



KASAGANA-KA
Mutual Benefit Association, Inc.

KASAGANA-KA Mutual Benefit Association, Inc.
6th Regular Board Meeting of the Board of Trustees
#5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit, Quezon City
August 30, 2018, 8:30 am

In Attendance

Board of Trustees

- | | |
|-----------------------------|---------------------|
| 1. Isabel M. Iliw-iliw | - President |
| 2. Brenda Lumbao | - Secretary |
| 3. Marissa A. Loyola | - Treasurer |
| 4. Anita L. Manundo | - Member |
| 5. Ma. Teresa G. Bucad | - Member |
| 6. Ma. Elizabeth G. Fuentes | - Member |
| 7. Marlyn C. Aldave | - Member |
| 8. Philip Arnold Tuano | - Independent Board |
| 9. Atty. Gettie Sandoval | - Independent Board |

Board of Advisers

10. Maria Anna dR. Ignacio
11. Leticia T. Rodriguez
12. Wenifreda F. Rodriguez
13. Chona B. Capayas

Management and Staff

- | | |
|--------------------------|----------------------|
| 14. Silvida R. Antiquera | - General Manager |
| 15. Evangeline E. Pe | - Operations Manager |
| 16. Evelyn A. Lagmay | - Finance Manager |
| 17. Analyn A. Shih | - Exec. Assistant |



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ORDER OF BUSINESS

- I. Call to Order
- II. Prayer
- III. Determination of Quorum
- IV. Approval of the proposed agenda
- V. Reading and Approval of the previous minutes
- VI. Business Arising
- VII. Financial Report
 - a. Financial Statement for the month of July 2018
 - b. Investment as of August 29, 2018
- VIII. For Discussion/Approval
 - a. Video proposal
 - b. K-Coop Loan (Php4Million)
 - c. Membership Fee
 - d. K-Kalinga Policy Renewal
 - e. Calamity Assistance
 - i. For Confirmation
 - July 19, 2018 – Php100, 000.00
 - Aug. 13, 2018 – Php125, 000.00
 - ii. Policy on allocation, limits
 - f. Hospital Income Insurance Plan (HIIP)
- XI. Other Matters
- XII. Schedule of next board meeting
- XIII. Adjournment



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DISCUSSION HIGHLIGHTS

I. Invocation

The meeting started at 8:48 a.m. with a prayer led by Ms. Teresa.

II. Quorum and Agenda

The Board Secretary announced the presence of a quorum with the complete attendance of the Trustees.

In addition to the proposed agenda, BoT Adviser Letty would like to discuss the appointment and succession of KMBA coordinators, particularly for areas where there is no incumbent coordinator. With no further additions nor objections to the proposed agenda, the Board approved the same upon motion by Ms. Anita, and seconded by Ms. Marissa.

III. Reading and Approval of the Minutes of the Previous Meeting

The Board went over every page of the minutes. There being no items for clarification or correction, the Board approved the minutes of the previous meeting, following a motion by Ms. Anita, seconded by Ms. Marissa.

IV. Business Arising from the Previous Meeting

1. The laboratory test results are currently being studied by the KDCI, in relation to the causes of death of KMBA members who have claimed for death benefits. It is hoped that through this study, appropriate health programs and interventions will be designed to address common health concerns.
2. The Board previously approved KMBA two employees' attendance in the AOA Seminar. The two employees are OM Evangeline E. Pe and AO Adrian P. San Andres.
3. The building permit for the KMBA building under construction has been received.

V. Updates/ Reports

A. Financial Statements

FM Eve presented the Statement of Financial Position as of July 31, 2018. The summary of the report is provided below.

