

St. Charles Borromeo Parish

Finance Council Meeting Minutes August 28, 2024, at 6:30pm – Conference Room 2

A. Call to order, roll call, opening prayer

-Meeting called to order at 6:32pm

-Present: Fr. Wyse, K. Darvill, T. Cripps, J. Hoffman, L. Kassuba, J. Latva, R. Peacock, S. Smith

-Opening Prayer: Fr. Wyse

B. Approval of meeting agenda: Motion to approve by L. Kassuba, 2nd by S. Smith, approved.

C. Approval of August 28, 2024, meeting minutes: Motion to approve by S. Smith, 2nd by J. Hoffman, approved.

D. Old Business

1. Ongoing bulletin revenue stream topics: T. Cripps and R. Peacock.

-Tom and Roberta met to discuss data Karin provided earlier in the summer. They shared a verbal summary of what was discussed in previous meetings, that the data does not seem dependable and that it is not clear as to what totals mean in various categories.

-Group discussion followed. Agreed we need reliable data; **K. Darvill offered** to contact PDS to see if there is a more accurate way to run a report and get real numbers. Her recommendation for the bulletin is to publish total membership and number of contributors from PDS, and the total weekly donations and budgeted collection amount.

2. Job descriptions for paid staff positions: Not assigned.

-**Discussion:** Job descriptions for paid staff positions would be beneficial to fill vacancies and cover for staff absences. Sherry Wyse created a list of duties she carried out in her position before she retired. It outlined the duties existing staff could take over upon her retirement to decrease the workload on the business manager's position.

-Father shared that the diocese has job descriptions for our paid staff positions and that these two sources should be sufficient.

3. Jean Johnson Estate: What was total contribution to St. Charles Education Foundation? **Karin:** gross = \$390,000, net approximately \$353,000.

-Will we receive anything for FY24/25? **Karin:** Yes, 4% of the three-year rolling average.

4. Review of Finance Council members' terms and recommendations for new members

-J. Latva: second term ended 6/23, R. Peacock: second term ended 6/24.

-We currently have six members; FC Charter states at least six members.

-Latva and Peacock both offered to send Father letters of resignation.

-K. Darvill shared that Judi Bartone has agreed to be a member.

-Father shared that there are no other volunteers from the list that he had and that we will sort it out later.

5. Contact Mike Lown re: CFWM 4% disbursement increase: **Fr. Wyse**

-Father wants us all to have a better understanding of the Catholic Foundation of West Michigan before speaking with Mike Lown.

-Greg Deja will be coming on September 11 at 1:00pm to give a presentation on CFWM and to answer any questions. Please attend if possible.

-Bishop Walkowiak has hired a planning group to study the state of all the parishes in the diocese. More priests will be retiring than are being ordained, so the bishop will need to make decisions regarding the allocation of priests.

-Father does not want to give the impression to anyone in the diocese that we are not doing well financially.

6. Parishioner Update regarding 24/25 budget:

-**K. Darvill is pulling** together information for the parish on FY23/24 closeout budget and

FY24/25 budget. It will be in the bulletin and on social media. **T. Cripps will give** a presentation

on the budgets after the 7:00pm and 11:00am Masses. **R. Peacock will contact** J. Hudson to schedule the dates for the after-Mass presentations.

7. **Employee Benefit Options Presentation:** Karin shared that MCC is sending a representative on 9-16-24 at 2:45pm to discuss benefit options.
8. **Raise Right Proceeds Tracking: Not Assigned** “L. Kassuba shared that raise right proceeds should be tracked as an income source and then when the tuition calculation is done, the Raise Right total amount would be subtracted off from total tuition and shown as a separate account line. Perhaps the school principal or business manager tracks it. (from 7/24 FC meeting minutes).

-Additional discussion: L. Kassuba shared that when he and the principal of the school are determining the tuition revenue line for the budget, they subtract off from the total the various scholarship monies that are used. These scholarships have separate lines in the budget. He wonders where Raise Right proceeds are accounted for; are they being counted twice; is the tuition line being overstated?

-R. Peacock shared that her total Raise Right proceeds for the year were told to her at the beginning of July each year when her daughter went to St. Charles. In August she was given a letter from the school that indicated what the total tuition would be minus her Raise Right proceeds and that was the balance of tuition she needed to pay.

-R. Peacock shared that there is a SCRIP/Raise Right asset line in the budget.

