

*C. Quense*



founded in 1961

November 20, 1992

Dear Board Member:

I am pleased to enclose the agenda and some background information for the Board meeting. Please note that the Board Directors do not need to attend the President's Council meeting.

I also want to remind you of some key logistical information regarding the meeting and other related events:

December 3:

1:00 - 5:00 President's Council meeting

Who: President's Council members (Board Directors need not attend); any new Board members who can attend.

Where: ACCION headquarters.

7:00 - 10:00 Dinner for Council members

Who: Council members, any Board members who wish to join us, select staff.

Where: Restaurant to be selected.

December 4:

10:00 - 5:00 Board of Directors meeting

Who: Board Directors (Council members are invited as guests)

Where: Cambridge Hyatt Regency (617) 492-1234  
575 Memorial Drive  
Empress room

6:30 - 9:30 Cocktails and Dinner, hosted by Tom McDermott

Who: Board Directors, Council members, select guests.

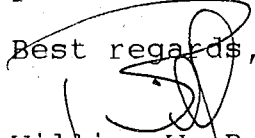


*founded in 1961*

Where: The Algonquin Club (617) 266-2400  
217 Commonwealth Ave.  
Boston

Please call should you have any questions. I look forward to seeing you in December!

Best regards,

  
William W. Burrus  
Executive Director

ACCION INTERNATIONAL  
BOARD OF DIRECTORS MEETING

DECEMBER 4, 1992  
10:00 - 5:00

AGENDA

- I. APPROVAL OF MINUTES
  - II. FINANCE COMMITTEE REPORT
  - III. PRESIDENT'S REPORT
  - IV. EXECUTIVE DIRECTOR'S REPORT
  - V. RESOURCE DEVELOPMENT COMMITTEE REPORT
    - Presentation by John Brown on planned giving
- LUNCH
- VI. UPDATE ON LATIN AMERICAN PROGRAMS
  - VII. STATUS OF US INITIATIVE
  - VIII. PROPOSED CHANGES IN ACCION'S LEGAL STRUCTURE
    - Discussion with Peter Rosenbloom, Partner, Foly, Hoag and Elliot
  - IX. NEW INITIATIVES: PROFUND AND DEVELOPMENT CAPITAL

MINUTES  
OF THE MEETING OF THE  
BOARD OF DIRECTORS  
ACCION INTERNATIONAL

A meeting of the Board of Directors of ACCION International, a corporation duly organized and existing under and by virtue of the membership corporation law of the State of New York, was held at 599 Lexington Avenue, New York, New York, on June 2, 1992 at 12:30 p.m. There were present:

John Avery  
Albert Bildner  
Murfree Butler  
Terence Canavan  
Michael Chu  
Martin Connell  
John Duncan  
Robert Helander  
Mary Houghton  
Christopher Kennan  
Stephen Knaebel  
Daniel Martin  
Charles Muller  
Michael O'Shaughnessy  
John Scott

being a quorum. Also present were Advisory Council members David Garza Laguera, Roberto Gutierrez, and Pablo Obregón. The guests present were Juan Alvaro Munguia from Nicaragua and Juan Niemann from Guatemala. Staff present were William Burrus, Stephen Gross, Cathy Quense and Libbie Shufro.

The meeting was called to order by the President, Mr. Martin, with the following agenda:

I. APPROVAL OF THE MINUTES

The minutes of the November 20, 1991 Board meeting were approved as written.

II. TREASURER'S REPORT

In the absence of the Treasurer, Tom McDermott, the Director of Finance and Administration, Cathy Quense, reported that the Finance Committee had met the previous week with the auditing firm of Coopers & Lybrand to review their 1991 audit. She noted that the audit was a clean opinion and proceeded to review the particulars of the financial statements and accompanying notes. She also stated that the Finance Committee had reviewed the management letter and that it was available to any interested Board members. Following discussion a motion was seconded and unanimously approved to accept the Treasurer's report.

### III. ELECTIONS

Annual elections were held for the corporations Board of Directors, Officers, Standing Committees and International Advisory Council. The unanimously elected slates are attached to the minutes.

### IV. EXECUTIVE DIRECTORS REPORT

Mr. Burrus first reported on the results of the first year of the Gran Salto, comparing the actual results to the projected totals included in the strategic plan. A copy of the chart he displayed in presenting the results is attached to the minutes.

He concluded that the staff were satisfied with the first year results. Yet it is clear that some countries were able to reach their goals while others have lagged behind. In addition, two countries, Paraguay and Costa Rica, have experienced serious growing pains this past year. Both have suffered increased late payment rates and internal crisis. He was asked to outline the key factors that contributed to the crisis and Mr. Burrus stated that it was a combination of overly ambitious expansion, weak Boards, methodological deviations and ineffective management. These two crisis has underscored the importance of ACCION developing an "early warning system" to quickly detect the signs of an impending crisis so as to head it off before it develops.

Mr. Burrus concluded his report but updating those present on the status of the new initiatives in Argentina and Nicaragua. In Argentina, under the able leadership of Federico Zorraquin, a new foundation, EMPRENDER, has been established and has become operational, having recently disbursed its first loans. Mr. Burrus asked Mr. Munguia, the President of the new foundation in Nicaragua, FAMA to report on progress in Managua. Mr. Munguia stated that the program had grown very quickly in response to the dire needs of the informal sector in his country. Since lending began in February a total of 959 microenterprises have received loans totalling \$138,300 through solidarity groups.

### V. FUNDRAISING REPORT

The Chair of the Fundraising Committee, Mr. Chris Kennan, reported that the results of the 1991 campaign surpassed projections by some 30% and that results to date this year were running ahead of last year. He and Libbie Shufro, the Director of Resource Development, outlined the specific goals for 1992, the key role that the Directors need to play in achieving these goals, including specific actions required.

Ms. Shufro also reported on the creation of a new council to recognize individuals that have worked particularly hard for ACCION and who will give or raise at least \$5000 for the corporation. Following some discussion, it was agreed that this council would be called the Chairman's council unless a more appropriate name could

be found. Other possible suggestions include the President's Council and the Leadership Council.

#### VI. STATUS OF BRAZIL PROGRAMS

Mr. Burrus stated that the staff was not satisfied with the current state of ACCION affiliates in Brazil and asked the Board's help in identifying leaders from the private sector who could help launch a new initiative which would be more ambitious in scaling up. Following discussion of several candidates it was agreed that several Board members would explore the interest of several candidates.

#### VII. EXPANSION OF ACCION IN US

Mr. Burrus stated that in light of the promising experience in Arizona and New York and in light of recent events in Los Angeles, it was his opinion that the corporation should develop a specific plan for a measured but ambitious expansion in the US. Following a lengthy discussion on the New York experience, possible sources of financing and the impact of a US expansion on ACCION's Latin American funding base, it was agreed that the staff would prepare a specific plan for Board discussion and action. Mr. Burrus stated that this plan could be ready by the early fall and it was suggested that the next Executive Committee of the Board should focus on this plan.

With no further business to attend, the meeting was adjourned at 4:30 p.m.

William W. Burrus  
Designated Secretary

ACCION INTERNATIONAL

BOARD OF DIRECTORS  
1992-93

Diane de Vries Ashley  
John E. Avery  
Albert Bildner  
J. Murfree Butler  
Terence C. Canavan  
Michael Chu  
Martin P. Connell  
John C. Duncan  
Marilyn Harris  
Robert C. Helander  
Mary A. Houghton  
Christopher J. Kennan  
Stephen P. Knaebel  
John A. Luke, Jr.  
Daniel R. Martin  
Thomas P. McDermott  
Charles W. Muller  
Crocker Nevin  
Kathrine Ockenden  
Michael O'Shaughnessy  
John W. Scott  
Salua Smith  
Nancy S. Truitt  
Kathy Waldron

OFFICERS

Chairman

Terence C. Canavan

President

Daniel R. Martin

Secretary

Charles W. Muller

Treasurer

Thomas P. McDermott



STANDING COMMITTEES

EXECUTIVE COMMITTEE

Terence C. Canavan  
Michael Chu  
John C. Duncan  
Robert P. Helander  
Daniel R. Martin  
Charles W. Muller  
Thomas P. McDermott  
John W. Scott

AUDIT/FINANCE COMMITTEE

Thomas P. McDermott  
Crocker Nevin  
Charles W. Muller

NOMINATING COMMITTEE

J. Murfree Butler-Chair  
Diane de Vries Ashley  
Stephen Knaebel  
Mary Houghton

CAPITAL FORMATION/PLACEMENT OVERSIGHT COMMITTEE

Michael Chu-Chair  
Albert Bildner  
Diane de Vries Ashley  
Carroll Perry (non-Board)  
Peter Rosenblum (non-Board)

RESOURCE DEVELOPMENT COMMITTEE

Christopher J. Kennan-Chair  
Katherine Ockenden  
J. Murfree Butler

INTERNATIONAL ADVISORY COUNCIL

Alvaro Arango  
Jorge Céspedes  
Hon. Sixto Durán-Ballen  
David Garza Laguera  
Roberto Gutiérrez  
Fernando Léniz  
Camilo Llubes  
Juan Alvaro Munguía  
Juan Niemann  
Pablo Obregón  
Guillermo Peroni  
Fernando Romero  
Hernando de Soto  
Federico Zorraquín



