragraph 314 B gives two methods for providing an answer to a lender's servicing proposal. The initial part of the paragraph states "...the Agency approval official will notify the lender in writing within 14 days of the lender's request."

Within this same paragraph of the procedure, the final subparagraph states "If the lender's proposal for servicing is not agreed to by FSA, the agency approval official shall notify the applicant in writing, with a copy to the lender, within 14 calendar days of the lender's request."

**PROPOSED SOLUTION:** Amend Paragraph 314 B to make all portions of the procedure within the paragraph have the same requirements so there is no misaction or omission on the part of the Agency approval official.

**REASON FOR NON-ADOPT:** Membership voted to move from adopt to non-adopt.

**Resolution 12**

**CONCERN:** 1-FLP Paragraph 29 D allows SED to raise loan approval authority for FLMs and SFLOs for those who show higher than average loan making proficiency, but Farm Loan Officers (FLOs) cannot have their authority raised. There are many FLOs with years of experience and high loan making proficiency, who still need another review and do not have this potential to have their authority raised.

**PROPOSED SOLUTION:** To reduce the number of touches needed to get a loan approved, amend 1-FLP Paragraph 29 D to add qualified Farm Loan Officers to have their GS-11 authority increased \$50,000 for Direct and \$200,000 for Guaranteed.

**REASON FOR NON-ADOPT:** Membership voted to move from adopt to non-adopt.

**Resolution 13**

**CONCERN:** Application packets are requested at our STO and when a National form changes, we are unaware of the change timely, creating packets being mailed using an outdated form. This can create problems when reviews are done as staff should always be using updated forms.

**PROPOSED SOLUTION:** A request has been made from the field for staff to receive an email notification from the National Office when forms change, similar to the email notifications we receive about changes in notices and handbooks. This would keep staff informed that we are using the correct version of a form. Some forms are saved to a shared loan drive for office ease and attached to the letterhead, or the county address is added so it does not have to be typed each time a standard loan letter is mailed.

**REASON FOR NON-ADOPT:** Membership voted to move from adopt to non-adopt.

#### **Resolution 14**

**CONCERN:** Handbook 3-FLP provides for a potential 21 year amortized (balloon) OL loan term and Handbook 5-FLP provides for a maximum 15 year term for OL rescheduling. This inconsistency in loan terms can result in increased borrower payments should loan rescheduling become necessary early in a loan term.

**PROPOSED SOLUTION:** Handbook 3-FLP be revised to provide for a maximum 15 year loan amortization.

**REASON FOR NON-ADOPT:** Membership voted to move from adopt to non-adopt.

#### **Resolution 15**

**CONCERN:** Form FSA-2103 under section 1. General Information part C. Middle Initial is spelled incorrectly. It is spelled Middle Inidial.

**PROPOSED SOLUTION:** Correct the spelling to Initial.

**REASON FOR NON-ADOPT:** Can be referred to National Office for simple grammatical change.

#### **Resolution 16**

**CONCERN:** Subordinations should be allowed to be granted regardless of loan purpose so long as FSA remains adequately secured, especially on smaller loans. Microloans only call for 100% security. However, loans of the same size made prior to Microloan regulations still have to maintain 150% when government risk is the same.

**PROPOSED SOLUTION:** Allow subordinations/releases for any purpose on smaller loans so long as FSA remains adequately secured (100%)

**REASON FOR NON-ADOPT:** The CFR states a condition for subordinations is they must be for authorized loan purposes.

## **Resolution 17**

**CONCERN:** As a farm loan officer, I've lately been having a lot of problems with farms that aren't financially viable. That is, their farm income doesn't even cover their farm debt payments. It's hard to justify giving a \$50,000 loan to a farm that won't even bring in \$2,500 in a typical year, but if the applicant has off-farm income to cover it, then there's nothing in the handbooks preventing this.

FSA should not be in the business of financing "hobby farms" just because they meet the \$1,000 in gross income requirement. They need to be financially viable.

**PROPOSED SOLUTION:** There needs to be a clear cut regulation in the handbooks that requires at least a majority proportion of the farm debts being paid by the farm income.

**REASON FOR NON-ADOPT:** The resolution would be too restrictive on loan making.

## **Resolution 18**

**CONCERN:** 2-FLP needs to drop the need for a mandatory estimated loss claim in addition to the final loss claim. They create duplicative, unnecessary work that takes up a lot of time for both guaranteed lenders and Agency personnel, which we don't have very many of to begin with.

**PROPOSED SOLUTION:** Handbook 2-FLP, Paragraphs 359 and 360 need to be changed to final loss claim only, to be completed at time of final loss and after account has been liquidated. Maintain timeframes for lender completion, along with accrued interest paid as part of final loss claim.

**REASON FOR NON-ADOPT:** Estimated loss claims stop interest accrual.

## **Resolution 19**

**CONCERN:** 5-FLP Paragraph 836 C reads as follows:

"See 1-EQ for guidance on identifying property containing environmental risks."

Environmental Risk is the subject of Handbook 2-EQ. Handbook 1-EQ is Environmental Quality

**PROPOSED SOLUTION:** Change the "1" to "2" in Handbook 5-FLP Paragraph 836 C.

**REASON FOR NON-ADOPT:** Can be referred to National Office for simple grammatical change.

## **Resolution 20**

**CONCERN:** On Form FSA-2314 Streamline Application, there is not a place in which a complete date can be added and there is not a place in which a social security number can be added.

**PROPOSED SOLUTION:** Add blocks for complete date and social security number.

**REASON FOR NON-ADOPT:** Already have borrower's Social Security # and application now has the complete application date block.

## **Resolution 21**

**CONCERN:** Form FSA-2236 does not have a space to specify the final advance date. Even though the conditional commitment says you cannot advance beyond 5 years, lenders seem to forget this.

**PROPOSED SOLUTION:** Add a block to form FSA-2236 to use as an additional reminder to the lender that they cannot advance funds beyond 5 years from the date of loan closing.

**REASON FOR NON-ADOPT:** This form is not the proper tool to provide this reminder information to the lender.

## **Resolution 22**

**CONCERN:** Our current deed of trust is not conducive for a 3rd party pledge of real estate. This is due to the fact that everything references "Borrower" throughout the document when the 3rd party is only a "Guarantor". This has created issues when closing with closing agents.

**PROPOSED SOLUTION:** 1.) Create a separate Deed of Trust to be used only for 3rd party pledges of real estate as security.

2.) Create an addendum to be attached to our existing Deed of Trust when a 3rd party pledge of security is being used. The addendum should detail who is the borrower and lay out the requirements/agreements of the guarantor.

**REASON FOR NON-ADOPT:** This is a state issue and the regional Office of General Counsel should be consulted.

## **Resolution 23**

**CONCERN:** When verifying U.S. citizenship, there is much confusion regarding acceptable citizenship documentation - what forms are acceptable, what do they look like, etc.

**PROPOSED SOLUTION:** Provide similar procedural guidance as is found in Handbook 5-PL Amend 1 par 154C which simplifies the pages of confusing information found in Handbook 2-FLP, Paragraph 108 F and Exhibits 7 and 8, and Handbook 3-FLP, Paragraph 64 A and Exhibits 2, 8, and 9.

**REASON FOR NON-ADOPT:** The guidance in Handbooks 2-FLP and 3-FLP provide a more complete reference list.

## **Resolution 24**

**CONCERN:** Form FSA-2040 creates confusion and only restates what is already covered in the many other forms the borrower signs. Therefore it appears to be duplication and not necessary. The form is also not developed to be a workable document for all types of farm operations - i.e dairy farms, CSAs.

The first paragraph restates the fact that the income, expenses and owner withdrawal are covered by the Farm Business Plan and that the borrower agrees that that is accurate. Doesn't the borrower agree to that when they sign the FBP? Why are we doing it again? Page 1 (g) – source of proceeds – this form goes on and on about normal income security. The instructions state that the description must be adequate to readily identify the security being sold or other source of payment. If the proceeds to be received to pay the loan installments are not from normal or basic security this form causes confusion to the borrower (and the loan official trying to explain/decipher the form to the borrower). If I have a micro loan with a lien on just a tractor and the borrower sells veggies as her source of income to make the payments why would I need to list that here and review all the normal income security information? The FBP, the Security Agreement and the Promissory Note have this covered.

Page 1 letter (h) – amount of proceeds to be released prior to FLP payment – if in fact this is a legal form it would seem to me that this section should specify what exactly FSA is releasing these proceeds for – not just an ambiguous amount of money. The example you provided in the training (which was developed by National Office) does not clarify anything to me. The Projected Annual Cash Flow does not show me where the \$2,325 is going. There is no itemization attached to see that it is a bank payment. I have to read the corresponding 2045 to determine this. Having multiple forms to review to determine what is meant by this form causes confusion. I would assume that that confusion would be used as a defense in a legal proceeding ( I understand that in the end it probably would not harm the agency but it could cost the agency time and legal fees to argue/explain). The point is that this should be expanded to include the actual use of the released proceeds if the form has to be used.



Page 2 number 1– “I understand that proceeds from the sale of normal income security must always be used to pay expenses and loan payments as agreed to in the FBP.” – Again why are we restating and restating. They sign the FBP.

“For normal income security, both FSA and my name as payee must be listed on all checks...” Can you explain to me how this is supposed to work at a Farmer’s Market or a CSA or even a farmer sells to Walmart on a weekly basis? Is that farmer – short on labor and time – supposed to drive to the office very week with a check for FSA to sign off on or deposit in an SBA if over \$1,000? I cannot see that this was thought out.

Page 2 number 2 and 3 could be addendums to the Income and Expenses of the Farm Business Plan since it states “By signing the FBP.....”.

Page 3 number 4 – again it states “as outlined in the FBP...” which is already a signed document. The section that begins “If I sell basic security...” Are already covered in the Security Agreement in #3(b) and 4 (c). The Security Agreement is a signed, legally binding document. Again – why are we duplicating in a confusing manner?

Page 4 – all of this information is listed in the Farm Assessment – which is a signed document and also updated annually.

Page 5 – violations/defaults are covered in the Security Agreements/ Promissory Notes – all signed and legally binding documents.

To summarize, if the form is to remain in use it requires some changes/clarification in order minimize confusion. I believe this form is excessive duplication that causes confusion, extra time and paper. The 12/31/2007 version of the form made more sense, caused less confusion and kept the agreement and tracking on one form. I suggest going back to that version but reformatting it to allow for larger text boxes if the form is to continue to be used at all.

Much of the concerns about the FSA-2040 center around a typical dairy operation in New York. Much of this language comes from Handbook 4-FLP and from the definitions of Basic and Normal Income security. In New York, although cull cows may be covered under the definition of basic security, we have always treated them as normal income security as most operations raise replacements to maintain the herd size. If we classify cull cows as basic security each office would be processing hundreds or thousands (no kidding) of checks each year made payable to FSA and the borrower for every cull cow from every dairy borrower in the state. Producers, buyers, and FSA realistically do not have the capacity to do this. The borrower could not use the funds for other than replacement purposes, and if they are raising adequate replacements, would have to use the proceeds only for new capital purchases or apply it to loans with no update to schedules. Most dairy operations need to use cull cow sales for operating expenses. Similarly, Paragraph H of Handbook 4-FLP states even milk proceeds (normal income security) must be made jointly to the agency and the borrower if scheduled installments are not paid. For a dairy with installments due late in the year, this appears to mean every milk check, calf, crop item, etc. Again this is unworkable. Typically we get a milk assignment to pay 1/12 of the annual installments due later in the year each month and release all other proceeds to the borrower for operating expenses, other debt payments, family living, and other needs.

The following language in the 2040 is just not realistic (Although it tracks the above):

“For basic security, both FSA and my name as payee must always be listed on all checks, drafts, or money orders which I receive. For normal income security, both FSA and my

name as payee must be listed on all checks, drafts, or money orders which I receive unless all installments due, including any past due installments, in the above table have been paid. Checks made in accordance with an assignment do not have to include both names.”

FSA never has asked borrowers to have checks made jointly for normal income security until all installments have been paid as far as I know.

In addition the area (h) “Amount of Proceeds to be Released Prior to Payment of FLP Loan” is not clear to the borrower or to loan officials. Based on the words and the example from WDC, there is no provision for the borrower to use proceeds from milk sales, or cull cows for family living or operating expenses prior to paying FSA installments. Also with operations with reoccurring income (like dairies), it would make much more sense to have a monthly schedule like:

“From my estimated milk income or \$10,000 per month, I will pay \$1,500 toward my FSA annual loan installments, \$323/month toward other farm debt payments, and will use the balance of proceeds for family living expenses, farm expenses, and other farm needs.” That is what we do in the field and what producers expect. If we have the borrower sign the 2040 as is, then we have a problem if we do not enforce it, but as is, it is unworkable.

How do you fill out the FSA-2040 in a startup situation when the farm income is not enough to pay the installment due on the FSA loans? The payment to FSA will be coming from non-farm income.

**PROPOSED SOLUTION:** The proposed solution is to completely rewrite the form as per the suggestions listed above in the concerns.

**REASON FOR NON-ADOPT:** There still remains confusion regarding the proper completion and use of Forms FSA-2040 and FSA-2045. We suggest the National Office issue additional guidance through training and/or Q & A’s.

## **Resolution 25**

**CONCERN:** National Notice FLP-700 eliminates the use of Supervised Bank Accounts (SBA's), but fails to address the burdensome and time consuming process of completing EFT process for each individual use of loan funds for capital purchases. The current method of EFT does not sufficiently address the issue of less personnel to complete duties and requirement of individual borrower to acquire necessary information to complete the EFT transaction (i.e. Social Security #, Bank Account Information)

Review and adjust the process to complete capital purchases through simplification and not become so burdensome on the FSA customer, individual seller, and FSA Office Staff.

Handbook 1-FLP Paragraph 101( 7 CFR 761.51 (a)) authorizes the use of SBA to

- Correct use of funds planned for capital purchases or debt refinancing
- Protect the Agency's security interest

Handbook 3-FLP Paragraph 431 ( 7 CFR 764.402(e)(3)) states that " A supervised bank account will be used according to Subpart B of part 761 of this chapter (Handbook 1-FLP, Part 4) when these processes are not practicable", and in certain instances the EFT process is not practicable.

- Instances would include multiple livestock purchases in a short amount of time from multiple sellers, multiple equipment purchases from multiple sellers.

- These instances are not practical as the EFT process is time consuming (14 days - per transaction), burdensome, not user friendly, and timely. Current staffing levels in local county offices are not sufficiently adequate to handle volume and time considerations for multiple EFT processes and the offices are more apt to make input errors as business processes increase.

- Current system does not allow for easy access to switch multiple EFT accounts

- The requirement of National Notice FLP-700 is not conducive or customer friendly to borrower or seller.

- Requirements for requesting banking information and personal information of the individual sellers will create unneeded levels of requirements needed to complete a simple transaction, thus increasing the hindrance of free enterprise in local rural communities.

The process has been overcomplicated as USDA Farm Service Agency is now required to have other individual's banking information to complete a simple capital purchase.

The agency is potentially limiting certain historically underserved groups and rural individuals from whom they may purchase and conduct capital purchases from with the current proposal. A majority of individuals may not provide the needed information to complete EFT and the transaction may not occur due to requirements for information needed for EFT. The policy is limiting transactions that normally occur in rural environments.

**PROPOSED SOLUTION:** - Farm Service Agency National Office, Farm Loan Programs should consult with Farm Credit Administration to inquire how farm credit banks handle and administer loan funds to the borrower to assure the correct use of loan funds and establish proper purchase money interest in purchased collateral.

- National Office will clearly establish a method that is functional and practical to properly facilitate the needs of the FSA customers, individuals wishing to sell chattels, and burdened FSA local office staff.

- Alternatives should also include changing the terminology of the term "Supervised Bank Account" as it is restrictive for individual borrowers. Revise the term to "Funds for Purchase Account" or "Loan funds held account"

- Evaluate methods to properly establish purchase money security interest and clearly identify (This may need to be done on state by state level by consulting with local state offices).

**REASON FOR NON-ADOPT:** Supervised Bank Accounts (SBA's) are not as necessary as in years past, and in many cases, SBAs are more difficult to get banks to agree to establish. As an alternative to the use of SBAs, options include training on the use of multiple EFTs and pulling funds back from an account once they are advanced.

