

MONITORING REPORT: FINANCIAL

Executive Limitations Policies # 4

From Board Policy document dated 11/27/2016

January 2018

EL #4: FINANCIAL CONDITION AND ACTIVITY

With respect to the actual, ongoing financial condition and activities, the Executive Team shall ensure fiscal health and that actual expenditures comply with Board priorities established in Ends policies.

The ET interpretation for this policy:

The Executive Team follows the approved budget for each fiscal year, while making necessary adjustments to income and expenses based on changing conditions throughout the year. All line items in the budget support the ends, either directly by funding programs and staff members, or indirectly, through administrative and operational support functions.

Accordingly, the Executive Team shall:

1) Only expend funds that have been budgeted for in the fiscal year.

We report compliance. December 31, 2017 Profit and Loss report showed a total of \$440,836 of operating income and \$334,088 in operating expenses year to date. Our budgeted income as of December 31, 2017 is \$434,462 and our budgeted expenses are \$371,743.

2) Only commit to spending that binds financial obligations to the current budget year. Board approval is required for longer-range commitments.

We report compliance. The ET has not entered into any financial obligations beyond the current budget year without approval from the board. New Canon lease was approved by board in August 2017.

3) Limit any single unbudgeted purchase or commitment to less than \$7500.00

We report compliance. The ET has made no single, unbudgeted purchase or commitment exceeding \$7,500 and we report compliance.

4) Obtain two competitive bids where practical for any single expenditure exceeding \$2500.

We report compliance. The ET has made no single expenditure without two competitive bids other than items already budgeted for the fiscal year. Here are some examples;

- January 2017: two windows cracked in EEC education wing on the first floor. It was not practical to go through a bidding process due to risk of windows falling into daycare classroom, so we hired Windowman, a contractor we have worked with on other projects, to replace the glass quickly. Total cost was \$3,435.

- In the fall we had bricks repointed in various locations around the exterior of the building. Ernie contacted two vendors, Borsello and Paul's Pointing for bids, and ET approved hiring of Borsello at a cost of \$2,945.00.
- In November, we contacted two vendors, GSM Roofing and Wertz, for bids to replace the flat roof over the sanctuary/parish hall area. ET hired Wertz who had the lower bid at \$6,900.00.

5) Update Building Reserve Calculation at least every 5 years.

We report compliance. The original assessment document was created in December 2015. A detailed update will be due in December 2020.

6) Expend reserve funds only for the purpose determined when the reserve was designated. Use of reserves for any other purpose requires approval by the Board of Trustees.

We report compliance. These are reserves that were identified by ET or Board to save money for a particular purpose. The ET has not spent any reserve funds for purposes other than their intended use. Some examples of appropriate spending include:

- \$820.95 paid to EDR cooking leader on 11/22/2017 reimbursement for cooking expenses for the Emmanuel Dining Room.
- \$1,000 paid to YWCA on 1/30/2017 from the House Pin sales fund.
- \$46.20 paid to Amazon on 12/15/2017 credit card payment for Halloween Haunted House from the High School Youth Reserve Fund.

7) Expend restricted gifts only for the purposes designated when received unless that purpose is no longer practical or feasible. In this event, either:

- a) The donor(s) will be contacted to discuss other options.**
- b) Legal counsel will be sought to define options.**

We report compliance. The ET has not had any reason to expend gifts for purposes other than designated in the past year.

8) Expend endowment or designated funds only for the purposes determined at the time of receipt or designation.

We report compliance. The ET only spent funds for the purposes intended. For example:

- \$375 paid to Donna Grantham on 12/22/2017 from Counterpoint funds to perform on Christmas Eve
- \$29,585 was pulled from the Heritage Fund on May 3, 2017 for the budgeted annual distribution.

9) Engage lay leadership in on-going efforts to recruit bequests for the Heritage Fund.

We report compliance. The Heritage Fund team has published articles to promote the Heritage Fund in spring of 2017. A new Heritage Team was recruited this fall and Paul Pinson and Steve Cohen will lead the effort.

In October, we received some small donations from members of the Financial Interest Group (FIG) in honor of Mark Fries.

In January 2017, we received notice of intent to name the Heritage Fund as a beneficiary for a member's IRA, amount to be determined on date of death in the future.

10) Settle payroll and debts, and complete government-ordered filings/tax payments, in a timely manner.

We report compliance. All bills, payroll and tax filings are completed in a timely manner. Payroll and employment taxes were completed on 07/14, 07/31, 08/15, 08/31, 09/15, 09/29, 10/12, 10/31, 11/15, 11/30, 12/15, and 12/29.

11) Aggressively pursue receivables after a reasonable grace period.

We report compliance. The ET sends out quarterly giving statements in October, January, April and July to let church members know the balances owed on their pledges. In FY 17/18 we have so far received \$4,878 in late payments on the previous year pledges.

For renters, the ET reviews the status of rental contracts on a regular basis and notifies renters when rent payments fall behind.

12) Acquire, encumber or dispose of real property only with Board approval.

We report compliance. The ET had not purchased or sold any real property.

Respectfully submitted by the Executive Team,

Rev. Roberta Finkelstein,
Marina VanRenssen,
Scott Ward,
Lois Morris