Particular	As of July 31, 2018	As of July 31, 2017	Variance	
Total Assets	201,939,389.74	176,551,747.52	25,387,642.22	14%
Total Liabilities	132,284,902.65	119,084,400.93	13,200,501.72	11%
Total Fund Balance	69,654,487.09	57,467,346.59	12,187,140.50	21%



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The summary of the income statement as of July 31, 2018 is as follows:

	As of July 31, 2018	For the month of July 2018
Gross Revenue	25,988,797.19	4,001,063.01
Total Benefit Expense	21,593,863.04	3,113,412.87
Total Operating Expenses	4,996,763.41	619,231.46
Total Investment Revenue and Other Incomes	2,511,139.30	394,423.69
Net Surplus (Loss)	1,909,310.04	662,842.37

BoT Adviser MeAn noticed that the accrued post-employment benefit is still less than Php1Million. She reminded them to allocate funds for this to provide for the retirement of its employees. If provision for this expense item will only be reflected in December, it will not accurately reflect the expenses for the month. In the meantime, income would seem bloated because of expenses not recognized as such.

She also took note of the amount of releases for the building construction, which was about Php17Million. Compared with the Php41Million building construction cost, the amount already paid to the contractor is equivalent to 41%. Accomplishment rate on the other hand is at 18%, plus the 30% down payment. These numbers should be closely monitored and reported to the Board when giving updates on the building construction.

B. Investments as of August 29, 2018

The portfolio mix as of August 29, 2018 is as follows:

Type of Investment	Current Placement (in Php)
Cash in bank	17,520,894.80
Time Deposit	21,318,353.83
Government Securities	66,162,000.00
Corporate Bonds	20,500,000.00
UITF	20,000,000.00
Mutual Fund	5,000,000.00
Stocks	8,000,000.00
Loan to partners	2,000,000.00
Property	33,564,550.66
TOTAL INVESTMENTS	194,065,799.29

BoT Adviser MeAn advised FM Eve to use the same accounts classification in the FS and the report on investment so the Board can easily read the two documents side-by-side and match the numbers on both.

Ms. Marissa moved to accept the Financial Statements and Report on Investment reported by FM Eve. Ms. Marilyn seconded the motion. The being no objections, the motion was adopted.



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VI. For Discussion/ Approval

A. Video Production

The service provider for KMBA's proposed video production, Ms. Charrie _____, sat with the Board to introduce her company and explain how it can help KMBA.

She emphasized that it is important to determine the target audience for the video, for whom the video content will be tailored. Since the video will document the story and journey of KMBA, it will be more effective if the content will come from the client. She shared her work with DOLE, the video for which, though short, was aimed at both leaving and returning OFWs.

Sir Randy recalled the meeting in May where it was discussed that there are two sets of audience – current and prospective members. Thus, there will be an eight-minute video and a one to two-minute version that will be shared through social media. To this, Ms. Charrie agreed. Still, she noted that if the objectives of the two videos are different, two separate videos may have to be prepared.

Ms. Charrie advised KMBA to continue documentation beyond the proposed video production. The records will be a testament to the institution's history. She posed two questions to the Board: Does KMBA need the video? If yes, when? As to the latter, she mentioned that videos are usually launched in an important company event.

BoT Adviser Weni liked the idea of the video documentation that would endear KMBA to current and prospective members, without appearing as a propaganda.

GM Salve proposed a six-month contract period from December 2018 to May 2019. This will allow the documentation of important events such as the assembly of members during yearend parties and the Roadshows. The video will be presented in the KMBA's Annual General Assembly in May 2019. She also thought that given the usual costs of video production, the Php248,000 proposal from Ms. Charrie is a very good offer. The budget for this will be sourced from the continuing member education allocation, coming from the excess of the unassigned fund balance.

BoT Adviser MeAn agreed with GM Salve that KMBA is getting good value for its money, given the contract cost and the years of experience of Ms. Charrie. Although KMBA engaged in a negotiated procurement in securing Ms. Charrie's services, Ms. MeAn suggested getting three quotations from other video production service providers to allow for comparison of services.

Atty. Gettie called the Board's attention to a provision in the proposal providing that expenses for shoots outside Metro Manila and other similar out of pocket expenses, if any, shall be for the account of the client. Hence, the Php248, 000 will be the minimum contract cost.

