

Stated Session Meeting
Presbyterian Church of the Master
Tuesday, October 19, 2021

The Session of Presbyterian Church of the Master met in the Library at 6:30 PM for its stated meeting.

The meeting was opened with prayer by the Moderator Pro Tem, Rev. Cindy Harvey at 6:30 PM.

Session members present were:

Dawn Dewey, Kathy Egr, Mark Frans, Debby Marsh, Dee Moriarty, Bill Norton, Marilyn Puett, Guy Shelton, Doug Wise

Session members absent were:

Margo Forsythe, Rev. Robert Keefer, Katie Petersen, Jon Sutula

Membership present constituted a quorum.

Others present were:

- Andy Cook, Clerk of Session
- Bill Joe, Treasurer
- Eric Bremers, Accountant
- Rev. Gary Eller, and Rev. Marshall Zieman – Presbytery Commission on Ministry

Agenda

The agenda was approved as presented.

Report of the Clerk

Record of Weddings:

- Marc Andrew Cohen and Michelle Catherine Epp (non-members), October 9, 2021, at the Thompson Alumni Center at the University of Nebraska Omaha, Rev. Robert Keefer and Rabbi Jacques Cukierkorn (of Kansas City) officiating

Miscellaneous Reports

Reports were received from

- Bill Joe, Treasurer
- Marlene Mattson, Board of Deacons Liaison
- Rev. Robert Keefer, Pastor
- Guy Shelton and Andy Cook, Financial Review Committee (See report attached to minutes)

Ministry Reports

Reports were received from the following committees:

- Administration and Personnel
- Building and Grounds
- Education
- Mission and Interpretation

- Stewardship and Finance
- Technology
- Worship, Sacraments and Music

Actions Taken By Session:

- The Session decided to endorse the dissolution of the pastoral relationship between Rev. Robert Keefer and Presbyterian Church of the Master, effective May 31, 2022, in order that Rev. Keefer can retire
- The Session approved the Administration and Personnel's plan to begin preparing a Ministry Information Form (MIF) as a first step in searching for an Interim Pastor to fill the Pastor position at PCM left vacant upon Rev. Keefer's retirement
- The Session to approved the baptism of Isabella and Willow Witchell, daughters of Noah and Marlena Witchell
- The Session approved the Memorial Fund Committee's plan to grant up to \$1,100 for the purchase of video conference equipment

Unfinished Business

- None

New Business

- None

The meeting was closed with prayer by Elder Doug Wise at 8:03 PM.

The next Stated Session meeting will be held Tuesday, November 16, 2021, at 6:30 PM.


Andrew J. Cook
Clerk of Session

PCM Annual Financial Review

Fiscal Year Reviewed: 2020

Reviewers (Print): Guy Shelton
Andy Cook

PCM Session Manual Requirements:

<i>Description</i>	<i>(Yes/ No)</i>	<i>Comments</i>
<i>Bylaws</i>		
PCM Treasurer appointed by Session & continuous years in position ≤ 6 years? (III, 3.04)	Y	
PCM Treasurer is bonded? (III, 3.05)	Y	See note #1 in the comments below.
PCM Treasurer reports regularly to Session? (Bylaw III, 3.06)	Y	
Borrowed funds > 25% of present budget amount authorized by congregation? (IV, 4.02)	Y	
Total Compensation of pastoral staff reviewed by Session & approved by congregation (VI, 6.01)	Y	
Fiscal year of PCM is from January 1 through December 31? (VII, 7.01)	Y	
<i>General Policies</i>		
PCM budget committee is composed of: 1) chairpersons of each standing committee of Session, 2) pastor(s), 3) moderator of the Board of Deacons (or a designated delegate)? (G-9)	Y	
<i>Endowment Funds Policies (EFM-1)</i>		
Income from endowment funds is not blended into PCM's operating budget? (EFM-1.01)	Y	
Expenditures from endowment funds focus more upon non-recurring events than items which need funding every year? (EFM-1.01)	Y	
For the first 3 years of an endowment fund, no income or capital gains is taken from the fund? (EFM-1.02)	Y	
After the 3 rd year of an endowment fund, or an endowment fund having a total value > \$50,000 (whichever comes first), the income/capital gains are being turned over to the Session on an annual basis? (EFM-1.02)	Y	
The principal of endowment funds remain in perpetuity & only the income generated from the endowment funds are turned over to Session to be managed? (EFM-1.02)	Y	
The following restrictions on the investment of endowment funds are being followed? (EFM-1.03): <ul style="list-style-type: none"> ● Borrowing of the funds or securities is not permitted ● Direct investment in real estate & commodities is not permitted ● Funds may not be invested, nor obligations incurred in futures, options, swaps, forwards, collateralized mortgage options, or any other financial derivatives ● No more than 25% of the funds, at cost, may be invested in foreign securities, including American depository receipts 	Y	

