

InterAct Ministries, Inc.
Finance & Audit Committee

Menucha Retreat and Conference Center
Corbett, OR
January 30, 2020

Members Present: Chuck Schaap (Chairman), Ray Prigodich, Gale Van Diest, Daryl Kroeker (ex officio as Board Chair), Mike Hubbard (ex officio as CFO), and Dale Smith (Dale Smith ex officio as Executive Director).

Call to Order

Because of the late arrival of Chairman Schaap, Board Chairman Daryl Kroeker called the meeting to order at 3:10 PM and led us in prayer. (Chairman Schaap joined us at 3:50.)

Approval of Previous Minutes

Gale Van Diest **moved** and Dale Smith **seconded** his motion that the minutes from the meeting of July 26, 2019, be approved as circulated. The motion was **approved** without any objection.

Finance Director's Report

Mike Hubbard went through the main points of his written report, a copy of which is included in the board packet. Comments he made included the following:

- He is enjoying his job and is glad that he accepted the position after initially being hesitant to do so.
- He highlighted the fact that due to the strong stock market, our investment balance has remained relatively stable, despite a withdrawal of nearly \$280,000 for operating costs.

Consideration of the Proposal to Withhold Four Percent from Contributions Received on Behalf of InterAct Canada

- The number of missionaries serving with InterAct Canada is now significantly larger than the number serving with InterAct, Inc. Yet the U.S. office has long been providing several services at no charge to InterAct Canada. Would it not be more equitable if InterAct Canada helped to cover the cost of these services?
- It was noted, however, that the Canadian leadership team is resisting this proposal.
- We wondered therefore if it might be better not to move ahead with this plan, given the potential relational strains and issues of trust.
- We finally decided to make the following recommendation to the full board.

Daryl Kroeker **moved** and Gale Van Diest **seconded** his motion that we recommend to the board that the U.S. office begin withholding four percent from contributions received on behalf of InterAct Canada, to offset the cost for services historically provided at no charge to InterAct Canada (mobilization costs, communications, development, and receipting of contributions),

provided the Canadian board agrees to this arrangement. The motion was **approved** without any objection.

Presentation of Budget for 2020-21 Fiscal Year

Mike Hubbard highlighted certain entries in the 2020-21 draft budget and answered a number of questions.

- We discussed at some length the need to maintain a proper balance between income and expenses.
- We also discussed the need to make sure that properties we own are truly advancing our ministry goals, so that we don't end up being, in effect, in the real estate business.

Gale Van Diest **moved** and Chuck Schaap **seconded** his motion that we recommend to the full board the adoption of the proposed budget for 2020-21, as presented. The motion was **approved** without any objection.

Housing Policy

Chuck Schaap **moved** and Gale Van Diest **seconded** his motion that we recommend to the board the approval of the revised housing policy that is included in the board packet. The motion was **approved** without any objection.

Support Schedule Policy

Dale Smith explained the rationale for the proposed new support schedule policy that is included in the board packet.

- We then discussed at some length whether it might be better if the new policy were applied only to subsidized employees.
- We also spent some time discussing if it might be better to retain the years-of-service increment.

Adjournment

Board Chairman Kroecker adjourned the meeting at 5:30 PM.

Respectfully submitted,

Ray Prigodich, Recorder
January 30, 2020