

APPROVED MINUTES OF THE
VOTERS' ASSEMBLY OF ZION LUTHERAN CHURCH
Mt. Pleasant, Michigan
October 25, 2009

Pastor Reith opened the meeting at 7:05 p.m. with a devotion. Director Brian Tice conducted the meeting.

Members present: 39 of 66 active voters.

There were no new voting members present.

Minutes: Motion by Karyn Kiefer and seconded by William Whitehead to accept the minutes of the regular voters' meeting of July 26, 2009. Motion passed.

Treasurer's Report: Treasurer Gary Hayes presented the treasurer's report. Wayne Kiefer asked for clarification of the new facility fund.

Board Reports

Campus Ministry: Anne Bakker reported that they are having an ambitious year with approximately 40 international students participating in activities at the chapel.

Education: Tim Narr reported that 17 three-year-olds, and 21 four-year-olds are enrolled in the preschool. The pizza fundraiser was a success and special thanks goes to Karyn Kiefer, Monica Brown and Sherri Camp. The preschool hired Brandi Bucholz as a full time preschool aid for this school year. Sunday School contributions will go to support Zion Lutheran seminary students.

Elders: Richard Harless gave the report. Transfers in: Sheri, Scott and Jill Tyler; Aaron Wirsing; and Michael and Anna Gilbert. Transfers out: Travis, Jill and Caitlin Holloway. Peaceful Release: Linda S. Knight. Weddings: Brian Niswonger and Melissa Halverson in West Bloomfield.

The Elders helped to prepare a Usage Policy. See Trustee report. A draft of a funeral dinner policy was submitted by the women's guild.

Evangelism: John Schimmelmenn reported that there was a new member welcome on October 18, 2009.

Family Life: No report

Trustees: Joe Claybaugh asked the voters to read the enclosed Facilities Guidelines and Usage Policy. It will be presented to the voters at the January meeting. Fall cleanup is scheduled for October 31.

Stewardship: Mitzi Chaffer reported that there was a good response to the ballots regarding Mission of the Month included in the weekly bulletin. Lutheran Hour Ministries will replace Loon Lake.

Young People's Work: Jodi DeMarrow reported that there was a good turnout for the potato dinner at the chapel. Pie making is on November 7, and there is particular high need for help from parents and friends due to activities going on that day with the youth.

General Committee Reports

Thrivent: No report

New Sanctuary Report: William Whitehead has appointed the following to the sanctuary committee: Brian Tice, Richard Harless, Bill Ellis, William Whitehead, John Schimmelmann, Cindi Greenlee, Tim Narr, Joe Claybaugh, David Coyne, Tom Prekert, Mary Kay and Keith Voeks. The committee has met once and the next meeting is Tuesday, October 27.

New Business:

1. Financial Review. John Schimmelmann and Robert Chaffer submitted the report to the voters on the overall accounting process and administration of funds. See attached report. Motion by Pastor Reith and seconded by Karyn Kiefer to accept the report with thanks to Robert and John for doing the study. Motion passed.
2. Brian Tice reported on the capital campaign. Considerations regarding the campaign will be reviewed at the January voters' meeting.
3. Mitzi Chaffer presented the budget for 2010. Moved by Mitzi Chaffer and seconded by Bonnie Mauk to accept the budget. Discussion: If the financial situation at Zion improves, certain budget items will be revisited. Motion passed.
4. Accounting Resolutions (1 – 4)

1. Resolution to clarify the handling of receipts and expenditures.

Whereas the increased use of “Giving Plus” – the Thrivent matching program – has brought to light some confusion as to the intent of the giver and accounting of contributions, and

Whereas the crediting of these and other contributions directly to expenses in the budget results in the removal of both the contribution and the expense from the financial balance sheet generated by the reporting system now in use, and

Whereas the Chapel Ministry, Lutheran Student Fellowship and the International Student Ministry are ministries of Zion Lutheran Church and receive full funding in Zion's unified budget (through which also the district subsidy is received), and

Whereas the aforementioned ministries also have established dedicated accounts, be it

Resolved that Zion Lutheran Church reaffirm its commitment to a unified budget, and be it further

Resolved that income be received and credited to appropriate general income or dedicated accounts only, and be it further

Resolved that should a donor desire that his/her contribution or Thrivent match be credited to a dedicated account, it will be the obligation of the donor to inform the financial secretary of that intent.

Motion by Pastor Reith and seconded by Robert Chaffer to approve the resolution. Motion passed.

2. Resolution to clarify and enumerate General Fund income accounts.

Whereas Article VI - Sub-section IV- e: The Board of Stewardship, paragraph 15 states, "The Board shall annually review the financial procedures of the congregation together with the Treasurer and the Financial Secretary and shall recommend to the Voters' Assembly necessary improvements." and

Whereas the current fiscal reporting system contains multiple General Fund income accounts, and

Whereas several of the established income line items are redundant and confusing, be it

Resolved that the following line items be retained:

- Unified Budget Envelopes
- Sunday School
- Plate Offering
- Zion - Other income
- CTK - Other income
- Michigan District subsidy for CTK
- International Student Ministry
- Preschool Income
- Preschool Registration
- Preschool Other Income, and be it

Resolved that the following line items be deleted as redundant or no longer applicable:

- General Fund Income
- Initial envelope
- Birthday/anniversary
- Chapel Income
- Locust Street Rental
- ISM Grant Money
- Preschool Supply Fee (This item was under "items to be retained" on the original resolution)

Moved by Pastor Reith and seconded by Tim Narr. Motion to amend by Tim Narr and seconded by William Whitehead to delete the Preschool Supply Fee. Motion passed for the amendment. The amended resolution was passed.

