



# Budget & Audit Committee Meeting Minutes

Friday, May 10, 2024  
11:00 AM – 12:00 PM MDT  
Zoom Meeting

**DRAFT**

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## **Call to Order**

Chair Seth Denbow called the meeting to order at 11:00 AM MDT on Friday, May 10, 2024, and thanked everyone for attending. Mr. Denbow asked Sara Arp to call roll of the committee members and recognized the guests in attendance.

## **Members Present**

Seth Denbow, Chair	Dave Hamilton
Jason Hitch, Vice Chair	Mark Sustaire
Sarah Childs	VeaBea Thomas
Cheryl DeVuyst, CBB Secretary-Treasurer	Claudia Wright

## **Members Not Present**

Ted Kingsley

## **Staff Present**

Sara Arp, CBB  
Davis Gidney, CBB  
Jeff Lutz, CBB  
Chad Smith, CBB  
Beka Wall, CBB

## **Guests**

Heather Buckmaster, OK Beef Council  
Kinley Hartman, USDA-AMS  
Molly McAdams, TX Beef Council  
Wayne Watkinson, Legal Counsel

## **Quorum**

Chair Seth Denbow declared a quorum was present to conduct business.

## **Agenda**

Chair Seth Denbow called for a motion to approve the agenda as emailed. Mark Sustaire moved, and Claudia Wright seconded to approve the agenda as emailed. Motion passed.

## **Approve Meeting Minutes – April 24, 2024**

Chair Seth Denbow asked for a motion to approve the April 24, 2024, meeting minutes as emailed. VeaBea Thomas moved, and Sarah Childs seconded to approve the minutes as emailed. Motion passed.



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## **Review Remaining Projected Revenues for FY 2024**

Chair Seth Denbow called on CBB Director of Collections Compliance, Chad Smith, to review projected revenues for FY 2024. Mr. Smith reviewed the CBB's updated FY 2024 revenue projection based on year-to-date receipts. At this point in the fiscal year, CBB is projecting that actual Checkoff receipts will exceed budget projections for FY 2024. Any excess funds received through the end of the fiscal year will be added to CBB's available funds balance and will be added to the AR program budget in future years.

CBB CFO, Jeff Lutz, discussed the process in which additional available funds are handled and communicated with both the Beef Promotion Operating Committee (BPOC) and CBB Executive Committee ahead of the September funding meeting. This is the meeting where the final available funds within the program budget are released for the BPOC to fund Authorization Requests (AR) within the Program budget. Once the Program budget is approved the final budget is sent to the Cattlemen's Beef Board to approve via electronic ballot, then USDA ahead of the start of the fiscal year starting October 1.

## **Review Projected Revenues for FY 2025**

Chad Smith presented the recommended projected domestic revenue of \$32,200,000 and import assessment revenue of \$7,500,000, totaling \$39,700,000 in projected assessment revenue for FY 2025. He then presented the recommended projected interest income and other income of FY 2025 of \$792,200 and \$25,000, respectively. Based on these projections, Total funds available for FY 2025 would total \$40,571,200.

## **Review and Approve the Preliminary Budget for FY 2025**

Jeff Lutz presented CBB's requested budgets for Evaluation (\$305,000), Program Development (\$750,000), Checkoff Communications Resource (\$200,000), USDA Oversight (\$575,000), Supporting Services & Litigation (\$200,000), State Services (\$220,000), and Administration (\$2,025,860).

Mr. Lutz provided an overview of the recommended Evaluation budget, and the recommended Evaluation Budget increased for FY 2025 to include the costs of external evaluations, allocation of meeting expenses towards the budget, and CBB office support and travel.

Mr. Lutz provided an overview of the recommended Program Development budget. The recommended Program Development Budget was increased for FY 2025 due to higher travel costs, expenses associated with meetings, and development of the Long-Range Plan.

Mr. Lutz provided an overview of the recommended Checkoff Communication Resource budget. The recommended Checkoff Communications Resource (CCR) for FY 2025 remains unchanged.



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Mr. Lutz provided an overview of the recommended USDA Oversight budget. He noted that USDA is still developing their projected budget for FY 2025. Once he receives the updated projection from USDA, he will revisit this budget category and will reconvene with the committee if there are changes from what was presented today.

Mr. Lutz provided an overview of the Supporting Services & Litigation budget. The recommended Supporting Services and Litigation Budget has been reduced from the FY 2024 budgeted amount as actual expenses have been below budgeted amounts for the last few years.

Mr. Lutz provided an overview of the recommended State Services budget. The recommended State Services budget for FY 2025 has been increased due to costs associated with support of the states, especially the smaller states as well as states who need help in staff transition. This budget category also includes the Collections software and software support that CBB provides to thirty state beef councils.

Mr. Lutz also explained that the Administration budget was 5% of the projected revenue for FY 2025.

After subtracting CBB's total recommended non-program expense budgets of \$4,275,860 from the recommended FY 2025 revenue projection of \$40,517,200, the recommended funds available for the Beef Promotion Operating Committee to spend on Authorization Requests total \$36,241,340.

Mark Sustaire moved that CBB's Budget and Audit Committee approve the FY 2025 budget of \$40,517,200 to include \$36,241,340 available for Authorization Requests, \$305,000 for Evaluation, \$750,000 for Program Development, \$200,000 for Checkoff Communications Resource, \$575,000 for USDA Oversight, \$200,000 for Supporting Services & Litigation, \$220,000 for State Services and \$2,025,860 for Administration. Dave Hamilton seconded the motion. Motion passed.

## **Oher Business**

Discussion. No action was taken by the Committee.

## **Adjourn**

Claudia Wright moved, and Veabea Thomas seconded to adjourn at 12:19 PM MDT.