

# Unitarian Universalist Church of Bloomington, Indiana

*Seeking the Spirit, Building Community, Changing the World*



## Board Minutes August 21<sup>st</sup>, 2014

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<b>III. CHECK-IN</b>	<b>2</b>
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<b>V. EXECUTIVE SESSION 9:03 P.M.</b>	<b>5</b>
<b>VI. ADJOURNMENT 9:15 P.M.</b>	<b>5</b>

**Attending:** Kathleen Sideli, Von Welch, Arzetta Hults-Losensky, Ann LeDuc, Doug Cauble, Deb Hutton, Pat Brantlinger

**Ex-officios:** Reverend Doug Wadkins and Reverend Emily Manvel-Leite

Submitted by Ann LeDuc, Secretary

## **I. Call to Order**

**7:12 p.m.**

Call to order by Kathleen Sideli, President. The group had a security training session led by usher and former board member, John Summerlot, prior to the board meeting.

Changes to the agenda: None

## **II. Chalice Lighting and Reading**

Chalice lighting and reading by Deb Hutton.

## **III. Check-in**

Attendance and check-in.

## **IV. Main Meeting**

### **A. Approval of July 2014 Board Minutes**

Motion by Pat: To approve the July 2014 Board of Directors meeting minutes.

Seconded by Von.

Vote: approved unanimously.

### **B. Minister's Report**

Reverend Macklin is on vacation. Reverend Wadkins reported that his orientation period has been successful and he is working on a report to begin the interim ministry.

Reverend Wadkins said that during the orientation sessions there were some common themes in the comments. Those participating in the orientation sessions made him feel welcomed and he feels he gained an idea of who we are.

The question of whether or not a transition team is needed was raised. The participants in the orientation sessions served as an informal transition team. At other churches, a transition team served to help the interim minister to get to know the congregation.

Note: In the past we have had staff presentations at this point in the meeting. That practice will soon resume after a plan of presentations is created. Adrienne Summerlot will be invited to present on our Religious Education program at the next meeting.

## C. Old Business

### 1. Debrief Columbus Visit All

Several board members attended the Unitarian Universalist Congregation of Columbus Indiana on July 27<sup>th</sup>. Below is a summary of observations made by board members during their visit.

- a) Columbus has a nice facility and a considerable amount of surrounding property.
- b) Their stewardship campaign reported that they raise almost twice as much money per capita than we do.
- c) They are looking at new and different formats, in addition to the lecture/sermon format.
- d) The UU principles are visible immediately upon entering their church.
- e) They did spoken joys and concerns during the service (something we did when we were smaller).
- f) The minister pointed out that he is the only church staff.
- g) Shari Woodbury was acknowledged during the service since she's doing an internship there.

It was agreed that we should continue to visit other area UU churches. Which Indianapolis churches to visit will be researched.

### 2. Budget Update Arzetta Hults-Losensky

See attached Budget Update.

Our goal for committed and new pledges for FY 2014/2015 was \$520K. We are only \$8K below our goal with \$512K in pledges.

The FY 2013-2014 committed and new pledges received was \$468K.

## D. New Business

### 1. Monitoring

<http://www.uubloomington.org/uucb/govt/boardpolicies2013.pdf>

*II.F.1-2: Asset protection (insurance)*

*Written report provided by Senior Minister.*

*Required exhibits: Summary of policies, limits, and coverage.*

See attached Asset Protection Report.

Whether or not we need to be insured for mine subsidence was discussed. Concerns regarding past underground limestone mining will be researched.

See Attached Fiscal Manual.

Adhering to the Fiscal Manual rules is important to reduce liability and maintain our non-profit status.

## 2. **SPF By-law Investments**

Von Welch

*SPF By-law Investments*

*Written report by the Special Purposes Fund Committee.*

See attached Special Purposes Fund Committee Update to the Board.

The need for \$1200 deposited into SPF every year for social justice will be reviewed. The history of that deposit will be researched. It may have been created to show the church's consistent commitment to social justice through a regular revenue source rather than just through special donations.

With the growth of the SPF funds, it was discussed that the congregation may need to consider how the funds are used and how the SPF is promoted.

The SPF has a great deal of independence, but historically the congregation has been consulted in large decisions. The church membership does not have to vote if there is a decision in the future to divest in fossil fuels products.

The board provides SPF oversight for the congregation.

See Special Purposes Fund Board Report.

The board asked for Reverend Wadkins' experiences regarding how endowments are used at other churches. He mentioned that endowments at other churches are generally used for capital expenditures. Sometimes endowment funds at other churches are used as seed money to enable hiring of new staff.

Our church has used other funding sources as seed money for staff pay in the past.

