

# Budget & Finance Committee

Meeting Minutes 5-17-2021

Attendees: Joan Brundage, Barbara Cranfill, Heather Edwards, Rick Gardner, Herb Holler, Keith Selbrede

Absent: Robert Brickley

Agenda/Discuss/Action items:

1. Brief review of financials through April:
  - a. Total income for April and the year was 108% and 103% of budget respectively. The increase in miscellaneous income for April was largely due to proceeds from Thrivent Choice Dollars.
  - b. Total expenses for April and the year were 97% and 89% of budget respectively. Some areas to watch are as follows:
    - i. Account 63140 Merchant Fees were 131% of budget which reflects an increase of giving done online or through Vanco.
    - ii. Account 63220 Gas usage was 170% of budget but this should come down as we go through summer.
    - iii. Account 65100 Altar Supply expenses were 188% of budget primarily due to COVID related communion supplies and a special purchase of a 3-inch follower for the altar candle.
2. Brief review of status of action items related to the internal audit as follows:
  - a. Appoint and assistant Financial Secretary: Barbara Cranfill has volunteered for the position. Training materials have been obtained for the software. Keith to obtain council approval for the appointment and for password access to the database.
  - b. Provide a credit card for the new office manager (Carol Browning): Application for the card is complete.
  - c. Credit card holders to provide backup for their expenditures: The bookkeeper provided a copy of the form being used by church credit card holders as backup for each use of their card. Although there could be a few situations where the form is not used, we concluded, per information from the bookkeeper, that this item is complete.
  - d. Treasurer to remind all committees and staff of the church policy on expenditures: See item 3 below.
  - e. CDC action item being followed up by them.
  - f. Recommend we consider engaging an outside auditor, per ELCA guidelines, for the next audit: Keith is seeking a source and cost estimate for this audit to be included in the 2022 budget for council/congregation approval.
  - g. Recommend that the pastor or treasurer provide more regular report on activities in account 35313 Pastor Discretionary. Keith provided the following summary through April:

Beginning balance:	\$3,434.03
Donations:	4,316.30
Expenses:	
Member support	2,846.10
External support	536.66
Internal recognition:	128.00
Ending balance:	\$4,239.57

Discussion: The committee agreed that the internal recognition should be part of a separate account and not included as Pastor Discretionary. Heather will setup the new account for possible council or donator funding.

- h. Record keeping should be improved to allow a more detailed audit. There are two parts to this recommendation, one each for church and CDC action. The CDC portion has been covered separately with the CDC and will be further confirmed after new personnel are in place. The church related request is for the monthly history files to be sorted for easy auditing (comparing) of checks written versus corresponding bills. **Action:** Treasurer to provide pre-organized “bank box” files selected by the audit committee to improve audit efficiency. CHURCH PORTION CONSIDERED COMPLETE
3. The last agenda item was to review and discuss the Audit Committee finding d) Recommend the treasurer remind all committees and staff of the church policy on expenditures.  
Discussion: Since the committee was not aware of this policy written and approved by council in 2011, we were please when President Riley located a copy for review. That review, left us with a lot of questions for discussion. The outcome of that discussion was that Rick Gardner will provide a new draft of the policy for our review at the next meeting. When complete, the new proposed policy will be given to council for approval and then communicated to all staff and committees for implementation.

Respectfully submitted,  
Keith Selbrede – Treasurer  
5-17-2021

## **Meeting Minutes Budget & Finance Committee**

Date: Dec. 6, 2019

Members present: Robert Brickley, Joan Brundage, Keith Selbrede

Guests present: Pastor Lynn Enloe, Susan Prosser

A special welcome to Pastor Enloe. We hope she is willing to join our committee.

Agenda and notes

Opening Prayer: Keith

Review of Audit results:

- a) CDC financial reports should be presented to church council on a monthly basis and those reports should be available to the Audit Committee annually.  
Action: Keith will discuss this with the CDC Director and council rep.
- b) Financial reports for MC that are presented to council should be available to the Audit Committee.  
Action: Keith will investigate whether available reports can/should be archived on the MC website. If not advisable, the reports will be kept on file in the church and by the Treasurer.
- c) The Endowment Committee should present a report to council on a quarterly basis including beginning balance, additions, withdrawals, reinvestments, changes in value and ending balance. These reports should be used to update the church balance sheet and be made available to the Audit Committee.  
Action: Keith to review this with the Endowment Committee chair and council liaison
- d) The Make Bake financial items should be integrated into the MC general ledger and bookkeeper for income and expenses.  
Action: Review of the Quickbooks accounting ledger show that this is being done. Keith will make sure the 2020 Audit Committee has this data available for review.
- e) The MC website only shows financial information for the recent month and YTD. The Audit Committee needs this data by individual month.  
Action: See item "b" above.

Review of budget performance: Not completed because November closing had not occurred at the time of the meeting.

Review and amend the "2020 Requested Budget" for any updates prior to council review on Dec. 17: The group reviewed and updated several points including the following.

1. Work schedules for soundroom techs, nursery attendants, etc. should be outlined in the comment section of the budget.
2. The remuneration for sub-preachers needs to be updated to current ELCA guidelines.
3. If possible, the budget document should show the current budget and performance along with the new budget to expedite comparisons.

The updated document will be reviewed with the Executive Committee on Dec. 12 and council on Dec. 17.

Next meeting: January 10 at 3:00 p.m.

Respectfully submitted,

Keith Selbrede - Treasurer

## **Meeting Minutes Combined meeting of Budget and Finance and the newly formed Budget Taskforce**

Date: April 11, 2019

Attendees: Laura and Robert Brickley, Joan Brundage, Brian Fisher, Cy and Gayle Johnson, Susan Prosser, Keith Selbrede

Opening: Prayer by Keith

Agenda and Discussion:

1. Finalize a policy for use of Square technology at Mount Cross for council approval: A proposed policy was reviewed and suggestions made for improvement. The updated policy will be submitted to council on April 16 for approval.
2. Proposed price increase for our Quickbooks software: Due to our number of budget accounts (343) exceeding the 250 limit, we may have to update our QB subscription from the "Plus" version to the "Advanced" version. This would increase our software cost from \$400 per year to \$1,800. Several actions are being pursued by the Bookkeeper to avoid the increase. In addition, Joan will investigate a possible module that ties into our current office database software.
3. Review and discuss Q1 budget performance:
  - a. Gross income increased to 98% of budget due to an increase in pledge giving (see below).
  - b. Pledged giving increased to 110% of budget
  - c. Expenses remained in control at 90% of budget
  - d. Reserves increased by \$13,000 to \$44,700 but remain well below the \$110,000 target.
  - e. Question: why is postage so much over budget (Keith)?
4. Initiate Budget Taskforce team:
  - a. Reviewed 2018 brainstorming results and actions
  - b. Discussed the following suggested improvement activities:
    - i. Recognize successes on a regular (monthly) basis.
    - ii. If and interim pastor is needed as a bridge to the gap to a "Call", try to use a less costly one.
    - iii. Combine Budget and Finance with Stewardship to take advantage of the synergism of the two committees.
    - iv. Investigate joint fundraising activities with the CDC.
    - v. Suggest council require a regular financial report from the CDC (to recognize the importance of the CDC to the overall success of both the CDC and MC).
    - vi. Approach Lisa Higginbotham for an ELCA presentation to help promotion of giving activities (Gayle).

Next meeting: Thursday, April 25 at 7:00 PM

Closing: Lord's Prayer  
Respectfully submitted,  
Keith Selbrede  
Treasurer  
Meeting Minutes

Budget and Finance Committee

December 14, 2018

Attendees: Joan Brundage, Pastor Bessey, Susan Prosser, Keith Selbrede

Agenda:

1. Review current financials through November
2. Review, update the "2019 Requested Budget"
3. Brainstorm improvement opportunities to the 2019 Requested Budget

Discussion:

Review of the financials through November shows Income \$55,292 below expectations. Reserves, although not presented or discussed, stand at \$26, 925. It was proposed that council (President?) issue a yearend memo highlighting significant 2018 accomplishments and encourage the need for improved giving in December.

Review of the "2019 Preliminary Requested Budget" results in a few editorial improvements that have been made. The updated edition has been updated and will be sent out to council members prior to their meeting on Dec. 18. The bottom line on the 2019 requested budget is that it shows a deficit of \$43,917 that needs to be addressed by council.

Brainstorming of improvement ideas resulted in the following list:

Income improvement ideas:

- Stewardship follow-up on pledge responses that have not been received
- Joan to provide immediate updates when new pledges are received
- Consider obtaining a loan from our endowment fund
- Consider obtaining a loan from the concert series fund
- Pursue a second worship body for use of our sanctuary (to share some of our fixed expense)

Expense reduction ideas:

- Eliminate non-essential expenses such as DOM Supplies, Council Sponsored Events, have all Event Set-up charges covered by specific program fees, etc.
- Maintain "Mission Support" donations at the current level (normally increased by 1% each year)
- Require all "programs" to be self-funded through dedicated donations, fees or sharing of available resources (such as sharing music with other churches).
- Hold a "closed" council session to review personnel, staffing and contract employee opportunities

Not including any staffing considerations, the above expense reduction ideas provide a \$9,582 improvement in the 2019 budget.

Respectfully submitted,

Keith Selbrede

## Meeting Minutes

### Budget & Finance Committee

Date: Nov. 16, 2018

Attendees: Heather Edwards, Joan Brundage, Robert Brickley, Susan Prosser, Pastor Bessey

Opening Prayer: Pastor Bessey

#### Agenda Items:

1. Review financial performance through October 31.
2. Go through the "Preliminary Requested" copy of the 2019 budget.

#### Discussion:

The review of the current financial performance centered primarily on the latest analysis of reserves and workers compensation charges. After the motions approved at the October council meeting, reserves were expected to increase to over \$40,000 (from \$16,000 in September). Instead, they ended up just over \$25,000. The primary reasons for not reaching the expected level were that there were three pay periods in October and that donations in the "envelope-not-pledged" category were around \$6,000 below expectations.

Worker's compensation payments in 2018 through October were in excess of \$12,000 versus the budgeted amount of \$6,000 and a preliminary 2019 budget amount of \$10,500. The increase in 2018 was due to our insurer's annual audit which showed numerous payroll expenses that were not included in the initial billing. Keith will follow-up with Church & Casualty to understand these differences and apply that input to improve the 2019 budgeting accuracy.

The analysis of the "Preliminary Requested 2019 Budget" generated a number of discussion points. These will be included in the next version of the budget to be presented to council:

Acct. 61700 – Stewardship: include a request for \$900.

Acct. 61800 – Welcoming: include a request for \$500.

Acct. 62350 – Praise Band Director: include a request for \$10,200 for the year (versus \$12,240 in 2018).

Acct. 62360 – Asst. Praise Band Director (renamed): include a salary request for \$1,800 per year (if the new position is approved by council).

Acct. 62891 – Sound Room Technician: increase salary requested to \$11/hr per CA law.

Acct. 63530 – Bulletins & Copyright: expand to include \$50 from acct. 63830 – Vibrant Faith (“Taking Faith Home”).

Acct 64000 – Learning & Youth: apply designated funds from accounts 35400 & 35401 to other specific related (learning) budget requests.

Acct. 65130 – Altar Linens: change title to “Sanctuary Items” to be consistent with the related designated account 35585 – Sanctuary Items.

Review all designated accounts for possible inclusion in the 2019 budget (include those that will most likely be used in 2019). An example would be acct. 35605 – MBC. Designated funds from this account will show as a requested amount in budget acct. 66500 – MBC as seed funds for the 2019 MBC event.

Review/update the title for acct. 67000 – St Columba-Souper Bowl Donations per instructions from the Service & Missions committee (Keith to inquire).

Acct. 50100 - Pledged: include only those pledges with specific amounts.

Act. 50200 – Envelope-Non-Pledge: Include all other (non-designated) envelope donations.

Accts. 50200, 300 and 500: Use estimates based on 2018 giving only (instead of several year averages).

NEXT MEETING: Friday, Dec. 14 at 3:00

Respectfully submitted,

Keith Selbrede - Treasurer

### **Combined Budget & Finance and Executive Meeting**

Meeting Minutes 8/7/2018

Pastor Bessey gave an opening prayer focused on the objective of the meeting.

Attendees: Pastor Bessey, Bob Brickley, Joan Brundage, Susan Prosser, Maria Smith and Keith Selbrede

Absent: Brian Edwards, Denise Sobolik, Cecelia Travick-Jackson, Heather Edwards

Objective: Evaluate, prioritize and define action plan(s) on items not requiring council approval relative to our current financial challenges.

Discussion:

Due to the fact that, currently, our problem is an income shortage issue (\$30,800 short) versus an excess expense issue (within budget YTD), we focused this meeting only on income. However, if an improvement in income is not forthcoming, expenses will need to be reduced below the forecasted budget.

Action items (focused on income shortage only):

1. Joan will provide pledge versus actual data (without names) to Keith for an analysis of our \$17,000 pledged income shortage.
2. Pastor Jim and/or Craig Blois will provide a descriptive message of this issue for Joan to include with mid-year giving reports going out to “pledge” givers.
3. The above message will be conveyed in upcoming newsletter(s).
4. The above message will be conveyed, by Keith (?), during announcements at upcoming worship services.
5. Keith will provide an overview of our activity at the August 21 council meeting.

Next meeting: Tuesday, Aug. 21 at 3:30. We will review the above action items and determine the next step(s).

Respectfully submitted,

Keith Selbrede

Treasurer

**Mount Cross Lutheran Church**

**Budget & Finance Committee Meeting Minutes**

Date: June 7, 2018

Present: Robert Brickley, Joan Brundage, Kathleen Jones, Keith Selbrede, Maria Smith

Absent: Heather Edwards

Agenda:



1. Bank reconciliation process
2. Fidelity securities proceeds management
3. Internal audit status/results
4. Time & Talent form input
5. YTD Financial performance

Discussion:

1. Bank reconciliation process: The “ELCA Treasurers’ and Bookkeepers’ Financial & Accounting Guide” calls for someone, who doesn’t have check-signing authority to review monthly bank reconciliations. We have not been doing this. However, we agreed that Kathleen will start immediately with reports to be provided by Heather. Also, the committee ask for an overview presentation of our Quickbooks accounting system/process at a future B&F Committee meeting.
2. Regarding Fidelity proceeds: all securities were liquidated in April/May with proceeds deposited in our checking account. The group agreed that we should deposit a calculated reserve amount and move it to our Money Market Account and show that amount on the Balance Sheet. Secondly, it was recommended that other items in account 31200 Fidelity be reclassified to zero amounts through journal entries (with appropriate notations).
3. Internal audit status results: Keith reported that the audit was to be completed by June 15. Verbal reports so far indicated no significant issues (to be confirmed in the final report). The B&F committee requested that the audit committee give a verbal report in support of their written process and findings (at a future B&F committee meeting).
4. Time & Talent form review: the committee reviewed the proposed list and did not identify any new things to add.
5. YTD financial performance: since the May results were not finalized yet, this review was postponed to a date to be determined.

Action Items;

1. Set-up a routine process for review of monthly bank reconciliations – Keith. Reports to be provided by Heather for review and reporting by Kathleen.
2. Schedule a review of the Internal Audit committee process and findings – Keith
3. Provide copies of previous Internal Audit reports to Maria and Kathleen - Keith
4. Set up a presentation/overview of our bookkeeping process and Quickbooks by Heather – Keith

Respectfully submitted,

Keith Selbrede

Treasurer

**Mount Cross Lutheran Church**

**Budget & Finance Committee Meeting Minutes**

**Date: April 9, 2018**

Present: Robert Brickley, Kathleen Jones, Susan Prosser, Keith Selbrede, Robert Harrell (guest)

Absent: Joan Brundage, Heather Edwards, Maria Smith

Agenda:

1. Receive a proposal from Robert Harrell for him and his company, Independent Capital Management, Inc. to be our securities adviser.
2. Decide on a recommendation to be provided for church council consideration at the April 10 meeting.

Discussion:

1. Mr. Harrell made a very comprehensive overview of his company's background and how they would approach Mount Cross's needs – principle safety and a target 6% growth. Their fees would be 1.6% versus our current fees of approximately 2.1%. There were many questions raised by the group which were not recorded. A copy of his presentation is available for review.
2. After the presentation, Robert was excused from our discussion and ultimate decision. Points made for that decision are as follows:
  - a. We concluded that Mr. Harrell would be a viable candidate for our needs. However, the expenses, although lower than current, were still quite high. We should consider other alternatives.
  - b. Our dedicated funds have taken quite a hit over the last 2-3 years with the use of our "special funds" for hiring our Director of Ministries and for the patio pavilion project.
  - c. Our reserve funds have "made" a \$40,000 loan to the patio pavilion project to be repaid as funds are available.
  - d. This has resulted in spending down our money market fund down to \$5,000 and our investment funds down to about \$135,000 (a total reduction of these funds from about \$290,000 to the current \$140,000).
  - e. This series of events leave us somewhat vulnerable to any financial crisis and we would not want to be in a situation where we need to sell our securities during a market downturn.

Recommendation: Due to the noted potential risk situation, the group recommends we liquidate our securities with the funds going into our money market account to provide the necessary ready availability for any financial crisis. As a small consolation, this would eliminate any fees and provide at least a (very) small return in the form of interest. Of course, as financial conditions improve, we can revisit this action and invest as appropriate.

