

Finance Committee Meeting – January 27th at 12:30 PM

Members in attendance were: Rev. Linda Machesic, Keith Eble, Randy King, Peggi McCloud, Eloise Elliott, Sharon Armstrong, and Fran Cosentino.

Opening Prayer led by Rev Linda Machesic

OLD BUSINESS

The minutes of January 6th were reviewed. Keith moved that minutes be approved as amended, (adding verbage that Keith returned the chair position to Sharon) Fran second. Motion passed.

Committee Check-In

Randy attended the initial portion of the meeting to relay his feelings in regards to Patrick's resignation, and Board responses. He feels that the Board is not recognizing the Committee as a group committed to correcting past errors and realigning the church's finances to be fiscally responsible. He agrees with Patrick's resignation (included as part of the minutes) and is disheartened by the departure of Patrick and Ken from the group. He added that he strongly feels salaries should be disclosed to the members as it is at Indian River Memorial Hospital. Fran and Eloise agreed with his sentiments.

Peggi indicated that she too was initially discouraged by the Board's response to the recommended list from the last minutes. After speaking with Rev Linda, it seems that # 3 was actually approved by the Board. Sharon is to clarify that with a review of the minutes from their last meeting. Peggi recommended that adding some weight to the responses may help the committee understand that great consideration was given to the recommendations even though some were not approved.

Fran was concerned that members of the committee do not seem to be getting her emails. Please add her to your email list as camai604@aol.com.

Her email covered:

1. Conflicting information from Rev Beth Head regarding the dissemination of salary information. *Rev Linda indicated that while it is conflicting and is unsure why different responses have been received, it is really up to this church and it's Trustees as to how that information is handled and for the time-being the Board has stood firm on this issue.*
2. Chaplain program – why isn't this a wash? *Last year's expense was \$4393. Rev Linda has been unable to retrieve information related to this expense. For 2008 a line should be added to the budget (below the total income line as non-tithed) for the expense of the chaplain's books which each chaplain pays for but is ordered and paid for through the church.*

This should be the only expense as training is being done on-site this year.

3. What is \$5000 designated funds in 2008? *It should be listed in categories. Designated funds are broken down on the Bank Balances report. As there are several areas to which people designate money, it would create a lengthy report to add each entry line.*
4. Salaries are too high. With the savings of Cindy's salary, Mike's contract changes etc., this figure should be lower. *As discussed in the last meeting, the reason this figure has not decreased significantly is because there were salary items in the 2007 budget (nursery, business administration, youth ed) in other areas which were moved to the appropriate line item. Therefore this line looks inflated but actually isn't.*
5. More volunteers needed. *We have a small group of dedicated volunteers, the hope is that as we grow, so will our volunteer base.*

Keith is encouraged by the number of positive responses/approvals that are coming from the Board. Eloise is unclear whether we are truly being recognized with the duty of creating the budget. #1 of items for Review indicates the affirmative and that Sharon as chair will present the budget to the congregation.

Hand-Outs

The Committee was provided the following documents:

- Bank Balances as of 1/25/2008
- Commercial Property Insurance (bldgs & liability)
- Draft Reserve Budget prepared by Eloise
- Article excerpts from 5 Steps to a Quantum Life provided by Eloise
- 2008 calendar

2008 Budget

Concern was expressed that the accountant was dismissed completely. Eloise wanted to see an outside source review our financials periodically. Rev Linda indicated that Barbara Maleck had offered to do this for us pro bono.

Eloise would like to see a Narrative to the Budget. This is a listing of what items are included in any line item (if not self-explanatory). The committee agreed this was needed and would be beneficial to anyone looking at the budget for clarity, as well as aiding with consistency in future budget planning.

Discussion was held as to whether we could complete this budget in time for the congregational meeting. To push the meeting back would require a majority vote (after the item was approved for the 2008 agenda). So, if the vote was for keeping the scheduled date, we would still need to be ready to prepare a budget.