Reappointment of VP as SPF liaison:

Motion by Doug Cauble: To reappoint Von as the SPF liaison.

Seconded by Deb.

Vote approved unanimously.

## 3. **Setting up timeline (for search process)**

We have received recommended search process timelines from two sources. According to both sources, no search committee activity would occur until the summer of 2015 (after the spring congregational meeting).

By the December Congregational Meeting, we need to decide on a timeline and process for conducting the selection of the search committee.

Descriptions of search committee member responsibilities need to be created. We will need to communicate, via multiple means of communication, committee member responsibilities and the need for search committee nominations.

We will conduct an election among the individuals who have agreed to be nominated for the committee and who were nominated most often by the membership. The congregation will vote on all the nominees.

What comparable congregations have done in the past when creating a search committee will be researched.

The search committee should start work next June.

#### **4. Board fall retreat options**

We will split the usual fall retreat into two half days. We will have a half day retreat this fall to discuss the search process and a half day retreat in the spring on long-term visioning.

During the fall retreat we will create a search process plan with definitive details (i.e. dates, how we are going to do it, nuts and bolts).

The board fall retreat will be October 18<sup>th</sup> 9:00-1:00, location to be determined.

The search committee will have a retreat next summer to do visioning and strategic planning with the help of a facilitator.

The visioning retreats will provide the incoming minister with the vision for the future of our church.

#### **5. By-law and Policies clean-up**

We will have an opportunity to do some by-law clean-up. Von will start a document of needed changes and we will have one update session.

#### **V. Executive Session 9:03 p.m.**

The board met in executive session at 9:03 p.m.

#### **VI. Adjournment 9:15 p.m.**

Motion by Doug Cauble: To adjourn.

Seconded by Deb.

Vote: approved unanimously.

The meeting adjourned at 9:15 p.m.

## II.F.1-2 Asset Protection Report

August 11, 2014

by Carol Marks, Church Administrator  
as requested by Reverend Mary Ann Macklin, Senior Minister  
Unitarian Universalist Church of Bloomington, Indiana

Summary of insurance policies, limits, and coverage.

Our congregation is insured with a multi-peril policy and workers compensation policy through Church Mutual Insurance Company, of Merrill, Wisconsin.

We have filed no claims in the past 12 months.

Our new agent is Brent Phillips, as Bob Howell has now retired. Brent conveyed the message when we met in March 2014 that Church Mutual would like us to put metal cages around our outdoor air conditioning units to prevent metal theft. We have not yet investigated the cost of this. The heating and air conditioning service technicians (anecdotally) don't think this type of cage actually discourages a determined metal thief.

One addition has been made to our policy in the last year:

We added **coverage for artwork owned by others** that is displayed in our building, with a limit of \$17,000 for any one occurrence. The cost of adding this coverage was minimal: \$8.00 per year.

Our current policy period runs from 04/16/14 to 04/16/15. A copy of the policy is filed in the Church Administrator's office.

The policy covers Property, including but not limited to the building and all the congregation's personal property stored inside it, personal property of the ministers, and systems and equipment breakdown (like exploding steam boilers) unless due to wear and tear.

Our building is not covered for mine subsidence but is covered for earthquake and sinkhole collapse. We are not covered for damage caused by government action, nuclear hazard, utility services, war, terrorism, or water damage unless such damage causes fire or explosion.

We have additional coverage in the amount of \$50,000 for any one occurrence in case a mishap like a tornado, fire, or the end of the world as we know it results in loss of institutional income and extra expense as we recover from whatever happens.

Our property deductible was raised to \$1000 per occurrence in April 2014, except in case of earthquake, when the deductible amount is 5% of the stated value of the building. The raise in deductible from \$500 to \$1000 was done to keep our premium stable. Church Mutual basically has declined to offer a deductible lower than \$1000 per occurrence.

The General Liability part of our policy covers our congregation in case of a wide variety of awful things that might happen, including bodily injury, property damage, sexual misconduct and catastrophic violence. The general aggregate limit is \$3,000,000.

In addition, all childcare staff and volunteer Religious Education teachers and facilitators receive Reducing the Risk training, to prevent child sexual abuse. These training materials are provided by Church Mutual.

We are also covered for theft of church money and securities for a total of \$2,000, with a deductible of \$250. We have a blanket bond for anyone handling money, in the amount of \$20,000.

Our policy covers our ministers or “employees and volunteers acting under our direction and control and within the scope of his or her duties” for counseling professional liability in the amount of \$1,000,000 per claim, with an aggregate of \$3,000,000.

