

FELC Ministry Team Minutes

Ministry Team: Support

Meeting Date: January 21st, 2013

ATTENDEES: Dean Haas, Pete Vandenberg, Brenda Smongeski, Don Kirby, Cindi Schwab, Diane Putzer, Lance Schmidt, Bob Damon, Steve Uslabar, Mike Koester, Kay Eggert

Guests: Sarah Van Beek, Sarah Snyder

Not Present: n/a

Items that may require council action:

- Restating the capital appeal receivables to reflect expected proceeds

Items that may require budget/finance coordination:

- See above

Ministry team minutes:

- Meeting called to order at 6:35 pm
- Don Kirby volunteered to be the recorder for the meeting. Dean Haas acted as Chair.
- Minutes from the December 10th, 2012 meeting were approved, without changes.
- Agenda additions:
 - Make an Impact Auction – Kay E.
 - Sunday School offering dispersal – Diane P.
 - Market America/Shop.com update – postponed
 - Dean missed the invite to Earl to attend...
 - This review will be postponed to the next Support MT meeting, in March
- Strategic Planning Committee guests: Sarah/Sarah
 - the members of the Support MT all filled out an impact survey, to determine what affect the ministry team has on others, in regards to the “Love Jesus, Live Your Call” mission.
 - Our guests discussed how this feedback might be used to help guide work over the course of the next year, and what measurement we might use to determine if progress is being made towards the greater goal...
 - bk1@new.rr.com – Sarah Van Beek’s e-mail address, for questions
- Property Oversight Sub-committee update – Brenda S./Dean H./Bob D.
 - No meeting of the POC since the last Support MT meeting on the 10th.

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- Dale Rude is on staff, and typically is here later in the week. Of particular note is the impact he's made on the boiler room.
- Update: projects being worked – lighting project at the North Site, with We Energies – the lighting fixtures are a twelve week order period. These will replace the bollard lighting that is currently in rough shape.
- Update: the fluorescent light upgrade project currently being worked downtown, has received two quotes, and is awaiting review by Jody.
- Lockboxes are coming for the thermostats in the North Site.
- POC team should be meeting next week.
- Jeff Miles sent out some information on a vendor, which could provide maintenance service on a variety of issues. Dean shared the listing with the Team, created by Pfefferle.
- Technology Sub-Committee update – Bob D.
 - Bob shared that the group has a sub-group that is focused on the TV upgrades:
 - Bob is done waiting for Camera Corner/Connecting Point to give a quote
 - He described the issues of technology matching to our and TimeWarner Cable's needs
 - no other ministry teams have provided any technology requests/needs to this sub-group at this time.
- Stewardship Committee Report – Lance S.
 - 78 new pledges, 55 stopped pledges.
 - 2013 pledge amount = \$922,221, 2012 pledge amount \$896,418
 - Discussion ensued surrounding the 55 families who stopped pledging, and what their reasoning might be for the change. No action to be taken at this time.
- Financial Updates – Pete V.
 - **Monthly Treasurer's Summary:**
 - General (cash) checkbook balance is \$218,190, at month's end. (note: accruals for benevolences will reduce this cash checkbook) Actual balance is \$128K, vs. LY at \$105K.
 - Member pledged income fell below budget, but unpledged came in over budget, falling slightly to the positive.
 - Capital appeal checkbook balance is \$59,601
 - Expenses for 2012 came in below budget, as detailed in the income statement.
 - Several categories have carry over funds that will be moving over into 2013, specifically #650, #652, #655, #635, and #608.
 - Payment on the internal loan has not yet been made, but will be done shortly, in the amount of \$30,000.
 - Discussion ensued on the topic of actual vs. reported in the capital appeal fund, and what is reasonable to expect, as this five year effort closes out this year...
 - Motion made by Pete V., to restate the receivable balance to reflect the balance that is expected to be received from the donors. Motion seconded by Kate. Motion carried unanimously. Dean and Pete will discuss this with Council.
 - Echoes income for the year is \$30,348, despite a difficult December, on a budget of \$22,000.
 - Several detailed expense questions from Pete and Dean, were answered by Brenda and Cindi to satisfaction.
 - Bob D. moved to accept the Treasurer's report, seconded by Steve U. Motion carried unanimously.

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- 2013 Budget Process Update – Dean H.
 - Dean described the additions to the final budget figures, mandated by Council, to balance the budget for 2013.
 - Motion made to by Diane to increase the budget plan to reflect the changes made by Council. Seconded by Bob D. Motion carried unanimously

- Priorities for Support MT – Dean H.
 - Given the suggestion from tonight's guests, we will explore this topic more in our next meeting.

