



The Vestry was called to order at 7:00 pm virtually, once a quorum (2/3) was present.

Attendance

Nicholas Morris-Kliment (Rector)	X	Jeff Murphy (Warden)	X	Stan Hitron (Warden)	X	Stefano Migliuolo (Treasurer)	X
Duncan Allen	X	Jim Black		David Carnahan (Clerk)	X	Denise DeGroff	X
Janet Haines		Bob Keener		Ingrid Melvin	X	Michael Niden	X
Annie Russell	X	Patty Smith	X	Joe Sweeney	X	Ginny Yerardi	
Bob Begin							

Worship/Christian Learning Chair: Annie

Prayer

We read Evening Prayer from the Northumbria Community, with Scripture readings from Psalm 40:8-11 and Genesis 32:22-31.

Information

Gathering-Church School We are at the beginning of the program year, but it may not feel as such. Teachers are gathering Wednesday to discuss a model for Christian education. There will be some at home lessons, service activities and outdoor activities, no zoom meetings. Some professionally produced programs are being reviewed to see if they are suitable. One kickoff potential is a meeting on Oct 4th to gather at Cutler Park and walk with our pets. After a meeting tomorrow, we will know the schedule from now till Christmas. We are down a few teachers, and will need to rethink some of our approach. Kevin Ruddy is willing to teach middle school. No planning has been done for the Youth Group yet.

Worship- will continue from the Chapel for now. The Chapel space has been marked out for section leaders; live music begins again this Sunday. The organ console is to arrive on Monday, and will then be wired. The choir pews in the chancel have been removed. New chairs are to be provided. Stefano will consult with Charles Raines before ‘accepting’ the work as complete. In services, we have had an instance of trouble with Facebook’s copyright algorithm, which stopped our broadcast online. We are also trying to figure out what happened last Sunday. Facebook premier may allow us to advertise recorded services better to our community. The current setup is a patchwork of components...some equipment is on backorder. Some churches are gathering on Zoom, then stream on Facebook or YouTube. Nick will ask for the Worship & Arts team to gather to work on these issues.

Injustice- The racial injustice committee now has a chairperson, Bob Keener. Once there is a co-chair, we will grow the committee. Joe suggested that we build a relationship between Needham and other Episcopal communities in Boston that have more diverse populations to see how they have successfully addressed this issue within their own communities. Denise asked what kind of response we should be considering.

Attendance-We have not tracked attendance since we last met.

Stewardship- Duff Lingard and Kim Rocco are co-leaders on this year’s Stewardship Campaign. They will meet Thursday. The plan is to kick-off an appeal on Oct 18. Online giving will again be encouraged this year. Given the shortfall in pledges, we will ask for those who have not been adversely affected to carry the load for those who have been. This may be done in advance of the appeal kick-off.

Resources

Treasurer’s Report See Appendix I. Current projected loss for the year is ~\$74,000. The financials presented do not include payroll for this period, and are therefore somewhat misleading. The second table, projecting year end financials assumes another ~\$40K draw to cover the facility upgrades and expenses approved in May, 2020, which were to slated to be covered by recent bequests.



Actions

The proposed Vestry response to the 2018 audit is provided in Appendix II.

A motion was made to approve the Vestry's response to the 2018 Audit Recommendations. Motion Passed

