

ANNOUNCEMENT TO ACCION STAFF

As you all know, Bill Burrus and his family will be relocating to Tucson, Arizona in the middle of July. Bill has requested, and the Board has agreed that he be relieved of his responsibilities as Executive Director, so that he may concentrate and focus on the five new programs in the United States. This not only entails bringing his experience and the lessons learned in Latin America to bear on these programs, but also creating a new methodology that will be successful in the different cultural environment of the United States.

Accordingly, the Board has appointed Michael Chu as the new Executive Director, effective October 1, 1994. At that time, Bill, with the strong endorsement of Michael, will begin to serve ACCION as Director of the United States Division.

Michael Chu joined ACCION in 1993 as Director of Latin American Operations after a successful career in the private sector and several years as a Board member of ACCION. We are indeed fortunate to have an individual of his caliber as our next Executive Director.

The Board has requested, and Bill has accepted, that he join the full Board of ACCION, so that we all can continue to benefit from his years of invaluable experience. The Board also proposes that Michael Chu and Maria Otero, Associate Director, join the Board so that it may benefit from the full range of their experience and input.

The Board is confident that the transition period will allow for a smooth transfer of authority from Bill to Michael with the full cooperation of the entire ACCION staff.

We all owe a debt of gratitude to Bill, who has unstintingly served the best interests of ACCION over so many years. ACCION is the preeminent organization in its field, respected by all as a living entity which continues to adapt successfully. This is a credit to the entire staff, but particularly to Bill, who through his leadership has maintained and strengthened the mystique which is the heart of ACCION. We wish Bill, his partner Diane and the children all happiness as they return to their western roots.

On behalf of the Board of Directors,

*Terence C. Canavan,
Chairman*

*Daniel R. Martin,
President*

ACCION INTERNATIONAL --- Five Year History

(consolidated statistics from ACCION Network of Microenterprise Loan Programs -revised 5/3/94)

	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Year-End Outstanding Loan Portfolio	\$100,773,296	\$55,417,421	\$25,984,672	\$13,767,161	\$8,531,884
Total Amount Loaned During Year	\$203,689,234	\$113,468,332	\$63,059,187	\$38,156,118	\$22,119,171
Total Number of Loans	404,828	276,268	182,933	138,434	89,929
Average Loan Size	\$503	\$411	\$345	\$276	\$246
Late Payment Rates	3.97%	4.67%	7.14%	8.28%	7.99%
Active Clients	204,451	147,476	96,667	68,423	37,982
% of Active Clients = Women	54%	52%	56%	56%	53%

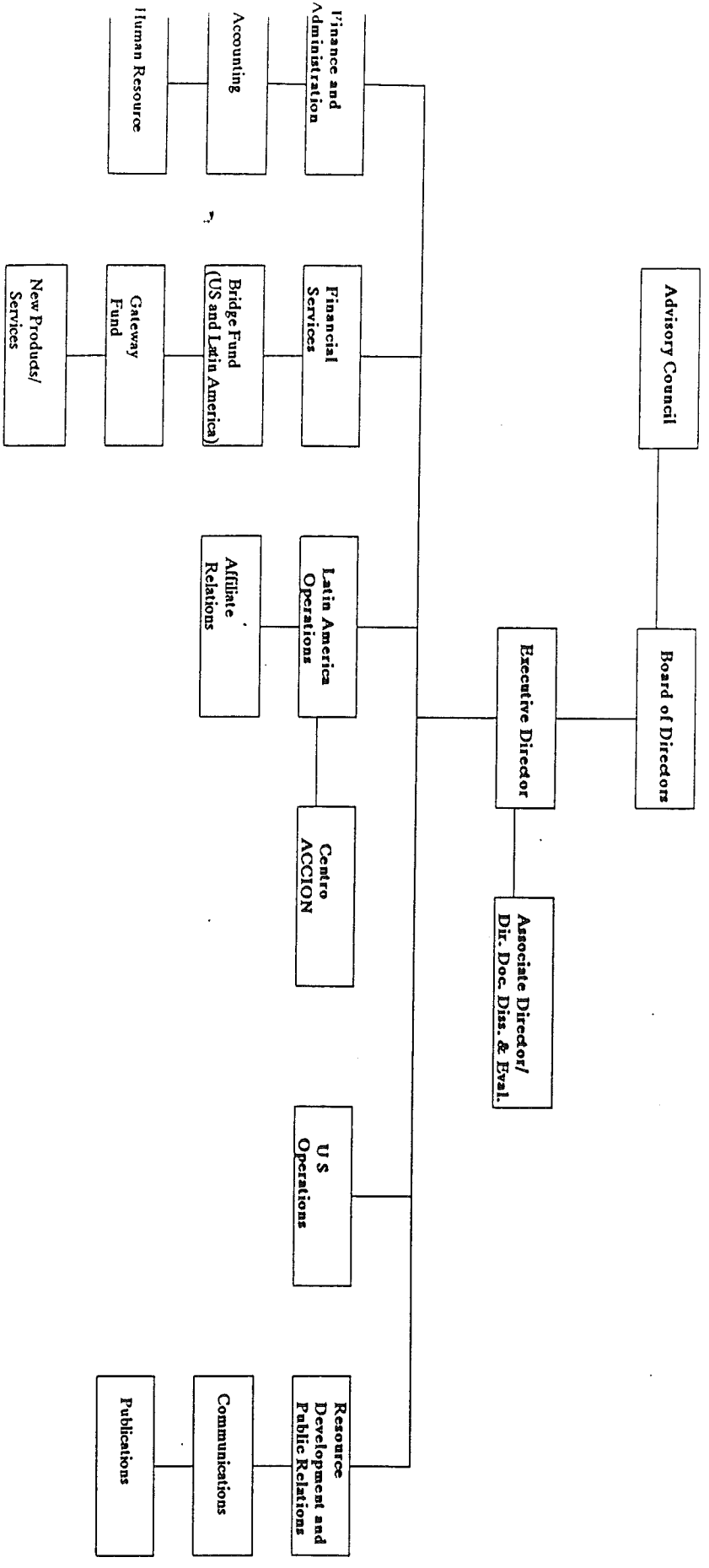
Outstanding Portfolio calculated as:

TOTAL AMOUNT LOANED BY PROGRAM SINCE INCEPTION
 LESS
 (TOTAL AMOUNT PAID BACK + TOTAL AMOUNT WRITTEN OFF SINCE INCEPTION)

Late Payment % =

Loan payments > 30 days late
 Outstanding Loan Portfolio

Active Clients = Clients with Loans outstanding at Year End



**ACCION INTERNATIONAL
STRATEGIC PLAN 1994-1998**

EXECUTIVE SUMMARY

I. MISSION. ACCION's global mission is to improve the socioeconomic well-being of the poorest of the economically active population throughout the Americas.

ACCION's specific mission statement is to create and support a network of financially self-sustaining institutions which specialize in providing financial services to the poor on a massive scale.

II. PREMISES. There are five broad premises that underline the vision of what ACCION wants to accomplish in the next four years. ACCION will:

- A. Focus on the poorest of the economically active in Latin America and the US.
- B. Continue to be a specialized institution providing financial services to the poor.
- C. Maintain a leadership position in the field of microenterprise development in Latin America and seek to establish its leadership in the US.
- D. Remain a hybrid institution that combines its non-profit social objectives with the provision of financial services that are managed on a commercial basis.
- E. Strengthen and expand the network of affiliated institutions in Latin America and the U.S.

III. STRATEGIES. To accomplish its mission and based on the above premises, ACCION will pursue five broad strategies:

- A. Create models of financial intermediation that link microenterprise lending and the commercial financial markets.
- B. Build the organizational capacity of ACCION affiliates through training, technical support and other core management services.
- C. Strengthen and expand its network of affiliated institutions in Latin America and the U.S.
- D. Serve as a financial intermediary to mobilize resources for deployment with affiliated financial institutions in Latin America and the U.S.
- E. Advocate on behalf of the poor with public and private sector leaders to bring about policy changes and increase the poor's access to resources and institutions.

IV. PROGRAM AREAS. To implement its strategies, ACCION will focus on four major program areas that address the strategies defined above:

- A. Support the ACCION network in Latin America, placing particular emphasis on those institutions that are experiencing rapid growth and are transforming into financial intermediaries. This program will concentrate in five areas of work. It will:
1. Access financial markets by directly supporting the leading institutions in the network in their efforts to issue specific financial instruments into the financial markets.
 2. Manage rapid program growth by developing and conducting specialized organizational development training and technical assistance activities.
 3. Introduce technological innovations that advance the current methodology of lending used by ACCION's affiliates.
 4. Strengthen the professional standards of management by using manuals and training to upgrade the management practices of ACCION's affiliates.
 5. Expand geographical coverage by seeking opportunities in new countries.
- B. Create a network of independent microenterprise organizations in the United States. This program has five areas of work:
1. Develop a comprehensive model for creating local institutions that provide financial services to large numbers of the marginalized self-employed in a self-sufficient manner.
 2. Provide training and technical assistance to the ACCION associates to enable them to become self-sustaining institutions.
 3. Develop the management and information systems and materials necessary to support the initiation of ongoing activities of the ACCION associates.
 4. Develop a well-integrated network of associate programs.
 5. Develop a series of strategic relationships with non-ACCION organizations that enable ACCION to learn from their experiences and to influence the microenterprise field beyond the ACCION network.

C. Provide financial services to organizations in the U.S. and Latin America that will assist them in their growth and institutional transformation. This program will offer five services:

1. Provision of guarantees to affiliates through the Latin American Bridge Fund. Through this program ACCION will allocate guarantees, conduct financial monitoring of Bridge Fund users, seek financial resources for the fund from private and public sources, manage the fund to maximize its earnings, and research additional innovative ways of using the Bridge Fund.
2. Provision of guarantees to new associate organizations through the U.S. Bridge Fund. In addition to the above activities, ACCION will provide technical assistance to the U.S. associate programs and maintain even more rigorous financial oversight of the U.S. associate programs.
3. Direct investment in select affiliates through the Gateway Fund and PROFUND. ACCION will raise capital and manage the Gateway Fund, and will partner with three other founders -- Calmeadow, FUNDES and SIDI -- in PROFUND.
4. Placement of debt to fund the portfolios of the Latin American affiliates.
5. Mobilization of debt and equity from third parties for a fee in representation of the Latin American affiliates.

D. Carry out policy education in the U.S. and Latin America, including the documentation and dissemination of the experiences in financial services that emerge from the U.S. and Latin American networks. The three areas of work are:

1. Policy education initiatives with public and private sectors.
2. Publication of monographs and other documents that summarize the best practices of the ACCION network.
3. Marketing, and sales of publications.

