

Harvest Bible Chapel

Elder's Meeting - March 20, 1996
Corrected Copy

Present: Dave Corning, Rick Donald, Jim Jodrey, James MacDonald, and Dennis Spitters. Roy is in Florida.
Secretary: Kathy Elliott

Prayer

Dave Corning opened the meeting in prayer.

Minutes

The minutes of the last meeting were approved as read.

Blessing Account

The purpose of the blessings account is to disburse unexpected income received by HBC to be a blessing to others, whether inside or outside the church. This will model the free disbursement of the resources God has given us as opposed to the hoarding of God's blessings upon us. James will consult with Rick and/or Jim before making any disbursements. A record of all disbursements will be kept by Jim in a blessing book available for review by any elders or deacons. A \$10,000 maximum yearly expense was set for this account.

Dance

Nancy Spitters joined the meeting at this time as Director of Worship Ministry to discuss dance during worship time. There are basically three styles currently used in worship around the country 1) liturgical 2) ballet and 3) Jewish group dancing. Nancy's heart is for the liturgical style which is less formal, not required to be exactly synchronized, and more interpretative in nature. While Nancy is moved by this form of worship and would like to continue its development at Harvest, she views it as "the decoration on the dessert, not the meal". Jodie Clements is definitely qualified for leadership in dance ministry through her training and experience, but Nancy feels that Jodie isn't the person for Harvest and is willing to wait until that person comes.

The elders will answer these three questions 1) Is dance biblical? 2) Is it biblical in terms of a public worship context? and 3) Is it edifying for the segment of worshipers that God has called us to be?

The elders will do a topical Bible study on this issue, pray, and meet with Nancy again in 4 - 6 weeks. Nancy will communicate with the dance leadership what has been discussed.

Mary Ashipa

(See the attached letters to Mary from the elders and her response.) Rick believes Larry was working in the Children's Ministry this past Sunday. The elders considered this highly inappropriate and had a private meeting with Mary to discuss this.

Ministry Positions at Harvest

The elders foresee filling positions in the following areas this year: 1) Director of Education and Recruitment 2) Director of Media and Ministry Development 3) Student Ministry intern for Ron and 4) part-time Women's Ministry position. In early 1997 we will look toward hiring a full-time custodian and a FOCIS/Counseling person.

Director of Education and Recruitment

An ad will be placed in *Christianity Today* and *Bridge Associates* will be contacted for applicants. James will network with ministry colleagues for additional possibilities. The elders are open to Canadians already living in the states, but not to moving any Canadians to the states.

Director of Media and Ministry Development

Kevn Dekker is being strongly considered for this position. James will prepare a job description and the elders will conduct an interview with Kevn. We need to supplement Roger's giftedness in shepherding in single's ministry with Kevn's leadership, developmental, and management of people giftedness. Twenty five percent of

- e. Cash Flow Forecast reporting was expanded mid-year
 - f. September contributions were up 9% year over year
 - g. The question was asked about mentioning tithing in a weekend message and it was noted that tithing will be addressed this weekend
4. 2018 Budget Version 2 Review (see handout #4)
- a. Budget has been built at \$500,000 per week in accordance with the recommendations of the Finance Committee
 - b. Cash flow reserves have not been built into the \$500,000 weekly budget. However, all contributions raised in excess of the \$500,000 budget will be used to replenish the reserve.
 - c. Finance Committee agreed that we should move forward with a \$500,000 weekly budget in 2018 and present to the EC in December.
 - d. Per the Finance Committee's request, Jeff Sharda and Scott Milholland will bring areas (buckets) that can be cut, if circumstances necessitate these cuts, to next month's meeting.
5. Discuss Financial Governance Document (see handout #5)
- a. Review and/or approve check register for all entities. Finance Committee inquired of controls around the disbursement process.
 - i. Each Wednesday a check register is given to Joe Martin and Jeff Sharda online for approval for FICA, HBC, WITW and FIBF checks
 - ii. After checks are approved they are mailed on Friday
 - iii. Bank accounts are reconciled by staff that are not involved in the disbursement process
 - iv. Blessing/Separate Fund: Jeff Smith and Scott Milholland are overseers. Scott writes the checks and Jeff Smith subsequently reviews and provides accountability surrounding the expenditures.
 - v. Wire Transfers: One of three accounting staff input wire transfer requests into the bank system and then another individual must approve in order to complete the transfer. COO and/or CFO verbally approve all wire transfers before they are processed
 - b. Paul suggested that at each meeting an Accounting Control be presented for discussion and it was agreed that this is best practice
6. Next Meeting
- a. Thursday, November 9 at 4:30pm in the Rolling Meadows Boardroom

