

BUF Board of Trustees Meeting (in person and via Zoom)

October 27, 2022

Attendees: Murray Bennett, Drew Betz, Daria Haynes (President) (VZ), Alex Gilman (Vice President), Henry Ohana, Sarah Pearson, Lew Phinney, Jim Reimer (VZ), John Stewart (Secretary), Paul Beckel (Ex-Officio).

VZ= Visa Zoom

Not Present (Excused):

Other participants: Sky Hedman, Treasurer (VZ)

Minutes by John Stewart, Secretary.

Chalice lighting 7:00pm; Alex

Agenda Review/Changes:

Approval of last meeting minutes. John: Minutes from the 09/22/2022 meeting were approved by email on 10/07/2022.

Fiscal Sponsorships: Sky

- Draft agreement was reviewed by Kirsten Barron, attorney, with several changes made. It was further reviewed by members of the Financial Oversight Committee.
- **John moved and Drew seconded that the draft Fiscal Sponsorship Agreement (as amended), Fiscal Sponsorship Process and Fiscal Sponsorship Application be approved for use.** (Approved documents attached)
- Discussion:
 - Leave specific fee range out of contract to provide flexibility
 - Fiscal Sponsorship will be added to Board policies on website
- Motion passed unanimously

WECU Credit Card: Sky

- **Lew moved and Murray seconded that a credit card with Whatcom Educational Credit Union with a limit of \$10,000 be applied for. The existing credit card line with Bank of America will be cancelled upon approval of the new credit card.**
- Discussion
 - Existing Bank of America card has a limit of \$10,000
 - Credit card is used for general operating expenses.
 - There will be 2 cardholders: Paul & Genia.
- Approval: Motion passed unanimously

Treasurer's Report: Sky. Summary appended below.

- Shortfall in August offset by surplus in September.
- Separate savings account opened to segregate funds received for the Employee Retention Credit (COVID-related)
- Cash on hand is \$1,600 which appears very low, but closely related to move of last year's surplus to Building & Maintenance Reserves.

Minister's Report: Paul

- Ministry Council
 - Pastoral Care Team – shift over 2 years, narrower focus
 - BUF Caring Network
 - Meal train
 - Receptions
 - Phone Ministry
Identify individuals who haven't been in touch – do they want a call every month? 29 people have asked to get calls.
Limited to people who need emotional support.
- Celebrants
 - Pam Graham, Rod Haynes, Jeff Copeland, Sue Livingston, Carrie Koehline.
- Sunday Services
 - How to make Zoom as participative as possible.
 - Survey of Zoom participants
 - Maximize belonging and experience
- Healthy Relationships Team
 - Didn't meet during COVID
 - Kaitlin Davis and Mailee Jose are co-chairs
- Operations Team
 - Working on issue of where if someone experiences an incident of bias, how to proceed
 - Overlaps with and working with Healthy Relationships Team
- Music: Choir is increasing again
- Sunday Services
 - Audio/Visual Team is doing a good job. Glitches still arise.
 - Jim Reimer commented that Walt has suggested a separate practice for the A/V Team.
 - A/V Team consists of Jeff Copeland, Jim Reimer, Walt Ellis, Mark Allyn, Al Snow.
- Interfaith Thanksgiving Service on Wednesday before Thanksgiving
- Affiliate Ministers: Tessie Mandeville and Jeff Packer.
 - Anticipate a request to enter into an affiliation agreement with Barbara ten Hove.
- Requesting that Barbara ten Hove become the coordinator for summer Sunday services for \$2,000 – will be referred to the upcoming budget.
- 3 new members joined on October 23. A 4th had COVID and couldn't attend the service and will join at a later date.
- Tragic Investment, led by James Addington has drawn 23 participants.

Security Report from Task Force: Lew

- Nothing to report. Still waiting for contractor to complete installation.
- Paused on training until installation has been completed.

Consent Agenda: Drew

- Discussed trying a Consent Agenda to streamline Board meetings and to permit focus on deeper discussions on policy and goals
- Reports may be combined into a single "Consent Agenda" item for consideration at the beginning of the meeting.
- Other items requiring more time and discussion would be included in the "Discussion Agenda".
- Requires having Consent Agenda items included in a Board Packet, ideally sent out several days or a week prior to the Board meeting. Board members would be expected to have read those items ahead of time.
 - Treasurer and other preparing periodic reports to the Board need to be consulted about their ability to produce reports early enough to be included in the Board packet.
- Items on the Consent Agenda could be moved to the Discussion Agenda at the request of any Board member.
- No Board action is required here, but the Consent Agenda will be tried. Implementation is expected to take several months.

