

CHRIST CHURCH VESTRY MINUTES

August 14th, 2022

01. Call to Order & Quorum.

- a. Present were: Chip Caldwell; Charlotte Boatwright; Susan Brooks; Rachel Lamar; Mark Reneau; Rebecca Smith; Jennifer McKinney; Karla Fowkes; Troy Eichenberger; and Fr. Will Levanway, Priest in Charge. Also present was Seth Sizer and Tyler Proctor.
- b. Apologies:
- c. Upon declaration that a quorum was in attendance, the meeting was called to order at 12:31 pm.

02. Opening Prayer & Devotion.

Fr. Will Levanway.

03. Vestry and Committees

- a. Fr. Will noted that we are finding it difficult to find people to serve on the committees that went dormant during the pandemic. He suggested that, at least for a few months, the vestry take over some of these functions at the vestry meetings until these committees get up and running.

04. Finance Committee (Appendix I)

- a. Fr. Will said Finance will be taking over some Stewardship functions.
- b. Chip gave a brief overview of the report in the appendix. He relayed that because the market is not doing as well, the Yates Trust disbursement is expected to be significantly lower next year.
- c. Chip also said that he asked the head of the diocesan finance committee if they had had any discussions around if they would continue to cover the Project Canterbury portion of Fr. Will's salary after 2023. The response he got was that is something we need to discuss with the Bishop and Canon Bolt first.

05. Protocol Committee (Appendix II)

- a. Fr. Will drew the vestry's attention to the policies that are up for review. Charlotte asked that any feedback be emailed to her, and the policy committee will incorporate the changes and the vestry can approve them next meeting.

06. Growth Committee

- a. Fr. Will brought up the Invite, Welcome, Connect workshop the diocese is putting on in September and asked that if anyone was interested to please let him know. He said this will give us some good next steps for how to engage visitors and bring them into our community.
- b. He also listed four areas he wants to work on:
 1. **Signs:** Fr. Will noted he really wants to get more professional signs done that point people where to go, e.g. Church Entrance this way, Fox Hall that way, Church Office this way. Susan offered to help.
 2. **Welcome:** He said he was thinking, not right now, but long-term, he would like to develop a card that gives information on what happens at Christ Church and some of the history of it. Rebecca relayed she had seen a display at a church once she was visited that she was struck by. Karla said she would like a more permanent fixture than say like a trifold display. Mark noted though that we also need something people can take with them. Troy suggested a QR code leading to more information, like a video and donation options.

3. **Midweek:** In trying different schedules (every morning, only Thursday mornings, during lunchtime), Fr. Will said we have not had great attendance. He is considering doing a Wednesday night service, and asked what timing would work best for people, and is it within our ability to provide a light meal after the service. He suggested later on, during or after the meal, we could also do the inquirers class to prepare for Confirmations at the end of November. 5:45 pm was suggested.
4. **Children:** He noted we don't have any children's offerings right now, and we do not have it in the budget to pay for a part-time position. He said people often tell him they are grateful that children are included in worship. He suggested the second Sunday of the month we have a Children's Chapel, purchase some inexpensive curriculum for that, and get three or four people to volunteer for a couple Sundays a year. During the Gloria, the children could go into the Lady Chapel for that, with them coming back into the service around. For our older kids, he would love to see us get more involved with ChattEY.

07. Junior Warden & Buildings

- a. Rachel thanked everyone who has pitched in to help with various projects. She expressed the need for a committee to come together. Fr. Will said he will send some emails out to folks and ask if anyone will meet.
- b. Susan noted with Jim and Mary Jane Hatley stepping back from it, the Memorial Garden is in great neat of work done. She offered to pay to have a landscaper do some work on it right now to get it to a point where it would be possible for us to continue to maintain it, and she feels strongly we need to keep on top of it, both to respect the space where people are laid to rest, but also to protect our building from trees growing too close, etc. Rebecca suggested doing a few work days a year for the parish focused on the Garden to maintain it, while Susan suggested we have a professional come in twice a year to trim back the trees and handle other more difficult projects.
- c. Troy noted that the pews are separating in both the nave and the lady chapel, the sides from the back and need to be dealt with. Karla said she will ask Bruce Fowkes to look at them, and he may be able to give a risk assessment.