Respectfully submitted,

Keith Selbrede

**Mount Cross Lutheran Church**

**Budget & Finance Committee Meeting Minutes**

**Date: December 11, 2017**

Present: Heather Edwards, Karen Gramacki, Herb Holler, Kathleen Jones and Keith Selbrede

Agenda & Discussion:

1. Current financial performance through November:
  - a. Pledged income versus budget: 93.1%
  - b. Operating income versus budget: 95.5%
  - c. Expenses versus budget: 94.4%
  - d. Total income – expenses = (\$10,390)

Discussion:

- a. Based on history, the negative balance of income less expenses should be corrected with December giving. No reason to panic (yet).
  - b. There was considerable discussion on the apparent lack of controls especially on program expenses. Basically, anyone can order something for the church, use a church credit card (sort of), or submit a check request with essentially no approval (pre or post) or accountability.  
ACTION ITEM: Keith will discuss the issue at the next Executive Committee meeting.
2. The preliminary draft of the 2018 Requested Budget was reviewed. Requests have been received from all parties resulting in a requested budget, not including any capital improvement projects, of \$519,816. Karen Gramacki provided an update on pledges which now total \$228,421. That brings our total projected income to \$480,413 or \$39,403 short of our need. Clearly, we need more pledged income. By comparison, the 2017 pledged income was \$303, 638.  
ACTION ITEM: Keith will inform council of the situation for needed action.

Next meeting: Monday, January 8 at 3:30 PM

12-11/2017

kms

## **Budget and Finance Committee**

### **Meeting Minutes**

**October 9, 2017**

Present: Joan Brundage, Heather Edwards, Herb Holler, Keith Selbrede

Absent: Karen Gramaki, Kathleen Jones

Devotion: An opening prayer was read from the “Immaculate University Prayer Booklet”

Discussion items:

1. Reviewed the list of 8 B&F duties from the Mount Cross Constitution. Concluded we were doing okay on budget preparation, monitoring and reporting, but nothing (lately) in the area of investing church funds. Recently started an effort on improving disbursement of memorial funds.
2. Reviewed YTD (through September) balance sheet and P&L performance. Results show pledge giving is at 94.0% of budget, operating income is at 95.5% and expenses are at 99.5%. A recent surge in Accounts Payable is due mainly to timing of the patio project billing. The “Off Site” events account was over spent by 400%. Fees were collected to cover this overage. Since this was an in-and-out situation, no budget amendment was made to cover it.
3. Reviewed the proposed Stewardship plan – looks good. We are hopeful of its success.
4. Reviewed the 2018 budget plan and B&F assignments. The budget assignment and input form were sent out to responsible parties the week on Oct. 2. So far, four completed forms have been turned in. Due to the new approach this year, we will be available to assist those who need help.
5. Reviewed the Interim Pastor’s compensation proposal that was sent to the Synod. The proposal reflects Pastor John’s current package and the way it is distributed. This will be treated as the maximum available and is subject to his or her qualifications and work schedule.
6. Reviewed the Director of Ministries compensation proposal. Without going into details in these minutes, the group was in agreement with the planned proposal as long as this was in lieu of bringing on another Assistant Pastor.
7. Records retention: The group felt that we could just dispose of records older than 7 years with the exception of payroll which we may need to keep longer for legal reasons.

The meeting was closed with the Lord’s Prayer

Next meeting: Monday November 13 at 3:30PM

10/10/2017

Keith Selbrede

## **Budget & Finance Committee**

### **Meeting Minutes**

**August 7, 2017**

Present: Herb Holler, Kathleen Jones, Karen Gramacki, Heather Edwards and Keith Selbrede

Devotion: Keith opened the meeting with a modified prayer from the “Immaculata University Prayer Booklet.”

Discussion items:

1. Director of Ministries – Keith provided copies of Meredith’s proposal and a corresponding budget amendment IF council approves the proposal. Some concerns expressed regarding the proposal are as follows:
  - a. Has personnel developed/reviewed a job description and developed a compensation comparison?
  - b. A couple of incidences at VBS were discussed as to whether they could/should have been prevented.
  - c. If the CYFM Assistant is picking up some of the routine CYFM duties, is the suggested increase in compensation for that position commensurate with those added responsibilities?
2. Review of financial reports – copies of the YTD Balance Sheet and P&L reports were reviewed. While there were several instances where budgets were being exceeded, there were no substantial red flags. It was noted that with the drain on cash due to the patio project we need to closely watch the checkbook balance and make timely adjustments as needed.
3. 2018 Budget process – Discussion centered on the complexity of the current budget and associated accounts list. Heather provided an overview and copy of an alternative approach used at another church that seemed much less complex. The group agrees that we need to consider this approach for the 2018 budget.
4. Records retention – It is noted that we still have financial records older than the recommended 7 years. This will be addressed at a future meeting.

8/8/2017

kms

**MT CROSS BUDGET AND FINANCE COMMITTEE**

Meeting Minutes

MAY 8, 2017 3:30 PM

Members Present: Herb Holler, Keith Selbrede, Susan Prosser, Chair

Members Absent: Karen Gramacki

**DEVOTION** – Susan led the group in the lighting of the candle and devotion.

## INFORMATION

1. FINANCIAL REPORTS – The financial reports for the period Jan – April 2017 were reviewed. There was an issue about whether all giving figures were current but agreed that the next month's report would show the "catch up" if they were not.
2. MBC – Keith provided a listing of the requests that were made for MBC funding this year totaling \$20,570. There are not yet recommendations for funding based on the final available net funds raised. This matter will not be considered at the May Council meeting.
3. FINANCIAL SECRETARY UPDATE – Committee reviewed the written job description that has been prepared and got an update on the recruitment. Notice is included in publications and a temple talk is pending.

## DISCUSSION/ACTION ITEMS

1. RED FLAG REPORT – REACTIONS – Keith reported that Church Council liked the idea of this type of reporting but felt that it need not be done on a monthly basis. It was proposed that quarterly reports would be sufficient unless something highly unusual needed highlighting.
2. REPORTS OF BUDGET RED FLAGS TO COUNCIL FOR 5/9 - Based on Council preference no report will be prepared for May meeting
3. PATIO PROJECT BUDGET – COMMUNICATION WITH COUNCIL FOR ITEM ON 5/9 AGENDA – Committee asked Keith for an update from the Exec Committee about a final budget for the proposed capital improvement. Apparently there is not yet a firm figure or a plan for funding the difference between the total and available funds. There was a discussion on the possible impact on various financial elements of the Church.
4. PERSONNEL COMMITTEE REPORT TO COUNCIL 5/9/17 (attached) – The report that Church council will consider from the Personnel Committee was reviewed and many of the items included cover matters that have been jointly discussed by Budget and Finance with Personnel over the past several years. **It will be important for Budget and Finance Committee to have an opportunity to review and comment when some of the policy proposals are developed since there will be financial impacts.**
5. ANNUAL AUDIT REPORT – REFER TO COUNCIL – RESPONSE TO PROPOSAL FOR CREDIT CARD USAGE REVIEW - The Committee reviewed and approved the Audit report and referred it on to Church Council for acceptance. Chair Susan Prosser signed the report on behalf of the Committee. One further signature will be required from the Council. Keith will provide response to the Council regarding commentary regarding credit card usage.
6. MONITORING INVESTMENTS – INVITATION TO BOB HARRELL TO ATTEND MEETING – Keith will consider an invitation for a future meeting.
7. SETTING A RECORD RETENTION SESSION DATE – agreed this is necessary and will set a future date that is not a meeting date and when Jenny Christensen can participate since she has expressed an interest.

# Next regular meeting – Monday June 12, 2017

## MT CROSS BUDGET AND FINANCE COMMITTEE

Minutes of Meeting

APRIL 10, 2017 4:00 pm

Members Present: Karen Gramacki, Keith Selbrede, Treasurer and Susan Prosser, Chair

Members Absent: Herb Holler

Susan Prosser led the group in a Lenten devotion

### INFORMATION

4. FINANCIAL SECRETARY POSITION OPENING UPDATE – Announcement of the opening is out and a detailed job description is being developed
5. MAY SYNOD TREASURER'S WORKSHOP – Keith already attended the workshop help at Synod headquarters in April and is considering attending yet another
6. SUPPORT TO MBC – Keith will be providing the official financial support during the evening of the MBC event
7. FINANCIAL REPORTS - Committee reviewed reports posted for the period Jan – March 2017. In reviewing the Budget Performance Report it was determined that a transfer within the Operating Income area was necessary to more accurately reflect current giving. The review of expenditures produced a series of what were labeled accounts that required attention or needed watching. It was also noted that the Accountant needs to input the Budget Amendments to the Accounting System as they occur so that reports reflect the most current Budget. The Balance Sheet was reviewed and it was noted that careful monitoring of cash flow will be essential in 2017 if any capital project is authorized to proceed. It has not been uncommon in the past to draw funds from investments when necessary.

### DISCUSSION/ACTION ITEMS

1. ACCOUNTING/BUDGET CONTROLS – The following items were discussed and it was agreed that they should be further pursued with discussion with Heather Edwards and notification to those controlling budgets when/if implemented. The goal of this undertaking is to reduce corrections that are needed after the fact for Program Managers and paid Accountant.
  - CHARGING TO ACCOUNTS IN EXCESS OF BUDGETED AMOUNT – TREASURER APPROVAL
  - CHARGING TO ACCOUNTS WITH NO BUDGETED FUNDS – NO?
  - EXAMPLE FUN WITH FAITH STAFFING 62620 (ALSO NEW ACCOUNT) – CHARGED \$87 STARBUCKS WITHIN SALARIES AND BENEFITS
  - AUTHORITY TO CREATE NEW ACCOUNTS - Treasurer approval?
  - EXAMPLE – YOUTH MINISTRY SAL FUND 55455 (SHOULD GO TO DESIG FUND)

WHO IS AUTHORIZED TO CHARGE TO ACCOUNTS?

EXAMPLE - TECH EQUIP – INCIDENTALS CHARGED IN ADDITION TO PRINTER  
BETTER NOTATIONS IN ACCOUNTING SYSTEM –  
JOURNAL ENTRIES NEED FULL DETAIL  
MORE GENERAL DETAIL ON NON REGULAR INCOME AND EXPENSES

2. REPORTS OF BUDGET RED FLAGS TO COUNCIL - Committee continued discussion began with the review of the Budget Performance Report. While the overall bottom line of the Budget may be fine, it is possible that individual budgets are worthy of tracking or alerts to Council. It was agreed that the concept of a RED FLAG report would be a useful tool. This type of report could be a very simple bullet point type report with notations indicating if there is corrective action possible (offsetting income already exists) or not. Red Flags will not be indicated for expenses that are seasonal in nature and have expectations full expense early in the Budget year. We will work with this concept to see the Council's reaction.
3. PATIO PROJECT BUDGET – COMMUNICATION WITH COUNCIL NEEDED – The Committee briefly discussed the importance of B&F involvement of review of any plans for funding the Patio Project or any alternative capital project proposed for initiation in 2016. It will be important to see a plan that includes full funding for all phases of work, built-in project contingencies and identified sources of funding. If the project is to span more than one budget year, it will be important to understand the impact on future year(s).
4. COUNCIL INTEREST IN BUDGETING FOR FULL MORTGAGE PAYMENT – This has been accomplished with the final budget as adopted by the congregation. See the budget adoption motion presented for vote as contained in the minutes of the Annual Meeting. The Final Budget is presented on the Church website within the Church Council section.
5. MONITORING INVESTMENTS – little time remained to discuss this item. It will be pursued further at future date.

## **Next regular meeting – Monday May 8, 2016**

Mount Cross Lutheran Church Camarillo CA  
Budget and Finance Committee  
Minutes – Monday, October 17, 2016

Members present: Karen Gramacki, Herb Holler, Keith Selbrede and Susan Prosser

Meeting was opened with a devotion from d365.



## **Information Items**

Minutes of September 12, 2016 were reviewed and approved.

Financial Reports for September were presented by Keith Selbrede, Treasurer  
Budget Performance – reviewed

Balance Sheet – Checking account balance down – will be monitored

Susan Prosser gave a report of the September Church Council Meeting regarding the action taken on B&F Items – Credit Card Reader and QuickBooks Online. Council approved both Budget and Finance Committee recommendations.

Keith brought the group up to date billings for bookkeeper services. We have been able to stick with our goal for regular monthly service but special tasks do require extra time. Keith will work to project the need for 2017 funding. We will monitor to see if once online system is fully implemented there are any changes in time demands.

## **Continuing Business**

Stewardship Committee Plans – Susan briefed the Committee on the stewardship campaign and schedule for 2017.

Capital Project for Patio Project – The Committee agreed that we need to budget differently for the Patio Project and any other similar projects that are not maintenance and add value to the property. We will create a Capital Projects category in the Budget.

Report of Meeting with Personnel Committee – Keith and Susan reported on meeting with the Personnel Committee regarding upcoming implementation of changes to the FLSA regarding Exempt/nonexempt employees and overtime. Also discussed were implementation procedures for this change along with use of leave time. Current employment agreements were reviewed and it was agreed that consistency was important. Need to see if QuickBooks Online timecard system will meet requirements.

Budget Process – The Committee discussed the process in light of the fact that instructions and forms were distributed on Oct 3<sup>rd</sup>.

1. Review of process
2. Meetings with staff/Committees
3. B&F extra meetings, assignments, income projections, cost input for B&F assigned accounts
4. Report on available “reserves” - this to be done before Dec Council meeting

5. Established a calendar for the Committee (follows) through Requested Budget presentation – more dates will be added as necessary. Karen will check into the date for pledge count completion.

### **New Business**

- QuickBooks Online implementation - Karen Gramacki and the office manager have yet to be activated for access to system.
- Other – need to review history of accounting for local church donations.

**NEXT REGULAR MEETING - MONDAY, November 14, 2016**

### **B&F Committee Requested Budget Preparation Calendar**

Oct 17	Budget and Finance meeting
Oct 30	Stewardship letters/cards received
Oct 31	Budget requests due
Nov 8	Church Council
Nov 13	Pledges due
Nov 14	Regular B&F Meeting
Dec 5	Regular B&F Meeting
Dec 13	Church Council – requested budget presented

**Mount Cross Lutheran Church Camarillo CA  
Budget and Finance Committee  
Minutes of Meeting Monday, September 12, 2016 2 pm**

Members present: Herb Holler, Keith Selbrede, Susan Prosser

Devotion - opening by Susan Prosser using D365 mobile app.

#### Information Items

- Review of August 8, 2016 Minutes – accepted.
- Financial Reports for August– Keith Selbrede, Treasurer, presented financial reports YTD through August. Committee reviewed and discussed information needs associated with the upcoming budget process.
- Report of August Church Council Meeting – Keith reported on Council discussion of Sick Leave policy/employee contracts due to a recent scheduled medical absence. Further discussion needed on other employment matters pending.
- Bookkeeper billing – Keith reported that billings for very basic service has stayed within estimate however special tasks do have associated additional billing. Example: Budget Amendments = 5hrs or \$300

#### Continuing Business

- Continued review of Credit Card Reader Use –Susan presented a draft report on the expanded use of credit card readers with recommendations. Following a discussion of the findings and recommendations, the Committee agreed to recommend that the use of the credit card reader remain exclusively used by MBC at this time. This recommendation was made in light of the need to better acquaint the congregation on the other existing options currently available. The report and recommendation to be presented to Church Council for action.
- QuickBooks Pro – Committee reviewed the report of recommendation from Heather Edwards to transfer to QuickBooks Online. Access to view only will potentially reduce requests that currently must be forwarded to Heather and improve the quality of information available for budget management and development. Committee decided to move forward with the recommendation to Church Council and supported the motion prepared by Keith for Council adoption. Committee also recommended the 5 users for the online system to be Bookkeeper, Treasurer, Chair of B&F, Asst. Financial Sec. and Office Manager (with a briefing to acquaint her with the budget). With the exception of the Bookkeeper, it is proposed that the other 4 users be View Only at implementation.
- Stewardship Committee Plans – Susan reported on the first Stewardship information gathering held with the 3D group on Sept. 2<sup>nd</sup>. There was a good turnout for a devotion and presentation by Craig Blois. Attendees asked questions and were interested in the summary numbers presented.

- Capital Project Account For Patio Project – new budget category needed in order to implement the Council approved Budget amendment of \$7,500. Important to remember that these capital expenses will ultimately impact our asset value on the Balance Sheet. Also project will involve more than one Budget year. Keith will work with Heather to accomplish the correct accounting of the project.

#### New Business

- December 1<sup>st</sup> implementation of changes to Fair Labor Standards Act and full implementation of sick leave use policy – Implications for bookkeeping/payroll and budgeting were discussed. Susan reported that a meeting with the Personnel Committee, the Treasurer and Susan was being scheduled. This meeting will facilitate the review of policies and implementation responsibilities along with financial implications.
- Budget Process – The Committee set a budget schedule for 2017 requests with the distribution of forms and instructions at the beginning of Oct and requests due Oct 31<sup>st</sup>.

## NEXT MEETING MONDAY, October 11, 2016

**Mount Cross Lutheran Church Camarillo CA**  
**Budget and Finance Committee**  
**Minutes – Monday, August 8, 2016 2 pm**

Present: Herb Holler, Keith Selbrede and Susan Prosser

A devotion from d365 was shared by Susan Prosser to open the meeting.

**Information Items** - Minutes of the July meeting were reviewed. There was a careful review of financial reports for the end of July with a specific discussion of the Balance Sheet money market versus Special Funds accounts.

Keith Selbrede provided a recap of the July Church Council meeting. Keith also shared the last month's bookkeeper's billing. Billings have been well managed by Keith and Heather Edwards to stay within the available budget.

#### Continuing Business

**Credit Card Reader Use** - Susan reported on meeting with Melissa Henry regarding the possible need for credit card payments for Fair Trade items both monthly and alternative Christmas items. Melissa sees no particular need or benefit for another payment option for monthly items. This method is not requested since the congregation is well acquainted with current

procedures. There may be some benefit for a small number of purchases during the Christmas sale since they do experience the need to hold items when people do not have cash or checks. There has been one past instance of use of the current online giving/payment system that for some reason failed to see the funds deposited to the proper account.