## **Resolution 26**

**CONCERN:** When a customer receives a direct OL with a 7 year term but 8-14 year amortization, at the end of 7 years the balloon comes due and we have to go through the Primary Loan Servicing process which includes a full application and running DALR\$. This is very time consuming for LAO's.

**PROPOSED SOLUTION:** If all loan payments have been made as scheduled FSA can simply renew the loan at the same rates and terms without the customer submitting an application package or FSA running DALR\$. Handbook 4-FLP should be updated.

**REASON FOR NON-ADOPT:** The loan may not be financially feasible at the time of restructuring.

## **Resolution 27**

**CONCERN:** There is a policy that Supervised Bank Accounts not be used to control loan funds. On high LTV accounts we are concerned that loan funds are NOT used to purchase collateral.

**PROPOSED SOLUTION:** When LTV is greater than 80% on basic security a SBA can be used to purchase collateral items.

**REASON FOR NON-ADOPT:** Beginning farmers and underserved groups may not be able to meet the 80% LTV requirement.

## **Resolution 28**

**CONCERN:** Handbook 4-FLP Paragraph 65A continues to require employees to access ADPS AI and PF screens when providing final payment amounts.

DLS is a more customer friendly platform from which to find loan payoff amounts; continuing to require employees to access ADPS adds unnecessary complexity and time to complete the process.

**PROPOSED SOLUTION:** Revise 4-FLP Paragraph 65A to describe the process to obtain loan payoff information from DLS.

**REASON FOR NON-ADOPT:** Can't obtain an Equity Receivable on DLS and confusing to go with both. When NITC goes away, then we will deal with this.

## **Resolution 29**

**CONCERN:** Handbook 3-FLP Paragraph 41 B indicates that the authorized Agency Official ensure that the type of operation reflected on form FSA-2001 is consistent with any representation previously made by the applicant for FP benefits.

This assumes that the representation in the FP records is accurate. It is not uncommon for there to be a change in the organization of the operating entity that took effect after the last representation was made for FP programs. It is presumptuous to assume that the FP records are up to date and that the FSA-2001 must match.

The FSA-2001 may be the most accurate representation and in fact it is the FP records that are inconsistent with the actual structure of the farming entity.

**PROPOSED SOLUTION:** Revise Handbook 3-FLP Paragraph 41 B to acknowledge that the FP records may not always be inconsistent with the actual organizational structure of the farming operation and that the FP records may need to be updated to be consistent with the actual organizational structure as represented on the FSA-2001 and the operator's organizational documents.

**REASON FOR NON-ADOPT:** Paragraph 41 B of Handbook 3-FLP already addresses the concern and the process for resolving inconsistencies.

## **Resolution 30**

**CONCERN:** On page 2 of Form FSA-2001, on the first applicant, it doesn't have a place to put an address. Realizing this says for married couples, however if it were a sibling operation, they most likely don't have the same address. This is the part of the application that they would fill out in this situation.

**PROPOSED SOLUTION:** Provide an address box on page 2 of form FSA-2001 for the first applicant.

**REASON FOR NON-ADOPT:** Part C of Form FSA-2001 should be used in this situation.

## **Resolution 31**

**CONCERN:** Handbook 3-FLP Paragraph 452 states "the approval official will approve any title insurance company that issues policies of title insurance in the state where security property is located if all of the following conditions are met." The first of these conditions is that the form of the lender's policies of title insurance, including required endorsements to be used in closing FSA loans, are acceptable to FSA and contain only standard types of exceptions and exclusions approved in advance by FSA with the advice of the Regional OGC." This has been determined to mean that all documents associated with the title insurance policy (closing protection letter, binder/commitment, and shell copy of the actual title insurance policy) be submitted to OGC for review and approval. This OGC review/approval process is taking at least 6 weeks, if not longer, for completion. When a Direct FO applicant selects a certain attorney or title company to handle then title work and closing of their loan, the Agency official sends either form FSA-2341 or FSA-2342 to the closing attorney or title agent to ascertain whether or not they meet the requirements set forth in Handbook 3-FLP. These forms do not dictate to the attorney/closing agent to submit anything to FSA other than the completed form.

**PROPOSED SOLUTION:** In order to expedite the title insurance company approval process, FSA should revise forms FSA-2341 and FSA-2342 to specifically list all required documents to be submitted along with the completed FSA-2341 or FSA-2342. This will avoid confusion and also provide better customer service by allowing direct FO loans to be closed in a more timely manner.

**REASON FOR NON-ADOPT:** This appears to be a state issue.

## **Resolution 32**

**CONCERN:** With the implementation of FSA's microloan program, the Agency is now serving a higher number of beginning farmers than ever. Many of these customers have no credit history when they come to FSA for assistance. Due to FSA not reporting to credit bureaus, these customers have no way to build a solid credit history unless they open up credit card accounts, etc. Many times this is not financially sound. Also, many of our customers cannot obtain credit elsewhere due to not meeting a conventional lender's current credit score criteria. For those customers that come to FSA and perform well, they have nothing to show for it on their credit report. A dual benefit of reporting is that it gives the borrower incentive to repay loans in a timely manner.

**PROPOSED SOLUTION:** Report our borrowers to credit bureaus as part of providing supervised credit.

**REASON FOR NON-ADOPT:** NFAOC advised that FSA reports to commercial credit bureaus but not consumer bureaus as FSA loans are considered commercial debt, not personal debt per Treasury guidelines.

### **Resolution 33**

**CONCERN:** FSA FLP now has 4 application forms. Applicants have difficulty with, and are confused over the forms – which ones to use and how to fill out.

**PROPOSED SOLUTION:** FSA National Office work with a NACS/NASE task force to redesign the application forms with goal of ease of use for applicants and employees, and reduction in number of applications.

**REASON FOR NON-ADOPT:** Applications were recently revised using USDA Connect as a platform to gather employee feedback.

Respectfully submitted by the 2014/2015 Farm Loan Programs Committee.

Chantal Haun, Zone A

Denise Lickteig, Zone B

Tiffany Grody, Zone C

Katie Richburg, Chairperson, Zone D



*Building Rural America*  
**National Association of Credit Specialists**  
of the  
**USDA – Farm Service Agency**  
Farm Program Committee

**THE FARM PROGRAM COMMITTEE MET AT THE HILTON FRONTENAC HOTEL IN ST. LOUIS, MISSOURI ON JUNE 29, 2015 TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP.**

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR ADOPTION:**

**Resolution 1**

**CONCERN:** 1-FSFL, paragraph 127A, step 10 requires that a final lien search be completed within 5 working days of the closing of the FSFL loan.

2-FSFL, paragraph 400C, requires the input of the date of the final lien search before a check request can be made.

These two paragraphs create conflict since it generally takes at least 7 business days for receipt of the check so the loan closing can be scheduled. Once check(s) are received, it will be greater than 5 working days since the lien search as completed and the FSA employee will be in violation of 1-FSFL, paragraph 127A.

**PROPOSED SOLUTION:** Amend 1-FSFL to require a lien search be completed prior to processing a check request rather than within 5 working days of the loan closing.

**Resolution 2**

**CONCERN:** 1-FSFL Paragraph 167A, indicates that a collateral check is required “when the full annual installment is not made within 30 calendar days after the installment due date.” However, the example, which is provided for reference does not support the 30-day time frame. The example indicates a collateral check is required in Year 3, when the installment is made 18 days late and a collateral check is required in Year 6, when the payment is made 21 days after the due date.

**PROPOSED SOLUTION:** Amend the handbook example (chart) to show the payments being made in Years 3 & 6 more than 30 days after the installment due date.



### **Resolution 3**

**CONCERN:** Applicants for FSFLs are not required to meet the test of credit, and in many cases have large net worths/working capital in excess of the requested loan amount. With the exception of loans of \$10,000 or less, a financial analysis must be completed. In many cases, this process is of little value and time-consuming considering the financial strength of the operation.

**PROPOSED SOLUTION:** The financial analysis of applicants who are applying for loans of \$100,000 or less be waived when the requested loan is 20% or less of the working capital or the net worth is in excess of 10 times the requested loan amount.

### **Resolution 4**

**CONCERN:** Currently FSFL loan funds cannot be disbursed until construction of the facility has been completed in full. This requires the borrower to obtain interim credit or have the contractors carry the invoice until the project is completed in full. Many contractors are requiring at least partial payment before they will begin work on the facility. By making the borrower's wait for loan funds to be disbursed, the borrower's ability to obtain annual operating credit may be hindered.

**PROPOSED SOLUTION:** Change the method of disbursement for FSFL loans to be similar to direct term loan disbursements. This will allow the borrower to advance funds as work is completed.

### **Resolution 5**

**CONCERN:** A number of new policies regarding wetlands and other environmental concerns are being implemented through a newsletter and not through the normal channels of writing the regulation change.

**PROPOSED SOLUTION:** Require that all changes in policies regarding wetlands and other environmental concerns be implemented through directives.

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR  
NONADOPTION:**

**Resolution 6**

**CONCERN:** County Committee approval or recommendations are needed for an FSFL application. In all cases they are provided limited information and their approval is based entirely on County Office employees recommendations. The need to involve the COC also delays the processing time of the applications.

**PROPOSED SOLUTION:** Allow the COC to re-delegate the authority for approval to an authorized loan approval official on FSFL loan requests less than \$100,000.

**REASON FOR NON-ADOPT:** Membership voted to move from adopt to non-adopt.

**Resolution 7**

**CONCERN:** To have a complete application for Direct Loan Assistance the Agency must have documentation of compliance with Agency environmental regulations.

See [7 CFR 764.51(b)(7)] "Documentation of compliance with the Agency's environmental regulations contained in subpart G of 7 CFR 1940;

This normally is accomplished by verifying that the applicant has filed an AD-1026 that would be in the Agency's Producer records. The AD-1026 is a certification of compliance and an agreement to update the Agency's records if there are any changes.

The problem that we are running into is when the County Office Farm Program staff will not accept an AD-1026 from a beginning farmer because they do not have an interest in any land yet. The FP staff doesn't acknowledge or consider a purchase agreement as creating an interest in farmland.

If there is no AD-1026 filed with the Agency then the application can not be considered as being complete.

**PROPOSED SOLUTION:** Revise the instruction found in 6-CP par. 301 to instruct the County Office to accept AD-1026s from any one who is applying for Farm Loan Program assistance, regardless if they have an interest in land or not, to allow beginning farmer, who has no interest in land yet, to meet the environmental compliance requirements for a complete application for Direct Loan Assistance.

**REASON FOR NON-ADOPT:** 10 CM, Paragraph 22 allows for providing a purchase agreement as evidence for creating an interest in farmland. Also, FSA cannot refuse to accept an AD-1026 submitted by an applicant. An applicant does not have to be associated with a farm in order to be entered into the subsidiary files.

## **Resolution 8**

**CONCERN:** Yield calculations are required for all FSFL applications to determine the 2 times storage capacity limitation. In some cases the applicant has numerous farms and crops and the calculations take considerable time. In the case of drying and handling equipment no additional capacity is being added and the calculations are of no value. In very few cases do we find where the 2x rule is exceeded and when there is no test of credit and the applicant has the means to repay the loan, the exercise of calculating production is of no value.

**PROPOSED SOLUTION:** Do away with the yield/production calculations as long as the applicant is associated with a farm and is producing an eligible commodity under FSFL requirements.

**REASON FOR NON-ADOPT:** 1FSFL paragraph 12 already indicates that no calculations are required for drying and handling facilities. Further we believe that the needs test is necessary to prevent misuse of the program.

Respectfully submitted by the 2014/2015 Farm Program Committee.

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Roberta McKenzie, Zone A

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Ryan Lukassen, Zone B & Chairperson

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Betty Garrett, Zone C

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Charlean Smith, Zone D



*Building Rural America*  
**National Association of Credit Specialists**  
of the  
**USDA – Farm Service Agency**

Information Technology Committee

**THE INFORMATION TECHNOLOGY COMMITTEE MET AT THE HILTON FRONTENAC HOTEL IN ST. LOUIS, MISSOURI ON JUNE 29, 2015, TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP.**

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR ADOPTION:**

**Resolution 1**

**CONCERN:** GLS will not allow an application to be input into the system unless the first-time lender has a Lenders Agreement on file and has been assigned a lender's ID/branch with the FSA office.

**PROPOSED SOLUTION:** Revise GLS to allow an application to be input into the system prior to the lender being assigned a Lender's ID/branch.

**Resolution 2**

**CONCERN:** When ordering money there needs to be a way in DLS to track use of funds.

**PROPOSED SOLUTION:** Add a dropdown box which allows you to select multiple expenses correlating to the expenses in FBP as to the use of funds and authorization. Also, make the information available on a report of the 1C transactions by borrower that we can generate periodically as needed by the approval official.

**Resolution 3**

**CONCERN:** We are continually getting notifications that software must be updated. We are required to leave the computers running at night so updates can be done at night but now it seems this has shifted to business hours along with virus scanning (which slows the PC to a glacial pace). Taking our time to run software updates and slowing our machines takes our time away tasks that directly impact program delivery. Virus scanning cannot be stopped and is outside the control of employee.

**PROPOSED SOLUTION:** It should be recommended to IT to schedule essential updates for non-business hours by location (i.e. – time-zone specific). If, in some limited cases, that cannot be done, we propose the employee be given the ability to schedule the update/scan to run at end of day when employee departs or during lunch.

#### **Resolution 4**

**CONCERN:** Payment Due date does not appear on the Customer Management Farm Business Plan loan schedule in DLM.

**PROPOSED SOLUTION:** Revise the schedule to include the payment date.

#### **Resolution 5**

**CONCERN:** The FSFL checklist is lengthy and must be completed manually. It would seem it could be added to DLM and be completed there.

**PROPOSED SOLUTION:** Add the FSFL checklist to DLM.

#### **Resolution 6**

**CONCERN:** Customers want to pay FSA program and application fees with a debit or credit card.

**PROPOSED SOLUTION:** Provide offices with the ability to accept fees by use of credit or debit card. Any transaction/swipe fees would be passed on to the customer.

#### **Resolution 7**

**CONCERN:** We need to print a receipt for FSFL payments. In the case where they are lost or fail to print properly there is no way to reprint the receipt.

**PROPOSED SOLUTION:** Add a means (i.e. – a hyperlink) to be able to reprint the FSFL payment receipt if needed.

#### **Resolution 8**

**CONCERN:** The beginning cash section of the Farm Business Plan in cash flow section continues to be extremely slow and cumbersome.

**PROPOSED SOLUTION:** Correct software issues to improve the speed under this section.

### **Resolution 9**

**CONCERN:** When printing using Adobe in Farm Business Plan it requires an extra step to complete the printing.

**PROPOSED SOLUTION:** Revise software to do a more direct print command on items that are being printed in reports section of Farm Business Plan.

### **Resolution 10**

**CONCERN:** There would be considerable time savings in the Farm Business Plan if the Credit Presentation could be duplicated when processing Streamline or subsequent OLs in same production cycle.

**PROPOSED SOLUTION:** Allow the Credit Presentation to be duplicated in the above situations.

### **Resolution 11**

**CONCERN:** ITS just began putting size limits on our H drives and office shared drives. While the agency is moving toward a paperless environment we are limited to 10 gb per user and 30 gb per office shared space. Many of us already exceed these limits. We have been told for years that we are not to delete anything, and now we are told to delete the old files and keep it under 10gb. So we either delete or to keep the data, it now has to be stored on a CD or DVD. With today's low cost of storage this is unreasonable. We have terra bit drives on most servers and have sufficient space without incurring any additional cost.

**PROPOSED SOLUTION:** Change the harddrive limit to reflect what is needed in the county office. Some don't use much at all, and others use quite a bit.

1. Remove the limits, but follow up with concrete direction as to what needs to be kept/stored and what can be legally deleted. As of now the County Office does not have sufficient direction on what to keep or what to delete regarding electronic files.
2. Set up a simple archive sytem for long term storage with clear direction on what should be stored and what and when files can be deleted.
3. Provide direction on a file structure to orderly store and easily retrieve information if needed for both near-term and long-term.

## **Resolution 12**

**CONCERN:** It is time consuming and inefficient to continually fill in application and closing forms with the same information like name and address.