FINANCE COMMITTEE REPORT

ACCION INTERNATIONAL  
BALANCE SHEET  
SEPTEMBER 30, 1992

	Unrestricted	Restricted			Plant Fund	9/30/92 Total	1991 Total
		Current	US Micro	Bridge Fund			
<b>Assets</b>							
Cash and cash equivalents	(\$33,898)	\$499,836	\$93,974	\$160,458		\$720,370	\$510,825
Contributions & grants receivable	\$143,070					\$143,070	\$234,258
Microenterprise loan receivables (net of reserve for loan loss \$8262 )			(41,311,905) \$33,049			\$33,049	\$24,264
Other receivables	\$52,659	\$32,290		\$24,860		\$109,809	\$65,562
Property and equipment, net					\$26,044	\$26,044	\$25,557
Restricted investments at cost plus accrued interest			\$201,234	\$6,151,619		\$6,352,853	\$6,009,580
Other assets	\$272,833	\$51				\$272,884	\$90,409
<b>Total assets</b>	<b>\$434,664</b>	<b>\$532,177</b>	<b>\$328,257</b>	<b>\$6,336,937</b>	<b>\$26,044</b>	<b>\$7,658,079</b>	<b>\$6,960,455</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$112,270			\$66,719		\$178,989	\$229,457
Deferred revenue		\$532,177	\$124,019			\$656,196	\$390,589
Notes payable			\$200,000	\$5,626,712		\$5,826,712	\$5,521,722
<b>Total liabilities</b>	<b>\$112,270</b>	<b>\$532,177</b>	<b>\$324,019</b>	<b>\$5,693,431</b>	<b>\$0</b>	<b>\$6,661,897</b>	<b>\$6,141,768</b>
<b>Fund balances:</b>							
Unrestricted	\$322,394					\$322,394	\$219,225
Restricted - Current		\$0				\$0	
Restricted - U.S. Micro reserve			\$4,238			\$4,238	\$6,500
Restricted - Bridge fund reserve				\$454,423		\$454,423	\$458,323
Restricted - Bridge Fund				\$189,083		\$189,083	\$109,082
Plant fund					\$26,044	\$26,044	\$25,557
<b>Total fund balances</b>	<b>\$322,394</b>	<b>\$0</b>	<b>\$4,238</b>	<b>\$643,506</b>	<b>\$26,044</b>	<b>\$996,182</b>	<b>\$818,687</b>
<b>Total liabilities and fund balances</b>	<b>\$434,664</b>	<b>\$532,177</b>	<b>\$328,257</b>	<b>\$6,336,937</b>	<b>\$26,044</b>	<b>\$7,658,079</b>	<b>\$6,960,455</b>

ACCION INTERNATIONAL  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES  
JANUARY 1 - SEPTEMBER 30, 1992

23-Nov-92

	Unrestricted	Restricted			09/30/92 Total	1991 Total
		Current	U.S. Micro Fund	Bridge Fund		
Revenue:						
Direct private contributions	\$260,745	\$470,343	\$164,599	\$50,000	\$945,687	\$1,247,535
Indirect public support	\$16,717				\$16,717	\$34,832
Government grants	\$75,610	\$1,284,985		\$72,360	\$1,432,955	\$2,147,551
Interest and other income	\$81,277	\$50,335	\$16,963	\$210,466	\$359,041	\$451,231
<b>Total revenue</b>	<b>\$434,349</b>	<b>\$1,805,663</b>	<b>\$181,562</b>	<b>\$332,826</b>	<b>\$0</b>	<b>\$2,754,400</b>
<b>Functional expenses:</b>						
<b>Program services:</b>						
Foreign micro-business		\$1,520,654			\$474	\$1,521,128
United States micro-business			\$199,910			\$199,910
Public education		\$32,278				\$32,278
Research, training and evaluation		\$193,541				\$193,541
Bridge fund				\$256,725		\$256,725
<b>Total program services</b>	<b>\$0</b>	<b>\$1,746,473</b>	<b>\$199,910</b>	<b>\$256,725</b>	<b>\$474</b>	<b>\$2,203,582</b>
<b>Supporting services:</b>						
General and administrative	\$244,330				\$7,834	\$252,164
Fund-raising	\$121,159					\$121,159
<b>Total supporting services</b>	<b>\$365,489</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,834</b>	<b>\$373,323</b>
<b>Total expenses</b>	<b>\$365,489</b>	<b>\$1,746,473</b>	<b>\$199,910</b>	<b>\$256,725</b>	<b>\$8,308</b>	<b>\$2,576,905</b>
Excess of revenue (expenses) before acquisitions and transfers	\$68,860	\$59,190	(\$18,348)	\$76,101	(\$8,308)	\$177,495
Property and equipment acquisitions	(\$1,645)	\$0			\$1,645	\$0
Transfer to fund matching grants	(\$90,810)	\$90,810				\$0
Transfer to fund restricted deficits	\$126,764	(\$150,000)	\$16,086		\$7,150	\$0
Net change in fund balances	\$103,169	\$0	(\$2,262)	\$76,101	\$487	\$177,495
Fund balances, beginning of year	\$219,225	\$0	\$6,500	\$567,405	\$25,557	\$818,687
Fund balances: Sept. 30, 1992	\$322,394	\$0	\$4,238	\$643,506	\$26,044	\$996,182

ACTION INTERNATIONAL  
 STATEMENT OF FUNCTIONAL EXPENSES  
 January 1 - September 30, 1992

DATE: 23-Nov-92

	PROGRAM SERVICES			
	Foreign Micro- Business	United States Micro- Business	Public Education	Research, Training and Evaluation
Awards and grants	\$630,362	\$0	\$0	\$0
Salaries and related expenses	\$461,372	\$133,043	\$30,825	\$114,552
Professional services	\$91,533	\$15,924	\$0	\$10,579
Travel	\$197,715	\$17,337	\$5	\$16,224
Relocation	\$16,541	\$0	\$0	\$0
Rent	\$12,172	\$10,558	\$0	\$19,626
Trainings	\$11,993	\$367	\$155	\$670
Interest	\$47	\$3,180	\$0	\$0
Telephone	\$28,791	\$4,835	\$105	\$5,447
Printing	\$14,505	\$908	\$410	\$19,245
Office expense	\$22,222	\$3,592	\$778	\$6,175
Promotion	\$3,378	\$4,398	\$0	\$281
Equipment	\$8,956	\$3,249	\$0	\$532
Miscellaneous	\$21,067	\$2,519	\$0	\$210
Depreciation	\$474	\$0	\$0	\$0
<b>Total expenses</b>	<b>\$1,521,128</b>	<b>\$199,910</b>	<b>\$32,278</b>	<b>\$193,541</b>

# ACCION INTERNATIONAL: 1993 BUDGET

	CENTRAL & RESOURCES		FINANCIAL SERVICES		WASHINGTON OFFICE		ACCION USA		LATIN AMER. OPERATIONS	
	ADMIN	DEVELOPMENT								
Private contributions	\$216,550	\$192,314	\$25,000	\$91,919	\$53,331	\$115,957	\$515,574	\$140,339	\$165,802	
Government grants	\$166,890									
Interest (net)	\$61,548		\$172,452							
Membership fees	\$50,000									
Publications							\$28,000			
Other								\$68,000		
<b>Total revenue</b>	<b>\$494,988</b>	<b>\$192,314</b>	<b>\$289,371</b>	<b>\$197,288</b>	<b>\$583,574</b>	<b>\$306,141</b>				

**Expenses:**

Salaries and related	\$202,047	\$92,314	\$190,370	\$112,888	\$278,604	\$195,741				
Operations	\$223,783	\$100,000	\$38,401	\$84,400	\$122,470	\$110,400				
Interest					\$7,500					
Pass-through					\$175,000					
Other			\$18,000							
<b>Total expenses</b>	<b>\$425,830</b>	<b>\$192,314</b>	<b>\$246,771</b>	<b>\$197,288</b>	<b>\$583,574</b>	<b>\$306,141</b>				

Excess of revenue (expenses)	\$69,158	\$0	\$42,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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*founded in 1961*

RESOURCE DEVELOPMENT COMMITTEE REPORT

1. 1992 FUNDRAISING STATUS TO DATE  
AND COMPARISON TO 1991
  
2. BOARD PRESENTATION ON PLANNED GIVING  
BY JOHN BROWN (BACKGROUND SUMMARY ATTACHED)



STATUS SUMMARY: ANALYSIS OF 1992 PRIVATE GIVING  
WITH COMPARISON TO 1991

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1992	\$ RAISED TO DATE (1/1 - 11/18/92)	PROJECTED \$ TO BE RAISED BETWEEN 11/19 - 12/31/92	PROJECTED YEAR-END TOTAL 1992	BUDGET GOALS 1992	PROJECTED VARIANCE 1992
INDIVIDUAL	125,033	79,967	205,000	200,000	5,000
COMBINED FED CAMPAIGN	26,079	3,921	30,000	25,000	5,000
CORPORATE	268,470	6,500	274,970	262,000	12,970
FOUNDATION	671,453	2,000	673,453	480,000	193,453
CHURCHES	5,500	0	5,500	0	5,500
<b>TOTAL:</b>	<b>\$1,096,535</b>	<b>\$92,388</b>	<b>\$1,188,923</b>	<b>\$967,000</b>	<b>\$221,923</b>

1991	\$ RAISED TO DATE (1/1-11/18/91)	ACTUAL YEAR END TOTAL 1991	BUDGET GOALS 1991	YEAR END VARIANCE 1991
INDIVIDUAL	66,335	156,457	100,000	56,457
COMBINED FEDERAL CAMPAIGN	25,000	27,000	20,000	7,000
CORPORATE	195,675	256,925	200,000	56,925
FOUNDATION	449,973	853,776	626,000	227,776
CHURCHES	250	250	0	250
<b>TOTAL:</b>	<b>\$737,233</b>	<b>\$1,294,408</b>	<b>\$946,000</b>	<b>\$348,408</b>

PLEASES NOTE: CHARTS DO NOT REFLECT DEFERRED MONIES.

