



**Ministries Foundation Finance Committee
Tuesday, January 18, 2022; 7:30 – 9:00am
Zoom Virtual Meeting**

DRAFT

In Attendance: Maria Bonnie; Steve Kenney; Mary Lydon; Jim Reetz; Ralph Scorpio; Lacy Sietsema; Catherine Mary Rosengren, CSJ; Marg Wall

The Ministries Foundation Finance Committee convened on Tuesday, January 18, 2022 via Zoom. Chair Mary Lydon called the meeting to order at 7:32am.

Prayer: Ralph Scorpio led the prayer.

Minutes: Mary asked if there were any corrections or changes to the November 16, 2021 meeting minutes. Hearing none, Maria moved to approve the minutes and Steve seconded. All voted in favor to approve the November minutes.

November & December Financials

Jim stated that December was a good donations month. Gifts were robust and we are ahead of last year. Expenses reflect that we are under budget for salaries and benefits. Jim added that the investment management fees are the only thing that's a little different. This is because we paid DeMarche for a project. Net operations are at almost \$90,000, which is good. It was asked if the \$175,000 Gala payable is going to prepaid expenses. Jim stated that it is the grant that we have to approve and pay out rather than put into prepaid expense

Several large gifts were received in December. As far as investment income, the stock market continues to be a volatile. PIM grants were paid out in December. There was clarification regarding "Other Grants" in the financial statement. Per policy, at the end of the last fiscal year half of this went into the endowment and the other half is divided up between all the ministries. Ralph added that there is still a good portion left over from fall for the spring grant allotment. This is not the same as PIM grants. Investments were moved around and show that we had a positive month. It was asked if it helped that the investments were moved around during periods of volatility. Jim responded that it probably helps, but he couldn't say for sure. The International Fund and Emerging Markets Fund are both negative for the year but are catching up. Jim added that it's thought this is where an increase will take place due to U.S. Equities doing well. This will allow International and Emerging markets to obtain some spillover. Returns have been pretty good. There were some December withdrawals and we still have \$23.5 million in investments after the distribution of the Grants.

It was asked if we paid out most of the funds for SMHC. Jim stated that there might be a little left in the campaign fund, but SMHC has a pretty good cash balance now, as well as incoming grant funds. They also haven't had to touch funds received from the Province.

Annual Fund Report

Ralph stated that the Foundation had a strong fall and it is more than halfway to our end-of-year goals. He reminded the Finance Committee that last year was unusually strong due to some major gifts, but everything is in good shape. Contract work has been billed. Grants are going well and donations are strong. Initial Gala sponsorships are coming in, as well as commitments. Ralph added that almost everyone who committed last year is on board this year and we're trying to get additional sponsors. We still plan to have a live gala event, but also have the flexibility to switch to virtual if we need to. Wills and requests are down from last year. If the estate gift from last year is factored out, the Foundation is running strong and even ahead compared to last year.

Investment Subcommittee Report & Presentation

Mary asked if the Finance Committee approved of the Investment Subcommittee Charter. She will be bringing it up to the Board. She suggested organizing regular meetings for the Investment Subcommittee, as well as the Cash Balance Policy and charter. There was a discussion about the policy. Ralph said there haven't been major changes to it but it should be discussed (see below) and Jim added that Jim Hanson made minor changes.

Cash Balance Policy Discussion/Wire Transfer Procedures

Jim reminded the Committee that the Cash Balance Policy dictates what is done when there is too much cash sitting around. When this happens, it is moved into investments. Marg stated that another issue is the necessity of having two people signing checks and if something happens to one of the signees, there needs to be a backup. Current authorized signers are Jim and Ralph. There was a discussion about the possibility of authorizing a member from the Province Leadership Team, specifically Suzanne Herder, CSJ as she is the liaison to the Board. There was a review of who current authorized signers are. For both the bank and Fidelity, it's Jim and Ralph. With regard to the bank account, Jim will get Suzanne added as an authorized signer. It was asked if the Finance Committee should reach out to CliftonLarsonAllen and see if they have any suggestions on dual controls and making transitions easier.

Jim pointed out that we don't do wire transfers right now. He added that another need is for internal controls when we buy or sell securities/investments through Fidelity. The current process is that Jim makes a memo when we need to transfer funds and Ralph signs off. He also takes a screen shot of before and after the transaction to establish a paper trail. This reflects transaction approval and protects both Jim and the Foundation. At present, there is a lot of check writing between the bank and Fidelity.

There is a question of how much money sitting around is too much and how often should funds be moved around. There was a discussion around establishing a policy that would allow movement based on the discretion of Jim and Ralph. Marg suggested basing the number on estimated cash needs for the month. It was also suggested establishing a baseline of three months worth of funds. The ultimate goal is to not have a large amount of money not generating income for a long period of time. Jim calculated some typical monthly expenses, which range from \$50,000-\$60,000 a month. It was suggested adding to the policy that if a large gift comes in, it automatically goes into investments. Mary stated that because the Foundation is a small organization, the best solution is to rebalance every three months while looking at the investment portfolio. The upshot to this is that the quarterly cash flows will be reviewed in conjunction with the investment portfolio, and Ralph and Jim will have the discretion to move funds and allocate as needed.

Other

In other business, Mary said that the Committee members should continue to look at adding more people with accounting experience to the Finance Committee.

Ralph added that the executive Committee approved a new Bold Moves Steering Committee, which is proceeding with the design and restructuring of the organization and the incorporation of the ministries. The committee consists of eight people who are current/former Board members and Brian Mullen is serving as Chair. The Sisters have also established an MOU Committee and they will work out the terms of the “separation” agreement. Both groups are collaborating.

Next Agenda Topics: Jim suggested working on the budget for March meeting. Ralph added that structurally there will be something in place for July 2022.

Adjournment: Marg moved to adjourn the Finance Committee meeting and Steve seconded. The meeting adjourned at 8:30am.

Respectfully Submitted,
Lacy Sietsema, CSJ Ministries Foundation