

Finance Committee Meeting – January 6th @ 12:30 PM

Members in attendance were: Rev. Linda Machesic, Patrick McGinnis, Keith Eble, Randy King, Peggi McCloud, Eloise Elliott, Sharon Armstrong, Tammy Vock, Fran Cosentino and Brenda Moreu.

Opening Prayer led by Keith Eble

OLD BUSINESS

The minutes of December 9th were reviewed. Keith moved that the minutes be approved as written, Fran second. Motion passed.

Software

Sharon indicated new software had been purchased and asked Rev Linda to report. Rev Linda indicated that QuickBooks has been purchased and installed. **Barbara Maleck**, a local CPA and friend of Rev Linda's volunteered her time to train Brenda and the transition of information is underway. Kudos to Brenda for her diligent efforts over the holiday season to get accustomed to the program and input our financials.

Rev Beth Head

Rev Head from Melbourne reiterated her willingness to be of assistance should we need her. Sundays at 12:30 is not a good meeting time for her, but she can be available evenings, Saturday mornings or later on Sundays with notice. It was requested that any contact with Rev Head be done through Sharon to avoid duplicate questions and responses.

Board Recommendations

Sharon indicated the last minutes reflected Board recommendations that to her memory were not discussed at the last Board meeting. The Committee asked that they be reviewed, along with any from the meeting at the next Board meeting.

Contracts

Fran was concerned about the appearance of continued secrecy from the Board, specifically in regards to employee contracts. Keith indicated that he understood that Rev Head had confirmed that the Finance Committee needed only a lump income figure and to make recommendations based on that. The Finance Committee advises the Board as to which line items should be reduced, the Board is charged with making the decisions as to how they will reduce that expense (salary or other). In addition, there was discussion about any changes to salaries i.e. bonuses, raises and whether that was included in the proposed budget. Rev Linda stated there was a freeze on bonuses and raises for 2008.

It was suggested that should there be a need for a raise or a bonus that the Board consult the Finance Committee to review the percentage for budget purposes before it was offered to an employee.

Insurance

The Committee has still not received the declarations page for the building coverage but only what appears to be our liability coverage. Brenda will be further researching to determine who holds our current policy. There was discussion about whether we currently have wind coverage or not. Peggi, Keith and Tammy all seem to recall that wind was dropped when it was apparent that we couldn't afford the coverage even with a 20% deductible. It was thought that we were to revisit this issue after a few storm less seasons for better rates. Rev Linda again requested that once the policy is found, a committee member(s) review the policy with our agent and assure that we are adequately covered.

15K Attorney Repayment

All of the monies have been repaid to the attorney's office. It was questioned whether any bonus monies had been paid on those monies when it came in.

Peggi moved that the Board review whether any bonus monies were issued on the \$15,000, which was returned to the attorney and further suggests that the recipients return those bonus monies to the church. Randy seconded and it was passed by majority approval.

McNulty Funds

The church received approximately \$51,000 and 30% was placed into a designated fund as previously requested by the Finance Committee and approved by the Board. Fran wanted to know how these funds were protected from use for anything other than the replacement fund. Sharon stated it was her understanding that any use of those monies would have to be recommended by the Board and reviewed by the Finance Committee.

NEW BUSINESS

Documents provided to the Committee at this meeting:

- 2007 Actual Budget
- 2008 Proposed Budget
- Rev Linda's Memo describing line item changes on 2008 budget
- Bank Balances as of 1/4/2008
- 2007 Event Profit / Loss Statement
- 2006/2007 Attendance & Count Comparison
- Church Accounting website printout from Unity.org
- 4 Year Averaged Budget (prepared by Eloise Elliott)
- 2008 Draft Reserve Budget (prepared by E. Elliott)

2007 Actual Budget

Keith noted that the 51K of McNulty funds were not appearing as a lump sum under Memorials. Brenda will make the necessary adjustments to the budget to show actual monies coming in and going out. In correcting this, it was noticed that it would mean entering the monies received from the Willow School for payment of their portion (per contract) of the electric bill as income. Once it is entered as income would we have to tithe on it? If yes, that would mean the payment would actually be short 10% and the church would have to pay that shortage every month.