JOHN BROWN LIMITED, INC.

John J. Brown, Jr.  
President

In 1978, John Brown founded a company designed to offer assistance to charitable organizations in the development, implementation, and marketing of major gifts and planned giving programs.

As an internationally acclaimed consultant and educator in the planned giving profession, Mr. Brown, through his seminars and counsel, builds development programs, trains Board members, staff and volunteers and through his lectures, draws hundreds of development officers, attorneys, accountants, administrators and trustees to his seminars each year.

He is highly respected as the first choice when organizations seek to implement capital campaigns or structure major gifts that help fulfill capital needs and in doing so, secure the future for programs in the non-profit sector.

Prior to founding John Brown Limited, John was the Associate Director of the Planned Giving Program at Syracuse University, and he later went on to create and direct the same type of program at Harvard University.

While at Harvard, he founded the planned Giving Group of New England, an active organization whose membership is comprised of development professionals from the Northeast.

With more than 20 years of development experience and with a long list of prestigious clients, John is a frequent and highly regarded lecturer for leadership organizations such as CASE, NSFRE, NAHD, United Way of America, and the American Symphony Orchestra League.

His client list includes such organizations as the New York Public Library, Johns Hopkins University, State University of New York at Buffalo, Phillips Academy, and The Boston Symphony Orchestra.

This list would indicate that his technical expertise is exceptional and his ability to structure gift arrangements, satisfying both donor and institution, is unparalleled.

JOHN BROWN LIMITED



*founded in 1961*

LATIN AMERICAN UPDATE

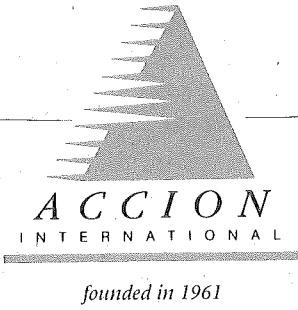
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130 Prospect Street  
Cambridge, MA 02139  
(617) 492-4930  
FAX (617) 876-9509

# GRAN SALTO: PROYECCIONES / REALIZACIONES - HASTA JUNIO 1992

	CLIENTES NUEVOS			CARTERA ACTIVA			MONTO DESEMBOLSADO		
	Proyectado	Realizado	(% de Proy.)	Proyectado	Realizado	(% de Proy.)	Proyectado	Realizado	(% de Proy.)
<b>Total 1991</b>	64,000	52,033	81.30%	\$28,000,000	\$25,984,672	92.80%	\$66,000,000	\$63,059,187	95.54%
<b>1992</b>	107,000			\$51,000,000			\$114,000,000		
<b>1993</b>	133,000			\$81,000,000			\$180,000,000		
<b>1994</b>	185,000			\$122,000,000			\$270,000,000		
<b>1995</b>	259,000			\$173,000,000			\$370,000,000		
<b>Gran Salto Total</b>	748,000			\$173,000,000			\$1,000,000,000		
<b>1992 PROYECCIONES MENSUALES</b>									
Enero	2,880	2,372	82.36%	\$25,651,905	\$25,166,147	98.11%	\$5,617,987	\$4,394,949	78.23%
Febrero	5,845	4,441	75.98%	\$25,933,096	\$26,235,165	101.16%	\$7,151,351	\$6,854,092	95.84%
Marzo	6,093	6,577	107.94%	\$27,708,295	\$29,700,311	107.19%	\$7,074,245	\$9,470,453	133.87%
Abril	7,552	6,307	83.51%	\$28,388,676	\$31,504,732	110.98%	\$8,296,165	\$8,099,932	97.63%
Mayo	6,781	7,340	108.24%	\$29,837,324	\$34,206,734	114.64%	\$7,954,341	\$8,796,587	110.59%
Junio	7,325	7,721	105.41%	\$29,936,497	\$36,308,166	121.28%	\$7,665,044	\$9,191,373	119.91%
Sub-total	36,476	34,758	95.29%	\$29,936,497	\$36,308,166	121.28%	\$43,759,133	\$46,807,386	106.97%
Julio	8,097			\$31,883,871			\$9,388,860		
Agosto	8,456			\$34,199,352			\$9,385,570		
Septiembre	11,498			\$35,934,353			\$10,019,308		
Octubre	17,365			\$41,441,467			\$13,062,377		
Noviembre	16,639			\$46,468,521			\$14,698,443		
Diciembre	8,469			\$51,000,000			\$13,686,309		
<b>TOTAL</b>	107,000			\$51,000,000			\$114,000,000		
<b>GRAN SALTO HASTA LA FECHA</b>									
1991	64,000	52,033	81.30%	\$28,000,000	\$25,984,672	92.80%	\$66,000,000	\$63,059,187	95.54%
1992 hasta la fecha	36,476	34,758	95.29%	\$29,936,497	\$36,308,166	121.28%	\$43,759,133	\$46,807,386	106.97%
<b>GRAN SALTO hasta la fecha</b>	<b>100,476</b>	<b>86,791</b>	<b>86.38%</b>	<b>\$29,936,497</b>	<b>\$36,308,166</b>	<b>121.28%</b>	<b>\$109,759,133</b>	<b>\$109,866,573</b>	<b>100.10%</b>





US PROGRAMS

We have appointed Kathy Stearns as the new Director, US Operations. Her resume is attached.

**KATHERINE E. STEARNS**

ACCION International  
733 15th St. NW, Suite 700  
Washington, DC 20005

tel: (202)393-5113  
fax: (202)393-5115

PROFESSIONAL EXPERIENCE

ACCION International/AITEC. Cambridge, MA.

**Program Specialist.** Washington, DC. Write, edit, and coordinate production of ACCION publications on microenterprise development. Provide training and technical assistance to ACCION affiliates in Latin America and the US. Core team member of GEMINI, a USAID-financed microenterprise action-research program. Provide consultancy services to AID missions. Develop training materials and conduct workshops for microenterprise programs. January 1990 to present.

- Conducted mid-term evaluation of AID's small and microenterprise project implemented by the Cairo Foundation and the Alexandria Businessmen's Association in Egypt. Trained staff of both programs in portfolio management techniques.
- Assessed institutional capabilities of credit programs in Jamaica.
- Participated on AID Project Identification Document and Project Paper teams for women's rural credit program in Bangladesh, with focus on field methodologies.

**Country Director.** San José, Costa Rica. Resident Adviser to AVANCE Microempresarial, a Costa Rican urban microenterprise credit program. February 1988 to January 1990.

- Executive Director of AVANCE until hiring and training Costa Rican Director.
- Reorganized credit component; hired and trained Head of Operations. Advised Executive Director and Board of Directors on program policies, financial management, fund-raising, credit methodology, training, etc.

**Partners of the Americas, Director of Youth Development Program.** July 1985 to January 1988.

**The Ford Foundation, Consultant and Intern to the Rural Poverty and Resources Program.** New York. Researched and wrote analyses and grant proposals for microenterprise promotion projects in Africa, Asia, Latin America, and the US. June 1984 to July 1985.

EXPERIENCE (cont.)

Peace Corps, Community Development Worker and Agricultural Extensionist. Dominican Republic. April 1981 to June 1983.

EDUCATION

Central American Institute for Business Administration (INCAE). Costa Rica affiliate of Harvard Business School. Participant in intensive training program for managers of non-governmental organizations. March 1989 to December 1989.

Cornell University, MPS in International Agriculture and Rural Development, May 1985. Research emphasis on employment issues, the urban informal sector, and microenterprise development.

Duke University, BS in Political Science, Magna Cum Laude, 1980.

LANGUAGES

Fluent written and spoken Spanish; fair French.

PUBLICATIONS

Stearns, Katherine E. Forthcoming. The Usefulness of Guarantee Funds for Microenterprise Credit (Cambridge, MA: ACCION International Monograph Series No. 7).

Castello, Carlos, Katherine Stearns and Robert Christen. 1992. Exposing Interest Rates: Their Significance for Microentrepreneurs and Credit Programs (Cambridge MA: ACCION International Discussion Paper Series, Document No. 6).