**PROPOSED SOLUTION:** Provide a solution where the information can be entered or input once and used to automatically data fill in the application and closing forms.

## **Resolution 13**

**CONCERN:** When printing loan packages from Farm Business Plan in duplex, if the pages for each section are not even, the report may have balance sheet info on one page and the back page will have income/expense info.

**PROPOSED SOLUTION:** Insert a page break between the reports when necessary.

## **Resolution 14**

**CONCERN:** It would be a huge time savings and less confusion for managers when developing performance plans if there was a drop down menu in EmpowHR for Elements and then from the Element chosen, a dropdown menu for Standards. The only thing that would need to be created and individualized would be the measures and results.

**PROPOSED SOLUTION:** Create drop down menus in EmpowHR for Performance Elements and Standards in line with 5-PM.

## **Resolution 15**

**CONCERN:** There is no notification in DLM if an account is not properly linked or a number has been put in incorrectly.

**PROPOSED SOLUTION:** Send a notification or flag before a paper check is to be issued.

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR NON-ADOPTION:**

**Resolution 16**

**CONCERN:** Forms are changed on a continual basis.

**PROPOSED SOLUTION:** Provide a means to notify county offices when the National Checklist is updated.

**REASON FOR NON-ADOPT:** Membership voted to move from adopt to non-adopt.

**Resolution 17**

**CONCERN:** Lack of forward innovation in services available to farmers. When providing AOL funds now they have to call the office and request funds. This provides limited availability for the borrower.

**PROPOSED SOLUTION:** In the movement forward to innovate and provide a customer portal and reach a paperless office, include the ability for the borrower to submit a draw request via the web application. They can document the use of funds. This will be 24/7 availability. The office can then review and approve the advance request to complete processing.

**REASON FOR NON-ADOPT:** Membership voted to move from adopt to non-adopt.

**Resolution 18**

**CONCERN:** The NAICS Code - AGRICULTURE pull-down "Select Section" list under "Type of Operation - Primary" in "General Information" in Farm Business Plan is arranged in numerical order on the right hand side of the list, which - to those of us who read from left to right - gives the appearance of a random or jumbled order and is, therefore, somewhat more time-consuming.

**PROPOSED SOLUTION:** First preference would be to arrange the NAICS Code - AGRICULTURE pull-down "Select Section" list under "Type of Operation - Primary" in "General Information" in Farm Business Plan alphabetically. It is acknowledged that this would result in an appearance of random or jumbled numerical code listings on the left. This is still preferable to the present table since most users have to read the code descriptions anyway because they do not have all the codes memorized.

Second preference would be to move the list of numerical codes to the right hand side so it would at least be more obvious why they are not listed alphabetically.



**REASON FOR NON-ADOPT:** While the proposed solution to this concern is a valid idea, due to the potential cost for reprogramming in Farm Business Plan, an update such as this is considered low-priority and more of a “want” rather than a “need”.

## **Resolution 19**

**CONCERN:** An update to the EFT process could be accomplished to benefit local field delivery and efficiency. Current system needs update to increase capabilities and services.

National Notice FLP-700 eliminated the use of Supervised Bank Accounts, thus creating more reliance upon the EFT process.

**PROPOSED SOLUTION:** When sending an EFT, a "tag line" could be added by FSA staff to allow for better identification of funds intended for capital purchase or refinance of other creditor.

Also, a borrower may have multiple purposes for loan funds intended for different capital purchases. Format the EFT system to allow for multiple EFT addressees to be listed.

**REASON FOR NON-ADOPT:** Entering information for various EFT disbursements on a single loan is not a feasible method to accomplish the desired result. An option that would allow for better results would be to advance the funds to the borrower’s account and collect checks for the multiple payoffs/purchases at the time of loan closing to be mailed to the various creditors by the Authorized Agency Official after funds have been deposited into the borrower’s account. Necessary releases could be requested at this same time from the creditors.

## **Resolution 20**

**CONCERN:** The FSA-2241, “Guaranteed Farm Loan Status Report” does not provide meaningful information regarding either Protective or Emergency Advances. This results in confusion for lenders and poor information for FSA.

**PROPOSED SOLUTION:** The solution is to change the FSA-2241 (paper and electronic copies in LINC) to provide places for lenders to clearly report Protective Advances and Emergency Advances.

**REASON FOR NON-ADOPT:** The guarantee covers the original loan amount, unless it is modified, until such time that a loss claim is submitted whereby capturing any protective advances at that time. Emergency advances are only temporary in nature, and while they are covered under the guarantee, they do not modify the original guaranteed loan amount. Lenders can track these amounts separately for guaranteed reporting purposes.

Respectfully submitted by the 2014/2015 Information Technology Committee.

LeAnn Gibbs, Zone A, Chairperson

Mark Moser, Zone B

Becky Minter, Zone C

Tammy Jones, Zone D



*Building Rural America*  
**National Association of Credit Specialists**  
of the  
**USDA – Farm Service Agency**  
Management/Personnel Committee

**THE MANAGEMENT/PERSONNEL COMMITTEE MET AT THE HILTON FRONTENAC HOTEL IN ST. LOUIS, MISSOURI ON JUNE 29, 2015, TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP.**

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR ADOPTION:**

**Resolution 1**

**CONCERN:** As security incidents (terrorist or homegrown) are happening more often in addition to certain individuals dislike of the government the security risk of county offices are becoming more probable. Many times you don't know someones mental state and what could trigger them to act on their negative feelings against the government.

**PROPOSED SOLUTION:** National Office to provide guidance on proper protocol for whom to contact in regard to security awareness and threat assessments. Inform each state office of DHS Federal Protective Service contact information.

**Resolution 2**

**CONCERN:** The current hiring process appears to take an excessive amount of time and we have problems getting qualified candidates to make the best qualified list for FLOT positions.

**PROPOSED SOLUTION:** Give states the opportunity to establish rating panels within the states when advertising for positions.

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR NONADOPTION:**

**Resolution 3**

**CONCERN:** WebTA does not account for time spent doing work that is “uncompensated” which is being done in many cases.

**PROPOSED SOLUTION:** Allow for entry of “uncompensated” time in WebTA.

**Reason for non-adoption:** Not approved work.

**Resolution 4**

**CONCERN:** It would be a huge time savings and less confusion for managers when developing performance plans if there was a drop down menu in EmpowHR for Elements and then from the Element chosen, a drop down menu for Standards. The only thing that would need to be created and individualized would be the measure and the results.

**PROPOSED SOLUTION:** Create drop down menus in EmpowHR for Performance Elements and Standard in line with 5 PM.

**Reason for non-adoption:** Transfer to IT Committee.

**Resolution 5**

**CONCERN:** When personnel retire/resign it is often months before a replacement is hired. There is no opportunity to transfer the knowledge and experience of the position to a new hire. This is especially crucial if the position requires obtaining loan approval authority.

**PROPOSED SOLUTION:** The National office should develop a pool of FTEs that states can borrow from. This would allow states to fill a position and allow the retiring employee to mentor the new hire. Once the mentoring period has ended and employee has retired/resigned the FTE would be replaced in the National Office pool.

**Reason for non-adoption:** The proposed solution has a fatal flaw of withholding FTEs from states to develop the pool.

Respectfully submitted by the 2014/2015 Management/Personnel.

Clifford Russell, Zone A

Jason McMillin, Zone B & Chairperson

Amanda Robertson, Zone C

Alec Love, Zone D



*Building Rural America*  
**National Association of Credit Specialists**  
of the  
**USDA – Farm Service Agency**  
**Legislative Issues Committee**

**THE LEGISLATIVE ISSUES COMMITTEE MET AT THE HILTON FRONTENAC HOTEL IN ST. LOUIS, MISSOURI ON JUNE 29, 2015, TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP.**

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR ADOPTION:**

**Resolution 1**

**CONCERN:** Direct loan limits of \$300,000 for Direct OL, FO, and FO Down Payment loans are too low for the credit needs of many viable family farm operations.

**PROPOSED SOLUTION:** Increase the direct loan limits for OL, FO, and FO Down Payment loans to \$500,000.

**Resolution 2**

**CONCERN:** With the current market and input/capital costs, it is becoming more and more difficult for youth to have enough funds to purchase their project. For example, \$5,000 is not adequate to purchase a full set of commercial heifers or steers, or even begin a small cow/calf operation with more than one or two cows. This also then leaves no funds available for operating expenses.

**PROPOSED SOLUTION:** Raise the Youth Loan limit to \$10,000.

**THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR  
NONADOPTION:**

**Resolution 3**

**CONCERN:** The County Committee System within FSA, while a valuable advisory group, are not needed to carryout day to day operations and approval of FSA and CCC programs. They are often put in a position to make complete decisions without being fully trained and make those determinations solely on the recommendations of County Office staff.

**PROPOSED SOLUTION:** Reduce the role of the local County Committee to advisory status only and remove them from any approvals of Farm Programs or CCC loans. In cases where adverse decisions are made and producers wish to appeal decisions, they may still do so, but it would be done by County Office employees and State Committees.

**COMMITTEE RESPONSE:** The committee feels the negative connotation and NACS perception this resolution would generate would be counterproductive to the work of this committee.

**Resolution 4**

**CONCERN:** Receipt For Services (RFS) is duplicative of current tracking and noticing requirements and hinders customer service.

**PROPOSED SOLUTION:** NACS should support the repeal of RFS.

**COMMITTEE RESPONSE:** Although the committee does feel there are inefficiencies and flaws in the RFS system, we do not feel we have a viable alternative at this time and do not feel it warrants being made a legislative priority.

Respectfully submitted by the 2014/2015 Legislative Issues Committee.

Bardell Faux  
Zone A

Heather Cox  
Zone B

Brandon Waldron  
Zone C

Ben Herink  
Zone B, Chairperson

John Gehrke  
Zone C

Robert Parris  
Zone D

**July 2, 2015**

**OLD-NEW BOARD MEETING**

The Old and New NACS Boards meeting was called to order by Lisa Liska at 7:30 am CST on July 2, 2015 at the Hilton Frontenac in St Louis, MO. Members in attendance were Tanya Dostal, Lisa Liska, Allen Hall, John Gehrke, Marla Koerner, Theresa Windham, Tom Shelton, Kim Adams, Ryan Lukassen and Jeremey Burner. Not in attendance was Clifford Russell.

## **Old Business**

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**I. Reports from Old Board**

**A. President's Report – Tanya Dostal:**

**1. Convention Issues**

- a. Some speeches were longer than planned; should provide a time limit for speakers

**2. Goals**

- a. Membership goal was 767 actual was 737 as of May 31, 2015
- b. Convention attendance goal was 100; actual was 81 registered for NACS-FSA with 55 delegates and 8 alternates.
- c. Each state association represented at respective zone meeting
  - i. None of the zones met this goal
- d. Communications
  - i. Semi-annual call with State Presidents was not achieved with only one call

**3. Other**

- a. Keep a running agenda for the monthly board call
- b. Keep a reserve list for task forces/working groups; Zone Reps should develop a list of key people in this regard for special appointments

**B. Vice President's Report – Lisa Liska:**

**1. Committee Resolution Process**

- a. Send resolutions to the National Office as soon as possible and keep following up for responses. Set a deadline of September 1<sup>st</sup> for the responses. All committee reports are prepared and on the flash drive which the Secretary has. Theresa Windham will email to John Gehrke for distribution.
- b. Set up teleconferences but in person meetings should be requested.

**2. Tracking Resolutions**

- a. Need to fully develop and maintain a tracking system for all the various committees with committee & committee chairs

**3. Other**

- a. Letter for committee appointments to SED's.
- b. Signup to receive updates to Federal Register

- c. N/O is going to develop a community on USDA Connect for quick action items. Will need to ensure all appropriate members have joined this community

**C. Secretary – Theresa Windham:**

1. Annual Reports
  - a. Start early as it takes a while to complete but needs to be posted at least 20 days prior to convention.
  - b. The Treasurer report has to be entered after May 31<sup>st</sup> and the last board call prior to convention. (even after May 31<sup>st</sup>?)
2. Newsletters
  - a. The convention newsletter should be posted within 30 days of the convention and is usually fairly long. (Goal is July 15<sup>th</sup>)
  - b. A newsletter should be posted within 15 days of the Spring/Fall board meetings.
  - c. A newsletter should be posted within 15 days of each Zone meeting.
    - i. Need to get report from committee chairs prior to zone meetings
    - ii. Remind the Zone Rep to have someone else to take notes and their deadline to report on their meeting is 7 days following their meeting. Need pictures and local interest articles for their newsletters as well.
3. Other
  - a. The State President's guide and operating manual need to be updated. Include removal of the board contact info from State Presidents Guide to reduce the need for annual update.
  - b. Explore possibility of expanding information on the map for the NACS website to include the state board.
  - c. Work with Treasurer to develop method of updating and maintain membership lists
  - d. Expand information in operating manual to help Zone Reps with meetings

**D. Treasurer – Marla Koerner**

1. Need letter from Secretary (Theresa Windham) to setup access on account and debit cards for President (Lisa Liska) and Treasurer (Tom Shelton)
2. Take all copies of checks and vouchers to DC, be sure to keep any voided checks as well
3. Print reports for audit committee and mark any minutes where expenditures not covered by the budget were approved, the audit committee will need to see these minutes
4. Create a voucher for items such as the Zone state stipend: Zone Reps are supposed to send an email with list of states in attendance which you will attach to your voucher.
5. Constant contact, need to update debt card info for charges



6. Recommend providing President a check book to take to zone meetings to write zone checks (still need email to create voucher)
7. Reconcile the accounts with outstanding checks and deposits prior with 5/31 statement for audit committee
8. Only received \$500 from J&M Marketing
9. The list of lifetime members provided to the Secretary to update Historical Information
10. Membership committee to get end-of-year list of members, until process is changed, prior to convention

**E. Past President – Allen Hall:**

1. Operating Manual
  - a. Everyone to review job descriptions and provide updates by 7/15
2. Tax issue
  - a. The 2014-15 year taxes should be filed with a return receipt
  - b. File by October 15<sup>th</sup>, 5 ½ months after year end
  - c. 990 cannot e-file
3. Other
  - a. Investment account ideas
  - b. Sponsors – creating education fund is separate tax issue

**F. Zone Representatives**

1. Do not use work email to send or forward anything that includes legislative (grass roots) or membership items
2. Use Facebook and other social media to promote activities with NACS

## **II. Comments & Recommendations**

Only regular members are eligible to receive the First time attendee and First year/First time attendee stipend. Only states with regular members in attendance shall qualify for the Convention state stipend.

# **New Business**

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## **I. Dues**

It was moved by Tom Shelton and seconded by Ryan Lukassen that dues remain the same as set at the Spring Board meeting. **Motion passed**, dues will be as follows:

- A. National NACS Dues are \$144 per year
- B. Associate National NACS Dues are \$20 per year
- C. National Lifetime Membership is \$100, paid one time
- D. National NACS Dues are \$52 for any first time member who joins between June 1, 2015 and May 31, 2016

## **II. Legislative Priorities**

- A. Increase direct loan limits
- B. Remove direct term limits

## **III. Directory Updates**

- A. Update website with new Board members: name, contact info and pictures
- B. Update website with new Board members emails for directing of emails
- C. Update website with new committee members email addresses and post comprehensive list of members as document to website

## **III. State President's Packets**

Theresa Windham to update State President's guide and post to website

## **IV. Confidentiality**

Note some items are sensitive topics and require confidentiality; especially those that we have been asked to keep confidential. Need to maintain confidence in our abilities in this area.

## **V. Job duties for new board members**

- A. President
  - 1. Email letters to SEDs for newly elected Board members
  - 2. Appoint Committee Members
- B. Vice President
  - 1. Email letters to SEDs for newly appointed Committee Members
  - 2. Monitor Federal Register
  - 3. Monitor USDA Connect
- C. Secretary
  - 1. Communications: Newsletters, Minutes, Annual Report
  - 2. Operating Manual – work with Allen to update
  - 3. Update State Presidents Guide
- D. Treasurer
  - 1. Maintain budget throughout the year
  - 2. Maintain funds at Wells Fargo Bank
  - 3. Get debit cards and account access changed
  - 4. Develop new system for all states to use for reporting membership
- E. Past President
  - 1. Send Thank-You notes to National Office speakers
  - 2. Email letter to SED for Lisa Liska elected as President
  - 3. Assist with Operating manual and other updates

## **VI. Committee Assignments**

Committee surveys turned in by each zone, additional surveys to be submitted within two weeks. President and VP will work on list after the board meeting.