The Finance Committee recommends to the Board that the monies received from the Willow School for actual bills incurred (ie rental/mortgage, Utilities) be excluded for the tithed income total as it would create a shortage in the payment of the bill but entered as income on the budget to show actual figures.

So moved by Peggi, seconded by Eloise and approved by the majority.

Rev Linda will be contacting other Unity churches as to how they handle this situation and still remain with Unity principle.

2008 Proposed Budget

Rev Linda shared with the Committee the differences in managing a church versus a business (see below) to aid the group in moving forward in a cohesive fashion.

	BUSINESS	CHURCH
Purpose:	Make Money	Transform Lives
Measure of Success:	Fiscal Viability	Evolution of Consciousness
People Are:	Means to an End	The Means & The End
Feelings:	Ignored/Not Invited	Acknowledged/Celebrated
Decisions Made By:	Bottom Line	Spirit/Living in Principle
Money:	Goal	Energy

Patrick voiced the concern that a more realistic comparison would be a non-profit organization such as Red Cross or IRMH, which are also to effect positive change in lives.

Several line items have been changed to reflect the proper categories. (Memo from Rev Linda included as part of these minutes). Brenda has also compiled a P/L for the events in 2007 (also included) and scheduling of events will reflect the results of same. It was requested by the Committee that when compiling the event expenses childcare expenses be included.

Eloise reviewed the Reserve Budget she prepared and discussion followed regarding adding this to the budget to begin building a Replacement Fund.

She also has requested 2008 information from FPL and Sutton with no response as of this meeting.

The Finance Committee recommends that the line item "Replacement Fund" be added to expenses for long-term maintenance of the church. The Committee further recommends that the 2008 budget reflect 1% of all non-designated love-offering be put into the Replacement Fund and that 30% of any non-designated Memorial Funds be also put into the Replacement Fund. So moved by Randy, seconded by Tammy and unanimously approved. It was also suggested that as this fund grows, we reinvest the funds for maximum return on the funds.

The love-offering line item was proposed at \$270,000 for 2008. *It was moved by Peggi and seconded by Tammy that the love-offering line item be lowered to \$250,000.* There was concern expressed that we needed to be more conservative with our projection to maintain an austerity budget. It was agreed that projecting an amount over the 4-year average (\$236,676) was within Unity Principle. After discussion it was approved by the majority that the line item be lowered to \$250,000.

Wednesday Nights / Special Events

The 2008 **special** event schedule will reflect booking the prosperous events and releasing others. It was suggested that a survey be taken of the Wednesday evening participants over the next month as to how they would like to see them proceed in the future. (ie less potlucks, held less frequently, types of events)

Patrick's Email

Patrick had reviewed the budget and issued an email of questions to the Committee (email included as part of these minutes). Following is response to some of those items:

1. Employee Leasing

Rev Linda addressed the query as to who was leased and salaried. Three employees are currently considered subcontractors and paid by the Business Manager. The balance are salaried and paid through employee leasing in order to include workman's compensation coverage. The Committee would like this situation to be researched to assure that we do not have liability exposure with regard to the subcontractors. Is there something that Unity provides for 1099 employees to sign to waive our responsibility? Also, this figure is inflated due to the rearranging of line items (see Rev Linda's memo) even though it also reflects a decrease due to changes in Ministers' and Music Ministers' salary. Rev Linda agreed to research the questions of church liability for subcontractors.

5. Youth Ed Expense

This is not salary but instead to cover curriculum expenses, supplies and to fulfill any deficit in fund-raising for the Uniteen and YOU retreats to enable all to participate. This figure was reduced from last year's budget.