V. ORGANIZATIONAL STRUCTURE AND DEVELOPMENT. The challenges of the Strategic Plan will require modifications in the composition, structure and functioning of the Board. Additional directors will be added to reflect ACCION's growing program in the U.S. Ethnic, gender and geographic diversity will also be pursued.

An Advisory Council composed of the Presidents of the U.S. associate programs will be created which will interact with the Latin American Advisory Council.

The organizational chart will evolve to reflect the changing role of key staff related to the U.S. expansion. From a 1993 base of 26

staff, an additional 17 staff members will be added by the end of 1998, representing a 65% increase. As part of its commitment to maintain professional excellence, ACCION will design and implement a human resource development plan over the five years.

VI. RESOURCE DEVELOPMENT PLAN This plan is based on six key goals or strategic premises:

- A. To expand and diversify the funding base, building over five years a strong, private and individual donor base.
- B. To invest in the "business" of fundraising.
- C. To advocate to the donor community regarding the value, trends and needs of microenterprise.
- D. To position and staff Resource Development as a key program area by mobilizing resources and providing core management and capacity building services to the affiliates.
- E. To test models of resource development with new associate programs in the U.S.
- F. To market aggressively and strategically ACCION's unique approach to fighting poverty, supported by a strong public relations and visibility campaign.

VII. BUDGET, FINANCE AND ADMINISTRATION. Several salient features emerge related to the budget:

- A. In five years the operating budget will increase from a level of \$3.7 million to \$ 7.6 million.
- B. By the fifth year, the breakdown of public and private revenue will shift from its historic level of approximately 54% public and 39% private (with 7% earned income) to 16% public and 71% private (with 13% earned income).
- C. New funds required for financial services to be deployed as guarantees, equity or "brokered" funds over the four year period will be \$27.4 million.

- policy

①

Retreat

1/6/94

Latin Amer. - include fin. services

10-15min present. + discuss. MC + SS

→ major themes - elicited from Bd.

network, hybrid, competition / environ.

- mission → results - social impact

- how we're perceived

- how we measure success

- new fin. products, sources

Gateway Fund

Legal implications

U.S. - history - why in U.S. - objectives Bill

- site update - Kathy partnership

- partnership - network

- shift in who we reach - multiethnic

- 'pilot' project - model devel. - RD

- success measurement

- leadership?

name Δ - no

→ how to inter-relate LA + U.S. ?
issues & related to this integration

Bd. of Directors role

- Dan or Terry → MC - Bd. of the future
 → strengths & weaknesses of current Bd.
 - eueritas status

Financial Plan + Res. Devel.

- 1st hr. - presentation
 lunch break
- launching campaign
 - leadership
 - identity + public perception
 - becoming a FR operation — investment
- constituency on nat'l level
- role of Jacobs Edu.



①

5 yr. budget

- grants only ie. Gateway fund non grant → Fin. Services
- BF reserve + Gateway become equity ≈ \$ 30m

Prog. Services

- inclusion of Res. Devel. as pertains to U.S. sites

Supp. Services allocated to oper. expenses

Components

- ① Operational budgets
- ② Local program sites (net of prog. rev.)
- ③ Bridge Fund Reserve
- ④ Gateway Fund

② Revenue Sources

- public 28% → 16%
- Latin America


③ FR Costs



Board

- ? - Current role of Bd.
- ? - Δ s

- Don
- 1) fiduciary responsibility - safeguard assets
 - 2) shaping policy
 - 3) ensure proper funding
 - 4) crisis resolutions
 - 5) self renewal; adapt to new circumstances

our board: 

ACCION - staff driven

- most daunting period in history - competition, demands of associates
- need to define specific roles for committees + individuals
 - lop tail off the beast - inactive
 - U.S. vs. Amer. programs → broader audience
 - move towards 2 sep. bds? w. some overlap

Terry - Exec Com works well - geo., sm. group - not necessarily good for ACCION

Mos - committee structure w. conf. calls + input - otherwise not relevant

MH - can't run an organ. w. 2 mtgs. / yr. → monthly - moving into new form of organ.



(2)
Bd.

- MH - nobody owns a non-profit → mgmt. as responsible as Bd.
- em - need to develop communications - reports of exec. com. mtgs. → more frequent, continuous work - full day mtgs. - 3 x / yr.
- Al - more Bd. members should go on trips to L.Ame. privilege not an obligation
- Kathy - recruitment - balance, roles - understand commitment up front - tenure issue
- Nancy - legal, fin. implications → very diff Bd. → smaller Bd. to get higher commitment

Sonia - diversity

- agility

- process for exec. dir - no formal input

Kathy - diversity - geog. as well

- sub.com. on U.S.

Libbie strategy + structure to participate in Bd. + network

Maria - self evaluation; Bd. goal setting; prog. knowledge blend of fin. skills + community

Bill - good balance - no micro-mgmt.

MC - do no harm 1st 2nd help provides D by in



Committee on Governance

- Ownership - communication

↳ more personal stake - process felt very bad - disempowering

→ Committees w non Bd. members? Council

→ Committee chairs = exec. com.

- learn +
mean
people

Fin. Com. exper. - 1 person - agility

Proactive - bring along in planning

Creative thinking, not just reactive

i.e. forward contracts, fin. planning



founded in 1961

Board of Directors

John E. Avery
Albert Bildner
J. Murfree Butler
Terence C. Canavan
Martin P. Connell
John C. Duncan
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 Oekenden
Michael O'Shaughnessy
John W. Scott
Salua Smith
Nancy S. Truitt
Kathy Waldron

**International
Advisory Council**

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

President's Council

Russell Faucett
John and Michele Gillett
Gilbert Glass
Keith Kretschmer
Robert Scarlett
Kate Semerad
Jeffrey Sutherland
David Vondle
Linda Zwirlein

June 3, 1994

Dear Board Member,

Enclosed, please find materials pertaining to the Board of Director's Retreat scheduled for June 10-11, 1994.

As you know, the Retreat will be taking place at *The Center for Executive Education at Babson College*. General information as well as directions to the Center are enclosed. The meetings will take place in the Delaware room beginning at 1:00 on Friday and ending around 3:30 on Saturday. Overnight rooms, meals and meeting space are part of a package therefore all participants will be staying at the Center on Friday. If for any reason you will not be spending the night with us, please advise Cheryl as soon as possible. (Please note that the dress is casual). The Babson Center has a fitness center including an indoor/outdoor pool, racquetball, tennis, Nautilus and a lounge. (See enclosed sheet with phone, fax and other info. about the center).

Cheryl is making arrangements to have transportation available to and from the meeting center. Please contact her as soon as possible with your travel plans. If you are traveling from New York, a 10:30 shuttle is recommended.

Enclosed in this packet are the following materials:

1. Agenda
2. Logistical information
3. Revised Executive Summary of Strategic Plan
4. Five year statistical information
5. Current organizational chart
6. Historical financials
7. Business Meeting agenda and accompanying information

If you have any questions please contact either Cheryl or myself. I look forward to seeing you on Friday.

Warm Regards,


William W. Burrus
Executive Director

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



founded in 1961

**ACCION International
Board's of Director's
Business Meeting Agenda
June 11, 1994**

I. ACCION International

- ✓ A. Approval of December 1993 Minutes
- ✓ B. Review of 1993 audited Financial Statements and Management Letter
- ✓ C. Review and approval of 1994 budget
- ✓ D. Discussion and approval of proposed Corporate Resolutions

II. Centro ACCION Microempresarial

- ✓ A. Review of 1993 audited Financial Statements and Management Letter
- ✓ B. Review and approval of 1994 budget
- ✓ C. Approval to reconfirm Deloitte & Touche as "revisor fiscal" of CAM

III. Bridge Fund US

- A. Status Report
- hold* B. Discussion and approval of proposed Corporate Resolutions

IV. Other Business

Cathy -

This is in

F: ~~Wpshare~~ Everyone | minutes
Please fill in at Bill's request

pls. edit, add
etc...

**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 the Center for Executive Education, Wellesley, Massachusetts, June 10-11, 1994. There were present:

Albert Bildner
Terence Canavan
Mary Houghton
Dan Martin
Charles Muller
Michael O'Shaughnessy
Nancy Truitt
Kathy Waldron

Also present were
being a quorum. ~~Staff members present were~~, Bill Burrus, Michael Chu, Maria Otero, Cathy Quense, Sonia Saltzman, Libbie Shufro, & Kathy Stearns

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

I. APPROVAL OF MINUTES

The minutes of the ~~December 3, 1993~~ meeting were approved as written. It was recommended that ~~future~~ minutes reflect the Board's approval of the efficient management of the organization.

II. REVIEW OF 1993 AUDITED FINANCIAL STATEMENTS AND MANAGEMENT LETTER

Cathy Quense presented the 1993 audited financial statements.

III. REVIEW OF 1994 BUDGET

The 1994 budget was reviewed and approved

ask Cathy to fill in

← include as part of this

IV. CORPORATE RESOLUTIONS

Seven Corporate Resolutions were approved. (see attached)

V. CENTRO ACCION Microempresarial

- CR filed

VI. OTHER BUSINESS

It was recommended that a majority must be present in order to make a quorum rather than 1/3 as currently stated in the by-laws.

William Burrus, Michael Chu and Maria Otero were elected to the Board of Directors of ACCION International.

It was mentioned that a June meeting is difficult for many Board members, and recommended that the meetings be held in November and May to facilitate attendance. It was also requested that meetings be scheduled as much as one year in advance preferably to take place on either a Friday or a Monday.

With no further business to attend, the meeting was adjourned.

