

RICHLAND LUTHERAN CHURCH
CONGREGATION COUNCIL MINUTES
MARCH 10 2015

Members Present: Rich Olsen, Dave Larkin, Sandy Steele, Don Schmid, Todd Maier, Sarah Hagensen, Steve Ernst, Joel Sorensen

Members Absent: Norm Gillette, Mike Strasberg

Guests: Debbie Stankovich, Joseph Farrar, Corey Smith, Russ Warren

The regular monthly meeting of the Richland Lutheran Church Congregation Council was held on Tuesday, March 10, 2015 beginning at 7:01 p.m. with Dave Larkin as Chair. Joel Sorensen opened the meeting with devotions and prayer.

Staff Reports: (Highlights from written reports)

Lead Pastor – Steve Ernst

- Daily Lenten video devotionals have been prepared and uploaded to the Richland Lutheran Church website by a team composed of Dave Larkin, Debbie Stankovich, Jenny Page, Joseph Farrar, Kelly Westland, and Pastors Corey Smith and Steve Ernst. They estimate that about 30 people view the daily videos.
- *Worship attendance:* February, 2015 – total 1406 (352 average per week); February 2014 – total 1316 (329 average per week).
- *Pastoral Acts:* Memorials –Darrel Walters, February 13; Marcia Clement, February 28.

Associate Pastor – Corey Smith

- Mission trip youth sent out letters for support for the trip.
- Held the Youth Beach Trip fund raiser on March 6.
- Scheduled a Confirmation Lock-in for arch 13-14.

Director of Music and Worship – Joseph Farrar

- Prepared music and liturgy for Holy Week and Easter Sunday

Director of Administration – Debbie Stankovich

- Attending Facilities Building Committee meetings as staff representative.
- Met with the Biblical Stewardship Leadership Team to discuss the “mini-ministry fair” scheduled for Sunday, March 22, between and following worship services.

- Reported the tenant in 1516 Stevens has moved out and the property is being prepared for renting.
- Continuing to coordinate facilities maintenance tasks in the absence of a staff property and grounds coordinator.

Financial report/Capital Account – Rich Olsen

Monthly (February)

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>(Over)/Under Budget</u>
February Total Income	\$60,480	\$54,254	\$6,226
February Total Expense	\$65,436	\$52,628	\$12,808

Year to Date

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>(Over)/Under Budget</u>
Total Income	115,080	\$105,264	\$9,816
Total Expense	\$129,697	\$115,775	\$13,922

Total Cash/Investments - February 2015

\$704,669; a decrease of \$32,089 from \$736,758 as of Dec. 2014.

Total Reserves – February 2015

\$296,653; a decrease of \$980 from \$297,653 as of Dec, 2014.

ACTION ITEMS

Consent Agenda – Council approved the following without discussion:

- The minutes of the February 10, 2015 Congregation Council Meeting.
- Lora Gorton, Dan Gorton and Joan Lund as confirmed members of Richland Lutheran Church.
- First Quarter Benevolence spending totaling \$28,635 consisting of \$3,000 for LCMC NW District; \$4,610 for LCMC National; \$3,500 for East European Mission Network; \$1,000 for Lutheran World Relief; \$1,000 for World Mission Prayer League Pacific NW Regional; \$2,000 for World Mission Prayer League General Fund; \$1,000 for Voice of the Martyrs; \$525 for Dr. Buba’s Global Outreach Ministry; \$6,000 for Mafraq Sanatorium Association; \$1,000 for Wycliffe Bible Translators; \$1,000 for Open Doors; \$1,000 for World Vision; \$1,000 for Compassion International; and \$2,000 for Day of Hope Event (South Hills Church, Kennewick).
- Response to the Financial Audit report Recommendations (Attachment 1, below).
- Establishment of the honorarium for pulpit supply at \$100 per service.

MINISTRY EMPHASIS - Russ Warren updated the Building Facilities Committee activities and Progress.

EXECUTIVE SESSION - The council went into executive session to discuss Staffing Committee recommendations.

The meeting was adjourned at 9:57 p.m. and closed with the Lord's Prayer.

Joel Sorensen,

Secretary

ATTACHMENT 1

To: Financial Audit Committee

Date: February 15, 2015

Subject: Council Responses to 2013 Audit Recommendations

The Richland Lutheran Church Council has reviewed your Audit Report for 2013 and requested staff to provide us with their perspective on responses to the report's recommendations. After deliberation, Council at its February 10, 2015, meeting approved the following responses.

