

**Minutes – August 18, 2010**  
**Operations Council**  
**First Unitarian Society in Newton**

Members attending: Pat Rohan (Ch), Jeannie Chaisson, Alan Cody, Carla Erb, Laurel Farnsworth, and Kim Shanks.

Also attending: Rev. Erin Splaine, Mr. Barb Greve, and Karen Bottar.

**1. Opening Words and Operations Council Covenant:** Laurel read Opening Words. Members read aloud the covenant together:

*As we, the members of this Council and staff, gather to serve this congregation in leadership, we commit to ourselves and to each other: To be present and prepared for the work of this meeting; to listen well and contribute respectfully; to balance both our short and long-term visions with fiscal responsibility; to support the decisions of the Council; to uphold the democratic process; and to lead with goodwill and faith in the work we can accomplish together.*

**2. Introduction of Rev. Erin Splaine:** Noting that it was her first meeting with the Council, Pat introduced Rev. Erin Splaine. Members introduced themselves to her and welcomed her.

**3. Election of Officers:** By way of background, Pat explained that the chair and vice-chair are elected for one-year terms. Last year Pat was elected chair, and Carla as vice-chair.

Laurel nominated Pat as chair and Carla as Vice-Chair. There were no additional nominations, and Pat and Carla were elected by unanimous vote.

**4. Rental Income:** Laurel briefed the Council about the current situation with the tenancy of Pine Village Preschool. Although the Society and Pine Village earlier this year struck an oral agreement for lease renewal, intended to be effective July 1, a lease has not been signed. Earlier in the summer, Pine Village asked for rent relief, and negotiations are underway. Pine Village is simultaneously negotiating with multiple landlords, a circumstance that has further extended the timetable.

FUSN's operating budget anticipates receipt of about \$40,000 for the current year. At this time there is considerable uncertainty about the amount of rent that will be received. Alan declared that as Treasurer, he recommends taking a very cautious approach with expenditures.

The Council, with input from Karen Bottar, Co-Chair of Finance Committee, discussed budgeted expenses that might be delayed or cancelled. Pat sought a clear plan that would be forwarded as a recommendation to the Board of Trustees. Consideration was given to \$90,000 budgeted for major maintenance (\$80K for organ and \$10K for leaded windows). As well, the approx. \$50,000 Reserve account was mentioned.

After a thorough discussion, Council members agreed that a better decision can be made at a later date, based on additional information. All agreed that emphasis should be put to reaching final lease arrangements with Pine Village, if possible. Concern was expressed about reaching a formal agreement prior to the scheduled start of preschool in September.

**5. Memorial Niches - Fees:** Laurel advised that construction of 24 niches in the sanctuary wall is now underway. She presented the Memorial Committee's request for approval of new fees, calculated to cover construction costs and replenish the fund, as follows:

- \$1,500 per memorial niche;
- \$ 750 per engraved name (outdoor stone);
- \$2,000 when arrangements are made for both together.

**Motion:** Carla moved to approved such fees; Jeannie seconded.

**Vote:**Approved unanimously

**6. Furniture for Minister's office:** Laurel explained that she has assisted Erin as she settles into her office. Erin has made a tentative selection of a desk, with a ballpark price of \$500. The Council's approval is necessary because no funds were budgeted for furniture. Alan noted that from a budget viewpoint, the costs may be mostly covered by the uncashed checks that have been written off.

**Motion:** Jeannie moved to authorize spending up to \$1,000 for furniture; Carla seconded.

**Vote:**Approved unanimously

**7. Building Master Plan:** Laurel explained that she solicited and received a proposal from Treff LaFleche of LDa Architects for \$13,000 for preparation of a master plan for building improvements. Laurel anticipates that a Capital Needs Survey will be carried out in FY 2012, and she explained that it will be helpful to have such a Building Master Plan in hand before undertaking the Capital Needs Survey.

A donor has agreed to pay the \$13,000 cost of the Building Master Plan. After Alan inquired whether the donation is conditioned on a particular architect doing the work (Laurel answered 'no'), there was discussion about LDa's unique familiarity with the building, resulting from services provided during the work funded by the prior capital campaign. Pat pointed out that acceptance of a gift in excess of \$5000 takes approval by the Board of Trustees.

**Motion:** Carla moved to recommend to Board that FUSN accept a donation of approximately \$13,000 and hire LDa to prepare the proposed plan; Jeannie seconded.

**Vote:** Approved unanimously

**8. Financial Reporting practices:** Alan presented his recommendations for financial reporting practices. He provided a spreadsheet showing nine current financial reports, setting out the following particulars for each: 1) Purpose, 2) Frequency, 3) Responsibility, 4) Recipients; and 5) Recommendation.

