

Irvine United Congregational Church

Administration Board Minutes

January 27, 2014

Attendance

Board: Mark Allen, Jerrod Anderson, Wayne Banwell, Frank Larkin, Jerry Price, Anne Rosse, Martha Selby

Committee Chairs: Janet Emery, Lindy Garber, Laura Long

Guests: Michael Spindle, Matthew Redman

The meeting was called to order at 7:04 PM.

The opening prayer was led by Matthew.

Minutes: Jerry moved approval of the minutes; Wayne seconded. The minutes were approved.

Reports:

Pastor: Paul Tellström

- Since Pastor Paul was not in attendance, Martha covered the highlights of his report which was emailed in advance (attached).
- Pastor Paul is considering having Communion each week during Lent.
- We will be making an intentional effort to get second service attendees to try at least one first service.
- We will piloting a few changes during Lent; these include removing the last row of chairs in the sanctuary to bring people closer, and matching 9am and 11am services, with the teaching moment at 8:45am in Plumer Hall.
- The Board discussed issues and adjustments related to the trial changes to the structure of both services during Lent.

Moderator: Anne Rosse

- Anne distributed her report (attached) and reviewed the IUCC highlights of 2013.
- The Board discussed IUCC priorities for 2014, including growth strategies, outreach, building project/master plan, technological innovations, and the leadership nomination process.
- We also discussed the importance of looking at the Sunday morning services with an open mind.
- Anne confirmed that the two swipe squares and three iPads are ready to go; we just need to start putting them to use.

Ministries Chair: Pat Sauter

- Pat was absent and no report was distributed.

Building and Grounds: Lindy Garber

A. Termite report plus possible related projects

- Lindy just recently received the report from the exterminator, but she confirmed that we have lots of termites plus some dry rot and fungus.
- We are going to be required to tent the ECC and Plumer Hall. Ideally we will do this over a long holiday weekend; we also need to make sure we give plenty of notice to the ECC parents. During the weekend we have the tent we will collaborate on Sunday morning services with Neighborhood Congregational Church in Laguna Beach.
- The preliminary estimates are \$12,600 for the extermination plus \$3500 for wood replacement.
- We need to confirm that the vendor we select can perform the service over the weekend.
- The Board decided to postpone any decision on vendors or specific service dates until our February meeting.

B. Concrete repair

- The bid for the concrete repair is \$722, which we believe is a good price.
- Jerrod moved to allocate up to \$1000 for the concrete repair; Wayne seconded. The motion was approved.
- Lindy reported that we also have received a lighting enhancement quote for \$850; since there was some uncertainty regarding precisely what this work entailed, the Board deferred further action until we have more information.

Early Childhood Center: Laura Long

- Laura discredited the ECC report (attached).
- Currently we have 34 children enrolled with 17 vacancies. We are planning an open house on February 1.
- The annual multicultural potluck lunch will be held at noon on Wednesday, February 26.
- Following the ECERS classroom evaluation, we are focusing on more staff development activities to increase knowledge and skills.
- The ECC committee will be discussing additional quality improvement activities; Laura may set up a regular meeting time with Irma to provide more support.

Treasurer: Mark Allen

- A. Review of 2013 financials -- We had approximately a \$45,000 surplus for fiscal year 2013.

B. 2014 budget

- Anne moved that a \$25,000 bequest be allocated to the capital improvement fund; Mark seconded. The motion was approved.
- The Board discussed the amendment passed at the January Congregational Meeting which directs IUCC to start salary increases in January rather than July; this will have a \$3800 impact on our budget.

- Termite and concrete repair costs will be applied to 2014
- We will revisit our 2014 budget status in May.
- The Admin Board commended Mark for his hard work and excellent attention to detail throughout the budget process.

C. IUCC accounting cash and accrual policy

- Mark distributed an overview of the changes in our accounting practices (attached). The more significant of these changes involve depreciation, payroll, rental income, and interest expense.
- Jerrod moved to approve the modified cash basis process as proposed by Mark; Anne seconded. The motion was approved.

Old Business:

A. Building Project update

- Anne reported that we have a meeting with domusstudios scheduled for February 3.
- We would like to be in the position to bring a a more specific project proposal to the congregation in May.
- We have discussed our upcoming fundraising needs with Priscilla, the UCC fundraising consultant; if we want Priscilla to oversee our campaign it will cost \$45,000. However, it should be noted that some portion of this \$45,000 would come back to us via UCC program funds.
- We anticipate that a vote regarding the final campaign/building plan would occur in January 2015.

