

Unitarian Universalist Church of Bloomington, Indiana

Seeking the Spirit, Building Community, Changing the World

Approved Board Minutes

February 20, 2019



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Board members attending: Stuart Yoak, Steven Gilbert, Ed Robbins, Julie Lawson, Sharon Wiseman, Helmut Hentschel

Not attending: Michelle Cook

Present by invitation of the Board: Chris Haynes

Ministers attending: Reverend Scott McNeill

Submitted by: Steven Gilbert

Appended Documents:

- A. Reports to the Board
- B. Division of Financial Tasks
- C. SPF Quarterly Report

I. Call to Order

Stuart Yoak called the meeting to order at 6:57 p.m.

II. Chalice Lighting and Reading

Stuart Yoak conducted the chalice lighting. Ed Robbins contributed the reading.

III. Check-in (All)

IV. Approval of the Minutes

Steven Gilbert moved approval of the January 2019 board minutes, seconded by Julie Lawson. The motion carried.

V. Senior Minister's Report

Postponed until March.

VI. Old Business

A. Updates

1. Future of Stewardship Committee

See update in Reports to the Board (Attachment A)

2. Operational General Fund

See Update in Reports to the Board.

Ed Robbins asked the board to consider a motion for the payment of the contents of the T-Operating Reserve, in the amount of \$13, 168, to the Old National Bank for investment in the comingled SPF Investment Funds.

Julie Lawson moved and Ed Robbin seconded the motion, which the board approved.

VII. Monitoring (per Board Policies, Section IV)

A. SPF Committee Report

Chris Haynes presented the board with the SPF Committee Report (Attachment C) noting that the rethinking needed to integrate the

Operational General Fund has resulted in considerable simplification: for example, by consolidating multiple lines of investment in the same funds into a single line item. In addition, certain endowments were moved from the special endowment category to operational endowments when this change better reflected the reality of the uses for that endowment.

Chris mentioned the desire of SPF to channel endowments into more general categories of use, as opposed to specifically detailed uses, as this reduces the need for complicated bookkeeping.

Helmut expressed concern that only Chris currently understands the intricacies of the SPF report content. Chris noted that in preparation for his leaving the SPF, he has prepared a number of documents including an SPF Overview document that has the status of SPF policy and a guide to preparing SPF reports that includes detailed conceptual meanings of the contents of the SPF Report.

Recognizing the right of SPF to elect its chair, the board would advise the LCC to seek out a new member with the abilities needed to chair the SPF if called upon to do so.

Chris and members of the Board discussed a number of wide ranging issues including the need for an audit of the SPF financial reporting, the time consuming nature of the SPF position and the possibility of hiring outside consultants on an as needed basis.

The Board expressed deep appreciation for the thoughtful leadership and outstanding work Chris has done during his years on the SPF committee.

B. Report from “Coffee with the Board”

Julie Lawson reported there was nothing of note to report. Sharon raised the question of whether we should be doing more to promote dialogue, but most members agreed that the Coffee was important primarily as a means to be available for the membership.

C. Observations to Share

Reverend McNeill reported receiving donations of \$1650 from the congregation for the Black Lives of UU pledge. Together with the Social Justice contribution of \$2500, this means UUBC has so far put up \$4100 of the \$5000 pledged. He will be looking at ways to complete the pledge.

VIII. New Business

A. FY 19-20 Budget Goals

See Item in Reports to the Board, Attachment A.

B. Appreciative Inquiry

See Item in Reports to the Board, Attachment A

C. Division of Financial Tasks Chart Review

The board reviewed the Division of Financial Tasks 2019 document in Attachment B created by CFO Arzetta Hults-Losensky and intended to give guidance to the LCC where needed. Ed Robbins questioned whether bookkeeper tasks should remain separate from or be consolidated into the church administrator column since the bookkeeper works under the administrator. The board appeared to accept a counterargument that the document needs two columns since these columns are for specific positions. A second suggestion made was for modification of cell 5E by adding the words “for congregational approval.”

Chris Haynes pointed out that the fact that SPF doesn’t appear on the document indicates how SPF has been “flying under the radar” in term of inclusion as a part of church finances. He suggested adding two columns, for SPF and for SPF chair.

IX. Miscellaneous

Stuart reminded members of upcoming dates including the March 20 board meeting and March 2 Board workshop. The spring congregational meeting is scheduled for June 9.

Steven reminded members to check Sign-Up Genius to fill in March and April announcement and Coffee vacancies.

Sharon reminded board members that applications are due soon for the Mid America UU conference.

X. Executive Session

The board entered executive session at 8:28 p.m.