-L. Kassuba: Currently it does not show up anywhere in the statement of activities. It should be accounted for as a revenue source to be the best practice in accounting.

-This should be looked at before the next Finance Council meeting.

-Not assigned/No action taken.

E. Financial Update (Karin Darvill)

1. FY23/24 end of year summary

Serve-A-Thon

Karin: Larry pointed out that Serve-A-Thon funding should be moved from an income account and put in a designated fund for those expenses. Karin agreed and provided a *Statement of Activities Report Adjusted Final School – 100% Complete Report* dated June 30, 2024.

-Larry: Asked what the 403.01SCELE: Fundraising Expenses – Serve-A-Thon total of \$4,798.80 includes. I spoke with Katey Johnson, School Board President, my understanding is that the \$65K from this year was all capital based on a prioritized list from a parent survey. We have the expense amount in operating expenses. Katey gave me a breakdown of where the capital expenses went. With the \$4,798 being in, what is it for in operating income and expense?

-Karin: That is the expense in 403. The amount transferred to the restricted fund was \$60K. It was the expense for doing the Serve-A-Thon.

-Larry: You are saying it was an expense, so you put it in income to offset.

Sunday Collections

Karin: Were over budget by 1.1%.

Larry: My understanding is that there are two accounts under there for Good Samaritan; one at 3.5% for the community and one at 1.5% for the school. Is the amount in budget the total collected or 5% less? Why are there zeroes under the 400 account?

Karin: The two Good Samaritans were in the 401.01CHCHR and 401.02CHCHR; the diocese audited us before Sherry left, stated you must count it under collections. The reason there are zeroes in the budgeted amount under 400.06CHAD and 400.07CHAD is because it did not exist when the budget was created.

Karin: See the last bullet under Church Income in the Overall Summary dated August 28, 2024.

Larry: I want to go back and see if it was in the original budget.

Father: It is 10 minutes to 8:00 right now. We need to move on.

Dave Faber

Larry: Father, we as a FC are to review what is happening financially. I spent a lot of time on this.

-I spoke with Dave Faber, Superintendent of Schools, and discussed three areas.

1. Shared that we had issues with Nienhuis regarding financial reports and had 64 questions that came up. Asked if he heard about any of the other 40 schools in the diocese having problems. He stated no and suggested I speak with Kevin Simon.
2. Asked for clarification of something he said regarding fundraising at a Diocesan School Summit I attended as a school board member as it relates to the Serve-A-Thon and Giving Tuesday. Some schools use fundraising for operations.
3. Shared I heard that our school needed to become self-sufficient. He said there is no way that is going to happen. It is a ministry of the parish, and it would always need to subsidize some amount of money.

-I do not believe we will ever get \$50K from fundraising to pay the bills. Especially if the school wants to complete the items from the parent survey list. Many of them are capital expenditures.

Kevin Simon

Larry:

-I spoke with Kevin Simon per D. Faber's suggestion.

-Simon said you have unique accounting at St. Charles; none of the other parishes do the accounting like St. Charles does; the accounting could have been better, more according to the best accounting practices, it should be more accurate.

-After the 64 questions came out on the FY23/24 2nd quarter report by the subcommittee, I started matching up the actuals but stopped doing that because Karin and Sherry were making adjustments.

-Now I am wondering if some questions we had regarding the changes were to implement the best accounting practices he was talking about; perhaps we were doing it incorrectly. Why would we be the only ones with complaints?

-Kevin said he would come out and work through the questions without charge.

-He suggested there should be an audit done.

-**Karin:** There was a review done by Christine, staff at the diocese, before Sherry left. She does reviews of all the parishes and sees the results. She is not recommending Nienhuis.

Larry: Who is recommending Nienhuis?

Karin: Nienhuis is promoting themselves. Kevin worked for the diocese for a considerable amount of time as the comptroller, including while Sherry worked here. If things were so unique and out of line, why were we not contacted?

Larry: I alluded to that point. His response was that it was not all wrong, but that accounting could be better as far as what goes into accounts, a better use of accounting principles.

Larry: How did we know about Nienhuis? **Father:** Sherry did that. **Larry:** How did she know about them? **Father:** You will have to ask Sherry.

Father: It is 8:00pm now. How long do we want to stay here?

Larry: I would sit down with Christine and determine what is in each account. I would go to the diocese account by account and ask what goes in each account. I am conflicted at this point.