Stearns, Katherine E. 1991. The Hidden Beast: Delinquency in Micro-credit Programs (Cambridge MA: ACCION International Discussion Paper Series, Document No. 5).

Stearns, Katherine E. and Maria Otero, editors. 1990. The Critical Connection: Governments, Private Institutions, and the Informal Sector in Latin America (Cambridge MA: ACCION International Monograph Series No. 5).

Stearns, Katherine E. 1989. Microenterprise Development Programs: Is Client Graduation a Myth? (Cambridge MA: ACCION International Discussion Paper Series, Document No. 3).

\_\_\_\_\_. 1985. "Assisting Informal Sector Microenterprises in Developing Countries," The Entrepreneurial Economy (Vol. 4, No. 4).

\_\_\_\_\_. 1985. "Como Ayudar a las Microempresas del Sector Informal," Perspectivas Económicas (no. 56).





*founded in 1961*

NEW INITIATIVES

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130 Prospect Street  
Cambridge, MA 02139  
(617) 492-4930  
FAX (617) 876-9509

## NEW FINANCIAL INITIATIVES

There are two new initiatives to leverage additional financial resources which ACCION is actively exploring in coordination with other select international development agencies:

### I. Development Capital Fund:

The Calvert Foundation will launch the Calvert High Impact Fund as a new investment fund to raise money from the public. It expects to raise \$50 million over five years. The capital raised will go to finance low-income housing and economic development in the US and internationally.

To gain access to these funds at below market rates, ACCION has entered into a tentative agreement to form a consortium with four other development agencies: Seed Capital/SIDI, Calmeadow, Appropriate Technologies International and FINCA. This consortium is called Development Capital Fund and is being established as a separate non-profit organization.

The consortium expects to receive \$12.5 million from Calvert over five years of which \$2.5 million would be available to ACCION.

The money would be made available to ACCION at below market rates. ACCION would use the resources in its Bridge Fund or for direct lending to affiliates. The annual cost to ACCION of participating in the consortium is \$8000. Until the consortium can become self-funding, foundation grants are being requested in collaboration with Calvert to cover these annual costs.

### II. PROFUND

Based on the experience of raising equity capital and long-term financing for Banco Sol in Bolivia, a group of interested organizations have formed a working group called "PROFUND" to explore the feasibility of establishing a pool of funds that would invest in new financial institutions in Latin America which provide services to microenterprise. Chaired by Fernando Romero, the group consists of ACCION, Calmeadow, Seed Capital, and FUNDES, a swiss group. All these organizations are investors in Banco Sol.

Other affiliates of ACCION such as ACTUAR in Bogotá, Colombia are in the process of transforming themselves into banks or other financial entities. A privately managed pool of equity funds raised from private investors would be able to significantly leverage resources from the Inter-American Investment Corporation and other multi-lateral funders. The hope would be that with private funding of \$3-5 million, approximately ten times that amount could be secured from international sources.

A meeting of the PROFUND working group will take place in Bolivia on November 22-23. A report of the decisions and recommendations of the group will be given at the Board meeting.

EXPERIENCE (cont.)

Peace Corps, Community Development Worker and Agricultural Extensionist. Dominican Republic. April 1981 to June 1983.

EDUCATION

Central American Institute for Business Administration (INCAE). Costa Rica affiliate of Harvard Business School. Participant in intensive training program for managers of non-governmental organizations. March 1989 to December 1989.

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Finance + Admin Dept. - small but complex acctg. computer system

Functions

Audit - C+L	-	Budget about \$3.5 m	
Accounting	-	Assets = \$7.6 m	Fund Bal \$1m (650K BF)
Grant Mgmt.	-	about 70 cost centers	
Personnel Mgmt.	-	about 20	IM → Guat., Nic.

- 16 Cont.
- 3 WDC
- 4 NYC
- 4 FT LA
- 3 PT LA
- 30 Staff

Mgmt. Info. Systems  
 Budget  
 Financial Planning + Analysis  
 Asset Mgmt.

- Some TA ie. Arizona
- Purchasing / Office Mgmt.
- Coordination w. affiliates - Cen ACCION

Organ. Structure

CO - since 1983 (FR, Devel. Educ.)

IM - since 1984

John + Mirya - Sept. 92

Acctg. Assoc.

Grants Mgr./  
 Personnel Mgr.  
 Controller

- Challenges
- structure + legal issues
  - unrestricted funds / cost control
  - agile
  - to provide support so as to enable depts. to carry out goals + activities of Gran Salto
  - build strong financial basis for organ.

NOTES Finance Committee Report December 4, 1992

Finance Committee: Tom McDermott, Crocker Nevin, Charles Mueller

Committee last met in June to review the audited financial statements with Coopers & Lybrand. Will schedule meeting for late Dec. or early Jan.

I. Financial Statements: through 9/30/92

- calendar fiscal year
- audit planning meeting on Dec. 15
- thorough review of Financial Statements at June meeting

A. BALANCE SHEET:

Combination basis:

- just core operational expenses of ACCION International, with some pass-thru to Guatemala and Nicaragua; reflects only small portion of ACCION affiliate activity (portfolio of close to \$36 million; 116,788 clients)

- for last quarter of 1992 Centro ACCION will be audited locally and combined; met with C&L in Bogota; activity of about \$200k this year; 1/2 million next year

Highlights:

- NEW YORK: gross loans of \$41,311; net of \$33,049, representing loans to 52 clients; loss reserve of 20% (donation from Chemical Bank - excess in reserve)

- BRIDGE FUND: investments of \$6.15 million, LCs outstanding of \$4m, which leverages \$10.5M in loans to micro-entrepreneurs, or a third of the portfolio; bulk of funds in a managed trust account at Citibank

- OTHER ASSETS: includes \$250,000 investment in Banco Sol, funded in part by MacArthur Fdn. grant (which explains surplus on Statement of Revenue & Expense)

B. STATEMENT OF REVENUE AND EXPENSE:

- basically on target for revenue and expenses for year end; in order to meet our budgeted goal, we expect an additional \$230,000 in private contributions for last quarter, of which about \$80k remains to be raised in this month.

- Government revenue about the same, but less U.S. AID and new Austrian Govt rev
- appears to be a surplus for the period of \$177k, in reality a small operational deficit; \$150k undeferred Banco Sol contribution, \$50K Bridge Fund grant for reserve;

generally try to capitalize and Bridge Fund surplus

- low "overhead" or ratio of supporting services to total program services - about 14%

#### C. STATEMENT OF FUNCTIONAL EXPENSES:

- awards and grants represent pass thru to Guatemala & Nicaragua
- Bridge fund excess fee and interest income covers interest expense as well as uncovered operational expenses

#### II. 1993 BUDGET:

Represents core budget, fairly conservative.

##### A. REVENUE:

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L. Amer.

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Ratios: see budget sheet



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Ratios: see budget sheet

I. PRIVATE MONIES

## A. CHEMICAL BANK

LOANS ACCOUNT	NAME	AMOUNT	CD PURCHASE DATE	CD MATURITY DATE	LOAN MATURITY	CD RATE	LOAN RATE
006-344232-1-2	Province of St. Louis, Society of Mary	\$10,000	10/30/91	10/29/92	10/29/92	4.88%	5.00%
006-344895-1	Partners for the Common Good, Loan Fund	\$150,000	10/30/90	10/30/92	08/29/94	7.40%	6.00%
006-476236-2-2	Merrill, Mary K.	\$10,302	transfer	pending	08/11/93	3.14%	5.00%
006-676916-4-2	Chutroo, Barbara	\$23,976	10/15/91	10/14/92	10/14/92	4.85%	5.00%
006-745688-1	Seton Enablement Fund,	\$50,000	10/13/89	10/14/94	10/12/94	7.50%	5.00%
SUBTOTAL LOANS		\$244,278					

AID RESERVE ACCOUNT	GRANTOR	AMOUNT	CD PURCHASE DATE	CD MATURITY DATE	CD RATE
006-476198-9D	Stewart Mott, Charles	\$100,000	08/25/92	02/23/93	2.76%
SUBTOTAL GRANTS		\$100,000			

TOTAL CHEMICAL BANK \$344,278

## B. SOUTH SHORE BANK

LOANS ACCOUNT	NAME	AMOUNT	CD PURCHASE DATE	CD MATURITY DATE	LOAN MATURITY	CD RATE	LOAN RATE
637983909-3	Pillsbury & Mary Tiseo, George	\$10,000	12/24/90	06/24/93	12/23/93	7.20%	5.00%
717757319-1	C.R. Alternative Trust,	\$30,000	01/14/91	07/14/93	07/14/93	7.05%	5.00%
SUBTOTAL SOUTH SHORE BANK		\$40,000					

