

Financial Oversight Committee Minutes April 6, 2021

The Financial Oversight Committee met at 7:00 PM on Tuesday, April 6, 2021 via Zoom.

Members present were Al Powers, Becky Evans, Vicki Scott and Barb Royal (non-board); and Andrea LeMeuse, Greg Nichols and Sara Jensen (Board). Charlie Lewis attended as staff liaison.

Third Quarter Financial Review (including March financial reports):

Charlie reported that year to date revenue has exceeded expenses by \$46,000. Revenues are 80% of the YTD budget, while expenditures are 71% of YTD budget. Pledge income is running behind expectations, but the unbudgeted income from the FAFUMAF and expected revenue from the upcoming Food Fair will help offset the shortage in pledges. The pledge shortfall is noteworthy, but not disturbing at this time.

The ADA restricted fund is the result of a \$15,000 anonymous donation that was given for the specific purpose of upgrading church facilities to meet ADA requirements and improve access to the church facilities. Approximately \$4,000 of this fund will be used to install power door openers on the east and west lobby doors. The remainder is available for other access related improvements. It may be used for replacement of the lift, but the staff and board position is that other revenue sources (such as a grant from Endowment) should be used first, so the ADA fund is reserved for other future needs.

The Auditorium A/V restricted fund is the result of a \$25,600 anonymous donation that was given for the specific purpose of improving auditorium sound, especially for those with hearing impairments. The entire amount will be used for the auditorium sound system upgrade.

Audit of Payroll Processing Procedures: Charlie provided documentation on the procedures used for monthly payroll processing and examples of the reports that are generated each month. Most hourly employees enter their time directly, with Charlie entering time for 2 or 3 part time employees. Information for salaried employees is confirmed each pay period when Charlie approves the payroll processing for that period. Once the entries are confirmed and approved by Charlie, all processing is done by the payroll service, including calculation and payment of state and federal withholding amounts, printing checks or implementing direct deposits, filing all reports, and preparing W-2 forms. This service costs the church about \$200 per month, and the company assumes all liability for any errors. The committee agreed that this service is well worth the cost.

The committee felt that the procedural documentation was complete and appropriate, with only minor suggestions for improving the documentation by adding how the pre-processing approval is done.

Committee Membership: The committee charter specifies a total of 7 members with 1-3 members to be Board of Trustee members that are appointed annually by the Board. The remainder of the members are to be appointed by the Board from the congregation. The terms of two congregation members (Becky Evans and Vicki Scott) will expire on June 30. Barb has identified two candidates to be appointed for three year terms starting July 1; Megan Klee and Eileen Jackson, and has notified the nominating committee. The general feeling of the committee members was that the Board should appoint only two Board members, and that one additional member should be appointed from the congregation.

Update on Pledge Drive: Approximately 54% of expected pledge commitments have been received, representing \$434,000 (approximately 83%) of the \$520,000 budgeted pledge income. This is a \$4,000 increase over the value of the same pledges last year. The remaining 147 pledge units represent \$97,000 if maintained at last year's level. The stewardship committee is planning to follow up with outstanding pledges. No change is anticipated in the budget to be presented to the congregation, unless there is a significant change in anticipated revenue.

The current policy is that no pledges are automatically rolled over to the next year, so all pledge units must give explicit approval to continue automatic recurring payments by returning a pledge card. This policy needs to be clearly communicated as part of the follow up on outstanding pledges. Charlie noted that Push Pay provides additional security in this area over what VANCO allowed.

Tentative Future Meeting Dates:

Tuesday, July 20, 2021, at 7:00 PM. The following items are tentatively planned to be on the agenda.

- Organizational meeting for 2021-22 church year
- Final financial review of 2020-21 budget vs actual

Respectfully submitted,
Allan Powers