New Business:

A. Technology task force recommendations -- Anne distributed a summary of the task force recommendations and the status of each recommendation (attached).

B. Admin board calendar of responsibilities

- Anne distributed a proposed calendar of responsibilities for the Admin Board (attached). The Board brainstormed other items for inclusion on the calendar.

Next meeting will be Monday, February 24, at 7:00pm.

Wayne moved to adjourn, and Jerrod seconded. The meeting was adjourned at 8:51pm following a prayer by Martha.

Respectfully submitted,

Jerry Price
Clerk
Administration Board

- All funds will continue to use a Modified Cash basis for recording revenues and expenses with following changes/clarifications as noted below.
 - (a) Cash Basis - means we recognize the revenue or expense in the income statement when we receive or expend the cash.
 - (b) Accrual Basis - means we recognize the revenue or expense either before or after we receive the cash based on when the event occurred.
 - (c) Modified Cash incorporates both cash basis and accrual basis at the same time and this is what IUCC has traditionally used but there is not one prescribed way to do Modified Cash Basis financial statements; it is individual to the entity how to incorporate both aspects.
- All transactions reviewed for treatment (cash or accrual basis) will be subject to a materiality threshold in deciding the treatment of a transaction.
 - if an amount is below materiality, we will not likely recognize it on an accrual basis but rather on a cash basis.
 - Note that materiality amounts are subjective at times and need to be reviewed based on the particular facts and circumstances, not static.
- This outline does not intend to cover all possible transactions. Should we be in doubt about how to book a transaction, we will discuss with the Admin. Board if it's a material/reoccurring transaction or at the very least we will disclose the transaction, nature, its amount and our reasoning for booking the transaction in the financial statements in a particular manner.

A. Revenue:

- Same
 - 1 Annual **Prepaid** Pledged Contributions - recognize revenue on an accrual basis over the months remaining for the year that the pledge is supposed to be recognized in. (e.g. if a donor pledges \$1,200 for 2014 and gives it in cash in Dec 2013, then the total amount of \$1,200 will be deferred in Dec. 2013 (not recognized as revenue) and the revenue will be recognized 1/12 (\$100.00) for each month Jan. - Dec. 2014.
- Same
 - 2 Pledged Contributions - recognized on cash basis when received (e.g., if a donor donates \$100 for each of the first 11 months and \$500 in Dec. then it will be recognized in revenue exactly as it was donated for all those 12 months)
- Same
 - 3 Non-pledged Contrib. - recognize on cash basis when received from donor unless donor also provides sufficient direction for another treatment.
- Different
 - 4 Rental Income - recognized on accrual basis each month when due per agreement or arrangement, not when received (e.g., Woodbridge parking)
- Same
 - 5 Gifts/Bequests - recognize on cash basis when received
- Same
 - 6 Fund Raisers - (not cash or accrual) we recognize when we have complete revenue and expense detail for the event; try to match revenue & exp. (e.g., won't recognize the revenue from an event in Sept. and all the exp. in October; we will wait to recognize all amounts at once in Oct.)
- Same
 - 7 Unexpended funds (designated and undesignated) - generally do not recognize in revenue until the funds are expended; they are liabilities on the balance sheet until they are recognized. (Note: we provide detail of material amounts in the notes to the financial statements for this category)

B. Expenses

- Partially Different
 - 1 Payroll and related - accrue payroll and related costs at month-end based on an estimate of liability or put in a pre-paid acct. if we prepay the amount and then expense it in the months that the transaction applies to (e.g., Pension Board Benefits)
- Different
 - 2 Fixed Assets - recognize depreciation on fixed assets and set minimum dollar amount for depreciating assets (\$5 thousand).
 - will expense individual amounts lower than the \$ threshold as not worth tracking the fixed asset detail.
 - if an expense relates to a larger project and the project is being capitalized then we will capitalize all amounts related to the project.
- Same
 - 3 Maintenance and repair - generally expense unless the expenditure materially improves the useful life of an asset
- Different
 - 4 Interest expense - accrual basis as incurred per the terms of the debt
- Same
 - 5 All other expenses - cash basis and footnote and disclose amounts that are material to the financial statements that have not yet been paid for in cash. Create designated reserve in unrestricted net assets to recognize the possible liability.