The Committee agreed on the goals and pros and cons of possible use as presented in the preliminary report. We will aim to finalize after looking at last area of Learning and Youth.

**Best version of QuickBooks Pro for Mount Cross** - The discussion of the best version of QuickBooks to meet the needs of the various parties who have need for financial data continued. It was confirmed that our current system would not allow any view only users. We still need to ask Heather to weigh in on this topic with recommendations.

This issue is growing in importance as we approach the budget process for 2017 and the staff, Committees and Budget and Finance team will all have frequent information needs. Of concern to the Budget and Finance Committee is that the cost per hour to have Heather satisfy all of these inquiries may prove to be quite costly in total and the possible delay in waiting for responses will be cumbersome in some stages of the process. Beyond the budget process, allowing view only information access to selected people familiar with the financial system will permit better communication between the Financial Team and others in Leadership in the congregation, as well as, the congregation as a whole.

**Stewardship Committee Plans** - early gatherings with small groups will start in late August or early September. Budget information from Budget and Finance will be used to help inform those attending about the church's financial position and needs.

**Budget Amendments** – Susan and Keith will work with Heather directly to see that all Council approved amendments to date are implemented.

#### New Business

**Church Picnic Funds Request** - The Church Council president has requested that the Committee identify a source of an additional \$150 to be added to the account for Council Sponsored Events #63840. The need for this additional money is associated with the rental of a golf cart to take people to the somewhat remote restrooms at the park used for this year's picnic. **The Committee recommended that rather than make a specific Budget Amendment at this time, the Council makes the necessary expenditure for the picnic and after we will examine how much (if any) overage there is and then make recommendations for transfer of appropriations if necessary.** The reason for this approach is with the Thrivent Action Grant of \$250 also secured to use for the picnic to be used in addition to the budgeted funds.

**Budget Provisions for Patio Project Design** – the committee looked at the Balance Sheet and the current balance of the Bank Money Market Account. With the transfer of the funds for the CYFM position for 2016 and the Design Funds needed for the Patio Project, the money market account may need to be tapped.

**Budget Status Reports** – Susan stated that she would like to have some form of status reporting made to staff and committees made ahead of the budget process.

## NEXT MEETING MONDAY, September 12, 2016

### **Budget and Finance Committee Meeting Minutes – May 9, 2016**

Mount Cross Lutheran Church, Camarillo, CA

Meeting called to order by Chair Susan Prosser at 2 pm. Present were Karen Gramacki, Herb Holler, Keith Selbrede and Susan Prosser.

#### Information Items

- Minutes of April 18, 2016 were reviewed and accepted.
- Keith Selbrede gave a report of the April financial reports. Committee discussed whether the money deposited to correct 2015 retirement contribution error should show as 2016 income or simply increase the Bank Account balance on the Balance statement since it is a reimbursement of funds advanced in 2015. Also discussed was the skewed sense of giving represented by the lump sum \$10,000 given at the end of 2015 and carried into 2016 to cover a full year pledge. These nuances will need explaining to the Church Council or others examining early income trends.

#### Continuing Business

- Karen and Susan met with Anne Valencia who provided valuable information about the current Square account. The account is registered with Anne as the “owner” using her required personal information and linked to the Church’s bank account. All deposits from this account go directly to the Church’s bank account and only those with authorization for that account have any control over the funds. Anne has no problem

with the Church establishing a new account as long as MBC has access to the account for continued use for the annual event. In fact, Anne would prefer a new account for the church if expanded uses for other purposes were to be authorized.

Further information needs to be gathered and analysis made before a the B&F Committee will be in a position to make a recommendation including the use of the website payment option already in existence, the alternative to expand service with our current website payment provider for card reader service (although a higher fee than Square) and an assessment of what real potential income gains exist since we will also incur fees not currently paid.

- Discussion of QuickBooks Online was limited. Keith will discuss with Heather whether our current QuickBooks systems has the capacity to allow others to sign on with restricted access – view only.
- Karen spoke with Cathy Channels regarding the event set-up payment to the CDC employee and was assured that the lump sum payment method still maintained the employee status of the person while performing this function. The worker's compensation coverage would not be in jeopardy.
- Karen met with Meredith Gardner to answer questions regarding Learning and Youth Budgets and provide a general briefing.

#### New Business

- Keith Selbrede, Treasurer, provided a comparison of the two insurance proposals under consideration with his recommendation to change carriers to Church Casualty unless the Bond Agency makes some major change to their proposed coverage/cost between now and the upcoming Church Council meeting. Following discussion and an examination of the proposal from Church Casualty, it was moved unanimously that the Budget and Finance Committee support the Treasurer's recommendation.

It was agreed that we will return to our regular meeting date of the second Monday of the month but with an afternoon time.

**Next Meeting Monday, June 13, 2016**

**Budget and Finance Committee Meeting Minutes – April 18, 2016**

Mount Cross Lutheran Church, Camarillo, CA

Meeting called to order by Chair Susan Prosser at 2 pm. Present were Karen Gramacki, Herb Holler, Keith Selbrede and Susan Prosser.

Meeting began with a devotion given by Susan Prosser.

#### Information Items

- Minutes of March 21, 2016 were reviewed and accepted with the modification that under New Business - the online credit card system usage should have a very rough estimate of \$1000/year and it is the Simply Giving monthly figure that is \$6,500.
- Keith Selbrede gave an oral report of the March financial reports and will see that they are posted online
- Church Council report by Keith Selbrede as Liaison 1) Budget Amendment #1 for \$5,000 approving the transfer of funds from the Schmeichel memorial account to fund the purchase of a Pentecost banner for the Sanctuary was approved and will be implemented under the Worship and Music portion of the income and budget portions of the 2016 Budget; 2) Council approved the change of Pastor Elizabeth's remaining compensation to Housing Allowance; 3) Keith reported to Council that B&F was investigating expanded use of Square account and other options; 4) Financial account signatures were confirmed by Council motion; and 5) Council authorized a \$1,500 expenditure for toilet replacements.

#### Continuing Business

- New income accounts have been established for the 4 charitable organizations that are supported by 50<sup>th</sup> anniversary Gifts of Hope Action Funds and added to the Chart of Accounts. Users of these accounts have been notified.
- Karen and Susan will continue gathering information on the existing Square account and other possible options. Karen offered to meet with Anne Valencia once MBC is over and she has available time.
- Keith reported on his oversight of the Bookkeeping Services Contract. The month of March produced a total billing of 23 hours of service with 11 hours related to correction of a 2015 retirement contribution error. Heather Edwards has offered her service for these extra 11 hours as her service as a member of the church and requested payment of only the remaining 12 hours of service. The Committee agreed to send a note of thanks to Heather for her hours of service.
- Discussion of QuickBooks Online was limited. It was agreed to have Keith inquire of Heather if there was any way to allow restricted view to others with our current system.
- An issue has been raised by a Mount Cross member who had been paid for Event Set-up as a CDC employee. The question surrounded the intent to have the pay made as regular pay versus a lump sum add on to the employee's pay. The Committee concurred that the original intent was to have the compensation included in the employee's regular pay. Karen offered to pursue more information from the CDC.

#### New Business



- A question regarding online giving categories for the church website was raised and went unanswered due to lack of involvement or information within the Committee.
- CYFM Director has some questions regarding the 2016 Budget. Karen has already spent some time talking with her and will meet with her to provide further information.
- Keith reported that he will be serving as the Council's point person on MBC funds.

It was agreed that we will return to our regular meeting date of the second Monday of the month but with an afternoon time.

## **Next Meeting Monday, May 9, 2016**

### **Budget and Finance Committee Meeting Minutes – March 21, 2016**

Mount Cross Lutheran Church

Meeting was called to order by Chair Susan Prosser at 1:30 pm. Present were Karen Gramacki, Herb Holler, Keith Selbrede, Susan Prosser and Jenny Christensen, Financial Secretary

Meeting began with the Christ Candle and a devotion given by Jenny Christensen.

#### Information Items

- February Financial Reports were discussed by Treasurer Keith Selbrede
- Susan Prosser reported on the Stewardship Committee meeting held on March 6<sup>th</sup> and the need for B&F to be available to work with the stewardship effort

#### New Business

- Keith Selbrede brought up an issue regarding the handling of in-kind donations. Following discussion it was agreed that the two options for handling this are: 1) provide a Mount Cross donation receipt or 2) ask the person if they want to submit receipts for reimbursement and then it is their choice if they wish to donate the same sum of money to the church. Both options allow for deduction on income taxes – the first as donations – Volunteer Supplies and the second would appear on the summary giving report received from Mount Cross.
- Jenny Christensen brought up an issue regarding the splitting of income accounts when one check is given for multiple purposes. A recent instance included several purposes and there was agreement that multiple income account numbers can be indicated for crediting the income but that good notation is essential.
- New account numbers are going to be needed for the funds being collected under the 50<sup>th</sup> Anniversary Action Funds Gifts of Hope since there are four different projects being supported. There will be a request to have separate income accounts for 50<sup>th</sup> Anniversary Gifts LRIS, RAIN, School on Wheels, and LSS. When it is know that a new account is needed but not yet established there is no problem with the counters indicating the purpose/intent of the income and noting "New Account Needed".

- Jenny Christensen reported that the Vanco online credit card system has had very little usage. Regular giving through this method only totaled \$6,500 last year. When this was first added to the Church website there was agreement that the Church Council would evaluate it at some point. We should probably collect data for presentation and recommendations with Jenny's assistance.
- The use of Square was discussed since there seems to have been some specific discussion of expanding the use of the existing account. No one within the current financial team knows how this account is registered and what type of reporting is received. A single lump sum figure has been provided as MBC income since inception of Square use. This has not been a major issue since the use of this system has been for a single income account. The collective group felt that the possible expanded use would require more information and controls which would support proper accounting and donation reporting. A motion was made and passed unanimously: **The Budget and Finance Committee recommend that the Church Council restrict any further use of the existing Square account beyond Make Bake Celebrate pending investigation of financial implications for both accounting and donation reporting by the Budget and Finance Committee.** Karen and Susan will work on this.
- Keith reported on the completion of the selection process for bookkeeping contract services with the selection of Heather Edwards as our contract service provider. Keith also distributed a sample form for use to channel inquired to Heather through the Treasurer in order to best manage the time and cost associated with the bookkeeping function. This way if questions can be answered by someone else, there are duplicate questions, etc. Keith can be selective in what requires Heather's time. It was also suggested that the Grapevine be used to notify people that Keith is the contact point.
- Keith reported to the Committee that the corrections needed to the 2015 payroll and retirement contributions and reports have been completed and all filings have been made.
- Interest in QuickBooks Online was discussed as an option for Mount Cross as a way to provide more access to detailed financial information without having to request information from the bookkeeping service. QuickBooks Online does carry a monthly fee which is different than our current system of software acquisition and yearly payment for the payroll system. A financial cost benefit review would be necessary. We also need to know if our current system can accommodate sign-on access with view only capability.
- We have been asked to pursue the method of payment of the room set-up fee that is paid to a CDC employee from the Mount Cross budget. There is a difference between payment through payroll and lump sum payment that needs to be resolved. Karen will pursue this with the CDC.

### Old Business

- Financial reporting to the congregation – Keith reported his plans for 2016 reporting

**NEXT MEETING MONDAY April 18<sup>TH</sup> AT 2PM**

**Budget and Finance Committee Meeting Minutes – October 12, 2015  
Mount Cross Lutheran Church**

Meeting was called to order by Chair Susan Prosser. Members in attendance: Herb Holler, John Lu, and Susan Prosser.

The meeting began with devotions and caring conversation.

#### Information items

- Financial Reports – information provided by Herb Holler
- 2016 Budget Progress report – Susan Prosser reported that a few budget requests have been submitted but that the deadline is not until October 30<sup>th</sup>.

#### Action items

- Committee approved recommended 2015 Budget amendments to 1) recognize the income from electronic recycling for the attic cleanup and improvement project and make like adjustment to the approved budget and 2) increase the budget for the purchase of Advent paraments to be funded by the transfer of funds from Designated Memorials. Details of these actions to be provided to the Church Council.

#### New business

- It was reported that the Stewardship Committee has asked for Budget information to be included in this year's campaign. Susan Prosser discussed the nature of this information and will provide our Committee with copies of material provided to Stewardship.
- Since our regular meeting date for December would follow the Church Council meeting where the Requested Budget is to be presented, it was agreed to **move the meeting to Monday, December 7<sup>th</sup>**.
- A brief review of the items in the Requested Budget that are the responsibility of the B&F Committee. It was agreed that Herb, Keith and Susan would work on these items.
- Assignment of Budget preparation documentation – Keith will create the spreadsheet and oversee formulas and perform input and Susan will collect budget requests, assist with input and provide notation comments for the Requested Budget phase.

#### Continuing business

- No further discussion was held regarding financial policies or narrative budget presentation.

**Next Regular Meeting –  
Rescheduled to November 30<sup>th</sup>, 2015 at 7 pm**

**Joint Meeting with Exec Committee –  
Thursday, Dec 3<sup>rd</sup> at 7 pm**

**Budget and Finance Committee Meeting Minutes –  
September 14, 2015  
Mount Cross Lutheran Church**

Meeting was called to order by Chair Susan Prosser. Members in attendance: Herb Holler, John Lu, and Susan Prosser.

The meeting began with devotions and caring conversation.

**Information items**

- Financial Reports – Keith Selbrede and Herb Holler discussed the status of reports and the Committee agreed to the importance of accuracy and timeliness as we enter the Budget Process and near the end of year. Plans were made for the first meeting of those involved to do a thorough review of reports and make necessary corrections.
- 50<sup>th</sup> Anniversary Celebration – a continuing update of plans was provided by Susan Prosser
- Stewardship Committee Plans – Susan Prosser gave a continuing update on the upcoming Stewardship drive

Action items – none

**New business**

- None

**Continuing business**

- 2016 Budget Process – the Committee reviewed the 2016 Budget materials in readiness for distribution on September 18th
- Committee agreed to not schedule any records review work dates until after the Budget process is completed
- Very brief discussion of Financial policies for reimbursements and deposits – not ready as yet to make recommendations to Church Council
- No further pursuit of the use of Square without a specific identified purpose or user
- Narrative Budget format was not discussed – will be scheduled for a later meeting

**Next Regular Meeting – Monday, October 12, 2015 at 7:30 pm**

## Budget and Finance Committee Meeting Minutes –August 24, 2015 Mount Cross Lutheran Church

Meeting was called to order by Chair Susan Prosser. Members in attendance: Karen Gramacki, Herb Holler, John Lu, and Susan Prosser.

The meeting began with devotions and caring conversation.

### Information items

- Financial Reports
- Update on CA Board Of Equalization inquiry regarding sales tax payments – response has been sent using three recent credit card statements
- Report of Church Council action on Committee recommendation re Earthquake Insurance – B&F committee recommendation was followed by Church Council for a one-time payment rather than financing and ten payments
- 50<sup>th</sup> Anniversary Plans for fundraising were discussed and as yet are not finalized
- Stewardship Committee Plans – briefing on some of the ideas that are being considered for this year. Pledge or Commitment Sunday will be Nov 22<sup>nd</sup> this year.

### Action items - none

### Continuing business

- 2016 Budget Process – the Committee looked at a draft cover letter and discussed the possibility of scheduling an open budget briefing session as had been suggested at an earlier meeting. In the end the alternative of offering one-on-one assistance to Committees and individuals was determined to be the better approach and will be included in the cover letter.
- The budget form and instructions that have been used for the past several years were examined and modifications were agreed to. A final version will be reviewed by the Committee prior to distribution. It is hoped that we can also offer a version that can be complete on the computer and Susan will ask the church office for assistance in accomplishing this.
- A budget schedule was determined with information distribution to begin on September 18<sup>th</sup> and forms to be due Oct 30<sup>th</sup>.
- Agreement that we will pursue publicity for the budget process in the next newsletter so that the full congregation is aware that it is time to make requests and information is available.

### New business

- Rally Day was discussed and the group concurred that there was no need for a B&F table.
- The use of a Narrative Budget for presentation to the congregation and more information will be made available to the Committee,
- Meeting dates and times were discussed to accommodate member John Lu's fall lecture schedule. The regular meeting schedule for the near future will remain on the second Monday of each month **with a starting time of 7:30 pm** rather than 7 pm.

## Next Regular Meeting – Monday, September 14, 2015 at 7:30 pm - Note new starting time

### Budget and Finance Committee Meeting Minutes – July 13, 2015 Mount Cross Lutheran Church

Meeting was called to order by Chair Susan Prosser. Members in attendance: Herb Holler, John Lu, Keith Selbrede and Susan Prosser.

The meeting began with devotions and caring conversation.

#### Information items

- A discussion was held regarding the format of financial reports posted online and agreement was reached that the line item detail for all reports should be available. Details were not available to distribute to Committee members.
- Correspondence has been received from the CA Board of Equalization requesting historical information for the years 2012 – 2014 regarding purchases from out-of-state providers without paying state sales tax. Susan Prosser will work on the response.
- Committee was briefed on the recent change in CA law regarding paid sick leave for employees and the impact on payroll procedures and potentially to the budget.

#### Action items

- The Church Council requested that the Committee make a recommendation regarding the premium payment options associated with the upcoming renewal of the Church's earthquake insurance policy. After discussing the pros and cons of whether to make a single payment versus 10 payments with financing, **it was moved, seconded and passed to recommend that the Church Council direct the Treasurer and Bookkeeper to make a single payment for the earthquake insurance premium.** This recommendation was made based on available cash and a savings of \$283 and in recognition of the fact that this payment will cover a portion of 2016 and cause the 2015 expense to be over budget.

