

Borderlands Finance Committee

1pm February 11, 2021

Agenda

1. Minutes of meeting January 14, 2021

Any comments from the Board?

2. Bank Accounts - for noting and comments

Bank of America Checking Account January 31, 2020 **28,834**

Funds Deposited 2/5/2021 and included in ICON
31/01/2021

Pledges/Sunday Plate 1,235

Total **30,069**

\$

BOA Checking Account from above **30,069**

Includes ESL Funds -1,900

Minister's Discretionary Funds -1,734

Pass through Accounts etc. -1,177

Go Fund Me - Washer/dryer 537

Total for General Fund Purposes **25,795**

This balance includes Cares Act Funds of \$17,823

Other Bank Accounts \$

Operating Reserve 30,140

Capital Reserve 2,590

Building Maintenance 1,267

3. 2021 Outturn Forecast at January 31, 2021 is attached.

This forecast has been prepared on the basis that there will be no in person activities this year. Changes from the forecast at December 31 are as follows:

Sunday plate reduced net revenue \$450

Utilities increase of \$170

Miscellaneous Income correction of prior year interest \$3

Rent - the lease is for 6 months to March 31 but the Amado Youth building will not be ready before July so an additional 3 months' rent of \$1,350 from April to June has been included.

Pledges of \$133,086 have now been used as a balancing figure but as noted below, there are a number of items which will affect this outturn forecast.

3. (a) Staff costs. No adjustments have been made at present for the under spending which has/will occur because of the custodian sickness and the office manager vacancy as these may be required for alternative temporary arrangements and the job advertisement etc.

(b) Tiny House Repairs. The tiny house was originally set up as a pass through account but expenditure of \$1,970 has now been incurred to keep it in a habitable condition for the intern.

There is no budget for this but it has been included in the 2021 forecast outturn.

Update on any future additional expenditure.

(b)Washer Dryer \$537 The Go Fund Me funds to meet this cost are now expected in March.

(c) Unbudgeted Fire Suppression System Expenditure

Repairs in the order of \$4,000 to \$5,000 are necessary to be split between BUU, the B&B and the Spiritual Living Congregations. This expenditure is not included in the 2021 forecast outturn.

For discussion - any updates.

(d) Roof repairs Current expenditure includes a patch repair to the roof of \$250. An estimate for a permanent repair is being obtained. This expenditure is not included in the 2021 forecast outturn.

For discussion - any updates.

4. Cares Act Grant/Loan.

(a) First Draw PPP Loans. The total received was \$17,823. Applying the rules for forgiveness of the loan, it was calculated that at least \$16,733 would be forgiven and this was brought into the 2020 revenue account on that basis. (Without those funds there would have been a small shortfall in 2020 of \$1,118)

For discussion - the latest position on the application for loan forgiveness.

(b) Second Draw PPP Loans are available to organizations that have used the entire amount of their first PPP loan or will use such amounts, and had gross receipts during Q1, Q2 or Q3 2020 that were at least 25 percent less than the gross receipts from the same quarter in 2019 (applicants may use Q4 2020 if they apply after January 1, 2021). A table is attached giving initial calculations of income for the four quarters in 2019 and 2020. Income in the 4th quarter of 2020 was \$38,145 compared to \$58,350 in 2019 but overall 2020 income has only reduced by about 9% .

The details for a possible loan application are not known at present but it may be necessary to certify that the current economic uncertainty makes this loan request necessary to support ongoing operations. This may be difficult to do given the reductions in expenditure which have also occurred and current pledges to January 31 2021 are \$85,515 compared to pledges of \$79,635 for the similar period in 2020.

For discussion.

5. 2022 Budget

Program Council was requested consider the publicity and promotions budget for 2022. They decided that they would like to continue with the Green Valley News and Connections but did not need the GV website which costs \$25 per month.

They did not have time to discuss fund raising but will do so this month.

Any update from the Board on the 2022 budget?

6.Financial Arrangements/Procedures for Board Consideration - For Discussion

Mail- Bills and checks

Rev. Matthew has said he will drive to Amado every Thursday in March to pick up the mail from the post box. What arrangements have been made for February 18 and 25?

John Harmer has offered to go to the bank twice a month. If I am paying the bills, can somebody let me have the checks and invoices every week. I will then pay the bills, list the checks and pass them to John Harmer for the bank.

Review of Banking Arrangements

Access to the Accounts- Anybody with the bank passwords can currently access all the accounts and do transfers between the accounts. The passwords should be changed and it is suggested that the Board authorize 3 people to access the accounts:

Barbara Lund for payroll and general review

Corrinne Bartell for bill payment and general review for finance reports etc.

One other person for general review and to help ensure there are no issues with somebody being locked out of the account.

Authorized Signatories to the account, i.e. to write checks, have to physically visit the bank and be added to the account. It is understood that Judy Harmer is still a signatory, together with Shawna and Ken Lopez?

Very few checks are written, in recent times these have mainly been deposits to the Charles Schwab Endowment fund. Occasionally a check is needed for another purpose.

The Board should consider how many signatories there should be to the bank account and then those signatories will have to go to the bank together with one current signatory to authorize them?

They should find out the terms of the account: -

Can a financial limit be set for bill pay with a check required above this amount.(this is probably not possible)

Can 2 signatures be required for checks above a certain amount.

Who is going to hold the check book.

Is it possible to restrict access to the reserve accounts? The accounts are all linked together, with one checking account and three reserve accounts. The balances on the capital reserve and the building maintenance fund are small. If necessary, they could be merged into the operating reserve in Bank of America and still be retained as separate funds in ICON, but ideally access to the reserve accounts should be restricted.

Fees. What is the fee structure? At present there are no fees on any of the accounts and but a couple of years ago we started to get a monthly service fee of \$20 per month on the capital reserve account so \$200 was transferred from the operating reserve and that solved the problem.

Endowment Fund Who authorizes withdrawals from the fund?