XI. Adjournment

Steven moved and Stuart seconded a motion to adjourn at 8:45 pm. The motion carried.

ATTACHMENT A

Reports to the Board

Michelle Cook, President

February 20th, 2019

Old Business

Update: Future of Stewardship Committee

Note: Updates from the January report on the Future of Stewardship Committee appear in italics inline below.

The Future of Stewardship Committee met on January 9th, 2019. The committee debriefed the process and potential implications of the bylaw and SPF policy changes regarding undesignated financial gifts to the church. Several points were raised:

1. Planned Giving is updating their brochure and creating a standardized form for financial gifts as a result of the new bylaw change. The committee will be contacting those currently in the Legacy Circle to have them formally record their gift to the church and indicate any wishes for allocations or other 'instructions'.

Update: Item accomplished by Planned Giving

2. Senior Minister, Mary Ann Macklin expressed that there is some ambiguity on if a request for funds from the operational general fund is denied by the senior minister whether that person can forward their request to the board who can approve the disbursement. The answer is generally yes, but needs to be explicitly stated in the Board policies.
3. The Special Purposes Fund Committee wants to receive more explicit instructions from the Board on management, uses, and disbursement limits from the Operational General Fund (OGF).

In addition, the committee discussed issues of Crowdsourcing as a fundraising method for the Church and its Social Justice Task Forces. The group also discussed potential uses and impacts of implementing ways of giving that are not online (web payments), cash, or check (i.e., text, card reader, etc.). Rev. McNeill is investigating these issue further with input from various congregation members with expertise in this area, as well as the Church Administrator, Carol Marks, and will report back to the committee at its next quarterly meeting on April 2, 2019.

Board Action Items:

1. Board to work with MAM, CFO, and SPF Committee, to work through nuances of requests for disbursements from the Operational General Fund (OGF).

Update: Conversations are in progress on this issue with nothing formal put in place while Rev. Macklin is on sabbatical.

2. Board to discuss adding a line item in future budgets for building maintenance (i.e., new furnace, carpet replacement, solar panels, projectors, and other equipment replacement, etc.). Once the mortgage is paid in full, such expenses should not come from SPF unless absolutely necessary.

Update: Action to be taken on this item during generation of the FY20-21 budget.

Update: Operational General Fund

At the January 2019 meeting of the Board, the directors approved to transfer funds from the Chase Bank UU 'TCD cash-in' account in the amount of \$26,612.37 to the Operational General Fund which will appear as Operational Unrestricted Income (OUI) Fund in the Asset section of the Church Balance Sheet beginning July 1, 2019. This action was completed successfully.

Treasurer, Ed Robbins, provided additional updates on the future transfer of funds to the OUI Fund.

Monitoring

Special Purposes Fund Committee Report

Chris Haynes presented a monitoring report on the activities of the Special Purposes Fund Committee.

New Business

FY19-20 Budget Goal

The Board of Directors, in consultation with the Senior Minister and CFO, sets the annual budget goal for each new fiscal year. President of the Board, Michelle Cook, has asked CFO, Arzetta Hults-Losensky, to draft two budgets for FY19-20: one in the amount of \$650,000 and one in the amount of \$670,000. With 28 new members added to our congregation's membership role since the last Pledge Drive, an approved budget in the range of \$650-670,000 should be attainable. Budget line increases for staff salaries, physical plant, technology, and others are

proposed by the Senior Minister, reviewed by the Finance Committee, and presented to the Board for endorsement in advance of the June Congregational Meeting.

The following process and intention should be noted: At last year’s June Congregational Meeting, the Board asked the congregation to approve two draft budgets, as presented, and ultimately approved a final budget amount in the range between the two approved drafts. This same intention is set for this year’s June Congregational Meeting on Sunday, June 9, 2019.

MOTION: To endorse the creation of two draft annual budgets by the CFO, in consultation with the Senior Minister, in the amounts of \$650,000 and \$670,000, respectively, for presentation at the June congregational meeting.

Appreciative Inquiry

President of the Board, Michelle Cook, met with congregation member, Melinda Swenson, to obtain knowledge and guidance on the church’s past experiences with the process of Appreciative Inquiry. Melinda lent numerous texts and resources for the Board’s reference in implementing the next iteration of Appreciative Inquiry to occur in 2019.