We also have coverage for hired and non-owned automobile liability in case something unfortunate happens when a church event involves members going somewhere in a vehicle. Each occurrence has a limit of \$1,000,000 with an aggregate of \$3,000,000. There is also a medical expense endorsement for \$10,000 for any one person and an aggregate of \$25,000.

We will review the policy again in a year or so. The total cost for the coming year (2014-15) will be about \$6,640. This includes our workers compensation policy. Policy premiums are annually updated in April.

We also review our Fiscal Manual on an annual basis. An updated copy is included, below.

Respectfully submitted,  
Carol Marks  
Church Administrator

***Fiscal Manual***  
***Unitarian Universalist Church of Bloomington, Indiana***

F:\carol\My Documents\Accounting\Fiscal Manual\2014-08-11 Fiscal Manual, Money Handling.docx

**Security of Cash and Checks – Protection of Assets**

1. All blank checks and voided checks will be kept in a locked location.
2. Cash and checks will be deposited on the day they are received.
3. After 60 days the Church Administrator and Treasurer will investigate any outstanding checks.
4. Chase Bank confirmed that no checks made payable to “UU Church” will be cashed—these will be deposited to our account only.

5. No original financial documents such as invoices, bank statements, or time cards should be taken out of the Church building. Special exceptions may be made if photocopies of statements are needed in order for volunteers to work on or review reports away from the building, as long as the copies are destroyed after use.

### **Separation of Duties Regarding Cash Handling and Bookkeeping**

1. Staff member preparing the bank deposits will be a different person from the one maintaining the church's accounts.
2. Two individuals will count all cash that is to be deposited, and will both sign the cash-in form or offering form before giving it to administrative staff for deposit.
3. The Treasurer or other officer of the church who does not do the bookkeeping will review bank reconciliations on a monthly basis.

### **Petty Cash Funds**

1. Petty cash funds for General Petty Cash (Church Administrator) and Religious Education Petty Cash (Director of Religious Education) will be reconciled monthly by someone other than the petty cash custodians.
2. Receipts for reimbursement to petty cash will be submitted monthly for payment.

### **Payment of Invoices and Payroll**

1. All invoices should be stamped paid and dated to prevent double payment for the same bill.
2. Treasurer will review and sign off on all electronic payment advice for online bill paying and direct deposit of paychecks.
3. Treasurer will review online bill pay and direct deposit of payroll on the bank's website on a monthly basis. Username and password will be provided to the Treasurer for this purpose.

### **Job Descriptions and Employee Status**

Job descriptions and employment status forms should be updated annually or whenever a change of status occurs. (Personnel Committee)

### **Money Management Rules: How to Handle Cash from Fundraising**

#### **Top 4 Guidelines**

- 1.) Arrange with the church administrator to obtain working cash if needed.
- 2.) Do not pay receipts out of cash. Submit receipts or other requests for reimbursement.
- 3.) Always have 2 people count and verify the amount of money.
- 4.) Use standard cash-in and check request vouchers to process money.

#### **Details**

1. If you need start up change contact the Church Administrator, Carol Marks, at least 5 business days in advance. Money can either be moved to an approved transmittal account if you have an existing budget or loaned from petty cash. Loaned amounts will be deducted from cash on hand after your first day of sales.



2. Turn in any cash and checks to drop box or a staff member within 24 hours of each event. **DO NOT LEAVE LARGE AMOUNTS OF CASH IN THE BUILDING OVERNIGHT.** Both times our building has been broken into in the last 5 years were on the day after an event that collected large amounts of cash.

3 – 4. Trackability and accountability are critical.

- Use the Cash-In slips provided in Room 204 to turn in money to be deposited. Always have two people count each deposit. The cash-in slip should be signed by both counters and be included in the envelope with the cash. The deposit should be given the Office Assistant or to the church administrator, or a Board officer if available, or deposited in the cash drop in closet door next to the nursery (Room 104). Please use a #10 envelope for this purpose and be sure it is sealed.
- Use Check Request Vouchers to request reimbursement for money you have spent on behalf of your project. You must have a balance in the budget line or T-account you are using in order to be reimbursed.
- Do NOT disburse cash out of the cash you are taking in for the project to pay people back for things they have bought to benefit the project, or to pay honorariums to speakers. Original receipts and a Check Request Voucher must be submitted for checks to be generated. These vouchers and receipts should be given to the Church Administrator or Office Assistant. Checks are written on the 15th and last day of each month.
- Use a cashbox if the fundraiser is ongoing. After each event, count the cash that is in the box, separate the amount you want to keep there for change (not more than \$25), and prepare the balance of cash and checks for deposit in the church's bank account, in the fund you are using, e.g. Booktable, YUUMS bagel sales, etc. Be sure to put a signed paper in the cash box that says how much cash is remaining there and who counted it. Ask office staff to Secure the cashbox in a secure locked location when not in use.

