Collegiate United Methodist Church / Wesley Foundation

Finance Committee

Minutes of April 18, 2023

Members Present: Jeff Elver (Chair), Andrew Bolstad, Jason Janssen, Lori Kappmeyer, Nathan Kerns, Patty King, Ken Kruempel, David Orth, Dean Phillips, Chris Strawhacker

Members Absent: Mary Bellon, Brian Brand, Noah Jean, Jane Jacobson, Max Morris, Ted Wolff

**Call to Order** (Jeff)

Chair Jeff Elver opened the meeting with a prayer at 7 p.m.

The group reviewed the March 21 minutes. There were no corrections.

*Patty King moved to approve the minutes of the 03/21/2023 meeting, Ken Kruempel seconded the motion, and the motion passed.*

**March 2023 Financial Report** (Jason)

Jason Janssen reviewed the March 2023 Financial Report. Expenses were slightly less than a year ago. Overall the budget is $11,000 down (in the red) but is trending normally. Jeff observed that income is nearly the same as last year.

Nathan Kerns asked why were the expenses lower than last year? Personnel was one area that went down, and this was due to staff changes. Jason said it was not planned, just coincidental.

Jason pointed out that the Parking Lot Fund had a significant expense in March due to $5358 for property taxes, paid for the second half of the tax year. Reimbursement was received for the Bishop’s Installation, covered by item 1-25035, Special Worship Funds, plus $150 for SPRC contingency, so this will zero out on future reports.

*Nathan Kerns moved to approve the March 2023 Financial Reports, Ken seconded the motion, and the motion passed.*

**Full Audit Versus Financial Review** (Patty)

The committee needed to decide whether we wanted a full receipts financial statement audit or an agreed-upon procedures (AUP) audit for 2022. Patty King compiled a two page document summarizing information from the November 2022 Finance Committee minutes and from the local church audit guide from the General Church Council on Finance and Administration.

Due to our church’s income level of between $500K and $1 million in receipts, we are not required to conduct a full audit, and instead we have been doing an AUP audit. Although the *Book of Discipline* requires that the report ultimately be delivered to a Charge Conference, our report has gone to Church Council.

Jeff asked what was the difference between a full audit and an AUP audit. While there is an appendix that covers this, Patty explained that they have the same elements, and the auditor will still be giving opinions on internal controls, etc., but a full audit requires standard financial statements and will report on more elements. For what we need, there is not a lot of benefit or value in a full audit.

Patty recommended that we conduct another AUP audit for 2022. We can add to the procedures if needed. Jason agreed with Patty’s conclusions. They had looked into a full audit a few months ago, and found they would have needed to change many of our reports to match what would be needed for a full audit.

Nathan asked if we should use different auditors each time. Patty explained that it takes time for an auditor to learn a church’s procedures, and there aren’t a lot of CPAs who handle churches. It makes more sense to use the same one for several years, but change every 5-10 years. We just started using a new one this year. Dean noted that if a firm is large enough, we could ask for different auditors within the same firm.

*Patty made a motion that we use the same CPA firm and conduct an agreed-upon procedures audit for 2022. Dean seconded the motion, and the motion passed.*

Next there was discussion of whether to conduct an agreed-upon procedures audit in future years unless there’s a reason to do a full audit. Official guidelines say we only need to conduct an audit every three years, so Jeff asked whether we should do that or continue to do it annually. Jason said we should still do some kind of review every year, so we conduct an audit annually to reassure the congregation. Patty said it would be hard to find someone else to do the review in off-years, due to the time and ability required.

Andrew Bolstad asked how to prepare in case we approach the $1 million in revenue that would then require a full audit. We used to have that kind of income due to Wesley Foundation revenue, and this was handled using an internal audit committee.

*Patty made a motion that the Finance Committee will continue to conduct a yearly agreed-upon procedures audit until an outside force requires a change. It can be handled internally or not. Dean seconded the motion, and the motion passed.*

Jeff, Jason, and David thanked Patty for all of her work in researching and reporting on this issue.

**Giving Options on Website** (David)

David Orth explained that we have a giving website that is not run by us. It can be reached from the “Give” tab on the CUMC/WF website. The big categories are Regular, Mission, and Enduring Gifts. More people are giving to the subcategories than to Regular. In keeping with Methodist philosophy to focus on our whole community, Pastor Mary Bellon wrote in an e-mail shared with the committee that she would like to eliminate the option that allows people to give only to their passions.

Dean asked if “greatest need” was an option? Andrew said regular giving would cover that. David said not a lot of people use online giving, only about twenty a year, but it makes the website options better for the church.

Andrew asked what would a new web page look like? David said he would eliminate the drop-down menu, but people could still write in things if needed. If follow-up was needed, Jason would know who had written in. David could make the change to remove the unneeded items by unchecking boxes so they don’t show up any more.

*Andrew made a motion to change the giving option on the web site to eliminate the drop-down menu choices. ? seconded it, and the motion passed.*

**Other Business**

Jason thanked the whole committee for being efficient and moving forward. Patty asked whether new member Noah Jean was on our list to be informed of meetings; he is. Lori Kappmeyer said she might not be able to attend the May meeting, so a back-up secretary might be needed that night. Ken talked about the program Mary was leading tonight at Green Hills, which was the reason for her absence.

After a prayer from Jeff, the meeting adjourned at 7:48 p.m.

The next meeting will be May 16 at 7 p.m.

Respectfully submitted,

Lori Kappmeyer