

Regular Attendees		Present
Fifi Ball	Director of Operations	Y
Jeff Brainerd	Standing Committee member	N
Howard Dana	Senior Minister	N
Dave Elwood	Standing Committee member	Y
Kristin Haddad	Chair	Y
Peter Nobile	Clerk	Y
Patty Popov	Standing Committee member	N
Toby Smith Ropeik	Standing Committee member	Y
Mark Russell Prior	Standing Committee member	N
Lora Venesy	Standing Committee member	N
Tom Wilson	Treasurer	Y
Kate Svrcek	Standing Committee member	Y
John Lowe	Standing Committee member	Y

Kristin opened with “Chalice Lighting for Challenging Times.”

June 12 Standing Committee meeting minutes were approved with minor modifications.

Chair’s report

- A request from the Gary Smith Legacy Fund is pending.
- Conducted the first SC chair/member one-on-one meeting (with Peter).
- Leslie has asked: would the SAC consider taking a turn with the “under 4s” one Sunday during the fall?
- The new web site up and running; no login is required, so there are no “restricted” or partitioned areas on the site.
 - The old web site will become archival; not all features from that site will be replicated on the new site. The committee suggested creating a “comments box” for new web site comments, and that a staff person should manage the web site.
- Next SC retreats are scheduled for Oct 29, 2016 and Feb 4, 2017.
- Kristin mused on how to best to formulate goals for next year – one suggestion is to consider biennial, rather than annual, goal-setting efforts.

Director of Operations’ report

Fifi reviewed the budget, and noted a few small items for adjustment that include:

- Building supplies (6190) increased by \$450
- Building maintenance (line 6225) increased by \$3,800 (mostly due to elevator maint. costs)
- Lower landscape and snow removal costs (6230) decreased by \$4,000
- Facilities repair (6235) decreased by \$7,750
- Total spending adjustments = -\$1,330

A motion was made to accept these changes, and the motion was approved unanimously.

Of note in May 2016:

- **Pledge income for the month was up**—\$51,998 in May 2016, as compared with \$42,816 in May 2015 and \$43,314 in April 2014—averaged = \$43,065. See line 3020 under May 16.
- **Fiscal year-to-date pledge income** (line 3020 under Jul 15-May 16: \$868,044) is **up ~4.4% over previous years** at this time (\$841,951 by May 2015 and \$820,710 by May 2014—averaged = \$831,331).
- **Box** (or plate—see line 3110) **collections are down 7.7% over previous years**: \$29,451 so far this fiscal year, as compared to \$29,842 by this time in FY15 and \$33,949 by this time in FY14—averaged = \$31,896.
- **Cash is up** because more households prepaid their FY17 (7/1/16-6/30/17) pledges in May. These prepaid pledges are not “taken” as income until 7/1/16, the beginning of the new fiscal year. Cash is also up this month because most of the Auction revenue has come in, and because more Ferry Beach 2016 retreat fees were paid in May but most corresponding expenses were paid in June.
- We have approximately **\$44,000 net revenue so far from 2016 Auction**. Most expenses are in, but there are still checks coming in (for parties, workshops, and tours). When all is settled, we will take \$25k of the net revenue for *next* fiscal year (FY17) and the balance as income *this* fiscal year (FY16).

Preview of June 2016/FY16 year end:

Year-to-date (as of 5/31/16) Net Income (bottom of column under Jul 15-May 16) is \$134,869.

As of today, many, but not all, of the June numbers are in. Even taking into account

- 1) removing \$25,000 of Auction income (for next year),
- 2) moving ~\$5,300 into 2296 SAC Grants Fund reserve (balance sheet),
- 3) reducing FY16 income by \$1,400 for a mistake we just found and corrected (belongs in FY17), and
- 4) average *net loss for the month of June* for the past two years has been over \$30,000 (\$31,878 in June 2015 and \$30,303 in June 2014),

...it still looks like we could finish the year with over **\$70,000 in surplus**.

Tom asked about how we are “chasing” to make sure pledges are fulfilled. Kate asked how many pledges have been increased post annual meeting with respect to the same time last year. Fifi will follow up on both items.

Treasurer’s report

There is currently an opening on the Finance Committee, and Tom suggested an open process to fill the position (e.g. through FP Announce) in order to gather a list of interested and qualified parties. Patty and Toby suggested that the Finance Committee not interview without the SC for its own new members, rather that the SC should make the decision about new FC members with the existing Committee’s input. Ideally candidates would be interviewed in September with a selection made by October.

Tom reviewed a draft of suggested finance policies (attached). These policies will be revised and voted on at some future date. The draft is under review by Gib and Fred. The committee’s discussion covered a number of topics including:

- Clarifications on language about how the budget is reviewed by committees and the congregation.

- The importance of “tone,” specifically regarding the partnership between the SC and the management staff. These policies should avoid negative language in general especially regarding the relationships between the SC and the Senior Minister and Director of Operations.
- Modifications to the proposed change vote-to-approve thresholds (5% or \$1,000) were discussed, and a suggestion was made to increase those thresholds to 10% and \$2,000.
- The distinction between pledges and gifts, programs and projects. Gifts are one-time events and cannot be counted upon in the following budget year. The group agreed that some system of SC approval is necessary in order to maintain clarity.
- How the SAC 7.5% is allocated and approved.

Other modifications were suggested, and Tom will incorporate these into the document for future review and approval.

Group/Liaison reports

a) Liaisons:

- a. Ministerial Internship – the call has gone out for help in furnishing the Intern’s apartment.
- b. Arts Council – Tom reminded us of the Sept. 16 organ rededication event in conjunction with TriCon.