3. Resolution to Clarify and Reaffirm Dedicated Accounts.

Whereas Zion Lutheran Church has a large number of Dedicated Funds (28), and

Whereas certain of these accounts have been established to hold funds over a longer interval of time with a goal of the accumulation of capital, and

Whereas certain of these funds have been established to hold funds over a short term, and

Whereas the balances of certain accounts have been liquidated and others have been re-purposed and others are in need of liquidation or re-purposing, be it

Resolved that the following existing funds be referred to as Designated Funds:

- Samaritan Fund
- International Student Ministry Fund
- Lutheran Student Fellowship Fund
- Sanctuary Window Fund
- New Sanctuary Fund
- Christ the King Chapel Fund
- Youth Account
- Preschool Account
- Called Professional Staff Fund
- Home Down Payment Assistance Fund
- Music-Organ/Keyboard Fund
- Equipment Replacement Fund
- Medical Reimbursement Fund; and be it

Resolved that the following funds be designated as In/Out Accounts:

General In/Out
Interest Holding Account
Mission of the Month
Fellowship Trip
Special Flowers
Lutheran Witness Subscriptions
Foundation
Preschool In/Out
Family/Childcare
New Facility Fund
Missionary Support, and be it

Resolved that the following funds be closed as they are no longer in use:

Roof Repair Fund
Building Maintenance Fund, and be it

Resolved that the following funds have their balances transferred to other funds and that they be closed:

Security Deposit Holding Fund balance of \$25.00 to be transferred to Zion Other Income
LSF - Praise Team balance of \$2.20 to be transferred to Lutheran Student Fellowship Dedicated

Moved by Richard Harless and seconded by Wayne Keifer to approve the resolution. Motion passed.

4. Resolution to provide for a record of expenditures from dedicated funds.

Whereas Zion Lutheran Church has established 24 dedicated funds, and

Whereas income and expenses from these funds need to be accounted for and reported to the congregation in as clear a fashion as possible, and

Whereas monies withdrawn from these funds are to be utilized by the established boards of the congregation, and

Whereas the expenditures of each of the congregational boards are tracked through the congregational budget and reported to the congregation through the budget process, be it

Resolved that expenditures from dedicated funds first be transferred to the General Fund before being disbursed to vendors, and be it

Resolved that existing expense accounts be debited accordingly so that a full accounting of expenditures may be maintained and reported monthly, and be it

Resolved that a “Designated Funds Transfer” line item be included in the list of General Fund income accounts to receive and record transfers from established designated accounts.

Motion by Richard Harless and seconded by Mel Coyne to approve the resolution. Motion passed.

5. Resolution: Community Compassion Network.

The Mid-Michigan Food Bank sells food to the Community Compassion Network (CCN). CCN contacts various local congregations to sponsor/host a Mobile Food Pantry twice a month to provide food for needy people in our community.

Whereas, Zion Lutheran Church has been approached to host/sponsor a Mobile Food Pantry by the Community Compassions Network, and

Whereas the Stewardship Committee has determined that the involvement of Zion Lutheran Church would be to:

- Provide a physical location sufficient to host 350-450 guests from our community
- Provide refreshments (coffee, tea, hot chocolate, pastries) for guests and volunteers
- Provide 50 volunteers to assist with unloading, distribution, guest parking, refreshments, etc.
- Provide a truck to take cardboard to the recycling center
- Donate \$1600.00 for the purchase of one semi-truck load of food, and

Whereas the Board of Stewardship has determined that hosting/sponsoring a Mobile Food Pantry to be consistent with the below-listed objectives of the board:

The Board shall study the biblical principles regarding the stewardship of a Christian in all aspect of his life...and

The Board shall endeavor to communicate the biblical principles of stewardship to all members of the congregation...and

The Board shall be responsible for the recruitment of members of the congregation for service in the kingdom of God as the congregation provides opportunities for such

service...and

The Board shall annually prepare a selected list of so called "non-budget purposes" to which contributions of the congregation might be directed...be it therefore

Resolved that Zion Lutheran Church host/sponsor a Mobile Food Pantry for ONE of the below listed dates:

Saturday, January 9, 2010 (will be held at West Intermediate due to cold weather)
Saturday, January 23, 2010 (will be held at Finch Field House due to cold weather)
Saturday, March 13, 2010
Saturday, June 26, 2010
Saturday, July 10, 2010
Saturday, July 24, 2010
Saturday, September 11, 2010
Saturday, October 9, 2010
Saturday, December 18, 2010

*Motion by Bonnie Mauk and seconded by Anne Bakker to support the resolution.
Discussion followed. Motion passed. Stewardship committee to determine date of the food distribution.*

6. Resolution to reaffirm use of the Design Build Process

WHEREAS, Zion Lutheran Church remains committed to the building of a new Sanctuary; and

WHEREAS, Zion Lutheran Church (7-26-09) gave approval for the Executive Director to appoint a New Sanctuary Building Committee; and

WHEREAS, Zion Lutheran Church voted to use the Design Build process (4-27-03) in the construction of its facilities; therefore be it

RESOLVED, that Zion Lutheran Church reaffirm the use of the Design Build process by the New Sanctuary Building Committee.

