**Collegiate United Methodist Church, Finance Committee, February 15, 2022, 2022**

Members Present: Jason Janssen, Gerry Kennedy, Jane Kennedy, Patty King, Max Morris (chair), Ken Kruempel, Dean Phillips, Jane Jacobson, Jeff Elver, Ted Wolff, Andrew Bolstad, David Orth, Nathan Kerns, Mary Bellon

Members Absent: Steve Williams, Chris Strawhacker

**Call to order**:

Max opened the meeting with prayer at 7:01 pm.

Patty noted a correction to the January minutes, that the chair of the Wesley Board “is NOT a member of the church, but is a member of the Iowa Conference”.

*Moved by Patty, seconded by Nathan, to approve minutes as amended for the 01/18/2021 meeting. Motion passed.*

**Financial Report, Year-End 2021**

The final net total income over expenses for 2021 was $158,959.43, largely attributable to PPP funds.

The excess was moved into the Cash Forward account and the Net Total adjusted to $0.00 for the Financial Report after Final YE adjustment.

*Moved by Gerry, seconded by Nathan, to approve year-end Financial Report. Motion passed.*

**Financial Report, January**

Jason reported that giving in January is slightly over monthly budget mostly due to prepaid pledges, and expenses are slightly under monthly budget, for a net total of income over expenses of $11,586.70.

He also mentioned having had to send a Byrne endowment grant to Africa via wire (though this is not preferred practice) because of risk of theft of paper check. He did see confirmation that it was received.

*Moved by Jane J., seconded by Andrew, to approve January 2022 Financial Report. Motion passed.*

**Bank Reconciliations and Payroll Processes**

Dean, Jason, and Patty met to discuss documenting Bank Reconciliation Procedures. (Patty has complete documentation.) Currently, Dean verifies the Bank Reconciliation prepared by Jason, thus providing a second set of eyes. The group agreed that it might be wise to have a 3rd person review quarterly. Such controls protect the staff and the volunteers. Finance committee agreed. This review could be limited to just operating and restricted accounts quarterly. In 2020, Jeff selected one month at random from each quarter and reviewed the reconciliation. There is a form to sign off on and notes from review can be recorded. Jeff agreed to do this again for 2021.

Jason explained that the only ACH transactions that are a part of our process are the Payroll transactions. They require 2 approvals, currently Jason and Dean. He suggests having a third party authorized to perform this approval in case either Jason or Dean is unavailable to approve in any given month. That person might need to be a signer on the operating account. The Finance Committee agreed and Patty is willing to perform this function.

**Report from Stewardship Team**

David reported that the newly formed Stewardship team, consisting of Max, Jeff, and David, met. Their purpose was to establish a calendar of stewardship events/needs throughout the year and to determine how some of the responsibilities of the DoG could be moved to volunteers. Ultimately, they concluded that it is not necessary to have a Stewardship Team that meets monthly. Instead, after considering each item under the Stewardship Team in the DoG job description, necessary tasks were put on a calendar. Each will be brought to the Finance Committee at the appropriate time, with a request for members of the Finance Committee to commit to doing this particular task at this point in time.

There are two items that need to be done on an ongoing basis:

* Write a monthly article for the Communicator. Content for the article will be discussed during monthly Finance Committee meeting.
* Arrange for 3-5 minute quarterly testimonial about “Why I give to Collegiate Wesley.” We need a volunteer within the next couple weeks for this. David will email a request.

The team also determined what David’s priorities should be in the near term:

* Clean up the Enduring gifts accounts.
* Determine what to do with the Restricted line items, especially some of the long-standing idle accounts.

Max commented on the usefulness of the new method of reporting DoG activity, an Excel spreadsheet which shows daily how much time was spent on what aspect of each task in the DoG Job Description.

**Church Council Report**

Church council approved the proposed budget. There was considerable discussion regarding the future funding of Wesley Foundation. The anticipated deficit in the 2022 budget is virtually the same amount as the WF funding that is no longer provided by the Conference. Church Council agreed that we need to be very transparent about the fact that the approved budget has a planned deficit.

Gerry presented to Church Council the L3 (Love, Learn, and Lead) strategy for meetings. He will discuss with Finance Committee after the Council has a better grasp of how they want to move forward with it.

Mary mentioned that, since Wesley Foundation is no longer receiving funding from the conference, we need to develop a strategy for organizing the church to manage funding Wesley Foundation, as well as other major expenditures, such as parking lot repair. She is setting up a task force which will be looking at structural and financial issues. This is not a decision-making but a strategizing team, which will work to come up with a 3-5 year plan by October, including proposals or templates on how to proceed. The scope will be broader than just finances, also addressing the relationship between the church and the Wesley Foundation.

**2022 budget - making it “transparent”**

Church council emphasized the need for the congregation to be informed about what is happening with the budget. Max developed an article for the Communicator including the following information:

1. The budget has been approved by the Finance Committee and by the Church Council.
2. The budget does show a deficit at the end of the year.
3. If the deficit were realized, it can be covered with funds from the Cash Forward account.
4. The budget can be found in the Communicator (Mary’s suggestion).

Max will continue to put in the Communicator summary statements about the financial status of the church and notification of how and where the monthly financial reports can be accessed if desired.

**Other Business**

We still have no draft report from the Financial Processes Review. We have had no further communication with the accountant. Max will be contacting her supervisor.

Dean asked what sort of return we are getting on our accounts that don’t move, idle funds. Jason responded that most are invested in standard money market and getting low returns. There was discussion regarding whether there are legal implications for non-profits, and what is permissible/acceptable to do with these funds as far as investing and assuming greater risk.

**Adjourn**

The meeting was adjourned at 8:34 after a prayer led by Mary.