Section 1 Recommendation – A new Chart of Accounts was made 01/01/14. This new chart needs to be added to the Financial Handbook.

Response – The Financial Handbook is considered by Council and staff as a procedural guide that supports the financial policies. Since the chart of accounts is lengthy and does change, it is cumbersome to keep the Financial Handbook current if the chart of accounts is included and the benefit for doing so minimal. The general framework of the chart of accounts is included, but the entire account list is not. Instead, the following statement is included: "The chart of accounts established in QuickBooks for Richland Lutheran Church is available from the Bookkeeper." Council agrees to continue with current practice.

Section 1 Recommendation – Given the small number of members who make use of the Vanco offering process it would be useful for the Council to review its continuance.

Response – Council agreed and requested additional information from the staff. We understand that the number of members using Vanco is small but the gifts donated using it are not. Approximately \$36,000 comes to RLC on a regular basis through this program (about 5% of the total). Additionally, the Vanco online program is also useful for accepting event registration fees, and has been used in the past for this purpose (Men's Retreat, Renovare, etc.). We expect to be more intentional about using this service under the new Ministry Matrix. We also intend to add the option of using credit cards in addition to direct debit.

Section 2 Recommendation – "Repeat Recommendation" – it is recommended that the Council bring up to date this section [RLC Church rental property] of the Richland Lutheran Church Financial Handbook, so there is a written defined pathway with greater transparency related to tracking these funds [income and expenses for the rental homes].

Response – Council agrees. Much progress has been made in the area of Adjacent Property in 2014. We expect that the concerns of the Audit Committee in this regard will be addressed sufficiently prior to the next audit.

Approved April 14, 2015

Section 3 Recommendation – Continue to follow the policy for approving expenses.

Response – Council and staff agree with the current policy and thus this recommendation.

Section 4 Recommendation – Continue to follow the existing policy for recording salary actions, processing time sheets, and issuing paychecks. Add signature date to time sheets for part-time and hourly staff so it is clear when a time sheet was submitted too late for a particular pay period.

Response – Council and staff agree, and will modify the time sheets as recommended. Most of 2014 will still have the old time sheets, but all of 2015 should be consistent with this recommendation.

Section 5 Recommendation – “Repeat Recommendations” actions appear to have been initiated, but not yet completed in response to CY2010, 2011 & 2012 [audit] reports. The council is again advised to revisit the handbook and/or practice in order to make sure actions remain compliant [“preferred practice is to sell stock when it becomes property of the church”]. It is also prudent for the council to develop guidelines that protect the authorized individual(s) and provide direction for the decisions and transactions. An “investment policy statement” could outline what type of investments (bonds, stocks, mutual funds, etc) the congregation should own in the general fund and thus allow on-going compliance with the objectives and risk tolerance of the congregation.

Response – The Council adopted two new policies in 2014 that addresses most if not all of these issues: RLC Financial Policies (Approved 7-8-2014) and the RLC Gift Acceptance Policies (Approved 5-8-2013). The Council also approved an Investment Strategies & Guidelines Policy on 8-12-2014 that gives general guidance in the type of investments the congregation should own. The Ameren and Vanguard accounts have been closed out and funds transferred to the Merrill Lynch account.

Section 6 Recommendation – The Council should designate a purpose or a process for applying these funds [small accounts or small memorial accounts without activity] or a process for applying these funds to the ministry needs of RLC or utilize these funds in some determined manner.

Response – Council agrees with the intent of the recommendation. The RLC Gift Acceptance Policies approved in 2014 should resolve future issues and we will work with the staff and appropriate Ministry Teams to develop a process for putting old account balances to use in ministries.

Section 7 Recommendation – Given the sophistication, complexity and variety of funds provided to Richland Lutheran, it is recommended that a professional auditing firm be hired at least once every ten years. The council’s response to the 2012 audit was to budget for a professional audit in 2016.

Response – Council has started a process to provide for an audit of the 2014 finances by a professional auditing firm. At the Congregation Annual Meeting approval was provided to pay for an audit using funds from the Operating Reserve. The next step is to prepare a request for proposal and statement of work and we look for assistance from this year's Audit Team in this process.

On behalf of the Council I want to express my appreciation and thanks for all the time and deliberation that the all of you donated to evaluate how well our finances are being handled. We take your recommendations seriously and I will follow up to see that we indeed complete what we are telling you we plan on doing.

In His Service,

Dave Larkin

Congregation President