

**ST. SUSANNA CHURCH
FINANCE COMMISSION
MINUTES
JANUARY 25, 2009**

Attending:

Fr. Kevin
Barb Buschman
Gloria Costello
Al Czyzewski
Lance DeNardin
Katie Kuka
Mary Matarazzo
Joe Sandifer
Joe Schembre

Absent: Kevin Cassidy, Chris Kelly

Fr. Kevin opened with a prayer. Barb Buschman ran the meeting

Minutes of the November 23, 2008 meeting were approved.

Members reviewed outstanding action items from the November minutes. Incomplete items were carried forward for Lance DeNardin, Chris Kelly, and Katie Kuka.

Fr. Kevin reported that the Capital campaign delinquent letter/Christmas letter generated some donations to the building fund and was generally well-received by the parish. Members discussed additional follow-up with parishioners who have delinquent balances. Members are primarily concerned with understanding the collectability of outstanding balances to properly plan for paying off the loan. The current loan balance is \$231,000. Fr. Kevin will draft a letter to individuals with outstanding balances and provide a draft to the Finance Commission. Fr. Kevin will also check with the diocese to determine if the diocese has "taken their portion yet." The targeted completion date for the capital campaign is the end of 2009.

Less than ten people have signed up for the electronic giving program offered through Vanco. On the next "5th Sunday" (in March), Fr. Kevin will promote the Vanco option and sign-up sheets will be provided in the pews. Members also suggested including the Q&A sheet as a bulletin insert and possibly adding the sign-up sheet as a link on the website.

Fr. Kevin reported that the leaders of the School Commission would like to approach the budget from a 'bottom-up' perspective this year. They also want to approach tuition differently this year by estimating the amount the parish subsidizes per child, rolling all fees into one line item, and adding a base tuition amount. Traditionally, the parish subsidizes approximately 25% of the school budget. The amount

subsidized by the parish would be considered a “parish credit” or “parish scholarship” for which tithing, parishioner families would be eligible. The eligibility requirements need to be discussed and refined. For example, tuition would be broken into:

\$4,000 base+\$250 fees+\$750 parish credit = \$5000 total [draft numbers]

The goal of this approach would be to encourage active, tithing membership in the parish to support the school. Fr. Kevin does not want to publish a minimum tithing requirement. Mrs. Uberto suggested requiring families to sign up for Vanco to be eligible for the “parish credit,” as well. Al Czyzewski suggested discussing these options with parishes which have no tuition to understand the IRS requirements. Fr. Kevin suggested requesting a form or letter from the diocese stating that the tithing requirement would still be considered tax-deductible contributions to the parish. The stewardship requirement would remain. FACTS would continue as our tuition collection vehicle. The suggested \$750 level would be per family, not per child, and discounts for additional children would be retained. This proposal will be discussed further by the School and Finance Commissions.

Joe Schembre provided an update on the school financial statements. Joe noted that account 4314.50 (School Donations Income) has a negative, approximate \$3,000 balance. Mary M. noted that was an error, and she will correct it. Outstanding accounts receivable for daycare was approximately \$13,000 in October. Joe has asked Mrs. Uberto for a current listing. Total compensation and benefits accounts are projected to be over budget by 1% at year-end. Administrative expense accounts are over budget, on a year-to-date basis, by \$66,000. Joe and Barb have informed school personnel of these overages and told them to not use the accounts going forward. Some issues were noted with the recording of “art to remember” income and expenses. Members discussed adding another expense account in next year’s budget. The school heating bill for December was \$2,600, compared to the budget of \$800. The parish purchases “gas futures” to heat the buildings. If current prices are lower than pre-purchased prices, the parish benefits. If current prices are higher than pre-purchased prices, the parish pays – as in December.

Joe Schembre also highlighted the “Facts” sheets distributed on archdiocese Catholic schools. St. Susanna’s income and expenses for the school are in-line with archdiocesan figures.

Fr. Kevin noted that, last year, families were required to pre-pay the first month’s tuition (by May 1st) if the oldest child was in preschool through first grade. Fr. Kevin asked members if the Commission wants to continue that policy and possibly expand it to include the first month’s tuition for each family (one child per family). Joe Sandifer noted that it is a sound policy to require prepayment, but we need to structure it in the simplest possible way. No final decision was made on this policy. Joe also noted that the average, annual increase in college tuition is 8%, so the proposed 4-7% increase for St. Susanna is reasonable.

Fr. Kevin confirmed that the parish will continue to absorb the \$40 FACTS fee per family next year.

Al C. noted that last year the Commission asked that all lunch money go to Mrs. Uberto first. Then, Mrs. Uberto should provide the data to Ms. Castro for input into the lunch system. The individuals involved have opted out of that process and, now, all funds go to Ms. Castro first. This circumvents the

segregation of duties. Fr. Kevin will discuss this issue with school personnel to determine the real issue and how to resolve it. Al has been trying to reconcile Ms. Castro's lunch system to the financial systems and has a reconciling difference of \$120.

Mary M. presented a Capital Appropriation Request Form completed by Wally Carr for upgrades to the rectory master bath. The request of \$1,200 is not in the budget. The form notes that the improvements are needed to "prevent further deterioration" and it cannot wait until the next year. The Commission approved the request.