*Motion by Robert Chaffer and seconded by Wayne Kiefer to accept the resolution.
Motion passed.*

The voters' meeting as adjourned at 8:35 p.m. with the blessing and prayer from Pastor Reith.

Respectively submitted,

John Schimmelmann
Secretary to the Voters' Assembly
Attachments:

1. Financial Review

To: Brian Tice, Executive Director
Mitzi Chaffer, Stewardship Director
From: Robert Chaffer and John Schimmelmann
RE: Financial Review
Date: October 16, 2009

In August 2009, Executive Director Brian Tice charged John Schimmelmann and Robert Chaffer to do a financial review of the accounting system of Zion Lutheran Church.

Issues:

Even though all monies are accounted, there is still some confusion as to its designation. It had been the practice, in expense accounts, to not credit any funds to reimburse an expense account, but rather use "In-Out" accounts for those expenses that were/are to be reimbursed. However, some expense accounts are being credited. It does not provide the board a true picture of actual expenses, when credits are indicated in the expense account.

Matching funds need to be defined especially from Thrivent as part of the grant program. In some cases Thrivent auto-deposits into our bank account, and other times sends a check, with no particular designation of what fund is being matched. The preschool and chapel might be lopsided in their matching funds. Gary and Jan are trying their best to keep the matching funds properly allocated.

Reports to the boards are vague. This is a software issue. Even though the transactions are recorded, transaction documentation is limited. Along with reporting, the offering statements show certain columns, and only totals, again with no transactional follow up. This is particularly difficult when trying to reconcile the offering statement. Perhaps few members reconcile their offering statements.

The practice that the financial secretary deposits all funds is being followed. However, with the financial secretary, there is account designation confusion, especially with Thrivent.

Designated accounts: All designated accounts are ordered by the voters' assembly. Disbursements from designated accounts are also ordered by vote of the voters' assembly. Setting up a new designated account should follow this practice. New Sanctuary Fund is an example.

Contributions sometimes are specific as to their use, and if contributions do not qualify for a designated account, the contributor should be contacted regarding appropriate use. A new designated fund account should not be set up to accommodate a specific

contribution without voter approval. Specified funds that do not qualify for any designated fund can be held in the General Fund in "other" income, until a designated fund line item is determined and voter approved. In instances where a specified donation is for an activity not in the premise of constitution and bylaws of Zion Lutheran Church, the donation should be referred to the Elders and discussed with the donor.

Some designated accounts should be evaluated, and combined with others, if they are serving a similar purpose.

Our current system appears complicated and would be difficult to pass on to a new Treasurer if the need arises. After reviewing the books on the computer and Gary Hayes' journals, computerized and manual, alternative computerized bookkeeping software may want to be considered by the Stewardship board. There appears to be an inordinate amount of time being spent by the Treasurer, financial secretary, and church secretary doing the bookkeeping. The Stewardship committee is putting forth resolutions in the October 2009 Voters' Assembly to clarify (1) handling of receipts and expenditures; (2) Enumerate General Fund Income Accounts; (3) Clarify and reaffirm dedicated accounts; and (4) Provide a record of expenditures from dedicated funds. These resolutions, if passed by the voters should help to improve the overall accounting process.

We recommend that the Stewardship Board adopt the following practices:

1. Develop and annually update a glossary of income and dedicated accounts. This document would name all current accounts along with a sentence or brief paragraph specifying the purpose of the account. While this information is presumably embedded in the minutes of the Voters Assembly, retrieval of that information is sometimes difficult. Such a document would serve as a handy reference for the church secretary, financial officers, boards, voters, and donors. As such, it would help improve the reliability of transactions to and from accounts and improve general understanding of financial reports presented to the voters.
2. As part of the Board's annual review of the financial procedures of the congregation (Article VI, Section IV of the By-Laws), the list of current accounts should be reviewed and any consequent recommendations for deletion or addition should be forwarded to the Voters Assembly for action.

Conclusion:

Our financial accounting system, both manual and computer, that is the recording of all offerings, gifts, grants, preschool, etc. would allow the conclusion that all monies are properly deposited in the local bank account, and/or dedicated accounts at locations in St. Louis, MO, Fort Wayne, IN, and Ann Arbor, MI (Church Extension). Computer documentation through the Shepherd's Staff Program indicates all transactions.

In His Service,

Robert Chaffer

John Schimmelmann