

Unitarian Society of New Haven
Minutes of the Meeting of the Board of Trustees
November 9, 2017
Accepted December 14, 2017

Board Members Present: Kathy Garner, Daniel Gelperin, Megan Lloyd Joiner, Bernice Marie-Daly, Pamela Miller, Peggy Myers, Bobbi Pace, Pat Trotta

Board Members Absent: Liz Demsky, Jeannette Faber

Also Present: Georgia Jennings, Gwen Heuss-Severance, David Stagg

D. Gelperin called the meeting to order at 6:32 pm and P. Miller recorded the minutes. A quorum of Board Members was present, and the meeting proceeded with D. Gelperin presiding.

Gather

Attendees read the Board of Trustees Covenant. G. Heuss-Severance lit the chalice. We checked in with the question 'What does being part of USNH's community mean for you?' P. Trotta read a Dominican "prayer for peace in times of violence" by James E. Hug, S.J.

Meeting Preparation for this evening

The policy book revision will be added to the consent agenda for December.

Assess the Past (Monitoring)

a. Minister's report

The Minister's report is attached at the end of the minutes.

The MT is going to recruit people to serve on a committee to implement the security policy. A Disruptive Behavior Policy will be adopted. Right Relations and other groups will be asked to work with the MT on this Policy. This is an operational policy that would be passed by the MT. The board and the congregation will be informed about it. It and other policies will be on the new web site which will be published on December 1st.

The worship committee is not ready to eliminate the early service given that an increased number of people attended the most recent service.

Mental Health First Aid training may be held again in the spring.

A request was made to the board that the "Wednesday thoughts" be added to the mailed version of the newsletter.

b. Financial Monitoring (Policies 1.5, 1.6 & 1.7)

The Financial Monitoring report is attached at the end of the minutes.

K. Garner presented the financial monitoring report. She added the treasurer's response sections to the policy interpretations that the MT provided. MT did not receive the report in time to review it prior to the board meeting. Ideally MT would be able to respond if there were any disagreements with the treasurer's assessment.

Should an outside person audit all MT work? Policy 3.5 describes monitoring methods to be used.

MT suggested that we may need to change the \$500 limit on Unexpected expenses outside of the capital budget in policy 1.5.1 c. The items listed might be considered as operational maintenance expenses rather than capital expenses. The first two items were listed in a previous report from MT. It may be necessary to revise the interpretation of this policy. MT is working to add a line for capital budget expenses in the operational budget. We are non-compliant on this policy item. We can use the term “Partially compliant.” This gives us something to improve in future years.

Policy 1.5.1 d is reported as non-compliant. MT has a list of work that should be done but has not developed forecasts for multiple years. MT believes that they can start to present forecasts of capital expense needs.

The interpretation of policy 1.5.2.1 needs to be updated to reflect the change from 25% to 15%.

We do not accrue for expense commitments which makes it difficult to project available cash. Should we do accrual accounting in the future? Our accountant should be asked about this. It may not be necessary to track if we are only concerned about calculating the amount at the end of the fiscal year.

We can meet with our banking representative to discuss cash management tools. Would it be suitable to acquire a line of credit?

The board is not compliant with policy 1.6 a. More work needs to be done on Ends and Vision.

Policy 1.6 c policy and interpretation need clarification. How is “discretionary” defined? Does it mean “not emergency”? Does it mean “unbudgeted”? Does it mean “at the discretion of the MT”? The operating budget is not as specific on expenses as the capital budget. Discretionary synonyms are: optional, elective, voluntary. The policy interpretation was approved in November 2015. Minutes indicate that there were many questions on the policy.

For Policy 1.6 d, MT should manage policy on electronic payments.

Policy 1.7 is to be monitored every 3 years. There is no interpretation available at this time.

MT is to work on interpretations of policies 1.5.2.1, 1.6 c, and 1.7.

We still don't have reviewed statements from our accountant.

Create the Future & Learning

- a. Brief update on safe communication initiative (Peggy and Bernice) – deferred
- b. Sign up for board members to be recognized at the second service
Nov 12: D. Gelperin
Nov 19: P. Trotta
Nov 26: P. Myers
Dec 3: B. Pace
Dec 10: P. Miller
- c. Agree on what will be presented at the congregational meeting

We will not present the org chart at the congregational meeting. M. Lloyd Joiner is reaching out to other congregations. We should not say “USNH doesn't have a center.” The metaphor of a burning coal is not environmentally friendly. It has been observed that we have a lot of people doing a lot of different things. What is our common ground? What touches everyone?