**William W. Burrus
Acting Secretary**

ACCION INTERNATIONAL
 PROPOSED BUDGET: 1/1 - 12/31/94

REVENUE:

	LATIN AMERICAN ENTERPRISE FUND	UNITED STATES MICRO-ENTERPRISE FUND	RESEARCH AND DISSEMINATION	FINANCIAL SERVICES	SUPPORTING SERVICES	TOTAL 1994	ACTUAL 1993
Private contributions	\$418,149	\$1,174,995	\$132,438	\$457,210	\$30,730	\$2,584,881	\$2,450,219
U.S. government grants	\$259,252	\$0	\$57,813	\$0	\$16,959	\$334,024	\$642,365
International and foreign government grants	\$816,603	\$0	\$40,191	\$42,949	\$0	\$899,743	\$496,393
Training and membership fees	\$297,305	\$0	\$0	\$0	\$0	\$297,305	\$101,622
Interest and fees	\$0	\$100,000	\$0	\$513,000	\$12,000	\$625,000	\$305,125
Other income	\$12,260	\$0	\$30,000	\$0	\$0	\$42,260	\$163,208
TOTAL REVENUE	\$1,803,569	\$1,274,995	\$260,442	\$1,013,159	\$59,689	\$4,783,213	\$4,158,932

EXPENSES:

	LATIN AMERICAN ENTERPRISE FUND	UNITED STATES MICRO-ENTERPRISE FUND	RESEARCH AND DISSEMINATION	FINANCIAL SERVICES	SUPPORTING SERVICES	TOTAL 1994	ACTUAL 1993
Awards and grants	\$238,493	\$263,062	\$0	\$26,138	\$0	\$527,693	\$275,408
Salaries and related expenses	\$492,134	\$519,798	\$114,916	\$235,525	\$165,694	\$1,817,306	\$1,490,108
Professional services	\$366,950	\$35,500	\$26,456	\$4,000	\$36,000	\$519,234	\$293,873
Travel	\$263,225	\$110,450	\$20,250	\$29,600	\$8,000	\$451,325	\$357,872
Relocation:	\$23,333	\$0	\$0	\$0	\$0	\$38,333	\$16,283
Rent	\$15,460	\$32,000	\$18,600	\$0	\$125,000	\$191,060	\$146,429
Training	\$183,500	\$18,556	\$3,400	\$1,400	\$5,000	\$214,356	\$41,646
Interest and fees	\$0	\$13,500	\$0	\$185,000	\$1,500	\$200,000	\$209,049
Provision for loan loss	\$0	\$15,000	\$0	\$0	\$0	\$15,000	\$14,322
Telephone	\$43,040	\$14,000	\$4,300	\$5,000	\$6,000	\$78,340	\$74,870
Printing and donated advertising	\$10,000	\$34,500	\$21,700	\$2,000	\$1,200	\$36,600	\$106,000
Office expense	\$10,220	\$19,000	\$7,000	\$4,139	\$35,000	\$27,694	\$103,053
Promotion	\$5,700	\$1,200	\$600	\$0	\$1,200	\$9,700	\$8,285
Equipment	\$1,780	\$12,500	\$1,000	\$0	\$17,000	\$33,280	\$27,957
Miscellaneous	\$2,360	\$4,000	\$2,000	\$4,923	\$5,000	\$21,033	\$36,975
Depreciation	\$4,500	\$0	\$0	\$0	\$20,000	\$24,500	\$19,478
TOTAL DIRECT EXPENSES	\$1,660,695	\$1,093,066	\$220,222	\$497,725	\$313,366	\$4,350,213	\$3,581,210
OVERHEAD ALLOCATION	\$142,874	\$181,929	\$40,220	\$82,434	(\$505,450)	\$0	\$0
TOTAL EXPENSES	\$1,803,569	\$1,274,995	\$260,442	\$580,159	\$371,359	\$4,350,213	\$3,581,210
EXCESS OF REVENUE (EXPENSES)	\$0	\$0	\$0	\$433,000	\$0	\$433,000	\$577,722
TRANSFER TO EQUITY INVESTMENT				(\$300,000)		(\$300,000)	(\$300,000)
TRANSFER TO BRIDGE FUND RESERVE				(\$133,000)		(\$133,000)	(\$75,244)
NET OPERATING SURPLUS (DEFICIT)	\$0	\$0	\$0	\$0	\$0	\$0	\$202,478

200-111-110

ACCION International

1993 Financial Highlights

I. Balance Sheet

LIQUIDITY RATIO

1. Accion's current ratio for operational funds is 1.41 (1351252/953500, or current assets except BF cash divided by current liabilities).

ASSETS

1. Cash increased due to higher than usual donations late in the year.
2. Loans receivable increased. Allowance decreased to 10% of outstanding loans.
3. Other receivables includes \$150,000 Fademi L/C and higher L/C receivables.
4. Other investments is a new line (formerly in Other Assets).
5. Other assets includes 97K mutual fund.

LIABILITIES

1. Bridge Fund Loans down \$6000 from '92 (60K Partners repmt.)
2. Deferred revenue up \$150,000 (mostly in US Micro)

FUND BALANCE

1. Overall increase caused by:

Argidius donation:	300,000
Mott BF donation:	67,000
Increased Unrest. contribs.	243,000
2. Bridge Fund balance increased, but BF liquidity decreased due to Fademi receivable and increased L/C receivable.

II. Revenue and Expenses

REVENUE

1. Private revenue increased greatly.

	1993	1992
Indiv. (371K unrest)	439486	196122
Corporate	335705	242240
Foundation	1088017	835563
In-kind	446891	118257
Private contracts	121838	10716
TOTAL	2431937	1402898

2. US govt. revenue down by 450000 due to some grants ending (development ed., BF AID, less Per III)
3. Int'l govt. revenue down due to less Austria activity, offset partly by more IAF, BID.

4. Interest & Fees: BF interest income was net 3.6%, BF interest expense 2.04% (194839/5404753 and 100778/4938626, respectively). Compares favorably with 3.5% and 2.7% in 1992. BF loan withdrawal rate seems to be increasing due to low interest rate offered. L/C income 127000, up from 76000 in 1992.

EXPENSES

1. CAM included in LA Micro.
2. Down overall due to less Austria activity.
3. Supporting services were 16.7% of total, up from 13.8% in 1992.
4. Salaries was only significant increase in expenses.

III. Footnotes

1. New items include:
 - a. Foreign currency contracts
 - b. Banco Sol CD
 - c. Finansol investment

Copy - FYI

U.S. BRIDGE FUND LOANS AND GRANTS AT - 05/31/94

CITIBANK

LOANS			LOAN	LOAN	DATE OF	LOAN
ACCOUNT	NAME	AMOUNT	DATE	MATURITY	TRANSFERR	RATE
US-01	Calvert Social Investment Fund	\$100,000	01/31/94	01/27/95	01/31/94	
<u>SUBTOTAL CITIBANK</u>		<u>\$100,000</u>				

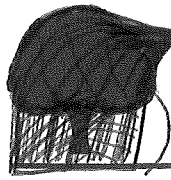
U.S. RESERVE MONIES

BANK	GRANTOR	AMOUNT	DEPOSIT DATE	MATURITY DATE	RATE
Bank of Boston	Mott Foundation	\$67,000	10/15/93		
<u>SUBTOTAL RESERVE MONIES</u>		<u>\$67,000</u>			

U.S. BRIDGE FUND GRAND TOTAL \$167,000

PLACEMENTS BY COUNTRY AS OF ----->
 05/31/94
 LATIN AMERICA BRIDGE FUND LETTERS OF CREDIT \$4,706,949
 U.S. BRIDGE FUND LETTERS OF CREDIT \$95,000
 TOTAL PLACEMENTS \$6,326,949 >

PROGRAM	LOCAL BANK	AMOUNT	NUMBER	ISSUE DATE	EXPIRATION DATE	SOURCE	ISSUING BANK	% OF TOTAL
MEXICO								
ADMIC	Banco Mercantil del Norte SNC	\$100,000	535-5931230303-2	05/07/94	05/07/95	FORD	CITIBANK	1.58%
SUBTOTAL FOR MEXICO		\$100,000						1.58%
PARAGUAY								
Fundación Paraguaya	Banco Unión, S.A.	\$50,000	535-5931470326-3	05/29/94	05/29/95	PRIVATE	CITIBANK	0.79%
Fundación Paraguaya	Banco Nacional de Trabajadores	\$50,000	535-5931470327-3	05/29/94	05/29/95	PRIVATE	CITIBANK	0.79%
SUBTOTAL FOR PARAGUAY		\$100,000						1.58%
PERU								
ACP	Banco Weisse	\$100,000	535-5911561600-3	09/05/93	09/05/94	FORD	CITIBANK	1.58%
SUBTOTAL FOR PERU		\$100,000						1.58%
U.S.								
ACCION-New Mexico	First State Bank	\$50,000	535-59405303538-1	02/22/94	02/28/95	U.S.B.F.	CITIBANK	0.79%
ACCION-New York	Bankers Trust	\$45,000	535-5910991540-2	03/11/92	06/30/94	U.S.B.F.	CITIBANK	0.71%
SUBTOTAL FOR U.S.		\$95,000						1.50%



?

ae

Profile of clients

US
Discussion

①

Leadership -

no - timing critical lessons w/o borders
eco. empowerment

no's - Bd level. in US.

cm - margin. self emp. bothers family
attitude - different from immigrant

no - looked at structure of the poor in US. -
homeless → welfare → working poor

- NT expansion ? - 3 yrs. from no
- ac why? results do we want in states
- nos (communities) at risk

BP leadership policy influence; priv. sector

poor. reduction

Sustainability

US - end results?

no leverage CRA - war on poverty - hasn't

BP - entrepreneur + self init. key -

What sets us apart

AL - no safety net → war

↳ dis incentives

Kathy W - how unique is Accron modeling?

- KS ① scale + self-suff. unique
- ② most local - accron multi site
- ③ network



US - dis. at Conf. in April in S.A.T. 1st

- 1) - Leadership - division of AI Gold
- 2) - model develop. what - credit - Bds - local
- Private - ACCION control
partnerships
- 3) - Sustainability how FR → prog. rev.
- 4) - clients market who market margin self employ., ~~market~~
- 5) - impact - why entrepren., self-initiative
- 6) * → network - partnership
W.L. Amer.

↳ implications for ACCION staff, Bd, \$,
network
- language issue

- Discussion

- ① - not site specific - variations → model devel.
- ② → key words
- ③ → ACCION implications

K Stearns - network strong in US.
④ major presence in US.
Multi ethnic



LAopw/FS



Intro.

- Why here? - Dramatic growth
- leadership & relevance
 - revisit Brian Salto
 - hybrid
 - staff Δs

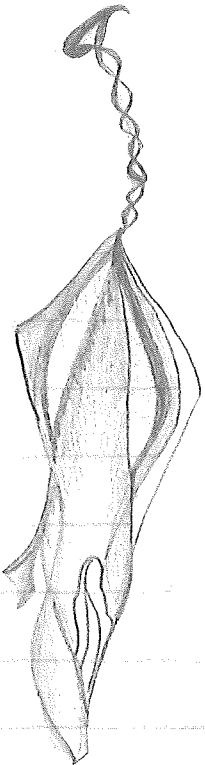
What are we ?

Where are we ?

Where are we headed?

Sys.