Noting the three quotations to be obtained from other service providers and the contract clause on possible additional expenses, Ms. Teresa moved for the approval of the contract proposal of Ms. Charrie, including the contract period from December 2018 to May 2019. Ms. Beth seconded the motion. There being no objections, the motion was carried.



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BOARD RESOLUTION NO. 32: APPROVAL OF THE CONTRACT FOR VIDEO PRODUCTION

RESOLVED, to approve the contract for video production with within the contract period of December 2018 to May 2019 and for the contract cost of Php248,000, subject to additional necessary out of pocket expenses

B. K-Coop Loan Renewal

GM Salve presented K-Coop's request for its loan renewal. K-Coop has previously obtained a Php2Million loan from KMBA. Now, it is requesting a Php4Million loan with interest at 5% per annum, and commits to pay by December 2018. The cash is necessary to answer for the increasing loan applications of members, especially this time of the year. The interest rate on K-Coop's loan is more advantageous to KMBA compared to the interest rate it receives from its cash in bank.

The foregoing premises explained by GM Salve considered, BoT Marilyn moved to approve K-Coop's loan renewal. Ms. Beth seconded the motion.

BOARD RESOLUTION NO. 33: K-COOP LOAN RENEWAL

RESOLVED, to approve the loan renewal of K-Coop for Php4Million with interest rate of 5% per annum payable by December 2018.

C. Membership Fee

The Insurance Commission has approved the increase of KMBA membership fee from Php30 to Php100. However, upon discussions with the K-Coop Operations, it was agreed that the increase may prove burdensome to new members whose first loan of Php5,000 will suffer several deductions.

GM Salve recommended increasing the fee to Php50 first, for a period of one year. It is expected that within this period, members will experience better benefits under the enhanced BLIP and will make it more enticing for prospective members.

BoT Adviser Letty thought that the increase in membership fee was commensurate to the enhanced products and services of KMBA. BoT President Isabel added that the policy only needs to be properly explained to members. Compared to other institutions which require a certain amount of cashout, KMBA does not require the same.

On the other hand, Ms. Brenda echoed the comments of members and even leaders sitting in Central Sectoral Council about the considerable amount of loan deduction for a new member with a first loan of Php5,000. Added BoT Adviser MeAn, the observation that there will be enhanced benefits may not be true for everyone, particularly for members who has no more children under the age of 21y/o. There must be a balance between the need to support operational expenses and the importance of attracting new members who will be able to afford our fees.



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KMBA can consult with the Commission if it would admit of a scheme where the membership fee will be charged against the RF and equity value, set to be returned to members upon resignation. This is similar to the closing fee of K-Coop.

According to GM Salve, the Commission has already been notified of the increase of membership fee to Php100. This cannot simply be rescinded. However, KMBA can inform the Commission that the Board decide to implement a staggered implementation of the increase. The proposal was to adopt the Php50 membership fee starting September 1, 2018 to August 31, 2019. Thereafter, it shall be Php100.

This proposal was agreed with by Ms. Beth, who initiated the motion to approve the same. Ms. Marilyn seconded the motion.

BOARD RESOLUTION NO. 34: IMPLEMENTATION OF THE INCREASE IN MEMBERSHIP FEE

RESOLVED, to approve the implementation of the increase in membership fee to Php50 beginning September 1, 2018 until August 31, 2019;

RESOLVED FURTHER, to approve the implementation of the intended increase in membership fee to Php100 starting September 1, 2019

D. K-Kalinga Policy Renewal

GM Salve was pleased to announce that Bankers Assurance Corporation has agreed to increase the Fire Assistance it provides under the K-Kalinga policy from Php5,000 to Php10,000. All other features of the policy remain.

Should the Board approve, the K-Kalinga policy must be renewed by December 10, 2018. GM Salve proposed that given the better benefits, KMBA may be able to offer it to members at its original premium of Php50. Previously, KMBA offers K-Kalinga to members at Php45, shouldering the Php5 difference. To this, the Board agreed.

As such, BoT Marilyn moved to approve the K-Kalinga policy renewal and the increase in the premium charged from members from Php45 to Php50. Ms. Teresa seconded the motion.