Minutes will be the first item on the agenda, followed by financial update using the June 30 operational budget, and board goals.

- d. If time allows: Let's talk about whether we want to have conversations to identify where the energy is in the congregation as a way to clarify USNH's vision, to find our shared spark that will pull us all forward in the same direction. In other words, have conversations to find the energy rather than try to define what the vision should be.

Consent Agenda

MOTION – D. Gelperin, to approve the consent agenda; **SECONDED – B. Pace**;

PASSED unanimously, 7 in favor, 0 opposed, 0 abstentions

Announcements

Schedule for reading Moving on from Church Folly Lane together for discussion at 2nd board meetings:

Pages 67-106 for Nov 28 - the Tuesday after Thanksgiving

No meeting in December

Pages 107-146 for Jan 23

Pages 147-183 for Feb 27 - this takes us to the appendices

Nov 12th congregational meeting: present joint MT/board collaboration and board goals

Thank-you's

Thank you to Kathy Garner and the MT for this evening's monitoring report and discussion.

Thank you to David Stagg for coming out on the night of the storm to assess damage.

Thank you to Holly Hawkins and Carol Cheney for the auction fund raiser. We made over \$6000.

Adjournment

MOTION – D. Gelperin, to adjourn; **SECONDED – P. Myers**;

PASSED unanimously, 7 in favor, 0 opposed, 0 abstentions

The meeting was adjourned at 8:43 pm.

Attachments

Minister's report
Monitoring report

Minister's Report
November 9, 2017
Rev. Megan Lloyd Joiner

State of the Congregation *(recent successes, challenges, observations about the congregation's functioning in relationship to the mission, ministries, members, staff, or other Board concerns)*

- Board members recently asked about the status of our safety plan in the event of an internal or external threat.
- The shooting in Sutherland Springs, Texas on 11/6/17 was disturbing to many of us.
- While the likelihood of a shooting here at USNH is very small, we must be as prepared as possible. To this end, the Management Team will put together an ad-hoc task force to review our lockdown and other security procedures and work with members of the congregation to put them in place.

- Along similar lines, the Management Team is working on a Disruptive Behavior Policy so that we are equipped to manage individuals who are disruptive during services or other congregational activities.

- USNH celebrates our 66th anniversary on 11/11/17. We will hold a Founders Day Celebration during services on 11/12.

- Our major challenge remains the question of two services. I am considering our course of action (if any) with Worship Committee, Management Team, Sunday Morning Team, and staff.

Major Accomplishments *(Large, new, or not regular-duty projects)*

- On November 12, we will welcome another cohort of new members to membership. Kudos go to Membership Coordinator, Jane Ferrall, and members of the Membership Committee including Christine Durham, Chair.

Primary Ministry Focus *(Areas of intellectual, mental, or spiritual study)*

- The Soul Matters themes for the next few months are Abundance, Hope and Intention. This is where my spiritual focus is currently.
- I am also focusing on my skills and our policies for welcoming with those whose behavior can be erratic or disturbing.

Upcoming Time Away *(vacation, study leave, UUMA or UUA gatherings)*

- I will be on vacation for much of the Thanksgiving holiday, including Sunday 11/26.
- I will be in town and available for emergencies.

Activity Report for Areas of Ministry for Preliminary Fellowship Evaluation

(not exhaustive)

Counseling and Pastoral Care

- I participated in the Mental Health First Aid training provided by new member Emily McCave. The training was excellent, and I feel better equipped to provide intervention in situations concerning mental illness or substance abuse.

Practical Arts (*administration, organizational development in and out of congregation, management of staff, attention to detail, support and leadership development, recognition and appreciation of others, delegation of responsibility and authority, follow through and completion of tasks, time management, attention to finances, fundraising, funding ministry, public relations and publicity skills, ability to work with boards and committees, clarity of roles, attention to long range plans, etc.*)

- I have recruited a robust Stewardship Team that will meet before the holidays to plan the campaign for 2018-2019.

