



Central Washington
CATHOLIC FOUNDATION

Fundación Católica de Washington Central

**Finance Committee
Meeting Minutes
April 13, 2017
Meadow Springs Country Club**

The Finance committee meeting was called to order at 4:10pm with a prayer by Matt Beaton. Members present were Russ Mazzola, Terry Sliger, Jim Feeney, and Matt Beaton. John Riel participated by phone. Kathleen Wilmes was also present. Blaine Carr was present for the Petersen Hastings reporting.

Blaine Carr reported on the current Dashboard. Several members stated that the numbers did not seem to match up. Blaine explained that each item noted reflected a different time period for reporting.

Kathleen stated that she and Blaine have discussed whether it would be advantageous to move the Pinnell Sister's Fund, which is currently in savings, to its own investment account. Blaine shared that as long as the account does not fall below \$25,000, the funds would be available for use and could be traded with the same fees as the remaining funds. In response to an inquiry from Matt, Kathleen stated that she was unsure as to why the fund was originally established, given the fact that the other funds are endowed. She stated that Rick Pinnell has indicated that the fund will play a role in his future estate plans. The committee requested that Kathleen report back as to whether Rick plans to keep the fund above \$25,000 and whether he would be willing to commit to endowing the fund within 10 years.

The committee approved the proposed Investment Policies which will shift the level of investment holdings in the CWCF and Rainy Day Funds from a 50/50 split to a 60/40 split.

Kathleen reviewed the P & L statement. Jim requested that further revisions be made to the report so that more accurately reveals the cash flow. He will advise the office as to how Quick Books can be utilized to show the information he is requesting.

The committee reviewed and approved the Strategic Planning Goals.

Russ reported on the proposed changes to the current by-laws. The committee approved the changes.

Kathleen stated that the Fund Establishment and Intention to Give Forms have also been updated. The document formats were suggested by Planned Giving Consultant Bill Zook with additional modifications based on the form used by Fr. Sam and the Jesuits.

Kathleen requested that the committee determine how the Joe Lauby Estate funds were going to be used. Kathleen requested that the funds be utilized to improve cash flow and create a distinction between COF funds and administrative funds. The request is as follows:

- o \$161,130 - Total Received
- o \$6,128 - Total designated - TAP/PREP grant funding
- o Requested usage
 - \$50,000 Designated Savings for COF - Full recovery from previous incremental losses
 - \$40,000 Undesignated Savings - Improve cash flow and create distinction between admin and COF funding
 - \$65,002 COF endowment or add to Rainy Day Savings (\$104,000)

Kathleen stated that in the fall of each year grants have been partially paid out with the incoming funds from COF. The COF funds are now held separately. COF expenditures will be transferred directly to checking for payout and that the administrative portion will be transferred in defined amounts. She stated that the Foundation has fully honored the granting process but has depleted the available savings in the process. The funding request would improve cash flow so that the distinct sources of money could be honored.

Matt expressed concern due to the fact that he believes the Lauby Funds should be used to create a legacy for education. He stated that utilizing the Rainy Day Funds would be more appropriate.

Jim stated that the cash flow information he is requesting needs to be available so that the lean times can be determined and a formalized plan can be set in place. Rather than moving money from a checking account, he believes the Rainy Day Fund can be utilized.

No action was taken by the committee at this time. The committee will plan to meet again after lunch during the Chelan Retreat to further review the financials.

The committee discussed the value of having a sustainable source of income to support the work of the office. The options discussed were businesses such as bingo or owning a hop field and building up endowments. It was determined that for now the emphasis should be on building up endowment funding. Matt suggested that an endowment for operating should also be considered.

Matt proposed that Russ Mazzola be added as a check signer. Russ agreed to be added.

Kathleen stated that it was suggested that she be bonded as a check signer. She said she contacted the insurance provider to review the current insurance policies to ensure the Foundation has adequate coverage. The current policies and potential additional coverages are listed below.

- o Current Insurance about \$1,500 year
 - Property and Liability \$1,000
 - Director and Officer Insurance \$555
- o Typically Management Liability policies contain 3 parts
 - Director and Officer - which we have

- Employee Practice (wrongful dismissal) - pretty small operation, no quote
- Fiduciary Responsibility (mishandled donor money, spent inconsistent with donor wishes) - approx. \$250 year
- o Criminal activity bonding - \$50,000 coverage for approx. \$100 year
- o Cyber Liability (donor records breached, cost to repair damage) - Approx \$500 year

Jim suggested that all the suggested coverages should be added. It was determined that the quotes will be added to the proposed budget and that the board as a whole would be asked to vote on whether to add the above listed policies.

Kathleen requested that the committee approve a procedural audit in preparation for a full audit next year. Kathleen stated that Annette is working to formalize many of the office procedures within the office, including financial records and accounting procedures. She stated that while no malicious errors have been found, the Foundation would not receive a clean audit. She stated that by reviewing the current procedures and implementing the standard procedures the office can prepare for a clean audit next year. The work would be completed by CliftonLarsonAllen. The expenses would be as follows -

- 2016 Budget - Procedural Audit (Consulting services for audit preparation); Estimate \$3,500
- 2017 Budget - Compiled financial statement and 990 for 2017; \$4,100
- 2018 Budget - Audit and form 990 - Audit \$8,500; 990 \$1,000. 4,500 off standard rates.

Jim expressed concern about the cost and stated that his organization has moved away from using CLA. The committee agreed to move forward with the procedural audit, preparing for a full audit next year.

The committee reviewed a few budget items but determined that the cash flow reporting needs to be ironed out before a budget can be approved.

Kathleen requested that members consider the proposed committee meeting dates given that predetermined dates would be extremely helpful given the limited office staffing.

The meeting was adjourned at 6:15pm.

Respectfully submitted by Kathleen Wilmes.

Proposed Future Committee Meeting Dates

Thursday, July 27, 2017	4:00 pm	
Thursday, October 19, 2017	4:00 pm	
Thursday, January 25, 2018	4:00 pm	
Thursday, March 22, 2018	4:00 pm	Propose Budget
Thursday, April 12, 2018	4:00 pm	Approve Budget

Future Board Meeting Dates

Saturday/Sunday, April 29-30, 2017	Board Retreat	Chelan
Saturday, August 26, 2017	Board Meeting	Tri-Cities
Saturday, November 4, 2017	Board Meeting	Wenatchee
Saturday, February 10, 2018	Annual Retreat	TBD
Friday/Saturday, April 27-28, 2018	Annual Meeting	TBD