Karin: I was given a chart of accounts with a description of each when I went to diocesan orientation. I am not saying I am doing it correctly right now. If you want to sit down with the chart of accounts and go through it and let me know what you find, I am fine with that.

-We have more numbers because of the transparency issue, we want to see subaccounts so we can track exactly what is going on. The diocese would like it to run as simply as possible.

Larry: I am into the minutia way more than I want to. I do not think that is what the Finance Council's role is.

-Kevin said there needs to be more communication between the principal, business manager, School Board and Finance Council in terms of Serve-A-Thon and Giving Tuesday. There should be two-way communication going back and forth. I do not believe that has been happening.

-If we are supposed to be reviewing these reports, we should be made aware of what is happening.

-We are being asked to spend time on these reports and produce questions and have no answers in return. Something needs to change.

-R. Peacock: Asked to have a copy of the chart of accounts that Karin received at diocesan training.

J. Hoffman: We just spent a lot of time talking about this. Can we get the list of 64 questions that went to Nienhuis? Larry shared that Karin has the list.

L. Kassuba: I am trying to say that some of the 64 areas listed may have been the right thing to do, perhaps we were reporting it in the wrong place.

R. Peacock: I was part of the subcommittee that came up with the 64 items; several items had been discussed in the past and not addressed including Fundraising and Serve-A-Thon account lines. I did not sign a new budget because of this.

L. Kassuba: The current budget has \$25K in the income line for Serve-A-Thon and \$25K in the income line for what I think is Giving Tuesday. We have never received anything close to 25K for Giving Tuesday.

-Before these amounts went in, there should have been some discussion back and forth between the business manager, principal, school board and Finance Council on whether the funds were for operating expenses or other areas.

FY2024/25 budget update

-Karin will begin to send reports out monthly.

-Discussed if it is possible to make the review of financial reports more effective and efficient to decrease the amount of time spent discussing individual account lines during FC meetings.

-Consensus:

- Member(s) interested in line-by-line monthly reviews of the budget will volunteer. T. Cripps suggested L. Kassuba and R. Peacock.
- Questions and comments will be shared with Karin electronically.
- Karin will respond electronically on the same document.
- The document will be shared with FC committee members via email.
- Additional clarification can be discussed at the next FC meeting.

F. New Business

-FY2025/25 Budget

- **Karin will** investigate exporting the Statement of Activities report from PDS and creating an excel document that Larry and Roberta can enter comment/questions into.
- **J. Hoffman** would like the FC to be brought into the budget process much earlier; suggested in November.
- **EANS Income**

-J. Hoffman: Won't this put a huge hole in the budget? Doesn't it need to be spent in the next 30 days?

-K. Darvill: It is already spent. That is why your line item in the budget is zero.

-L. Kassuba: Why is there even money in there; the EANS money was for last year and needed to be spent by September.

-R. Peacock: This is an item that needs to go on the list that will be shared with Karin.

G. Revenue Enhancement - No reports.

- 1. Tuition/Enrollment:** L. Kassuba
- 2. Grant Writing:** S. Smith
- 3. Matching Funds:** T. Cripps
- 4. Offertory/Donations:**
- 5. Fundraising/Development:**

G. Human Resources (Fr. Wyse)

-Dan Evans is on top of things, doing well.

-Tonya Saladin, the principal, has good ideas; is connected to staff.

-Teresa Evans is assigned to preschool.

-Mike Albert is the 7th/8th grade teacher and Dean of Students; continues to have enthusiasm. Will be helping T. Saladin with some administration which will free her up to deal with the small child center she is envisioning. Will be teaching some theology.

H. Building and Grounds Committee

1. Steeple Repair (S. Smith)

-MIHM company has been on site taking drone pictures; Karin and Dan were present.

-They thought the most recent caulking repair was more than sufficient.

-Have not received feedback yet regarding their assessment of what additional repairs are needed. They are working on a house project in Lake Superior now.

-They will get back with us when their workload permits regarding a plan and quote.

I. Father's Comments

-None

J. Council Member Comments

-None

K. Parishioner Comment

-None

L. Next Meeting: Next meeting: November 20, 2024, at 6:30pm, Conference Room 2. (November 27th is the evening before Thanksgiving)

Closing Prayer by Fr. Wyse

Adjournment: 8:38pm

Respectfully submitted by Roberta Peacock, Finance Council Secretary, on November 11, 2024.