## **VII. NACS Zone Meetings**

Zone A	Las Vegas, NV	Feb 26-28
Zone B	ST Paul, MN	Feb 5 -7
Zone C	Lexington or Louisville, KY with dates to be determined	
Zone D	Savannah, GA	Feb 12-14

## **VIII. Audit committee report / recommendations**

- A. Report  
Treasurer has all accounts on Quicken and has maintained a previously developed spreadsheet with all members and when dues are paid. All accounts are now on Quicken and reports can be pulled by several different categories. Treasurer will file IRS 990 EZ in a timely manner.
- B. Findings  
The President was not added as a signatory on all accounts; therefore, only the Treasurer had signature authority to transact business for NACS.
- C. Recommendations – see Audit report for full comments
  1. Audit Committee Guide Ex 2-J item 11 be changed from June 1 to May 31<sup>st</sup> to not conflict with Operating Guide H-4-C.
  2. The following expenses exceeded the budgeted amount with no record of board approval:
  3. Tracking of potential members be moved to the Membership Committee and the Operating Guide updated in this regard
  4. H-4-D-9 be deleted
  5. Add the treasures laptop as an asset
  6. Update the treasurer's laptop with email capability
  7. Revision to the scope of review for the Audit committee

## **IX. Convention committee status**

- A. Appointments will be updated for each zone and clarification of who can be appointed in the future.
- B. A convention committee account will be set-up w/ Wells Fargo and seed money from NACS as usual.
- C. Pursue using on-line payment method for registration
- D. Best practices and operating procedures will be developed for convention committee
- E. Tom Shelton moved to remove the exclusion of the Host State first time attendees from being able to receive the National Convention First Time Attendee stipend. John Gehrke seconded motion. **Motion Passed**
- F. Ryan Lukassen moved that to be eligible to receive the First Time Attendee stipend, the member must be registered to attend the full convention. Cheryl Brooks seconded the motion. **Motion Passed**

## **X. Corporate sponsors**

- A. Continue relationship with JM Marketing
- B. A motion was passed during the convention to empower the board to pursue sponsorship to the benefit of NACS
- C. Tom Shelton moved that NACS seek a legal opinion regarding Corporate Sponsors with the understanding that the Fairness Funds could be utilized for this project. The motion was seconded by Cheryl Brooks, **Motion Passed.**

## **XI. Goals for 2015-2016**

- A. Membership  
840 members by May 31, 2016; currently at 737 members
- B. Communications
  - 1. Monthly conference calls conducted by NACS board.
  - 2. President to conduct semi-annual conference calls with State Presidents
  - 3. Vice President to conduct one call with each committee following receipt of resolutions from National Office and one prior to National Convention
  - 4. Two newsletters prepared by the Secretary and emailed out to the membership per year (One after National Convention and one after each Zone Meeting)
  - 5. 12 President Updates per year
  - 6. One Zone Newsletter prepared by the Zone Representative and Secretary and emailed to the Zone members after each Zone Meeting
  - 7. One Zone Newsletter prepared by the Zone Representative and emailed out the Zone members per year
  - 8. 12 posts on social media website (Facebook) per year
- C. Convention attendance  
National Convention attendance of 90 members
- D. Zone meeting attendance  
At least one member from each State Association attend their Zone meeting

## **XII. Budget**

- A. Marla Korner moved that the following items, which exceeded the 2014 budget be approved. Motion was seconded by Cheryl Brooks, **Motion Passed.**
  - 1. NACS President actual travel over \$216.71
  - 2. Awards over \$292.79
  - 3. Membership incentives over \$300
  - 4. Webpage/constant contact over \$296.56

- B. Marla Korner moved that the following items, which exceeded the 2015 budget be approved. Motion was seconded by Tom Shelton, **Motion Passed.**
  - 1. First Time attendee stipend \$0.02
  - 2. Awards over \$78.49
  - 3. Membership incentives over \$700
- C. John Gehrke moved to amend the 2015-16 budget line items as follows with 753 members at \$144/year. Kim Adams' seconded motion, **Motion Passed.**
  - 1. Reduce state incentive from \$7000 to \$1000
  - 2. Reduce convention committee from \$1000 to \$0
  - 3. Increase convention expenses from \$0 to \$1500
  - 4. Reduce Legislative committee travel from \$9000 to \$8350

### **XIII. Newsletter**

- A. Need introduction for each Board member by July 15<sup>th</sup>
- B. Need first time attendee articles, one from each zone, by July 15<sup>th</sup>

### **XIV. Membership campaign**

Continue to empower membership committee to work on revamp of campaign

### **XV. Presidential Appointment**

Lisa will appoint website/tech team to include Treasurer and Secretary as standing members. Mark Drewitz will remain as webmaster and a member of this team.

### **XVI. National Office Relationships / Meeting with Secretary**

The President will stay an extra day when the Board visits National Office in WDC to meet with the Secretary of Agriculture

Continue to participate in quarterly calls with all association Presidents

### **XVII. NASCOE Convention**

Milwaukee, WI August 12-15, 2015 ~ Lisa Liska to attend

Cheryl Brooks moved to adjourn the meeting, seconded by Jeremey Burner. **Motion Passed**, meeting adjourned at 11:28 am CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **August 6, 2015**

The NACS Board met August 6, 2015 via teleconference with Lisa Liska calling the meeting to order at 10:00am CST. Members in attendance were, Lisa Liska, John Gehrke, Theresa Windham, Tom Shelton, Tanya Dostal, Clifford Russell, Ryan Lukassen Cheryl Brooks and Jeremey Burner.

### **I. Minutes**

The June 28, 2015 minutes were presented by Secretary, Theresa Windham with no corrections noted. The July 2, 2015 minutes were presented by Secretary, Theresa Windham with corrections noted. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by John Gehrke and seconded by Jeremey Burner to approve the minutes as amended. Motion passed**

### **II. Treasurer Report**

No formal report was provided to the board; however, it was noted that there had been no expenditures since convention but a deposit of \$4762 had been made with \$330.92 to be transferred to the Wunder Fund.

**It was moved by Jeremey Burner and seconded by Ryan Lukassen to approve the minutes as amended. Motion passed**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. Activities/Discussion with N/O**

USDA Connect FLP Community Technical Review Forum has been established with membership restricted to NACS board and committee chairs and NASE members as well as N/O representatives.

This was developed out of consultation with the N/O following this year's convention to allow items that can be done as quick changes (technical edits).

##### **2. Task force, working group and other appointments**

Two names from each zone were provided to N/O as nominations for the Human Capital Workgroup, waiting to hear back regarding selection.

##### **3. Relationship with other associations**

NACS will be represented by Lisa Liska at the NASCOE convention August 12-15<sup>th</sup>.

NACS will be represented by Ben Herink at the Rural Lenders Association Convention, September 24-25. The attendance to this convention is for the exploration of a partnership to increase the impact of our objectives. John Gehrke will attend if feasible.

**It was moved by Ryan Lukassen that Ben Herink and John Gehrke attend with the cost being covered out of Legislative Committee funds; seconded by Tanya Dostal. Motion Passed.**

**4. NACS business**

NACS never obtained the letter of exception from IRS as a Not for Profit organization, to resolve this will require filing last 3 years of financial history from annual report and current cash flow statement with a fee of \$850.

**It was moved by Tanya Dostal to authorize payment of \$850 to the IRS and filing of all required/necessary documents for NACS to obtain the letter of exception; seconded by John Gehrke. Motion Passed**

**5. Miscellaneous**

With the associations decision to increase public awareness of NACS there is greater exposure to liability for certain individual members.

**It was moved by Tanya Dostal that NACS annual reimburse the Legislative Chair for Professional Liability Insurance; seconded by Cheryl Brooks. Motion Passed**

Note: The intention is to have the Chair obtain reimbursement from the Agency as allowed before submitting a request to NACS.

**B. Vice President – John Gehrke**

**1. Committees**

The 2015-16 committee appointments have been completed and all parties notified. The list along with each members email address will be provided for posting and updates to the website.

The various committee reports will be provided to the N/O with deadline to respond.

**2. Technical Review Forum**

Only IT and FLP chairs were invited to participate in the forum.

**3. Miscellaneous**

FSA Association Pres/VP Quarterly Call went well, NAFEC reached out to NACS/NASE. Next call in October

**C. Secretary – Theresa Windham**

**1. Newsletters**

Convention newsletters will be available for posting shortly

**2. Updates**

State's Presidents guide will be available for review and posting in September

**D. Treasurer – Tom Shelton**

**1. Account Maintenance**

To allow/grant access to the Wells Fargo Accounts board members will need to provide certain information, to be notarized and returned.

It was recommend that NACS arrange to have these documents available and notarized at future conventions.

**2. Budget**

McAllister & Quinn bill of \$5472.20 is pending payment.

**3. Convention**

JM marketing was charged \$500 for both; therefore, will transfer \$500 from convention to NACS.

**E. Past President – Tanya Dostal**

Training modules for FBP will be integrated into FLOT manual with separate testing. Task force working on modules, which will be available by first of the year and online.

**F. Zone Representatives**

**1. A – Clifford Russell**

Not able to have joint meeting with RD due to dates, FSA may separate zone meeting in CA. Some discussion about joining with NASCOE area rally.

**2. B – Ryan Lukassen**

Bloomington, MN with dates as proposed

**3. C – Jeremey Burner**

Still no location or dates

**4. D – Cheryl Brooks**

Location still not determined, Savannah GA may not be possible looking for alternate sites

**IV. Old Business**

**A. Corporate sponsors**

Still looking for someone to complete the ethics report in this regard within NACS' budget.

**B. Communication/Tech Team**

Nominations for additional members so team can be established in near future



**V. New Business**

**A. Committees**

A conference call will be scheduled with the Membership Committee and Jill Colgan

**B. Schedule**

Next board call will be September 3<sup>rd</sup> at 10am CST

There being no further business the meeting was adjourned at 11:38 CST.

Theresa L Windham

NACS Secretary

2015-2016

## **September 3, 2015**

The NACS Board met September 3, 2015 via teleconference with Lisa Liska calling the meeting to order at 10:01am CST. Members in attendance were, Lisa Liska, John Gehrke, Theresa Windham, Tom Shelton, Clifford Russell, Ryan Lukassen Cheryl Brooks and Tiffany Grody, Alternate Zone C. Not present: Tanya Dostal and Jeremy Burner

### **I. Minutes**

The August 6, 2015 minutes were presented by Secretary, Theresa Windham with corrections noted. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by Tom Shelton and seconded by Ryan Lukassen to approve the minutes as amended. Motion passed**

### **II. Treasurer Report**

No formal report was provided to the board as access to the accounts and ability to write checks was still being processed. Two invoices from McAllister & Quinn were outstanding and two vouchers from National Convention.

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. Task force, working group and other appointments**

Convention Committee Appointees:

A -Chantal Haun,      B -Maureen Mausbach

C -Darren Metzger      D -Charlene Smith.

(Chantel and Charlene are also on program committees, but will not replace them at this time; alternate should be prepared as needed)

Membership Committee – will have monthly calls with Jill Colgan, regarding rebranding of NACS and membership campaign

##### **2. Relationship with other associations**

Recap of NASCOE convention provided in Presidential update

**It was moved by John Gehrke that Lisa Liska be reimbursed for actual expense \$525.67 (flight and room) to attend NASCOE convention; seconded by Cheryl Brooks. Motion Passed.**

#### **B. Vice President – John Gehrke**

##### **1. Committees**

The 2015-16 resolutions have been provided to the various groups at the National Office with a deadline to respond in September.

The adopted resolutions report to be posted on NACS website.

**C. Secretary – Theresa Windham**

State's Presidents guide will be available for review and posting in September

**D. Treasurer – Tom Shelton**

**1. Account Maintenance**

All scanned information was provided, one original still pending.  
May need to order checks.

**2. Budget**

Not all states have submitted first quarter dues. All State Treasurers updated in email list and will be reminded accordingly.

**3. IRS**

Will need to have 2014 taxes files to update status

**E. Past President – Tanya Dostal**

None

**F. Zone Representatives**

**1. A – Clifford Russell**

Waiting to see if hotel can handle additional attendees if combine with NASCOE. If doesn't work this year may consider for next year.

**2. B – Ryan Lukassen**

Bloomington, MN with dates as proposed

**3. C – Jeremey Burner**

Lexington, KY – March 11-12

**4. D – Cheryl Brooks**

Location still not determined looking at Atlanta now

**IV. Old Business**

**A. Corporate sponsors**

Still looking for someone to complete the ethics report in this regard within NACS' budget.

**B. Communication/Tech Team**

Nominations for additional members so team can be established in near future

**V. New Business**

**A. Schedule**

Next board call will be October 8<sup>th</sup> at 10am CST

There being no further business the meeting was adjourned at 11:07 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **October 8, 2015**

The NACS Board met October 8, 2015 via teleconference with Lisa Liska calling the meeting to order at 1:31pm CST. Members in attendance were, Lisa Liska, John Gehrke, Theresa Windham, Tom Shelton, Tanya Dostal, Ryan Lukassen, Joseph Grier, David Bonnett and Jeremy Burner.

### **I. Minutes**

The September 3, 2015 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by John Gehrke and seconded by Tanya Dostal to approve the minutes as presented. Motion passed**

### **II. Treasurer Report**

The treasurer, Tom Shelton, reported the following balances as of 10-07-2015:

Checking	\$ 20,401.63
Fairness Fund	\$ 3,958.75
Savings	\$ 84,806.19
<u>Wunder Fund</u>	<u>\$ 9,262.90</u>
<b>Total</b>	<b>\$118,429.47</b>

**It was moved by Jeremy Burner and seconded by John Gehrke to approve the report as presented. Motion passed**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. Task force, working group and other appointments**

NACS Communication Committee appointments will include the following:

Mark Drewitz – Webmaster, standing appointment

Tom Shelton – Treasurer, standing appointment

Theresa Windham – Secretary, standing appointment

Joseph Grier

Becky Minter

##### **2. Relationship with other associations**

FSA Stakeholder's Meeting scheduled for October 24

NACS invited to attend ABA conference, Lisa Liska will attend.

##### **3. NACS business**

Zone Representative B – Ryan Lukassen has resigned due to changing positions within FSA and moving to Zone A. The alternate, Joseph Grier from TX will assume the position as representative and a new alternate will be determined shortly.

- Call with State Presidents by Zone to be organized for November
4. **Miscellaneous**  
Review Retainer Agreement – legal opinion on sponsors (need to get memo referenced in memo and then do in between call to approve difference, and background on attorney)
- B. Vice President – John Gehrke**
1. **Committees**  
Received responses for MP resolutions, following-up on the rest with the original deadline to respond of 9/25.  
  
Still working on updating website with new committee members to receive notification of new resolutions that are posted.
  2. **Task force, working group and other appointments**  
Lori Fink, IL was submitted as the FLM representative for the Aspiring Leader Task Force.
  3. **Miscellaneous**  
Ben Herink and John Gehrke represented NACS at NRLA Conference and hosted an Agriculture Lender Forum.
- C. Secretary – Theresa Windham**  
State’s Presidents guide draft provided to board.
- D. Treasurer – Tom Shelton**
1. **Account Maintenance**  
Authorization updated to allow Lisa Liska (President) and Tom Shelton (Treasurer) to sign checks. Tanya Dostal (Vice President) cannot have debt card without being authorized signor.  
  
Recommend the following update to the Operating Manual in this regard (to be provided to Allen Hall).  
*Forms for account access shall be obtained at the New/Old Board meeting during the annual convention.*
  2. **IRS**  
2014 tax returns are being prepared to be filed by deadline of October 15<sup>th</sup>, certified mail return receipt.
- E. Past President – Tanya Dostal**  
Training modules for FBP will be integrated into FLOT manual with separate testing. Task force working on modules, which will be available by first of the year and online.  
  
Web equity awarded contract for CFAT training.

Policy meeting may be November 30<sup>th</sup> – December 4<sup>th</sup>.