Update about Congregational**Retreat Planning:**

- Change focus to "Reconnecting/Coming Together" – 1 day in the Spring and a congregational retreat next Fall.

Update about Dishwasher: Lew

- Prep work has been done. Power requirements are still a question. On verge of buying the new dishwasher.

Budget Preparation**Identify Major Budget Goals:**

- Revisited the budget goals from last year.
- Be prepared for shrinkage of budget income
- Is BUF going to do less?
- John will prepare budget goal worksheet, divided into three categories:
 - Board budget goals (Operating Budget)
 - Requests for inclusion in the budget (Operating Budget)
 - Capital budget items (Non-Operating Budget)

Next Meeting Date: November 22 2022

Meeting adjourned at 9:20 pm.

Summary of Action Items:

- Fiscal Sponsorship Agreement (as amended), Fiscal Sponsorship Process and Fiscal Sponsorship Application are approved for use.

- A credit card with Whatcom Educational Credit Union with a limit of \$10,000 be applied for. The existing credit card line with Bank of America will be cancelled upon approval of the new credit card.
- John will create Budget Priority worksheet

Attachments: (below)

- **Fiscal Sponsorship Agreement**
- **Fiscal Sponsorship Process**
- **Fiscal Sponsorship Application**
- **Treasurer's Report**

Contract For Fiscal Sponsorship Services

This is an agreement for fiscal sponsorship services, entered into between the Bellingham Unitarian Fellowship (BUF) and the _____ (“Project”).

Recitals

The Bellingham Unitarian Fellowship (BUF) is a religious nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as most recently amended. The Bellingham Unitarian Fellowship is a liberal religious community that values the diversity of individuals and affirms Unitarian Universalist principles. Our congregation welcomes persons of every age, physical ability, race, ethnicity, national origin, citizenship, religion, gender identity, and sexual and affectional orientation. As a community, we aspire to provide a creative, and nurturing environment where social, spiritual, and personal development are encouraged and acknowledged. Therefore, we celebrate in ritual, music, art, literature and humor. We endeavor to teach, to learn, and to serve both our community and the world.

The _____ (“Project”) is an [unincorporated association; or a coalition of organizations; or an independent nonprofit organization] with the mission of

_____, and will be engaging in the work and services as more fully described in Exhibit A (“Services”).

BUF is willing to receive tax-deductible charitable contributions for the benefit and use of the Project. The Project, with the administrative assistance of BUF, desires to use these funds in order to implement the Project’s purposes.

Agreement

By entering into this Agreement, the parties agree to the following terms and conditions:

1. **Receipt of funds:** BUF agrees to receive grants, contributions, and gifts to be used for the Project to perform the Service, and to make those funds available to the Project to conduct the Services, minus assessed administrative fees, as specified in this agreement. BUF will not accept on behalf of the Project any grant, contribution or gift that is not cash or its equivalent.
2. **Administrative Fees:** To defray the expenses associated with administering the Project, the Project agrees to pay BUF an administrative fee (specific amount to be entered on individual agreement) on all income received including, but not limited to, grant income, contributions, or gifts.
4. **Acknowledgments:** BUF and Project agree that all grants, contributions, and gifts that BUF receives for the Project will be reported as contributions to BUF, as required by law. BUF further agrees to acknowledge the receipt of any such grant, contribution, or gift in writing, and to furnish evidence of its status as a tax-exempt organization under Section 501(c)(3) as requested, or as required by law.
5. **Protection of tax-exempt status:** The Project will operate and conduct the Services in a manner consistent with this agreement. No material changes in the Services shall be made without the

prior written permission of BUF and in accordance with any requirements imposed by funding organizations, nor shall the Project carry on activities or use funds in any way that jeopardizes BUF's tax exempt status. The Project shall comply with applicable local, state and federal laws. The Project agrees to comply with any written request by BUF that it cease or modify activities which might jeopardize BUF's tax status.