#### Continuing business

- Some general discussion of the upcoming budget process was held but once again detailed discussion was deferred until all members could be present.

#### New business

- The need to draft policies regarding reimbursements and deposits of funds were discussed by the Committee. It was agreed that this could be further pursued with further discussion needed with others impacted including the Financial Secretary.
- The use of Square for payments other than at MBC was discussed and it was agreed that further information would be necessary in order to pursue. The Committee was particularly interested in where additional service charges were charged to the church in addition to credit card interest rates. This issue will require further work.

**Next Regular Meeting – Monday, August 10, 2015 – RESCHEDULED to Monday, August 24, 2015**

Budget and Finance Committee  
Mount Cross Lutheran Church Camarillo, Ca  
Minutes for Committee Meeting of May 12, 2015

Present: Herb Holler, John Lu and Susan Prosser and guest Bob Harrell, Investment Advisor

Absent: Karen Gramacki and Keith Selbrede

Devotions and Caring Conversation opened the meeting.

The Committee reviewed a report of the April 13, 2015 records retention work session and committed to scheduling additional sessions in the future.

### **Information Items**

- The Committee received notice of the resignation of members Ken Riley and Craig Blois and indicated thanks for their time of service. Each of them would be welcome back to the committee at any time that membership suits their schedule and interests.
- It was reported that all previous items forwarded to the Church Council for action had received positive action.
- In the absence of the Treasurer, financial reports for month end April have not yet been posted on line. Preliminary Budget Status report shows a net positive of \$11,599 for the period January through April based on Total Income of \$149,594 and Total Expense of \$137,899. Following the Treasurer's review, the detailed reports and Balance sheet will be available online for review.

Items worthy of highlighting include: pledged giving at 102%; total giving at 99%; Holk Trust and other designated fund transfers have yet to be made; MBC proceeds and very little MBC expense included in this report; regular operational expenses are well within budget; expense savings are largely due to delayed Mission Support transfer to the Synod, savings in CYFM position, previously funded MBC projects, and expenses slated for later in the year.

### **Action Items**

- Due to the unexpected visit by our investment advisor the Committee held a discussion on the current status of our investment account and the need for new signatures for the Investment Account with MFA Wealth Services. Since the election of a new Church Council and Officers, it is necessary to designate new authorized signatures for the MFA Wealth Services investment account. Last year the Church Council designated the Council President, Council Vice President, Treasurer and Chair of the Budget and Finance Committee. **The current Council needs to confirm or modify the list of positions selected last year so that signature forms can be**

**distributed.** The B&F Chair has the necessary forms and can explain what is necessary to complete.

- **Budget Amendment – Adult Choir – Choir Music** The Adult Choir Director has requested that the \$391 balance of Adult choir designated funds be added to the 2016 Budget appropriation for the purchase of choir music. This action will result in a total of \$491 budgeted for this purpose in 2015. The 2014 Adopted Budget included \$0 in account 65200 Choir Music. Based on a request from the Choir Director, a subsequent budget amendment adjusted this amount to a revised amount of \$700. The actual end of year expenditure from this account was \$1,027.

Based on the current request from the Choir Director, full support of the Worship and Music Committee and the availability of funds, the Budget and Finance Committee recommends the **amendment of the 2015 Budget by an increase of \$391 to Expense Account 65200 Choir Music and the addition of an Income Account - Transfer from Adult Choir Designated Fund (35520) in the amount of \$391.**

It is further recommended, **that the Church Council direct that the purchase of choir music be made through the church office so that the availability of funds can be verified prior to ordering.** This procedure will avoid unintentional over expenditures in this category.

- **Budget Amendment - Many Meals Expenses -** The Many Meals Leadership Team has requested that the funds in the Many Meals Designated Fund be made available for expenditure through amendment of the 2015 Budget. Over the soon to be 5 years of operation, the Many Meals program has accumulated \$585. This money differs from the money budgeted within the Benevolence section of the Budget.

This month, Jack Rose will spearhead the annual hot dog and hamburger BBQ at the Mount Cross/Peace Lutheran Many Meals night. Funds are needed to pay for the meal supplies. In addition, the Leadership Team is looking for ways to periodically relieve volunteers of some of the expense of participating throughout the year. The full budgeting of the accumulated designated funds will cover the BBQ and provide some flexibility for the remainder of the year.

The Budget and Finance Committee recommends **the 2015 Budget be amended by an increase of \$585 in a new account for Many Meals Expenses to be created within the Service and Missions category (67000) and the addition of a new Income Account – Transfer from Many Meals Designated Fund (35710) in the amount of \$585.**

- **Master Calendar Input – Earlier start of budget process –** The Budget and Finance Committee is proposing to begin the 2016 budget process earlier this year in order to make certain that all Committees have an opportunity to meet prior to the submittal deadline. This will also allow B&F to incorporate one or more early workshops on the process at the onset and facilitate the use of the Committee and the Finance Team as resources.



As of now, we are tentatively looking at distributing Budget instructions and forms September 18<sup>th</sup> to be submitted October 31<sup>st</sup>. As the complete Budget Schedule is developed, workshop(s) will be added in the first week(s) of that time span. The Committee wanted to provide this input in order to make certain that we are not selecting dates that will impact other plans being made by the Council or others.

No other business was discussed due to the absence of the Treasurer and Committee member Gramacki.

**NEXT REGULAR MEETING WILL BE MONDAY JULY 13, 2015 AT 7 PM**

## **Report of April 9, 2015 Budget and Finance Committee Work Session**

### **Record Retention Project**

Present: Karen Gramacki, Herb Holler, Jenny Christensen, Keith Selbrede and Susan Prosser

Boxes of historical financial records were secured from the church attic for purposes of sorting prior to designation for secure shredding.

Jenny Christensen, Financial Secretary, joined the group in order to focus on pledge and giving records.

It was determined that a complete year's records took roughly 1.5 hours to review (including the time spent securing the box). Four years of records were completed and numerous pledge and giving records were purged. All records designated for destruction were in compliance with the Council adopted Record Retention Schedule.

The Committee will establish future work session to continue the project to its conclusion.

### **Budget and Finance Committee Meeting Minutes – February 9, 2015 Mount Cross Lutheran Church**

Meeting was called to order by Chair Susan Prosser. Members in attendance: Karen Gramacki, Herb Holler, John Lu and Susan Prosser.

The Light of Christ was lit, an opening Devotion based on Psalm 36:5 was given, and the Caring Conversation was "What was the last time you looked at the stars? What does their existence tell you about God?"

Information items

- Susan Prosser gave a report of the Leadership retreat held January 31, 2015 with an overview of the congregations strengths and concerns and a discussion of the second project to be funded by the Special Funds – an improvement of either/or patio or sanctuary.
- It was reported that the Church Council has yet to appoint a Treasurer for the term beginning 2/1/15
- The Committee was given information regarding the Preliminary Financial report for Jan. 2015 that will be presented to Church Council on 2/10/15
- The resignation of Tim Schneider from the Committee was reported by Susan Prosser. Continuing members were thanked and encouraged to recruit additional interested persons to serve.

### Action items

- The Church Council Executive Committee asked Budget and Finance to make a recommendation regarding the credit card limit for the new CYFM Director. Following discussion the Committee unanimously recommended that Council request a \$5,000 limit for the card to be issued to the CYFM Director for the same reason that Pastor Erik had been given that limit when he was on staff and responsible for youth trips and travel arrangements.
- The upcoming attic cleanout project presented an issue regarding the disposal of financial and other church records. There is an ELCA document available for churches to adopt in order to create consistent record retention and destruction guidelines within best practices taking into consideration legal, tax and accounting, privacy, preservation of congregational history. The Committee unanimously recommended that the Council adopt the Records Retention Schedule for Congregations of the ELCA.

### Old business

- The method of reporting the financial information to the Council/congregation was discussed and agreed that for now the approach would be to have a preliminary monthly reports ready for each Budget and Finance Committee and Church Council meeting. While it is appreciated that in some months these reports will be very close to the end of the month, it represents a snapshot of the Church's financial and budget position and is the best way to keep all parties informed. These same reports will be posted on the website. Additionally, it was thought that the best monthly report for the printed newsletter would be a "giving report" which would track congregational giving to date against what has been included in the budget.
- The insurance reviews and proposals that were made to the Committee in the past year were discussed and it was agreed that this information needs to be summarized and perhaps updated before any proceeding with any further action.

### New business

- The possibility of having Committee members specialize has been discussed by others in the Council Leadership. This approach was discussed by the members and the example of having someone serve as the point person for investments was used. John Lu offered to be the Investment point person if there needs to be interface between the Committee and the professional investment manager.
- Further discussion of the Committee organization and activities will be influenced by a newly appointed Treasurer and how that person elects to utilize the support of the Committee.

**Next Meeting – Monday, March 9, 2015 at 7 pm in the Church Office.**

**Budget and Finance Committee Minutes  
January 27, 2015 7 pm**

Attendance: Herb Holler, Chair, Karen Gramacki, John Lu, and Susan Prosser, Treasurer

Meeting was called to order by Chair Herb Holler and a caring conversation was held among members present.

The purpose of the meeting was to organize the Committee for 2015. Chair Holler stated that he did not want to be considered for Chair in 2015 due to undertaking the new duties of Bookkeeper for the Church and the number of years he had already served as Chair. By consensus, the group selected Susan Prosser as the Chair for 2015 since her responsibility as Treasurer will end on January 31, 2015. Susan will attend the Leadership Retreat on behalf of the Committee on Saturday, January 31<sup>st</sup>.

There was a discussion of the benefit of Committee members taking responsibility for various special assignments within our area of responsibility. John Lu has agreed to be the Committee point person for investments this year and will work with our outside investment manager and the new Treasurer as needed. Other similar assignments may be made as needed.

It was agreed that we should all look to recruit additional members since we have recently lost Phil Carlson due to a move and we have several other inactive members. A larger Committee will give us broader congregational representation and allow for more possible special assignments.

A standard monthly meeting date was agreed upon to be the second Monday of each month unless otherwise notified. This date is obviously open to change once the new Treasurer joins the Committee since their attendance is crucial.

The Annual Meeting and 2015 Budget were briefly discussed along with areas that should be focused on early in the year by the Committee. It was agreed that the Committee should endeavor to bring a conclusion to the issue of the insurance review that was started in 2014. Susan Prosser will gather the necessary materials to allow the group to determine how to best proceed. It was suggested that we also look to use the expertise of the members who previously advised the Church Council on insurance matters.

The importance of a year-round approach to Stewardship was discussed not just as it relates to the budgeting process but as an important way to insure connection and investment in the activities and ministries of the church.

**The next regular meeting will be Monday, February 9, 2015 at 7 pm in the church office.**

**Mt Cross Budget and Finance Committee and Executive Council  
Report of Meeting Held on December 4, 2014**

Attendees: Bob Burrow, Herb Holler, Gayle Johnson, Pastor John Soyster, Susan Prosser, Tim Schneider

The meeting was called to discuss the Mt Cross Budget for 2015. The budget is in the draft stage with additional responses expected from the Stewardship Drive. The budget will be presented in draft stage to the Church Council for preliminary review at their December 9<sup>th</sup> Meeting.

Items of Discussion:

- Erik Goehner is accepting a position of Senior Pastor at Holy Trinity Lutheran Church. We reviewed expenses for the Associate Pastor replacement in 2015. The church council will decide if a new associate pastor will be called.
- Replace Bookkeeper/Treasurer  
Tim Schneider will be vacating that position as of Dec 31<sup>st</sup>. A search has been conducted for a Treasurer and Bookkeeper. The candidates for bookkeeper would require a budget allowance for \$9,000. Herb Holler has volunteered to accept position of Bookkeeper. Compensation will be discussed at a later meeting, but not to exceed the amount that was previously paid to that position. Susan will accept the position of Treasurer through January. We are still looking for a permanent replacement for Treasurer.
- Children Youth and Family Director  
Compensation for this position was discussed. With the absence of Pastor Erik the position has added importance and will require a person with strong background. Waiting on decisions from the Search Committee
- Cursory review of budget  
The draft budget will be presented to the Council for their review.

**Mount Cross Budget and Finance Committee Report  
November 5, 2014**

Attendees: Karen Gramacki, Susan Prosser, John Lu, Tim Schneider (Church Treasurer) and Herb Holler

The meeting was opened with a devotional led by Susan Betty Ertel joined us at this meeting. Betty is considering replacing our current treasurer, Tim, when he leaves us on Jan 1<sup>st</sup>.

#### Investment Status

Bob Harrow our Investment Advisor reported on the status of our investment. Our reserves are invested for security and a modest return. The balance of our account is \$172,000.

#### Accounting services to complement the duties of the Church Treasurer

Our present Church Treasurer will be leaving that office on January 1<sup>st</sup> of next year. Church leadership should be actively looking for the new Treasurer.

Pastor Eric is leaving for a position with Holy Trinity Church, what is the impact on the 2015 budget.

We will not be able to evaluate the impact until the church leaders decide on the path to take to replace our associate pastor.

#### 2015 Budget

The budget has been updated by Tim as inputs have come in. Every line item on the budget was reviewed at this meeting. Waiting for the results of the Stewardship drive.

The Bdgt & Fin committee will meet with the Executive Committee on Dec 4<sup>th</sup> to review our preliminary budget.

#### Budget Schedule

Oct 12 Budget Requests sent out to Committee Heads - **Accomplished**

Oct 31 Deadline for responses to Budget and Finance Committee - **Accomplished**

Nov 10 Committee review of budget – **At this meeting**

Dec 4 Budget Comm. Meet with Exec. Comm. To review preliminary budget

Dec 10 Budget submitted to Council for review

Jan 13 Council approval for submittal to Annual Meeting

Jan 25 Budget to Annual Meeting

The next meeting will be on Dec 10<sup>th</sup> at 7 PM with the executive committee.

The meeting ended at 9PM with The Lord's Prayer

Herb Holler, Committee Chair

## Mount Cross Budget and Finance Committee

Minutes for Meeting on July 7, 2014

Committee Attendees: John Lu, Susan Prosser, Karen Gramacki and Herb Holler

### Money for Church Drum Set

Mike Hobbs and Dave Del Marto fixed the church drum set and the anticipated money to fix them will not be required.

### Memorial Gifts of less than \$500

The Legacy Giving Team wanted to recommend that any memorial gift \$500 that is not designated would automatically go into the endowment fund.

Our committee recommends; any past memorial gift of \$500 or less that is not designated will automatically go into the ***“Special Gifts”*** account ***to include the balance of the “General Memorials”***.

#### **New Software to Support Church Administration**

We support using church funds to replace the obsolete software presently in use. This is the administrative program not the financial program.

#### **The Church Audit Committee Report**

The committee is happy to approve the “Mount Cross Audit Committee Report”. All is well with the administration of our finances. Thank you to the Audit Committee for a job well done.

#### **Insurance Evaluation**

Two Insurance presentations were received with more to come.

The following articles were reviewed; “A Stewardship Message”, “Your Gifts at Work” and “Current Year Update”. Comments were made to Susan on these articles.

Herb Holler

## Mt Cross Budget and Finance Committee Meeting Minutes for 5/6/2014 10:00 AM

Committee Attendees: John Lu, Tim Schneider, Herb Holler and Karen Gramacki

John Lu joined the committee. He will be a great asset to the committee with his background in finances.

The property committee decided not to purchase defibrillators for use at our church. Pastor John requested that the funds intended for the defibrillators be reallocated for missionary support. The Church Council made the original decision to use the money for the defibrillator and they should make the decision on where these funds are spent.

The preliminary Pledged, Non-Pledged, Loose Plate & total Expense figures for April were given to Gayle Johnson (Church Council President). The first two are behind net \$11,000 from the budget, with loose plate ahead \$4k, & expenses behind by \$40k. It is really too early to have accurate information about April totals.

The committee will be asking for insurance quotes from Church Mutual, the Cutler Group & perhaps from Ray Clem. Tim will be contacting the

insurance organizations to get them started putting together proposals for us.

The committee will skip the June meeting unless something important comes up that can't be handled by email. Our schedule is to meet on the first Monday of each month at 10:00 AM at the church.

Herb Holler

### Mt Cross Budget and Finance Committee Meeting Minutes for 1/9/2014

Attendees: Bob Brundage, Herb Holler, Tim Schneider (Mt Cross Treasurer), Karen Gramacki, Randy Churchill and Ken Riley.

The committee met for a final review of the budget prior to submittal to the Church Council. The anticipated income for 2014 is less than last year and the expenses increased. According to the budget at the beginning of the meeting, Expenses exceeded Income by about \$114,000. Obviously this is not acceptable. The committee reviewed the budget line by line and reduced expenses as deemed necessary. The end result is a budget that is about \$56,000 out of line.

The budget will be presented to the Mt Cross Church Council on January 14<sup>th</sup> for council review prior to being presented to the annual meeting of the congregation.

Submitted by committee chair: Herb Holler

### Mt Cross Budget and Finance Committee Meeting Minutes for 12/5/2013

Attendees: Herb Holler, Susan Prosser, Tim Schneider (Mt Cross Treasurer), Karen Gramacki and Pastor Erik Goehner

The Committee discussed the following items;

Susan provided valuable insight from the preliminary review of the budget by the Executive Committee.

The meeting was spent reviewing and entering expected income for next year. The present draft budget for 2014 shows a shortfall of \$77,000. The council will have to make some drastic reductions to spending to balance the budget.