## C. CITIBANK

LOANS ACCOUNT	NAME	AMOUNT	PURCHASE DATE	LOAN MATURITY	DATE TRANSFERRED	LOAN RATE
CB-01	Steven Bloomstein	\$15,000	08/24/92	02/23/94	08/24/92	4.00%
CB-02	Elizabeth Kraemer	\$20,000	09/09/92	03/11/94	09/11/92	3.00%
CB-03	The Calvert Group	\$200,000	10/28/91	10/29/92	04/01/91	5.00%
CB-04	Monica Sella	\$10,000	09/12/92	03/14/94	09/12/92	3.00%
CB-05	786 Foundation	\$100,000	03/27/91	03/27/94	04/01/91	5.00%
CB-06	Susan Anderson	\$15,000	05/04/91	05/04/94	05/15/91	5.00%
CB-07	The Sisters of the Good Shepherd, Cincinnati Pr	\$40,000	05/22/91	11/20/92	05/23/91	5.00%
CB-07	The Sisters of the Good Shepherd, Cincinnati Pr	\$60,000	03/05/92	09/04/93	03/09/92	4.00%
CB-08	Margaret S. Hawthorn	\$10,000	05/22/91	11/20/92	05/23/91	5.00%
CB-09	The Ford Foundation	\$2,000,000	03/06/91	03/05/98	03/06/91	1.00%
CB-10	Peter H. Michaelson Foundation	\$10,000	05/30/91	05/30/93	05/31/91	5.00%
CB-11	Douglas Kalen Jones	\$10,000	06/03/91	12/02/92	06/06/91	5.00%
CB-12	Martha Collier	\$10,000	06/12/91	02/10/93	06/14/91	5.00%
CB-13	Madeleine Higbie	\$15,000	07/01/91	12/30/92	07/08/91	2.00%
CB-14	Roy Wallace Wood	\$10,000	07/18/91	01/16/93	07/22/91	5.00%
CB-15	Norman Higginson	\$10,000	07/23/91	07/23/93	07/30/91	5.00%
CB-16	Martha L. Berg	\$10,000	07/29/91	01/27/93	07/30/91	5.00%
CB-17	Missionary Servants of the Most Holy Trinity	\$25,000	07/31/91	07/31/93	08/05/91	3.00%
CB-18	SSM International Finance	\$25,000	01/23/92	07/24/93	01/27/92	4.00%
CB-18	SSM International Finance	\$50,000	07/25/91	01/23/93	08/07/91	5.00%
CB-19	Zell Draz	\$10,000	07/30/91	04/29/94	08/07/91	5.00%
CB-20	Sisters of St. Francis of Tiffin, Ohio	\$50,000	08/02/91	11/01/93	08/07/91	5.00%
CB-21	Polly Allen	\$10,000	08/05/91	08/05/94	09/03/91	5.00%
CB-22	Wendy Enrich	\$10,000	09/06/91	09/06/93	09/12/91	5.00%
CB-23	Patricia S. Ayres	\$25,000	09/06/91	09/06/93	09/11/91	4.00%
CB-24	Ellen Low Webster	\$10,000	10/04/91	04/04/93	10/15/91	5.00%
CB-25	Duncan Fowler	\$10,000	10/08/91	02/21/94	10/15/91	5.00%
CB-26	Robert W. Walden	\$10,000	08/04/92	02/03/94	08/13/92	3.00%
CB-26	Robert W. Walden	\$10,000	10/11/91	04/11/93	10/21/91	5.00%
CB-27	Sisters of St. Benedict	\$50,000	11/06/91	11/06/93	11/07/91	5.00%
CB-28	Glenn P. and Theresa Sugameli	\$10,000	11/06/91	05/07/93	11/07/91	4.00%
CB-28	Glenn P. and Theresa Sugameli	\$10,000	09/30/92	04/01/94		3.00%
CB-29	Jean Stuart	\$10,000	10/31/91	05/01/93	11/12/91	5.00%
CB-30	Barbara Blouin	\$10,000	11/20/91	11/20/92	11/26/91	3.00%
CB-31	Michael Chu & Victoria Cowling Chu	\$10,000	11/15/91	05/16/93	12/09/91	5.00%
CB-32	Joseph P. Crowley	\$10,000	11/14/91	11/14/93	12/09/91	5.00%
CB-33	Glenmary Home Missioners	\$25,000	06/01/92	12/01/93	12/16/91	3.00%
CB-34	Sandra Polishuk	\$35,000	09/04/92	03/06/94	09/04/92	3.00%
CB-35	Kenneth Regal & Judith Ruszkowski	\$24,831	08/19/91	02/17/93	12/09/91	5.00%
CB-36	Sisters of Charity, BVM	\$20,000	05/23/91	11/21/92	12/10/91	5.00%
CB-37	Episcopal Church	\$100,000	08/31/92	03/02/94	09/11/92	3.00%
CB-38	Charles Merrill	\$10,000	11/18/91	05/19/93	12/10/91	5.00%
CB-39	Harriet Peinberg	\$10,000	11/21/91	05/22/93	12/09/91	5.00%
CB-40	Mary Ann Cobb	\$45,000	09/02/91	03/03/93	12/18/91	5.00%
CB-41	The Ninevah Trust	\$20,000	12/04/91	12/04/93	12/18/91	3.00%
CB-42	Sisters of Mercy	\$40,000	12/06/91	12/06/94	12/10/91	4.00%
CB-43	John F. Hubbard	\$10,000	12/09/91	12/09/93	12/18/91	1.00%
CB-44	Stewart Enterprise Ltd.	\$10,000	12/06/91	06/06/93	12/18/91	5.00%
CB-45	MacArthur Foundation	\$500,000	12/11/91	12/09/2001	12/18/91	3.00%
CB-46	Bernard & Lory Levinger	\$25,000	12/20/91	06/20/93	01/16/92	5.00%
CB-47	Dominican Sisters of Newburgh	\$20,000	12/20/91	12/20/93	01/15/92	4.00%
CB-48	Adele Kushner	\$5,000	01/07/92	07/08/93	01/15/92	2.00%
CB-49	O.H. Perry Lloyd	\$15,000	01/06/92	07/07/93	01/23/92	4.00%
CB-50	Kate Rabinowitz	\$10,000	07/05/91	01/03/93	02/03/92	5.00%
CB-51	Sisters of St. Dominic	\$25,000	02/07/92	02/07/94	02/14/92	4.00%
CB-52	Lois P. Rose	\$30,000	02/13/92	02/12/97	02/18/92	2.00%



G. CITIBANK

LOANS ACCOUNT	NAME	AMOUNT	PURCHASE DATE	LOAN MATURITY	DATE TRANSFERRED	LOAN RATE
CB-53	Daniel R. Martin	\$10,000	08/01/92	01/31/94	08/01/92	3.00%
CB-54	Congregation of Divine Providence, Inc.	\$10,000	01/31/92	01/30/97	03/03/92	4.00%
CB-55	Patricia Oppenheim	\$10,000	08/02/92	08/03/93	08/02/92	2.00%
CB-57	John Webster	\$15,000	05/27/92	11/26/93	06/09/92	4.00%
CB-57	John Webster	\$15,000	08/15/92	05/31/94	08/15/92	4.00%
CB-58	Congregation of the Passion Holy Cross Province	\$10,000	02/28/92	02/27/97	03/03/92	4.00%
CB-59	Our Lady of Victory Missionary Sisters	\$25,000	03/05/92	03/05/97	03/09/92	4.00%
CB-60	Marli Rabinowitz	\$10,000	10/02/91	10/02/93	03/18/92	4.00%
CB-61	Arthur S. Lloyd	\$25,000	03/12/91	09/10/94	03/20/92	5.00%
CB-62	Susan S. Lloyd	\$25,000	03/12/91	09/10/94	03/20/92	5.00%
CB-63	Jennifer M. Kahrl	\$10,000	09/17/90	09/17/93	03/25/92	5.00%
CB-64	Mary Merrill	\$10,000	09/18/92	09/19/94	09/18/92	3.00%
CB-65	Elizabeth Stookey	\$11,795	03/22/92	09/21/93	03/30/92	4.00%
CB-66	Susan L. Merrill and Samuel Merrill III	\$10,000	04/08/92	10/08/93	04/09/92	4.00%
CB-67	Church of Larger Fellowship	\$10,000	04/04/92	10/04/93	04/09/92	4.00%
CB-68	The Gadfly Trust	\$25,000	05/13/92	11/12/94	05/19/92	2.00%
CB-68	The Gadfly Trust	\$25,000	04/13/92	04/13/97	04/15/92	3.00%
CB-69	Ed J. Gracely	\$10,000	04/21/92	10/21/93	04/29/92	3.00%
CB-70	ABC Custodial Trust	\$75,000	05/05/92	05/06/95	05/11/92	4.00%
CB-71	Marc Weiss	\$10,000	05/29/92	11/28/93	06/09/92	3.00%
CB-72	Dorothy Seavey	\$20,000	05/29/92	11/28/94	06/09/92	2.00%
CB-73	St. Leonard's Community Loan Fund	\$10,000	06/10/92	06/11/94	06/17/92	4.00%
CB-74	Bradford Armstrong	\$10,000	05/28/92	11/27/93	06/17/92	4.00%
CB-75	Pacific Capital Management	\$20,000	06/26/92	12/26/93	07/02/92	4.00%
CB-76	Andrew Schenker	\$15,000	01/07/91	01/07/94	07/21/92	0.00%
CB-77	ACCION Seattle Limited Partnership	\$10,500	08/08/92	02/07/94	09/03/92	3.00%
CB-78	John S. Shorack	\$10,000	08/18/92	02/17/94	09/03/92	3.00%
CB-79	Katherine Lynn Dickin	\$15,000	09/15/92	03/17/94	09/30/92	3.00%
SUBTOTAL CITIBANK		\$4,342,126				

