

FUUSE Finance Committee Meeting Notes

December 6, 2009

1. Roll call of members and Board Liaisons – JB Gardner, Inge Lock, Russell Tarason, Deb Merrick, Jim Breeling
2. Approval of previous meeting minutes
Tod's comments on bulk mailing of many prior minutes were noted and corrections will be made to minutes from 1/24/2009. JB will have comments on several draft minutes done in the next few weeks. Posting to web only when no more comments received. Tod's comments about correcting minutes from 11/24 (discussion about cash versus accrual reporting) will be discussed again at next week's meeting when Tod is present.
3. Ocean Balance – Inge – cash in Ocean now nearing \$54K
4. Bookkeeper & Reports – see attachment to this agenda – Nov 2009 Balance Sheet report and Nov 2009 Profit & Loss statements prepared. Preliminary review indicates spending OK for this period. Inge prepared a more 'printer friendly' report using Excel. Jim B will duplicate this into PDF for distribution to FC members.
5. Gift policy – JB passed out some documents as "food for thought" regarding the Draft Gift Policy. These have been appended to this set of minutes.
6. Investment Subcommittee update
 - a. Vanguard & Fidelity signature authority
 - b. Investment Fund valuations: see message from ISC on last page of agenda. ISC is asking that references to Vanguard & Fidelity be replaced by Endowment and Operating Funds. Will ask Faith/Tod if appropriate changes can be made in QuickBooks so reports reflect the proper names.
7. Report to/from BOT – Deb Merrick
 - a. Jim B is now issuing monthly reminders to all budget managers to submit reimbursements to "close books" on monthly basis. Hopefully this will improve the status of late submissions for reimbursement. We continue to hope that training of budget managers in the correct reimbursement process will help in finalization of the draft Reimbursement Policy. Inge noted that many requests for reimbursement in the accompanying invoices lacked sufficient information. Jim B suggested that whenever an inadequate invoice or documentation was encountered- that the issue be escalated to him.
 - b. BOT actively pursuing our suggestion to form a communication group
8. Meetings with Committee Chairs
 - a. Religious Education – discussions about eliminating second RE session on Sunday because of lack of teachers. Inquiry into fixing one of the basement rooms and purchasing a new class table for basement room. Kimberly has responded that she will close the second Senior YRUU account at Ocean. Committee meets 12/14 and will discuss several questions put to them about the budget impact of their work
 - b. Program Council – JB report – Overview of Finance 101 given and discussion about preparation of FY2011 budget done. Chair of PC interested in "plus-up" budget requests and overall role in communication. PC will have their retreat soon and develop their FY2011 budget formulation for presentation to FC.
 - c. Minister – JB – Music minister reports that there is poor definition of the memorial funds that have been given to support Music Program. Evidently 4-6 gifts have been given for the Music Program over the years and their accounting is unclear. JB to follow-up. Minister has indicated to JB that she plans to not

spend ~\$1000 of her professional expenses in order to supplement the \$2000 set aside for her sabbatical.

- d. Facilities – Russell
 - i. Results of building walk thru – we need priority list to plan FY2010 budget
 - ii. Request to purchase replacement stove – approved – within budget
 - iii. Request to purchase replacement ladders – approved – within budget
 - iv. Tony Tufts building an on-line “wiki” to ask for volunteers for chores – snow shoveling, lawn mowing, other minor maintenance. We will want to promote this activity once built

http://exeteruu.org/w/index.php?title=Facilities#Facilities_Projects

- e. Office
 - i. MemInfo and production of regular reports – SOP to be written by Jim B
 - ii. Inge found the letter that MemInfo produces and asked us to draft the intro and closing text. This will be sent to her today.
 - iii. Discussion with Pat about mailing versus pick-up. Faith to produce letters from MemInfo. Discuss Inge’s ideas for the body of the letter (see her e-mail).
 - iv. Issue remains on who has passwords to MemInfo and QuickBooks. Stance of FC is that we need several people trained and possessing access in order to handle contingencies.

9. Meeting Close

- a. Discuss task assignments
- b. Review next meeting date – Sunday 12/13 at 10AM in Parsonage. Also will call meeting for Tuesday 12/15 at 6PM at Jim Breeling/Stephanie Marshall (dinner included). This evening meeting will be long enough to produce a working FY2011 budget.

