

Religious Education Association

Treasurer's Report

Anton Vrame

October 24, 2018

Thanks to Lucinda Huffaker for her excellent work day to day with the financial side of REA. She makes sure our bills are paid on time, the proper records are kept, and the data entered into our budgeting records. She and I review this information quarterly and in between we are in regular contact about various questions and issues pertaining to REA finances.

Thanks to Kevin Sandberg, our previous Treasurer, for his work on the budget, our investments, and insuring best practices with REA finances.

Tax Exempt Status

The tax exempt status of REA was reinstated by the IRS earlier this year without any penalty. We are monitoring our accounting firm more closely to insure that all filings (990s) are done on time.

Investment Account

The Board wishes to move the REA investment account (with approximately \$216,000) from Wells Fargo Advisors to another investment company because of the revelations of unethical practices at Wells Fargo Bank over the last few years. We are investigating two possible companies at this time, Vanguard and Fidelity. While a simple transfer of the accounts is desired, I have learned that some of our current investments will not be transferable because of their nature. This will require selling those investments through Wells Fargo and making new investments with any new company.

To my knowledge there is no documented investment policy for REA other than to say that our investments are socially responsible, which can be discerned from the investments themselves. To that end, the Treasurer has agreed to draft an investment policy for the Board to review at its March 2019 meeting. In addition, if these investments are intended to serve as an endowment for various activities of REA, there should be a document stating the purpose of these endowments, what the funds can be used for, and what should be considered the inviolable amount of the endowment.

Annual Meeting Expenses

Managing and predicting the costs of the Annual Meeting are always a delicate balancing act. Location of the meeting, attendance, technology, and especially meals all affect the costs of a meeting. If REA charges too much, no one will come! If REA charges too little, REA must cover some amounts out of its other operations! This year, to try to help balance the increase in expense, the amount charged for the banquet and lunch events was increased, and the meals themselves were scaled

down from our usual buffets. We also increased the cost of registration. We trust these adjustments will enable us to meet the annual meeting budget.

Budget 2019

Attached you will find the financial reports for 2018 and the budget for 2019 for your review.

One change we are making to future budgets is keeping them strictly as a “cash in – cash out” budget, with no “accruals” for some future expense, e.g., our periodic audits. When we have an unbudgeted expense that can’t be covered by cash reserves, REA pulls those funds from our investment account. Of course, when we foresee an expense, we attempt to budget for it.

Finance Committee

The REA would benefit from a finance committee (2 or 3 people are fine) that would work with the Treasurer for the purpose of accountability and transparency, but also to insure good lines of succession in the position of Treasurer. If you are willing to assist with this work, please let me know either at this meeting or via email – FrTonyVrame@goarch.org