**F. Zone Representatives**

1. **A – Clifford Russell**  
Not in attendance
2. **B – Ryan Lukassen**  
Bloomington, MN with dates as proposed; will work with Joe for transition
3. **C – Jeremey Burner**  
Lexington, KY in March
4. **D – David Bonnett**  
Location still not determined but should be in February as usual

**IV. Old Business**

**A. Corporate sponsors**

Received quote for retainer on legal opinion for cooperative sponsorship. Upon review of provided information, the decision to accept the proposal was **tabled** until additional information is obtained. A call between meetings may be scheduled to handle this business.

**B. Communication/Tech Team**

One additional member may be appointed

**V. New Business**

**A. Schedule**

Next board call will be November 12<sup>th</sup> at 10am CST

There being no further business the meeting was adjourned at 2:38 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **October 22, 2015      SPECIAL CALLED MEETING**

The NACS Board met October 22, 2015 via teleconference with Lisa Liska calling the meeting to order at 2:30pm CST. Members in attendance were, Lisa Liska, John Gehrke, Theresa Windham, Tom Shelton, Tanya Dostal, Joseph Grier, Cheryl Brooks and Jeremey Burner.

### **I.      Old Business**

#### **A.      Corporate sponsors**

This meeting was called in between regular board meetings to finalize the tabled discussion regarding the proposal to retain council in pursuit of a legal opinion regarding cooperate sponsorship.

The board determined that the attorney had sufficient knowledge and background to provide a reliable legal opinion within the scope of NACS desire to seek cooperate sponsorship and the impact to members in regards to ethics and legal responsibilities.

Attached is the proposed retainer agreement in this regard.

**It was moved by John Gehrke and seconded by Jeremey Burner to approve the retainer and to use \$3,958.75 from the Fairness Fund and \$41.25 from Legislative Committee for payment of this retainer.  
Motion passed**

There being no further business the meeting was adjourned at 3:30 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **RETAINER AGREEMENT**

This agreement is entered into between Michael Weitzner, Attorney at Law (“the Firm”) and National Association of Credit Specialists (“NACS”).

**Scope of Representation.** Client retains the Firm to draft an opinion letter related to NACS’ engagement with third parties. In compliance with the District of Columbia Bar Rules of Professional Conduct, the purpose of this letter is to confirm the terms and conditions under which our firm has undertaken this representation.

**Legal Fees.** For this matter, the firm’s fees will be capped at \$4,000.

**Discharge and Withdrawal.** Client may discharge the Firm at any time upon written notice. Client acknowledges and agrees that to the full extent permitted by law, the Firm may withdraw at its sole discretion from representing you in this matter. If the Firm is terminated for any reason or withdraws from representing you for any reason, then it will be entitled to receive all outstanding fees incurred during the representation.

**Files.** Upon termination of the representation, the Firm shall return to Client the entire file, at Client’s expense. The Firm may retain a copy of the file, at its expense. However, Client acknowledges and agrees that the Firm is under no obligation to retain a copy of the file and the file is not liable for failing to retain a copy of the file. If the Firm cannot contact the Client and arrange for delivery of Client’s file, the Firm may destroy the file after one year, at the Firm’s expense.

**No Promise of Outcome.** The Firm has not made, and cannot make, any promise or guarantee about the outcome of this matter.

**Entire Agreement.** This agreement is complete and supersedes all other verbal and written agreements. The agreement may be modified only in a writing signed by the Firm and Client. Client understands that if Client wishes the Firm to provide any legal services that are not included in this agreement, a separate agreement will be necessary.

THE UNDERSIGNED HAVE READ AND AGREE TO BE BOUND BY THE TERMS OF THIS AGREEMENT.

\_\_\_\_\_  
Michael Weitzner, Attorney at Law  
4916 Brandywine Street, N.W.; Washington, D.C. 20009  
(202) 905-1172 (tel.); (202) 265-0403 (fax)  
mweitzner@weitznerlaw.com

Date: \_\_\_\_\_

\_\_\_\_\_  
National Association of Credit Specialists

Date: \_\_\_\_\_



## **November 12, 2015**

The NACS Board met November 12, 2015 via teleconference with Lisa Liska calling the meeting to order at 10:00am CST. Members in attendance were, Lisa Liska, John Gehrke, Theresa Windham, Tanya Dostal, Clifford Russel, Joseph Grier, Jeremy Burner and Cheryl Brooks.

### **I. Minutes**

The October 8, and October 22, 2015 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by Tanya Dostal and seconded by Clifford Russel to approve the minutes as revised. Motion passed**

### **II. Treasurer Report**

The treasurer, Tom Shelton, provided a report to the board via email prior to the meeting but was not in attendance. Balances as of 11-11-2015 are as follows:

Checking	\$ 25,303.19
Fairness Fund	\$ 3,958.75
Savings	\$ 84,806.18
Wunder Fund	\$ 9,262.90
<b>Total</b>	<b>\$123,331.03</b>

**It was moved by John Gehrke and seconded by Joseph Grier to approve the report as updated. Motion passed**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. Discussion and meetings with N/O**

DAFO needs more specific examples for hiring issues to better address those concerns.

No additional information on budget or ceilings at this time but do not anticipate a shutdown.

USDA's portion of the cost for the response to the data breach will be \$1 million which is not significant amount across all the agencies.

Deloit's report of ARS data was submitted to N/O and will be presented to NACS board as webinar when scheduled.

National FLP Training: November 30<sup>th</sup> – December 4<sup>th</sup> in Albuquerque, NM. DAFLP has encouraged all states to use one of their authorized slots for a field employee. All associations were authorized to have two (2) representatives.

##### **2. Relationship with other associations**

Joint National Convention with all associations (NASCOE, NADD, NASE, and NACS). Two representatives from each association to form working group.

**3. Miscellaneous**

Draft Debt Collection & Resolution Regulation responses are due 2-29-16

**B. Vice President – John Gehrke**

MP & IT responses were received and passed on to committees.  
Committees members not updated on website yet, right now forwarding the resolutions to the chair

**C. Secretary – Theresa Windham**

State's Presidents guide updated.

**D. Treasurer – Tom Shelton**

2014 tax returns were filed by deadline of October 15<sup>th</sup>, certified mail return receipt.

**E. Past President – Tanya Dostal**

Training modules for FBP are ready just waiting for newest version of FBP to be released.

**F. Zone Representatives**

**1. A – Clifford Russell**

State President call: Thursday, Nov 19<sup>th</sup> at 1:30 pm MT

**2. B – Joseph Grier**

State President call: Tuesday, Nov 24<sup>th</sup> at 10:30 am CT  
New alternate Zone Rep is Kay McCoy

**3. C – Jeremey Burner**

State President call: Tuesday, Nov 17<sup>th</sup> at 10:30 am ET

**4. D – Cheryl Brooks**

State President call: Thursday, Nov 19<sup>th</sup> at 10:30 am CT  
Zone meeting will be in Athens, GA at Hotel Indigo Feb 11-13

**IV. Old Business**

**A. Corporate sponsors**

Retainer Agreement with Michael Weitzner was signed. May take a month to get report back.

**V. New Business**

**A. Zone Meetings**

Registration and agendas ready by December meeting

**B. Schedule**

Next board call will be December 8<sup>th</sup> at 10am CST

There being no further business the meeting was adjourned at 10:59am CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **December 8, 2015**

The NACS Board met December, 8 2015 via teleconference with Lisa Liska calling the meeting to order at 10:00am CST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Tom Shelton, Clifford Russell, Joseph Grier and Jeremy Burner. Those not in attendance were Tanya Dostal and Cheryl Brooks.

### **I. Minutes**

The November 12, 2015 minutes were presented by Secretary, Theresa Windham with corrections noted. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by John Gehrke and seconded by Joseph Grier to approve the minutes as corrected. Motion passed**

### **II. Treasurer Report**

The treasurer, Tom Shelton, provided a report to the board via email prior to the meeting. Balances as of 12-07-2015 are as follows:

Checking	\$ 28,324.84
Fairness Fund	\$ 3,958.75
Savings	\$ 84,806.18
Wunder Fund	<u>\$ 9,262.90</u>
Total	\$126,352.68

**It was moved by Joseph Grier and seconded by Jeremy Burner to approve the report. Motion passed**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. Activities/Discussion with N/O**

The National Office invited two members from each employee association to attend the FLP Policy meeting. NACS was represented by Lisa Liska and Theresa Windham.

The remainder of the NACS executive board was also present at the FLP Policy meeting thanks to the encouragement of the National Office to States.

The executive board met briefly with Jim Radintz during the Policy meeting and requested a copy of the direct term limit report.

##### **2. Relationship with other associations**

A joint working group comprised of members from each employee association (NASCOE, NADD, NACS, and NASE) will develop recommendations for a joint convention for 2018 or later. The Convention Committee will represent NACS in this regard.

During the FLP Policy meeting the President and Vice-President of all associations meet as a group to discuss the joint convention.

**B. Vice President – John Gehrke**  
**Committees**

The N/O responses for the IT resolutions has been received, the committee will have a call next week.

Expect N/O responses for the FLP resolutions by end of week.

**C. Secretary – Theresa Windham**  
**Newsletters**

Still need information from the zones for the pre zone meeting newsletter

**Updates**

State's Presidents guide has been updated.

**D. Treasurer – Tom Shelton**  
**IRS**

The year to date income and expense report will be prepared and provided along with the 2014 tax returns for submission to the IRS.

**E. Past President – Tanya Dostal**  
Not in attendance

**F. Zone Representatives**  
**A – Clifford Russell**

Registration out in next two weeks for zone meeting in Las Vegas

**B – Joseph Grier**

Contact made with South Dakota and Iowa; Tom Shelton new state president for Missouri.

**C – Jeremey Burner**

Registration out in next two weeks for zone meeting in Lexington

**D – Cheryl Brooks**

Not in attendance

**IV. Old Business**

**A. Corporate sponsors**

The legal opinion from Michael Weitzner has not yet been provided.

**B. Other**

Draft Debt Collection & Resolution Regulation responses are due to N/O 2-29-16. The report has been provided to the FLP committee to collate NACS response, the board has been emailed a copy for review and comment as well.

NACS to schedule date/time to review Deloit work study report with DAFO

**V. New Business**

**A. Spring Board Meeting**

The N/O has approved time and travel to DC for a joint association meeting the week of March 28<sup>th</sup>. Travel days will be Monday – March 28<sup>th</sup> and Friday – April 1<sup>st</sup>. The board will meet on Tuesday and with the various N/O sections on Wednesday with a joint association meeting on Thursday.

**B. Schedule**

Next board call will be January 7, 2016 at 10am CST

There being no further business the meeting was adjourned at 10:55 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **January 7, 2016**

The NACS Board met January 7, 2016 via teleconference with Lisa Liska calling the meeting to order at 10:05am CST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Tom Shelton, Tanya Dostal, Clifford Russell, Joseph Grier, Jeremy Burner and Cheryl Brooks.

### **I. Minutes**

The December 8, 2015 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by Joseph Grier and seconded by John Gehrke to approve the minutes as provided. Motion passed**

### **II. Treasurer Report**

No treasurer's report was provided; however, Tom Shelton indicated no deposits or check since the last meeting and the balances as of the last report, 12-07-2015 were the same. There are checks totaling \$5292 to be deposited and an outstanding bill for McAllister & Quinn to be paid.

**It was moved by Joseph Grier and seconded by Cheryl Brooks to accept the Treasurer's account with no changes from the previous report. Motion passed**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. NACS Business**

- a. Tom Shelton, Treasurer, has resigned as of January 8, 2016. Tom has accepted a position outside of FSA.

**b. It was moved by Tom Shelton that the board accept Ryan Lukassen as the interim treasurer until the next election of Board officers at the National Convention. The motion was seconded by Cheryl Brooks. Motion Passed.**

##### **2. Preparing for Zone meetings**

Invitations were sent to N/O (DAFLP, DAFO, ADM) with no responses as yet although ADM has indicated attendance at Zone C.

Draft agenda for all zone meetings are to be prepared and submitted to President which will be submitted to DAFO for approval of additional administrative time to attend zone meetings.

##### **3. Updates on working groups/taskforce**

Human Capital workgroup looking to meet Feb 3, Joseph Grier on this panel for NACS.

**B. Vice President – John Gehrke**  
**Committees**

The N/O responses for the M/P resolutions has been received, the committee had their call and has determined no need to schedule a follow-up call with the N/O.

The N/O responses for the IT resolutions has been received, the committee had their call and will set up a call with the N/O.

The N/O responses for the FLP resolutions has been received and have been forwarded to the committee chair. A call with the committee will be scheduled.

The N/O has not responded to the FP resolutions.

**C. Secretary – Theresa Windham**  
**Newsletters**

A pre-zone newsletter will be prepared and published this month. Zone Reps are to provide their notes and pictures from their zone meetings within the week following the meeting. All committee chairs will be contacted to provide a short report for the zone newsletters.

**D. Treasurer – Tom Shelton**  
**Budget**

The projected budget was based on retaining the “new members” from last year and gaining “new members” this year. Encourage retention of membership for all employees.

**Transition**

M&Q is getting the bank statements, the treasurer can access the statement online but will update the address online.

M&Q is still mailing invoices to previous treasurer, notification needs to be provided to them of the current address to which this statement should be provided.

Excel spreadsheet from current treasurer for the tracking membership numbers by zone was provided to the board.

**E. Past President – Tanya Dostal**

FBP webinars will be recorded shortly; release of new FBP version delayed slightly

States received WE survey results for their states.

**F. Zone Representatives**

*Open discussion on preparing for upcoming Zone Meetings*

Coordinate with NASE regarding agenda and presentations at zone.

Contact committee members to ensure they are prepared to provide committee reports at zone and work on new resolutions.

Save your membership and legislative discussions for Saturday. Skype sessions will be scheduled for each zone meeting.  
Encourage the State Presidents to attend and remember that NACS provides \$300 to the State treasury for each state attending.  
Send a guideline for the State President's report to the states.  
Be sure to have available on Saturday a laptop with skype, portable speakers, projector and hard wired internet.  
VTC software will be loaded on Presidents laptop for backup but you will need to make sure the location has hard wired internet if it will be used.

**IV. Old Business**

**A. Corporate sponsors**

The legal opinion from Michael Weitzner has not yet been provided.

**B. Other**

NACS to schedule date/time to review Deloit work study report with DAFO

**V. New Business**

**A. Schedule**

Next board call will be February 2, 2016 at 10am CST

There being no further business the meeting was adjourned at 11:09 CST.

Theresa L Windham  
NACS Secretary  
2015-2016



## **February 2, 2016**

The NACS Board met February 2, 2016 via teleconference with Lisa Liska calling the meeting to order at 11:03am CST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Ryan Lukassen, Tanya Dostal, Clifford Russell, Kay McCoy (Alternate Zone B Rep), Jeremy Burner and Cheryl Brooks.

### **I. Minutes**

The January 7, 2016 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by Tanya Dostal and seconded by Jeremy Burner to approve the minutes as provided. Motion passed**

### **II. Treasurer Report**

No treasurer's report was provided; however, Ryan Lukassen indicated \$6517 of dues to be deposited; \$50 to deposit into Wunderfund; no bills have been presented.

Information has been submitted to the bank to update access with the change in treasurer. Tom Shelton mailed current information and check books to Ryan Lukassen via registered mail; Lisa Liska will retrieve laptop from Tom Shelton and bring to Ryan Lukassen at zone meeting to complete the transfer of records.

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. NACS Business**

Membership committee will have call to discuss promotion for members and national convention

Day on the Hill potentially to be planned for Thursday following convention which would move old/new board meeting

##### **Legislative Priorities:**

A proposal was submitted by the Legislative Committee to add a new priority briefly outlined as a 2.5 million guaranteed limit with 1.5M and below having a maximum guarantee of 90%; 1.5M to 2.5M limited to 80%. This would be a onetime increase but retaining the index for future increases with loan approval authorities being increased reflectively.