D. RESERVE MONIES AT DEVELOPMENT BANKS

BANK	GRANTOR	AMOUNT	PURCHASE DATE	MATURITY DATE	RATE
Vermont National Bank	Morgan Guaranty	\$26,464	05/28/92	11/24/92	
Vermont National Bank	Public Welfare Foundation	\$51,496	09/23/92	03/24/93	
Community Capital, New York	Public Welfare Foundation	\$25,000	09/23/92	03/24/93	2.76%
Bank of Boston - PENDING	Public Welfare Foundation	\$50,000 ✓	07/05/91		
Bank of Boston - PENDING	Cudahy Fund	\$10,000 ✓	08/13/91		
Bank of Boston - PENDING	MacArthur Foundation	\$25,000 ✓			
Bank of Boston - PENDING	Walden	\$10,000 ✓			
Bank of Boston - PENDING	M & I Trust Co., Anonymous	\$10,000 ✓			
Bank of Boston - PENDING	Argidius	\$50,000 ✓			
SUBTOTAL RESERVE AT DEVELOPMENT BANKS		\$257,960			

II. AID MONIES

AID LOAN \$1,000,000

BRIDGE FUND GRAND TOTAL \$5,984,364

C. CITIBANK

LOANS ACCOUNT	NAME	AMOUNT	PURCHASE DATE	LOAN MATURITY	DATE TRANSFERRED	LOAN RATE
CB-53	Daniel R. Martin	\$10,000	08/01/92	01/31/94	08/01/92	3.00%
CB-54	Congregation of Divine Providence, Inc.	\$10,000	01/31/92	01/30/97	03/03/92	4.00%
CB-55	Patricia Oppenheim	\$10,000	08/02/92	08/03/93	08/02/92	2.00%
CB-57	John Webster	\$15,000	05/27/92	11/26/93	06/09/92	4.00%
CB-57	John Webster	\$15,000	08/15/92	05/31/94	08/15/92	4.00%
CB-58	Congregation of the Passion Holy Cross Province	\$10,000	02/28/92	02/27/97	03/03/92	4.00%
CB-59	Our Lady of Victory Missionary Sisters	\$25,000	03/05/92	03/05/97	03/09/92	4.00%
CB-60	Marli Rabinowitz	\$10,000	10/02/91	10/02/93	03/18/92	4.00%
CB-61	Arthur S. Lloyd	\$25,000	03/12/91	09/10/94	03/20/92	5.00%
CB-62	Susan S. Lloyd	\$25,000	03/12/91	09/10/94	03/20/92	5.00%
CB-63	Jennifer M. Kahrl	\$10,000	09/17/90	09/17/93	03/25/92	5.00%
CB-64	Mary Merrill	\$10,000	09/18/92	09/19/94	09/18/92	3.00%
CB-65	Elizabeth Stookey	\$11,795	03/22/92	09/21/93	03/30/92	4.00%
CB-66	Susan L. Merrill and Samuel Merrill III	\$10,000	04/08/92	10/08/93	04/09/92	4.00%
CB-67	Church of Larger Fellowship	\$10,000	04/04/92	10/04/93	04/09/92	4.00%
CB-68	The Gadfly Trust	\$25,000	05/13/92	11/12/94	05/19/92	2.00%
CB-68	The Gadfly Trust	\$25,000	04/13/92	04/13/97	04/15/92	3.00%
CB-69	Ed J. Gracely	\$10,000	04/21/92	10/21/93	04/29/92	3.00%
CB-70	ABC Custodial Trust	\$75,000	05/05/92	05/06/95	05/11/92	4.00%
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CB-72	Dorothy Seavey	\$20,000	05/29/92	11/28/94	06/09/92	2.00%
CB-73	St. Leonard's Community Loan Fund	\$10,000	06/10/92	06/11/94	06/17/92	4.00%
CB-74	Bradford Armstrong	\$10,000	05/28/92	11/27/93	06/17/92	4.00%
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CB-76	Andrew Schenker	\$15,000	01/07/91	01/07/94	07/21/92	0.00%
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Bank of Boston - PENDING	MacArthur Foundation	\$25,000 ✓				
Bank of Boston - PENDING	Walden	\$10,000 ✓				
Bank of Boston - PENDING	M & I Trust Co., Anonymous	\$10,000 ✓				
Bank of Boston - PENDING	Argidius	\$50,000 ✓				
SUBTOTAL RESERVE AT DEVELOPMENT BANKS		\$257,960				

II. AID MONIES

AID LOAN \$1,000,000

BRIDGE FUND GRAND TOTAL \$5,984,364

C. CITIBANK

LOANS ACCOUNT	NAME	AMOUNT	PURCHASE DATE	LOAN MATURITY	DATE TRANSFERRED	LOAN RATE
CB-01	Steven Bloomstein	\$15,000	08/24/92	02/23/94	08/24/92	4.00%
CB-02	Elizabeth Krahmer	\$20,000	09/09/92	03/11/94	09/11/92	3.00%
CB-03	The Calvert Group	\$200,000	10/28/91	10/29/92	04/01/91	5.00%
CB-04	Monica Sella	\$10,000	09/12/92	03/14/94	09/12/92	3.00%
CB-05	786 Foundation	\$100,000	03/27/91	03/27/94	04/01/91	5.00%
CB-06	Susan Anderson	\$15,000	05/04/91	05/04/94	05/15/91	5.00%
CB-07	The Sisters of the Good Shepherd, Cincinnati Pr	\$40,000	05/22/91	11/20/92	05/23/91	5.00%
CB-07	The Sisters of the Good Shepherd, Cincinnati Pr	\$60,000	03/05/92	09/04/93	03/09/92	4.00%
CB-08	Margaret S. Hawthorn	\$10,000	05/22/91	11/20/92	05/23/91	5.00%
CB-09	The Ford Foundation	\$2,000,000	03/06/91	03/05/98	03/06/91	1.00%
CB-10	Peter H. Michaelson Foundation	\$10,000	05/30/91	05/30/93	05/31/91	5.00%
CB-11	Douglas Kalen Jones	\$10,000	06/03/91	12/02/92	06/06/91	5.00%
CB-12	Martha Collier	\$10,000	06/12/91	02/10/93	06/14/91	5.00%
CB-13	Madeleine Higbie	\$15,000	07/01/91	12/30/92	07/08/91	2.00%
CB-14	Roy Wallace Wood	\$10,000	07/18/91	01/16/93	07/22/91	5.00%
CB-15	Norman Higginson	\$10,000	07/23/91	07/23/93	07/30/91	5.00%
CB-16	Martha L. Berg	\$10,000	07/29/91	01/27/93	07/30/91	5.00%
CB-17	Missionary Servants of the Most Holy Trinity	\$25,000	07/31/91	07/31/93	08/05/91	3.00%
CB-18	SSM International Finance	\$25,000	01/23/92	07/24/93	01/27/92	4.00%
CB-18	SSM International Finance	\$50,000	07/25/91	01/23/93	08/07/91	5.00%
CB-19	Zell Draz	\$10,000	07/30/91	04/29/94	08/07/91	5.00%
CB-20	Sisters of St. Francis of Tiffin, Ohio	\$50,000	08/02/91	11/01/93	08/07/91	5.00%
CB-21	Polly Allen	\$10,000	08/05/91	08/05/94	09/03/91	5.00%
CB-22	Wendy Enrich	\$10,000	09/06/91	09/06/93	09/12/91	5.00%
CB-23	Patricia S. Ayres	\$25,000	09/06/91	09/06/93	09/11/91	4.00%
CB-24	Ellen Low Webster	\$10,000	10/04/91	04/04/93	10/15/91	5.00%
CB-25	Duncan Fowler	\$10,000	10/08/91	02/21/94	10/15/91	5.00%
CB-26	Robert W. Walden	\$10,000	08/04/92	02/03/94	08/13/92	3.00%
CB-26	Robert W. Walden	\$10,000	10/11/91	04/11/93	10/21/91	5.00%
CB-27	Sisters of St. Benedict	\$50,000	11/06/91	11/06/93	11/07/91	5.00%
CB-28	Glenn P. and Theresa Suganelli	\$10,000	11/06/91	05/07/93	11/07/91	4.00%
CB-28	Glenn P. and Theresa Suganelli	\$10,000	09/30/92	04/01/94		3.00%
CB-29	Jean Stuart	\$10,000	10/31/91	05/01/93	11/12/91	5.00%
CB-30	Barbara Blouin	\$10,000	11/20/91	11/20/92	11/26/91	3.00%
CB-31	Michael Chu & Victoria Cowling Chu	\$10,000	11/15/91	05/16/93	12/09/91	5.00%
CB-32	Joseph P. Crowley	\$10,000	11/14/91	11/14/93	12/09/91	5.00%
CB-33	Glenmary Home Missioners	\$25,000	06/01/92	12/01/93	12/16/91	3.00%
CB-34	Sandra Polishuk	\$35,000	09/04/92	03/06/94	09/04/92	3.00%
CB-35	Kenneth Regal & Judith Ruszkowski	\$24,831	08/19/91	02/17/93	12/09/91	5.00%
CB-36	Sisters of Charity, BVM	\$20,000	05/23/91	11/21/92	12/10/91	5.00%
CB-37	Episcopal Church	\$100,000	08/31/92	03/02/94	09/11/92	3.00%
CB-38	Charles Merrill	\$10,000	11/18/91	05/19/93	12/10/91	5.00%
CB-39	Harriet Feinberg	\$10,000	11/21/91	05/22/93	12/09/91	5.00%
CB-40	Mary Ann Cobb	\$45,000	09/02/91	03/03/93	12/18/91	5.00%
CB-41	The Ninevah Trust	\$20,000	12/04/91	12/04/93	12/18/91	3.00%
CB-42	Sisters of Mercy	\$40,000	12/06/91	12/06/94	12/10/91	4.00%
CB-43	John F. Hubbard	\$10,000	12/09/91	12/09/93	12/18/91	1.00%
CB-44	Stewart Enterprise Ltd.	\$10,000	12/06/91	06/06/93	12/18/91	5.00%
CB-45	MacArthur Foundation	\$500,000	12/11/91	12/09/2001	12/18/91	3.00%
CB-46	Bernard & Lory Levinger	\$25,000	12/20/91	06/20/93	01/16/92	5.00%
CB-47	Dominican Sisters of Newburgh	\$20,000	12/20/91	12/20/93	01/15/92	4.00%
CB-48	Adele Kushner	\$5,000	01/07/92	07/08/93	01/15/92	2.00%
CB-49	O.H. Perry Lloyd	\$15,000	01/06/92	07/07/93	01/23/92	4.00%
CB-50	Kate Pabinowitz	\$10,000	07/05/91	01/03/93	02/03/92	5.00%
CB-51	Sisters of St. Dominic	\$25,000	02/07/92	02/07/94	02/14/92	4.00%
CB-52	Lois P. Rose	\$30,000	02/13/92	02/12/97	02/12/92	2.00%

