***Report of Finance Committee***

*Items for Action*

Travel Fund

We recommend that a Travel Fund be re-established. We note that this is in accordance with existing LEYM policy documents, and its discontinuance in 2018 is unclear. Transfers will go into it each year, expenses come out of it, and unused funds in a given year accumulate over time. This recommendation was made to LEYM Representatives Meeting in April 2020 but we are unclear about whether Representative Meeting’s acceptance of our report constituted approval. We propose that unexpended funds from the FY19-20 budget line item (originally budgeted for $2000) would be the first transfer if the Fund is re-established.

Signatory authority

Sally Weaver-Sommer has signatory authority with the bank (and we find it useful because both Sally and the bank reside in Bluffton, OH). Current LEYM policy does not support this practice. We recommend a formal minute authorizing Sally to be a signatory at Citizens National Bank on LEYM’s behalf and related updates to policy. In Aug we would update bank signatories to include Treasurer (Tom Kangas), Presiding Clerk (Jo Posti), and the new Finance clerk to the FFC account and the same people plus Sally at the bank.

Annual audit cycle

We currently have an audit every four years or with the arrival of a new Treasurer. We propose an annual audit, believing documentation will be fresher if we do it annually, resulting in better oversight for roughly the same fee, and more sense of routine. Our past auditor, Susan Hartman, is supportive of this change.

Budget

The proposed budget for FY20-21 would generate a $6357 reduction to the General Fund. Finance Committee asserts that this is reasonable given that as of June 30, 2020 the balance in the General Fund exceeds its suggested ceiling by $8,700.  The principal drivers for the $6357 deficit budget are expected database conversion costs (to use a new database program) budgeted in the Administration line, and reduction to income resulting from a recommendation to reduce the assessment from $35 to $30 per member for 2020-21.

We propose that the mileage reimbursement rate for Yearly Meeting travel for FY2020-21 be set at $0.17. This matches the IRS rate for medical and moving expenses. The Committee feels reimbursing at a higher rate could possibly result in taxable income to the person being reimbursed leading to more IRS reporting requirements.

For the FY2020-21 budget we considered whether funds are nearing or over the top of their range relative to budget transfers to each fund from the General Fund.

*Informational Items*

Technology grant

FWCC has announced the availability of $1000 grants to YMs to help with special technology needs during the pandemic. Bill Warters has helped us to identify uses that would benefit LEYM, and the Finance Committee (in consultation with the Executive Committee) will ask for a grant.

Contractors v Employees

The Committee has reviewed the Independent Contractor status for Yearly Meeting workers. Based on review of IRS guidelines and our actual practice, the Finance Committee, Treasurer, and Presiding Clerk affirm that “independent contractor” is the appropriate classification (as opposed to employee) for the roles of Database Manager and Web Manager who perform work for LEYM.

Finance Committee asks

1. That LEYM refrain from referring to Web Manager and Database Manager in minutes or published materials as “employees.”
2. That LEYM discontinue use of now overly broad “Meeting Worker” designation, in favor of “Web Manager” and “Database Manager” terms which more closely reflect our current practice.
3. That LEYM describe the liaison role played by the clerk with our Web Manager and Database Manager as “contract management” rather than “supervision.”