Questions, please see Church Administrator Carol Marks or the Treasurer.

## Budget Update

1. Pledge Collection:

As of 07/31/14, the pledges collected were \$48,162. This is 9.3% of the budget. This is lower than the past 3 years. It is sufficient to meet our current operating needs. The pledge amount collected as of 08/17/14 was \$68,399.

In July 2013, the amount collected was \$61,792.

2. The committed pledges for FY 2014-15 to date is \$511,860.

3. The good news is that the Prior Year Pledge payments were \$12,187 last month. This exceeds the budgeted amount of \$10,000 and is 122% of that line.

In July 2013, the prior year pledge payments were \$6,185.

4. The percentage of funds used for expenses looks good in most categories. Of note are the following categories:

- Hospitality: has used 24% (coffee & tea for between services)
- Pulpit Guests has used 40% - but remember, we had lots of guests in the pulpit in July.
- Program/Spec Events/Substitutes has used 33.3%
- Custodian Substitute wages has used 75%

5. Drew and Arzetta are looking at detailed pledge reports for the past three fiscal years. We are comparing FY 2012-13, 2013-14, and 2014-15.

Special Purposes Fund Board Report – 01/01/14 to 06/30/14								1[1]	
							Notes	2	
<b>Endowment Accounts</b>								3	
								4	
	<b>Beginning Balance</b>	<b>Earnings</b>	<b>Distribution</b>	<b>Other Transfers</b>	<b>Deposits</b>	<b>Expenses</b>	<b>Ending Balance</b>	5	
	46,083.63	3,171.19	-1,500.66		50,000.00		97,754.16	A 6	
								7	
<b>Investments</b>								8	
	100%	Vanguard Wellington fund							9
		(approximately 2/3 equities and 1/3 bonds)							10
	Investment profile has not changed in this period.							11	
								12	
<b>General Accounts</b>								13	
								14	
	<b>Beginning Balance</b>	<b>Earnings</b>	<b>Distribution</b>	<b>Other Transfers</b>	<b>Deposits</b>	<b>Expenses</b>	<b>Ending Balance</b>	15	
	110,876.52	5,224.96	1,500.66		89,227.78	-8,715.48	198,114.44	A 16	
								17	
<b>Expenses</b>								18	
	UU Church: Goodbye Workshop, 1/25/14				1,050.00			19	
	UU Church: LED lamps for Mtg Rm				3,500.00			20	
	UU Church: Grounds endmt income				233.69			21	
	UU Church: grounds endmt income				119.79			22	
	Douglas Wadkins: moving expenses				3,812.00			23	
								24	
<b>Income</b>								25	
	NR Harv Hegarty Fund				10,000.00			26	
	NR Gabe Langdon				325.80			27	
	NR Gene Lawlis				50.00			28	
	NR Gabe Langdon				50.00			29	
	Adjustment-Fund Distribution				31.25			30	
	i Lundin SJ Small Grant Fund A				600.00			31	
	i Lundin SJ Small Grant Fund B				600.00			32	
	Anonymous endowment contribution				50,000.00			33	
	NR - Legacy Fund contribution				77,570.73			34	



# Special Purpose Fund (SPF) Committee Update to Board

DRAFT

*August 21, 2014*

*Arzetta Hultz-Losensky, Von Welch*

- See attached financial report: “Special Purposes Fund Board Report – 01/01/14 to 06/30/14”
  - Format has been evolving to be both easy to produce and understand. Any feedback welcome.
- Welcomed new member elected at June congregational meeting: Kim Deckard
  - Replaced Lloyd Orr.
  - Other SPF committee members are: Chris Haynes, Joanne Wilhelm, Arzetta Hultz-Losensky (board treasurer), Von Welch (board appointee)
- Moving to requiring dual signatures on SPF checks.
  - Requires three signatories to make sure two are available.
- Investment subcommittee (Chris, Joanne, Kim) are investigating fossil fuel divestment and use of UUA Common Endowment Fund.
  - [http://www.uua.org/documents/gaoffice/140430\\_tentative\\_ff\\_resol.pdf](http://www.uua.org/documents/gaoffice/140430_tentative_ff_resol.pdf)
  - <http://www.uua.org/uucef/>
- Plan on contracting an outside, expert review of current investment strategy.
- Noted that the Church operating budget has traditionally deposited \$1,200 each year to SPF, under a Social Justice budget line item, to ensure there is sufficient funds in SPF for social justice.
  - This is in 2014-15 budget.