Other SC Member Business

- Toby reported hearing a parishioner say that the summer RE program is “great.”
- John heard from a former member that we should look more carefully at how we treat members who are leaving the parish; this particular person felt “dropped.”

Review Future Agenda Items

Kristin asked the committee to consider, prior to the August 14 meeting, two areas in which each of us would like to see the SC grow in 2016-17.

A motion was made to adjourn the meeting, and the meeting ended at 915 PM.

Attachments

/pn

First Parish In Concord

Finance Policies

FINAL DRAFT

July 5, 2016

1. The First Parish in Concord fiscal year shall be from July 1 to June 30.
2. The Standing Committee shall determine the annual goals, budgets, and priorities for First Parish with input from the Congregation, the Senior Minister/Head-of-Staff, and the First Parish staff.
3. The annual budget shall be approved by the Standing Committee and the Congregation at the Annual Meeting preceding the beginning of each fiscal year.
4. The budget shall be prepared by the Senior Minister/Head-of-Staff. The budget should reflect the priorities of the Congregation, staff, and Standing Committee. The projections for income and expenses should reflect a conservative approach to our financial conditions. The presentation of the recommended budget should include statements on the financial assumptions, revenue projections, capital and operating expense items, the cash flow expectations and other requirements and commitments of the annual budget. The budget proposal should be communicated in an easily understandable and transparent manner, and where appropriate show the historical budget and actual financials for comparison purposes..
5. First Parish shall operate its financial activities in a manner consistent with the approved budget and priorities. The budget will serve as a baseline for measurement of financial activities throughout the year and will not be modified without the approval of the Standing Committee and Congregation.
6. The Standing Committee and Finance Committee shall receive monthly reports on all income and expenses, with highlights for any item that exceeds or falls short of the budget amount. The Standing Committee shall be notified of any budget variance (income or expenses) greater than 5% or \$1,000 whichever is greater. The Standing Committee will need to approve any expenditure that is greater than 5% or \$1,000 whichever is greater. If the total of budget variances lead to a deficit in the given month (other than for normal variations in income and expenses) or for the year, the Senior Minister/Head-of-Staff shall prepare and execute a plan to address the deficit in collaboration with the Standing Committee.

7. Pledges may not be earmarked for a particular program, service or action as contingent for the receipt of these monies unless approved by the Standing Committee and Head-of-Staff. Gifts may be accepted in support of specific purposes if approved by the Standing Committee. The Senior Minister/Head-of-Staff has the responsibility to ensure that such gifts do not create imbalances in the programs and services of the church or commitments for on-going funding that is not planned and accounted for in the annual budget.
8. The accounting practices shall be on a modified cash basis that utilize procedures and control processes consistent with a religious organization. Internal controls and segregation of duties shall meet good accounting practices and standards.
9. The Head of Staff shall designate check signing authority with approval of the Standing Committee. The Treasurer shall approve and sign any check, other than payroll or approved purchases and expenditures in the annual budget, of \$5,000 or greater.
10. First Parish shall maintain annual, short-term cash reserves equal to at least 10% of the total annual budgeted expenses. This cash reserve may not include encumbered or assigned financial commitments to groups or programs of First Parish. Cash shall be reasonably invested to earn interest while assuring adequate protection of the funds and needed liquidity. Use of short-term cash reserves must be approved by the Standing Committee and may be used only under specific circumstances:
 - a. Cash flow shortages arising when expenses fall due before the income to pay them is received;
 - b. Cash flow shortages caused by unexpected emergencies, such as the withdrawal of a key funder, loss of a key asset, or economic downturn;
 - c. A well-defined need for investment to start a new program or take advantage of an unexpected opportunity that will significantly contribute to the First Parish mission.
11. First Parish may maintain a line of credit and/or debt with the Trustees of Parish Donations and/or a financial institution approved by the Standing Committee.
12. First Parish shall provide 7.5% of the annual pledge receipts in a fiscal year for Social Action grants and activities. The use of these expenditures shall be established by the Social Action Council and approved by the Head of Staff/Senior Minister.
13. First Parish shall maintain and contribute to a long-term building and major equipment maintenance fund.
14. First Parish shall maintain adequate insurance for casualty loss, theft, and liability as determined by the Director of Operations in consultation with the Standing Committee. Further, First Parish shall provide necessary employee benefits and insurance as designated by the human resource policies developed by the Head-of-Staff and approved by the Standing Committee.

15. The Standing Committee shall review and approve new all contracts and employment agreements in excess of \$5,000. This applies to contracts that are either annual recurring or impact future year expenditures (i.e., an unfunded future liability), and shall not apply to the implementation of budget approved expenditures.
16. Real property of less than \$10,000 shall not be acquired, encumbered, or disposed of on behalf of First Parish without the approval of the Standing Committee. The Congregation shall have authority for these decisions if the amount is \$10,000 or greater except as limited by the First Parish By-Laws.
17. First Parish may accept and retain undesignated gifts, bequests, or transfers of assets of \$10,000 or less. Undesignated gifts greater than \$10,000 shall be accepted and retained by the Trustees of Parish Donations. Designated gifts, bequests or transfers of assets shall be reviewed for acceptance by the Standing Committee, and utilized consistent with the gift directives.
18. The Director of Operations shall maintain written procedures consistent with these financial policies. These should include:
 - a. Cash management and accounts receivable
 - b. Payroll and accounts payable
 - c. Debt and line of credit management
 - d. Purchasing procedures
 - e. Capital expenditures
 - f. Asset and other necessary liability protection
 - g. Conflict of interest protection for the staff
 - h. Protection of confidential information, intellectual property, and other intangible assets
19. These financial policies shall be reviewed at least every five years by the Standing Committee.
20. The Standing Committee shall engage an appropriate external expert to conduct a review of the financial procedures and practices of First Parish every five years.