

**St. Stephen's Episcopal Parish
Finance Committee Meeting
March 23, 2025**

Attending:

Rev. Dr. Nina R. Pooley
J. Christopher Perry, M.P.H., M.D., Treasurer
William O'Neill, Assistant Treasurer
John Garinther, Sr. Warden
Don Phipps

Absent

Josie Ellis
David Nevin, Jr. Warden

Agenda & Minutes

I. Old Business

A. Review of Terms of Reference for the committee and its membership

1. Purpose:

- to monitor and review the status of the finances
- to make financial recommendations to the Vestry
- prepare the annual budgets
- to oversee the annual audit on behalf of the Vestry

2. Selection and tenure of members

- Rector, Treasurer, Assistant Treasurer, at least one Warden;
- others at will (by ours or theirs)

3. What functions does the meeting have (John Garinther)

- Monitor status of finances, using a standard set of data that we look at each meeting: debits, credits, deficits/surpluses for the month
- We do not want to create the data at the meeting itself.
- Monthly: present the categories/lines that are out of line with projections
 - Items that are off budget should be listed and some description of the issue arising
- Balance sheet all accounts (talk to Sarah, monthly)

B. Finance Committee 1 page write-up with graphs for newsletter.

Proposal: present every three months, not monthly

rationale: income and expenditures are not regular, but major events, such as disbursements from endowment, occur quarterly, hence q. 3 months most accurately reflects the income/expenses vis a vis time.

C. Update on process for contract for purchasing gas. (JCP)

1. Service by Competitive Energy Services (Springfield)

Recommends Gas contracts (Service is paid by the contracted company)

2. Current contract (Direct Energy) signed by Leah Luczynski 7/20/21, x 3 years, expires 4-1-25 has gas priced at:
\$ 6.09 per D-therm (deci-therm = 10 therms = 10.3 cubic feet of gas).
Total annual cost of gas = \$9,464 (does not include Delivery charges)
3. Current estimate:
\$ 8.19 to 8.52 per D-therm, depending on length of contract (12, 24, 36 mos)
Or per annum: \$12,883 - 13,240, or an extra \$3,419 - 3,776 per annum.
4. We decided: wait until summer to obtain lower "shoulder season" prices.
i) in the meantime we will accept the higher market rate for several mos, which are low gas usage months, in order to lock in a lower contracted rate.

D Parochial Report

1. I (JCP) found the financial reporting process not to be straightforward, but involved some accounting decisions. Example, taking money out of endowment is a *return of capital*, not *income* the way a quarterly disbursement is. This is the same difference as *principal vs interest* in a savings account.

I began writing a Procedure Manual (preparation guide) for financial reporting in the Parochial Report.

2. Principle: I will also write procedures, as I encounter other procedures, documenting the reason for how things are categorized, when there is more than one way to do it.

II. New Business

A. Do we need additional Finance Committee members (Don Phipps)?

Look for expertises (e.g. CPA, accounting, historic understanding of Finance) need to have a separate finance folder, then copy it into the vestry folder.

We have a *finance folder* (Craig Reynolds created?), John Garinther will send link.

B. Separating capital from operating budget: Discussion

JCP will meet Sarah over how to separate Capital budget (which should include endowment).

C. Learning from Trinity's Audit Process, recommending an Audit Process (e.g. Appointing an audit committee) to the Vestry

1. We must review all income, endowment and expenditures, and reconcile books for 2024, per the Audit Requirement document.

send doc to Finance Committee members

2. Appoint a committee of 3, approved by Rector and Vestry, members should have some financial experience.

3. Financial Questionnaire. Must review our procedures to ensure that our financial processes fit the Diocesan requirements, and correct them if we do not.

4. Auditor Appointment form to Diocese by **Deadline March 31**.
5. Audit complete and to Vestry for Approval by June 1.
6. July 1 deadline for acceptance of audit (Certificate of Audit) by Vestry and transmittal of Audit Form to Diocese.
7. File at Secretary of State (Non-profit deadline? Nov 1?). \$ 15 fee
8. Appointment of audit committee

Currently we have 2 of 3 who agreed to constitute the Audit Committee Don, and Al Symonds.

The group proposed 3 additional names and the order in which to ask each if they would join the Audit Committee.

Actions:

1 Audit:

- send Audit Requirement doc to Finance Committee members
- appoint 3 members of the Audit Committee
- Fill out Audit Appointment form and send by March 31.

2. JCP to meet with Sarah

- Finish Parochial Report Financial Reporting Procedure Manual
- Discuss ways to separate Capital from Operating Budget, and bring back to Finance Committee for further discussion

3. JCP to work on metrics to present monthly to the Finance Committee