

Finance & Administration Standing Committee Recommendation to Conference Council
June 6, 2018 meeting for Action at CAG 2018

At the meeting of 5/15/18, the F&A committee discussed the current level of OCWM giving. As of 5/9/18, OCWM giving is at 45% of budget. If the trend in OCWM giving continues – it lessens our ability to cover cash requirements from May through October. To address this cash need, the committee developed the following suggested action to obtain the authorization for the Treasurer to borrow from the Conference Reserve Fund.

Suggested Motion

The Conference Annual Gathering authorizes the Conference Council to withdraw a maximum of \$150,000 from the Conference Reserve Fund for cash flow requirements in 2018. The Conference Reserve Fund would be reimbursed the amount of principal withdrawn **plus** the rate of earnings of the funds as if they were invested in the UCF account. Repayment of principal and interest will occur before the end of FY 2019.

[This motion requires a 75% affirmative vote of CAG to be implemented.]

The Committee voted unanimously to forward the suggested motion to you with the request that this item be added to the agenda for the June 6 meeting of the CC.

[A similar motion was made in 2017. The 2017 suggested motion was replaced by the Resolution from Conference Council, June 6, 2017, which is presented below. A similar resolution for 2018 could be presented with the dates and amount changed]

Resolution from Conference Council - June 6, 2017

Subject: Authorization to borrow for cash requirements in FY 2017

Whereas, in May 2017, the Finance & Administration Committee reviewed the projected cash flow needs of operations and determined that the period from June to October 2017 will be when anticipated revenue will not cover cash flow requirements;

Whereas, the Finance & Administration Committee quantified the cash requirements from June through October of 2017 to amount to \$105,000.

Whereas, the Finance & Administrative Committee took an action to recommend that the Conference Council obtain authorization to borrow \$105,000 from the Conference Reserve Fund to cover the anticipated cash flow needs;

Whereas, the Reserve Fund Policy states in paragraph G.2. that, " . . . annual distributions to the Conference from all Conference Reserve Funds shall be an unitrust amount calculated pursuant

to the provisions of Section 469.411 of the Revised Statutes of the State of Missouri (or the provisions of any similar subsequent law) not exceeding five percent (5%) of the net (i.e. after all expenses) average fair market value of the Reserve Funds on October 31 for each of the four (4) preceding years. by paragraph 2. above may be made only if approved by seventy five percent (75%) of the voting delegates present at a duly called meeting of the Conference and only for a period which does not exceed one (1) year;

Whereas, distributions which exceed the amount as determined by paragraph G.2. above may be made only if approved by seventy five percent (75%) of the voting delegates present at a duly called meeting of the Conference and only for a period which does not exceed one (1) year;

Whereas, distributions from Conference Reserve Funds may be made only to the Conference for the purpose or purposes specified by the donor or for the support of the Conference's mission and ministries as reflected in its duly adopted annual budget;

Therefore, the Conference Council seeks authorization from the 2017 Conference Annual Gathering to withdraw a maximum of \$105,000 from the Conference Reserve Fund for cash flow requirements in 2017. The Conference Reserve Fund would be reimbursed the amount of principal withdrawn plus the rate of earnings of the funds as if they were invested in United Church Funds. Repayment of principal and interest will occur before December 31, 2018.