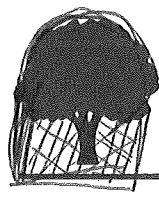
- Gateway Fund → 20mk
- Bridge Fund → 9.5mk + leverage
- legal implications



2. A. themes

- PVO → hybrid
- 'graduates' & Sm., new organ. ~ network
- market
- risks - control
- competition
- politicization - danger
- guarantees Country risk
- implications for staff / recession

- access to \$
- organic growth
- methodology
- representation



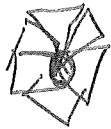
WWS ④ partnership w. bks ⑤ priv. sector orient. Bd., \$
MH ⑥ Mgmt. experience - capacity demand tremendous,
BK \$ will be avail

MC - what result justifies this invest. of
scarce resources - slice of pie

CM - not either or - gets bigger -
more \$

TC perception of LAmer towards US?

no clarity of network, jin serv - superseded



LS enrichment of network

MO 1980's 20% of pop in working poor at some pt.
entomous mkt. ; global econ. -
continuum of what we are doing

WWS - short term opportunity cost long term

ACCION New Mexico Board Members

Lynn Andersen
Custom Publishing Publisher
Starlight Publishing
600 First St. NW
Albuquerque, NM 87102
768-7008; FAX 768-0890

James Covell, CED
Covell Consultants
PO Box 75028
Albuquerque, NM 87194
899-2762; FAX 898-3877

Roberto Espat, Pres
President
Roses Southwest Papers, Inc.
1701 2nd Street SW
Albuquerque, NM 87102-4505
842-0134; FAX 242-0342

Jon Patten
President
Dion's Pizza
10301 2nd St NW
Albuquerque, NM 87114
898-8904; FAX 897-3001

Jerry Ryburn
Principal Consultant
October Hill Financial Affiliates
3705 Don Isidro NW
Albuquerque, NM 87107
345-4792

Sandy Salazar
Loan Officer
First State Bank
PO Box 2686
Albuquerque, NM 87190
262-5557; FAX 266-7657

Robert Taichert, Assis Sec/Trea
Attorney at Law
Taichert, Wiggins, etal
PO Box 1208
Albuquerque, NM 87103-1308
764-8400; FAX 764-8585

Bill Burrus
Executive Director ACCION
International
130 Prospect Street
Cambridge MA 02139
(617) 492-4930

Jacqueline Baca
President
Bueno Foods
2001 4th St. SW
Albuquerque, NM 87102
243-2722; FAX 242-1680

H. Patrick Dee, Sec/Treas
Executive Vice President
First State Bank
PO Box 3686
Albuquerque, NM 87190
262-5534; FAX 266-7657

David, J. Ottensmeyer, MD
President & CEO
Lovelace Institute
2425 Ridgecrest Dr SE
Albuquerque, NM 87108
262-7755; FAX 262-7043

Michael Roach
Vice President
United New Mexico Bank
PO Box 1081
Albuquerque, NM 87103
765-5192; FAX 247-4639

Penny Rembe
Pennysmith's Paper
4022 Rio Grande Blvd, NW
Albuquerque, NM 87107
345-2353; 344-8595F; 344-9297h

Michael Settle, Chairman
Financial Consultant
Merrill Lynch
PO Box 3030
Albuquerque, NM 87190
884-7000; 884-9868F; 897-2931h

Special Advisor to Board:
Edward Lujan
Chief Executive Officer
Manuel Lujan Insurance Inc
2001 San Mateo NE
Albuquerque, NM 87110
266-7771

BOARD OF DIRECTOR'S RETREAT
June 10-11, 1994
BACKGROUND INFORMATION AND AGENDA

OBJECTIVE: To provide an opportunity for the Board Directors and Senior Staff to review and discuss the critical challenges facing the organization as it prepares to implement a new strategic plan for the period 1994-1998.

AGENDA:

Friday June 10

12:30 Arrival and check-in at the Center For Executive Education at Babson College.

1:00-1:15 Welcome and introductory remarks.
Dan Martin

1:15-1:45 Overview and Purpose of Retreat.
Bill Burrus

1:45-3:45 Latin America: What is ACCION's network and how can we maintain our leadership?
Michael Chu/Sonia Saltzman; Facilitator: Maria Otero

3:45 -4:00 Break

4:00-6:00 US: Why is ACCION in the US and what are our objectives?
Kathy Stearns/Bill Burrus; Facilitator: Cathy Quense

6:00-7:30 Free time

7:30-8:30 Dinner

Saturday June 11

7:00-9:00 Breakfast (dining area open these hours)

9:00- 11:00 Board of Directors: Its past and future role.
Facilitator: Michael Chu

11:00-2:00 ^{Dan} The Financial Plan and Resource Development: Charting a National Campaign.
Libbie Shufro and Cathy Quense; Facilitator: Maria Otero

2:00-3:00 Annual Business meeting of ACCION International and the Centro Accion Microempresarial.

3:30: Departure

BOARD OF DIRECTORS RETREAT

BACKGROUND ON THE US

I. Background

A. History of interest in the US.

1. Bedford/Sty. 1960s
2. Maine: the Maine Idea: Successful Self-Employment late 1970s, early 80s
3. MICRO: Arizona mid to late 80s, still ongoing.
4. New York; Seen by ACCION as discreet, isolated program, not the first of a number of programs.

B. Why this historical interest?

1. As Americans, natural interest in wanting to do something here; apply the knowledge, experience to our own country.
2. Without question there is a growing need for ACCION's experience; lack of new ideas. Renewed interest as result of LA riots, last presidential campaign.
3. Increased numbers of latinos and increased awareness of their presence make it a more natural fit for ACCION.
4. In recognizing our that we have problems in our own society perhaps gives us additional credibility with our Latin friends.

C. Our tendency is to talk about developing a model in the US in terms of what we will do in the future.

1. Valid to say that this experimentation and model development actually began some years ago with these experiences; in this light all these experiences have been extremely useful.
2. Some of the lessons learned that have been incorporated into our thinking:
 - Maine: credit and training not just credit.
 - Inherent limitations of government funding.
 - Need for strong local boards.
 - ACCION's role: not just TA but more direct control.

II. Where are we now and what is the essence of the new strategic plan?

A. Two years ago underwent a major shift in corporate thinking to which we are still adjusting and whose implications we are still not yet fully understanding.

1. US initiatives move from being isolated experiments; a afterthought to an important thrust of the organization.
2. Two years ago we prepared strategy paper for the Board which was discussed and approved that projected expansion in the US beyond New York. Actual events and the window of opportunity that has been open has meant that we have expanded

more quickly than originally planned.

3. The last year of effort in developing new sites has convinced us even more than ever that we can make a significant contribution here and that there is a window of opportunity that we should take advantage of.

B. Vision: To firmly establish the leadership of ACCION in the US by successfully developing and deploying a sustainable model of poverty reduction which fosters self-initiative and entrepreneurship among the marginalized self-employed.

1. Key words:

- Leadership
- Model
- Sustainable
- Self-initiative and Entrepreneurship
- Marginalized self-employed.

Leadership: Bold and visible, successful model, sustainable local associate organizations, a strong network which is integrated into an americas wide network.

Model: At various levels:

- A credit methodology capable of reaching large #s of people.
- A unique partnership with our associate organizations
- A multi-ethnic approach.

Sustainable: Two parts:

- In short run (3-5 years) we help them develop capacity to fundraise.
- Longer term: integral to the model is an approach which enables us to cover operational costs with direct revenue from loans.

Self-initiative/Entrepreneurship: The essence of what we are trying to promote in this country.

Marginalized self-employed: An appropriate definition: people may be marginalized in terms of:

- Where they live (redlined)
- low levels of formal education (can't deal with banks, businesses are informal)
- low income level (can't qualify for loans)
- immigrants with weak english; people of color, women.
- Self-employed or the working poor; individuals who already are engaged in some kind of self-employment activity; contrasted with individuals who are on welfare.

Brief update per site.

FUNDRAISING STATUS

I. ANALYSIS OF 1994 PRIVATE GIVING COMPARED TO 1993

SOURCE OF FUNDS 1994	\$ RAISED TO DATE 1/1 - 6/2/94	\$ PROJECTED TO BE RAISED 6/3 - 12/31/94	PROJECTED YEAR-END TOTAL 1994	BUDGET GOALS 1994	YEAR-END VARIANCE 1994
INDIVIDUAL	\$88,208	\$581,792	\$670,000	\$720,000	(\$50,000)
WORKPLACE	\$15,821	\$14,179	\$30,000	\$34,000	(\$4,000)
CORPORATE	\$124,500	\$419,750	\$544,250	\$485,000	\$59,250
FOUNDATION	\$312,500	\$435,150	\$747,650	\$940,000	(\$192,350)
TOTAL	\$541,029	\$1,450,871	\$1,991,900	\$2,179,000	(\$187,100)

SOURCE OF FUNDS 1993	\$ RAISED TO DATE 1/1 - 6/2/93	TOTAL \$ RAISED 6/3 - 12/31/93	FINAL YEAR-END TOTAL 1993	BUDGET GOALS 1993	YEAR-END VARIANCE 1993
INDIVIDUAL	\$42,259	\$717,122	\$759,381	\$333,000	\$426,381
WORKPLACE	\$8,630	\$9,651	\$18,281	\$40,000	(\$21,719)
CORPORATE	\$131,125	\$339,750	\$470,875	\$325,000	\$145,875
FOUNDATION	\$402,000	\$530,611	\$932,611	\$775,500	\$157,111
TOTAL	\$584,014	\$1,597,134	\$2,181,148	\$1,473,500	\$707,648

II. TYPE OF FUNDS 1994: RESTRICTED/UNRESTRICTED

TYPE OF FUNDS	\$ RAISED TO DATE 1/1 - 6/2/94	\$ PROJECTED TO BE RAISED 6/3 - 12/31/94	PROJECTED YEAR-END TOTAL 1994	BUDGET GOALS 1994	YEAR-END VARIANCE 1994
RESTRICTED					
INDIVIDUALS	\$39,557	\$326,000	\$365,557	\$0	\$365,557
CORPORATE	\$91,000	\$333,500	\$424,500	\$0	\$424,500
FOUNDATION	\$302,500	\$416,150	\$718,650	\$0	\$718,650
SUBTOTAL	\$433,057	\$1,075,650	\$1,508,707	\$1,711,896	(\$203,189)
UNRESTRICTED					
INDIVIDUALS	\$48,651	\$255,792	\$304,443	\$0	\$304,443
WORKPLACE	\$15,821	\$14,179	\$30,000		\$30,000
CORPORATE	\$33,500	\$86,250	\$119,750		\$119,750
FOUNDATION	\$10,000	\$19,000	\$29,000		\$29,000
SUBTOTAL	\$107,972	\$375,221	\$483,193	\$467,000	\$16,193
TOTAL	\$541,029	\$1,450,871	\$1,991,900	\$2,178,896	(\$186,996)

ACCION INTERNATIONAL --- Five Year History

(consolidated statistics from ACCION Network of Microenterprise Loan Programs - revised 5/3/94)