08. Next Meeting

- a. September 18th, 2022 at 12:30 pm.
The October meeting was moved to the 16th.

09. Closing Prayer & Adjournment.

Fr. Will Levanway.

Meeting adjourned at 1:45 pm.

Respectfully Submitted,

Brian J. Henry

Appendix I
Finance Report
August 2022

The in-depth report is available upon request to the church office.

I. 2022 Financial Review.

- P&L – Through July. As we round the corner toward yearend, results continue to be promising. Short story? If trends continue, we will end the year with a (\$17K) loss vs budgeted (\$47K) loss, or \$30K better than expected. How? Projected giving forecasts \$22K better than budget based on two factors. Yates came in \$18K higher (but this will not repeat in 2023 due to lower stock market returns) and non-pledged giving is outpacing lagging pledges by \$2.6K. Expenses are projected at \$227K, or \$8K less than budget.
- On the capital side, we continue to have unbudgeted needs, primarily to replace our aging heating & air systems. A generous gift to repair the choir room unit kicks that expense down the road a bit, permitting funds to replace the next aging unit in line.
- Okay. Go back to sleep.

2. FYIs.

- Calling Father Will Update (per March motion).
- 2021 Audit Status Update.
- National Historic Registry Grant. Submitted January 2022. In progress. Decision due June.
- National Fund for Sacred Places Grant. \$100K 50-50 matching. In progress. Submitted March 7, 2022. **LOST**. We will apply next year.

NET PROFIT BY TIME

This year to date ▼



\$49,285.76

Total net profit

--- Net profit (2021) — Net profit



REVENUE BY TIME



This year to date ✓

\$184,395.46

Total revenue



Note: May includes one-time \$118K Yates distribution, \$18K higher than budget, providing a much-needed cushion.

EXPENSES BY TIME



This year ✓

\$143,467.90

Total expenses



Appendix II
Protocols Committee

Appendix II.a
Access and Utilization of Christ Church Buildings

Policy IX D
Initiated 6.9.22
Revised: 7.12.22

Individuals or groups requesting use of Christ Church, Fox Hall or Canterbury House should contact the church office for information at 423-266-4623.

- Please follow **security policies** for accessing, utilizing and leaving church buildings.
- Obtain permission to use the facility through the church office.
- Keys must be signed out from the church office, returned and signed in after the event.
- Persons or group utilizing the building are responsible for leaving the facility as they found it, cleaning up after events and taking away and disposing of subsequent refuse.
- Keys are not to be left in the building but returned to the church office and signed in.
- Never leave the building unlocked when leaving.

Appendix II.b
Building and Grounds Committee

Policy: IX. D.
Initiated: 11.3.21
Revised: 7.12.22

PURPOSE: To make recommendations to the vestry and finance committee about costs, projects, and budgets and serve as project managers upon request from priest or Junior Warden. Committee members are appointed by the priest.

Committee Functions:

- Committee with Junior Warden inspects building and grounds at least every six months or as necessary to identify any problem areas.
- Reviews and revises Building Improvement and Risks five-year plan annually.
- Maintains approved vendor list as described by Diocesan guidelines.
- Maintains all records of maintenance, repairs and vendors in the church office.
- Maintains an annual display describing all projects to be completed during the year for the parish in Fox Hall.
- Refers to Project Manager Policy for guidelines for functions relating to this committee.
- Reviews and revises Project Manager Policy as needed.

Appendix II.c
Liturgy and Music Committee

Policy: IX. H.
Initiated: 11.3.21
Reviewed: 11.3.21

PURPOSE: to serve as a team to support and recommend worship enhancements and ideas to the clergy and organist and assist with planning events for the church calendar year.

Priest and organist hold ex-officio roles.

Members are parishioners in good standing with the church and are appointed by the priest with recommendations from the organist and choirmaster.

Committee Functions:

- Planning for Altar Guild specifications and liturgical dress.
- Planning Altar Party, lectors, cantors and ushers rotas.
- Training of all the above.
- Provide liturgical education programs for the parish.

According to the Music Committee Charter of February 16, 2020 and pursuant to Christ Church Bylaws, Article VII., Section 2, the following conditions apply:

*Non-members may serve as consultants to the committee as requested by the choirmaster with consent by the priest.

*The committee has no implied power or authority.