Organizational Ministry (*integration of new members and clients, creates a welcoming environment, encourages a sense of community, encourages growth, supports broad variety of programs, involvement of others in planning and conducting programs, nurtures lay leadership, professional presentation of self, pastors to various age groups, etc.*)

- I intentionally preached on the overabundance of activity at USNH on 11/5.
- My hope is that we will move forward with a more focused sense of mission and use the mission to guide our programmatic activities.

Personal and Professional Growth

- This month, I will meet with my mentor, spiritual director, and professional ministry coach

Teaching

- Nothing to report at this time

Worship

- Preached on 10/15 The Courage to Confront White Supremacy
- Preached on 10/22 The Courage to Disarm
- Multi-Generational Service on 10/29 Facing Our Fears
- Preached on 11/5 All Within Reach: Fostering a Spirit of Abundance
- Lead Worship Team meeting each Tuesday at 10am

Attendance

10/15: 9am: 17, 10:30am: 172 (+ 48 children and youth; 12 teachers)
10/22: 9am: 14, 10:30am 191 (+ 60 children and youth; 12 teachers)
10/29: 9am: 11, 10:30am 195 (multi-generational service)
11/5: 9am: 24, 10:30am 188 (+ 62 children and youth; 13 teachers)

Denominational Activities

- I met with UU students at Yale Divinity School at their monthly lunch on 11/3
- I provided a letter of recommendation for a student seeking ministerial internships

Prophetic Outreach

- I attended a CONECT clergy lunch on 11/2
- I am working with our CONECT team to facilitate a one-on-one meeting campaign at USNH that we hope will result in deeper connections and clarity on people's social justice interests as well as build interest and support for CONECT.

Respectfully Submitted by Rev. Megan Lloyd Joiner

FINANCIAL CONDITION AND ACTIVITIES MONITORING REPORT
Submitted by the Treasurer - Kathy Garner
10/30/2017

1.5 Financial Planning/Budgeting

Policy Wording 1.5:

With respect to financial planning, the Management Team may not jeopardize the programmatic or fiscal integrity of the Unitarian Society of New Haven. Accordingly, the Management Team may not cause or allow fiscal projections that:

- a. Contain too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, and disclosure of planning assumptions.*
- b. Deviate materially from Board-stated priorities and requirements (see Ends policies) in its allocation among competing fiscal needs.*

Executive Interpretation

The MT will continue to use and improve upon the methodologies currently in place to provide information to the Board about financial planning and budgeting. Projected expenses will be based on experience over the previous 2 – 3 years adjusted to accommodate projected changes in the upcoming fiscal year. Revenues will be based on historical experience and projected changes in the coming year. Planning assumptions will be documented.

As noted in the interpretation of PG 1.6 a., it is the MT's conclusion that when examining the details of our budget, all the budgeted expenditures contribute to one or more of the Ends. It is also true that some Ends will have higher priority than others at different points in time, as determined by the Board.

Treasurer Response:

For 2017-18, the Management Team prepared the operating budget using actual results data from the past three years. The Actual results were compiled by the Finance Committee. The 2017-18 Budget shell was a download from Quickbooks to insure data entry lined up with the new account structure. Budgets and actual expenditures from the past three years in addition to the proposed (2017-18) budget were presented to the board and congregation. Notes were included on most line items to fulfill the requirement of disclosure of planning assumptions. Capital expenses not included in the "Maintenance" or "Property Management" line items and were considered separately in an annual capital budget.

The budget was formally presented on the June 11, 2017 Congregational Meeting. There was discussion, with a couple of members thanking the Management Team for the work and the clarity of the budget. The vote was 70 in favor, 3 opposed, and 9 abstentions.

Treasurer Rating: COMPLIANT.

1.5.1 Budgeting

Policy Wording 1.5.1:

The Management Team shall not fail to:

a. Use realistic assumptions of income and expenses when creating budgets.

Executive Interpretation: As stated in 1.5.a, assumptions of income and expenses will be based on historical experience and projected changes in the upcoming year.

Treasurer Response:

The budget presented on June 11, 2017 included previous years so it was easy to evaluate the proposed numbers. Compared to the 2016-17 budget, the 2017-8 Operating Budget included a decrease of 3% to Income and a 1% decrease to Expenses. For the first time in a number of years, the Management Team presented a budget that accurately reported an operating loss. In previous years, a number was inserted into the operating budget that represented a transfer from unrestricted assets.

Treasurer Rating: COMPLIANT.

b. Create an annual operating budget for congregational approval at the Annual Spring Meeting of the Society.