1993 1992 1991 1990 1989

Year-End Outstanding Loan Portfolio	\$100,773,296	\$55,417,421	\$25,984,672	\$13,767,161	\$8,531,884
Total Amount Loaned During Year	\$203,689,234	\$113,468,332	\$63,059,187	\$38,156,118	\$22,119,171
Total Number of Loans	404,828	276,268	182,933	138,434	89,929
Average Loan Size	\$503	\$411	\$345	\$276	\$246
Late Payment Rates	3.97%	4.67%	7.14%	8.28%	7.99%
Active Clients	204,451	147,476	96,667	68,423	37,982
% of Active Clients = Women	54%	52%	56%	56%	53%

Outstanding Portfolio calculated as:

TOTAL AMOUNT LOANED BY PROGRAM SINCE INCEPTION
 LESS
 (TOTAL AMOUNT PAID BACK + TOTAL AMOUNT WRITTEN OFF SINCE INCEPTION)

Late Payment % = $\frac{\text{Loan payments } > 30 \text{ days late}}{\text{Outstanding Loan Portfolio}}$

Active Clients = Clients with Loans outstanding at Year End

ACCION INTERNATIONAL - - YEAR-END OUTSTANDING LOAN PORTFOLIO (1989-1993)

	1993 Year-End Outstanding Loan Portfolio	1992 Year-End Outstanding Loan Portfolio	1991 Year-End Outstanding Loan Portfolio	1990 Year-End Outstanding Loan Portfolio	1989 Year-End Outstanding Loan Portfolio
LATIN AMERICA					
ARGENTINA-EMPRENDER (began 5/92)	\$652,033	\$94,448			
BOLIVIA-PRODEM	\$3,660,337	\$2,177,671	\$4,561,775	\$2,443,432	\$932,548
BOLIVIA-BANCOSOL (began 2/92)	\$24,522,882	\$8,769,000			
BOLIVIA TOTAL	\$28,183,219				
BRAZIL-FENAPE Associated programs	\$314,080	\$90,493	\$63,468	\$210,965	\$33,624
CHILE-PROPESA	\$1,946,673	\$1,065,516	\$609,954	\$416,174	\$173,011
COLOMBIA-Actuar Bogota/Finansol	\$11,307,913	\$4,476,512	\$1,408,752	\$580,764	\$338,747
COLOMBIA-Actuar Tolima	\$1,366,304	\$428,281	\$266,823	\$524,944	\$360,048
COLOMBIA-FMSD	\$1,348,986	\$564,453	\$284,943	\$176,920	\$50,308
COLOMBIA - Other AGS Programs	\$6,568,102	\$3,932,929	\$2,472,031	\$1,613,614	\$1,055,050
COLOMBIA-TOTAL	\$20,591,304	\$9,402,175	\$4,432,549	\$2,896,242	\$1,804,153
COSTA RICA-AVANCE	\$453,728	\$654,907	\$788,772	\$715,440	\$601,799
DOMINICAN REPUBLIC-ADEMI	\$11,508,555	\$7,345,327	\$4,206,525	\$1,587,045	\$1,946,552
ECUADOR-FED	\$2,512,092	\$1,139,658	\$510,932	\$419,038	\$227,021
ECUADOR - Other ASOMICRO Program	\$4,939,026	\$2,574,826	\$800,994	\$119,374	\$59,884
ECUADOR-TOTAL	\$7,451,118				
GUATEMALA-GENESIS	\$3,577,957	\$2,436,837	\$1,173,153	\$548,748	\$276,544
GUATEMALA-PROSEM/PER III	\$1,130,703	\$989,590	\$253,561	\$373,695	\$274,650
GUATEMALA - TOTAL	\$4,708,660				
MEXICO-ADMIC	\$20,496,150	\$16,639,966	\$6,978,612	\$2,276,989	\$1,827,313
NICARAGUA -FAMA (began 2/92)	\$478,663	\$373,299	#VALUE!		
PANAMA-MultiCredit Bank (began 4/91)	\$1,920,504	\$484,503	\$104,699		
PARAGUAY-F. Paraguaya	\$676,739	\$496,270	\$708,697	\$1,082,210	\$235,044
PERU-ACP	\$902,898	\$341,851	\$519,292	\$457,944	\$103,281
USA					
ARIZONA-MICRO	\$317,208	\$292,890	\$240,031	\$219,865	\$148,063
NEW YORK-ACCION NY (began 7/91)	\$171,764	\$48,194	\$31,658		
USA TOTAL	\$488,972				
TOTALS	\$100,773,296	\$55,417,421	\$25,984,672	\$13,767,161	\$8,531,884

ACCION INTERNATIONAL --- Five Year History -- Amount Loaned

	1993*	1992	1991	1990	1989
	Amount Loaned	Amount Loaned	Amount Loaned	Amount Loaned	Amount Loaned
LATIN AMERICA					
ARGENTINA-EMPENDER (began 5/92)	\$2,630,941	\$264,150	-----	-----	-----
BOLIVIA-PRODEM	\$12,588,691	\$5,141,255	\$14,805,747	\$7,717,832	\$2,981,432
BOLIVIA-BANCOSOL (began 2/92)	\$54,152,421	\$21,720,000	-----	-----	-----
BOLIVIA - TOTAL:	\$66,741,112	\$26,861,255	\$14,805,747	\$7,717,832	\$2,981,432
BRAZIL-FENAPE Associated programs	\$1,735,025	\$569,656	\$581,500	\$956,783	\$321,146
CHILE-PROPEA	\$5,743,384	\$3,774,700	\$1,605,976	\$717,135	\$299,822
COLOMBIA-Actuar Bogota/Finansol	\$22,108,139	\$11,023,187	\$4,348,789	\$2,022,234	\$812,852
COLOMBIA-Actuar Tolima	\$3,487,448	\$2,452,083	\$1,512,518	\$1,420,000	\$749,573
COLOMBIA-FMSD	\$4,500,745	\$2,337,644	\$1,470,773	\$899,220	\$308,611
COLOMBIA - Other AGS Programs	\$14,438,931	\$10,030,364	\$5,777,305	\$4,474,769	\$3,717,102
COLOMBIA-TOTAL	\$44,535,264	\$25,843,278	\$13,109,385	\$8,816,223	\$5,588,138
COSTA RICA-AVVANCE	\$621,111	\$876,612	\$885,347	\$900,491	\$869,776
DOMINICAN REPUBLIC-ADEMI	\$20,114,950	\$14,183,361	\$8,019,274	\$4,253,679	\$3,959,103
ECUADOR-FED	\$7,865,532	\$3,307,252	\$1,685,270	\$1,191,868	\$747,044
ECUADOR - Other ASOMICRO Programs	\$1,375,098	\$2,288,234	\$1,082,381	\$294,671	\$194,660
ECUADOR - TOTAL:	\$9,240,630	\$5,595,486	\$2,767,651	\$1,486,539	\$941,704
GUATEMALA-GENESIS	\$10,514,185	\$8,210,194	\$4,585,380	\$3,080,697	\$1,448,172
GUATEMALA-PROSEM	\$4,091,885	\$3,194,958	\$1,316,971	\$1,332,231	\$982,793
GUATEMALA-TOTAL	\$14,606,070	\$11,405,152	\$5,902,351	\$4,412,928	\$2,430,965
MEXICO-ADMIC	\$20,138,422	\$12,978,967	\$6,810,032	\$2,242,693	\$2,316,118
NICARAGUA -FAMA (began 2/92)	\$3,609,300	\$1,889,207	-----	-----	-----
PANAMA-Multicredit Bank (began 4/91)	\$3,175,359	\$1,069,700	\$391,780	-----	-----
PARAGUAY-F. Paraguaya	\$3,925,777	\$3,328,215	\$4,189,367	\$4,503,805	\$1,348,863
PERU-ACP	\$6,233,438	\$4,359,438	\$3,605,421	\$1,816,560	\$822,054
USA					
ARIZONA-MICRO	\$277,652	\$318,055	\$329,406	\$331,450	\$240,050
NEW YORK-ACCION NY (began 7/91)	\$360,799	\$151,100	\$55,950	-----	-----
Other U.S. Programs					
TOTALS	\$203,689,234	\$113,468,332	\$63,059,187	\$38,156,118	\$22,119,171

ACCION International - - Number of Loans and Average Size of Loan - 1989-1993

	1993	1993	1992	1992	1991	1991	1990	1990	1989	1989
	Number of Loans	Average Size Loan	Number of Loans	Average Size Loan	Number of Loans	Average Size Loan	Number of Loans	Average Size Loan	Number of Loans	Average Size Loan
AMERICA LATINA										
ARGENTINA-EMPRENDER (began 5/92)	2,455	\$1,072	334	\$791						
BOLIVIA-PRODEM	33,036	\$381	19,309	\$266	52,013	\$285	33,163	\$233	12,836	\$232
BOLIVIA-BANCOSOL (began 2/92)	106,886	\$607	58,872	\$369						
BOLIVIA - TOTAL	139,922	\$477	78,181		52,013		33,163		12,836	
BRAZIL-FENAPE (and members)	5,140	\$338	3,262	\$175	2,445	\$238	1,825	\$524	2,066	\$155
CHILE-PROPESA	11,418	\$603	8,929	\$423	5,196	\$309	2,031	\$363	675	\$444
COLOMBIA-Actuar Bogota/FinanSol	46,979	\$471	33,091	\$333	16,933	\$257	8,149	\$248	3,545	\$229
COLOMBIA-Actuar Tolima	9,480	\$368	6,942	\$353	6,752	\$224	6,382	\$223	2,203	\$340
COLOMBIA-FMSD	23,130	\$195	14,653	\$160	12,646	\$116	8,064	\$112	772	\$400
COLOMBIA - Other Members of AGS	54,025	\$267	45,045	\$223	27,556	\$210	26,923	\$166	30,984	\$120
COLOMBIA-TOTAL	133,614	\$333	99,711	\$259	63,887	\$205	49,518	\$178	37,504	\$149
COSTA RICA-AVANACE	652	\$953	1,069	\$820	1,197	\$740	1,028	\$876	1,333	\$852
DOMINICAN REPUBLIC-ADEMI	13,761	\$1,462	14,295	\$992	11,293	\$710	7,887	\$539	7,615	\$520
ECUADOR-FED	17,617	\$446	8,530	\$388	4,239	\$398	3,186	\$378	2,627	\$284
ECUADOR - Other Members of ASOMICRO	2,072	\$664	2,823	\$811	2,242	\$483	1,080	\$273	1,036	\$188
ECUADOR - TOTAL	19,689	\$469	11,353	\$493	6,481	\$427	4,236	\$351	3,663	\$257
GUATEMALA-GENESIS	18,465	\$689	17,242	\$476	15,394	\$298	14,644	\$210	5,670	\$255
GUATEMALA-PROSEM/PER III	10,788	\$379	9,610	\$332	7,150	\$184	6,603	\$202	3,996	\$246
GUATEMALA-TOTAL	29,253	\$499	26,852	\$425	22,544	\$262	21,247	\$208	9,666	\$251
MEXICO-ADMIC	5,353	\$3,762	3,435	\$3,776	2,020	\$3,371	895	\$2,506	1,128	\$2,053
NICARAGUA -FAMMA (began 2/92)	14,104	\$256	9,873	\$191						
PANAMA-MultiCredit Bank (began 4/91)	1,618	\$1,963	1,275	\$839	479	\$818				
PARAGUAY-F. Paraguaya	6,670	\$689	5,141	\$647	5,426	\$772	6,557	\$687	10,456	\$129
PERU-ACP	20,866	\$299	12,321	\$354	9,734	\$370	9,892	\$184	2,832	\$290
UNITED STATES										
ARIZONA-MICRO	158	\$1,757	155	\$2,052	188	\$1,752	155	\$2,138	154	\$1,559
NEW YORK-ACCION NY (began 7/91)	155	\$2,328	82	\$1,843	30	\$1,865				
USA - TOTAL	313									
TOTAL	404,828	\$503	276,268	\$411	182,933	\$345	138,434	\$276	89,929	\$246