Following a full discussion, members agreed to several changes in the Recommendation column. At the end of the discussion, Pat directed Alan to follow-up by circulating a revised spreadsheet by email.

Highlights of the discussion and changes included the following items:

*Monthly Operations Report:* Discontinue its distribution to the Operations Council, and instead look to the Finance Committee's Monthly Budget Tracking, which contains all the same information and more.

*Selected Expense Reports:* Continue the current practice by which the Administrator provides such reports upon request to staff and committees.

*Board of Investment Report:* Continue the current practice.

In addition, members discussed the value of using a Statement of Funds Balances/Statement of Financial Position. Alan explained that these reports are prepared by Nancy Tobias. In discussion, some members questioned the practice of including a value for the building on the Statement of Funds Balances. Alan replied that the purpose of such Statement is to state assets, noting that in the event of an audit, the building value must be accounted for. Alan concluded that it's useful to continue to use this pair of reports, and the consensus was to continue the current practice.

Pat inquired about a report that was not included on the list, the Multi-Year Projection. It was stated that the Finance Committee prepares such a report annually.

**9. Hearing aids for sanctuary:** Laurel indicated that there was nothing yet to report.

**10. Bank parking lot:** Jeannie reported that she had looked into acquiring portable signs, and found 12" by 20" sandwich-type signs, available at a price of \$120. Members agreed to Jeannie's offer to speak to

a bank representative, with the goal of learning whether the bank would find it helpful to post such signs.

In the course of discussion, it was mentioned that it would be helpful to have parking information on the Society's website. Whether the current website provides adequate parking information was unknown, and Pat agreed to review it.

**11. Youth Pro Musica, liability insurance:** Laurel gave a brief update: She received legal input from Gayle Smalley, and sent correspondence to YPM. A reply has not yet been received.

**12. Social Action Committee:** Pat explained that Jeannie has taken the Operation Council's "seat" on the Social Action Task Force, as agreed at the June meeting. Notwithstanding the task force change, Pat understood that Carla remains assigned as the Council's liaison with the committee itself.

A discussion ensued about the process for modifying the Council's liaison structure. Jeannie noted the likelihood that periodic changes will become necessary. Pat spoke of the need for clarity and a visible structure than allows members to look up the assignments; thus, Pat favored making changes by a formal process.

**Motion:** Laurel moved that for this church year, Jeannie will serve as liaison to the Social Action Committee, instead of Carla; Jeannie seconded.

**Vote:** Approved unanimously

**13. Electronic votes noted for the Record:** Pat noted the following votes, which took place via email between the June and August meetings:

- ✓ Approval of Minutes from 6/10/2010 meeting – Approved;
- ✓ Adoption of Independent Checking Account Policies (copy attached) – Approved;
- ✓ Funding increase for memorial niche project, increase of \$4,000 – Approved.

**13. Retreat plans:** Pat renewed the discussion about scheduling an autumn retreat, suggesting as possible topics governance, priorities for the year, and the Council's manner of working together. Pat urged the Council to take a fresh look at the scope and flexibility of its authority, noting that there may have been situations where the Council had authority for final action but instead forwarded its recommendation to the Board of Trustees.

Jeannie mentioned that the Board retreat might inform the Operations Council's annual priorities. Carla brought up the need to consider how the Council can best interact with the committees, stating her concern that the

change in governance means that the committees no longer are expected to work together, possibly adversely affecting staff.

As for a date, a prior email dialog having failed to find a weekend date, members agreed to seek a weekday. Pat will follow up by email with specific dates.

**14. Sanctuary door, security issue:** Laurel described a recent concern: The main (Washington Street side) sanctuary doors have been found unlocked/open five times within the past five months. The reason for it unknown but it seems to have been something other than forgetting to lock up after an event. Fran has arranged to have cleaning crew check the door on a daily basis. Laurel intends to put a notice in the newsletter asking for congregation's assistance. A suggestion was offered that the Newton Police be contacted, and Laurel indicated she would do so.

Respectfully submitted,

Gayle Smalley  
Assistant Clerk

Attachment: Independent Checking Account Policies, dated 2010 (FUSN Issuance 2010-0X)

## FIRST UNITARIAN SOCIETY IN NEWTON

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FUSN Issuance 2010-0X

Policy  Information

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**From:** Pat Rohan  
Chair, Operations Council

**Date:** 2010

**Subject:** Independent Checking Account Policies

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**Purpose:** To establish a policy for the management and reporting of FUSN checking accounts (“Independent Checking Accounts”) other than the primary FUSN checking account whose entries are reconciled to Quick Books monthly by the Administrator and the Treasurer.