#### **The following schedule is being followed for the 2014 Budget Process;**

Oct 1 Budget Requests sent out to Committee Heads - complete

Oct 25 Deadline for responses to Budget and Finance Committee - complete

Nov 5 Committee review of budget – in process, meeting weekly

Dec 10 Budget submitted to Council for review

Jan 14 Council approval for submittal to Annual Meeting

Jan Budget to Annual Meeting  
Submitted by committee head: Herb Holler

### Minutes for 11/19/2013

Attendees: Herb Holler, Susan Prosser, Tim Schneider (Mt Cross Treasurer), Karen Gramacki and Bob Brundage

The Committee discussed the following items;

Susan Prosser led a discussion on the details of preparing the 2014 Budget. We are very grateful for her help. We discussed details such as; how to handle MBC funds, transfers of accounts from year to year, transfer to designated funds and the report to council on Dec 10<sup>th</sup>.

I have updated our spreadsheet to the best information we have at this time. Our next Budget meeting is scheduled for Dec 5<sup>th</sup> at 7 PM.

- The following schedule is being followed for the 2014 Budget Process;  
Oct 1 Budget Requests sent out to Committee Heads - complete  
Oct 25 Deadline for responses to Budget and Finance Committee - complete  
Nov 5 Committee review of budget – in process, meeting weekly  
Dec 10 Budget submitted to Council for review  
Jan 14 Council approval for submittal to Annual Meeting  
Jan Budget to Annual Meeting  
Submitted by committee head: Herb Holler

### Mt Cross Budget and Finance Committee Meeting Minutes for 11/5 & 11/11/2013

Attendees: Herb Holler, Tim Schneider (Mt Cross Treasurer), Karen Gramacki and Bob Brundage

The Committee discussed the following items;

Banking Facilities

- The bank used by Mount Cross was bought by “Western Pacific”. The church accounts are being transferred to County Commerce Bank.
- 2014 Budget Process

The committee has received most of the budget inputs as requested from committees. The inputs have been entered into a spread sheet for review. The committee has met twice to review those inputs. Karen and Tim have some actions to review various inputs and report back.

We still need inputs from personal committee and executive committee on salaries and benefits for staff personal.



We have received preliminary results from Stewardship Pledges. The results are less than last year. We feel that income and pledges are preliminary at this time.

- The following schedule is being followed for the 2014 Budget Process;

Oct 1 Budget Requests sent out to Committee Heads - complete

Oct 25 Deadline for responses to Budget and Finance Committee - complete

Nov 5 Committee review of budget – in process, meeting weekly

Dec 10 Budget submitted to Council for review

Jan 14 Council approval for submittal to Annual Meeting

Jan Budget to Annual Meeting

The next Budget and Finance Committee Meeting on the budget is scheduled for

November 18<sup>th</sup> at 7 PM.

Submitted by committee head: Herb Holler

## Mt Cross Budget and Finance Committee Meeting Minutes for 9/24/2013

Attendees: Herb Holler, Tim Schneider (Mt Cross Treasurer), Karen Gramacki and Ken Riley

The Committee discussed the following items;

Property Committee Expenses

- The Church Council approved the request from the Property Committee to increase their budget. Some expensive necessary repairs were made that exhausted the budget. A budget increase from \$9,000 to 14,000 was requested. The money will be transferred from the Children's Ministry Account.

Banking Facilities

- The bank used by Mount Cross was bought by "Western Pacific". They have a different fee schedule with greater administrative costs to the church. A survey of banks is being conducted.

2014 Budget Process

- The following schedule will be followed for the 2013 Budget Process;

Oct 1 Budget Requests sent out to Committee Heads

Oct 25 Deadline for responses to Budget and Finance Committee

Nov 5 Committee review of budget

Dec 10 Budget submitted to Council for review

Jan 14 Council approval for submittal to Annual Meeting

Jan Budget to Annual Meeting

Submitted by committee head: Herb Holler

## Mt Cross Budget and Finance Committee Meeting Minutes for 9/9/2013

Attendees: Herb Holler, Tim Schneider (Mt Cross Treasurer), and Bob Brundage Two members were out of town and could not attend

The Committee discussed the following items;

#### State of Finances

- A preliminary August Budget Report indicates that both income and expenses are down about 10%. This appears normal for the end of summer. A note should be placed in the Grapevine that our contributions are down.

#### Property Committee Expenses

- We received a request from the Property Committee to increase their budget. Some expensive necessary repairs were made that exhausted the budget. A budget increase from \$9,000 to 14,000 was requested. The Bdgt & Fin committee recommends an amendment to the budget for the additional \$5,000. The money should come from a "Reserve" account as designated by the Treasurer.

#### Benefit Package

- A new package of benefits for church staff was received from the ELCA benefit ministry "Portico". There are different levels of benefits to review. The Personnel Committee should review the package and recommend which level of benefit to use. Then the Budget and Finance Committee will review the recommendation for the 2014 Budget.

#### Banking Facilities

- The bank used by Mount Cross was bought by "Western Pacific". They have a different fee schedule with greater administrative costs to the church. This would be a good time to review which bank we should use for our transactions. A survey of banks will be conducted.
- The committee recommends the following church officers for check signing privileges; President, Vice President, Treasurer and Office Administrator. Two signatures are required on each check.

#### Gifts of Appreciation

- Several gifts of appreciation have been given to deserving people for service to the church. We recommend the budget for the "Children's Minister" be used for this purpose. Very little of the budget has been used to date.

#### 2014 Budget Process

- Requests for budgets will be sent to committee heads in September. Responses are due in October. The committee will review and incorporate the budget requests. The preliminary budget will be presented with recommendations to the council in December. Final Budget will be reviewed by Council in January and then presented to the church for approval at the annual meeting.

Submitted by committee head: Herb Holler

Mt Cross Budget and Finance Committee Meeting

## Minutes for 6/10/2013

Attendees: Herb Holler, Tim Schneider (Mt Cross Treasurer), Bob Brundage and Karen Gramacki.

W-9 Form - The Franchise Tax Board has reminded Mt Cross that a W-9 form must be filed for unincorporated people paid by the church for services rendered. For example; Janitor, Landscape, concert musicians. In order for these people to be paid from the church treasury a W-9 form must be on file.

Praise Band Salary - There is a discussion to increase the salary for Praise Band Leader. It is not clear how much is required over the present budget. The Budget and Finance committee recommends any additional funds be taken from budget reserves.

The Transfer of Investments from Swab to Lifetime Planning Inc. - A packet of paperwork to be filled out and signed was received by Tim today. He has some questions to discuss with Bob prior to processing the packet.

Make Bake Celebrate – income from the event has been coming into the office. Tim will present a report at tomorrow's Council Meeting.

Increased income to Church Treasurer – It was noted from the Personnel Committee's report of April 30 that the committee recommends an increased stipend. "Consensus of the Personnel Committee is that the Budget & Finance Committee be authorized to increase the stipend to an amount they determine to be appropriate, up to \$500/month." We agree on the increase but need more direction on how much. It should be noted that the Treasurer is a member of this committee.

The meeting closed at 8:30 PM.

Submitted by Committee Chair: Herb Holler

Mt Cross Budget and Finance Committee Meeting

Minutes for 3/26/2013

## A Special Meeting to Discuss the Investment of Mt Cross Funds.

Attendees: Herb Holler, Tim Schneider (Mt Cross Treasurer), Bob Brundage, Pastor Erik Goehner and Robert Harrell (Investor Advisor Representative).

The meeting was started with a prayer led by Pastor Erik. A candle was present for the meeting.

The minutes from the March 19<sup>th</sup> meeting were approved with one change; the required funds can be requested by **two** of the following: Council President, Church Treasurer or Budget and Finance Chair.

The following is a repeat of the meeting on March 19<sup>th</sup> to reiterate the decisions from that meeting.

- Bob Harrell was approved by the church council to advise the Budget and Finance Committee on the investment of church funds. Bob is associated with Lifetime Planning, Inc. He has waived his direct fee from the church and will receive compensation from the fees charged by the investment company. Bob will meet with the Budget and Finance Committee quarterly to review the status of the investment. Tim will receive monthly statements from the investment company.
- The priorities for picking an investment company are; low risk, socially acceptable and liquidity.
- The following procedure is used if funds are required from the investment;

The required funds can be requested by one of the following: Council President, Church Treasurer or Budget and Finance Chair. The requested money is then sent to our bank where it can be withdrawn by standard church practices. The requester cannot directly receive any funds requested from the investment house.

Mr. Harrell presented four options for discussion. See attached document.

1. Mission Investment Fund
2. Socially Responsible Investing by Calvert
3. Socially responsible Investing by a Fee based manager
4. Cougar Management

Option 4 was selected. The committee decided that the Track Record for risk management and cost of investment made this the best selection for Mount Cross Investment. Cougar charges 1.65% of invested funds per year. There is no sales charge up front.

A formal recommendation will be presented to the council to approve the investment cost of 1.65%. With council approval a contract will be signed with Bob Harrell. The only cost will be the 1.65% of investment.

Funds will be transferred from the present Schwab accounts via LPL to Cougar Management. The Holk donation will not be invested until council decides how to use it. A small Swab account will be held open.

The meeting started at 12:30 PM and was concluded at 2:00 PM.

Respectfully submitted  
Herb Holler

Budget and Finance Committee

3/28/2013

## Previous Amendment

Investment Management recommendation--- Randy Churchill made the recommendation that the church hire a professional investment manager to handle the current Schwab investment account (which has a balance of approximately \$197,000). Currently, the treasurer reviews the statements from the account, but there is no "management" of the money. The budget and finance committee has made this suggestion over the last few years, but no action has been taken on it as of yet.

It was moved and seconded that the church hire Robert Harrell of Lifetime Planning Inc., to be the investment manager of the reserve funds for the calendar year 2013 with the cost of the manager not to exceed \$1800.00 and the fees to be taken from the proceeds of the investments.

## Recommendation to amend the motion;

Mr. Harrell will not receive direct funds from Mt Cross. The cost of the Investment Manager and the Investment fund will be taken from the proceeds of the investment fund. The funds presently in the Schwab Accounts will be reinvested into the accounts recommended and approved by the Budget and Finance Committee which includes the Church Treasurer. The funds will be invested with a cost of 1.65% annually. A Contract will be signed with Mr. Robert Harrell of Lifetime Planning Inc. as our Investment Manager.

Herb Holler, Chair of Budget and Finance Committee

## Summary of Findings

### Option 1: Mission Investment Fund

**Investment options:** Fixed rate loans to the Church

- 1 year                    1%
- 2 year                    1.09%
- 4 year                    1.88%
- 6 year                    2.47%

**History:** None Available

**Fees:** None

**Goal:** Receive a fixed rate of return on Money

**Risk:** Not FDIC insured. Backed only by the financial stability of the "Mission Investment Fund Evangelical Lutheran Church of America".

### Option 2: Socially Responsible Investing by Calvert

**Investment Options:** A wide array of Mutual Funds ranging from aggressive growth to conservative investing.

<b>History:</b>	<b>1year</b>	<b>3year</b>	<b>5 year</b>	<b>10 year</b>	<b>Since Inception</b>	<b>Risk</b>
Capital Accumulator (1.53)	4.91	15.18	6.24	7.99	7.32	Aggressive
Social Index Fund (1.11)	6.96	10.29	3.71	6.22	-0.17	Growth
Conservative Allocation (1.42)	3.31	6.59	4.01	NA	4.52	Moderate

**Fees:** All of the mutual funds have a 4.75% up front sales charge and ongoing yearly fees. The yearly fee is indicated in Parentheses by the fund name.

**Goal:** To invest in socially responsible companies that do good work. To receive a higher rate of return than a deposit.

**Risk:** Primary risk is loss of principle. All Risks associated with mutual funds apply.

SALES CHARGE  
4.75%

### Option 3: Socially Responsible Investing by a Fee based manager

**Investment option:** Institutional Investment platforms ranging from aggressive to conservative.

<b>History:</b>	<b>1year</b>	<b>3year</b>	<b>5 year</b>	<b>10 year</b>	<b>Since Inception</b>	<b>Risk</b>
MWP Socially Responsible 11.25	5.41	NA	NA	2.91	→	Conservative

**Fees:** 1.65% yearly Fee

**Goal:** To invest in socially responsible companies that do good work. To receive a higher rate of return than a deposit.

**Risk:** Primary risk is loss of principle. All Risks associated with mutual funds apply.

### Option 4: Cougar Management

**Investment option:** Institutional Investment platforms design around specific goal.

<b>History:</b>	<b>1year</b>	<b>3year</b>	<b>5 year</b>	<b>10 year</b>	<b>Since Inception</b>	<b>Risk</b>
Cougar MAR6	1.24	5.97	4.33	10.99	7.45	Conservative

**Fees:** 1.65% yearly Fee

**Goal:** To not have losses during a calendar Year. Try to achieve a 6% annual return.

**Risk:** Primary risk is loss of principle. All Risks associated with mutual funds apply.

Mt Cross Budget and Finance Committee Meeting

Minutes for 2/28/13

Attendees:

Herb Holler, Randy Churchill, Tim Schneider, Bob Brundage, Ken Riley and Karen Gramacki

The following items were discussed

- Leadership and membership of this committee for the coming year.
  - The committee consists of Herb Holler, Karen Gramacki, Bob Brundage, Tim Schneider (Church Treasurer) and Ken Riley. Herb was elected to lead the committee.
- Meeting schedule
  - The committee decided to meet on a Quarterly schedule and/or as needed. When the budget for next year is being discussed the committee will meet more often. The next meeting is scheduled for Monday, April 8<sup>th</sup>. At that time Tim will make a presentation on how the Church Accounts are structured.
- Review of the duties of the committee as stated in the Handbook for Church Council Members (see below)
  - The duties were discussed. Now that the new accounting structure has been installed the committee will take a more active role in the budget process.
  - All inputs to the budget from committees will be presented to the committee first for review and recommendations and then submitted to the council for approval.
- Our working relationship with the Church Treasurer and the Executive Committee.
  - The Church Treasurer is a member of the committee and the liaison with the church council to the committee. The Treasurer is an active member of the committee.
  - Randy Churchill (Council President) said that the Executive Committee will not meet as often as in the past and will not micro manage the committees.
- Email from Carol Paul on where the Make, Bake Celebrate funds were used
  - The committee recommends that the MBC Committee publicize where the funds were used last year and the intended use for this year.
- Property Committee request for disbursement of funds for carpeting.
  - No action was required by the committee on this matter. The funds were approved in the budget process for this year.
- The new Investment Advisor
  - We need to know the status of the employment of Mr. Harrell. The following action was copied from the December 2012 Church Council Minutes;



“It was moved and seconded that the church hire Robert Harrell of Lifetime Planning Inc., to be the investment manager of the reserve funds for the calendar year 2013 with the cost of the manager not to exceed \$1800.00 and the fees to be taken from the proceeds of the investments. “

Mr. Harrell was advised by Randy Churchill to call Herb Holler. A special meeting may be called for the committee to meet with Robert to advise him on our desires for the investment of funds.

The meeting was closed at 8:45 PM

## **HANDBOOK FOR CHURCH COUNCIL MEMBERS**

**2013 Edition**

### **Budget & Finance Committee**

- **Chair:**
- **Liaison**

1. Receive requests for annual budget from staff and the leadership of the congregation.
2. Prepare congregation's annual budget, for presentation to the January Council meeting and final approval at the Annual Meeting.
3. Monitor the budget during the year and report to Council.
4. Prepare a budget report for the congregation's newsletter every-other-month (e.g. odd months).
5. Suggested budget building timeline:

October 1 – Solicit budget requests from staff, Council members, Committee chairs, etc.

October & November – Shape preliminary budget

December Church Council meeting – present first draft of next year's budget

January Church Council meeting – present final draft of budget to be recommended to the Annual Meeting for approval.

6. Advise the Treasurer on the investing of church funds.
7. Advise the Treasurer on policies and procedures for disbursement of church funds (purchase orders, etc.).

8. Work with the Memorials Committee in disbursing memorial funds

## Mt. Cross Budget and Finance Report

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August 28, 2012

The following items were discussed:

- Introductions of new members and guests; Herb Holler, Randy Churchill, Karen Gramacki, Bob Brundage, Tim Schneider and Ken Riley attended the meeting.
  - Ken Riley was welcomed as a new member of the committee.
- The Contingency and Investment funds not immediately required for operating expenses were discussed. The funds are presently held in Swab Accounts. We are discussing different ways to invest the funds. No action was taken at this meeting.
- The Budget Procedures for the 2013 Budget were reviewed. Changes were made to some areas and the response and review dates were modified for this

year. Karen will update and distribute the procedure. Responses are due from committees by November 6<sup>th</sup>.

- Randy Churchill will present options on Earthquake Insurance at the next meeting.
- The next meeting is scheduled for October 23<sup>rd</sup>.

This report is submitted by Herb Holler, Committee Chairman, any revisions or comments are welcome.

- The budget requests will be called for at the September meeting of the Church Council. Budget requests from the various committees will be due to the church treasurer in October.
- The following revised procedure for church ushers was reviewed.

Take the offering plates into the Sacristy and place the offering envelopes into one of the bags kept in the drawer. The cash should be counted by the usher and sealed into the plain white envelope provided in the bag. The total amount of cash collected will be annotated on the envelope and the envelope placed into the same bag. These bags will be locked in the safe after the last service.

August 28, 2012

The following items were discussed:

- Introductions of new members and guests; Herb Holler, Randy Churchill and Tim Schneider attended the meeting. Other members were not available.
  - This was Tim's first meeting as a new member of the Bdgt and fin Comm. We reviewed the duties and responsibilities of the committee and our new Budget Format.
  - No actions were taken by the committee due to low attendance.
- The budget requests will be called for at the September meeting of the Church Council. Budget requests from the various committees will be due to the church treasurer in October.
- The following revised procedure for church ushers was reviewed.

Take the offering plates into the Sacristy and place the offering envelopes into one of the bags kept in the drawer. The cash should be counted by the usher and sealed into the plain white envelope provided in the bag. The total amount of cash collected will be annotated on the envelope and the envelope placed into the same bag. These bags will be locked in the safe after the last service.