Parking Lot/Other Business

Adjourn Meeting adjourned at 9:07pm

Appendix I. Treasurer's Financial Report

Accounts	Actual (This Period)	% of 2020 budget	Cumulative	cum % of 2020 budget
Revenues				
40114 Regular Operating Support	\$1,450.00	2.9%	\$20,776.00	55.9%
Offerings				
40101 Pledge Income	\$13,425.78	4.1%	\$156,538.08	44.7%
40102 Loose Plate		0.0%	\$589.00	19.8%
40103 Misc. Income	\$60.00	0.2%	\$39,612.81	100.9%
40104 Xmas & Easter Offerings		0.0%	\$4,987.58	60.6%
40105 Donations	\$10,200.00	92.7%	\$12,249.58	111.4%
40112 Flowers	\$405.00	20.3%	\$1,150.00	63.0%
40113 Music Leader	\$300.00	1.5%	\$6,225.00	34.6%
40208 Summer Music	\$100.00		\$1,000.00	
Total Offerings	\$24,490.78	6.6%	\$222,352.05	56.4%
Investment Income				
40202 Endowment Income	\$44,000.00	100.1%	\$44,000.00	100.1%
Facility Income				
40201 Facility Income	\$80.00	0.4%	\$7,670.00	20.6%
40220 Total Eclipse	\$2,000.00	7.4%	\$15,500.00	40.7%
40221 Studio Chizh		0.0%	\$1,000.00	370.4%
40222 Roche Bros		0.0%	\$3,850.00	36.4%
40223 First Bridge		0.0%	\$0.00	0.0%
40224 Town of Needham		0.0%	\$5,766.36	51.0%
40226 Expressions		0.0%	\$7,500.00	62.5%
Total Facility Income	\$2,080.00	2.5%	\$41,286.36	38.4%
Total Investment Income	\$46,080.00	36.6%	\$85,286.36	59.9%
Total Revenues	\$72,020.78	13.2%	\$328,414.41	55.1%
Expenses				
Operations				
50101 Education - Clergy	\$357.00	14.3%	\$717.24	20.5%
50102 Coffe Hour		0.0%	\$246.60	30.8%
50103 Music	\$292.12	4.6%	\$5,483.09	79.3%
50104 Office Supplies & Expense	\$676.85	10.7%	\$7,557.72	75.8%
50105 Postage	\$139.14	8.8%	\$731.84	35.6%
50107 Sundry - Clergy		0.0%	\$147.69	29.5%
50108 Telephone	\$252.42	11.0%	\$1,989.20	54.0%
50109 Travel		0.0%	\$1,500.00	31.3%
50110 Treasurer/Finance (Audit)	\$1,798.50	10.3%	\$11,574.03	41.1%
50112 Baby Sitting		0.0%	\$370.50	30.9%
50113 Family Ministries		0.0%	\$252.49	24.5%
50117 Contingency	\$5,161.25	94.8%	\$14,905.75	203.2%
50118 Technology	\$182.50	6.1%	\$2,499.79	33.0%
50119 Copier	\$277.46	5.5%	\$3,630.56	49.0%
50124 Communications	\$20.00	1.3%	\$1,254.90	20.7%
50125 Fellowship		0.0%	\$1,091.65	28.9%
50126 Vestry Expenses		0.0%	\$194.95	6.6%
Total Operations	\$9,157.24	16.2%	\$54,148.00	65.6%
Worship/Altar Guild/Flowers				
50111 Worship Expense		0.0%	\$3,571.83	72.3%
50122 Flowers		0.0%	\$2,506.66	38.7%
50550 Youth Choir		0.0%	\$1,500.00	40.0%
50552 Music Section Leaders		0.0%	\$6,835.00	34.2%
Total Worship/Altar Guild/Flowers	\$0.00	0.0%	\$14,413.49	44.3%
Outreach				
50201 Community Concerns	\$0.00	0.0%	\$12,817.00	100.0%
50203 Parish Partnership	\$0.00	0.0%	\$2,510.00	37.1%
Total Outreach	\$0.00	0.0%	\$15,327.00	78.9%
Personnel				
50301 Payroll Expenses	\$0.00	0.0%	\$96,412.19	38.5%
50302 Taxes Payroll	\$0.00	0.0%	\$4,679.59	32.6%
50303 Insurance - Health	\$0.00	0.0%	\$8,557.88	31.8%
50304 Housing Allowance	\$0.00	0.0%	\$28,138.68	27.1%
50305 Church Pension Premiums	\$1,536.41	5.9%	\$12,684.06	29.2%
50307 Bank/Payroll Service charges	-\$62.50	-8.9%	\$469.49	35.5%
Total Personnel	\$1,473.91	0.6%	\$150,941.89	34.2%
Property				
50401 Building Maintenance	\$7,503.64	29.2%	\$23,489.47	69.1%
50402 Janitorial Services	\$0.00	0.0%	\$8,638.65	66.6%
50403 Building Supplies	\$647.25	31.0%	\$2,881.59	64.7%
50404 Electricity		0.0%	\$3,502.18	54.8%
50405 Heat (Fuel & Gas)	\$45.25	0.3%	\$13,310.69	82.7%
50407 Insurance - General		0.0%	\$14,136.00	24.7%
50408 Building Repairs	\$3,747.95	85.4%	\$13,587.31	120.5%
50409 Sewer & Water	\$566.41	4.0%	\$1,195.64	12.7%
50411 Grounds	\$1,180.00	8.3%	\$11,720.00	49.4%
50413 19 Homestead Park	\$768.00		\$13,514.74	
Total Property	\$14,458.50	11.5%	\$105,976.27	30.0%
Diocese				
50501 Diocesan Assessment			\$26,054.00	50.0%
Total Diocese	\$0.00		\$26,054.00	
Total Expenses	\$25,089.65	4.8%	\$366,860.65	40.6%
Net Total	\$46,931.13		-\$38,446.24	