<ul style="list-style-type: none"> No more than 10% of the funds, at cost, may be concentrated in the securities of any one issuer (other than U.S. Government & agency debt) All securities shall be readily marketable & fixed income securities shall be of investment grade 		
The Endowment Committee reviews the performance of investments quarterly & provides the Audit Committee information necessary to audit the program activity annually? (EFM-1.04)	Y	
The investment policy statement is being reviewed at least annually by the Stewardship & Finance Committee & the Endowment Committee & revised or confirmed as appropriate by the Session? (EFM-1.05)	Y	
<i>Stewardship & Finance</i>		
PCM's fiscal year is January 1 through December 1? (S-2)	Y	
PCM has one single budget? (S-3)	Y	
PCM's operating budget is approved by the Session?	Y	
Two signatures are on all checks issued by PCM by two of the following people? (S-4) (PERFORM A RANDOM SAMPLING OF SIGNATURES ON CHECKS FROM BANK STATEMENTS.) <ul style="list-style-type: none"> President of the Corporation (i.e., chairperson of the Building & Grounds Committee) Vice-President of the Corporation (i.e., chairperson of the Stewardship & Finance Committee) Secretary of the Corporation (i.e., clerk of the Session) Treasurer of the Corporation Pastor/Head of Staff 	Y	All checks sampled exhibited two authorized signatures.
PCM bank account withdrawals match up with properly vouchered expenditures & properly approved checks? (PERFORM A RANDOM SAMPLING OF BANK ACCOUNT WITHDRAWALS WITH APPROVED VOUCHER EXPENDITURES.)	N	In all withdrawal records sampled, there were vouchers and appropriate documentation to support the payment in all cases. On one voucher, there was no signature in the "authorized by" line, only in the "requested by" line. That oversight should have been caught and corrected before the check was cut and signed. See note #2 in comments below.
Giving reports associated with general pledges & building fund pledges (as applicable) are sent quarterly to all pledgers? (S-5)	Y	
PCM Treasurer attends Session & Stewardship & Finance Committee meetings as needed? (S-6)	Y	
The PCM Budget Committee is composed of each of the chairpersons of each of the standing committees of Session? (S-7)	Y	
Session authorization is obtained by Session committee chairpersons prior to overspending of assigned budgets? (S-8)	Y	
Monthly financial reporting to Session is occurring on the following? (S-9): <ul style="list-style-type: none"> Summary of accounts Summary of fund balances Cash receipts, both for month-end & year-to-date <ul style="list-style-type: none"> For normal operating budget Any special budgets (such as dept reduction) Budget status report, that includes year-to-date budget, by line item 	Y	

