

Financial Records Review Committee Annual Report

2017-2018 Church Year

Financial Records Review Committee (FRRC) Members: Frank Grossman & Rob Bate

Our bylaws require annual financial record reviews of the Church, Winter Garden with White Wing School, and the Cemetery Association. The reviews verify that the fiscal records and financial transactions of each component are transparent, orderly and consistent.

The Committee conducted separate reviews for the UU Church (Sherri Woolsey), Winter Garden with White Wing School (Chris Clanin, Director & Ellen Fisher, Treasurer), Cemetery Association (Kevin Murray, Treasurer) and email with Simple Gifts Coffee House (SGCH) (Bemice Fallon and Anya Zakiewicz).

Subject to the recommendations below all records examined were found to be in satisfactory order.

UU Church of Nashua

Attendees; Sherri Woolsey (Office Administrator), Frank Grossman, Rob Bate

Overall the meeting went very well. Sherri appears to be well versed and has a strong understanding of how money flows in and out of the church. We found procedures being tightened in many positive ways. Most money is now being transferred from volunteers to staff via a safe that is bolted to a wall in the coat closet area. The only exceptions are the Buddhist group slides their check under Sherri's office door, and the donation money collected at coffee hour is placed in a filing cabinet to be processed.

Sherri has been making sure that all money requests are signed off by Chairs or staff.

With Allison on parental leave, the Board has temporarily increased Sherri's signing ability to \$5,000. Normally it is \$2,000. Sherri went through multiple reconconciliation processes with us. She was able to show us 3 different processes, and how each is accomplished.

We randomly pulled a couple of income methods and a couple of outgoing checks and Sherri showed us how they were recorded in Quickbooks & the Database. Everything went well.

Sherri seems excited about the upcoming new Database, its ability to sync with Quickbooks, and the potential for better online donations.

Areas of concern:

The “Gold Slip” donation slip:

Currently, the in-kind donation information is reported via a “gold slip” that may be filled out by a member of the church. The amount from the “Gold slip” is then added to the Database under the member and gets reported with the year end contribution summary that each donor receives. Most times there is a receipt attached to the “Gold Slip”. For instance, if the person was donating some food to the Community Dinner, their receipt would prove the amount donated. But some donations items are like clothing and in that case just the amount that the person puts on the “Gold Slip” is recorded.

Are all members aware of these “gold slips”? Should there be a more clear process around non receipt items, since we are recording the number and reporting it as a donation vs them just reporting it as a donation directly on their taxes?

Medical Reimbursement for staff:

There are a few employees who receive a medical allowance. The current process for these medical reimbursements is that the staff bring in a receipt and get a direct check for the reimbursement.

We are aware that there are more modern ways to handle this such as FSA accounts where the Church is not the one that has to determine if each receipt is truly a medical expense.

Winter Garden with White Wing School (WGWWS)

Attendees; Chris Clanin (WGWWS Director), Ellen Fisher (WGWWS Treasurer), Frank Grossman, Rob Bate

On the whole, things seem to be running smoothly & efficiently.

Both the Office Manager & Bookkeeper were absent from our meeting. Next year we plan to have the Office Manager there. The Office Manager does the day-to-day input & reconciling, the Bookkeeper does the monthly overview and creates the report for the Treasurer.

WGWWS has three bank accounts; General Operating, Scholarship, PAWWS (their parent organization). When turning on the computer to access Quickbooks, the computer entered update mode and did not finish before the end of the meeting. We conducted the Financial Record Review via paper. We pulled sheets from each one of the accounts. The amount of information with each sheet & reconciliation was very complete. There were copies of every check written and the information on that. Deposit forms with copies of checks and notes on what Quickbooks account they were accounted for and reconciled.

When they receive a receipt from a staff member for supply reimbursement, all information is kept together with notation of from which account it was paid.

Scholarships appear to have a good procedure. Scholarship award determination is done by a committee that makes recommendations. The scholarships are awarded according to need.

WGWWS appear to have no accounts receivable from year-to-year. All monies owed are collected each year by the time the books are closed for the year.

While we were not able to look at Quickbooks, we were told that the Quickbooks Account names are the same as the budget names and all are reconciled against each other.

Areas of concern:

PAWWS donations are not recognized with "Thank You"/tax deduction letter. Technically, the donation amounts are small enough to not require letters (under \$250), but should a letter with necessary tax deduction information go out as a matter of courtesy?

Classroom supplies reimbursement is handled via a check written to the teacher for \$250, then the teacher supplies receipts to account for the spending of that money.

Ongoing concern, no W-9, 1099 for the 3 month contractor who teaches art & the bookkeeper.

Nashua Cemetery Association (NCA)

Present: Kevin Murray (Treasurer), Frank Grossman, Rob Bate

The NCA has its own board. Mary Beth Restivo has recently taken on the role of President.

NCA uses Bar Harbor Bank & Trust (formerly Sunapee Bank) and has around \$12K in the account.

Money gets transferred from BofA to the Bar Harbor account monthly, Kevin is not clear how that monthly transfer is calculated. The Bar Harbor account statements have been updated to be delivered to UU Nashua, and they arrive addressed to Treasurer of Nashua Cemetery. Kevin, as Treasurer, has signing and online banking capabilities.

Since the filing of the last Financial Records Review report, there have been very few bank transactions. Just 5 deposits (monthly) and 1 payment to UU Nashua (for the Fall clean up). Now that Kevin is more settled in his position he will be giving a Treasurer's report at board meetings.

While there was only one check written since our last meeting physically pulling a record was not possible since the records are currently kept at the NCA Treasurer's house and we met at the church.

Kevin is looking into if the NCA is still operating under their own EIN number or using the one from the Church.

Areas of concern

Records:

Currently the NCA's records are kept in a few boxes at the Treasurer's house. We suggested that moving those records to the church might be helpful.

Policies:

It is our recommendation that written policies would help with future transitions.

Simple Gifts Coffee House

We did not have a chance to meet with Bernice Fallon & Anya Zakiewicz face-to-face. However, we did exchange email correspondence with Bernice Fallon. Bernice is the person who keeps the books, and she states no significant changes since last report. They keep their records in the same way, attendance at shows is down a bit. Usually they break even at each show, but they did have a couple of shows that lost money during the 2017-2018 season.

Simple Gifts keeps an account as part of the Church at BofA and they receive a bank statement, that includes some of the Church accounts, at **Bernice's house They do not issue any 1099s. They do not have any written policies.

(**name change is a correction from the last FRRC report).

Concerns / Recommendations

It was not clear whether the upcoming audit will be just the church or if it will include Winter Garden with White Wing School and Nashua Cemetery Association?

In making these recommendations we recognize we may have transcended the technical limits of our charge. It is not our intent to criticize past actions or suggest inappropriate changes. We believe it is important to raise these concerns to the Board and let it and the congregation decide what, if any, action should be taken.

Acknowledgement

The committee would like to extend sincere appreciation and gratitude to all parties who opened their books and responded to FRRC inquiries. Without exception, everyone was extremely open, accommodating and supportive of the process.

Respectfully Submitted:

Signature: _____ Date: _____

Frank Grossman

Signature: _____ Date: _____

Rob Bate