- Other Agenda Items:
 - Make an Impact Auction: this event to occur March 1st. The organizers are approaching all the ministry teams, to see if they'd like to donate towards a basket. Steve U made a motion that everyone should contribute \$10 toward such an effort. Seconded by Mike K. (note, this is a voluntary effort)
 - Sunday School offering: #420. There is \$1800 that has been given, which has been normally used as an offset to the expenses. Now, there is a question as to whether this should be used for benevolences, or whether it should be used to offset expenses as has been done in the past. Motion made by Pete V. to have the Sunday School offerings as of 1/1/2013, will be part of the overall benevolence percentage. Seconded by Diane. Motion carried unanimously.
 - Discussion ensued on when to meet next, given the desire not to meet during Lent, to pursue the Unbinding Your Heart study. Following a motion, the 25th of March was decided upon, during Holy Week.

- Meeting adjourned: 8:23 pm

Next meeting: Monday March 25th @ 6:30 pm Downtown Site, Room 110

NOTE: NO FEBRUARY MEETING

Respectfully submitted by: Don Kirby

ANNUAL AUDIT REPORT

With this report, the Audit Committee presents its audit of the financial books and records of the General Fund of the church to the Congregation Council.

Church: First English Lutheran Church

Synod: ELCA

For the period beginning January 1, 2011, and ending December 31, 2011.

Audit Objectives

The audit objectives related to the internal audit of First English Lutheran Church's financial books, records and operations include determination that:

- Appropriate procedures are in place governing key financial transactions and are not being circumvented;
- Proper segregation of duties are in place for all key financial transactions and are not being circumvented;
- Controls governing the congregation's investments and bank accounts are in place and operating as intended;
- All assets and liabilities recorded in the congregation's books and records are supported by independent documentation (i.e. bank statements and vendor invoices);
- All general ledger balances are appropriately reconciled to their underlying assets (i.e. bank statements) and liabilities (i.e. accounts payable) in a timely and accurate manner;
- All assets are properly classified in line with the donor's intent;
- All necessary insurance policies are in place and in force;
- The Sunday (or special) offering is handled and counted in dual custody;
- All monies generated and expenses incurred as a result of a special event are accounted for and can be traced back to the general ledger;
- The petty cash fund is closely monitored and controlled;
- That all major capital expenditures have been approved by the governing body (i.e. Congregational Council) called for in the congregation's by-laws;
- Expenses are appropriately approved and supported by the appropriate documentation;
- Fixed assets exist and are properly recorded in the general ledger;
- Personal identify information is properly safeguarded both in system and paper form;
- Controls over the payroll process are in place and operating as intended;
- An appropriate records retention policy is in place and being complied with;
- All vendors receiving a payment in excess of \$600 annually receive a 1099; and
- The appropriate data processing controls are in place and operating as intended.

Audit Conclusion

Based on audit work performed to achieve the objectives listed above, the books and records of First English Lutheran Church appear to be materially accurate in all respects. Testing performed also found, with some exceptions as noted in this report, that the controls governing the financial operations process appear to be in

place and operating as intended. Although controls over financial operations appear to be adequate, additional work is needed in the following areas (Note: recommendations indicated by asterisk are carried forward from the 2010 Audit Report).

1. * Accounting policies and procedures have been developed for all financial processes and placed together in one manual. Although significant progress has been made, the team should continue to work towards updating yearly. **As new procedures are implemented or modified, manual will be updated.**
2. * Ministry teams should explain significant variances from budget in their respective ministry team report within the annual report. **Ministry teams will report explanations of variances over \$1,000.**
3. * A formal capitalization policy for tracking fixed assets should be implemented now that an all-inclusive listing of assets has been developed. A recommendation would be tracking of assets greater than \$1,000. **Policy to be written by Support Ministry Team by June 2013.**
4. * Services of ELCA Board of Pensions should be considered for managing Health FSA accounts to minimize monthly costs. This was put into place January 2012. This is completed on a Jan-Dec calendar.
5. * The safe deposit box should be accessed to ascertain its contents and to consider whether maintaining the box is necessary. **To be completed by March 31, 2013.**
6. Pastoral housing allowances should be determined early in the year for consistency in treatment throughout the year. **This was implemented in 2012 and any change request made will be brought to Executive Committee for approval.**
7. Advertising expenditures that utilize social media should be reviewed in detail beforehand to make sure the cost-benefit is there and there are no hidden costs that result in large cash outlays. **This was implemented in 2012 - all advertising contracts are approved by Congregational Growth Ministry Team.**
8. Standard procedures should be developed for handling and counting cash, checks and credit card receipts as well as closing procedures at the end of each day at Echoes. **With the creation of Echoes Board, procedures and guidelines for Echoes are in the process of being developed in 2013.**

The audit committee has performed the procedures and testing called for in the audit program adopted by the church. In doing so, the audit committee has reviewed the procedures governing the financial reporting and operations process and has found the balances presented to be correct, procedures proper, and records properly kept, except as noted above.

Signed: _____

Audit Committee Chair

The Congregational Council has reviewed this report and has discussed the recommendations presented by the audit committee and the accompanying responses with the pastor and church management. The council will review progress being made to address any weaknesses identified in this report at subsequent council meetings.

Signed: _____

Presiding Congregational Council Member