BOARD RESOLUTION NO. 35: K-KALINGA POLICY RENEWAL

RESOLVED, to approve renewal of K-Kalinga Policy from Bankers Assurance Corporation

RESOLVED FURTHER, that the premium to be charged from members be increased from Php45 to Php50.



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E. Calamity Assistance

By referendum, the Board has twice approved the grant of calamity assistance to families of members affected by recent typhoons and monsoon rains. The first was on July 19, 2018 for an amount of Php100,000, although actual expenses only reached Php70,773.90. The other was on August 13, 2018 for an amount of Php125,000.

To ratify the said Board approval by referendum, Ms. Teresa moved to confirm the two Board affirmative actions for the calamity assistance to KMBA members. Ms. Marissa seconded the motion to confirm. No objections were raised.

There was a related discussion on the budgetary allocation for calamity assistance. By way of background, KMBA allotted an annual budget of Php200,000 for calamity assistance. This is funded by the excess of the unassigned fund balance, which is spent for various projects for members' benefits. Obviously, the budget has been fully consumed. Meanwhile, the country is still expecting more flooding the rest of the year. For now, KMBA can still source this calamity assistance from members' benefits. It would be easy to reallocate and request for IC approval.

To further assist our members, BoT Adviser MeAn mentioned that K-Coop will design a savings product to answer for members' need during times of calamities.

F. HIIP

Official approval of the HIIP by the Insurance Commission has been received. The program is expected to be implemented by November. The MIS is being prepared for the purpose, using a similar module as that used for KoK.

VII. Updates

Building Construction

Construction of the fourth level of the building is about to begin. The quality of work has thus far been satisfactory. By end of September, it is expected that roofing has been placed.

KMBA has gathered two price quotations for elevator. To facilitate the construction, Arch. Yusingco is open to trying pre-fabricated materials, without compromising the integrity of the building and without any increase in costs.

Performance of KMBA Coordinators

It was reported that the Satellite Offices of Bagong Silang and Tungko have no KMBA Coordinators, despite their large membership. BoT Adviser Letty stressed the need to explain to members the importance of the role of coordinators. Members themselves must demonstrate concern for the organization they collectively own.

The appointment and succession of coordinators are tackled in the QCCC. For the two SatOs mentioned, members have showed no interest in becoming coordinators. The holding of QCCC has likewise been delayed because of the movement of employees in the Satellite Offices.



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Noting these concerns, BoT Adviser MeAn, who is the General Manager of the K-Coop, requested KMBA management to immediately call the attention of K-Coop should there be a need to call a special meeting of the QCCC to elect a new coordinator. Turnover rate in the K-Coop is relatively high. Feedback and coordination between the two organizations to address these concerns are crucial.

Performance Evaluation of GM Salve

Ms. Analyn administered the Board’s evaluation of the performance of GM Salve.

VIII. For Information

- Sept 10-14 – RIMANSI Performance evaluation; For this purpose, center visits and interview will be conducted. RIMANSI will evaluate KMBA’s products and governance.
- Sept. 16-18 – KMBA Staff Session with BoT Adviser MeAn
- October 2018 – Strategic Plan Review
- October 2018 – Session 2 on Investment
- October 5, 2018 - Board meeting


XI. Adjournment:

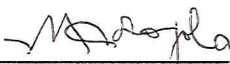
There being no other matters to discuss, the meeting was adjourned at 12:20 pm following a motion by Ms. Teresa and seconded by Ms. Anita


Prepared by:


Brenda F. Lumbao
Board Secretary

Attested by:


Isabel M. Iliw-iliw
President


Marissa A. Loyola
Treasurer


Marilyn C. Aldave
Member


Ma. Teresa G. Bucad
Member



KASAGANA-KA
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Elizabeth G. Fuentes
Member

Anita L. Manundo
Member

Maria Cleofe Gettie C. Sandoval
Independent Board

Philip Arnold P. Tuaño
Independent Board