**Ryan Lukassen moved to add the proposed guaranteed loan limit as a new priority for the 2015-2016 Legislative Committee. Motion was seconded by Tanya Dostal. Motion Passed**

2. **Meetings with National Office**  
March 28 – April 1<sup>st</sup>, Travel Authorization to be provided shortly for full board to attend.
3. **Preparing for Zone meetings**  
Need Zone A & C agendas to request administrative leave from DAFO. Zone D has been submitted.
4. **Updates on working groups/taskforce**  
EVS working group calls to start this week with report to DAFO by 2/16. NACS represented by Theresa Windham

**B. Vice President – John Gehrke**  
**Committees**

The N/O responses for the IT resolutions has been received, the committee has completed their call with N/O.

The N/O responses for the FP resolutions has been received, the committee call will be scheduled.

Each zone representative will receive a report on resolutions that have been submitted prior to zone meeting.

**C. Secretary – Theresa Windham**  
**Newsletters**

Zone Reps are to submit report and information within 10 days of their meeting for the newsletter to be completed.

**D. Treasurer – Ryan Lukassen**  
None

**E. Past President – Tanya Dostal**  
FBP webinars have been recorded; to be released shortly

**F. Zone Representatives**  
Zone A Speakers: Jim Radintz, Greg Diephouse  
Zone B Speakers: Jim Radintz, Greg Diephouse  
Zone C Speakers: Val Dolcini, DAFLP representative  
Zone D Speakers: Jim Radintz, DAFO representative?

NAFCO will do a VTC for all zone meetings; FAC will do a VTC for all but zone B. 30 minutes each including Q &A.

J&M Marketing will be at A & C only.

**IV. Old Business**

**A. Corporate Sponsorship**

Legal opinion has been provided, members will be updated in this regard at zone meetings. In brief the opinion indicated that NACS is non-profit organization and is not restricted for fund raising but should not approach any prohibited sources while it is also further recommended that the Office of Ethics be visited for any additional guidance in this regard but not permission.

**V. New Business**

**A. Schedule**

Next board call will be March 1, 2016 at 10am CST

There being no further business the meeting was adjourned at 12:19 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **March 1, 2016**

The NACS Board met March 1, 2016 via teleconference with Lisa Liska calling the meeting to order at 10:03am CST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Ryan Lukassen, Clifford Russell, Joseph Grier, Jeremy Burner and Cheryl Brooks.

### **I. Minutes**

The February 2, 2016 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by John Gehrke and seconded by Clifford Russell to approve the minutes as provided. Motion passed**

### **II. Treasurer Report**

The account balances are as follows:

Checking	\$30,644.42
Savings	\$85,623.34
Wunder Fund	\$ 9,545.07
Fairness Fund	<u>\$ 3,959.99</u>
	<b>\$129,772.82</b>

Accounts payable from Zone B & D reimbursement of \$4800. Income to be received of \$522.22 from 2015 National Convention and dues yet to be determined.

**It was moved by Clifford Russell and seconded by Cheryl Brooks to accept the Treasurer's report. Motion passed**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **NACS Business**

Be Prepared for Spring Board Meeting- Tuesday 29<sup>th</sup>: review agenda in Operational Manual page 3-90, draft budget, pre-convention meeting agenda.

Convention Committee Update – first call two weeks ago; will have bi-weekly calls to get things going for registration and so forth. Residence Inn Capitol, with meetings at Patriot Plaza.

Ben Herink to make legislative visit in March, unable to schedule during 1<sup>st</sup> week of March; will plan to reschedule week of board meeting.

#### **2. Meetings with National Office**

March 28 – April 1<sup>st</sup>, Travel Authorization provided. Forward any topics for discussion from membership. Schedule shall be provided shortly, but have requested meetings and times as follows:

- Val Dolcini, ADM; Chris Beyerhelm, Assoc ADM & Mike Schmidt, Assoc ADM: 1 or 2 hours
- Jim Radintz, DAFLP: 1 hour
- Department heads for Loan Making, Loan Servicing , PEED and Jim: 2 hours
- Greg Diephouse, DAFO & staff: 1 hour
- Tom Mulhern, HR & staff: 1 hour
- Darren Ash, CIO & staff: 1 hour
- Brad Pfaff, Acting DAFP; Raellen Erickson and Toni William: 1 hour
- Radha Sekar, CFO; Heidi Ware: 1 hour
- Mark Rucker, DAM: 1 hour
- Lanon Baccam, Deputy Under Secretary: 1 hour
- Lilia McFarland, New & Beg. Farmer/Rancher Program Coordinator: 1 hour

**3. Candidate announcements from Zone meetings**

Ryan Lukassen: Treasurer

Casey Toyne, CO: Zone A Rep

Joseph Grier, TX: Zone B Rep

Matthew Christian, TN: Zone D Rep

**B. Vice President – John Gehrke**

Planned meeting with Board of Ethics on Friday at McAllister and Quinn for Lisa and John.

**C. Secretary – Theresa Windham**

Zone Reps are to submit report and information within 10 days of their meeting for the newsletter to be completed. Still need all zone reports.

**D. Treasurer – Ryan Lukassen**

The amount under investigation for fraud is \$1027.83 of which \$591.47 has been recovered with \$436.36 to be received. Policy reports were filed and the accounts have been updated accordingly. New checks have been ordered.

**E. Past President – Tanya Dostal**

Not in attendance, no report provided

**F. Zone Representatives**

Zone A was completed with good attendance.

Zone B was completed with good attendance.

Zone C meeting March 10-12 in Lexington, KY

Zone D had every state represented at the meeting

**IV. Old Business**

None

**V. New Business**

**A. Schedule**

Brief call March 22<sup>nd</sup> at 9am to review preparation for WDC meeting.

Spring Board Meeting in WDC, Tuesday, March 29<sup>th</sup> at McAllister & Quinn Conference Room 9am to 5pm.

There being no further business the meeting was adjourned at 11:05 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **March 22, 2016**

The NACS Board met March 22, 2016 via teleconference with Lisa Liska calling the meeting to order at 10:00am CST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Ryan Lukassen, Tanya Dostal, Clifford Russell, Joseph Grier, Jeremy Burner and Cheryl Brooks.

The meeting was convened to review the agenda, meeting locations and travel plans for the WDC meeting, March 28 – April 1<sup>st</sup>

### **I. Monday: March 28<sup>th</sup>**

Travel into WDC, meeting in lobby at 5:30-6:00pm to make arrangements for travel to meeting location for Spring Board meeting on Tuesday

### **II. Tuesday: March 29<sup>th</sup>**

Spring board meeting at McAllister & Quinn conference room from 9am to 5pm

### **III. Wednesday: March 30<sup>th</sup>**

8:30 – 11:30 am	Joint Employee Association Meeting
1:00 – 3:00 pm	Jim Radintz, DAFLP, LM, LS, PDEED
3:00 – 4:00 pm	Jim Radintz, DAFLP
4:15 – 5:15 pm	Radha Sekar, CFO & Bob McGrath

\*All subject to change

### **IV. Thursday: March 31<sup>st</sup>**

8:00 – 9:00 am	Brad Pfaff, DAFF & Staff
9:00 – 10:00 am	Greg Diephouse, DAFO & Staff
10:15 – 11:00 am	Lilia McFarland, New & BF/Rancher Program Coordinator
11:00 – 11:30 am	Val Dolcini, Adm & Chris Beyerhelm, Associate Adm
12:00 – 1:00 pm	Thomas Mulhern/ Barbara Boyd, HRD
1:00 – 2:00 pm	Darren Ash, CIO & Staff
2:00 – 3:00 pm	Mark Rucker, DAM
3:30 – 4:15 pm	Lanon Baccam, Deputy Under Secretary
4:30 – 5:00 pm	Mike Schmidt, Associate Administrator

\*All subject to change

### **V. Friday: April 1<sup>st</sup>**

Return travel

### **VI. Other**

Ben Herink traveling to WDC for Legislative meetings on the Hill, March 28 - 30  
Maureen Mausbach and Charlean Smith traveling to WDC for convention planning during the week

There being no further business the meeting was adjourned at 10:45 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **March 29, 2016      SPRING BOARD MEETING**

The NACS Board met March 29, 2016 at the offices of McAllister & Quinn in Washington DC with Lisa Liska calling the meeting to order at 9:29 EST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Ryan Lukassen, Tanya Dostal, Clifford Russell, Joseph Grier, Jeremy Burner and Cheryl Brooks.

### **I. Minutes**

The March 1, 2016 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by Jeremy Burner and seconded by Ryan Lukassen to approve the minutes as provided. Motion passed**

### **II. Treasurer Report**

The account balances as of March 27, 2016 are as follows:

Checking	\$14,674.05
Savings	\$85,625.38
Wunder Fund	\$ 9,864.99
Fairness Fund	\$ 3,959.99
	<b>\$114,124.06</b>

Dues for the fourth quarter have not been received, a notification will be forwarded to state associations with dues outstanding.

Expect invoice for legal opinion and March invoice from McAllister & Quinn. Still working on the IRS filing status.

**It was moved by Tanya Dostal and seconded by Cheryl Brooks to approve the overage for President Travel in the amount of \$86.03 from the amount originally budgeted. Motion Passed.**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. NACS Business**

Ben Herink in WDC for Legislative activity, March 29-31<sup>st</sup>  
Maureen Mausbach & Charlean Smith in WDC for convention planning

##### **2. Updates on working groups/taskforce**

Kimberly Eilerman, IL, to serve as NACS representative on IT Steering Committee to meet in WDC April 18<sup>th</sup> – 21<sup>st</sup>

#### **B. Vice President – John Gehrke**

All reports, with national officer response and committee follow-up, to be posted to NACS website.



**C. Secretary – Theresa Windham**

Need information from Zone Reps to complete zone newsletters, ASAP.  
Finalizing the updates to operating manual – will send sections for review for each position.

Updated State President's guide provided for posting to NACS website  
Board Reports for annual report due May 31<sup>st</sup>

**D. Treasurer – Ryan Lukassen**

All funds have been recovered and accounts re-established.

To avoid fees will need to maintain a gross amount of \$13,000. Was charged a fee (\$42) deposit cash but will talk with the bank to recover and avoid in the future.

Will prepare proposal for technology needed for completing Treasurer Duties.

**E. Past President – Tanya Dostal**

FBP webinars have been re-recorded; to be released shortly

**F. Zone Representatives**

Zone A: 2017 in Seattle, WA March 2-4

Zone B: 2017 in Sioux Falls, SD Feb 2-4

Zone C: 2017 location and dates not determined

Zone D: 2017 in South Haven, MS Feb 16-18

**IV. Old Business**

**A. Review 2015-16 Goals**

1. Membership

Goal was 840 members currently 670 regular & 65 new & 4 associate

2. Convention attendance

90 members in attendance – feel that this will be accomplished

3. Zone Meeting attendance

Goal is at least one member from each State Association to attend their zone.

Results were that Zone A & D meet this goal.

4. Communications

Monthly conference calls conducted by the NACS board is being accomplished.

Semi-annual conference calls with State Presidents. One completed in November and the second call will be scheduled for May. Zone Reps to confirm dates.

Conference calls with all Committees were completed after National Office response were received.

Conference calls with all Committees will be conducted prior to convention, in the first part of June.

Newsletter prepared following National Convention and one prior to zone meeting, meeting the goal of two newsletters per year. A pre-convention newsletter will also be prepared.

Seven of the twelve President updates have been completed.

Newsletters following zone meetings are being prepared, once posted this goal will have been accomplished.

One Zone newsletter prepared by Zone Representatives per year has yet to be accomplished.

More than 12 posts have been made to the NACS Facebook page since convention, accomplishing this goal.

5. JM Marketing contract

The contract with JM has expired and will be re-negotiated. Issues with the exclusivity clause, fees for attending zone and convention and compensation to NACS will be addressed.

6. Marketing Plan

Membership committee was charged with developing new incentives and will provide a presentation about plans in this regard next month

**V. New Business**

**A. Financial Business**

Review 2016-17 draft budget, items were adjusted to balance the budget with the expected number of members at 735 from 753 for the 2015-16 budget.

**It was moved by Ryan Lukassen and seconded by Jeremey Burner that dues remain the same. Motion Passed**

Dues are as follows:

Regular \$144/year    Associate \$30/year    New \$52/year    Life \$100

**B. National Convention Awards**

Nominations for Blood, Sweat and Tears need to provide to Tanya Dostal as soon as possible.

Man Mile Recognition to be reestablished, collect information at registration. (Theresa Windham & Ryan Lukassen to coordinate)

**C. Review agenda for National Convention**

Draft agenda reviewed with reminders to officers and zone reps of information that will be needed and responsibilities at convention

**D. Annual Report**

Will need board reports by May 31<sup>st</sup> and Treasurer Reports as of May 31<sup>st</sup> as soon as possible.

Annual report to be ready for delivery by June 15<sup>th</sup>.

**E. Candidates for Officer and Zone Representatives**

President	John Gehrke, IL
V-President	Theresa Windham, GA
Secretary	None
Treasurer	Ryan Lukassen, NM
Zone A Rep	Casey Toyne, CO
Zone B Rep	Joseph Grier, TX
Zone C Rep	Jeremey Burner, VA
Zone D Rep	None

**F. Other**

Encourage all members to complete Committee Survey

Encourage all members to submit resolutions prior to convention and use the Technical Forum

Ben Herink provided a Legislative Issues Committee Report to the board.

NACS has been invited to attend the NASCOE All West meeting May 12-14 in San Diego, CA. There is potential that the NACS-FSA Zone A meeting would be held jointly with the NASCOE counterpart in the future.

**Ryan Lukassen moved and it was seconded by Cheryl Brooks that a NACS representative attend with reimbursement for travel. Motion passed.**

Next board call will be April 26, 2016 at 10am CST

There being no further business the meeting was adjourned at 2:15 EST.

(Review of agenda and preparation for meetings with National Office was conducted for the remainder of the day.)

Theresa L Windham  
NACS Secretary  
2015-2016

## **April 26, 2016**

The NACS Board met April 26, 2016 via conference call with Lisa Liska calling the meeting to order at 10:00 am CST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Ryan Lukassen, Tanya Dostal, Clifford Russell, Joseph Grier, Jeremy Burner and Cheryl Brooks.

### **I. Minutes**

The March 22, 2016 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by John Gehrke and seconded by Joseph Grier to approve the minutes as provided. Motion passed**

The March 29, 2016 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by John Gehrke and seconded by Joseph Grier to approve the minutes as amended. Motion passed**

### **II. Treasurer Report**

The account balances as of April 25, 2016 are as follows:

Checking	\$ 15,957.21
Savings	\$ 85,627.56
Wunder Fund	\$ 9,865.24
Fairness Fund	<u>\$ 3,959.75</u>
	<b>\$115,409.76</b>

Dues for the fourth quarter are still being received.

Invoice for McAllister & Quinn to be paid. Awards are within budget and will be purchased.

Contact information for Colorado was requested for the Zone meeting reimbursement.

Funds will be transferred from the Wunder fund to the 1<sup>st</sup> time incentives which were paid following the 2015 convention, which fell into the 2016 budget year, as previously approved.

**It was moved by Cheryl Brooks and seconded by Tanya Dostal to accept the report. Motion Passed.**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **1. Tech Team Update**

Call was held with team, plans are underway to redesign main webpage and make it easier to navigate:

Joseph Grier will maintain and update website;

Ryan Lukassen will maintain and update constant contact;

Becky Minter will maintain and update Facebook;  
Mark Drewitz will stay on as advisor.

**2. Media Strategy**

Lisa Liska and John Gehrke meet with Jill C. & Andy Quinn following the spring board meeting. Phase I of the media strategy will have articles focusing on persons who could not get credit due to term limits. A scripted video with Lisa Liska and Ben Herink will be taped next month. Additional media training with Ben Herink and John Gehrke.

**3. Convention Registration**

Registration will be out shortly, once the hotel links are working. Not required to fill the hotel block. Forward any leads regarding sponsors to Chantal Haun.

**4. Membership Committee: Incentives**

McAllister & Quinn donated \$1000 toward membership incentives; NACS has \$500 in the budget. The committee wants to provide some incentives (Five- \$500 prizes) to encourage attendance from states that do not have a lot of attendance. First time attendees will be eligible along those that do not receive a reimbursement for NACS otherwise.

**It was moved by Ryan Lukassen and seconded by Joseph Grier to increase the budget allotment for incentives by \$1000 for use as prizes as stipulated. Motion Passed.**

**5. Other**

Kimberly Eilerman, IL, attending IT Steering Committee meeting last week as NACS representative. Group picture is on Facebook and an update will be provided on the website.