ACCION INTERNATIONAL --- Late Payment Rate-- 1989 - 1993

	1983 Year-End Late Payment Rate	1982 Year-End Late Payment Rate	1981 Year-End Late Payment Rate	1980 Year-End Late Payment Rate	1989 Year-End Late Payment Rate
LATIN AMERICA					
ARGENTINA-EMPRENDER (began 5/92)	1.13%	0.03%			
BOLIVIA-PRODEM	0.85%	1.88%	2.00%	0.00%	0.60%
BOLIVIA-BANCOSOL (began 2/92)	2.36%	3.48%			
BOLIVIA - TOTAL	2.16%				
BRAZIL-FENAPE Associated programs	3.44%	5.75%	9.00%	25.10%	1.23%
CHILE-PROPESA	1.18%	2.21%	3.00%	10.30%	5.00%
COLOMBIA-Actuar Bogota/Finansol	2.18%	1.68%	0.90%	1.72%	2.19%
COLOMBIA-Actuar Tolima	0.56%	0.98%	1.05%	5.83%	13.73%
COLOMBIA-FMSD	1.32%	1.55%	2.89%	3.30%	15.30%
COLOMBIA - Other AGS Programs	4.83%	2.37%	6.21%	6.82%	12.86%
COLOMBIA-TOTAL	2.86%	1.93%	4.00%	5.40%	11.10%
COSTA RICA-AVANCE	29.60%	16.00%	18.00%	17.00%	20.60%
DOMINICAN REPUBLIC-ADEMI	5.00%	4.00%	6.00%	5.00%	6.00%
ECUADOR-FED	2.70%	1.10%	4.00%	5.00%	2.70%
ECUADOR -- Other ASOMICRO Programs	3.00%	3.84%	10.55%	2.50%	4.62%
ECUADOR-TOTAL	2.90%				
GUATEMALA-GENESIS	4.34%	3.55%	5.04%	8.91%	6.12%
GUATEMALA-PROSEM	3.03%	2.60%	21.68%	15.79%	4.07%
GUATEMALA-TOTAL	4.20%				
MEXICO-ADMIC	7.00%	8.00%	8.00%	16.00%	8.00%
NICARAGUA -FAMA (began 2/92)	2.09%	2.29%			
PANAMA-MultiCredit Bank (began 4/91)	1.98%	1.49%	0.00%		
PARAGUAY-F. Paraguaya	1.59%	8.26%	39.00%	7.80%	4.90%
PERU-ACP	0.73%	2.04%	10.00%	14.40%	5.16%
USA					
ARIZONA-MICRO	41.00%	4.00%	24.00%	18.00%	13.60%
NEW YORK-ACCION NY (began 7/91)	5.03%	9.84%	12.00%		
USA - TOTAL	28.36%				
TOTALS	3.97%	4.67%	7.14%	8.28%	7.99%

RESOURCE DEVELOPMENT

**RETURN ON INVESTMENT: 1998 PROJECTIONS
PER PRIVATE FUNDRAISING STRATEGY**

STRATEGY	% OF REVENUE	REVENUE	COST RATIO	COST
I. PRIVATE FUNDS				
MAJOR GIFTS	40%	\$2,200,000	7%	\$154,000
DONOR CLUBS	15%	\$825,000	15%	\$123,750
PROGRAM GRANTS	30%	\$1,650,000	25%	\$412,500
DIRECT MAIL	15%	\$825,000	40%	\$330,000
SUBTOTAL	100%	\$5,500,000	19% AVER.	\$1,020,250

DRAFT

ACCION International

Board of Directors Meeting

June 11, 1994

PROPOSED CORPORATE RESOLUTIONS

1. RESOLVED that the Executive Director, the Director of Finance and Administration, the Director of Latin American Operations and the Director of Financial Services be authorized to :

- a. open a line of credit
- b. authorize bank wire transfers
- c. open and close bank accounts
- d. authorize withdrawals from Bridge Fund investment accounts
- e. sign letter of credit applications
- f. sign Bridge Fund loan agreements and promissory notes
- g. sign checks

(Note: the Grants Manager is also authorized as a second signature on checks and transfers from the ACCION International Bank of Boston accounts.)

2. RESOLVED that the Director of Latin American Operations be authorized to sign agreements of association (convenios) with Latin American programs on behalf of ACCION International.

3. RESOLVED that surplus Bridge Fund program revenue (defined as interest and fee income less financial costs, less applicable operational expenses) be designated on an annual basis as Bridge Fund equity, to be applied as needed to cover reserve requirements.

4. RESOLVED that surplus ACCION New York program revenue (defined as interest and fee income less financial costs, less applicable operational expenses) be designated on an annual basis as ACCION New York equity, to be applied as needed to cover reserve requirements.

<< DRAFT >>

ACCION INTERNATIONAL
SIGNATURE AUTHORITIES

Major Policy Decisions:

The following items require the written approval of the Board of Directors.

Annual Operating Budget
Capital Budget
Executive Director's salary
Major Long-term Investments

General Business Commitments and Authorizations:

Grants and Revenue Contracts	Exec. Dir.
Lease of Office Space	Exec. Dir.
Equipment maint., rental agreement	Exec. Dir., Dir. F&A
Working capital loans	Exec. Dir.
Other contracts \$10,000+	Exec. Dir.
Other contracts < \$10,000	Exec. Dir., Dir. F&A
Sale of stock, other temp. invests.	Exec. Dir.
Approval of invoices for payment	Exec. Dir., Dir. F&A, Dir. of Ordering Dept.
Check requests	Exec. Dir., Dir. F&A
Checks (2 signatures required)	Exec. Dir., Dir. F&A, Mgr. G&P
Bank wire transfer requests	Exec. Dir., Dir. F&A
Bank wire transfers	Dir. F&A, Ctlr., Mgr. G&P
Petty cash disbursements	Ctlr., Acctg. Assoc.
Travel expense reports	Exec. Dir., Dir. F&A, Emp. Supervisor
Staff employee time sheets	Employee's Dept. Dir.
Directors' time sheets	Exec. Dir., Dir. F&A
Opening, closing bank accounts	Exec. Dir.
AID Indirect cost rate agreement	Exec. Dir.
Letter of credit draws	Exec. Dir., Dir. F&A

Personnel Matters:

Letters of appointment	Exec. Dir.
Transfers, salary change, promotion, termination	Exec. Dir.
Suspension of employment	Exec. Dir., Dir. F&A
Overtime authorization	Exec. Dir., Dir. F&A

ACCION INTERNATIONAL
SIGNATURE AUTHORITIES

Bridge Fund Commitments:

Promissory notes	Exec. Dir.
Letters of credit (2 signatures)	Exec. Dir., Dir. F&A, Dir. Fin. Svc.

Field Offices:

Affiliate Agreements	Exec. Dir.
Contracts < \$10,000	Office Director
Opening, closing bank accounts	Exec. Dir., Off. Dir.
Checks	Off. Dir.
Bank transfers	Off. Dir.
Field reports	Off. Dir.

Note: Office directors may assign their authorities to additional personnel in the field office. Also, the Executive Director may make restrictions on field office directors' authorizations.

Changes to Authorized Signature list

Board Approval:

- | | |
|------------------------------|---------------------------------|
| 1. Sale of Assets > \$10,000 | removed on new list, see line 9 |
| 2. Major investments | changed to Major long-term inv. |
| 3. Bank loan commitments | removed on new list |
| 4. Capital Budget | added to new list |

General Business Commitments:

- | | |
|-------------------------------|---|
| 5. Equip. rental agreements | added to new list |
| 6. Working capital loans | added to new list |
| 7. Other contracts \$10,000+ | added to new list |
| 8. Other contracts < \$10,000 | added to new list |
| 9. Sale of stock | added to new list |
| 10. Donation receipts | removed |
| 11. Purchases > \$1000 | replaced by lines 12 and 13, and
by line 4 above. |
| 12. Check requests | added to new list |
| 13. Approval of invoices | added to new list |
| 14. Checks | removal of Dir. LA Operations |
| 15. Petty cash | replacement of Dir. F&A by Ctrlr |
| 16. Travel exp. reports | addition of Employee Supervisor |
| 17. Bank transfers | removal of Assoc. F&A, addition
of Dir. F&A, Ctrlr, Mgr. G&P |
| 18. Staff time sheets | added to new list |

Personnel Matters:

- | | |
|-----------------------------|-------------------|
| 19. Suspension of employees | added to new list |
|-----------------------------|-------------------|

Bridge Fund:

- | | |
|----------------------|--|
| 20. Letter of Credit | Dir. Fin. Svcs added, 2 required
signatures instead of one. |
|----------------------|--|

Field Offices:

- | | |
|----------------------------|---|
| 21. Procurement < \$10,000 | removed. (authority implied in
"contracts" line) |
| 22. Consultants | removed (authority implied in
"contracts") |
| 23. Field reports | added to new list |
| 24. Note | added to new list |

TO: ACCION Board of Directors
FROM: William Burrus, Executive Director
RE: Signature Authorizations
DATE: November 22, 1989

The Department of Finance and Administration is in the process of compiling an accounting manual for ACCION which would include the attached signature authorization policy.