Executive Interpretation: An operating budget will be submitted to the Board for review at the Board meeting prior to the Annual Spring Meeting of the Society, when it will be presented to the congregational for approval.

Treasurer Response:

An operating budget was submitted to the Board for review on 5/11/17 and to the congregation on 6/11/17.

Treasurer Rating: COMPLIANT.

c. Create an annual capital budget with the means to pay for one to present for congregational approval at the Annual Spring Meeting.

Executive Interpretation: The term "Capital assets" is interpreted to mean the property, buildings, equipment and furnishings of USNH. Capital expenditures to acquire, improve, or replace capital assets will be included in the capital budget. At the discretion of the Management Team, expenditures below the amount of \$500 (the "capitalization threshold," in accounting terms) may be funded from the annual operating budget. An annual capital budget based on the Management Team's best estimate of needs, associated costs, and the means to pay for these items will be developed and presented to the Board for review at the Board meeting prior to the

Annual Spring Meeting, when the annual capital budget will be presented to the congregation for approval.

Treasurer Response:

There were three unexpected expenses outside of the capital budget (charged to the operating budget). Each expense exceeded \$500:

- 1) On 7/12/16, Plumbing \$925
- 2) On 3/31/17, a repair to the Religious Education wing windows \$974
- 3) On 5/13/17, a repair to the heater in the space occupied by Cuddle Time \$1,348

All other capital repairs or improvements were charged to the capital fund based on the capital budget.

A 2017-2018 capital budget was presented to the congregation at the Annual Spring Meeting. The capital budget included a line to repay the roof loans (extended by members of the congregation) in the amount of \$40,000. The Capital Fund at 6/30/2017 was \$34,671. The total Capital Budget presented was \$44,015. The deficit is funded by unrestricted net assets.

Treasurer Rating: Not Compliant. It is recommended that long term planning for capital expenses (which include costly repairs to an aging structure) be considered. Unrestricted net assets can fluctuate and cannot be considered a funding pool.

d. Consider multi-year financial projections and events that affect future operating income and expenditures and future capital expenditure requirements.

Executive Interpretation: "Multi-year projections" is interpreted to mean 2 – 3 years. Otherwise no interpretation required.

Treasurer Response:

At this time, only a 1 year capital and operating budget is prepared. During the 2016-17 year, there was much more analysis completed than in previous years. This included:

- 1) Providing 3 years of past results (budget and actuals) with the proposed budget.
- 2) Analysis of cash flow completed by Greg Seaman that provided valuable insight towards establishing the operating reserve amount.
- 3) Analysis of the options for the mortgage when it matures on June 30,2018

Treasurer Rating: Not Compliant. The Multi-year projection indicates that there must be forward thinking plans of a more long term basis. There are tools available that may allow for different analysis; however, there are no tools currently available to the Management Team. During the 2017-18 year, it is recommended that the Board and Management Team sketch out a high level plan for the next 2-3 years that include different scenarios of growth.

1.5.2 Reserves

1.5.2.1 Operating Reserve

Policy Wording 1.5.2.1:

The Management Team shall not fail to establish an operating reserve to cover fluctuations in cash flow. The specifications for this reserve are:

- a. The reserve shall be equal to 15% of the annual operating budget. (updated from 25% to 15% on May 11, 2017)*
- b. The approved amount must be deposited in a liquid, conservative, interest or dividend earning account.*
- c. The operating reserve shall be secured annually as part of the budgeting process.*
 - 1) When in surplus, funds from the operating reserve can be shifted to other reserve funds, or to the operating budget, upon approval from the Board.*
 - 2) When in deficit, funds must be shifted from other reserve funds, or the operating budget.*

Executive Interpretation:

The equivalent of 3 months of annual operating expenses (15% of the annual operating budget) should, on average, be held in insured bank accounts, including checking, money market and CDs, to cover regular operating expenses and urgent/emergency expenses. It is recognized that cash flows are variable over the course of the year and that there will be months where income exceeds expenses and other months where expenses exceed income. Therefore, the cash reserve may be expected to dip below the 15% number or to exceed it at different times during the year. At least once a year, in July or August following the year end closing of the budget, it shall be determined if available liquid funds are equal to 15% of the approved operating budget for the year. If there is less than this amount, a plan should be put forward for how the amount can be brought up over a reasonable timeframe. It is not envisioned that the approved operating budget would be immediately reduced to restore the 15% operating reserve.