Joseph Grier to attend All West NASCOE Rally: May 12-14<sup>th</sup>

**B. Vice President – John Gehrke**

Each committee to provide final report with their responses: FP & FLP are to be posted shortly.

All committees to report what members will be attending convention. FLP has full slate; FP – need replacement for Zone A.

Andy Quinn meet with Offices of Ethics regarding corporate sponsorship. NACS is not requesting or expecting to get a letter from the Office in this regard.

John Gehrke will plan to attend the NASCOE convention in August. A confirmation has been provided to NASCOE President and Secretary in this regard.

**C. Secretary – Theresa Windham**

Zone newsletters for B & D have been completed with A & C to be completed this week.

Board Reports for annual report due April 30<sup>th</sup>

Springboard meeting newsletter to be done week after next.

Working on updates to Operating Manual and Annual Report.

**D. Treasurer – Ryan Lukassen**

**It was moved by Tanya Dostal and seconded by Jeremey Burner to approve the following overages for budgeted amounts that exceeded actual expenses:**

- **Constant Contact (webpage) \$57**
- **National Convention Committee travel: \$213.46 for Maureen Mausbach and \$564.70 for Charlene Smith**
- **Joint employee reception \$100**

**Motion Passed**

**It was moved by Joseph Grier and seconded by John Gehrke to accept the 2017 draft budget as discussed during the Spring Board Meeting. Motion Passed**

Will have recommendations regarding redistribution of zones for next call to allow adequate notification to membership prior to convention.

**E. Past President – Tanya Dostal**

Awards have been selected and will be ordered.

Looking for nominations for Blood, Sweat & Tears Award Nominees

**F. Zone Representatives**

Zone A:	2017 in Seattle, WA	March 2-4
Zone B:	2017 in Sioux Falls, SD	Feb 2-4
Zone C:	2017 location and dates not determined	
Zone D:	2017 in South Haven, MS	Feb 16-18

**IV. Old Business**

**A. Candidate Announcements**

John Gehrke – President

Theresa Windham – Vice President

Ryan Lukassen – Treasurer

Casey Toyne – Zone A Rep

Joseph Grier – Zone B Rep

**C. Secretary – Theresa Windham**

Springboard meeting newsletter to be done week after next.  
Working on updates to Operating Manual and Annual Report, need board reports and Treasurer Reports.

**D. Treasurer – Ryan Lukassen**

None

**E. Past President – Tanya Dostal**

Awards have been selected and ordered.

**F. Zone Representatives**

Very good experience with the NASCOE All West Rally

**IV. Old Business**

**A. Candidate Announcements**

Still need candidate for Secretary and Zone D Rep

**V. New Business**

None

Next board call will be June 21, 2016 at 10am CST

There being no further business the meeting was adjourned at 3:11 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

**May 24, 2016**

The NACS Board met May 24, 2016 via conference call with Lisa Liska calling the meeting to order at 2:04 am CST. Members in attendance were Lisa Liska, John Gehrke, Theresa Windham, Tanya Dostal, Clifford Russell, Joseph Grier, Jeremy Burner and Cheryl Brooks.

**I. Minutes**

The April 26, 2016 minutes were presented by Secretary, Theresa Windham. The board was emailed a copy of the minutes prior to the meeting.

**It was moved by John Gehrke and seconded by Jeremy Burner to approve the minutes as provided. Motion passed**

**II. Treasurer Report**

No report

**III. Board Reports**

**A. President – Lisa Liska**

**1. Tech Team Update**

Will need replacement for Becky Minter who was assigned to maintain and update Facebook. Monthly calls with team have started. NACS website has been updated for improved navigation.

**2. Convention**

Registration is out and can be completed online.  
Promotion page for convention has been posted.  
National office has separate registration all speakers (department heads) were invited including Secretary of Ag. Will have panel discussion with staff who will stay for committee discussion.  
Guest speakers from NRLA and FarmerMac economist during the week.

**3. Other**

Phone interview with NAPA regarding input on how to count/measure various work.

State Presidents Call for first part of June:

Zone A – 6/7; B – 6/7; C – 6/8; D – 6/8

**B. Vice President – John Gehrke**

Determined that resolution cutoff date would be June 24<sup>th</sup>.  
Have some members/alternates that are not able to attend convention,  
Zone Reps are to make recommendations.  
Committee chairs will be reminded of meeting Sunday night

List of potential corporate sponsors will be provided to board for review.



**C. Secretary – Theresa Windham**

Springboard meeting newsletter to be done week after next.  
Working on updates to Operating Manual and Annual Report, need board reports and Treasurer Reports.

**D. Treasurer – Ryan Lukassen**

None

**E. Past President – Tanya Dostal**

Awards have been selected and ordered.

**F. Zone Representatives**

Very good experience with the NASCOE All West Rally

**IV. Old Business**

**A. Candidate Announcements**

Still need candidate for Secretary and Zone D Rep

**V. New Business**

None

Next board call will be June 21, 2016 at 10am CST

There being no further business the meeting was adjourned at 3:11 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## **June 23, 2016**

The NACS Board met June 23, 2016 via teleconference with Lisa Liska calling the meeting to order at 10:05am CST. Members in attendance were, Lisa Liska, John Gehrke, Theresa Windham, Ryan Lukassen, Tanya Dostal, Clifford Russell, Joseph Grier, Cheryl Brooks and Jeremy Burner.

Maureen Mausbach, Convention Committee Chair provided an update for the upcoming convention. Registration stands at 107, 66 for NACS. The first time attendee meeting will be at the Residence Inn. The banquet will be at Carmines on Wednesday – transportation is not being provided. The night tour on Tuesday should have everyone back to hotel by 10pm. Having some issues with getting A/V finalized, signage is all being provided for meetings.

### **I. Minutes**

The May 24, 2016 minutes were presented by Secretary, Theresa Windham with one correction noted.

**It was moved by John Gehrke and seconded by Joseph Grier to approve the minutes as amended. Motion passed**

### **II. Treasurer Report**

The account balances as of April 25 2016 were as follows:

Checking	\$15,957.21
Savings	\$85,627.56
Wunder Fund	\$ 9,865.24
Fairness Fund	<u>\$ 3,959.75</u>
	<b>\$115,409.76</b>

The 2017 budget proposal as compared the 2016 budget was presented.

**It was moved by Tanya Dostal and seconded by Cheryl Brooks to approve the report as presented. Motion passed**

### **III. Board Reports**

#### **A. President – Lisa Liska**

##### **Corporate Sponsorship**

The board agreed to the list of sponsors to be approached.

##### **Benefit Provider agreement**

Dillard will submit a bid to be considered as the new Benefit provider which will be considered at the New/Old Board meeting. JM Marketing agreement in continuous unless notified 90 days before end of year. A survey of membership will be completed to address concerns.

##### **National Convention Agenda & Speakers**

Zone Reps are to submit names for Audit and Election committee

**Committee Updates**

Will appoint a new member to FP and MP.

Membership committee will be collecting video for website

First time attendees will have an appointed mentor.

A one page outline will be sent to all those that signed up for the “Day on the Hill.”

Information will be in the welcome package regarding the option of a South Building tour.

**National Meetings**

NACS invited to send one member to MCA meeting, which is next week. Lisa Liska will be attending

NACS invited to send one member to National Environmental training, week of July 18<sup>th</sup>. Ryan Lukassen will be attending.

**B. Vice President – John Gehrke**

Resolution deadline announced as June 24<sup>th</sup>.

Agendas being updated for meeting with Committee Chairs and New/Old board

Revised checklist and reminders sent to the Committee Chairs

Joseph Grier will pull the resolutions for the committees

**C. Secretary – Theresa Windham**

Spring Board Meeting newsletter finalized and sent for publication

Annual Report should be finished by July 1 for posting, some items still required from various sources to complete.

Preparing to collect information at delegate certification regarding Miles recognition.

**D. Treasurer – Ryan Lukassen**

Have not received bill from attorney for legal opinion.

Some states have sent checks but their mail is being returned, no idea what is causing this. As long as the state is notifying of these issues it will not count against them at convention.

Want to discuss some type of web based accounting system at old/new board meeting.

Will have membership information and proposed zone changes for convention.

Will bring items needed to make changes to the account at convention.

Will bring all the checks that are available to write checks at convention.

**E. Past President – Tanya Dostal**

Will print additional certificates for those members serving as alternates on committees.

**F. Zone Representatives**

Remind committee members of travel reimbursement and bring blank forms.

Prepare for you Zone meeting at Convention, elect the Representative and alternate; complete committee surveys and review resolutions

**IV. Old Business**

Candidate for Zone D Representative – Cheryl Brooks, AR

**V. New Business**

Candidate for Secretary – Ray Bartholomew, KS

**A. Schedule**

Next board call will be September 3<sup>rd</sup> at 10am CST

There being no further business the meeting was adjourned at 11:33 CST.

Theresa L Windham  
NACS Secretary  
2015-2016

## CONVENTION RULES

“Mister/Madam President”,

I move the delegates of this convention adopt the following convention rules as it conducts its business during this National Convention. The convention rules are as follows:

1. All resolutions, amended and consolidated, are to be presented to the convention floor in writing, according to the approved format, after having been discussed, prioritized, and recommended by the appropriate committee or Zone.
2. Rules and procedure shall be suspended during the meeting of the convention for the purpose of allowing full discussion of the proposed resolutions. Non-members must request permission from the committee chairperson to enter the discussion.
3. The Committee Reports shall be submitted in the following format:

THE (NAME OF THE COMMITTEE) MET AT THE (HOTEL, CITY, STATE) ON (DATE OF CONVENTION), TO REVIEW RESOLUTIONS SUBMITTED BY THE MEMBERSHIP.

THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR ADOPTION:

CONCERN:

PROPOSED SOLUTION:

The Committee will also submit a list of Non-Adopted resolutions. Adopted and non-adopted resolutions will be numbered sequentially. The first non-adopted resolution will be assigned the next consecutive number that follows the number of the last adopted resolution. The heading above the first Non-Adopted resolution will read as follows:

THE FOLLOWING RESOLUTIONS ARE RECOMMENDED FOR NON-ADOPTION:

CONCERN:

PROPOSED SOLUTION:

EXPLANATION FOR NON-ADOPTION BY THE COMMITTEE:

Respectfully submitted by the 20 /20 (Name of Committee),

\_\_\_\_\_  
Zone A

\_\_\_\_\_  
Zone B

\_\_\_\_\_  
Zone C

\_\_\_\_\_  
Zone D

(Chairperson designated after Zone the member is in)

4. Committees have the authority to consolidate similar resolutions and edit resolutions for spelling, and clarity.
5. Amendments presented during the Annual Meeting by a Zone to an existing adopted or non-adopted resolution or moving a resolution from non-adopt to adopt or vice versa will use the approved NACS form for this purpose. **A written version of the proposed amendment must be presented to the Secretary immediately using Exhibit 3-M Committee Report Amendment Form.**
6. During the annual business meeting, delegates and alternates (identified by the appropriate badge) will be permitted to engage in debate. However, only members identified by a delegate badge will be permitted to vote.
7. The NACS Board shall have the authority to edit the resolutions for spelling, clarity, and consistency prior to submission to the National Office.
8. Order of elections shall be as follows: President, Vice President, Secretary, and Treasurer. Zone Representatives shall be elected in Zone Meetings.
9. Nominating speeches shall be limited to two minutes, seconding speeches to one minute, and candidate speeches to two minutes.
10. Rules of procedure shall be suspended for the purpose of nominating and seconding of candidates to permit any NACS member attending to either make or second a nomination.

# CONSTITUTION AND BY-LAWS

## Constitution and By-laws

The following is the constitution and by-laws, as presently amended.

### ARTICLE I – NAME

This organization shall be known as the National Association of Credit Specialists of the USDA - Farm Service Agency.

### ARTICLE II – OBJECTIVES

- A To expand, improve, and expedite the services of USDA Agencies to Rural America.
- B To promote the social, economic, professional and vocational skills, civic and personal welfare of all USDA - Farm Service Agency employees to:
  - (1) Ensure equal status and privileges with other federal and non-federal employees.
  - (2) Improve morale and efficiency by giving suitable recognition both to individual employees and to USDA - Farm Service Agency field offices whose performances are outstanding.
  - (3) To collect and disseminate information relating to items 1 and 2 listed above and to use such information for the general good without favoritism, bias, or prejudice.
- C To help organize associations in all states.
- D To cooperate and affiliate with other organizations whose objectives are similar and compatible with those to this Association

### ARTICLE III – MEMBERSHIP

- A. Membership shall consist of four kinds:
  - 1. REGULAR - regular membership shall be those employees, not including political appointees, involved in agricultural credit services that have supervisory and/or program management responsibilities, which pay quarterly dues and agree to abide by the Constitution and By-Laws of this Association.
  - 2. ASSOCIATE - All individuals who have an interest in the objectives of the Association but do not qualify for regular membership, who pay dues and agree to abide by the Constitution and By-laws of this Association.
  - 3. RETIRED - All retired employees of the USDA Agencies shall be eligible for retired membership by payment of lifetime dues and agreeing to abide by the Constitution and By-laws of this Association.
  - 4. HONORARY - Any person who the Board of Directors shall recommend and receive a 2/3 vote from the official delegates at the annual meeting.
- B. Regular membership only, shall carry with it the privilege of holding any office to which they may be elected or appointed and can represent their state if appointed a delegate and have voting privileges on matters brought before the Association.

- C. Membership in this organization will be free of discrimination in terms of membership or treatment because of race, color, religion, sex, national origin or age.
- D. To qualify for membership in the National Association, an individual must be a member of a State Association or a duly recognized Association of Credit Specialists working in a state, regional or national office.
- E. With exception to duly recognized State Associations, all state, regional or national office associations must submit a copy of their proposed Constitution and By-Laws to the NACS-FSA Board of Directors for review and acceptance. The proposed Constitution and By-Laws must clearly define their proposed membership criteria.

#### **ARTICLE IV – GOVERNMENT**

##### **A. OFFICERS**

Officers of this Association shall be a President, Vice President, Secretary and Treasurer, who shall hold office for one year or until their successors are duly elected and qualified.

##### **B. BOARD OF DIRECTORS**

The Board of Directors shall consist of the newly elected officers, the retiring president and the zone representatives. For the first year of the newly formed Association, the retiring president shall be the 1995/1996 president of the dissolved National Association of County Supervisors.

C. The four officers and past president shall be the executive committee.

##### **D. Manner of Election**

1. Each state or duly recognized association in good standing on the first day of the national convention shall be entitled to the following delegates and alternates based on the regular membership in the respective association:

Membership	Delegates	Alternates
1-10	2	2
11-25	3	3
26-40	4	4
41 - +	5	5

Membership shall be shown by the records of the National Association Treasurer as of the first day of the National Convention. Selection of each delegate and alternate shall be evidenced by a certificate signed by the President or Secretary of each state or recognized association.

2. Only registered delegates with certified credentials and present, shall be entitled to vote and each such delegate may cast one vote at each election and on every question submitted to the convention.
3. A majority of the registered delegates with credentials, present at any convention, shall constitute a quorum.
4. The election of the President, Vice President, Secretary, and Treasurer shall be at the annual convention with the membership in attendance and the state delegates casting votes as prescribed.



5. The Nation will be divided into zones as determined by the Board of Directors. The Board of Directors will assign each new association to a Zone. The Zone Representatives will be bound by the wishes of their zone at the Board of Directors meeting and will cast votes in keeping with the instructions given. The zone representatives shall be elected by ballot at the annual meeting by the delegates of the states or recognized associations comprising the zone.
  6. Election shall be by ballot. The candidate receiving a majority vote shall be declared elected. If no candidate receives a majority, the two candidates receiving the most votes shall be again voted on.
  7. A vacancy in any office shall be filled by a majority vote of the Board of Directors. The appointee shall serve until a successor is elected at an annual meeting.
- E. Newly elected officers and representatives shall be installed following election at the annual meeting.