I propose that the Board consider formally adopting this policy at the December 11, 1989 meeting, so that the policy can be effective January 1, 1990. Mr. McDermott, Treasurer, has reviewed the draft policy, and we have incorporated his suggestions.

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ACCION INTERNATIONAL
SIGNATURE AUTHORITIES

DRAFT

The following is a Board - approved list of authorized signatures and approvals in the various areas of operations.

BOARD APPROVALS:

The following items require the written approval of the Board of Directors:

annual operating budget
Executive Director's salary
bank loan commitments
major investments
sale of assets > \$10,000

In other areas, the Board of Directors has authorized the Executive Director to sign or to designate a signer on behalf of ACCION International.

Specific staff signature authorities are listed below:

GENERAL BUSINESS COMMITMENTS AND AUTHORIZATIONS:

Grants and contracts	Ex.Dir.
Leases and rental agreements	Ex.Dir.
Donation receipts	Dir.R.Dev.,Dir.F&A
Purchases > \$1000	Ex.Dir.,Dir.F&A
Petty cash < \$20.00	Dir.F&A, Assoc.F&A
Opening of bank accounts	Ex.Dir.,Dir.F&A
Bank transfers	Ex.Dir.,Dir.F&A - author. Assoc.F&A - transaction
Certification of expenses	Ex.Dir.,Dir.F&A
Travel expense reports	Ex.Dir.,Dir.F&A
Checks	2 signatures Ex.Dir.,Dir.F&A,Dir.L.A.Op.

PERSONNEL MATTERS

Letters of appointment	Ex.Dir.
Transfers, salary action, promotion and termination	Ex.Dir.
Overtime authorization	Ex.Dir.
Time sheets	Ex.Dir.,Dir.F&A

SPECIAL - GUARANTEE FUND

Promissory notes	Ex.Dir.
Letters of credit	Ex.Dir.

SPECIAL - U.S.AID

Indirect Cost Rate Agreement	Ex.Dir.
Letter of credit draws 2 signatures	Ex.Dir.,Dir.F&A

In addition to the above authorizations, ACCION field office authorizations are as follows:

FIELD OFFICES:

Affiliate agreements	Ex.Dir.
Grants and contracts < \$10,000	Country Directors
Bank accounts	Ex.Dir.,Cty.Dir.
Checks, bank transfers	Country Directors
Procurement < \$10,000	Country Directors
Consultants and contractual services	Country Directors
Expense vouchers	Country Directors

CC - As part of transition issues - you may want to change the authorized signatures on this SF-1194 as well - so that when we get the new grants - we'll be all set

AUTHORIZED SIGNATURE CARD FOR PAYMENT VOUCHERS ON LETTER OF CREDIT

An Authorized Signature Card for Payment Vouchers on a Letter of Credit, Form SF 1194, must be on file at AID before a Request for Funds will be honored. AID will provide SF 1194s to each recipient organization. The recipient organization, in preparing the signature card, should adhere to the following guidelines:

- A. The recipient organization is to prepare and submit one completed original SF 1194 to AID at least one (1) week prior to implementation of the LOC.
- B. An official of the recipient organization who has authority to designate the official(s) who will sign the SF 5805, must certify the authenticity of the signature(s) appearing on the signature card (SF 1194 lower left corner).
- C. One or more officials should be designated as an authorized alternate to sign the Request for Funds (SF 5805) in order to provide for cases of absence of the principal official. Recipient organizations should limit the authority to draw funds to the smallest practical number of officials.
- D. AID requires only one signature on the SF 5805, the recipient organization may, however, use a countersignature for internal control purposes as applicable to their situation.
- E. A completed "new" Authorized Signature Card (SF 1194) for Payment Vouchers on Letter of Credit shall be submitted immediately should any of the following occur:
 - 1. Change and/or termination of official(s) authorized to sign the SF 5805.
 - 2. Change in the legal name of the recipient organization.
 - 3. Change of financial institution.

An additional signature card is required if more than four (4) officials are authorized to sign an SF 5805.

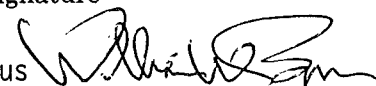
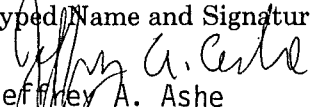

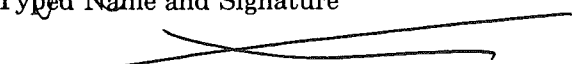


A change in position or title of an official does not, by itself, require a new signature card. Facsimile signatures are not acceptable. The revised SF 1194 should be submitted to AID at least one (1) week before a desired effective date.

CO
→
draft
→

Standard Form 1194 6 Treasury FRM 1000 Fiscal Service Bureau of Accounts		AUTHORIZED SIGNATURE CARD FOR PAYMENT VOUCHERS ON LETTER OF CREDIT		Letter of Credit Number 7200 1301
Effective Date _____				Federal Reserve Bank For TFCS Payment
Letter of Credit Issued in Favor of (Recipient) ACCION International 130 Prospect St Cambridge, MA 02139		Issued by (Federal Agency) Agency for International Development M/FM/PAD, Rm. 624, SA-12 72008701 Washington, D. C. 20523		
SIGNATURES OF INDIVIDUALS AUTHORIZED TO DRAW ON THE CITED LETTER OF CREDIT		<input type="checkbox"/> ONLY ONE SIGNATURE REQUIRED ON PAYMENT VOUCHERS or <input type="checkbox"/> ANY TWO SIGNATURES REQUIRED TO SIGN OR COUNTERSIGN		
Typed Name and Signature		Typed Name and Signature		
Typed Name and Signature		Typed Name and Signature		
I CERTIFY THAT THE SIGNATURES ABOVE ARE OF THE INDIVIDUALS AUTHORIZED TO DRAW PAYMENT VOUCHERS FOR THE CITED LETTER OF CREDIT.		APPROVED:		
_____ DATE AND SIGNATURE OF AUTHORIZING OFFICIAL (Recipient)		_____ DATE AND SIGNATURE OF AGENCY CERTIFYING OFFICER		

1194-101

U.S. GOVERNMENT PRINTING OFFICE : 1967 OF-255-144 (75-G)

Standard Form 1194 6 Treasury FRM 1000 Fiscal Service Bureau of Accounts		AUTHORIZED SIGNATURE CARD FOR PAYMENT VOUCHERS ON LETTER OF CREDIT		Letter of Credit Number 72001301
Effective Date 7/3/85				Federal Reserve Bank For TFCS Payment
Letter of Credit Issued in Favor of (Recipient) ACCION International 1385 Cambridge Street Cambridge, MA 02139		Issued by (Federal Agency) Agency for International Development M/FM/PAD, Rm. 624, SA-12 72008701 Washington, D. C. 20523		
SIGNATURES OF INDIVIDUALS AUTHORIZED TO DRAW ON THE CITED LETTER OF CREDIT		<input type="checkbox"/> ONLY ONE SIGNATURE REQUIRED ON PAYMENT VOUCHERS or <input checked="" type="checkbox"/> ANY TWO SIGNATURES REQUIRED TO SIGN OR COUNTERSIGN		
Typed Name and Signature William W. Burrus 		Typed Name and Signature Jeffrey A. Ashe 		
Typed Name and Signature Catherine A. Quense 		Typed Name and Signature 		
I CERTIFY THAT THE SIGNATURES ABOVE ARE OF THE INDIVIDUALS AUTHORIZED TO DRAW PAYMENT VOUCHERS FOR THE CITED LETTER OF CREDIT.		APPROVED:		
 5/17/85 DATE AND SIGNATURE OF AUTHORIZING OFFICIAL (Recipient) Executive Director		 5/24/85 DATE AND SIGNATURE OF AGENCY CERTIFYING OFFICER		

1194-101

U.S. GOVERNMENT PRINTING OFFICE : 1967 OF-255-144 (75-G)

Standard Form 1194 6 Treasury FRM 1000 Fiscal Service Bureau of Accounts Effective Date _____	AUTHORIZED SIGNATURE CARD FOR PAYMENT VOUCHERS ON LETTER OF CREDIT	Letter of Credit Number _____ Federal Reserve Bank For TFCS Payment
Letter of Credit Issued in Favor of <i>(Recipient)</i>	Issued by <i>(Federal Agency)</i> Agency for International Development M/FM/PAD, Rm. 624, SA-12 72008701 Washington, D. C. 20523	
SIGNATURES OF INDIVIDUALS AUTHORIZED TO DRAW ON THE CITED LETTER OF CREDIT		<input type="checkbox"/> ONLY ONE SIGNATURE REQUIRED ON PAYMENT VOUCHERS or <input type="checkbox"/> ANY TWO SIGNATURES REQUIRED TO SIGN OR COUNTERSIGN
Typed Name and Signature	Typed Name and Signature	
Typed Name and Signature	Typed Name and Signature	
I CERTIFY THAT THE SIGNATURES ABOVE ARE OF THE INDIVIDUALS AUTHORIZED TO DRAW PAYMENT VOUCHERS FOR THE CITED LETTER OF CREDIT. _____ DATE AND SIGNATURE OF AUTHORIZING OFFICIAL <i>(Recipient)</i>	APPROVED: _____ DATE AND SIGNATURE OF AGENCY CERTIFYING OFFICER	

I have original form card - form #

Explanatory notes to agenda (for planning purposes only:)

- 1. The original purpose of the retreat was to discuss in some detail the completed strategic plan. Because the plan is not yet at that stage, because of the transition taking place among staff and because it is clear that the Board needs an opportunity to be brought more up to speed, we have changed the focus somewhat of the retreat. Its new purpose is stated above.**
- 2. The sessions on Latin America and the US will begin with brief staff presentations, beginning with enough historical background to lay the groundwork for a subsequent discussion of key issues to be identified for each area. Each session will have a staff facilitator.**
- 3. Following dinner we will informally hang out together.**
- 4. The following morning session will examine the past and future role of the Board. In view of recent developments there is an opening to have a very frank and productive discussion on these issues. Michael, I put you down as the facilitator of this session but you may not want to play this role. Please advise. In this particular discussion, following a general introduction it may be useful to break into three groups mixing board and staff.**
- 5. The Resource Development session will unveil our plans to implement a national fundraising campaign stressing private and specifically individual giving. Libbie will handle this with support from Cathy.**
- 6. The annual business meeting will be short and only deal with necessary items such as signature resolutions, etc. We normally have the annual elections of the Board at this meeting but I would propose to put this off until the fall or winter meeting when we will be in a better position to recruit new members and redefine board functions.**
- 7. We will also have to consider and approve certain items related to the Centro.**



**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 the Hyatt Regency Hotel, Cambridge, Massachusetts, on December 3rd 1993 at 9:30 a.m. There were present:

Terence C. Canavan
Martin P. Connell
John C. Duncan
Robert C. Helander
Stephen P. Knaebel
Daniel R. Martin
Thomas P. McDermott
Charles W. Muller
John W. Scott
Nancy Sherwood Truitt

being a quorum. Also present were President Council members John Gillett, Michele Gillett, Gilbert Glass, and Robert Scarlett, as well as Advisory Council Members; Juan Alvaro Munguia and Jorge Cespedes. Staff members present were William Burrus, Cathy Quense, Sonia Saltzman, Libbie Shufro, Maria Otero, Michael Chu and Delma Soto.