DRAFT

ACCION INTERNATIONAL  
BOARD OF DIRECTORS MEETING

DECEMBER 4, 1992  
10:00 - 5:00

AGENDA

- I. APPROVAL OF MINUTES
- II. FINANCE COMMITTEE REPORT
- III. PRESIDENT'S REPORT
- IV. EXECUTIVE DIRECTOR'S REPORT
- V. RESOURCE DEVELOPMENT COMMITTEE REPORT
  - Presentation by John Brown on planned giving

LUNCH

- VI. UPDATE ON LATIN AMERICAN PROGRAMS
- VII. STATUS OF US INITIATIVE
- VIII. PROPOSED CHANGES IN ACCION'S LEGAL STRUCTURE
  - Discussion with Peter Rosenbloom, Partner, <sup>Foley</sup> Foly, Hoag and Elliot ~~Elliot~~
- IX. NEW INITIATIVES: PROFUND AND DEVELOPMENT CAPITAL

Bd / Awards Dinner

Sonia, Libbie, Cathy G., Kathy S., Marie, Christina

JOHN BROWN LIMITED, INC.

John J. Brown, Jr.  
President

In 1978, John Brown founded a company designed to offer assistance to charitable organizations in the development, implementation, and marketing of major gifts and planned giving programs.

As an internationally acclaimed consultant and educator in the planned giving profession, Mr. Brown, through his seminars and counsel, builds development programs, trains Board members, staff and volunteers and through his lectures, draws hundreds of development officers, attorneys, accountants, administrators and trustees to his seminars each year.

He is highly respected as the first choice when organizations seek to implement capital campaigns or structure major gifts that help fulfill capital needs and in doing so, secure the future for programs in the non-profit sector.

Prior to founding John Brown Limited, John was the Associate Director of the Planned Giving Program at Syracuse University, and he later went on to create and direct the same type of program at Harvard University.

While at Harvard, he founded the planned Giving Group of New England, an active organization whose membership is comprised of development professionals from the Northeast.

With more than 20 years of development experience and with a long list of prestigious clients, John is a frequent and highly regarded lecturer for leadership organizations such as CASE, NSFRE, NAHD, United Way of America, and the American Symphony Orchestra League.

His client list includes such organizations as the New York Public Library, Johns Hopkins University, State University of New York at Buffalo, Phillips Academy, and The Boston Symphony Orchestra.

This list would indicate that his technical expertise is exceptional and his ability to structure gift arrangements, satisfying both donor and institution, is unparalleled.

Attending Board Meeting

Albert Bildner  
Terence Canavan  
Michael Chu  
Martin Connell  
John Duncan  
Robert Helander  
Mary Houghton  
Stephen Knaebel  
Daniel MARTIN  
Thomas McDermott  
Charles Muller  
Crocker Nevin  
Kathrine Ockenden  
Michael O'Shaughnessy  
Salua Smith  
Nancy Sherwood Truitt  
Kathy Waldron

Russell Faucett  
John Gillett  
Michelle Gillett  
Gilbert Glass  
Keith Kretschmer  
Robert Scarlett  
Jeff Sutherland  
Linda Zwirlein  
Robert Luken

William Burrus

STEVE GROSS  
SONIA SALTZMAN  
Maria Otero  
Kathy Stearns  
Cathy Quense  
Libbie Shufro

Peter Rosenblum  
John Brown

1961-1991  
*30 Years of Action*



ACCIÓN International

P R E S I D E N T ' S   C O U N C I L

1992

## **Russell B. Faucett**

Mr. Faucett is an investor who focuses on special situations, primarily the securities of publicly held companies in financial difficulty.

Prior to his current activities, he was an advisor to several major California commercial banks, an investment banker for middle market companies, an executive vice president of a commercial finance and equipment leasing company, and president of a venture capital investment company. Mr. Faucett is also President of Faucett & Co., Inc., where he is a registered investment advisor for larger individual and institutional accounts. A graduate of Pomona College, Mr. Faucett has a degree in physics, and a degree in industrial management from M.I.T. He currently resides in Los Angeles.

Mr. Faucett's interests include mountaineering, conservation, birding, and Latin America (especially its natural history and current economic status.) He is on the Board of Visitors for the Organization for Tropical Studies in La Selva, Costa Rica and Vice President of Associates of the Latin American Center at UCLA.

## **John Gillett**

After graduating from the University of Wisconsin Mr. Gillett spent two years in Nigeria with the Peace Corps. He then attended Thunderbird Graduate School and received a Masters degree in Foreign Trade.

Currently Mr. Gillett runs a mortgage brokerage business and is an active member of the Great Barrington community, just north of Chicago. He is a member of the Village Board of Trustees, is involved in the local school system, church and Rotary.

Inspired by ACCION's pragmatic approach to the alleviation of poverty, Mr. Gillett hopes to continue using his creative marketing and fundraising skills on ACCION's behalf. He hopes to stay involved with ACCION, in his own words, "Until ACCION is so successful in the world, that it works itself out of a job."



## Michele Gillett

Mrs. Gillett is a mother of four and a community activist. She is involved in a number of boards ranging from school services to a woman's shelter to local village affairs. She finds ACCION's work compelling because it provides economic opportunity and in her words, "is not a hand-out". She believes "that improving the standard of living of the poor naturally improves self-esteem, which in turn creates motivation and hope."

The Gilletts have been enthusiastic supporters of ACCION, holding several house parties and special presentations over the last few years. Both of the Gillett's participated in the recent ACCION delegation to Guatemala, and see their involvement as a family act. Their daughter Zoe was an intern for the Resource Development Department at ACCION this past summer.

## Gilbert Glass

Mr. Glass is retired from his engineering firm which he started and ran for 25 years. His interests are multi-faceted; in addition to his involvement with ACCION, Mr. Glass is currently involved in organizations that promote the preservation of our national environment, educational opportunity for children and the humane treatment of animals.

Mr. Glass has visited ACCION programs in the Dominican Republic and Guatemala. He has been instrumental in the initiation of a literacy and workforce readiness program, "Educación Integral Para La Vida," for the children of micro-entrepreneurs at PROSEM, one of ACCION's Guatemalan affiliates.

Mr. Glass resides in New York City. He is an entrepreneur who describes his principal interests as "innovation and provocation".

## Keith H. Kretschmer

Mr. Kretschmer is a stockbroker and former General Partner of Bear Stearns & Co., Inc. In 1985 the company went public and Mr. Kretschmer became a Senior Managing Director of Bear Stearns & Co., Inc. Since July of 1991, Mr. Kretschmer retired from active management, and is currently a Special Associate Director of Bear Stearns, active in investment portfolio management.

Mr. Kretschmer is the author of Your Option (the complete authoritative guide to understanding and utilizing stock options) published from 1977 through 1982. He also served on the White House Advance Staff between 1970 and 1976.

Currently Mr. Kretschmer is active in various non-profit activities including serving as the President of the South Shore Art Center in Cohasset, MA; and Vice President of the World Affairs Council of Boston. With his background as a financial executive and entrepreneur, Keith was particularly attracted to the concepts and success of ACCION.