Appendix II.d
Parish Endowment Fund Designated Gifts & Gift Acceptance Policy

Policy VIII C, D

Initiated: 2.18.2009

Revised: 11.17.21

Designated Gifts: A separate and designated fund of the Christ Church Parish Endowment Fund may be established for gifts in the amount of \$25,000 or more. These assets are merged with other assets of the Endowment Fund for investment purposes, but the identity and designated purpose of each fund is preserved individually.

- **The Fund is established** effective the last day of the quarter in which the gift is received. The value is determined by the actual value if received in cash or market value of assets on the date the fund is established.
- **Income, realized gains or losses**, and unrealized gains or losses are allocated quarterly based on the fund's market value relative to the total market value of the Endowment Fund at the end of the previous quarter. New gifts are added and withdrawals subtracted to arrive at the new value of the designated fund on the last day of the quarter.
- **Funds are made available for expenditure** under the formula defined in the Allocations Policy and are limited to the purposes specified in the designation. Unless restricted by the donor, vestry or endowment committee, any available but unspent funds remain in the fund and are available for expenditure in subsequent years. Unspent funds increase market value of the fund and continue to accrue earnings until expended.
- **The Endowment Committee** may establish an individual fund with less than \$25,000 with assurance by the donor(s) that funds will be added and the \$25,000 minimum level reached in a reasonable time. Until the minimum level is reached and a designated fund is established, earnings will be unavailable for expenditure. Earnings attributed to that fund will accrue and become part of the corpus until the \$25,000 minimum is reached.

Gift Acceptance Policy

Purpose: To ensure accountability to donors, the vestry of Christ Church has adopted the gift acceptance policy to serve as a guide to those making, structuring, receiving and administering gifts to the Christ Church Parish Endowment Fund. Because Christ Church Episcopal expects to operate in perpetuity, wise stewardship is essential to the Church's mission.

This policy is designed to protect all parties while ensuring that gifts are used as intended by the donor. The review and acceptance process is to be closely followed because of legal, economic and administrative liabilities possible with gifts.

Gift Review Committee: Endowment Committee shall act as the Gift Review Committee. The Committee may appoint one additional confirmed person knowledgeable in the areas of planned giving, finance and the laws surrounding such gifts. This committee will review gifts referred to it under this policy and any not specifically mentioned by this policy.

Acceptance Procedures: The following procedures apply to unrestricted gifts to Christ Church Parish Endowment Fund, gifts in memory of or in honor of other persons but without restrictions and gifts to church projects.

- Other gifts, including gifts with restrictions, to establish new funds or for new purposes, gifts with debt involved, gifts of land, gifts that carry requirements for future funding, gifts with uninsurable liabilities and gifts which may bring ethical, legal, financial, political, theological, or public relations circumstances potentially detrimental to the Church must be reviewed by the Gift Review Committee before acceptance.
- **Once property or funds are received, they become the property of Christ Church Episcopal and cannot be removed from the church.**

Gifts other than those reviewed by the Gift Review Committee are subject to the following:

Cash:

- The Church accepts checks in any amount from reputable sources. Checks are made payable to Christ Church Episcopal with an indication of the purpose of the gift. Cash gifts of \$10,000 or more must be referred to the Gift Review Committee and properly reported to the government, if accepted.
- The Church recognizes the role of donors and their gifts to the Church in achieving its religious purposes and will acknowledge donors in appropriate ways both publicly and privately. The Church will issue receipts for cash or check in a form compliant with IRS regulations.

Marketable Securities: Publicly traded marketable securities are accepted in the following forms:

1. physical certificate registered in the name of the Church.
 2. physical certificate in the name of the donor with properly executed stock powers attached with signatures properly guaranteed.
 3. transfer to an account of the Church from a bank, brokerage firm or similar financial institution.
- Such gifts will be liquidated immediately.
 - Stock controlled under SEC Rule 144 will be held until the restriction on sales expires, then immediately sold.
 - The gift shall be recorded in the books of the Church at the average of the high and low prices on the date of the gift. The Church will provide donor with IRS form 8283 and substantiation letter as required by IRS regulations

RESTRICTED GIFTS: The following types of restricted gifts shall always be referred to the Gift Review Committee:

Closely Held Stock

- Gift Review Committee will explore methods and timing of liquidation, financial exposure, timing of sale and other conditions which might impact desirability. Internal Revenue Service requires a qualified appraisal to establish value.
- No stock is accepted when subject to a formal repurchase agreement at time of gift. The Church shall issue IRS form 8283 and a substantiation letter to the donor as required by IRS regulations

REAL ESTATE: All real estate gifts must be reviewed by the Gift Review Committee.