#### **ARTICLE V - DUTIES OF OFFICERS AND BOARD OF DIRECTORS**

- A. The duties of the officers shall be those normally devolved upon such positions.
- B. The President, with the advice and consent of the Board of Directors, shall appoint such standing and special committees deemed necessary, and shall be a member ex-officio of all committees.
- C. The Officers and the Board of Directors shall:
  1. Have power to transact all business of an emergency nature that may arise between annual meetings.
  2. Act as a program committee, appointing sub -committees from among the membership as necessary.

#### **ARTICLE VI – MEETINGS**

- A. Annual meetings shall be held at a time and place designated by a committee delegated this task.
- B. Committee meetings shall be held immediately prior to and during the convention, the purpose of which will be to review proposed resolutions to be presented at the annual meeting. A vote will be taken to recommend either adoption or non-adoption of each resolution. Each committee member shall be entitled to one vote on the question of recommendation. The committee members shall take a non-binding poll of the other members present. The question of recommendation shall not be considered to be a question as defined in Article IV, Section D2. Each committee shall present a report to the annual meeting. The format of the report is to be approved by the Board of Directors. This format shall include, at a minimum, a list of proposed resolutions recommended for adoption and a list of proposed resolutions not recommended for adoption. The committee shall have the authority to consolidate similar resolutions and edit resolutions without changing their original intent.
- C. Meetings of the officers and Board of Directors shall be at the call of the President or by a majority of the Directors, not less than two meetings annually. No meeting of the Board of Directors shall be held without due notice to all members thereof.

## **ARTICLE VII – AMENDMENTS**

- A. The constitution may be amended at any membership meeting by a two thirds (2/3) vote of those present, provided notice of the proposed amendment is properly posted to the NACS FSA web site thirty (30) days prior to the meeting for review by the membership or three-fourths (3/4) vote of the active members present and three-fourths (3/4) vote of the delegates present if no notice has been given.

## **BY-LAWS**

### **ARTICLE I - DUES AND FISCAL YEAR**

- A. Annual dues shall be determined by the Board of Directors.
  - 1. State may pay dues either annually or quarterly. State paying dues annually, must pay in advance versus arrears
  - 2. States paying quarterly shall have their dues due and payable in alignment with the NACS fiscal year. (Dues shall be due and payable on June 1<sup>st</sup>, September 1<sup>st</sup>, December 1<sup>st</sup> and March 1<sup>st</sup>.)
- B. The fiscal year shall be June 1 to May 31.

### **ARTICLE II – QUORUM**

- A. A majority of the registered delegates with certified credentials, present at any convention shall constitute a quorum.

### **ARTICLE III – FINANCES**

- A. No debts shall be contracted or liabilities incurred by or on behalf of the Association in excess of cash on hand.
- B. Bills shall be paid by the Treasurer, on the approval of the Board of Directors, and the minutes shall reflect such approval. The Treasurer has the authority to pay bills within an approved budget.
- C. The Treasurer shall give financial reports at annual, special, and Board of Directors meetings.
- D. The books of the Treasurer shall be audited annually by a committee appointed for that purpose.
  - 1. The audit committee shall be composed of one representative from each zone and no representative shall be from a state with an executive committee member.
  - 2. The Treasurer's books shall be reconciled as of May 31 of each year.
- E. Net earnings shall not be distributed for the benefit of any one member.
- F. Should dissolution occur, all remaining funds in the Treasury shall be distributed as determined by a majority vote of the Board of Directors.

#### **ARTICLE IV - AMENDMENTS OF BY-LAWS**

Amendment of the By-laws shall be done in the same manner provided amending the constitution.

#### **ARTICLE V – MEETINGS**

A. Conduct of meeting - "*Robert's Rules of Order*", latest edition, shall govern the conduct of all meetings and proceedings.

B. Order of Business

Roll Call Reading, correction, approval of minutes of last meeting Reports of officers Reports of committees Old Business New Business Election of Officers and Board of Directors Miscellaneous Business Installation of new officers and board members Adjournment

Adopted: July 10, 1996

***Amended June 27, 2007***

***Amended June 18, 2008***

***Amended June 23, 2010***

***Amended June 22, 2011***

***Amended July 1, 2015***

# **CONSULTATIVE AGREEMENT**

NACS has the following agreement with Management outlining the agreement to consult and other issues concerning the relationship between NACS and the Agency.

## **SECTION 1 GENERAL PROVISIONS**

### **1. PURPOSE**

The purpose of this agreement is to recognize the NACS-FSA as an organization consisting of FSA employees in state and county offices who are involved in FSA farm loan services. The object of the parties is to work together to develop a constructive, productive relationship and to allow both NACS-FSA and FSA to present and share views on appropriate issues.

### **2. RECOGNITION AT THE NATIONAL LEVEL**

To retain recognition at the national level, NACS-FSA must have membership of a majority of eligible employees nationwide. If NACS-FSA membership is less than a majority of eligible employees, FSA and NACS-FSA will reexamine the membership requirements, and revisit this agreement with NACS-FSA to assure sufficient membership to provide worthwhile dialogue with the agency.

NACS-FSA consists of the following FSA state and county employees: Farm Loan Managers, Farm Loan Officers, District Directors, Farm Loan Specialists including Appraisers and Underwriters, Farm Loan Chiefs, any other FSA employee classified in the GS-1165 series, and any FSA employee who deals primarily and directly with Farm Loan program management responsibilities or who has supervisory responsibilities for Farm Loan programs.

### **3. JOINT RESPONSIBILITIES**

The parties to this agreement pledge themselves to conduct all consultations objectively and in good faith to the purpose of fair and equitable solutions. They will make every effort to reach agreement on all matters within a reasonable period of time.

## **SECTION 2 OFFICIAL TIME AND USE OF FACILITIES**

### **4. ANNUAL MEETINGS**

FSA and NACS-FSA agree to hold an annual consultative meeting in the spring.

NACS-FSA attendees will include the NACS-FSA Board of Directors, which shall consist of 4 national officers, the past president, and the 4 zone representatives. Official time, travel, and per diem is authorized for this consultative meeting.

FSA and NACS-FSA agree to hold an annual general meeting in the fall. This meeting will be held in conjunction with other national associations, but NACS-FSA will be provided time to meet separately with FSA officials. Official time, travel, and per diem is authorized for this general meeting for up to 4 NACS-FSA participants. Other NACS-FSA attendees may attend as approved by the agency. FSA and NACS-FSA agree to hold teleconferences on an as-needed basis.

### **5. AGENCY SPONSORED MEETINGS**

Official time, travel, and per diem is approved for any meeting called by the agency to work on agency business for the benefit of the service.

## **Consultative Agreement (con't)**

### **6. ANNUAL NACS-FSA CONVENTION**

2 days of official time is authorized for each member of the NACS-FSA Board of Directors and State Delegates to attend the annual convention.

Official time to attend annual NACS-FSA convention shall be cleared in advance through the employee's supervisor.

No travel and per diem is authorized for the annual NACS-FSA convention.

### **7. ANNUAL ZONE MEETINGS**

Official time is authorized for NACS-FSA national officers and state representatives to attend NACS-FSA zone meetings as follows:

- 1 day for 1 NACS-FSA national officer to attend each annual zone meeting. A maximum of 4 days annually is authorized for NACS-FSA national officers to attend annual zone meetings.

- 1 day for 1 State NACS-FSA representative to attend a zone meeting for their area. A maximum of 46 days annually is authorized for State NACS-FSA representatives to attend annual zone meetings.

Official time to attend zone meetings shall be cleared in advance through the employee's supervisor.

No travel and per diem is authorized for annual zone meetings.

### **8. ANNUAL REPORT ON OFFICIAL TIME FOR CONVENTION, ZONE MEETINGS**

NACS-FSA is required to send a quarterly report to the Executive Director for State Operations showing the use of official time to attend the annual convention and zone meetings, by state.

### **9. OTHER USE OF OFFICIAL TIME**

Official time is authorized for official agency business only. Internal NACS-FSA business such as the solicitation of membership, collection of dues, election of officers, preparation of newsletters, etc. shall be conducted during non-duty hours of the employees involved.

### **10. POSTAGE AND STATIONARY**

Use of FSA postage and stationary are authorized for official agency business only.

### **11. USE OF TELEPHONE**

The telephone is authorized for official agency business only.

### **12. FSA COPY MACHINES AND DISTRIBUTION SYSTEMS**

Copy machines and internal distribution systems are reserved for official agency business only. The following exception is permitted. Use of copy machines, e-mail, and internal distribution systems are permitted for copying and distributing NACS-FSA newsletters to FSA offices, provided that copying or distribution is not done on official time, advance supervisory approval is granted, and no postage fees are incurred.

## **Consultative Agreement (con't)**

### **13. USE OF FILE CABINETS, SUPPLIES, AND OFFICE EQUIPMENT**

File cabinets, supplies, or office equipment are reserved for official agency business only. FSA will permit the use of available space for NACS-FSA meetings during non-duty hours, where such use will not conflict with the performance of official functions. Official space when available at no added cost may also be used for NACS-FSA files. NACS-FSA is responsible for exercising reasonable care in the use of such facilities.

### **14. DUES WITHHOLDING**

NACS-FSA members are authorized to effect voluntary allotment for the payment of dues to NACS-FSA, subject to requirements of the National Finance Center.

### **15. EFFECTIVE DATE AND AMENDMENT**

This agreement is effective upon written approval by FSA and NACS-FSA. The provisions of this agreement may be opened for amendment at any time by FSA or NACS-FSA. Such modification shall become effective only after written approval by FSA and NACS-FSA.

### **16. RENEWAL**

This agreement is subject to renewal on an annual basis, either party may provide notice to the other party of intent to terminate this agreement.

## **APPROVALS**

### **For the National Association of Credit Specialists-FSA:**

Date July 15, 2002

/s/

Robin Hampton  
President, NACS-FSA

### **For the Farm Service Agency:**

Date July 15, 2002

/s/ John W. Williams  
Deputy Administrator for Management

/s/ Douglas Frago  
Executive Director for State Operations

/s/ James R. Little  
Administrator, FSA

## NACS PRESIDENTS 1973 TO PRESENT

<b>Year</b>	<b>Name</b>	<b>State</b>	<b>Zone</b>
1973-1974	RayTurknett	Texas	B
1975	Harold Kennedy	Texas	B
1975	Joseph Turney	Oklahoma	B
1976	Loren Nelson	Idaho	A
1977	Paul Hill West	Virginia	C
1978	Howard Boatman	Minnesota	B
1979	Dave Wilson	Oregon	A
1980	James Berry	Maine	C
1981	Ney Williamson	West Virginia	C
1982	James Cox	Missouri	B
1983	Richard (Dick) Floyd	New Mexico	A
1984	Jerry Wishall	Kansas	B
1985	James Monroe	Michigan	C
1986	Gary Case	Missouri	B
1987	Steve Pratt	Kentucky	C
1988	Hugh Clark	North Carolina	D
1989	F. John Riha,III	Nebraska	B
1990	Norbert Soltwedel	Illinois	C
1991	Clayton Ketcham	Montana	A
1992	Tim B. Potts	South Dakota	B
1993	Dennis G. Beaulieu	Maine	C
1994	Robert G. Reed, II	California	A
1995	Eric Guenther	Kansas	B
1996	Charles K. Crane	New Mexico	A
1997	Millie Turner	Pennsylvania	C
1998	Betsy Senter	South Dakota	B
1999	Eric Guenther	Kansas	B
2000	Scott Bown	Utah	A
2001	Robin Hampton	North Carolina	D
2002	Betsy Senter	South Dakota	B
2003-2004	Bill Mahanay	Kansas	B
2005	Melissa Cummins	Washington	A
2006	Darren Metzger	Ohio	C
2007	Michael Gibbs	Georgia	D
2008	Stu Skidmore	Washington	A
2009	Randy Milloy	Texas	B
2009-2010	Mark Drewitz	Minnesota	B
2011	Joe Austin	North Carolina	D
2011-2012	Maureen Mausbach	Nebraska	B
2013	Allen Hall	Nebraska	B
2014-2015	Tanya Dostal	Washington	A
2016	Lisa Liska	Nebraska	B

# RAY TURKNETT BLOOD, SWEAT AND TEARS AWARD

## 1 Overview

This award is named in honor of our founding and then longest serving President. It is considered the most prestigious award presented by NACS. The immediate past president reviews the nominations made by the NACS Board particularly from each respective Zone Representative, makes the selection of the recipient. The award is based on the recipient's service to NACS and its members.

## 2 History

Listed below are the honorees since the inception of this award:

YEAR	NAME	STATE
1977	Loren A. Nelson	Idaho
1978	Kenneth L. Krieg	Nebraska
1979	Paul W. Hill	West Virginia
1980	James R. Berry	Maine
1981	R. Anthony Rickett	Ohio
1982	Arne A. Orvedal	North Dakota
1983	Charles J. Schaefer	North Dakota
1984	James L. Cox	Missouri
1985	Robert J. Rimington	Illinois
1986	Richard Brassfield	California
1987	Norbert L. Soltwedel	Illinois
1988	Richard T. Floyd	New Mexico
1989	Hugh A. Clark	North Carolina
1990	Ray Bartholomew	Kansas
1991	Robert Shearer	Iowa
1992	Tom Dixon	North Carolina
1993	Larry Lawson	Illinois
1994	Charlie Crane	New Mexico
1995	Clayton Ketcham	Montana
1996	Gary Mersinger	Illinois
1997	Jim Monroe	Michigan
1998	Tanya Reeck	Washington
1999	William Mahanay	Kansas
2000	Spencer Larson	North Dakota
2001	Betsy Senter	South Dakota
2002	Everett Purrington	Washington
2003	Millie Turner	Pennsylvania
2004	Darren Metzger	Ohio
2005	Denise Lickteig	Nebraska
2006	Helena Pitcock	Kentucky
2007	Kim DePasquale	Virginia
2008	Eric Guenther	Kansas
2009	Bob Parris	South Carolina
2010	Mark Drewitz	Minnesota
2011	Scott Bown	Utah
2012	Allen Hall	Nebraska
2013	John Gehrke	Illinois
2014	Bardell Faux	Idaho
2015	Maureen Mausbach	Nebraska



# HONORARY MEMBERS

## 1 Overview

Article III, A. 4 of our Constitution states that Honorary Membership shall be bestowed to “any person who the Board of Directors shall recommend and receives a two thirds vote from the official delegates at the annual meeting.”

## 2 History

Listed below are the honorees since the inception of this award:

<b>Honorary Members</b>	<b>Year Selected</b>
Douglas Young	1977
Robert Lang	1977
Donald Downing	1979
Phil Gerald	1979
Clarence Squellati	1980
Keith Smalley	1980
Allan Brock	1980
Paul Hill	1986
J.C. Kirk	1988
Robert J. Rimington	1992
Ronnie O. Tharrington	1992
James R. Berry	1992
Norbert L. Soltwedel	1993
Clayton Ketcham	1993
Carolyn Cooksie	1997
Eric Guenther	2003
Bruce Wunder	2005
Elisabeth (Betsy) Senter	2006
Millie Turner	2014
Mark Drewitz	2014

## NACS NATIONAL CONVENTION LOCATIONS

Kansas City, MO	1973
St. Louis, MO	1974
Atlanta, GA	1975
Rapid City, SD	1976
Las Vegas, NV	1977
Biloxi, MS	1978
Overland Park, KS	1979
San Juan, Puerto Rico	1980
Nashville, TN	1981
Dells, WI	1982
Colorado Springs, CO	1983
Lexington, KY	1984
Albuquerque, NM	1985
Omaha, NE	1986
Portland, ME	1987
Oklahoma City, OK	1988
Asheville, NC	1989
Seattle, WA	1990
Reno, NV	1991
St. Charles, IL	1992
Rapid City, SD	1993
San Antonio, TX	1994
Atlanta, GA	1995
Salt Lake City, UT	1996
San Diego, CA	1997
Indianapolis, IN	1998
Wilmington, NC	1999
Biloxi, MS	2000
St. Louis, MO	2001
Bloomington, MN	2002
Las Vegas, NV	2003
Louisville, KY	2004
Orlando, FL	2005
Arlington, TX	2006
Cincinnati, OH	2007
Lincoln, NE	2008
Atlanta, GA	2009
Portland, ME	2010
Salt Lake City, UT	2011
Detroit, MI	2012
San Diego, CA	2013
Rosemont, IL	2014
St Louis, MO	2015
Washington, D.C.	2016



