

(10/14/17)
Financial Policy Committee 10/12/17 Meeting
Notes

Attendees:

- Jack Welch Chair
- Carol Bertaut (Treasurer)
- John Wing
- Ellen Kelly
- Paul Strella
- Michael Thoryn
- Jack Rogers
- Sara Deshler (Executive Director)

Agenda

Auction

Each FPC member agreed to contribute a bottle of wine valued at about \$12 to the auction – Michael Thorn will so advise the auction team.

Capital Campaign Update

Carol advised that the Board would decide in its 10/17 meeting the dollar goal of the capital campaign based on feedback received. The Congregation will vote on proceeding with a campaign on 10/29.

On behalf of the capital campaign team, Carol asked whether the FPC would support forgiving the 1.3 loan from the Endowment used to pay for the new HVAC system rather than include its repayment as one of the objectives of the Capital Campaign. Views were expressed that people were less likely to contribute to a campaign to repay funds already expended to pay for an HVAC system already installed rather than something new. Most FPC members agreed with not including repayment of the loan as an objective of the capital campaign. Some thought that it made no sense to continue to seek repayment of the loan outside of the capital campaign as it was hard to envision how pledges and other income could be increased by more than \$100,000 a year to repay the loan when the church was likely to run deficits for a few more years.

Most of the Committee agreed with forgiving the loan and suggested that such a questions be placed before the Congregation in its 10/29 meeting. Jack Rogers noted that the FPC should work with the Endowment Committee in developing recommendations for the Board on how to frame the question and on future guidelines governing use of Endowment funds. Jack Welch agreed to take the lead in doing so.

A number of members expressed concern that no commitment to any construction or renovation be made based on estimates of what might be obtained in a capital campaign that such a commitment should not be made before the necessary funds were acquired and that such funds should also cover the added future costs of maintaining any resulting changes to the building.

Similarly, members suggested that the capital campaign raise funds that could form at least a down payment on a capital reserve for maintaining church facilities in the future.

John Wing will be using information about the capital campaign's goal, pledges, and payments as he continued to take the lead in the Committee's long term capital and financial planning.

Audit

Sara advised the Committee that she planned to have an audit completed in the Spring and asked for assistance in defining the objectives and suggesting firms to conduct the audit. Members are asked to suggest objectives. Attached is a copy of the last external review as a starting point for suggestions and of current informal audit procedures and Tom Nixon's suggestions for external audit.

Jack Welch noted that he had sent a report on the status of the last external review to the Executive Committee of Board on 10/3/17 (attached).

Dash Board

Jack Rogers reviewed his ideas for dash boards providing information for the use of the FPC, Executive Director, Senior Minister, Board and interested committees and teams as well as a profile of the church for the website. Information would include graphs depicting trends. See attached outline, including example of Unity Church.

It was suggested Jack share his ideas with the various prospective users of the dash board to get their input.

Jack will work with Sara to obtain historical information for inclusion in the dash boards.

Update on Pledges

Sara informed the Committee that 443 pledges had been received for FY2018, totaling \$906,552, compared to 464 pledges and a total of \$878,779 at this time last year – an increase of 3%.

Sara agreed to provide Paul with historical pledge information to assist him in his efforts to project pledge income.

Update on conversion to a new chart of accounts and production of current financial reports.

Sara advised the Committee of efforts underway to complete the conversion and develop financial reports that will better represent Cedar Lane's financial status. Sara thought the financial reports would be produced within a couple of weeks. She assured the Committee that no monies had been lost as a result of bookkeeping problems, it was a matter of ensuring expenditures and incomes were accurately categorized. She asked Committee members for assistance in reviewing drafts of the new reports – Jack Welch volunteered.

Update on transfer of checking account to new bank and obtaining new credit card.

Sara advised the Committee that the checking account had been transferred to a new bank and the church had obtained a new credit card with just a couple more strings to be tied up.

Status of financial and operational policy and procedures manual

Sara advised that the draft was now with the senior staff for review.

Next Meeting - Thursday 11/9 at 645 followed by Endowment Committee meeting at 8:30