6. **Performance of the Work:** The Project represents that it has the experience and qualifications to complete Services and shall accomplish and complete the Services in an effective and efficient manner.
7. **Notice to Project By BUF:** BUF agrees to notify the Project of any change in its tax- exempt status.
8. **Use of funds:** BUF will allow the Project to make expenditures from funds donated to BUF for the Project to perform the Services. The Project shall submit invoices and/or receipts to BUF for payment and reimbursement. BUF will follow its policies and procedures regarding payment of funds, which may be changed from time to time. In no case will any such expenditure exceed total contributions for the Project received by BUF, and BUF will not advance funds to the Project beyond those received by BUF. BUF is not responsible for any debt of the Project. The Project will designate one person to approve receipts and invoices submitted for payment by the Project.
9. **Financial accounting and reporting:** The Project will in all cases follow BUF's financial policies and accounting procedures as established by BUF. BUF will provide reports reflecting revenue and expenses to the Project on a monthly basis, within 30 days after the end of each month. The Project will provide BUF with reports describing the activities and progress with regard to the Services at least quarterly and meet with BUF on request and on reasonable notice.
10. **Budgeting:** The Project will provide BUF with its annual budget at the beginning of each BUF fiscal year.
11. **Review:** The parties agree to review the agreement at least annually on the anniversary date of this agreement.
12. **Governance:** Authority to manage the Services of the Project is delegated to the Project. Notwithstanding the forgoing, both BUF and Project agree that the relationship established by this agreement is premised upon the mutual understanding of BUF and Project that the goals and activities of both organizations will be compatible. The parties have not formed a partnership or joint venture by entering into this agreement.
13. **Fundraising:** The Project may solicit gifts and contributions on behalf of the Project. The Project's choice of funding sources to be approached and the text of the Project's letters of inquiry, grant applications, and other fundraising materials are subject to approval by BUF. The President of BUF's Board of Trustees must sign all letters of inquiry, grant proposals, and grant agreements. All grant agreements, pledges, or other commitments with funding sources to support the Project shall be approved and executed by BUF. The cost of any reports or other compliance measures required by such funding sources shall be allocated to the Project. Nothing in this agreement obligates BUF to fundraise for the organization or to provide other resources.
14. **Renewal of this agreement:** If both BUF and Project desire to do so, this agreement may be renewed annually.

15. **Termination:** Either party may terminate this Agreement by giving 30 days' written notice to the other party.
16. **Disposition of Assets and Liabilities:** If either party terminates this agreement, any funds collected on behalf of the Project, and remaining in the possession of BUF at the time of termination, shall be disposed of according to existing written agreements with funding sources, if any. If the Project continues beyond the term of this agreement, funds and assets not covered by existing written agreements with funding sources may be transferred to another nonprofit corporation (the Successor) that is tax-exempt under IRC Section 501(c)(3) and that is not classified as a private foundation under Section 509(a). The Successor must be willing and able to sponsor the Project. The Successor must be approved in writing by BUF and the Project by the end of the 30-day period for written notice of termination. If a Successor is not found, the remaining funds shall be transferred to a tax-exempt food bank in Whatcom County.
17. **Term of Agreement:** The time period covered by this agreement is one year from the date of execution.

By signing below, both parties hereby execute this Agreement according to its terms, and the individuals signing on behalf of BUF and the Project, by signing this Agreement, certify that they are legally empowered and authorized to do so on behalf of BUF and the Project, respectively.

BUF:

Project:

Signed _____,

President, Board of Trustees

Date: _____

Signed _____

Title / Organization:

Date: _____

Fiscal Sponsorship (proposed)

1. Overview
 - a. Opportunity to fulfill BUF's mission by combining or uniting BUF's resources with (another) for mutual benefit (allyship).
 - b. Use of BUF's 501(c)(3) status.

2. Process
 - a. Sponsored Organization submits application
 - i. Name of applicant
 - ii. Organization or project in need of fiscal sponsorship
 - iii. Purpose of said organization or project
 - iv. Structure of organization or project (LLC, Corporation, Sole Proprietorship?)
 - v. Non-profit status of organization
 1. Registered as non-profit with state?
 2. Registered as non-profit with IRS?
 - b. Purpose of fiscal sponsorship request
 - i. Time frame for fiscal sponsorship
 - ii. Example, processing of donations and expenses.
 - c. BUF identifies member who will serve as contact and point of communication
 - i. Point of contact "shepherds" this request through the process.
 - d. OPS team reviews application
 - i. How do the values/objectives of the applicant/project align with BUF's mission and values?
 - ii. Does BUF have the administrative resources available to carry out the additional work that will be required?
 1. Approval is subject to the availability of BUF's administrative resources
 - e. Board of Trustees reviews application and contract and modifies or approves it.

**PROPOSED
Bellingham Unitarian Fellowship
Fiscal Sponsorship Application**

Name of applicant:

_____ Tax ID: _____

Organization or project in need of fiscal sponsorship:

Structure of organization (LLC, Corporation, Sole Proprietorship?)