• Line item report is to reflect any deposits credited or reimbursed to a specific line item		
The raising of money for PCM & all its groups is through voluntary donations solicited by pledges, opportunities for loose offerings & through special offerings? (S-10)	Y	
Groups in PCM that need funds submit requests for a budget to the Session through the committee of Session through which the group reports? (S-11)	Y	
Dues are not required or suggested for membership in PCM or in any of its groups? (S-12)	Y	
All funds of PCM & its groups are in one treasury? (S-13)	Y	
Expenditures are vouchered & approved by the applicable committee chairperson/church officer prior to payment? (S-13)		
Budgeted amounts left unused at the end of a budget year are not carried into a new year unless specifically declared by the Session? (S-15)	Y	
Transfers of funds between accounts (e.g., from an accumulating fund to an operating fund) are tracked via vouchers? (S-19)	N	Three transfers were sampled. All samples occurred after implementation of Policy S-19 (2/18/20). One transfer sampled had detailed handwritten documentation by the accountant of the transfer details, but not on a voucher. The others had no supporting documentation. All were clearly traceable in the bank records. See note #3 in comments below.
Memorial Fund expenditures greater than \$500 are approved by the Session? (S-20)	Y	
Memorial Funds are not used for debt reduction? (S-21)	Y	
The PCM counting team, consisting of two members, receives, records, & deposits all offerings made to PCM? (S-23a) (PERFORM A RANDOM SAMPLING OF COUNTING TEAM RECORDS.)	N	In 3 of the 4 sampled counting team sheets, only one signature was on the counting team sheet. Please see note #4 in comments below.
PCM counting team records match up with PCM bank statement deposits? (PERFORM A RANDOM SAMPLING OF COUNTING TEAM RECORDS WITH PCM BANK STATEMENTS.)	Y	In all deposit records sampled, the dollar amounts on the counting team sheets matched the deposit slips and the bank statements.
An Endowment Committee, consisting of 5 non-related members from the congregation, is appointed by the Stewardship & Finance Committee? (S-24.02)	Y	
A Memorial Fund Committee, consisting of an active member of Session & 3 members of the congregation, is appointed by the Session? (S-25)	Y	

Overall Comments/Recommendations:

Note #1: By-Law 3.05 “The Session shall cause anyone dealing with corporate funds to be bonded; including, but not limited to, Treasurer, Business Manager, Counting Team Captains making deposits, Pastor(s), and anyone else with signature power on corporate accounts.” The reviewers were not clear on this status with all of these individuals, not just the treasurer. A phone call and subsequent email with the Church Mutual CSR affirmed that these individuals were insured against loss. **Recommendation:** Session should look into the insurance policy and verify/ensure the bonding status of the individuals noted in By-Law 3.05.

Note #2: In the one voucher variation, the person requesting reimbursement should have signed in the “requested by” line and the budget manager or other authorized person should have signed in the “authorized by” line. With the new electronic vouchering process, this type of error should be easier to

catch. **Recommendation:** The accountants and check signers should continue to emphasize proper authorization signatures. Stewardship and Finance Committee should consider rewording the “authorized by” line to mention the budget manager.

Note #3: No formal vouchering was used to document transfers between accounts by the accountants. **Recommendations:** Stewardship and Finance Committee should work with the accountants to provide more consistent documentation of inter-account fund transfers. Vouchers should be used for inter-ministry transfer requests. Session actions that result in a transfer of funds should be vouchered per S-19.

Note #4: The requirement for two or more signatures on the counting team sheets implies that two or more people were involved in the counting process. The three sheets with only one signature were after the COVID-19 restrictions were in place. **Recommendations:** While extenuating circumstances probably contributed to this variation, Stewardship and Finance Committee should discuss with the counting team possible contingencies should this problem arise in the future.

Summary: Given the items noted above, the reviewers did NOT discover any glaring errors or discrepancies in this review. The variances notes were judged as minor. The reviewers found that the sample of expenditures and deposits chosen were accurate and appropriately documented. Addressing the recommendations noted above should further enhance the Session’s and congregation’s confidence in the financial matters of PCM.

Additionally, the reviewers would like to thank CFO 4 Your Biz representatives, Eric Bremers and Ashley Stevens for their assistance to the reviewers in navigating the financial records in performing this review.

Reviewers Signatures/Dates:

/s/ Guy Shelton _____ / 9/28/2021

/s/ Andy Cook. _____ / 9/28/2021