AI - Draft Framework & Timeline

Month	Task
March +	<p>Establish a steering committee to lead the Appreciative Inquiry process from start-to-finish. The committee should be composed of two Board representatives and three congregants that are representative of various qualities and demographics (i.e., age, gender, length of membership, level of involvement in congregational life, invested in the future of the congregation, etc.)</p> <p>The committee shall conduct research on the methods, roles, responsibilities, benchmarks, etc. for conducting Appreciative Inquiry (AI) and establish and communicate a definition of AI and associated Covenant to the congregation.</p>
June	The committee shall present the AI definition, Covenant, and calendar to the congregation at the June Congregational Meeting.
July/Aug	<p>Continue advertisement of the AI definition, Covenant, and calendar to the congregation through various communication channels.</p> <p>Recruit an individual/firm to assist in evaluation of the data collected during the Discovery phase of AI.</p>
Sept/Oct	Discovery: Collect data. Conduct interviews, receive reflections from congregation members through in-person, online, and other methods.
Nov/Dec	Dream: Evaluate data. Identify themes and potential for the future of the

	congregation. Share outcomes of the evaluation at the December Congregational Meeting.
December +	Design: Visioning & Goal Setting. Craft propositions, action items, and goals, in alignment with the Dream. Destiny: Prepare to act. Declare the intended actions identified in the Design and ask for support from the congregation to meet established goals.

Next steps: Recruit members for Appreciative Inquiry Steering Committee.

Division of Financial Tasks Chart Review

The Leadership Cultivation Committee (LCC), on request of the Senior Minister, has created a Division of Financial Tasks chart as a guidance document for staff, officers, and volunteers with some level of involvement with the financial affairs of the church. The LCC has asked the Board to review this document and provide feedback to the LCC to make final revisions for presentation to the Senior Minister, who is advised (by the Board) to adopt the final document as an addendum to the Operations Policies.

**Division of Financial Tasks 2019
Draft 3.4 02/16/19**

ATTACHMENT B

	A	B	C	D	E	F	G	H	I	J
1	Office Assistant *	Church Admin *	Book keeper *	Senior Minister *	Board	Treasurer	CFO	Finance Cmte	Outside Firm*	
3	Prepares deposits, Sun. plate, pledges, and all cash & checks	Supervises bookkeeper & Office Assistants	Manages entries in QuickBooks (QB)	Sets all financial priorities	Sets the annual pledge goal	Reviews financial expenditures & documents for accuracy Bi-weekly	Assists & advises Sr. Minister re: financial matters	Advises Treasurer re: financial reports	ADP does payroll	
4	Records deposits in the deposit-spreadsheet	Reviews deposits prepared by Office Assist. Prepares bank deposits occasionally	Transfers deposits & other transactions into QB	Has ultimate authority for all financial decisions & accountability	Sets Senior Minister's salary	Ensures expenditures are within budget	Reviews monthly budget reports	Reviews monthly budget reports	ADP issues IRS & IN. compliant statements by Jan 31	
5	Records pledges & contributions in data base	Creates & distributes 1099's & other non-payroll government filings	Prepares most paper checks & pays online bills	Creates the annual budget w/consultation with Board, CFO & others	Reviews and/or adjusts and proposes the annual budget	Presents annual budget, on behalf of Sr Min, to the Board for approval or adjustments	Assists Sr. Minister to create annual budget	Reviews annual budget & advises as needed	ADP issues W-2s	
6	Prepares invoices for bill payments	Reviews, publishes & distributes monthly budget reports (SrMin, Trsur,CFO,& printed copies)	Produces monthly financial reports	Organizes Pledge Drive w/ ministry team, staff, & At-Large Board members	Board prepares agenda & conducts the annual cong. meetings	Presents budget, on behalf of Sr. Min & Board, to cong at Spring meeting	Assists Church Administrator (e.g. with benefits) when needed	Performs internal audits in odd years when no external audits	CPA firm conducts the external audit (in an odd year)	
7		Reviews & monitors bank account activity	Direct deposit for employee reimbursements	Signs checks (AM & MRE also sign checks)	Arranges audit or review in odd numbered years	Provides quarterly financial reports to the Board [see Board Policies II.E]	Assists Treasurer with reports	Assists Treasurer in preparing a 5 year financial plan		