Is the organization registered as a non-profit with the state of Washington?

Has the organization received the 501(c)(3) determination letter?

Purpose of this organization or project:

Purpose of request for Fiscal Sponsorship:

Time frame for sponsored project (projected start and stop date)

Resources requested. (Administrative duties?)

Please attach this information:

Board of directors

Bylaws

BUF:

BUF point of contact to serve as point of communication and who will support applicant through this process:

**Monthly Treasurer’s Summary Report to the BUF Board of Trustees
September 2022 Financials (25% of the fiscal year)
Prepared for the October 27, 2022 Board Meeting**

Overview of current and projected status:

➤ **Month of September, 2022:**

- Pledge income was \$27,987, 120% of budgeted amount.
- BUF received \$2,855 in rent for September, 2022.
- Net Ordinary Income (Profit – Expense) is \$5,960 for the month of September.

➤ **Year to date (July, 2022– September, 2022)**

- Pledge income is 92% of the amount budgeted for this point in the fiscal year.
- Net Operating Income (Profit – Expense) is **\$9,484** year to date (July-September), which is 42% of the budgeted amount for this point of the fiscal year.

➤ **Cash on Hand for September, 2022:**

- As of September 30, 2022, BUF has Cash On Hand of \$1,613.
- The reduction in cash on hand reflects the money moved from BUF’s checking account to BUF’s reserves.
- BUF’s Emergency Operating Reserve is \$73,135.
- BUF’s goal is to have reserves to cover three months operating expense, or \$99,722.

➤ **Reserves**

- Building Repair & Maintenance Reserve: \$61,779
- Emergency Operating Reserve: \$73,135
- Sabbatical Reserve: \$7,575

● **Issues requesting Board involvement:**

- Board is asked to approve an application for a WECU credit card to replace the current Bank of America credit card.
- Board is asked to review and approve the Fiscal Sponsorship proposal.

Income and Expense	<i>Year-to-date</i>	<i>% of budget to date</i>
<i>Pledge Income</i>	\$ 88,274	92%
<i>Total Donations</i>	\$ 95,768	91%
<i>Fundraising Income</i>	\$ 8,008	100%
<i>Rental Income</i>	\$ 4,935	62%
Total Income Year to Date	\$113,658	101%
Total Expenses Year to Date	\$104,174	116%

YTD Op. Income minus Expense	\$ 9,484	42%
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Cash on Hand

	This month	% Change	Prior month	Prior month
Checking balance	\$ 42,541	2%	\$ 41,801	\$ 80,984
Cash assets under Board control	\$ 222,217	0%	\$ 222,277	\$ 234,386
Cash on Hand	\$ 1,613	-94%	\$ 25,565	\$ 36,636

Funds Activity Report

Funds Activity	This month	Prior month
Total Restricted Investment Funds	\$ 55,228	\$ 55,228
Total Restricted Bank Account Funds	\$ 153,405	\$ 128,908
Total Designated Program Funds	\$ 74,557	\$ 75,454
Total in all funds	\$ 283,190	\$ 259,761

Fundraising Summary

Fundraising Event	Income YTD	Income Goal for year	% of Goal
Dinner Auction/Gala	\$ 296	\$ 20,000	.15%
Other Fundraising	\$ -	\$ -	-%
Pandemic Grants & Income	\$ 7,712	\$ 0	100%
Total Fundraising	\$ 8,008	\$ 20,000	27%

Members of the Financial Oversight Committee are Sky Hedman (Treasurer), John Stewart, Frank McDonald (Assistant Treasurer), Brian Quick, Cathy Campbell, Sue Sayegh and Lew Phinney.

Treasurer's Summary Reports and selected Financial Reports generated by Administrator are placed Administrator in BUF Workroom.

Cash On Hand reports:

Assets that are available to Board under normal operating conditions: Checking, Savings, and Accounts Receivable. (It does not include Endowment, Humanitas, A. Herrmann Social Justice Account.)

Equity that is subtracted from Assets are those that are not available under normal operating conditions: Restricted Funds and Designated Program Funds. Liabilities are adjusted to include only one month of the Principal payment for the mortgage.

Financial Reports attached:

Monthly I&E Comparison
Cash on Hand Report
Balance Sheet Prev Year Comparison
Funds Activity Report
I&E YTD Annual Budget Comparison
Fiscal Sponsorship Contract (PDF)