

# MONITORING REPORT: FINANCIAL

## *Executive Limitations Policies # 4*

August 2018

POLICY EL #4: FINANCIAL CONDITION AND ACTIVITY

---

*There have been no changes in the ET's interpretation of this policy, and we report compliance.*

**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 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.

EVIDENCE:

**Accordingly, the Executive Team shall:**

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

We report compliance. June 30, 2018 Profit and Loss report showed a total of \$741,043 of operating income and \$741,043 in operating expenses for the year.

**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.

**3. Limit any single unbudgeted purchase or commitment to less than \$7,500.**

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 \$2,500.**

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

Examples:

- Borsello Brick Pointing Project: Fall 2017, total of \$5520. We obtained multiple bids from Borsello, Paul's Pointing and Roger Rullo. Bids ranged from \$28,000 down to Borsello at \$5520. We chose Borsello due to price and reputation. They did a great job.

- Wertz Roofing Project: Fall 2017, total of \$6,900. We obtained bids from GSM Roofing, Eagle Roofing and HK Griffith, in addition to Wertz. Prices ranged from \$13,696 (GSM) down to \$6,850 (Eagle). The Wertz bid was slightly higher than Eagle Roofing at \$7,100, however, we had used Wertz before and chose them due to their track record with us. The final cost was only \$6,900.
- We have a service contract for organ maintenance and tuning. Few vendors work in this area. Therefore, we cannot get multiple bids each time work needs to be done because it is not practical to do so.

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

We report compliance. The board strategic plan issued a Building Reserve Calculation in December 2015. The next one will be due in December 2020. We will plan to begin new analysis and work with the Board of Trustees Strategic Planning Committee in January 2019.

**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. No funds were used for purposes other than as designated. Some examples of proper uses include:

- Counterpoint – paid various musicians and performers to enhance worship experience including:
  - Jennifer Lee for \$375 on 12/22/17
  - Frank Strauss for \$275 on 2/25/18
  - Jea Street for \$200 on 5/27/18
- ILYA – all expenses paid were in support of work done by ILYA, including reimbursements for expenses incurred for New Apartment Kits.
- Maintenance and Capital Expenditure Reserve expenses paid in FY 17/18 were used for fixing the EEC entrance overhang and other building related expenses.

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

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

We report compliance. This year we did not have any expenses of restricted gifts that were not spent as designated.

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

We report compliance. We did not expend any endowment or designated funds for any purpose other than designated.

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

We report compliance. The Heritage Fund team led by Steve Cohen and Paul Pinson worked on development of a new process for contacting members likely to make bequests or other donations to the Heritage Fund. They have identified a list of potential donors and contacted at least one in FY 17/18. Additional work will need to be done to expand the program in FY 18/19.

**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 7/14, 7/31, 8/15, 8/31, 9/15, 9/29, 10/12, 10/31, 11/15, 11/30, 12/15, 12/29 in 2017. Also in 2018: 1/12, 1/31, 2/15, 2/28, 3/15, 3/29, 4/13, 4/30, 5/15, 5/13, 6/15 and 6/29.

**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 the fall, the ET usually sends letters to donors who have not paid the previous fiscal year's pledge and this has been very successful in recent years in recovering unpaid pledges, especially when one or two large givers fulfill their pledges late. In FY 17/18, however, we received only \$5,028 in late payments on the previous years' pledges. Our average over previous 3 years for this line item is \$19,198, and it can vary widely from year to year.

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,  
Lois Morris,  
Randy Windle