- Unencumbered real property will be accepted upon approval by the Gift Review Committee and must have at least one qualified appraisal. In most cases, a single appraisal paid for by the donor will be adequate. In some instances, the Church will obtain a second appraisal to eliminate any question of conflict of interest.
- Real property that is encumbered by debt shall not be accepted unless assets are provided to service or retire debt.
- Before acceptance of real property, donor must agree in writing on arrangement for paying expenses associated with the property such as taxes, assessments, appraisal fees, environmental evaluations, finder's fees, maintenance costs and insurance coverage. Church will not make advances for payment of such expenses. Donor is responsible for such expenses prior to acceptance of property as a gift.
- If not previously completed, appropriate environmental analysis will be completed on any proposed gift of real property and related assets of the property in order to avoid potential liability for environmental cleanup, toxic and hazardous waste issues.
- Donor is required to execute and acknowledge church's real property inquiry form which outlines background information, conditions, restrictions, allowances, expenses and income from the property.
- Committee shall not provide donor with a market value of the gift. Church will place a value on the property on its records of the lower of the appraisal or the donor's claimed charitable deduction if amount seems appropriate. Church shall issue IRS form 8283 and substantiation letter to donor to comply with IRS regulations.

LIFE INSURANCE:

- The Church may be named as primary or contingent beneficiary of a life insurance product. For the donor to receive a charitable deduction, the Church must be named as owner and beneficiary of the policy.
- Church will accept no responsibility for the payment of future premiums unless funds are provided for such purpose.
- Gift will be booked by the Church at Cash Surrender Value of policy at the time of the gift. Church shall provide donor with IRS form 8283 and appropriate substantiation letter.

TANGIBLE PERSONAL PROPERTY:

- All gifts of tangible personal property shall be reviewed by the Gift Review Committee.
- May include works of art, jewelry, automobiles, household effects, collections, and similar properties.
- Committee must determine if assets can be used for a related purpose within the church or if the assets are readily marketable. Committee must consider transportation costs, storage, insurance and maintenance costs, fees or other costs related to the acquisition, storage, protection and sale or use of such assets.
- Church and donor must comply with U S Treasury regulations for obtaining and reporting qualified appraisals.
- Church shall give no indication of the fair market value of the assets to the donor. Church shall issue IRS form 8283 and a substantiation letter to the donor in an appropriate form to comply with IRS regulations

DEFERRED GIFTS:

Pooled Income Funds, Charitable Remainder Trusts and Charitable Lead Trusts. The Church may receive and encourages deferred gifts in its favor through a variety of vehicles:

- Charitable Gift Annuity
- Pooled Income Fund
- Charitable Remainder Trust
- Charitable Lead Trust
- Bequest
- Retained Life Estate

These vehicles pay income on the remainder to the Church. The following guidelines should be observed with such gifts:

- Church shall not act as executor for a donor's estate.
- Church shall not act as trustee or co-trustee on a charitable remainder trust.
- All information obtained from or about donor/prospects shall be held in strictest confidence by church staff and volunteers. Name, amount, or conditions of any gift shall not be published without the written approval of donor and/or beneficiary.
- Church will seek qualified professional counsel in the exploration and execution of all planned gift agreements. Church recognizes right of fair and just remuneration for professional services.
- Vestry, upon the advice of the Gift Review Committee, reserves the right to decline any gift that does not further mission or goals of the church. Gifts that would create an administrative burden or incur excessive expenses may be declined. Appropriate acknowledgement and recognition is the responsibility of the Priest.
- Because of the complexity of the vehicles, competent representatives of the church shall review each document, if possible, to ensure that the ultimate purpose of the gift is understood.
- These vehicles carry no legal liability to the church other than to follow the donor's wishes when funds are received. Such gifts shall be referred to the Gift Review Committee and considered for membership in the Bishop Tharp Legacy Society.