Balance Sheet Nov 2009:

	<u>Nov 30, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking - Ocean National Bank	54,365.43
Total Checking/Savings	54,365.43
Other Current Assets	
Investments	
Vanguard Money Market	21,867.51
Vanguard Group	63,745.13
Fidelity Fund Investments	130,517.18
Total Investments	216,129.82
Total Other Current Assets	216,129.82
Total Current Assets	270,495.25
TOTAL ASSETS	<u><u>270,495.25</u></u>

FC discussion suggested that this line could be split into two – one for the portion of pledge received and the other for the “accrued amount” This issue to be discussed again next week.

LIABILITIES & EQUITY**Liabilities****Current Liabilities****Accounts Payable**

Accounts Payable	<u>1,341.49</u>
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Total Accounts Payable	1,341.49
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Other Current Liabilities**Other Current Liabilities**

Retreat	171.25
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OWL Program	1,500.00
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Team Fuseion	789.01
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Senior YRUU	253.57
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Bldg Feasibility Fund	3,610.00
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Junior Youth Group Fund	680.87
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Memorial Funds

Copithorne Fund	6,000.74
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Memorial Funds - Other	<u>3,591.40</u>
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Total Memorial Funds	9,592.14
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Minister's Discretionary Fund	2,093.17
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Reserve for Community Giving	<u>34.00</u>
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Total Other Current Liabilities	18,724.01
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Payroll Liabilities	<u>1,986.42</u>
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Total Other Current Liabilities	<u>20,710.43</u>
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Total Current Liabilities	<u>22,051.92</u>
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Total Liabilities	22,051.92
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Equity**Change in Invested Funds**

Unrealized gain/loss	19,047.98
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Dividend	98.50
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Interest on Invested Funds	<u>9.36</u>
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Total Change in Invested Funds	19,155.84
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Retained Earnings	190,018.10
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Net Income	<u>39,269.39</u>
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Total Equity	<u>248,443.33</u>
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TOTAL LIABILITIES & EQUITY	<u><u>270,495.25</u></u>
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During PC meeting attended by JB and Jim B, it was learned this is an inactive account – held over from ~2004 when the PC funded community giving. Now this is funded by the “Give-it-Away” Sunday plate collection.

Profit/Loss Nov 2009

Nov 09**Ordinary Income/Expense****Income****Pledge Income**

Current Year	<u>26,318.50</u>
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Total Pledge Income	26,318.50
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Offertory Plate Contributions	1,096.20
Fund Raising Activities	
Fund Raising Expense	-13.05
Fund Raising Activities - Other	<u>9,844.00</u>
Total Fund Raising Activities	9,830.95
Other Income	
OWL Income	100.00
1stFridayCoffeeHouse	98.00
Facilities Usage Contributions	285.00
Interest	3.60
Publications-Sales/Resales	15.00
Other Income - Other	<u>94.00</u>
Total Other Income	<u>595.60</u>
Total Income	37,841.25
Expense	
MINISTRY	
Minister	
Salary - Min	3,740.00
Housing Allowance	1,600.00
Pension Contribution - Min	-256.32
Health Insurance - Min	1,373.94
Disability Insurance - Min	53.40
Life Insurance - Min	41.01
Prof Expenses - Min	<u>1,361.93</u>
Total Minister	<u>7,913.96</u>
Total MINISTRY	7,913.96
RELIGIOUS EDUCATION	
Child Care Services	1,859.00
Director of Religious Education	
Salary - DRE	2,467.16
Health Insurance - DRE	931.45
Disability Insurance - DRE	24.67
Life Insurance - DRE	<u>18.95</u>
Total Director of Religious Education	3,442.23
Religious Ed - Children	
OWL Expense	143.22
Supplies	403.12
Copies, Ptg Postage	229.81
Food	54.04
Awards & Spec Events	19.95
Other	<u>0.00</u>
Total Religious Ed - Children	<u>850.14</u>
Total RELIGIOUS EDUCATION	6,151.37
MUSIC	