## Mt. Cross Budget and Finance Report

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July 24, 2012

The following items were discussed:

- Introductions of new members and guests; Mary Goodenough and Robert Harrell attended the meeting. Also in attendance were: Bob Brundage, Herb Holler, Susan Prosser, and Randy Churchill.
  - Herb will invite Tim Schneider and Ken Riley to our next meeting as potential new members of the committee.
- The annual church audit;
  - Mary Goodenough gave us a status of the 2012 audit that is in progress.
  - The Audit Committee is checking the Church and CDC records. The audit is per modified instructions from the ELCA. The church records look good at this time; a few more items

have to be checked. The CDC records are more difficult. The records are kept in a way that makes it hard to conduct the audit.

- The Audit Report was received and forwarded by Susan on July 31<sup>st</sup>.
  - The committee is concerned with the procedures of transferring cash from the offering plate to the safe. It would be easy to take cash from the offering before it is locked up. Herb will evaluate the present procedures and make recommendations as required.
- Contingency Funds and Investment of funds not immediately required for operating expenses.
    - The funds not required for the checking account are presently held in a Schwab Account. The committee does not feel that there is adequate oversight from a professional investor. Two interviews were held with potential investment advisors. Mr. Robert Harrell, a local investment advisor from Lifetime Planning, Inc., was invited to this meeting for a presentation of his services. Mr. Harrell could provide supervision of our funds that are presently in the Schwab account. Susan will update the "Summary of Investment Options and Interview Results" with input from this interview.
    - The committee is tasked to make recommendations to the Executive Board/ Council on how to handle the church contingency funds.
  - Review the mid-year status of our budget
    - The Budget was reviewed as of June 30<sup>th</sup>. It appears that the church is in good financial shape at this time.

# Report on the Budget, Finance and Endowment Committee Meeting of February 24, 2005

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June 26, 2012

The Budget and Finance Committee met on June 26<sup>th</sup> with the following attendees; Bob Brundage, Karen Gramacki, Herb Holler, Randy Churchill (Treasurer), Susan Processor (Church President).

The following items were discussed;

- The annual church audit
  - We will invite the Audit Committee to our next meeting to discuss any concerns as a result of their audit.
- Recruiting new members for our committee
  - Two possible members are being contacted for valuable additions to our committee.
- Contingency Funds and Investment of funds not immediately required for operating expenses.
  - Susan reviewed the “Contingency Planning for Congregations” instructions from the ELCA. They recommended a reserve of one-third of our operating budget in available funds. At this time that is our present condition so no further action is required.
  - The funds not required for the checking account are presently held in a Schwab Account. The committee does not feel that there is adequate oversight to the Schwab Account. Two interviews were held with potential investment advisors. Randy also suggested a local advisor, Bob Harold. Mr. Harold will be invited to our next meeting for an interview with the committee.
  - An Mt Cross policy for handling church investments is necessary. Randy offered to draft this policy for review by the committee.
- Church Insurance
  - Our requirements are being reviewed by three insurance brokers. This is not part of Budget and Finance but certainly of interest. Costs of a new policy will have to be brought to the committee.
- Bell Maintenance
  - For several years money has been put saved to maintain our valuable bells. This money will be transferred to an operating account to pay for this maintenance. The committee recommends this action to the Executive Committee for approval by the church council.

COMMITTEE MEETING MINUTES  
MT CROSS LUTHERAN CHURCH BUDGET & FINANCE COMMITTEE  
NOVEMBER 7, 2011

Present: Karen Gramacki, Herb Holler, Jessica Rebbe, and Susan Prosser  
Absent: Bob Brundage and Jessica Guzman

FINANCIAL REPORTS Treasurer Jessica Rebbe presented the financial reports for year-to-date through October. The Budget performance report shows a significant improvement in income realized as compared to budgeted income. At the end of October, income realized was \$37,238 under anticipated (if received equally throughout the twelve months of the year) which is a \$10,527 improvement from our position at the end of September.

With 83% of the budget year completed, we have collected 76% of the budgeted income. A very encouraging change in the giving pattern is reflected in October, with both Pledged and Envelope Non-pledged Giving meeting and exceeding budget. This is the second month in a row that Pledged Giving has been back on track after a number of down months. October showed a tremendous surge in Envelope Non-pledged giving which was largely responsible for the improved situation.

In order to meet budgeted income in total for the year, giving and other income sources will need to make up any deficit within the last two months. Several thousand dollars of this difference will be eliminated by transfers made at the end of the year from designated funds.

It is important to also give recognition to the fact that savings in expenses can be made to reduce any net negative amount. Through October expenses equaled 79% of the budget and the difference with the 76% of income collected has created a current **net** negative of \$18,109. The expenditure curtailment policy adopted by the Church Council places emphasis on this side of the equation and to the extent that budget expenditure savings can be made, the potential end of year deficit is reduced. Using the end of October as an example, although the income is more than \$37,000 under-realized, expenditure savings have reduced the net deficit to just slightly more than \$18,000.

The Budget and Finance Committee concurred with the continuation of the expenditure curtailment program through the end of the year with the goal of ending the year with no deficit. The Treasurer reported that there were no cash flow problems in October and that no further withdrawals have been necessary from the investment account. Attendance records for October were also reviewed for indications of any relationship of attendance to giving.

CHART OF ACCOUNTS The Treasurer continued the ongoing discussion of the planned change to the chart of accounts. The full chart of accounts is not yet completed but a preliminary working copy was presented to the committee for review and discussion. The committee provided input and participated in the renaming and definition of some proposed accounts. By consensus the Treasurer was given preliminary approval of the Chart of Accounts which will allow her to complete development of the Chart of Accounts for presentation and adoption by the Budget and Finance Committee and the Church Council. It was clarified that the 2011 Budget will not be converted to the new chart of accounts. The new chart of accounts will be used for the 2012 Budget.

### 2012 BUDGET PROCESS AND STEWARDSHIP CAMPAIGN

The Financial Secretary forwarded the most recent Stewardship Campaign report to the Committee for review. As of 11/7/11, \$318,385 has been pledged from 121 pledges along with 45 pledges for giving with no stated amount. This reflects the same number of responses as the prior year with roughly \$12,700 less than pledged at the same point last year. We concluded the 2011 pledge drive with 129 pledges and a total of \$337,438 pledged.

The budget process has begun and there have been a few submittals with most expected closer to the November 18<sup>th</sup> deadline. It will be important to emphasize the



bare bones or “essentials” approach to the 2012 Budget since there are no current indications that a growth budget will be possible. Of greater concern was the possible need to make reductions to current budget levels. The impact of the general economy and the need for the church to remain sensitive to the impact on member households was discussed.

It was agreed that the Personnel Committee should be alerted to the Budget Process but told that we do not yet have indicators for them as to whether any form of increased compensation adjustments can be recommended or whether we may need them to examine compensation/benefit adjustments of any other sort.

**Upcoming scheduled meetings November 21, December 5, and December 12, 2011.**

COMMITTEE MEETING MINUTES  
MT CROSS LUTHERAN CHURCH BUDGET & FINANCE COMMITTEE  
OCTOBER 10, 2011

Present: Bob Brundage, Karen Gramacki, Jessica Rebbe, and Susan Prosser  
Absent: Herb Holler and Jessica Guzman

FINANCIAL REPORTS Treasurer Jessica Rebbe presented the financial reports for year-to-date through September. Total income continues to report at less than 90% of the budgeted amount – a trend that has concerned the committee for some time. The September only pledged giving did show strong return to nearly full pledged amounts although other giving categories did not make a similar recovery. Unfortunately, even 100% giving for September through the end of the year will not make up for the existing deficit. It will take income in excess of 100% of monthly allocated budget each of the remaining months to recover from the deficit that has been created during months of reduced giving in all categories.

Expenses were reviewed and accounts with over expenditures were discussed. The treasurer will be preparing transfers of designated funds in the near future which will offset some of the apparent over expenditures and reduce the total net deficit. Other accounts with opportunity for savings were also highlighted.

The Treasurer continued the ongoing discussion of planned change to the chart of accounts. The full chart of accounts is not yet completed but will be distributed to the Budget and Finance Committee for review and approval when complete. This will take place electronically if the chart is completed in advance of the next scheduled meeting. Once the chart of accounts has approval, conversion of current accounting records will take place. The change will be reported to the Church Council at their next scheduled meeting.

CURRENT BUDGET AND FINANCIAL STATUS Cash flow issues and recommended bank balance was discussed. The treasurer reported a desire to maintain a permanent balance of between \$15,000 and \$20,000 in the bank account at all times as an ideal. Obviously during times of lower income this has been more difficult and the Schwab account has been tapped twice during the summer months for \$25,000 and \$14,000. The options for balancing the budget at the end of the year if income is not fully realized were also discussed and three options were identified: 1) curtail expenses; 2) transfer designated funds and thus reduce liabilities; and/ or 3) reduce the opening balance equity. *The Committee decided to recommend to the Church Council that only essential expenditures be made for the remainder of the calendar year (salaries, benefits, contracted obligations, utilities, et.) and that any other expenditure from either budgeted or designated funds needs prior approval. Request for approval is to be submitted to the Church Office for review by the Church Treasurer who will have up to 72 hours to respond. This curtailment is to be in effect for all church staff and volunteers.* If approved by the Council, this curtailment policy should be printed in every newsletter and bulletin until the end of the year or the Council has reversed the policy.

INVESTMENT MANAGEMENT Bob Brundage and Susan Prosser conducted interviews associated with the investment management options under consideration by the committee and provided a very basic summary of the information gathered.

#### SUMMARY OF INVESTMENT OPTIONS AND INTERVIEW RESULTS

##### CURRENT – SCHWAB

Places invest responsibility with one person without requiring expertise. Even with committee consultation no expertise guaranteed. Merits of outside party involvement/management – removes any possible temptations thus protections. Internal controls. Current investments have relatively high exposure – return not worth the exposure.

Question: can we safely achieve a greater return or more certain protection of principal?

#### MANAGEMENT OPTIONS EXAMINED

Private money managers/investment advisors  
Lutheran Fraternal Organization - Thrivent  
Fund under ELCA umbrella – ELCA Mission Fund

#### **TYPES OF INVESTMENTS**

##### ON DEMAND AND TERM INVESTMENT – ELCA MISSION FUND

Known rates of return and no fees (1% to 3% depending on selection)  
100% available with On Demand  
Could use a combination of On Demand and Term to gain higher earnings  
Principal at low risk but earnings are also low  
Invested funds are either loaned to Lutheran congregations or invested through a Chicago based investment manager in treasury notes and quality bonds. No individual stocks.  
No local office  
Congregation makes no investment choices

##### MANAGED INVESTMENTS

###### Thrivent – Camarillo

Management fee 1.25% with no sales charges  
Recommend a managed SELECT fund account  
If funds needed within the next two years, a Limited Maturity Bond Fund with 2.5% earnings, access anytime and no sales charge and .64% fund expense  
Waved taxes must be distributed to nonprofit organizations; Mt Cross and local Habitat for Humanity have been beneficiaries.  
Have 2 congregations as clients.  
Do have relationship with a social responsibility fund – expenses are higher.

###### Kevin Farrell – Westlake Village

Management fee 1.0%  
Investments yet to be determined – we would be involved in setting guidelines.  
Would personally manage and would be accessible  
Great flexibility in investments and opportunity to make changes  
Requires direct involvement by the Church as “client”

###### Gary Berner – Westlake Village

Management fee 1.5%; Merrill Lynch office  
Access to Merrill Lynch resources  
Investments to be determined – we set guidelines  
Flexibility and opportunity to make changes  
Requires involvement and oversight as “client”

The committee determined that a recommendation on a change to the Schwab account is premature given the status of our budget and cash flow situation and decided to wait until more is known about future circumstances through the budget process and the next few months of the current year. *In the meantime, it was agreed that the Treasurer will move all funds at Schwab to a cash account rather than leave money in investments that are considered too risky. This approach will give full protection to the principal until an ultimate recommendation is made.*

Budget Process The committee discussed the changes to the upcoming budget process. The most significant change will be the inclusion of accounts for groups and activities that have not previously been included in the budget but have simply draw funds from titled designated funds. Everyone who has responsibility for a function associated previously with monies strictly in designated funds will now participate in the budget process.

A schedule was presented and discussed and determined to meet the needs as can currently be envisioned.

BUDGET SCHEDULE -

INSTRUCTIONS DISTRIBUTED OCT.17  
REQUESTS DUE NOV.18  
B&F COMM REVIEW NOV. 21\*

B&F SECOND REVIEW (IF NEEDED) DEC. 5\*  
B&F MEETING DEC. 12  
PRELIM BUDGET TO COUNCIL DEC. 13  
B&F COMM MEETING JAN. 9  
REC BUDGET TO COUNCIL JAN. 10  
ANNUAL MEETING JAN 29

Budget guidelines will be presented with budget instructions. Guidelines will ask that all budgets present an “essentials” budget (bare bones) as the basic budget in appreciation that next year’s budget may very well be either a no-growth or a reduction budget. Some general sense of this year’s pending deficit will be provided in the instructions. If activities and functions have income sources associated with their request they will be asked to identify and quantify those as well (participation fees, good will offerings, Thrivent grants, etc.). Requests for funds beyond essentials will be presented separately as a building block if additional funds were to be allocated. It is hoped that the requests can be submitted in a fairly standardized format this year for ease in review and of course additional supporting material will be encouraged.

Treasurer’s Position The treasurer left the meeting so that the committee could discuss the recent receipt of her letter of resignation to take effect December 31, 2011. All committee members expressed disappointment at loss of such an extremely valuable asset to the “financial team”. The Executive Committee had previously discussed a possible short term approach to the impact of a change in the treasurer’s position before the budget and year end closing were completed. Susan Prosser shared with the group that the current treasurer had offered to continue service under a paid contract arrangement and that the Executive Committee would like to propose that initially we inquire as to her interest in two months paid service. The committee discussed concerns about having to add new expenses as we attempt to construct a bare bones budget but fully agreed with the value of maintaining the involvement of our current treasurer. *The recommendation will be made to the Church Council that the Church enters into a two month agreement for paid service with Jessica Rebbe for the months of January and February 2012.* The committee did not have any recommendation at this time as to what should be done regarding the remaining ten months of 2012. It was felt that if the Council approves the recommended contract the extra time will provide opportunity to explore options.

Next regular meeting November 7, 2011.

COMMITTEE MEETING MINUTES  
MT CROSS LUTHERAN CHURCH BUDGET & FINANCE COMMITTEE  
SEPTEMBER 12, 2011

Present: Herb Holler, Bob Brundage, Karen Gramacki, Jessica Rebbe, and Susan Prosser

Absent: Jessica Guzman

CDC BUDGET PRESENTATION Cathy Channels, CDC Director, and Tanya Carter, CDC Treasurer, presented several options for the 2011-2012 Budget.

SUMMARY OF CDC PROPOSED BUDGETS 2011/2012  
AS PRESENTED TO BUDGET & FINANCE COMMITTEE 9/12/11

Sept. 2011 – 119 enrolled students and 14 staff Director and 3 other staff are Mt Cross members and approximately 30% of the students are from Mt Cross Families. Developmental Kindergarten – 6 students (Local schools now offering a program). No change to teachers' rate of pay – 1 teacher with voluntary rate reduction. Tuition has been increased by varying amounts. School normally maintains an average of 130 students and has capacity for 141.

OPTION 1 – “NO CUTS”BUDGET - OUT OF BALANCE

Expense total \$353,808 Income total \$322,395 **Shortfall \$31,413**

Cuts flexible team teacher holiday pay which eliminates 26 person days of pay.

All other paid staff holidays remain the same.

Teachers continue to be paid for 1.25 hours prep time per session.

(Session = class period of 2 hrs.)

OPTION 2 – “REDUCTION BUDGET” - CAN BE BALANCED

Expense total \$332,064 Income total \$322,395 **Shortfall \$9,669**

Eliminates 5 previously paid holidays.

Reduces teacher prep pay to 1 hr. per session.

Reduces Directors pay by \$2,400 (from \$50,371 to \$47,971).

Can be balanced with 1 more student and \$7,169 from Reserves .

Leaves Reserve at \$7,831

Committee discussion with CDC representatives concluded with recommendation that the CDC adopt a balanced budget that can be forwarded to the Church Council since

the April deadline has been missed. Once a balanced budget is adopted, the Council can assess the impact of any necessary reductions and the capacity within the Church budget or funds to provide and financial assistance or relief. It was also noted that the required CDC monthly financial reports had not been received by the Council and that the B&F Committee needed to maintain a better awareness of the school's financial circumstances.

FINANCIAL REPORTS Treasurer Jessica Rebbe presented the end-of-month report for August and the Committee discussed the continued trend of under realized income. Of particular concern is the lower than customary percentage of Pledged and Envelope Non-Pledged Giving. Year-to-date giving through August is at 87% of what was anticipated in the budget. Historically, Mt Cross has maintained a giving percentage in the 90% range. The Pledged Giving Reports that were distributed to pledging households did not result in any increase in giving. The reconciled net budget deficit of \$31,501 year-to-date has contributed to the need to withdraw \$25,000 from the Schwab investment account to keep up with cash flow requirements. This situation requires careful monitoring for possible current year adjustments in spending and indications for the 2012 budget.

The Treasurer introduced the topic of changing the Chart of Accounts in order to allow full accounting and thus transparency of all expenditures by the Church in a year. The proposed changes will merge expenditures made from the regular budget and those previously made directly from designated funds into one record keeping system with the appropriate transfer of funds when appropriate. The committee discussed the end goal of this process as a good one so that the full cost of operations and activities will be reflected in one set of recordkeeping. It was understood that this change will not be without some challenges since for many staff and volunteers this will significantly change the way they have operated with regard to accessing money through the church.

