

Missouri Universal Service Board

Minutes of Meeting

March 13, 2008

12:00 p.m.

Missouri Public Service Commission

PSC Agenda Room, 9th Floor

Governor Office Building

200 Madison Street

Jefferson City, Missouri

Present: Robert Clayton (RC) P, Connie Murray (CM) P, Terry Jarrett (TJ) P,
 Jeff Davis (JD) P, Lin Appling (LA) P, Lewis Mills (LM) P, Staff Members of PSC, OPC,
 and members of the public.

Chair Robert Clayton called the meeting to order at 12:00 p.m.

R C	C M	T J	J D	L A	L M
Y	Y	Y	Y	Y	Y
Y	Y	Y	Y	Y	Y

1. Approval of Minutes from January 30, 2008 USB Meeting.
 -- *Approved.*

2. Administrator's Monthly Report for January, 2008.
 -- *Reviewed and received. Staff advised that they appear in order and within expectations.*

3. Recommendations on Preferred Fund Balance and Assessment Level.
 -- *Staff recommended the target minimum fund balance as \$1,263,920.00, which represents five (5) months projected expenses. In addition, the staff reported that it would take approximately fifteen (15) months, around the Summer of 2009, to reach the preferred fund balance.*
 -- *RC motion. JD second the motion. Board voted to accept Staff's recommendation with the understanding that once the fund meets that mark, the Board will reevaluate target minimum fund balance.*

4. Website Demonstration – Central Bank.
 -- *Website demonstration performed by representative of Central Bank, including both telecommunications carrier views and consumer views. The demonstration also showed the method for data input related to USB fund calculation of payments, as well as manner in which actual payment can be entered and tracked.*
 -- *Discussion. Central Bank's representative indicated that they would research more specific reporting capabilities, and report back to the Board on this issue. The Central Bank representative stated that there is little to no communication from the public, but that they receive approximately 10-15 e-mail messages per week from telecommunications carriers.*

R C	C M	T J	J D	L A	L M
Y	Y	Y	Y	Y	Y
Y	Y	Y	Y	Y	Y

5. Consideration of Central Bank Invoices.
 - a. General Administrative Services
 - b. Banking Services
 - c. On-going Maintenance of the Database
 - d. Database Management Services
 - *Discussion about items a-d as represented on Central Bank invoice. It was noted by Central Bank representative that the initial set-up costs were not on-going costs, but were for the computer programming necessary to set up service. After completing an audit, Staff recommended approval.*
 - *Motion by JD to approve billing invoice as submitted, seconded by RC. Approved.*

6. Recommendation for Additional Internal Quality Controls
 - *Discussion. Staff reports that it would be beneficial to have more detailed records to aid in the completion of future audits. Improved detail in (1) Board minutes and (2) a system allowing for a check between projected account balances and actual account balance, thus allowing for a test as to the accuracy of the projected balances. RC noted that recommendation (1) has already been implemented.*
 - *Received and adopted recommendations.*

7. Board Communication Regarding External Audit of Fund approval to sign management letter.
 - *Discussion. Staff reported that the audit letter is similar to the last year's audit letter, with the exception of a reference in section 2a addressing "inefficiencies." Staff explained that this word was used because the word "irregularity" has a significantly different meaning in audit practice than a layperson's understanding of the term, as such, the term "inefficiencies" is used. Lewis Mills explained that since this was an audit of the fund "inefficiencies" was acceptable. If this was a reference check on QSI, he may have concerns with the terminology. Motion to approve External Audit made by JD, seconded by LA.*
 - *Approved. RC signed management letter to Auditor.*

8. Potential RFP for External Auditor/Renewal of Existing Contract.
 - *Discussion. The new audit cannot begin until the prior audit is closed out, which will occur once the Auditor receives the management letter in item 7. Staff indicated that the Board could issue a new RFP or continue with the current auditor. The Staff recommends no new RFP and retention of the current auditor, based upon the assumption that the final audit will be "in-line" with the draft audit. The Board directed Staff to not prepare a new RFP.*

9. Inform Board – tax filing completed.
 - *Report. RC signed the necessary tax reports and all were timely filed. RC noted that copies of the reports are available for inspection if requested.*

Meeting Adjourned at 12:26 p.m.

Robert W. Clayton

Chairman

6-3-08

Date Approved

P = Present

A = Absent

Y = Yea

N = Nay

X = Not Participating