Minister of Music	
Prof Expenses - MM	250.00
Salary - MM	<u>1,885.76</u>
Total Minister of Music	<u>2,135.76</u>
Total MUSIC	2,135.76
OFFICE ADMINISTRATION	
Office Administrator Salary	1,869.76
Payroll Processing Fee	8.40
Printing & Copying Expense	241.57
Telephone & Communications	<u>149.10</u>
Total OFFICE ADMINISTRATION	<u>2,268.83</u>
FACILITIES	
Sexton's Expenses	61.07
Electricity	<u>172.11</u>
Total FACILITIES	<u>233.18</u>
CHURCH OPERATION	
Board of Trustees	18.16
Payroll Taxes	<u>618.24</u>
Total CHURCH OPERATION	<u>636.40</u>
PROGRAM COUNCIL	
Membership Committee	39.17
Social Justice Committee	<u>100.00</u>
Total PROGRAM COUNCIL	<u>139.17</u>
Total Expense	<u>19,478.67</u>
Net Ordinary Income	<u>18,362.58</u>
Net Income	<u><u>18,362.58</u></u>

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Comments from Investment Subcommittee:

Jim, attached please find a scanned image which provides a current listing of FUUSE Investment Funds which total \$220,400 as of 12/2/09. (A \$7,000 pledge donation of GE Stock has been removed from the V Equity Balance.)

At last night's Investment Committee meeting Alex provided me with a Proposed Balance Sheet discussed by the Finance Committee.

Under Investments Heading, here is some feedback . . . and the current balances per the attached scan

-Instead of listing the Investment Accounts as Vanguard and Fidelity, let's show the newer names of Endowment (V) and Operating (F).

-If appropriate the cash/money market accounts can be shown separately, Or, perhaps a listing could show cash/MM, equity funds, bond funds under each heading. Perhaps all that is needed is the total for Endowment (V) and Operating (F).

Here are the balances

Investments (12/2/2009)

Endowment Funds (V) MM	\$21,803			
Endowment Funds (V) Equity	61,860	\$83,663		
Operating Funds (F) Cash	20,042			
Operating Funds (F) Equity	96,104			
Operating Funds (F) Bonds	20,591	\$136,737	\$220,400	

Feel free to share this with the Finance Committee. The Investment Committee is comfortable with the approximate 20% return this year by the above funds . . . it roughly parallels the S&P500 Index. In the future we are looking to move some of the cash/MM funds into bonds to balance the portfolio and spread risk.

The administrative Vanguard account changes in 1) name (to FUUSE) and 2) new signature authorizations are complete. Similar Fidelity changes are in process.

rich coleman

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Comments on draft Gift Policy by JB Gardner (Food for Thought)

Fundamental gifting issues that need to be faced:

1. “Unrestricted” or restricted (depending on definition of unrestricted) gift aimed at programs or facilities that are (or may have been considered for) budgets approved by the church present a dilemma. In a sense, these allow individuals to directly affect the thrust of the church’s programs or facility by-passing the BOT and voting membership – considered very undesirable by many (most?) members.
2. On the other hand, overwhelming experience tells us that many (again most?) people are more motivated to give for specific actions or objects than simply throwing money into the big pot. How can we resolve this dilemma?
3. Where there is an issue of acceptability of a potential restricted gift there seems to be general agreement that the BOT should make final decisions. Lengthy hold ups for accepting gifts may very adversely affect a donor’s interest in giving so the decision process should be expedited beyond delegating a chain of approvals by groups that meet only monthly. How can we expedite the process and still get the appropriate expertise and perspective to have the BOT make sound timely decisions?
4. Definition of Restricted Gift – If one considers giving \$x000 to the church music program or adult RE (for example) or improving communications or improved landscape, etc without any further specifics, should we consider it and control it as a restricted gift offer?
5. How are memorial gifts to be handled any differently than others, either restricted or non-restricted?

Possible/Proposed Definitions:

(These definitions need careful crafting. Many implications derive there from)

Unrestricted Gift:

- Gifts of \$ to general fund – like collection cash
- Gifts to outside organizations via special Sunday offering
- Gifts to other established church funds without conditions as to specific uses by the funds. (Church needs to publicize what funds exist – none directly related to budget line items or if they are related, note that extra individual contributions are welcome).

These may be a thorny issue if we want to prevent individuals from “distorting” the budget from control of FC, BOT and congregation as a whole.

Restricted Gift:

- Gifts of \$, physical objects, or substantial trade or professional skills that limit the specific use of the gift or the specific area of or item in the budget where it is to be used.
- For substantial trade or professional skills – should this be another special category to be handled by BOT directly? It’s very tricky with each case different. When a volunteer or giver says “I’ll paint this” or “I’ll re-wire that” instead of pledging.