What monies may be counted toward the 15% operating reserve? a. In the most conservative interpretation, the liquid funds that are counted toward the 15% operating reserve do not include monies held in temporarily restricted funds (e.g., Emerson, McTigue, Music, Senn, Donations and Memorial Gifts, etc), the Capital Fund, and the Endowment funds.

Treasurer Response:

As of 9/30/17, our Balance Sheet (as prepared by our Bookkeeper) reports that \$94,126 or 15%

of our operating budget, has been set aside as an operating reserve. The reserved is accounted for as an equity account and is excluded from the unrestricted net assets (cash) calculation that is completed every quarter.

Treasurer Rating: Compliant

1.5.2.2 Capital Fund

Policy Wording 1.5.2.2:

The Management Team shall not fail to establish a capital fund for planned and unexpected facility and equipment expenses.

Executive Interpretation: The term “Capital assets” is interpreted to mean the property, buildings, equipment and furnishings of USNH. A capital fund will be maintained by an annual capital budget. Capital expenditures to acquire, improve, or replace capital assets will be included in the capital budget.

Treasurer Response:

There is a temporary restricted fund “Capital Fund” with a balance of \$29,588.30 as of 10/29/17.

Treasurer Rating: Compliant

1.5.2.3 Cash Management

Policy Wording 1.5.2.3

The Management Team shall not fail to:

- a. *At least yearly, assess the liquid funds*
- b. *Assess the potential uses for any surplus that exists over the amounts needed for the operating budget plus operating reserve, taking into consideration capital needs and multi-year planning.*
- c. *Consider investing any surplus monies into the Investment Fund managed by the Endowment Committee on behalf of USNH.*
 - i. *This Investment Fund is not considered part of USNH’s Endowment and is not subject to any endowment restrictions.*
 - ii. *Because the Investment Fund is designed as a longer-term investment instrument, the Management Team should consider those implications when deciding on investment.*
 - iii. *The Management Team shall maintain authority and accountability over these funds and may be allowed to withdraw from the Investment Fund at any time to cover unexpected emergency expenses with notification to the Board that such withdrawals are being made.*
 - iv. *Additionally, the Management Team may consider the monies in the Investment*

Account as potential sources of funding for future proposed operating or capital budgets.

Treasurer Response:

USNH currently maintains a checking and money market account with Citizens Bank (as a requirement of the mortgage). For the 2017-18 year, there are opportunities to complete activities in support of this policy.

- 1) A quarterly review the Finance Reports, including the unrestricted net assets calculation.
- 2) Continue to refine the use of the unrestricted net assets calculation. Specifically, understand the limitations of this calculation without accruing expenses. Engage the USNH bookkeeper as needed to assist with this analysis.
- 3) A quarterly review of the Temporary Restricted funds to insure funds are being used as designated.
- 4) Meet with a bank representative to better assess cash management needs and products that can be used.
- 5) Create operations policies to support better management.

Treasurer Rating: Not Compliant.

The monitoring schedule for 1.6 is monthly; with exception to External report (compilation) which is noted as annually

1.6 Financial Condition and Activities

Policy Wording 1.6:

With respect to the actual, ongoing condition of USNH's financial health, the Management Team shall not cause or allow the development of fiscal jeopardy. Accordingly, the Management Team shall not allow:

a. Financial expenditures to deviate materially from the Board's Ends priorities

Executive Interpretation:

On the one hand, the introductory sentence for section 1.6 states that the issue is preventing fiscal jeopardy, implying a concern about expenditures exceeding budgeted limits or funds being lost or mishandled. On the other hand, this "1.6.a." statement seems to be concerned not with any amount or mishandling of funds, but with the purposes ("the Board's End's priorities") for which the funds are spent. In examining the details of our budget, we find it quite straightforward to conclude that all of the budgeted expenditures contribute to one or more of the Ends. It is also true that some Ends will have higher priority than others at different points in time (though that will not be defined by the MT). All in all, for an introductory interpretation, prior to deeper discussion with the BOT, we have chosen to focus on the fiscal jeopardy question of actual

amounts of expenditures compared to budgeted amounts.)