Accounts	Notional 2020 Budget	Revised 2020 Budget (June)	Revised 2020 Budget (Sept)	
Revenues				
40114 Regular Operating Support Offerings	\$49,627	\$49,627	\$49,627	
40101 Pledge Income	\$325,208	\$306,368	\$295,208	New estimate based on August actuals
40102 Loose Plate	\$4,446	\$2,964	\$2,964	
40103 Miscellaneous Income	\$0	\$39,200	\$39,200	
40204 Xmas & Easter Offerings	\$6,000	\$6,000	\$6,000	
40105 Donations	\$11,000	\$11,000	\$11,000	
40112 Flowers	\$2,000	\$1,000	\$1,000	
40113 Music Section Leaders	\$20,000	\$11,400	\$11,400	
Total Offerings	\$368,654	\$377,932	\$366,772	
Investment Income				
40202 Endowment Income	\$43,946	\$84,463	\$84,463	Increased draw includes \$6 for funded projects
Facility Income				
40201 Facility Income	\$19,325			
40220 Total Eclipse	\$27,000			
40221 Studio Chzah	\$270			
40222 Roche Bros	\$6,050			
40223 First Bridge	\$6,000			
40224 Town of Needham	\$11,300			
40225 Expressions	\$12,000			
Total Facility Income	\$81,945	\$63,000	\$49,000	Assume \$2 month Sept-Dec
Total Investment Income	\$125,891	\$147,463	\$133,463	
Total Revenues	\$544,172	\$575,022	\$549,862	
Expenses				
Operations				
50101 Education - Clergy	\$2,500	\$2,500	\$2,500	
50102 Coffee Hour	\$800	\$800	\$800	
50103 Music	\$6,324	\$6,324	\$6,324	
50104 Office Supplies & Expense	\$6,324	\$8,000	\$8,000	
50105 Postage	\$1,590	\$1,590	\$1,590	
50107 Sundry - Clergy	\$500	\$500	\$500	
50108 Telephone	\$2,300	\$2,300	\$2,300	
50109 Travel	\$2,400	\$2,400	\$2,400	
50110 Treasurer/Finance (Audit)	\$17,500	\$17,500	\$17,500	
50112 Baby Sitting	\$1,200	\$1,200	\$1,200	
50113 Family Ministries	\$1,032	\$1,032	\$1,032	
50117 Contingency	\$5,442	\$7,400	\$7,400	
50118 Technology	\$3,000	\$4,000	\$4,000	
50119 Copier	\$5,000	\$5,000	\$5,000	
50124 Communications	\$1,513	\$1,513	\$1,513	
50125 Fellowship	\$2,557	\$2,557	\$2,557	
Total Operations	\$56,682	\$64,616	\$64,616	
Worship/Altar Guild/Flowers				
50111 Worship Expense	\$2,000	\$2,000	\$2,000	
50122 Flowers	\$2,000	\$2,000	\$2,000	
50550 Youth Chair	\$3,000	\$3,000	\$3,000	
50552 Music Section Leaders	\$20,000	\$20,000	\$20,000	
Total Worship/Altar Guild/Flowers	\$27,000	\$27,000	\$27,000	
Outreach				
50201 Community Concerns	\$12,820	\$12,820	\$12,820	
50203 Parish Partnership	\$3,425	\$3,425	\$3,425	
Total Outreach	\$16,245	\$16,245	\$16,245	
Personnel				
50301 Payroll Expenses	\$145,159	\$145,159	\$145,159	
50302 Taxes Payroll	\$8,607	\$8,607	\$8,607	
50303 Insurance - Health	\$14,700	\$14,700	\$14,700	
50304 Housing Allowance	\$63,000	\$63,000	\$63,000	
50305 Church Pension Premiums	\$25,956	\$25,956	\$25,956	
50307 Bank/Payroll Service charges	\$700	\$700	\$700	
Total Personnel	\$258,122	\$258,122	\$258,122	
Property				
50401 Building Maintenance	\$25,705	\$25,705	\$25,705	
50402 Janitorial Services	\$10,000	\$8,000	\$8,000	
50403 Building Supplies	\$2,091	\$3,000	\$3,000	
50404 Electricity	\$4,182	\$4,182	\$4,182	
50405 Heat (Fuel & Gas)	\$13,500	\$13,500	\$13,500	
50407 Insurance - General	\$28,846	\$28,846	\$28,846	
50408 Building Repairs	\$6,630	\$6,630	\$6,630	
50409 Sewer & Water	\$4,389	\$4,389	\$4,389	
50411 Grounds	\$14,204	\$14,204	\$14,204	
Property Improvement	\$11,118	\$90,535	\$90,535	
Repay Green Loan	\$5,531	\$5,531	\$5,531	
Total Property	\$126,196	\$204,522	\$204,522	
Diocesan Assessment				
Diocesan Assessment	\$52,108	\$52,108	\$52,108	
Total Expenses	\$623,633	\$622,613	\$622,613	
Contingency				
Contingency	\$14,000	\$0	\$0	
Net Total	\$6,630	-\$47,591	-\$72,751	

Appendix II. Christ Church Vestry Responses to Recommendations of the 2018 Audit

Donation Statements

It is recommended that commentary be added to the donation statement regarding deductibility. The following is suggested wording:

“Please note that the above giving includes amounts received from donor advised funds and/or individual retirement accounts. Please consult your tax advisor as to the deductibility of these gifts.”