Fr. Kevin reported that the Men's Club would like to have a Fish Fry as a fundraiser for CYO sports. Fr. Kevin will bring it up with the Parish Council.

Members discussed internal controls related to CYO funds, including concessions, admissions, and petty cash. Members noted that there is no documentation of the inflow or outflow of funds. Members also noted that the funds are kept in an unsecured location in the school. Chris Kelly is the member assigned to perform the annual review of the CYO. Fr. Kevin will discuss these issues with Rick Rosner, including where the funds are kept.

Members discussed the timetable for setting next year's budget and tuition rates. At the end of February, a letter and the budget worksheets will be sent to each group. The completed worksheets will be due to the parish office by March 31st. Mary M. will find the letter and e-mail it to Barb. They will modify the letter and send out an e-mail at the beginning of February to notify people of the timetable.

Barb Buschman reviewed the "Parish Internal Control Assessment Report" completed by Yount and Company, LLC in November 2008. Barb reviewed the recommendations, plan of action, and responsible person for each item noted in the report. Barb will review the findings in detail with individuals involved. She and Mary M. will submit the "plans of action" to Yount & Company, LLC. Several action items noted below relate to the report.

The internal control report recommended that St. Susanna maintain and develop an inventory of computer hardware and software. The Commission has requested the tech. committee and Brad Bernhardt to complete such an inventory. The second phase of the recently approved computer purchase was supposed to be contingent upon the completion of an inventory. Mary M. will ask Brad Bernhardt about the status of the inventory.

Fr. Kevin has requested that the Commission consider adoption of a Gift Acceptance Policy. Such a policy would dictate a minimum dollar amount for restricted gifts. Tracking, monitoring, and properly acknowledging restricted gifts requires time and resources. Therefore, St. Susanna cannot accept restrictions on smaller gifts. Joe Sandifer will research gift acceptance policies for potential adoption.

ACTION ITEMS:

Fr. Kevin:

- Draft a letter to individuals who have outstanding balances for the capital campaign and provide a draft to the Finance Commission. The letter will outline outstanding balances and ask the individuals to indicate their intention to pay or not pay. Fr. Kevin will also check with the diocese to determine if the diocese has “taken their portion” of the loan repayments, yet.
- Discuss with school personnel the process for the receipt and input of lunch funds. Why can't Mrs. Uberto receive the funds first and then pass the information on to Ms. Castro?
- Fr. Kevin will discuss the control of CYO funds with Rick Rosner, including where the funds are kept – at home? Secured at school? Secured in the parish safe? Also, what documentation is maintained for concessions, admissions, and petty cash?

Lance DeNardin:

- Ask Fr. Kevin about feasibility of renting the gym to generate additional revenue.

Chris Kelly:

- Take the TRS proposal to the tech committee and conduct a “fact-finding” discussion. What do we need to do? What facts do we need to gather? Who are the stakeholders? Can we move to 1 system? Do we need another presentation with TRS for other stakeholders?
- Follow up with Brad Bernhardt to ensure he provides the Commission with a 5-year schedule of anticipated technology needs. The schedule should identify PCs by a unique number, estimate the date when each PC will become obsolete, and estimate the replacement cost and date. The schedule must be submitted to the Commission prior to the second phase of the technology purchase (the additional 17).
- Ensure all technology labeled with unique identifying numbers. Must be complete prior to the audit.
- Inform Barb during which month the annual review of the CYO will be completed.

Katie Kuka:

- Draft an adaptation of the archdiocese's FMLA policy for potential adoption by St. Susanna.
- Draft a packet for new members including bylaws, policies, and a one-sheet description of positions and duties.

Mary Matarazzo:

- Include the Vanco Electronic Giving Q&A sheet as a bulletin insert. Determine if the Vanco sign-up sheet could be added as a link on the St. Susanna website.
- Correct the error in account 4314.50 (School Donations Income) that resulted in the negative, approximate \$3,000 balance.

- If necessary, add an expense account for 'art to remember' expenses in next year's budget.
- E-mail the "budget letter" to Barb. Together, Barb and Mary will modify the letter and send out an e-mail at the beginning of February to notify people of the timetable.
- The second phase of the recently approved computer purchase was supposed to be contingent upon the completion of an inventory of computer hardware and software. This inventory was also included in the recommendations from Yount & Company. Mary M. will ask Brad Bernhardt about the status of the inventory.

Joe Sandifer:

- Determine why parish council minutes not posted on the website. Report back to the commission on the process for getting minutes posted.
- Research gift acceptance policies for potential adoption.

Joe Schembre:

- Yount & Company LLC recommend that pre-numbered, triplicate, and sequentially issued cash receipts must be utilized for all cash received. One copy of the receipt should stay with the receipt book, one copy goes to the remitter, and one copy is included with the bank deposit. Joe will review this recommendation with school personnel and communicate their 'plan of action' to Mary M.
- Ask school personnel to add the following information to a Homework Watcher: The Archdiocesan audit recommends that all families be required to use FACTS. If families do not want to use electronic payments, they must still register with FACTS and can opt to have an invoice mailed to their home and submit payment through FACTS.
- Ask school personnel if FACTS could be used for the collection of registration fees.