Teasing apart our Ends, one could argue that our priorities include both discretionary and non-discretionary (legally obligated, safety-related, property asset protection) expenses related to staffing and facilities for worship, pastoral care, lifespan religious education, social justice and right relations. "Deviate materially" is interpreted as meaning "to exceed by more than 10%" of the budgeted amounts for such expenses. It is recognized that unanticipated but unavoidable circumstances may cause non-discretionary expenses to exceed 10% of budgeted amounts, thereby placing us out of compliance with this limitation. (absolute dollar amount in whole class)

Treasurer Response:

Reviewing the Actual results for 2016-17, no significant deviations were noted. The budget provided to the bookkeeper was input accurately and expenses recorded correctly. The bookkeeper created a new set of accounts and translating the 2016-17 budget (based on prior structure) into the new structure resulted in minor differences in some classes, but the results in total were in line with the approved budget.

The MT brought to the Board the emergency replacement of the Sanctuary roof due to leaks. The MT reviewed and concurred with Building and Grounds' recommendation that we accept the Seal-tite bid of \$47,009 to replace the Sanctuary roof using a single source bid for reasons provided. The MT proposed using funds from "Gifts and Donations" to pay for the roof replacement.

Treasurer Rating: Compliant

b. Discretionary expenditures to exceed the amounts budgeted in the current fiscal year without Management Team evaluation and approval.

Executive Interpretation: Discretionary expenses above budgeted amounts may not occur or be committed to by staff or committees without submission and approval of a Request for Funds application. It is the responsibility of staff and committee chairs to manage their discretionary budget items within approved limits. During the year, they may reallocate funds among discretionary line items within the overall total of the discretionary spending in their respective budget domains. [An explanation of reallocated discretionary funds should be provided at year end.]

Treasurer Response:

It is the practice that committee chairs are responsible to monitor their own budgets and adhere to those limits. This practice should be further strengthened by an operations policy. The "exceed the amounts" should be further defined by a dollar or percentage. As noted previously, although there were differences on individual line items, when evaluated by classes, there were not significant deviations. In fact, overall expenses came in under budget (\$603,841 actual compared to \$634,970 budget). It is observed that every effort is made to monitor expenses and

obtain approval when there are situations of expenses exceeding budgets.

Treasurer rating: Compliant

c. Unbudgeted discretionary expenditures to exceed \$2,500 in any one fiscal year without approval of the Board.

Executive Interpretation: Any item qualifying under 1.6.b above which exceeds \$2500 will be brought to the BOT.

Treasurer Response

NOTE BY KATHY 10/30/17: I am not really sure how to evaluate this. What account should I be looking at?? Discretionary to me means incurring a "nice to have expense" which I have not observed at all!! The below I left intact.

No discretionary expenses have exceeded \$2500.

- HVAC \$5000
- Compressor \$3000

Treasurer Rating: Compliant

d. Settlement of payroll, employee benefits, and bills to deviate from timely payment.

Executive Interpretation: "Timely payment" is interpreted as the payment schedules set by law, regulation, and /or contract for the particular items owed for payment.

Treasurer Response

Payroll/Employee Benefits: This portion is overseen by Greg Seaman (Finance Committee). Due to the pay periods (every 2 weeks) crossing fiscal and calendar year ends, it creates a situation that is at higher risk of making errors. There were ongoing issues with the Minister's pay during the fiscal year. At first, an overpayment was made for each period. The correction was made; however, it continued into the 2017 calendar year which resulted in an underpayment. Additionally, adjustments must be made at any year end where June 30 does not correspond to the payroll end date. For these reasons, it was recommended that the pay periods be adjusted to twice a month. This was reviewed and accepted by the MT after consulting with the employees. Instituting this practice will alleviate some of the complexity involved.

Bills: Throughout the fiscal year, there are occasions where late fees are incurred for a number of reasons. The amount is not significant and staff is actively working to avoid the fees. It is recommended that where possible, electronic payment be instituted to make quicker payments. At this time, it is not easy to identify all late fees; however it is estimated to be no more than \$150.

Treasurer Rating: Compliant. Although there are instances of not timely payment, the overall credit worthiness of USNH has not been compromised.

e. Restricted funds to be used for purposes other than those specified by the donor.

Executive Interpretation: No interpretation required.

Treasurer Response:

As of 10/29/2017, there are 19 (Temporary) Restricted Funds. One fund, "Gifts and Donations" has been designated as a holding spot for donations received from members and non-members not related to pledges. This practice was instituted to allow thoughtful disbursement of the monies received.