CHARITABLE BEQUESTS:

- May be unrestricted or restricted. Unrestricted bequests may be accepted without review by Gift Review Committee while restricted bequests will require review. Membership in the Bishop Tharp Legacy Society should be considered with these gifts.

RETAINED LIFE ESTATES:

- It may be in the donor's best interest to deed an asset to the church but retain its use during donor's lifetime. Such gifts shall be reviewed by the Gift Review Committee for possible costs and liability. Donor shall maintain property, pay taxes, insurance and other costs associated with upkeep of property during the donor's lifetime.

CHARITABLE GIFT ANNUITIES:

- Charitable Gift Annuities are general obligations of a charity and subject to the terms of an annuity agreement.
- Such agreements must be reviewed by the Gift Review Committee and the Chancellor of the Diocese, and if recommended by those entities, sent to the Bishop and Council for final approval.
- a) Competent legal counsel must be sought when needed. Neither church staff nor employees may act as counsel, serve as executor, trustee, administrator or any other fiduciary role. All information concerning the donor shall be held in strictest confidence.

***It is the policy of Christ Church Episcopal to accept gifts which further the mission and goals of the church and decline gifts which would create unacceptable administrative burdens, assumption of unacceptable risk or costs or do not further the mission and goals of the Church. In all activities, forms, reports and letters shall be produced which meet the legal and tax requirements of the donor as well as legal, tax and donor relation needs of the Church.

May the gifts received under this policy be used to the Glory of God and the furtherance of His Kingdom at Christ Church Episcopal.

***All financial policies are reviewed and evaluated annually by the finance committee and approved by the vestry. Financial policies must be consistent with Title I, Canon 7 of the Diocese of East Tennessee *Manual of Business Methods of Church Affairs*. The Domestic and Foreign Missionary Society of The Protestant Episcopal Church in the U.S.A, December, 2019.

Appendix II.e
Receipt and Disbursement of Parish Funds

Policy: VIII D
Initiated: 2.18.20
Revised: 8.14.22

I. Receipt of Funds

A . The 8:00am and 10:30am offerings are combined following the 10:30am service. Two members of the counting team receive the plates in the working sacristy from the altar server. Using the Weekly Counting Form, the counting team records the amount of cash and number of checks received and stores the offering with the form in the church office.

B. At the beginning of the business week, a finance volunteer updates the executed accounting sheet to record checks received at the church office. Prior to deposit, a finance volunteer:

1. updates the pledge tracker to record contributions against pledges;
2. completes the Funds Classification Report to identify designated funds received and
3. emails the report to the accountant, wardens, treasurer, and parish administrator.
4. deposits cash and checks into the operating account promptly. A deposit slip is attached to the counting sheet.

II. Authorization of Disbursements

A. Unauthorized disbursements are not permitted. The Church Bylaws vest the Board of Directors (Vestry with Rector) with exclusive power to authorize disbursements from parish assets. The vestry gives formal authorization through approval of a budget and acceptance of designated funds. No single director or group of directors has the power to authorize disbursements independent of a formal motion of the Board.

B. General Fund as Budgeted - The General Fund Budget, as approved by the Vestry, gives authorization for appointed staff, committee chairmen, project managers, and appointed parishioners to disburse parish funds in amounts and purpose consistent with the budget. Only appointed staff, committee chairs, project managers, or parishioners may request disbursements from their assigned budgeted funds subject to approval. The vestry may alter the budget at any time.

C. Designated Funds - Staff, committee chairmen, project managers, and parishioners may be authorized to spend funds set aside for a specific purpose, subject to limitations on amount or purpose the Vestry may impose.

1. Only appointed staff, committee chairs, project managers, or parishioners may request disbursements from designated funds consistent with limitations in amount or purpose subject to approval.

2. Ad Hoc Requests to spend an amount for a purpose not budgeted may be made to the vestry by slating on the Vestry agenda. The Vestry may present the request to the Finance Committee for review and approval. Ad Hoc Requests should be submitted by the vestry liaison to the Finance Committee using the Ad Hoc Request Form. The Vestry Liaison may request Finance Committee review and recommendations prior to the vestry's motion to present the request to the Committee. Only the individuals designated on the Ad Hoc Request form may request disbursements subject to approval.

