

Financial Records Review Committee Annual Report

2010-2011 Church Year

Financial Records Review Committee (FRRC) Members: Steve Hedges, David Robbins

A review of the financial records of the UU Church of Nashua was conducted on May 18, 2011, with Steve Hedges and Mike Wilt (Church Treasurer) in attendance. Similar financial record reviews of White Wing and the Cemetery Association were held on May 23 and May 29, respectively. In attendance at the White Wing review were Steve Hedges, Deb Castonguay (White Wing Director), Joyce Bedard (White Wing Treasurer) and Kate O'Shea (White Wing Chair). The Cemetery Association review was handled electronically between Steve Hedges, David Robbins and Russ Leonard (Cemetery Association Treasurer). All records examined were found to be in satisfactory order, the accounting processes and record-keeping systems were well organized and sound, and no outstanding anomalies were observed in any of the records reviewed. A summary of each of these reviews is included in this report.

UU Church of Nashua

As in previous reviews, it was clear that the Treasurer, Mike Wilt, continues to carry out the duties of his office in a thorough and organized manner. With the help of his two Assistant Treasurers, Phil Brown and Jim Bonvouloir, Mike maintains the church's accounting, transaction and payroll processes using an automated approach that minimizes human error and facilitates independent audits or reviews. The Treasurer uses QuickBooks to keep track of the church's finances, allowing rapid, accurate and reliable online reconciliation between our records and those of the bank. PayCycle, a web-based payroll application is used for automatically processing paychecks for both the Church and White Wing staff.

The FRRC reviewed the Treasurer's comparison statement that provides an itemized accounting of income and expenses relative to church's annual budget. The committee's assessment is that the statement is structured in a way that allows the Executive Board and the Congregation to clearly see the total costs associated with each functional aspect of the Church, including Operations, Property, Music, Religious Education, and Spiritual/Ministry. The FRRC conducted spot checks of the paper and/or electronic records of several random transactions. All records reviewed were accurate, well organized and easily validated.

White Wing School

White Wing is officially a branch of the church and operates under the same federal tax ID number. The financial books for White Wing, however, are kept separate from the church's books, except for payroll, which is essentially handled as an administrative passthrough (zero-net) item in the church's budget. The bulk of White Wing's income comes from tuition and their major annual expense is payroll. Similar to the process used to assess the church's financial records, the FRRC reviewed White Wing's year-to-date Profit & Loss Comparison Statement. The record-keeping methodology was improved this year in that better accounting of fundraising and how the resulting proceeds (e.g. scholarships) were expended.

Similar to the process applied to the review of Church finances, the FRRC conducted spot checks of the electronic transaction record and verified them against paper invoices and receipts. The filing of paper records of invoices, payments, bank statements, etc. were found to be well-organized and paper records that matched spot-checked electronic transactions were quickly located by the Treasurer. White Wing periodically backs up the QuickBooks data files and backups are periodically stored offsite for security reasons (i.e. in case of fire). In summary, White Wing's financial health is sound and their record keeping is commendable.

Nashua Cemetery Association

According to church bylaws, the Nashua Cemetery Association (NCA) is an organization within the UU Church of Nashua, although its finances are managed separately from those of the church. The only source of income for the NCA is their invested funds account. These funds have been combined with the church's endowment into a common investment fund, but the Bank of America tracks the two balances separately. The NCA has set up automatic monthly payments from this fund equal to the combined interest and dividends paid by the cemetery's portion of the investment fund.

The balance sheet for the NCA is relatively simple and the review performed by the FRRC was straightforward. The bulk of the expenses go to general maintenance of the grounds, which is contracted out as hourly labor to congregant Jim Thorpe. An examination of selected invoices, payments and bank statements demonstrated that the records were accurate and complete.

Acknowledgment

We would like to extend our sincere appreciation and gratitude to all parties who opened their books and responded to the inquiries of the FRRC. Without exception, everyone was extremely open, accommodating and supportive of the process. Special thanks go to Mike Wilt, Deb Castonguay, Joyce Bedard, Kate O'Shea and Russ Leonard.

Respectfully Submitted:

Steve Hedges

David Robbins