6. Board Retreat

Actual figures for 2007 were not available for review in order to create an accurate 2008 budget. Rev Linda plans on holding the Board retreat in-house with the budget to cover food and the group's facilitator. The expense is expected to be below \$1500.

10. Severance/Bonus for Rev Robin

The Committee wants to know if any severance package for Rev Robin's departure 2/24/2008 is reflected in the proposed budget. Also, if there was a year-end bonus paid out, was the reflected in the 2007 actual or 2008 proposed budget?

11. Rev Linda's Salary

Her salary is included in the proposed budget but has not yet been reviewed by the Board. It is on the agenda for their next meeting.

- The membership survey has been compiled and available in the office.

Next Meeting

Set for Sunday, January 27th at 12:30. Please provide any budgetary questions to Brenda (cc: the committee) so she can research and be ready with responses at our next meeting. The next meeting will ONLY be for the 2008 budget and our goal is to keep it succinct and brief.

Rev Linda led the closing prayer and the meeting was adjourned at 3:30 PM.

Items for Board Review and/or Approval
(Items in Red are the Boards Response)

From 12/9 Meeting:

1. The Finance Committee recommends that as per Rev Linda's discussion with Rev Beth Head that the budget be prepared and presented to the congregation by the Finance Committee **the board agrees that the finance committee will be recognized as developing the budget and Sharon as the Treasurer and the committee chair will present the budget.**
2. The Finance Committee requests that in the future the Bank Balance Report also include payables dues, especially past-due payables (held checks) listed by item and amount. **The board agrees this will be given with the account balance report.**

From 1/6 Meeting:

1. Peggi moved that the Board review whether any bonus monies were issued on the \$15,000, which was returned to the attorney and further suggests that the recipients return those bonus monies to the church. Randy seconded and it was passed by majority approval. **After much discussion the board felt it was not proper to request these monies back.**
2. The Finance Committee recommends to the Board that the monies received from the Willow School for actual bills incurred (ie rental/mortgage, Utilities) be excluded for the tithed income total as it would create a shortage in the payment of the bill but entered as income on the budget to show actual figures. **We will create a new item on the budget that will go directly under the TOTAL TITHE INCOME line and it will say REIMBURSEMENT INCOME (WILLOW SCHOOL UTILITIES).**
3. The Finance Committee recommends that the line item "Replacement Fund" be added to expenses for long-term maintenance of the church. The Committee further recommends that the 2008 budget reflect 1% of all non-designated love-offering be put into the Replacement Fund and that 30% of any non-designated Memorial Funds be also put into the Replacement Fund. **The board takes this recommendation under advisement.**
4. Three employees are currently leased because of workman comp issues. The Committee would like this situation to be researched to assure that we do not have liability exposure. Is there something that Unity provides for 1099 employees to sign to waive our responsibility? **Brenda checked with the FL Dept of Labor concerning sub contractors and churches are**

not liable for them...they must have their own workman's comp insurance or show why they don't need it.

5. The Committee wants to know if any severance package for Rev Robin's departure 2/24/2008 is reflected in the proposed budget. Also, if there was a year-end bonus paid out, was this reflected in the 2007 actual or 2008 proposed budget? **Neither was put into the 2008 budget, it will be added.**
6. Wednesday Nights – while the 2008 schedule will reflect booking the prosperous events and releasing others, it is suggested that a survey be taken of the Wednesday evening participants over the next month as to how they would like to see them proceed in the future. (ie less potlucks, held less frequently, types of events) **Rev Linda will engage in conversation with the attendees to get a feel about Wednesday nights. She is also going to provide a congregational survey in March.**
7. The church received approximately \$51,000 and 30% was placed into a designated fund as previously requested by the Finance Committee and approved by the Board. Fran wanted to know how these funds were protected from use for anything other than the replacement fund. Sharon stated it was her understanding that any use of those monies would have to be recommended by the Board and reviewed by the Finance Committee. (Is this accurate?) **The board would like to know the finance committees ideas.**