Due to the very late hour, discussion of investment management, financial policy statements and the 2012 budget and stewardship campaign were postponed.

Next regular meeting October 10, 2011.

COMMITTEE MEETING MINUTES  
MT CROSS LUTHERAN CHURCH BUDGET & FINANCE COMMITTEE  
AUGUST 8, 2011

Present: Herb Holler, Bob Brundage, Karen Gramacki, Jessica Rebbe, and Susan Prosser

Absent: Jessica Guzman

FINANCIAL REPORTS Treasurer Jessica Rebbe presented the end-of-month report for July and the Committee discussed the continued trend of under realized income. Of particular concern is the lower than customary percentage of Pledged Giving. It was reported that Pledged Giving Reports had been distributed to pledging households. There is some hope that these reports may result in some “catch up” giving. The Committee spent some time reviewing Designated Funds in particular in anticipation of the proposed policy on the evening’s agenda. It was reported that three current projects are receiving memorial funds after contacts with family members – those being the wooden chalices, prayer garden, and piano overhaul. The more generic, permanent categories for designating memorial funds at the time they are established have yet to be established.

REPORT OF THE AUDIT COMMITTEE The committee received a summary report from the Church Council appointed Audit Committee. The 2012 audit had been done exclusively of the CDC since Jessica Rebbe had done the general church audit at the time of assuming the Treasurer’s position in January. The audit reported no significant irregularities and the committee determined that the report should be forwarded to the Church Council.

PROPOSED FINANCIAL POLICIES AND PROCEDURES It was reported that the committee's recommended policy on Contract Authorization had required revision based on Church Council input. The revised policy statement was reviewed and recommended for Council adoption. Action on the committee's recommended policy on Budget Controls has been postponed until the August 9, 2011 meeting. The committee considered the proposed policy statement on the Use of Designated Funds and recommended it for Council adoption.

DISSEMINATION OF FINANCIAL INFORMATION TO CHURCH COMMITTEES It was agreed by the committee that newly developed and adopted financial policies will be distributed with the budget request materials this year. That way all committees and staff will receive them at the same time.

INVESTMENT MANAGEMENT It was agreed that Bob Brundage and Karen Gramacki would take the lead in completing these interviews. Bob Brundage suggested the possibility of adding a Thrivent agent to the "mix" and he will schedule the additional interview if he determines there is benefit to do so.

COMMITTEE MEETING MINUTES  
MT CROSS LUTHERAN CHURCH BUDGET & FINANCE COMMITTEE  
JULY 11, 2011

Present: Herb Holler, Bob Brundage, Jessica Rebbe, and Susan Prosser  
Absent: Jessica Guzman and Karen Gramacki

FINANCIAL REPORTS Treasurer Jessica Rebbe presented the end-of-month report for June 2011 and midyear figures for the current year budget. The Committee discussed some individual expenditure accounts and suggested corrections but the focus of discussion was primarily on giving trends. The fact that the net deficit has increased by roughly \$10,000 since May is largely due to lower than expected income. Income received versus budgeted for midyear is at 92% which compares to 97% at the same



point in 2010. Of particular concern are the categories of Pledged and Envelope non-pledged giving which are at 90% and 91% respectively at midyear. It has been reported that quarterly giving statements are no longer sent to members and the Committee will request that the Church Council direct that these reports be reinstated with a midyear statement to be sent as soon as possible. Designated Funds were reviewed in conjunction with the Balance Sheet provided by the Treasurer. As a result, the Committee will put forth a recommendation to the Church Council on Memorial Funds that would have all memorials of \$100 or less be placed in the General Memorial Fund and that all others be designated to one of several choices to be established by the Church Council. Existing memorials will require that contacts be made and future memorials will be established in this manner if the recommendation is adopted. Jessica Rebbe will develop a policy/procedure to present to Council.

PROPERTY COMMITTEE REQUEST FOR ADDITIONAL \$5,000 This item was referred to the Committee by the Executive Committee for recommendation. Susan Prosser will report to the Council that based on the midyear budget reports, the Budget and Finance Committee cannot support this request. It was noted that budgeted funds remain available for the Property Committee.

PROPOSED FINANCIAL POLICY STATEMENTS The Committee has discussed for some time the need for written financial policies and procedures so that all members of the Church leadership and congregation will have access to information as to how “money matters” are to be handled. These statements of policy and/or procedure can be separated into those that are prepared by the Treasurer to document record keeping and accounting requirements and those that reflect a policy of the congregational leadership through the Church Council. Examples of Treasurer’s Statements currently under development include: Event Accounting and Money Handling; Checking Account Balance; and Check Signing Procedures. The Committee reviewed three policy statements for possible recommendation to the Council for adoption. Policies on Contract Authorization and Budget Controls were approved for submittal to the Council. The policy on Use of Designated Funds was deferred for further consideration. Susan Prosser will present the two policies the Committee recommends to the Church Council.

REVIEW OF MT CROSS INSURANCE COVERAGE The Committee was informed of the informational presentation that was made to the Council in June and that a packet of materials is available for review for anyone interested.

INVESTMENT MANAGEMENT Committee members agreed to a process for interviewing possible investment managers where individual Committee members will hold separate meeting with the recommended individuals. Once the interviews are completed, the Committee as a whole can compare notes and impressions. In the meantime, the Treasurer is preparing a history of the Schwab account performance for review and a packet of materials explaining the ELCA Mission Fund has been assembled.

MISCELLANEOUS

Committee members requested information as to why the Drama funds were being managed by Mt Cross and why the congregation is apparently “fronting” the costs of the production. There was also a discussion as to whether the Classical Concert Series has provided any funds to Mt Cross over the years to offset facility use.

#### FUTURE COMMITTEE MEETINGS

August 8, September 12, October 10, November 11,  
December 5, December 12

#### HIGHLIGHTS OF APRIL 2011 FINANCIAL REPORTS Mt Cross Lutheran, Camarillo Prepared by Susan Prosser, Budget and Finance Chair

#### INCOME

Year-to-date income is under realized due largely to Envelope-NonPledged category.

Pledged giving has increased to 97% by end of April.

#### EXPENSES

Payroll expenses continue to outpace projections.

Stephen Ministry has expended full budgeted funds plus roughly \$500.

#### APRIL SUMMARY

Income of \$37,962 versus expenses of \$38,011 or essentially a “wash” for the month.

Budget overrun of \$10,658 for Jan – April due to carry forward from prior month.

Total Assets and Total Assets and Liabilities remained relatively unchanged with a growth of

approximately \$2200.

April 2010 – was a break even month with a carry forward overall deficit of \$12,600.

#### MATTERS FOR REVIEW BY TREASURER AND BUDGET AND FINANCE COMMITTEE

March Salaries and Benefits in particular and continuing payroll expense projections.

Projections for Envelope - Non Pledged giving.

Whether any midyear adjustments or advisories will be recommended.

End of month balance in Checking/Savings - should a minimum be established.

#### COMMITTEE MEETING MINUTES MT CROSS LUTHERAN CHURCH BUDGET & FINANCE COMMITTEE MARCH 7, 2011

Present: Karen Gramacki, Bob Brundage, Jessica Rebbe, and Susan Prosser

Absent: Herb Holler and Jessica Guzman

## INTRODUCTION OF NEW MEMBERS AND TREASURER

It was reported that Bob Brundage will join the Committee as a second representative of the Church Council and Jessica Guzman has volunteered to become a member of the committee although unable to attend tonight.

## BUDGET MATTERS

Jessica Rebbe, Treasurer, presented the final version of the 2010 end-of-year financial report and explained that the only change of note was the assignment of costs associated with an unemployment claim.

The Committee was provided with a general briefing regarding the particulars of the claim and the issue of unemployment insurance that had been dealt with by the Church Council in late December 2010 and January 2011. The resulting decision has been to discontinue voluntary participation in the unemployment insurance program by Mt Cross. There remains the potential for unemployment claims by anyone employed by Mt Cross prior to 12/13/10 which will terminate by a fixed date. In addition, there have been some questions about the intent of the budget in assigning the 2% staff compensation increase. At present the issue is awaiting comment from the Personnel Committee. The Committee discussed the intention of the Budget recommendation and the difference between a salary and a stipend. There was agreement that prior to the next budget cycle the one remaining stipend should be addressed and better defined. We have also experienced payroll tax penalties for late deposits in the past. This has been due to combined depositing with the CDC done by the CDC Treasurer and may have been late due to CDC cash flow. Joint reporting is required since we share a single employer reporting number but Jessica Rebbe will pursue the option of separate deposits to avoid future penalties.

The committee reviewed the financial reports for January 2011. At the end of the first month of the year, income was reported at 94% of budget and expenses were at 86% of budget. Obviously, this is a very early report and presents a positive position. The Treasurer responded to specific questions and reviewed the Balance Sheet as of January 31, 2011 as well. Particular attention was given to Designated Funds since this is an area of intended review for the Committee. There is a net growth in assets from the same date prior year in the amount of \$69,099 driven by increases in the Mutual Funds account and Endowment Fund.

## DISCUSSION OF CHURCH INVESTMENTS

A general discussion of the need for oversight of the invested funds was held with the Treasurer first explaining the current Schwab account. It was explained that short term changes were being made to expand the signature authority for the current investment account but that there was general consensus that there needed to be some sort of fund management of the investments. The Committee members were in agreement and discussed alternatives for management and whether the church should first adopt an investment philosophy/guideline or develop one along with the selected management. For the April meeting, Committee members will bring any models or ideas for investment guidelines and the Treasurer will bring several recommended investment managers for consideration. The Chair will research information about investment through the ELCA to share with the Committee. A method and schedule for reviewing options and making a final recommendation to the Church Council will be determined once that information is received and the Council has confirmed this approach.

It was decided that the Committee forward a recommendation to the Church Council for action on Tuesday, March 8, 2011 that the Church's invested funds (other than the Endowment Funds which are already invested with the ELCA) be professionally managed and that the Budget and Finance Committee be directed to review and interview optional managers and return to the Church Council with a recommended investment management contract.

#### OTHER MATTERS

The Treasurer reported that Petty Cash is no longer being used. Pastors have credit cards for use and receipts for reimbursement are to be submitted rather than using petty cash.

The Committee was informed that the 2011 Audit Committee is Mary Goodenough, Gordon Henry and Marisa Anderson. Jessica Rebbe is doing the ELCA required audit since she was not involved in the 2010 finances and can meet the deadline. The member committee will have access to the same ELCA materials to organize their effort but will be free to go beyond in their review and comment. They will report to the Budget and Finance Committee.

#### FUTURE COMMITTEE MEETINGS

May 9, June 13, July 11, August 8, September 12, October 10, November 11,  
December 5, December 12

Present: Karen Gramacki, Herb Holler, Susan Prosser, Randy Churchill, Bob Winters  
Absent: Paul Christensen, Hernando Ramirez

### REPORT ON THE CHANGE IN THE TREASURER'S POSITION

The committee was briefed on the appointment of Randy Churchill as the replacement to Bob Winters as Church Treasurer with bookkeeping support being provided by Marilyn Gardner in the Church Office. A discussion followed regarding the implications of the division of duties that had previously been done entirely by the Treasurer. As a result, those present felt it is important to communicate with the Audit Committee to encourage them to perform an audit as this change in Treasurer is taking place as well as the change to bookkeeping. No audit was done in 2009. A review of procedures for the new bookkeeping arrangement, cash and income handling, use of credit cards and petty cash were additional topics that the committee felt could be address through an audit.

### REVIEW OF 2010 THIRD QUARTER BUDGET REPORT

The committee reviewed the financial reports available for the period Jan – Sept 2010. The 2010 Budget is \$10,688 out of balance based on \$15, 384 in under realized income and \$4,670 in under spent allocations. Both the outgoing and incoming Treasurer was present and discussed the budget status. There is presently a degree of cautious certainty that the budget will be met by year's end. The situation requires continued monitoring as the year concludes since the Church is often dependent on significant end of year donations.

### 2011 BUDGET PROCESS

It was reported that the Church Council will discuss the start of the Budget Process on Oct 12<sup>th</sup>. The committee would like the format for 2011 budget request to require a simple itemization of the requested funds with sufficient description to justify the expense. It was also suggested that the Committee ask the Church Council to incorporate the Make It/Bake It funds into the Budget Process. Suggested methods for accomplishing this were discussed. A detailed discussion of the status of memorial and designated funds included suggestions for incorporating a review of the funds in conjunction with the Budget and Endowment Fund allocations. Susan Prosser, as committee chair, will communicate with Pastor John as to the specifics of the budget request solicitations and schedule.

### FUTURE COMMITTEE MEETINGS

Dates will be scheduled and communicated to the committee once the Budget schedule has been established.

COMMITTEE MEETING MINUTES  
MT CROSS LUTHERAN CHURCH BUDGET & FINANCE COMMITTEE  
JULY 12, 2010

Present: Hernando Ramirez, Susan Prosser, Bob Winters  
Absent: Paul Christensen, Karen Gramacki, Herb Holler

### Midyear Budget Review

The midyear budget reports prepared by Church Treasurer Bob Winters were reviewed. Of particular interest were the income deficit, the apparent increase in workers compensation insurance expense and the additional mortgage expense. The net impact of under realized income (- \$8500) and under expended budget (- \$1137) is a mid year projected Budget deficit of \$7362. This assumption is based on an even monthly projection of income and expenses. The Committee noted that at this same point last year (2009) the projected Budget deficit was only \$980 so this year's numbers will definitely warrant continued monitoring. It should also be noted that the midyear position represents a slight improvement from the first quarter when the net Budget deficit was \$8001.

An article will be prepared for the congregational newsletter regarding the midyear budget status in order to keep the membership up to date.

### Church Treasurer Replacement

Since the last committee meeting there has been no success in finding an individual who wishes to assume the comprehensive duties of Church Treasurer as currently performed by Bob Winters.

Based on directions from the Church Council conversations have been held with the person who provides bookkeeping support to the Mt Cross CDC. This person is very familiar with the financial systems used by Mt Cross and our payroll system and has worked closely with Bob Winters. She would be interested in providing service to the church. The committee discussed the aspects of the current Treasurers position that would logically shift to an outside bookkeeper and the roll of the Treasurer in supervising and interacting with such a person. It was agreed that the committee would recommend to the Church Council that Mt Cross proceed with negotiations with the current CDC bookkeeper for services to support the regular financial activities of the congregation.

Bob Winters stated a willingness to continue as Treasurer for a brief period of transition once contract bookkeeping services began in order to assure continuity. After the first month or so, the Committee will propose the appointment of a replacement Church Treasurer to the Church Council. Bob Winters has graciously offered to be available on an as needed basis even after the appointment of the new Treasurer to see that all new persons are comfortable and procedures are successfully implemented.

Committee Meeting Minutes  
Mount Cross Lutheran Church Budget Committee  
January 6, 2010

Members Present: Susan Prosser, Paul Christensen, Karen Gramacki, Herb Holler  
Others Present: Bob Winters, Church Treasurer; Pastor John Soyster  
Members Absent: Hernando Ramirez

The minutes of the November 30, 2009 meeting were reviewed.

Bob Winters provided a report of the 2009 end-of-year budget status with income that exceeded budget by \$3,122 and expenses that were \$3,543 less than budgeted, resulting in a budget surplus of \$6,665. It was pointed out that these are preliminary numbers which will be refined before final end-of-year reporting. The most important aspect of this report was the fact that an anticipated revenue shortfall did not occur due to strong giving in the final two months of the year.

The results of the 2010 Stewardship Drive were reported with pledges totaling \$294,794 as of December 23, 2009. An additional 10 pledges have been made without a specific dollar amount. This figure compares with firm pledges totaling \$340,375 included in the 2009 Budget or \$45,581 less pledged at this point in time. There are 50 fewer pledges making up the pledge total for 2010 than 2009.

The Committee discussed the implications of the pledge results for forecasting 2010 income. Income figures from the three past budget years and attendance numbers and trends were discussed. The 2009 giving trends were also examined with particular emphasis on the final quarter of the year. There was no decline in giving during this period. For this reason primarily, the Committee decided to forecast 2010 income that would include a small growth factor from the 2009 Budget. This approach is an optimistic outlook that will depend on continued strong congregational giving and some growth in congregational size and/or participation. The percentage of growth is less than 1.5%.

The Committee then reviewed that final version of the Requested Budget which will fund the recommended compensation adjustments and requested program funding increases as presented to the Church Council in November 2009. At the suggestion of Bob Winters, items requested by the Bell Choir and Steven Ministry have been removed from the operating budget and funded by designated funds. Otherwise the projected income will fund the Requested Budget as presented in November. By consensus the Committee decided to forward the 2010 Budget to the Church Council with all recommended and requested items contained in the Proposed Budget with the exception of Deferred Bell Maintenance (\$500) and Stephen Ministry Expenses (\$4,000).

A discussion was held regarding materials for the Congregational Meeting and it was agreed that there may be an interest in information regarding the budget and funding of the ELCA .

Given that an optimistic income projection has been made for 2010, the Budget Committee agreed that quarterly meetings will be held to review the status of the Budget.



The next Committee meeting will be held on **MONDAY, APRIL 12, 2010 AT 7 PM.**

Committee Meeting Minutes  
Mount Cross Lutheran Church Budget Committee  
November 30, 2009

Members Present: Susan Prosser, Paul Christensen, Karen Gramacki, Hernando Ramirez

Others Present: Bob Winters, church Treasurer; Pastor John Soyster

Members Absent: Herb Holler

General introductions were made with Paul Christensen and Karen Gramacki rejoining the committee after serving last year.

The minutes of the November 3, 2009 meeting were reviewed with particular emphasis on the action items listed at the end. All of the listed items were accomplished. Bob Winters provided an update to the current budget status as discussed at the last meeting with information about a \$10,000 stock gift that he had not included in the figures last reviewed.

