

# Union Church Finance Meeting Minutes

Date: 4-14-2015

Present: Bill Srsic, Dave Kobersmith, Shirley Carlberg, Laurinda Pool, Rob Hayden, Rev. Kent

<b><u>Subject</u></b>	<b><u>Discussion</u></b>	<b><u>Action Needed</u></b>	<b><u>By Whom</u></b>	<b><u>Follow-up Date</u></b>
<b><u>Treasurer's Report</u></b>	March was a great month for income. Total for the year is at 67K, while year to date budget is 60,750. This is the first time in recent memory that we have been 'in the black' budget during the spring months.	Review Monthly	Committee	
<b><u>S&amp;F Chair</u></b>	<p>International Giving – This topic came up last month and Rob provided us with some research/guidance as to IRS regulations regarding churches giving to international organizations (see attached). We are also contemplating adding this guidance as part of our Financial Policy revisions.</p> <p><b><u>SMART Goal:</u></b> Update Chart of Accounts for use with 2016 budget. Contact Sue Ellen for her final recommendations for the chart of accounts from Sue Ellen. Deadline end of April.</p> <p>If not able to get recommendations from Sue Ellen, we will proceed with what we have received already. Next step would be to research proforma chart of accounts and select one to use as a model. End of May Deadline.</p> <p>During Month of June Adapt the proforma chart of accounts to needs of Union Church. Get board chairs a draft of chart of accounts to review and get input from their members.</p> <p>First draft: July</p>	<p>Send out Attachment of Rob's research as part of minutes.</p> <p>See notes in discussion.</p>	Bill/ Joan	



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time and talents. No need to actually mark the card, the purpose is not really to collect data, just make a visual offering during the special time of the worship service. Could laminate and reuse this way, could have different versions for different seasons of the church.

Spring Forward – Dates for invitation letter and end of campaign have been discussed by church leadership. What else do we want to do? Finance meeting/roundtable offering, May 13<sup>th</sup>, as Wed night live or in conjunction with, either way. Cake after worship on the 17<sup>th</sup>.

Income Reclassification:

The FB learned from the Financial Secretary that some funds contributed by a church member were credited to pledge income instead of capital campaign income. The Financial Secretary realized that this may have happened for other donors as well and did a preliminary review. The Financial Secretary determined that as much as \$19,000 may have been credited to pledge income when the intention of the donors may have been to have the funds credited to the capital campaign. We discussed whether the FB should undertake a complete review to determine how much income was credited to pledge income rather than the capital campaign.

The FB discussed the issue at length and, after considering the resources needed to undertake the review weighed against the potential benefit of identifying an exact amount, decided not to reopen the prior years' books. The deciding factors for this

Talk with CLG about May 13<sup>th</sup>.

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	<p>decision were:</p> <ul style="list-style-type: none"> <li>A. Regardless of how the contribution income was classified, the total contribution (i.e. pledge + capital campaign) is correct for each donor</li> <li>B. Money (more than 19k) was transferred from the CC to the annual budget anyway to pay for salaries, so the money entering the annual budget from the CC would have happened eventually.</li> <li>C. Given that the total amount of capital campaign contributions was around \$1.5MM, the upper limit of potential income reclassification of \$19,000 is below the threshold of materiality, from an accounting perspective (assuming a standard materiality threshold of 5%).</li> <li>D. The CC projects were completed; and so donated monies were essentially used for their intended purposes.</li> <li>E. We can correct this situation in the event of a future capital campaign by keeping a running total of both pledge amounts and capital campaign pledges and by encouraging donors to indicate on their checks where funds should be credited.</li> </ul>			