

## **Financial Oversight Committee Minutes Oct. 19, 2021**

The Financial Oversight Committee met at 7:00 PM on Tuesday, Oct. 19, 2021 via Zoom.

**Members present** were Al Powers, Barb Royal, Megan Klee, and Eileen Jackson (non-board members); Charlie Lewis attended as staff liaison.

### **Follow-up items from Charlie**

1. The committee had asked about the number of people that have signed up for various notifications from Push-Pay. Charlie has not had time to investigate. He suggested that the committee ask the Communications Group for that information.
2. The committee had asked about the guarantee from Push-Pay that our revenue would be increased by at least 5%. Charlie confirmed that this referred to TOTAL revenue, not just revenue received via Push-Pay. He has not looked at this question specifically, but generally knows that our total revenue has decreased. He also believes that the pandemic has nullified the Push-Pay guarantee.
3. The committee had asked about producing a cash flow report from PowerChurch. Charlie reported that it is not available as a standard report, and that he didn't see any benefit in trying to develop one. Eileen is going to follow up on this question, as it is a pretty standard report in many businesses.

### **Review of First Quarter Financials**

1. The General Fund Checking balance reflects the \$100K received from Endowment for the lift and kitchen projects.
2. The Capital Maintenance account (2186) is unchanged because the \$3K budgeted for this purpose will be transferred at the end of the budget year.
3. The Committee discussed having multiple months included in the Balance Sheet report. The Committee would like to see the full year, but Charlie thinks that would be more than the Board would want to have included. Barb will talk to Greg, and will suggest including data for three months.
4. Account 1233 (Investments-Net Reit) includes an investment that Endowment asked Charlie to liquidate. We received about \$3K after the fund went bankrupt. Charlie will clean up the accounting and get it off the books before the next meeting.
5. The \$15K balance in account 2190 (ADA Upgrades) represents a donation received in 2019. Charlie will send a list of proposed projects to Megan.
6. The Committee discussed the accounting for 2185 (Auditorium A/V) and questioned why the donation that was received in 2019 nor the cost of the installed equipment do not show up as income or expenses. The Committee feels strongly that all income and expenses should be shown, and that the value of improvements needs to be documented for insurance purposes and to aid in future budgeting for replacement. This is especially true for equipment with a relatively short life span, such as computer

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equipment. The purchase cost also needs to be documented if equipment is sold to staff when no longer needed.

7. Barb and Charlie discussed the differences between the reports that Barb has generated and those that Charlie sends to the Board. One difference is that the mortgage principal amount is not shown as an expense in the standard PowerChurch report, so Charlie adds it in manually. Second is that the detailed compensation information is not shown on the Board reports because these are posted to the website.
8. The Committee discussed how previous year's unpaid pledges should be handled. Charlie wants to credit all pledge income to the current year's pledge item, regardless of when the pledge was actually made. He generally feels that crediting current receipts to a previous year's pledge will just cause a deficit in the current pledge account, and he doesn't want to keep carrying the deficit forward year after year. Barb had talked to Liz Bredeson (Stewardship Chair). Liz feels that the Committee should recommend a policy to the Board on how to handle previous year's pledges.

The Committee feels that we should be making an attempt to collect previous year's unpaid pledges, and that revenue from these should be included in account 4040. Statements were sent out in June, and Charlie will send out again in November. The November statements will include both previous year and current pledge status. The list needs to be reviewed to remove those that have moved or dropped their membership before statements are sent. It was agreed that we do not need to change the accounting for previous year's pledges that have already been credited to the current year account (4030), but any future payments will be credited to the previous year's account (4040).

9. Everyone agreed that the budgeting and accounting for pledges will have to change next year because of the move to year round pledging.
10. It was suggested that financial reports that go out before the reconciliation is completed should be noted as preliminary.
11. Eileen will be taking over the bank reconciliations from Barb.

### **Kitchen Committee Update**

Ann Mowery reported on the status of the design work and gave a general overview of the three design options being pursued. She indicated that Greg is looking for the Committee to provide input on the ability of the church community to support the project. The Kitchen Committee will report to the Board on Nov. 18. The FOC will discuss further at the next meeting on Dec. 14, and will provide input to the Board for their Dec. 16 meeting.

### **Review of Committee Charter**

The Committee reviewed the changes that had been drafted by Barb, and approved recommending the revised charter to the Board. The revision will change the number of Committee members from 7 to 5 – 7.

### **501(c)3 Status**

Charlie reported that we have all of the benefits of a 501(c)3 organization and there is no practical benefit in obtaining an explicit IRS designation. We fall under the general category

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of churches, which is confirmed by our membership in the UUA. There are considerable costs and ongoing reporting requirements to apply for and retain an explicit IRS designation.

**Future Meetings:** The next meeting will be held at 7:00 PM on Tuesday, Dec. 14.

Respectfully submitted,  
Allan Powers