A report was given of the various budget requests that were received since the last meeting. Contacts with committees and staff had been successful in securing all the data needed to complete a proposed budget. Specific requests and/or recommendations were received from: Fellowship Committee, Music and Worship Committee, Learning, Service and Missions Committee, Steven Ministry, Personnel Committee and the Executive Committee. These were in addition to the request from the Property Committee received prior to the November 3, 2009 meeting. A file documenting budget requests has been created.

Particular discussion was given to the recommendations for staff and pastoral salary adjustments since none were given in 2009. The Personnel Committee recommended a specific dollar value adjustment for the Praise Band Director based on adding one additional hour of pay per week at the current rate of pay. The recommendation for most other staff positions was a 2% salary increase. The Executive Committee recommended salary adjustments of 2% for the senior pastor and 4% for the associate pastor. This recommendation reflects a commitment made two years earlier to bring the associate pastor's salary closer to the Synod recommended compensation level. (The recommended compensation levels would place the senior pastor at 6.4% under Synod guidelines and the associate pastor 10.6% under guidelines.)

Pastor Soyster gave a report of the current status of the Stewardship campaign. Currently there are 101 cards that have been turned in of which 87 included a pledge for 2010. The total pledged amount to date is \$255,594. An additional 10 pledge cards have been received but not yet counted. These numbers should be compared with 130 total pledges in 2009 and 137 in 2008. For reference there are 229 active households in the congregation membership.

Bob Winters presented the first draft of the proposed 2010 Budget with all the requests and recommendations included. Also included are projections made for any changes to operating expenses. The budget as presented totals \$482,108 which is a 3.7% increase over the 2009 Budget. (The 2009 Budget had been a reduction of 5.8% from the prior year) The dollar total of the increase is \$17,104 of which \$7,841 is associated with salaries and benefits. Operating expenses increased by \$4,607 of which \$1800 restores purchase of devotional booklets and a \$3400 increase in property maintenance. All other budget categories increased by \$4355 with \$400 in new expense for Women's Bible Study, \$460 increased confirmation class expense, \$500 deferred bell maintenance and a \$1750 increase in Steven Ministry expense for leader

training. Other account changes throughout the budget were less significant plus or minus.

The committee discussed the presentation to be made to the Church Council on December 8, 2009. It was agreed that the budget as drafted with all requests and recommendations would be presented at this time awaiting a refinement of revenue numbers. The committee members agreed that more data is needed from the Stewardship Committee before final revenue projections can be made. The Budget Committee will meet in early January to complete a review of the end of year figures for 2009 and finalize revenue projections for 2010. At that time, a final budget recommendation will be prepared for the January Church Council meeting.

Committee members agreed to meet next on **Wednesday, January 6, 2010 at 7 p.m.**

November 3, 2009

Members Present: Susan Prosser, Herb Holler, Hernando Ramirez  
Others Present: Bob Winters, Church Treasurer; Pastor John Soyster

General introductions were made.

The status of the 2009 budget was discussed with an update including October expenses provided by Bob Winters. In summary, after 10 months revenue is \$20,632 less than budgeted and expenses have exceeded the budget by \$1,771. This status report assumes that both revenue and expenses are prorated equally over the twelve months. The committee agreed that it is important to provide the congregation with a budget status report to be done by both the committee chairperson and the Pastor within the next several weeks. The goal of these reports is to inform and encourage end of year giving.

The schedule for the 2010 Budget process was discussed. The next Budget Committee meeting was set for Monday, November 30, 2009 at 7 p.m. The first draft budget is due for presentation to the Church Council on December 8, 2009 and the final budget will be submitted to Council for review on January 12, 2010. The annual congregational meeting has been set for January 31, 2010.

A report of budget requests was made by Susan Prosser. The original submittal deadline of October 31, 2009 did not produce very many requests. Requests were submitted for the Bell Choir, Women's Bible Study and Property Committee. It was decided that an extended deadline of November 25, 2009 would be communicated to all committees and functions with budget needs. Prior to the annual meeting, we will also ask committees to provide budget impact statements if their functions or activities have been impacted by budget reductions or limitations.

Guidelines for development of the draft 2010 budget were discussed. The committee agreed that the historical practice of annual increases in benevolence be continued with a 1% increase in the first budget draft. Treasurer Bob Winters will research and project the fixed costs for inclusion. Since the current church By-laws require provision of The Lutheran to every household, the draft budget will include funds for subscriptions. All requests received by the deadline will be included as requested for the first draft.

Revenue projections were discussed and it was determined that the committee would need to continue to monitor both current year giving and the ongoing Stewardship Campaign. Pastor John reported that he has requested sample information on the most recent pledge drive that may help the committee determine whether there is any trend in anticipated giving.

Committee members inquired whether there were any other congregational trends that would be important to know during the budget process. Pastor John reported that

membership and worship attendance have remained steady as compared to the prior year.

The committee meeting concluded with agreement that:

1. Susan Prosser and Pastor John would communicate the status of the current budget to the congregation before the next committee meeting.
2. Susan Prosser would communicate with each committee or function that had yet to submit a budget request and provide the extended submittal deadline
3. Bob Winters would receive every budget request and prepare a first draft proposed budget for review by the committee on November 3, 2009
4. Updates on the Stewardship Campaign would be available on November 3, 2009
5. The Committee would meet Monday, November 30, 2009 at 7 p.m. at the church.

Mt Cross Lutheran Church  
Camarillo, California

Report from the Finance and Budget Committee

Members of the committee are; Pastor John Soyster, Pastor Erik Goehner, Bob Winters, Paul Christensen, Karen Gramacki, Hernando Ramirez and Herb Holler

The committee met on November 18 and 24 to put together a draft budget for 2009. The process was hard and involved much discussion because we had to cut about \$32,000 from the 2008 budget. Our income of the past three years has not increased and our expenses exceeded income by about \$35,000 this year. The various church committees have been very good about paring down their budgets for this year. We made all the cuts that were possible without seriously effecting existing church programs.

This proposed budget is contingent on the congregation approving the mortgage refinance recommendation during the annual meeting in January. Without that approval the proposed CY-09 budget will require additional adjustments to positions and or salary before implementation;

The budget now goes to council for review and recommendation to send it to the congregation for approval at the January congregational meeting.

Herb Holler

Monday, September 8, 2008

## Mount Cross Lutheran Church

### Meeting of the Budget and Finance Committee

This meeting was called to review the state of our budget and offer recommendations to the church council.

Attendees: Pastor John Soyster, Paul Christensen, Bob Winters and Herb Holler (Chair)

The church finances continue to decline. We are vitally interested in how the finances will hold up in the fourth quarter, this will determine our draft budget for 2009.

Recommendations from the Budget and Finance Committee to the Church Council;

- The Raise the Roof designated account should be closed and the deficit (about \$15,000) should be transferred to extraordinary expenses.
- In hiring a new praise band leader, the person should be told that this may be a temporary assignment based on our 2009 budget.
- If we have to reduce the budget for 2009 our only real option is to reduce staff.
- Budget inputs have to be submitted to Bob Winters before October 14<sup>th</sup>.

Tuesday, June 17, 2008

## Mount Cross Lutheran Church

### Meeting of the Budget and Finance Committee

This meeting was called to review the state of our budget and offer recommendations to the church council.

Attendees: Pastor John Soyster, Paul Christensen, Karen Gramacki, Bob Winters and Herb Holler (Chair)

The Church Treasurer, Bob Winters, presented a "MCLC Finances: Mid Year" report for our review and discussion. He also presented a "MCLC2008 Comparative P&L Summary" report to the committee.



Our Budget at the end of May is \$22,821.32 short. Expenses are on schedule but income is running behind the budget. Income has been decreasing since 2006. In reviewing expenses it became apparent that minor cuts can be made to some operating expenses. The only area that major cuts to the budget can be made is salary. Our current income is \$36,000 a month and it would require \$46,000 a month for the rest of the year to catch up. We do have enough cash reserve that we are not in a crisis situation but this deficit cannot continue.

Recommendations from the Budget and Finance Committee to the Church Council;

- Income – Stewardship should encourage the congregation to increase giving. A letter crafted by Stewardship with inputs from B&F should be sent to the congregation. B&F has put an article in the next grapevine stating our economic situation and will continue these articles.
- Expenses
  - Put a hold on hiring a person for Youth Ministry.
  - As always monitor spending to reduce expenses
- Council Meeting
  - The September Council Meeting should be devoted to reviewing the budget.

The committees' next meeting will be held Sept 2<sup>nd</sup> to discuss our financial situation and recommendations for the 2009 budget. Recommendations to be presented at the council meeting on Sept 9<sup>th</sup>.

Attendees: Jenny Christensen, Paul Christensen, Karen Gramacki, Keith Selbrede and Bob Winters

Agenda:

1. Review/analyze financial performance YTD
  - a. Income YTD is right on budget and expenses are \$10K below – excellent position for the end of August.
  - b. We discussed our recommendation regarding the \$5,000 front money for “Project Peace.” Our recommendation remains the same: to treat these funds as a loan to the people who received them. This is primarily due to the expected increase in the 2007 budget of around \$33,000 due to added staff, Safeguarding Our Children costs and Pastor John’s sabbatical.
2. Develop 2007 budget
  - a. Input from committees – none received yet.
  - b. Input from Mutual Ministry regarding called staff - none received yet
  - c. Input from Personnel regarding other staff – none received yet
3. Stewardship Committee plan and timing
  - a. No information has been received. Input requested again.

Keith will bring these items up again at Council on Sept. 12. Key needs are as follows;

1. Committee budgets for 2007 with justification for changes
2. Budgets for all staff
3. Budget for Safeguarding our Children
4. Decision on Project Peace advance funds.
5. Budget for Pastor John’s sabbatical
6. Stewardship plan

The next meeting will be Wednesday, Oct. 18 at 10:00 AM.

Respectfully submitted,

Keith Selbrede

## STEWARDSHIP COMMITTEE UPDATE

Tuesday, October 2, 2007

Annual Every Member Response – Fall Drive 2007

### **THEME: GROWING OUR GIFTS**

Incorporate our Core Values from the Strategic Planning Committee

Dates for introducing Core Values with “Garden Spots” and sermons

**Committee Members:** Bob Brundage, Barbara Burke, Herb Holler, Dick Hough, Gayle Johnson, Pastor Erik, Pastor John

### **DIGGING IN AND BRANCHING OUT**

September 16: Introduction to Growing our Gifts –Bob and Gayle

September 23: **Intimacy with God** –Pastor Erik

September 30: **Inspiring Worship** – Jenny Christensen & LaJean Wenzel

October 7: **Nurturing the Next Generation**- Kelsey Rhodes & Ross

Crockett

October 14: **Compassionate Outreach** – Pat Gallagher & Cy Johnson

October 21: **Caring Community** - Probably Bev Rueckert

October 28: Property? Need to discuss.

Pastor Erik is organizing Sundays September 23, 30 and October 7. Gayle is organizing Sundays October 14 and 21. We need to discuss Sunday, Oct. 28.

Display tables with information, pictures, power point, video and other items are encouraged for each ministry area to coordinate for the appropriate Sunday.

### **GARDEN BASKETS – Sunday October 21**

**Return prior to Sunday, November 11<sup>th</sup>**

Materials for the baskets:

Letter of information

Time and Talent 2008

Plan for Giving 2008

Envelopes for 2008  
Seed Packet

Outside Baskets:  
Instructions  
Handbook for 2008 – 3 copies for the basket and online  
Decorations

Overall:  
Baskets have been purchased – Thanks Barbara  
Prayer for send off of baskets on Sunday, October 21  
Delivery Routes: Garden Baskets to households  
Seed Packets – Herb checking on this

Recruit Master Gardeners for each route  
Master Gardeners – Start and check on the routes  
**\*Routes are organized- Thanks to Dick Hough**  
**Currently 16 routes and two mail groups and others to mail**

### **COMMUNICATIONS – Connection to the Congregation**

Return of the baskets  
Results- Patio Party between worship services  
Other . . .  
Pastor Erik checking on this area - brainstorm any other ideas  
Coordination with Finance Committee – Need to check on this

### **Overall Goals for Stewardship Committee**

Incorporate our Mission and Core Values  
Year Round Emphasis  
Inspire giving  
Involve children and Youth  
Debt Reduction Ideas

**Next Meeting: Tuesday, October 16 @ 1:30 p.m.**

Mount Cross Lutheran Church  
Budget and Finance Committee Meeting Minutes  
July 24, 2006

Attendees: Jenny Christensen, Paul Christensen, Karen Gramacki, Keith Selbrede and Bob Winters

Agenda :

1. Review/analyze financial performance YTD.
  - a. Income YTD is \$2800 ahead of budget and spending is \$5600 below.
  - b. There are a number of unbudgeted items that cause concern:
    - i. The \$5000 used to finance Project Peace. The committee recommend these funds be treated as loans to the people who receive \$100 seed money rather than having the congregation absorb this expense as benevolence.
    - ii. Estimated \$5000 for the Safeguarding Our Children project (See discussion below).

- iii. Expenses of \$7000 for the children's ministry new hire. While this has already been funded from designated funds, we need to keep it in mind for the 2007 budget.
  - iv. Adding the Praise Band to Jonathan's responsibilities.
  - v. Expenses related to the 40<sup>th</sup> anniversary.
  - vi. Expenses related to Pastor John's sabbatical.
2. Develop 2007 budgeting plan.
- a. Input from committees
    - i. The initial request will be made at the July council meeting. All budget requests for 2007 are to be submitted to the Budget and Finance Committee by October 1.
    - ii. Budget requests must indicate how the money will be spent (especially for increases over 2006 budget or expenses).
    - iii. Budget requests not received on time will be handled by the B&F Committee at their discretion.
  - b. Input from Mutual Ministry regarding staff: recommendations are needed from this committee regarding staff performance and salary recommendations. The Personnel Committee needs to provide recommendations for other paid staff positions.
  - c. Coordination with the Stewardship Committee: Keith will obtain a schedule from the Stewardship Committee on their plans and timing.
3. Discuss implications/financing of Pastor John's sabbatical: Need input from Mutual Ministry on timing and budget impact.
4. Review status/plans of the new Memorial Committee: Jenny reviewed the plan that was approved by the council in June. Her next steps are to contact the "givers" and committees for input and proceed accordingly.
5. Discuss financing of the SOC process.
- a. Paul reported the current estimated cost to be \$5000 (\$55 each) for the people identified for this project.
  - b. He has also contacted our insurer to determine their expectations on required needs. This will influence the final costs.
  - c. Since we won't have the program in place for VBS, we will include that in the 2007 budget.

- d. We recommend that the initial expense in 2006 be taken from the "Sunday School" designated fund which currently has \$5115 in it.

Next meetings:

Sept. 11 to budget items that are our responsibility.

Oct. 16 to review the inputs from other sources and start assembling the final budget.

Respectfully submitted,

Keith Selbrede

Budget and Finance Committee Chair/Liaison

July 24, 2006

Mount Cross Lutheran Church  
Budget and Finance Committee Report  
For  
September 22, 2005

The following members of the committee were present; Karen Gramacki, Herb Holler, Jenny Christensen, Paul Christensen and Bob Winters. Gayle Johnson, President of the Church Council, also attended the meeting.

Gayle brought a request from the Stewardship Committee; they need the church budget for 2006 to use in their drive for this year. The committee wants to include the visionary budget items that are under discussion by other committees of the church. They are;

- The Learning Committee would like to add a staff member for youth activities.
- The Facilities Task Force will be proposing expansion ideas.
- The Property Committee will be supporting a Van being donated to the church

After much discussion it was recommended that the Stewardship Committee use the 2005 budget plus 2% for cost of living adjustment. Then the committees above should provide their visionary costs to the Stewardship Committee.

At the next council meeting Herb will request budgets from the various committees so a church budget can be put together for next year.

The Personal Committee did provide raise inputs for non-call staff.

It was not resolved who would provide raise recommendations for called church staff.

The next meeting will be Monday, October 17<sup>th</sup> at 7 PM.

Herb Holler





Mount Cross Lutheran Church  
Budget and Finance Committee Report  
For  
June 24, 2005

The topic of discussion was how the church funds not required for immediate cash flow are invested. Bob Winters presented a breakdown of the present investments and his rationale for determining those investments. After review it was decided that the present investment method meets the requirements of the church and no changes are required.

At our next meeting in September we will start the annual budget process for the coming year.

Herb Holler

Mount Cross Lutheran Church  
Budget, Finance and Endowment Committee Report  
For  
February 24, 2005

The following people comprise the committee membership:

Jenny Christensen  
Paul Christensen\*  
Bill Greason\*  
Herb Holler\*  
Karen Gramacki  
Tim Thomtom  
Bob Winters\*

\*Were present at this meeting, those absent expressed a strong willingness to join the committee and participate in its activities.

The committee met to discuss our mission, meeting times and select a chairperson.

Herb Holler was selected as chairperson of the committee.

The "Areas of Council Responsibilities" were discussed related to our committee on page 10 of the "Handbook for Council Members".

- It was noted that the line related to the endowment fund should be removed and that committee should have a separate area for their responsibilities.

The following topics were discussed for future work;

- Investments – The treasurer presently invests the church reserve funds. At Bob's request we will review those investment procedures.
- Pastoral compensation – The committee will obtain and review data on pastoral compensation within the ELCA in relation to our present compensation.
- Review our church's contribution to benevolence.
- Only one person in the congregation knows how much each individual contributes to the church. We will review this procedure.
- It was noted that the CDC and Endowment Committee did not include a financial report in the annual report.
- We want to meet with the stewardship committee to discuss contributions to the church.

The committee will meet on alternating months. The next meeting will be April 14<sup>th</sup>.