## Robert W. Luken

Mr. Luken, who currently resides in Alton Illinois, is President of Luken Investment Company, a financial management group. Prior to this he was President of Beacon Finance Company which dealt in consumer and small business lending. In addition to his professional experience in finance, Mr. Luken has a strong interest in cultural traditions and economic development and has traveled extensively in Central and South America.

Mr. Luken has a B.A. in Economics from Brown University and a Master of Business Administration from the University of Chicago. Mr. Luken's identification with the entrepreneur, his financial background, and active interest in Latin American culture, led him to ACCION. He has visited ACCION's programs in Guatemala, the Dominican Republic, and Panama, and has provided technical assistance to ACCION New York.

## **Robert H. Scarlett**

Mr. Scarlett is currently Chairman/CEO of Durex Products, Inc., based in Luck, Wisconsin. Durex is a private, employee-owned, manufacturer of products for the mining and aggregate industries. Mr. Scarlett also serves as President of Durex' international subsidiary which has joint ventures in various overseas markets including Mexico, Brazil, Canada and Germany.

A long-time supporter of ACCION International, Mr. Scarlett joined ACCION immediately after graduation from Carlton College with a B.A. in Spanish Language & Literature. In the 1960's Mr. Scarlett was a staff member of ACCION en Venezuela, Acao Comunitaria do Brasil, ACCION Comunitaria del Peru, and ACCION International when it was housed in New York.

Since that time, Mr. Scarlett has remained active with ACCION as a volunteer from his home in Minnesota, raising funds for and promoting ACCION in the Upper Midwest. In 1992, he organized a special presentation and workshop for ACCION at the Minnesota International Center. Because of Mr. Scarlett's frequent travel to Latin America, he stays in touch with local ACCION affiliates and helps out in any way he can.

## **Jeffrey V. Sutherland**

Dr. Sutherland is President of Object Databases, which has lead the development of new commercial software technologies since 1983. He is also a Research Associate of the National Institute of Standards and Technology, where he led a technology development team for large object databases required for on-line transaction processing in the financial industry. A graduate of the U.S. Military Academy, Dr. Sutherland has advanced degrees from Stanford University and the University of Colorado School of Medicine.

Dr. Sutherland participated in the Kellogg National Fellowship Program from 1983 - 86, a highly selective national forum dedicated to leadership development. During the three-year program, he travelled to Argentina, Washington and Detroit, exploring issues of health care, land cultivation, technology, and economic development. His belief that economic development is key to strengthening community and democracy is what attracted Dr. Sutherland to ACCION.

## David P. Vondle

Mr. Vondle is a management consultant specializing in business planning, organization and staffing, and business process reengineering. He lives in Albuquerque, New Mexico with his wife and three children.

Mr. Vondle's experiences as an exchange student in Colombia and as a Peace Corps volunteer in Peru convinced him that grassroots capitalism was a viable solution to individual poverty, with long-term benefits for the economy. He believes ACCION's work will make a lasting difference to the individuals, families and communities it touches.

## Linda Zwirlein

Ms. Zwirlein is Vice President for Clinical Services at T2 Medical, based in Atlanta, GA. T2 provides high-tech and therapeutic alternate-site health care services. As a Vice President, Ms. Zwirlein bridges the world of nursing, clinical services and business.

Ms. Zwirlein was born and raised in Milwaukee, Wisconsin. She received her BSN in Nursing and her Masters of Science in Community Health Nursing at the University of Wisconsin-Milwaukee. She did post-masters work at the University of Alabama-Birmingham, which brought her to the Southern U.S. to stay.

Ms. Zwirlein first read about ACCION in a book called 101 Ways to Save the Earth and was intrigued with ACCION's business-like approach to providing services to the working poor. Ms. Zwirlein hosted a special event in Atlanta to benefit ACCION, and participated in ACCION's delegation to Guatemala. She plans to join the upcoming delegation to Ecuador.



ACCION INTERNATIONAL

PRESIDENT'S COUNCIL  
Thursday, December 3, 1992

- 1:00 TOUR CAMBRIDGE OFFICES AND MEET STAFF
- 1:30 INTRODUCTION AND WELCOME  
OVERVIEW OF ACCION AND THE "GRAN SALTO"
- 2:00 DEPARTMENT PRESENTATIONS  
AND DISCUSSION OF KEY CHALLENGES  
\* Latin American Operations  
\* U.S. Operations  
\* Bridge Fund  
\* Washington D.C. Office  
\* Resource Development & Communications  
\* Finance and Administration
- 3:15 BREAK
- 3:30 ROLE OF THE PRESIDENT'S COUNCIL  
AND DISCUSSION OF SPECIAL PROJECTS
- 5:00 UNSCHEDULED TIME
- 7:30 DINNER FOR COUNCIL MEMBERS HOSTED BY ACCION

CAFE BRAZIL  
421 CAMBRIDGE ST.  
ALLSTON  
789-5900

Over the river from Cambridge at the  
intersection of Harvard and Cambridge Streets.  
Street parking is generally available.  
About 10 - 15 minutes from Hyatt Regency by car.



founded in 1961

FYI  
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ACCION INTERNATIONAL

PRESIDENT'S COUNCIL AND BOARD OF DIRECTORS MEETINGS

DECEMBER 3 - 4, 1992

PRESIDENT'S COUNCIL  
Thursday, December 3

- 1:00 TOUR CAMBRIDGE OFFICES AND MEET STAFF
- 1:30 OVERVIEW OF ACCION INTERNATIONAL; DEPARTMENT PRESENTATIONS → Steve, Gabriela, Debbie, Bona, Cathy, Maria.
- 2:30 PRESENTATION OF THE GRAN SALTO CAMPAIGN; DISCUSSION OF KEY CHALLENGES Kathy
- 3:30 ROLE OF THE PRESIDENT'S COUNCIL
- 5:00 UNSCHEDULED TIME
- 7:00 DINNER FOR COUNCIL MEMBERS HOSTED BY ACCION \*

\* President Council's Dinner  
Gabriela, Maria, Kathy, Debbie

Tom McDermott

late  
- Dec. Finance Committee -  
early

Tom, Crocker, Charlie → Boston

surplus \$ 150,000 Banco Sol

Theme - break-even

income prior to invest ?

Bridge Fund - \$60M → merged  
for loans

- lending to #           

- AID loan

Stats on loan

indiv. gifts ↑

— Austrian Govt      less U.S. Govt \$

0%  
added x # programs

most expansion of OTH

→ mention CRica - at risks  
→ higher confidence

→ ~~audit~~ <sup>smoothly</sup>

8-10 mtg.  
Tom 10:30

### III Functional Exp.

- Awards + grants - passthru Guat. + Nic.
- Travel ↑ - Centro Accion activities

? \* - BF interest inc. + exp. - excess covers expenses

→ audit work will begin in Colo, Guat, Nic. in Feb. + in Boston in Mar. →  
 statements by June Bd Mtg.  
 L + Mgmt. letter + A133 audit

<u>Budget</u>	<u>1992</u>	<u>1993</u>
G+A	386,825	425,830
Res Devel.	169,645	192,314
Fin. Services	171,608	246,771
Work off.	283,490	197,288
ACCION US	259,749	583,574 inc. passthru 175K
LA Oper	412,661	306,141
LA Field	<del>1,320,874</del> 1,201,474	1,634,151
Centro ACCION	157,338	503,453
<b>TOTAL</b>	<b>3,042,790</b>	<b>4,089,522</b>

increase in unrestricted → office

### Revenue

- increase of ≈ 300K private (ACCION USA) inc.  
 ≈ 650K govt - AUSTRIA Guat./Nic. 175K US

→ Membership fees - new in 1992

Publications - sales in U.S. + L.Amer. (Colombia)

Other = program revenue - NYC

### Expenses

97% ↑ salaries - new positions - US, Reg. Rep - CA, BF Mgr.  
 - major increase in passthrough  
 - "Other" exp = invest. in Dev. Cap + Profund  
 "Gateway Fund" → mem. fees



## Financial Report

- Finance Com. has not met since audit review, mtg. will be scheduled for late Dec./early Jan.

## Financial Statements

- on a calendar fiscal year
- report through Sept 30, '92 - 3/4

### I. Balance Sheet

combination - just core oper. exp. of ACCION Int'l with pass-thru to Guat. + Nic.

- reflects small part of ACCION → stats.

- Centro ACCION - will be combined - min. activity this yr. (200K/yr.) (Oct 1 - Dec 31, 92)

- ACCION US - NYC loans on bal sheet # clients

Budget Fund 6.35 up; increase of 350K

- Leverages \_\_\_\_\_ in loan funds for affiliates

- Spread of \_\_\_\_\_

- Reserve = 5% commitments

? - ~~AID 2% on by yr. end.~~

Other Assets - Banco Sol 250K invest.

### II State. Rev. + Exp

- on target for rev. + exp. - end of yr.

~~govt increase in priv. giving →~~

expect additional \$230,000 in private

- Govt - lower % AID → AUSTRIA

- small oper. deficit for 1st 9 mos. - very typical  
150K → Banco Sol  
50K → BF reserve

\* low "overhead" - 14% of tot. exp.