Income

- Love-Offering – lowered to 250,000 (as per last meeting) still staying within Unity principle that we will continue to grow and see abundance in 2008 with the Faith that we will not repeat 2007.
- Youth Ed – this is because the kids are charged with raising more of their own funds for retreats and expected income from same.
- Fellowship – Hospitality; coffee, condiments, paper goods
- Flowers & Candles – Poinsettia sale in Dec
- Memorials – raised to 30,000
- Event Income – raised to 14,000
- Faith In Action – raised to 13000 / discussion as to the cost of the event excluding some members from participation. Suggestion to collect written survey/suggestions at final FIA groups to plan for next year.
- Wellness Fair – raised to 4,000
- Classes - raised to 3,000
- 4T – Rev Linda plans on running the class twice
- Dividends & Interest – raised to 230.00 / the Committee wants to review this in the future as to whether these monies remain in the designated funds that produce the income.
- Reimbursement Income – add'l line added for Chaplain books AND Bookstore Administration/Salary Wash

Expenses

- Employee Leasing -Robin's severance and 2007 bonus to be added to this line / 5 people
- Payroll – (3) 1099 employees
- Event Expense – rounded to 3,000
- Volunteer Appreciation – lowered to 1,000
- Chaplain Program – raised to 1,700
- Auto/Mileage – raised to 360.00 to account for Jan / Feb
- Gifts – lowered to 1,000
- Office Expense – lowered to 4,500

Maintenance

- Building – lowered to 5,000 Research why this was projected at 20,640
- Add Improvements line
- Add Replacement Fund line

There was discussion as to whether a Contingency Line should be added. No motion followed.

Budget was finalized for presentation to the Board.

Next Meeting was not scheduled
Meeting adjourned at 3:45 PM

RESPONSES TO: Items for Board Review and/or Approval

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 the 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 UTILITES)**
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 responsible 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, they 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.

Items for Board Review and/or approval

From 1/27 Meeting

1. Please clarify response to #3 from prior list: 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-offerings and 30% of all non-designated Memorial Funds be placed into the Replacement Fund.
2. The Committee recommends the preparation and adoption of a Budget Narrative, which itemizes all items included in each line item. For Example: Youth Ed/expense: classroom supplies, classroom curriculum packages, (and whatever else is in that line item). This is separate from the actual budget spread sheet.
3. The addition of Chaplain Program listed after TOTAL TITHE INCOME as this is a "holding" of the \$50 per manual paid in by chaplains and out by the church.
4. The addition of an entry for the "wash" of administrative/salary costs for the Bookstore (also after TOTAL TITHE INCOME). Again, to account for the cash flow which goes from the Bookstore's profits to pay for Janet's salary, as long as this does not put our Non-Profit status at risk.
5. Budget for 2008 as prepared by the Committee. Changes listed in minutes and presented on final 2008 Proposed Budget Spread Sheet.

From: Padderic1@aol.com
Date: Thu, 24 Jan 2008 13:35:31 EST
Subject: Resignation from Finance Committee

I am resigning from the Finance Committee and will not be attending the next meeting. I cannot reconcile myself to support any document that is produced that contains erroneous or misleading information and that may give a false sense of safety to the members of the church. Further, I joined the committee to try to influence the Board toward better fiscal responsibility, and although I believe I failed in that altogether, with Rev. Linda onboard there is some reason to hope for improvement. I believe I really have little to offer in the area of ongoing finances.

In response to the issues about past records; the questions that I asked are relevant to the task of healing the church, as well as correcting the financial problems. The \$6,000+ unexplained cost of the Chaplains training is an important issue. If we do not understand the mistakes of the past we cannot ensure we will not repeat them.

I have been told that a few years ago there was a bookkeeper who stole thousands of dollars from the church. Apparently the lessons were not learned from that event; as a result finances were not properly tracked or managed. The church finances became (or remained) such that no one, not even the Board, understood them. Apparently the Board still does not understand them. This is an error.

I realize that many may say that the past is the past and we should move on. I am a firm believer that whoever does not look at mistakes and learn from them is doomed to repeat them. Lessons are meant to be learned, not repeated endlessly.

Since I won't be there, I hope that someone will make a motion to have an independent person examine all of the financial records and uncover all the errors so that they may be corrected. Since the Board has such a great fear-base around secrecy, I suggest that the person selected be a former Board member who is (or was) privy to contracts. This suggestion (if passed) could then be given to the Board for their consideration).

Further, if the whole costs are not properly reflected in classes and other events, there is no real way to say what was profitable and what the church lost money on. It would be a relatively easy to answer the question of what expense categories were included in arriving at the cost figures.

Rev. Linda writes: "... haven't we evidenced our deepest desire to become better stewards? Can't that be enough?" I do not believe so and that is one reason why I am resigning. A lot of people were hurt by the split in the church, and they remain hurt. Many have left, attend sporadically, and/or give little financially because they have insufficient evidence of responsible action being taken. I have spoken to some of these people during the past months. I would like something overt done toward healing these wounds and reestablishing trust. I, for one, have very little trust in the Board at this time.

There are some good steady minds on the committee and it has been my pleasure to work with you.

Patrick McGinnis