Finance Committee Meeting Minutes

(note: Minutes generated by AI, edited by Rick B.)

September 8, 2025

Attending: Rick Blum, Tyler Gold, Diane Wenzel, Adam Frey

Not Attending: Gary Schmuhl, Kris Schmuhl, Sara Ritter, Greg Vlack

Quick recap

The board committee reviewed financial discrepancies and accounting issues, including adjustments to reserves and contribution numbers, while discussing the need for a more accurate seasonality formula and historical budget projections. They addressed payroll timing, gift allocations, and fund management, including decisions about moving certain funds into a CD and maintaining appropriate liquidity levels. The committee concluded by discussing the need to find replacements for departing members, particularly an accountant to serve as treasurer, and agreed to focus on recruiting qualified candidates for various positions.

Summary

Financial Discrepancy Resolution Meeting

Rick, Tyler Gold, Diane and Adam discussed the financials, focusing on resolving discrepancies in the August numbers. A question about how to handle the transfer the ERTC funds to a restricted account caused discrepancy, which led to the initial numbers showing only $80,476 in revenue for the first two months, and a deficit of $293,878. A new version adding back the ERTC funds shows revenue of $321,928 and a deficit of $58,426. The group agreed to go with the new version instead.

Accounting Reserve Transfer Correction

Diane agreed to adjust a journal entry from August 31st to June 30th to correct the accounting discrepancy, which was causing incorrect contribution numbers to appear in the P&L. Tyler committed to developing a more accurate seasonality formula for the budget, which he would complete before the next meeting.

Financial Discrepancies and Revenue Analysis

The team discussed discrepancies in financial numbers, particularly focusing on July 2024's revenue of $216,000, which seemed unusually high compared to previous years and QuickBooks records. Tyler Gold explained that the higher number was due to historical budget projections rather than actual donations, while Rick noted that the organization was down $58,000 after two months, primarily due to three payrolls in August and unreimbursed intern payments. The team agreed to use Tyler Gold's historical model to calculate more accurate percentages for August's financials, as the current 17% ratio seemed too high.

Payroll and Gift Status Review

They reviewed the status of the gifts from the Judy McAusland estate, with Diane confirming that all the gifts for the church had been received, with a remaining amount coming directly from the estate targeted for the foundation should arrive in September. Rick noted that there was a discrepancy between the reported numbers and the actual banked funds, with two additional gifts not yet reflected in the September numbers.

CD Investment and Fund Management

Rick discussed the general fund balance and the decision to move most of the McAusland money into a CD with Oak Bank, which would not incur penalties if needed for liquidity. Diane clarified that the Cedars account, previously thought to be restricted, is actually an overflow account that transfers with the general fund to maintain a minimum balance. The group agreed to move the additional funds into the CD, as they have enough liquidity with $450,000 in the general fund and the Cedars account. They also decided that the interest earned on the CD should remain in the restricted account for transparency.

ERC Fund Allocation and Policies

The board discussed the allocation of ERTC funds, with Diane advocating for returning them to the general fund as they were intended to reimburse general funds used during COVID. Tyler and Rick agreed to keep the funds in a board-designated account for now, pending further discussion in October when Bob Beggs' framework for fund management is presented. Tyler committed to delivering a first draft of the gift acceptance policy by Friday, which Rick will include in the board packet for next Monday's meeting. Rick also mentioned that Bob will provide a draft of the facilities fund structure, likely by early next week, which will likely involve a custodial arrangement with a $500,000 initial allocation for a Facilities Fund.

Board Financial Presenter Transition Plan

Rick discussed the need to find someone to present financials at board meetings, as Tyler is leaving both the board and the committee in the next 3-6 months. They agreed that Tyler would talk to Paul about handling this in the near term, potentially using written reports. Rick also mentioned the need to find a new treasurer by the end of the year, as Tyler is trying to step down from that role. The committee discussed recruiting suggestions and potential replacements for other members who may be leaving.

Accountant Recruitment for Treasurer Position

The committee discussed the need for an accountant to fill Tyler's position as treasurer, with the committee confirming this was essential. They explored the possibility of hiring an external company to do the work of the treasurer, but they agreed this would be too expensive. The group decided to focus on recruiting a treasurer with accounting experience and agreed to discuss committee member retention and recruitment at the next meeting. Rick agreed to send Tyler a recap of the meeting's key points and action items.

Next steps

- Diane: Change the journal entry date from August 31st to June 30th to fix the accounting issue with the board designated funds.
- Diane: Send out fresh financial reports after making the journal entry change.
- Tyler: Implement the seasonality formula in the budget spreadsheet by the next meeting.
- Tyler: provide a written report to be used in the September board meeting
- Tyler: deliver first draft of the gift acceptance policy by Friday to Rick to put in the board packet.
- Committee: Look for candidates to join the committee, and possibly be the next treasurer.