Of note, the Minister's Relocation Fund is set to expire June 30, 2018. Any funds remaining must be reclassified or moved into operating funds.

Treasurer Rating: Compliant

f. Non-contracted program and facility expenses projected to be more than \$2,500 to be paid without procurement and evaluation of two or more price proposals or by getting approval from the Board for a sole-source justification.

Executive Interpretation: The standard procedure is to find at least two price proposals. However, if an urgent/emergent event occurs, the MT may arrange for repairs to be performed as soon as possible by a qualified contractor who is prepared to do the work. The BOT will be notified that we are out of compliance.

Treasurer Response:

The MT brought to the Board the emergency replacement of the Sanctuary roof due to leaks. The Management Team reviewed and concurred with Building and Grounds' recommendation that we accept the Seal-Tite bid of \$47,009 to replace the Sanctuary roof using a single source bid for reasons provided. We proposed using funds from "Gifts and Donations" to pay for the roof replacement.

Treasurer Rating: COMPLIANCE.

Need to get sole-source permission from Board.

g. Fundraising activities without approval of the Management Team.

Executive Interpretation: Established annual fundraisers, whether for USNH or by USNH groups for outside charities and causes, are assumed to have received BOT approval in earlier

years and are “grandfathered in” until such future time as the MT calls for an overall evaluation of USNH fundraising activities. New fundraising activities and new fundraising sponsors must be approved by the MT before being publicized and initiated.

Treasurer Response:

Approved and “grandfathered” fundraising activities occurred in 2016-17 year as expected.

- 1) Additional fundraising was done by the Refugee Resettlement Coalition upon receipt of permission from the Management Team.
- 2) Additional fundraising for the Director of Music’s retirement gift was not approved. We

In 2017-18, the following fundraising events are expected:

- 1) Every Sunday: Sale of Grocery Gift Cards (aka Stop&Shop)
- 2) December Regifting sale
- 3) Occasional Sundays: Used Book sale
- 4) June Tag & Plan Sale
- 5) Occasional Sundays: Book Cart
- 6) Occasional Sundays: Equal Exchange
- 7) February Chocolate Auction
- 8) Service Auction

Treasurer Rating: Compliant

Note: 1.7 is noted to be completed every 3 years

1.7 Asset Protection

The Management Team shall not allow the assets of the Society to be unprotected, inadequately maintained, inappropriate used, or unnecessarily risked.

1.7.1 Insurance

- a. The building and its contents are insured against losses from fire, wind, flood, theft and vandalism.
- b. The officers, Board, Management Team and staff have professional liability insurance.
- c. The Society has General Liability insurance, as well as insurance against theft and malfeasance.

Treasurer Response

USNH has policies with Church Mutual. Policies auto renew every three years. The MT was provided with the renewal notice. The current policy is in place from 10/17/17 to 10/17/20.

- 1) Building and Personal Property: \$3,818,700
- 2) General Liability: Varies
- 3) Crime Coverage
- 4) Professional Liability (Counseling, Directors, Officers, Trustees)
- 5) Hired and Nonowned Automobile Liability

Treasurer Rating: Compliant.

1.7.2 Other

The Management Team shall not fail to assure that:

- a. The buildings and grounds and equipment are maintained to allow continued value and use.
- b. Financial controls are in place to guard against loss and mismanagement of funds.
- c. Funds used for operations are kept in insured instruments.
- d. The Management Team shall not: Unnecessarily expose the organization, its Board, or staff to claims of liability or risk the nonprofit status of the Society.

Treasurer Response

There is a Building and Grounds committee charged with managing the building's maintenance and recommending prioritization of projects. The MT works closely with this committee.

There are Financial controls in place that provide checks and balances for managing funds. There is a Treasurer (member volunteer), Office Administrator, and Bookkeeper (part time) that manage the day to day operations. Additionally, members of the Finance Committee provide other support (review payroll, organize collection plate counting, work with fundraising events, manage brokerage account for stock donations). There could be greater clarity around responsibilities and roles that will lay the groundwork for growth of the congregations.

All liquid funds are kept at Citizens Bank. For stock donations, the stock is sold then transferred into one of the Citizens Accounts.

[A 2017 Town of Hamden Tax Exempt Quadrennial Return was completed and sent to the Town of Hamden prior to the November 1, 2017 deadline.](#)

Treasurer Rating: Compliant