Division of Financial Tasks 2019
Draft 3.4 02/16/19

	A	B	C	D	E	F	G	H	I	J
8	Office Assistant *	Church Admin *	Bookkeeper*	Senior Minister*	Board	Treasurer	CFO	Finance Cmte	Notes	
9		Bookkeeping and check writing for Women's Alliance	Reconciles bank statements		Appoints Finance Cmte By-Laws 5.7	Signs checks twice a month			See Church Bylaws for details. Fiscal Mgt: 4.8, 5.5.5, 5.6, 7, 12.2	
10		Bookkeeper for SPF - Writes cks, balances ck bk, reviews investment stmts, creates qtrly reports			President signs checks (Vice Pres, optional ck signer)	Reviews & monitors online bank acct activity twice monthly w/o notifying church admin			http://www.uubloomington.org/wp-content/uploads/2018/12/BYLAWS-2018-Dec-1.pdf	
11		Compiles financial data for UUA annual report				Reviews bank statements monthly			See Board Policies II.D, II.D.1, II.E, III.C	
12						Provides semi-annual reports to cong at Fall meeting			http://www.uubloomington.org/wp-content/uploads/2015/01/UUCB-Board-Policies-August-2018.pdf	
13						Prepares & maintains, with assistance of the Fin Cmte, a 5yr financial plan				
14						Chair of Finance Committee			* Paid Position	
15						Member of SPF Committee			Board, Treasurer, CFO, & Fin Cmte are volunteers	

ATTACHMENT C

Special Purposes Fund Committee Quarterly Report
September 2018 through December 2018 (19Q2)

Accounts	Beginning Balance	Earnings	Distribution	Transfers	Deposits	Expenses	Ending Balance	%	Notes
Old National Bank checking [not in totals]	66,970.47						25,537.13		
Hilliard Lyons: Parnasus (PARNX)	13,694.51	-1,786.25					11,908.26	3%	
Hilliard Lyons: S&P 500 ex-Energy (SPXE)	13,508.70	-1,842.07					11,666.63	3%	
Fossil-fuel Divested	27,203.21	-3,628.32					23,574.89		
Fossil-fuel Divested	27,203.21	-3,628.32					23,574.89		
Checking register	66,970.47			3,188.37	20.00	-44,641.71	25,537.13	6%	T3
Vanguard Wellington Fund Admiral	72,926.43	-9,720.32		199,263.65			262,469.76	58%	
Vanguard ...4291 Wellington Fund Inv	126,653.61	-5,616.45		-121,037.16			0.00	0%	T1
Vanguard ...0780 Wellington Fund Inv	81,856.41	-3,629.92		-78,226.49			0.00	0%	T2
Common Accounts	375,610.13	-22,595.01		3,188.37	20.00	-44,641.71	311,581.78		
Hilliard Lyons: Canada precious metals	3,220.77	-32.40		-3,188.37			0	0%	T3
Vanguard I-T Investment-Grade Inv	69,413.29	775.66					70,188.95	16%	
Vanguard S-T Investment-Grade Inv	68,774.34	457.59					69,231.93	15%	
General Only	141,408.40	1,200.85		-3,188.37			139,420.88		
All Accounts	517,018.53	-21,394.16		0.00	20.00	-44,641.71	451,002.66		
Proportions	Checking 6%	Bonds 51%		Equities 44%		F-f Divested 5%			
Investment Funds	Beginning Balance	Earnings	Distribution	Transfers	Deposits	Expenses	Ending Balance		
Common accounts 19.42%	72,926.43	-4,386.92	-694.09	11,965.53			79,810.95		
Operational Endowment	72,926.43	-4,386.92	-694.09	11,965.53			79,810.95		
Common accounts 0.00%	0.00	0.00	694.09	409.80			1,103.89		
General Only 0.00%	0.00	0.00					0.00		
Operational General	0.00	0.00	694.09	409.80			1,103.89		
All Operational	72,926.43	-4,386.92		12,375.33			80,914.84		
Common accounts 37.34%	140,255.22	-8,437.12	-2,371.34	-11,965.53			117,481.23		
Special Purpose Endowment	140,255.22	-8,437.12	-2,371.34	-11,965.53			117,481.23		
Common accounts 43.24%	162,428.49	-9,770.96	2,371.34	2,778.57	20.00	-44,641.71	113,185.72		T5,T9
General Only 100.00%	141,408.40	1,200.85		-3,188.37	0.00		139,420.88		
Special Purpose General	303,836.89	-8,570.11	2,371.34	-409.80	20.00	-44,641.71	252,606.60		
All Special Purpose	444,092.10	-17,007.24		-12,375.33	20.00	-44,641.71	370,087.82		
Add Investment Funds	517,018.53	-21,394.16		0.00	20.00	-44,641.71	451,002.66		
Usage Funds	Beginning Balance	Earnings Distribution	Endowment Distribution	Transfers	Deposits	Expenses	Ending Balance		
Operational Endowment									
Operational Unrestricted Endowment	72,926.43	-4,386.92	-694.09				67,845.42		