The meeting was called to order by the President, Daniel Martin.

I. APPROVAL OF THE MINUTES

The minutes of the June 14, 1993 meeting were approved as written.

II. FINANCE COMMITTEE REPORT

Tom McDermott reported that the financial statements through the third quarter demonstrated that the corporation was operating on a breakeven basis. The projections for the final quarter of the year indicate that ACCION will finish 1993 with a slight surplus.

He also reported that because of the planning process now underway, the 1994 budget will be presented for Board approval at its next meeting early next year.

Finally he stated that information had been sent to the Board Directors regarding the current status of the Bridge Fund. This information includes a description of the newly appointed credit review committee of the Board. Any Directors with specific questions related to the material should speak directly with him or Sonia Saltzman, the Director of Financial Services.

III. LEGAL REORGANIZATION OF ACCION

Mr. Peter Rosenblum, a Partner with Foley, Hoag & Eliot reviewed the plans for the legal reorganization of ACCION which was described in the packet of information sent out. A copy of that descriptive piece is attached to the minutes. Following various questions and discussion, the following two resolutions were seconded and unanimously approved:

That the corporation proceed with the legal reorganization process as described in the document 'Reorganization of ACCION International'

That the name 'ACCION' be included in the name of the two Bridge Fund corporations so that they read "ACCION Bridge Fund US, Inc.", and "ACCION Bridge Fund L.A., Inc."

IV. EXECUTIVE DIRECTOR REPORT

Mr. Burrus reviewed the highlights of this past year which focussed on the internal reorganization. He stated that various staff members had been promoted and new senior staff hired in the Latin American Operations area. The training and TA functions had been decentralized to the new Center in Colombia, the legal reorganization had proceeded and the role of ACCION with the affiliate organizations had been redefined.

Because of the rapidly changing environment, he called on those present to embark on a new strategic planning process over the next few months which would culminate in a Board retreat next June. He noted that all of us are privileged to be associated with an organization such as ACCION. It is an awesome responsibility and we must never underestimate our power nor take lightly our stewardship. He called on those present to get back in touch with what attracted them to ACCION originally and to use the power of those feeling to rededicate themselves to our collective enterprise.

As part of the Executive Directors report, special presentations were made by Jorge Céspedes, President of AVANCE in Costa Rica, by Juan Alvaro Munguia, President of FAMA in Nicaragua and by Delma Soto, Executive Director of ACCION New York.

V. PRESIDENT'S REPORT AND DISCUSSION

Dan Martin, the President, reiterated the growing impact of the corporation's work and the need for us to always think strategically. He stated that the Executive Committee at its last meeting had begun to discuss various strategic issues related to the US and Latin America and invited those present to continue the discussion.

Following his introductory remarks, he facilitated a broad-reaching discussion covering the role of ACCION both at the operational and the advocacy levels, the need to more fully understand the quality of what we do and the real impact on our clients; the need to reaffirm our mission of working with the poor; the need to have clear strategies for bringing our client base into the mainstream financial sector, and other related issues.

VI. RESOURCE DEVELOPMENT REPORT AND DISCUSSION

The Director of Resource Development, Libbie Shufro, presented a quick update on the status of private fundraising for this year. She reported that the goals have been exceeded, thanks to the active participation of many staff and Board members.

She then introduced Jennifer Vanica, Executive Director of the Jacobs Family Foundation. Jennifer outlined the essential ingredients of a successful fundraising strategy. She discussed six key points:

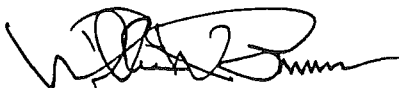
1. Resource development needs to be positioned at the highest level of the corporation. "The audacity of the dream."
2. Resource development is a total organizational commitment, not just the responsibility of the fundraising director.
3. The funding strategy needs to be diverse.
4. The corporation needs to be willing to invest money in resource development in order to raise money.
5. We need to understand the role of private philanthropy as "venture capital", to expand and enhance.
6. We must not confuse our mission with our strategy; Our message to the public needs to be clear.

She stated that ACCION has a powerful case, good leadership, a history of successful fundraising and knows how to do strategic planning. Its challenges in the future are the following:

1. Needs to move beyond corporate and foundation fundraising to individual giving.
2. Currently has a very small base of individual support; this needs to be expanded.
3. Need to recruit additional volunteer leadership to help raise money.
4. We will continue to need unrestricted gifts which are hard to come by.
5. Our present fundraising staff is small.
6. The number of microenterprise organizations is constantly expanding in the U.S. and this increases competition.

Following Jennifer's presentation there was general discussion about resource development. It possibility of establishing a special task force of staff, Board members and friends to devise a comprehensive resource development plan was raised. Dan Martin stated that he would work with the staff to develop this committee.

With no further business to attend the meeting was adjourned.



William W. Burrus
Acting Secretary

J

REORGANIZATION OF ACCION INTERNATIONAL

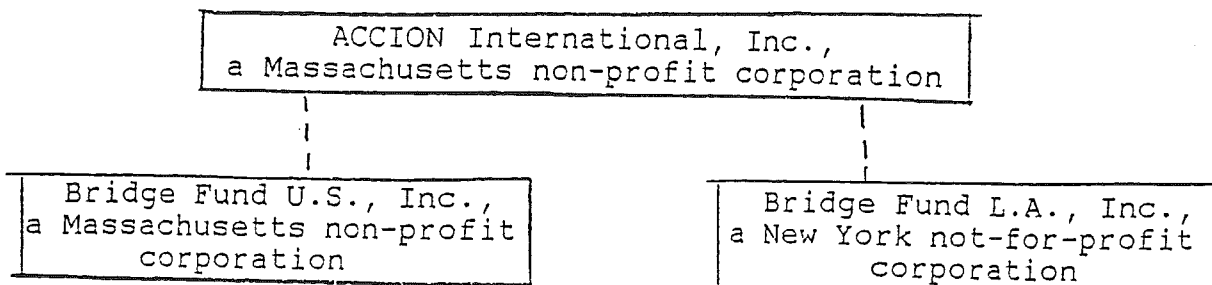
I. CURRENT STRUCTURE

ACCION International is a New York, not-for-profit corporation organized for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1986. The Board of Directors of ACCION International currently consists of 21 individuals. Current officers are:

Chairman: Terence C. Canavan
President: Daniel R. Martin
Treasurer: Thomas P. McDermott
Secretary: Charles W. Muller
Ex. Director: William W. Burrus

II. PROPOSED REORGANIZATION

In order to protect the assets and operations of ACCION International from liabilities related to the Bridge Fund and in order to provide the organization with more flexibility to expand its activities, our lawyers have recommended that ACCION International reorganize into three separate entities with overlapping Boards of Directors. These parts of the organization would continue to operate largely as ACCION International has operated in the past. Following the reorganization, ACCION's organizational structure would appear as follows:



A. Overview of the New ACCION

1. ACCION International, Inc. ACCION International, Inc. will act as a holding company, with the two Bridge Funds as supporting organizations. ACCION will provide management services to the other two entities through management agreements. It will also hold the plant and equipment of the current ACCION

International, and may lease the appropriate items and space to the other entities. All employees of the current ACCION International will become employees of the new ACCION International, Inc. ACCION International, Inc. will continue to solicit donations, grants and loans for use in activities other than those carried on by the other entities. It will also continue educational and training activities of the old ACCION International.

2. Bridge Fund Latin America, Inc. This organization will carry out all activities of the Bridge Fund as it operates today in Latin America. All of the assets of the Bridge Fund will be held by this organization and all loan or grant agreements for the purpose of capitalizing the Bridge Fund will be entered into by Bridge Fund L.A., Inc. Thus, any restrictions contained in such agreements will apply only to Bridge Fund L.A., Inc., without limiting the activities of ACCION International, Inc., and only the assets of Bridge Fund L.A., Inc. would be at risk following any default under any such agreement.

3. Bridge Fund U.S., Inc. The activities of this organization will parallel those of Bridge Fund Latin America, Inc., except that all such activities will be conducted in the United States. It is a new organization which will solicit grants, contributions and loans to be used as guarantees or reserves in support of ACCION International's U.S. Associate Programs. Thus, the provisions of such loan and grant agreements will apply only to Bridge Fund U.S., without limiting the activities of the other two entities and without placing the assets of the other entities at risk following a default under any such agreement. Initial capitalization of the Bridge Fund U.S., Inc. will be through a subgrant from ACCION International, Inc. of funds donated by the Charles Stewart Mott Foundation for the Bridge Fund U.S. reserve.

B. The New Structure

1. Incorporation Two new organizations will be incorporated in the Commonwealth of Massachusetts - ACCION International, Inc. and Bridge Fund U.S., Inc..

2. Name Change The name of the old ACCION International will be changed to "Bridge Fund Latin America, Inc.".

3. Transfer of Assets. Bridge Fund Latin America, Inc. will proceed to transfer non-Bridge Fund assets to the other two entities. The principal assets and liabilities of the old corporation will remain, since they belong to the Bridge Fund. Current lenders and donors to the Bridge Fund will be notified of the change in name of the corporation.

5. Governance. The members (i.e. the Directors) of the old ACCION International will remain as members and Directors of the Bridge Fund L.A., Inc.; they will also be elected as Directors of the new Bridge Fund U.S., Inc. The current Officers of ACCION

International will be officers of the three organizations, and William Burrus will be Executive Director of the three organizations. Each organization may appoint distinct Committees of the Board, such as the Bridge Fund Credit Review Committee.

6. Employees. The current employees of ACCION International will become employees of the new ACCION International, Inc.. The two Bridge Funds will execute management agreements with the new ACCION International, Inc.

C. Schedule for Reorganization.

It is anticipated that the Bridge Fund U.S., Inc. will be incorporated by December 31, 1993. The incorporation of the new ACCION International, Inc., with the accompanying name change of the new Bridge Fund Latin America, Inc. will take place in early 1994. This will enable us to have clean, audited financial statements prior to the separation of assets and liabilities. A more detailed work plan outlining the next steps in the reorganization will be developed by the staff in consultation with the lawyers.