**Background:** For a number of years FUSN has had separate checking accounts apart from the primary checking account used for the Operating Budget and certain restricted accounts. Unlike the primary checking account, checks written from the Independent Checking Accounts are not automatically generated from the FUSN accounting system in QuickBooks which records each check in the operating accounts when it is generated.

These accounts were set up separately for a variety of reasons including the need to deposit daily cash collections from the Holiday Tree sales after hours or to write reimbursement checks on site at Sandy Island and Ferry Beach. The activities of these two accounts are seasonal. Certain other Independent Accounts are used to manage larger amounts of funds for designated purposes such as the Capital Campaign and the Endowment. Currently these accounts include:

- The Fidelity Board of Investment account
- The Capital Campaign accounts at Citizens Bank
- The Minister’s Discretionary Account and Memorial Fund at Sovereign Bank [combined in one account]
- The Holiday Tree accounts at Sovereign Bank
- The Extended Programs (Sandy Island and Ferry Beach) account at Sovereign Bank

**Current Situation:** The above accounts are the only ones currently authorized by the Board of Trustees in the Operating Budget Financial Policies. Carla Erb on behalf of the Operations Council and Finance Committee has assessed the status of each account, including:

- Estimated average daily balance
- Name of institution and account type
- Account name, address on checks and bank statement
- Who takes in/counts cash and checks
- Who prepares and makes bank deposits
- Who is authorized to sign checks
- Who reconciles bank statement with cash & check counts
- Activity lead or committee chair associated with each

The Finance Committee at the request of the Operations Council has reviewed and discussed Carla's report in order to recommend a policy regarding these accounts. In doing so, the Finance Committee seeks to accomplish the following objectives:

- Continue to meet the needs for flexibility and responsiveness of each activity for which an independent account currently exists including the ability to conveniently make daily night deposits and, to the extent necessary, issue reimbursement checks at Sandy Island and Ferry Beach
- Balance the workload of the FUSN Activities/Committees using the Independent Accounts with that of the FUSN Administrator
- Insure that, consistent with FUSN Operating Budget Financial Policies, responsibilities for the handling of cash and accounting for the transactions associated with the cash are separately assigned to at least two people consistent with accepted principles of financial control
- That the activity in each account is reported on at least every six months.

After considering each of the above objectives, the Finance Committee therefore recommends adoption of the policy attached below for the Independent Checking Accounts

**Policy:** FUSN Independent Checking Account Policy is attached below

**Effective Date:** 2010

## **Independent Checking Account Policies**

1. The Independent Checking accounts listed above except as noted in (2) below are the only checking accounts that can be maintained as FUSN checking accounts other than the main account used by the Administrator and for which only the Treasurer or an Assistant Treasurer can sign checks
2. The existing Capital Campaign accounts should be finally reconciled as of May 31, 2010 as described in (7) below and the accounts closed
3. Each Independent Checking Account will reflect the FUSN tax exempt identification number, and will have a designated check signer(s) and person(s) responsible for reconciling the account who must not be the same person.
4. Changes in designated check signer(s) shall be made only with the written authorization of the Board of Trustees and the approval of at least one of the existing designated signer(s). A copy of the written authorization must be provided to the financial institution in which the Independent Checking Account is resident
5. Monthly statements for each account will be sent to FUSN and can be obtained by the person responsible for reconciliation from the FUSN Administrator
6. Personal Information that includes a name in combination with a bank account number or credit card number obtained through administration of the Independent Accounts shall not be maintained or communicated and should be given only to the FUSN Administrator
7. A reconciliation of each Independent Checking Account shall be provided to the Treasurer as of November 30<sup>th</sup> and May 31<sup>st</sup> of each year within a reasonable period following each date that includes the bank statement as of that date and the prior bank statement from six months prior, a reconciliation of the prior balance to the current one showing additions of deposits and other credits and deductions of checks written and other debits.
8. Separate reports of the May 31<sup>st</sup> Independent Checking Account reconciliations may, at the discretion of the Operations Council, be provided in the FUSN Annual Report if time permits
9. Reconciliations described in (7) also shall be provided upon request of the Treasurer with the approval of the Operations Council at dates other than November 30<sup>th</sup> and May 31<sup>st</sup>
10. Independent Checking Accounts that are no longer deemed necessary or which have been inactive for more than one year will be closed at the request of the Operations Council and a final reconciliation provided as of that date in comparison to the most recent prior reconciliation. Once closed an Independent Checking Account will not

be reopened without authorization of the Board of Trustees

11. Compliance with this Policy shall be reviewed at least annually by the FUSN Operations Council with the Treasurer or whenever deemed necessary by the Operations Council due to a material change in business practices or other reason.