C Robertson Grounds Endowment	0.00	0.00	0.00	11,965.53			11,965.53	T4	37
Total	72,926.43	-4,386.92	-694.09	11,965.53	0.00	0.00	79,810.95		38
Operational General									
Operational Reserve	0.00	0.00	694.09				694.09		40
C Robertson Grounds Income	0.00	0.00	0.00	409.80			409.80	T5	41
Total	0.00	0.00	694.09	409.80			1,103.89		42
Special Purpose Endowment									
Special Purpose Unrestricted Endowment	106,709.95	-6,419.19	-1,804.18				98,486.59		44
C Robertson Grounds Endowment	12,964.62	-779.89	-219.20	-11,965.53			0.00	T4	45
Lundin Social Justice Endowment	20,580.63	-1,238.04	-347.96				18,994.63		46
Total	140,255.20	-8,437.12	-2,371.34	-11,965.53			117,481.21		47
Special Purpose General									
Legacy Fund	234,010.15	-6,600.56	1,804.18	-18,456.92	20.00	-44,641.71	166,135.14	A	49
C Robertson Grounds Income	196.14	-5.53	219.20	-409.80			0.00	T5	50
Lundin Social Justice Income	2,776.91	-78.33	347.96				3,046.54		51
Paris Pledge	0.00	0.00		18,456.34			18,456.34	T6,T7	52
ARE John Dessauer	2,087.03	-58.87					2,028.16		53
Campus Ministry	7,943.35	-224.05					7,719.30		54
Conference Leadership Fund	760.45	-21.45					739.00		55
Lundin Reserve-Pchse Belcher - Prop	29,556.57	-833.68					28,722.89		56
Music - Clarke Dewey Wells	8,972.07	-253.07					8,719.00		57
Music - Swaney Composition Fund	14,110.27	-398.00					13,712.27		58
Robert Bent - Music or - Religious Ed	1,475.73	-41.62					1,434.11		59
Robert Carter-Hist.,Archive,FmR Min. pulpit	495.45	-13.97					481.48		60
Sabbatical Fund	1,453.34	-40.99					1,412.35		61
Total	303,837.46	-8,570.13	2,371.34	-410.38	20.00	-44,641.71	252,606.58		62

Transactions

Note Id	Date	Description	Amount	Notes	
Transfer					
T1	12/12/2018	Vanguard ...4291 Wellington to Wellington Fund Admiral	121,037.16		66
T2	12/12/18	Vanguard ...0780 Wellington to Wellington Fund Admiral	78,226.49		67
T3	12/20/18	Hilliard Lyons: Canada precious metals sale	3,188.37		68
T4		C Robertson Grounds Endowment from SP to Operational End	11,965.53		69
T5		C Robertson Grounds Income from SP to Operational General	409.80		70
T6		Paris Pledge initial funding from Legacy fund	20,000.00		71
T7		18Q4 grounds expense from Paris Pledge per 11/14/18 minutes	1,543.66		72
T8		SP General fund cumulative rounding error from Legacy Fund	0.58		73
T9		Per note A of 19Q1, corrects missed distributions	1,204.49		74

Expense

78

E1	12/4/2018	UU Church: Carpet and lighting for Commons, from Legacy Fund	37,176.71	79
E2	10/23/2018	UU Church: Sewer repair and Social Justice grants	7,465.00	80
Check Expense Total			44,641.71	91

Income [Deposits]

I1	12/12/2018	Deposit - to Legacy Fund	20.00	93
Check Income Total			20.00	103

Fossil-Fuel Divested, pending investment	Undesignated gifts total	104
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Endowment Assets and Distributions

Quarter	Special Purpose		Operational		
	Endowment	Distribution	Endowment	Distribution	
16Q2	95,840.56	944.62	69,040.90	0.00	106
16Q3	97,560.71	1,002.36	69,040.90	0.00	107
16Q4	89,517.13	1,051.03	69,040.90	0.00	108
17Q1	101,000.28	1,111.08	69,040.90	0.00	109
17Q2	104,367.48	1,171.79	69,040.90	0.00	110
17Q3	105,884.25	1,234.04	69,040.90	0.00	111
17Q4	127,741.78	1,012.22	69,040.90	0.00	112
18Q1	130,947.49	1,039.86	69,040.90	0.00	113
18Q2	137,106.79	1,070.05	69,040.90	0.00	114
18Q3	134,394.05	1,097.25	69,040.90	0.00	115
18Q4	135,601.17	1,128.08	69,571.67	0.00	116
19Q1	140,255.20	1,166.85	72,926.43	694.09	117

Notes Letters in Notes column at right correspond to lettered notes below, while Note Ids refer to corresponding transactions.
 See the SPFC Report Guide at <https://tinyurl.com/spfc-report-guide> for detailed explanation of the quarterly report format.

A Legacy Fund transaction note ids: T6,T7,T8,I1,E2,E2