



# St. David's Episcopal Church and School

*Transforming Lives Through Christ*

## May 2023 Treasurer's Report

Approved 6/21/2023

The Finance Committee met on Monday, June 19, 2023.

- The May 31, 2023 Financials are not ready to be published yet. Expected delays in the reporting are due to the many financial operations improvements being worked on.
  - Transitioning to outsourcing accounting services from an in-house bookkeeper position to a firm;
  - Converted accounting software from Quickbooks Desktop to Quickbooks Online which have different capabilities in some cases. Previous reports were not able to be converted. Some other minor adjustments were made by the firm and data is now up and running in QBO;
  - Implementation of electronic invoice processing and approvals of the bill.com service, automating bill payments and easier to look up historical information. Electronic access for audits, financial and property planning;
  - Getting the firm up to speed on St. David's financial operations while continuing to keep day to day financial operations, including end of year activities with the school, up to date.
- Next to work on will be:
  - Streamlining and updating reporting.
  - Working on updating the Chart of Accounts (CoA) with duplicate accounts for the preschool in areas of overlap for QBO functional reporting purposes.
  - Set up reports in QBO.
  - An associate of the accounting firm is starting this week to assist with setting up CoA and reporting.
- Discussed the Draft May 2023 financials. They will be issued at a later date after some additional items are reclassified.
- Of note, we noticed a large contribution was classified as Misc. Income instead of toward the parishioner's pledge, which was re-classed. We have found with the Parish Admin's help that there are a significant number of misclassified contributions in this same way. We are going back to January 2023 and will reclass those to pledged contributions prior to statements going out. This correction will not affect total income, but will affect the pledged income vs. unpledged income lines – i.e. pledges are not as behind as they may have appeared so far this year.
- Per the accounting firm's recommendation, the FC agreed to make an adjustment to the way expenses are booked by St. David's, to recognize credit card expenses when they occur rather than when the credit card is paid.
  - St. David's uses an accepted accounting method of Adjusted Cash Basis which is a mix of Cash Basis and Accrual Basis. This is usual for the size and type of organization St. David's is.

- In the past, credit card transactions were booked at the time the credit card was paid (Cash Basis) instead of the date the expense was incurred (Accrual Basis).
  - With the implementation of digital download capability of the credit card expenses directly to the QBO accounting system, these expenses as of May 2023 will be downloaded at the end of each (monthly) period and recognized when they occur instead of when the credit card is paid.
  - This will give us a closer picture of matching expenses to revenue in the reporting periods.
  - The FC discussed implementing this method in the past but made the decision not to change it for consistency with prior year comparisons, and electronic download capability was not being utilized at the time (resource issue).
- Credit cards: We are substantially reducing the number of SDECS credit cards in use.
    - All expenses, such as utility bills were directed to the credit cards previously to accumulate points to buy office supplies and equipment. Points have also been used to offset costs of lodging for church related conferences.
    - Most expenses that can be invoiced will be going forward. This will be more clearcut for audits and electronic historical look up through bill.com as well.
    - Working on getting the new Treasurer added to the account and previous reps removed.
  - St. David's has a question out to the TOTF managers. How is the substantial loss from the stolen funds incident being reflected as a loss to the churches' investment funds? How is it calculated, how much is it, and is law enforcement still pursuing recovery? The question has been escalated to a supervisor, no answer yet.
  - Plan to input the School's approved budget by School year July to June. Note the JT Fund and POPs operate separately from the School's operations. Work on clarifying in the financial report.
  - Balance Sheet: need to reclass some equity for clean up; Cash is reconciled/accurate; Liabilities need a bit of reclass clean up.
  - Reviewed updates to 2023 Church Operating Budget Review Draft, based on January through April data. To be presented for review and approval at the 6/21/2023 Vestry Meeting.

Cash as of:	5/31/2023	4/30/2023	1/1/2023
Church Operating:	<b>\$164,895</b>	\$189,110	\$223,305

Under review: Transfers as directed by the Vestry from the Repair Reserve and Capital Funds for approved major expenditures.

Respectfully submitted,  
 Katherine Beckett-Goodwin, Treasurer  
 6/21/2023