III. Disbursements - Approval

1. Authorized Requests must be approved prior to disbursement, except for items designated as exempt under Exemption paragraph below. Requests will be approved when consistent with amount and purpose of bequests. Only authorized requests may be submitted for approval. Designated funds may be disbursed only when the request conforms clearly to the donor's intent as narrowly construed or as purposed or limited by the Vestry.

2. Requests - Credit/Debit Card Purchases and Online Transactions:The Purchase Order Form is completed and submitted to the church office for approval. Payment by check is requested on the Check Request Form that is completed and submitted to the church office.

3. Approval: A finance volunteer reviews the authorized request for compliance of amount and purpose with the approved budget, designated fund, or other source and approves the expenditure or refers to the treasurer and wardens who communicate any denial of unauthorized expenditures.

a. Wardens or Treasurer may approve or deny a request compliant with the approved budget, designated fund, or other source when appropriate documentation has been completed.

b. No party may approve his own Authorized Request or an Authorized Request that creates a conflict of interest for the approver.

5. Exemption:The Treasurer, with the consent of the Finance Committee, may exempt certain disbursements from the approval process. The exemption is limited to items that are budgeted from the General Fund, recurring in nature, and non-discretionary. Examples include utilities, payroll of salaried employees, or fixed installment payments. Disbursements exempt from approval are assigned by budget line. Designated fund disbursements are not eligible for exemption.

IV. Disbursements – Payment

1. By Purchase Order: Following approval of the Purchase Order request, arrangements are made with the parish administrator to obtain the credit/debit card or make the online purchase.

a. The credit/debit card is returned to the parish administrator along with an itemized receipt confirming that only the amount and items approved were purchased.

b. Receipts for all credit card transactions and online purchases are submitted to the parish administrator with the Purchase Order for submission to the accountant.

2. By Check Request :The parish administrator scans all invoices and receipts, attaching related Purchase Orders or Check Request forms, to the accountant, wardens, treasurer, and finance volunteer with a cover sheet listing the items scanned.

a. Physical payment:

1) The Accountant delivers unsigned checks to the parish administrator.

2) An Authorized Signatory signs the checks at the church office.

3) The parish administrator mails the checks or makes arrangements with the payee to receive the check at the church office .

b. Electronic payment (ACH or check e-delivery):

- 1) The Accountant submits to the authorized signatory an electronic request for signature to release funds.
- 2) Signature is submitted to the Accountant..

c. For both Methods Appropriate delays are made when a scheduled process day falls on a holiday.

3. By Immediate Payment -No Payment Approval or Signature Required: The Treasurer with the consent of the Finance Committee directs the accountant to pay certain disbursements

a. immediately upon receipt of the invoice or disbursement approval without need of signature or other approval, or

b. autopay - appropriate items include utilities, credit card bills, and fixed installment payments. Approval for immediate payment does not require approval or authorization for disbursement.

4. Payroll

a. Semi-monthly: Salaried employees are paid by direct deposit on the 15th and last day of the month.

b. Bi-weekly: hourly employees submit timesheets for the prior two weeks to the treasurer, warden, or rector.

Approved timesheets are sent to the accountant who schedules direct deposit for the immediate Friday.

c. Authorized Signatories of the parish are limited to the wardens, treasurer, and others assigned at the discretion of the finance committee with the consent of the rector, wardens, and treasurer.

*** No one may sign for payment of an expense which they also approved.**

V. Transfer of Funds

Following weekly deposits, a finance volunteer transfer to the appropriate nested fund, any money received into the operating account. Notification is sent to the Wardens, treasurer, and accountant.

When necessary, a finance volunteer transfers funds among accounts. Notification is sent to the wardens, treasurer, and accountant.

VI. Amendments

1. The parish administrator, treasurer, wardens, and accountant may agree among themselves to adapt the timing or sequence of events or to alter the divisions of labor as they deem necessary provided signatory controls of are maintained.

2. The treasurer and Finance Committee, with the consent of the rector and wardens, may provide church debit, credit, or charge cards to individual parish member or staff to use in a manner consistent with their authorized disbursement protocol, provided all spending is approved and cards have a daily purchase maximum no greater than \$500.

3. The Vestry desires that procedures be performed electronically to the extent possible.

*****The Canons of the Episcopal Church set forth the general responsibility and accountability for the Church's money and property. See Title I, Canon 7 in *Business Methods in the Episcopal Church* for specific requirements.**