Vestry Response: Words to this effect were added to the acknowledgement letters for calendar 2019.

Prior Year Findings/Recommendations

Chart of Accounts/Financial Reporting

Below are specific recommendations relevant to the restructuring of the chart of accounts:

1. Evaluate all accounts in the 20000, 80000 and 90000 series to document the purpose and the nature of the account i.e. Asset, liability, income, expense, net asset (fund). Also, for those accounts recognized as funds, determine the fund classification: designated, restricted or unrestricted to support reporting in conformance with the net asset requirements.
2. Simplify the account structure and consolidate funds where appropriate.
3. Set up accounts for all significant assets (land, building, fixtures, capital improvements, investments) and for mortgages, loans and other liabilities such that these can be reported on the Statement of Financial Position.
4. Develop a process for reporting fund activity – operating and non-operating – and aligning income and expense accounts with each fund, if possible.

Once the chart of accounts is addressed, it is recommended that a process is designed and implemented for creating a Statement of Financial Position that includes all assets, liabilities, and net assets with accounts categorized according to restrictions – permanently restricted, temporarily restricted and designated, and unrestricted.

Vestry Response: Recommendations 1 and 2 have been followed and are substantially complete. Neither the Vestry nor the Finance Committee have determined that a conversion to funds-based accounting (recommendations 3 and 4), while desirable, is not within its reach within available resources.

Fund Restriction List

It is recommended that, once the review of deeds, agreement with donors and vestry minutes is complete, a permanent list is created and maintained with fund name, account number, restriction category and specific terms, conditions and restrictions including restrictions for spending principal and income. This list will serve to support future spending decisions.

Vestry Response: This list has been completed in electronic spreadsheet form.

Bank Reconciliations

It is recommended that the bank account balance in the system of record is analyzed and corrected if necessary, to allow for accurate and meaningful bank reconciliations thereby reducing the risk of misappropriation of funds.

Vestry Response: The Vestry directed the Treasurer to review the Controller's monthly reconciliations.

Payroll Records

In a review of seven active employee personnel files, two files did not contain a Form I-9. It is recommended that Form I-9's be obtained from these employees.

Vestry Response: Form I-9s were completed for these staff (who have since left the church's employ) and are in place for all current staff.

Voucher Approval

The Treasurer is an authorized approver for certain expenses, such as the Controller's invoice. It is recommended that a process be implemented for a third-party review of checks and invoices for those transactions the Treasurer approves.

Vestry Response: The Rector is now approving the Controller's invoice per vote of the Vestry vote. The Treasurer is no longer approving these invoices.

Journal Entries

In 2017, it was recommended that the Vestry ask about significant journal entries and request a listing at least once during the year.

Vestry Response: The Vestry discussed the recommendation, and at its October 2018 Vestry meeting, the Treasurer was requested to identify one or more criteria for a class of journal entries that might be considered significant and report such criteria to the Vestry in November. In the November Vestry meeting, the Journal entry criteria were presented and approved. For journal entries over \$1,000 or made to or from an operating budget line item and exceeding \$500, a second signature was to be required. As of the end of calendar 2019, this procedure has not been made operational.

Documentation of Fund Restrictions

It is recommended that deeds, agreements with donors, and vestry minutes containing vestry restrictions of funds be reviewed by the Church to assure donors' wishes are followed, or in the case of vestry vote, the funds be used according to those self-imposed restrictions or the restrictions be changed formally by vote.

Vestry Response –A committee was formed to organize and baseline this information, and the work is substantially complete. The Vestry made plans to have a task force perform a review on an annual basis starting in 2019, but the task force has not been designated.

Fixed Asset List

It is recommended that the Church complete its inventory list of its most valuable assets not identified in the Church Insurance Appraisal. It is suggested that this list include estimated date of purchase and cost or replacement value along with photos.

Vestry Response – The inventory was completed in December 2019.

Housing Allowance Resolution

It is recommended that the vestry vote on the housing allowance as soon as possible after an offer has been accepted, and then at or near the beginning of each fiscal year.

Vestry Response – The situation has been regularized. A motion to designate clergy housing allowance for 2020 was passed at the January 2020 Vestry meeting.