1 in the winter of -- you know, the time frame that
2 James was terminated because they had some --
3 because I had some questions.

4 He was like: "Yeah, I told them to just
5 call Fred and ask him," and Robert said: "Nobody
6 wanted to, so I just called you."

7 That's basically what he said.

8 He said: "What was the thing with" --
9 you know, I think it was Mo's motorcycle or
10 something like that, and so I told him the story
11 behind the motorcycle.

12 He said: "Okay. Great. That's all I
13 needed."

14 And then we talked, you know, chitchat
15 talk, not strategy talk but chitchat talk for five
16 minutes, you know, just catching up: "How are you
17 doing," dah, dah, dah, dah, and probably three or
18 four minutes on, you know, sort of like divesting
19 everything.

20 Q. That brings me to something else. I've
21 heard of this thing called the blessing fund which
22 was a set amount of money which James could use to
23 bestow blessings on people in he church or related
24 to the church to bring them closer to God or reward

1 them for good works.

2 Is that an accurate description?

3 A. So here's the thing, and, again, the
4 fund, the account, it had lots of different names,
5 right?

6 If you go back and look at the budget
7 sheets, like in terms of what was presented and
8 prepared in the budget, there would be line items,
9 for sure, for benevolences.

10 It wouldn't be benevolence, but, for
11 sure, on the payroll summary page there would be
12 actual line items for development expense, for
13 awards, for retreats, for bonuses, and I believe it
14 was like bonuses and blessings.

15 There would be dollar amounts on each of
16 those line items.

17 Where we spend the money from, whether it
18 was the checkbook I had or out of the corporate that
19 went through, you know, a different review process,
20 depended a little bit or maybe a lot on who the gift
21 was going to and for what purpose.

22 So, for example, when Mo got his
23 motorcycle, it was a bonus that he got from the
24 church.

1 Q. Who is Mo now?

2 A. Mohan Zachariah was the campus pastor of
3 Harvest Bible Chapel Niles.

4 So because it was a payroll item, that
5 went through my account because less people saw it
6 and only the people -- Diane Birkenstock, again, who
7 was in charge of HR and in the accounting
8 department, she saw the check because she reconciled
9 the account and she would actually write the checks
10 and I would sign them.

11 You know, so those would be the types of
12 things. Now, you know, that one could have been a
13 wire, but the point being, those transactions,
14 again, were, in general, approved in the overall
15 comp budget, right, and then specifically enacted
16 through different accounts.

17 So, quote, unquote, the blessing account,
18 James had a bunch of different -- like he would
19 refer to it as the blessing account.

20 I knew I just had to carry a dollar
21 figure sufficient cover, you know, bonuses,
22 blessings, et cetera, you know, in that account.

23 Q. So is it fair to say that James had
24 discretion to decide to use some of those funds in a

1 manner that he saw fit even though the specific gift
2 or blessing wasn't authorized by the elders?

3 A. He had the ability to decide with the
4 condition that it would be reviewed by the EC.
5 There was no requirement for prior approval.

6 Now, I was -- and, again, I was in the
7 room several times when I heard James talking to
8 Jeff Smith or to Robert Jones about: "Hey, I
9 want to get a motorcycle for Rick. What do you
10 think?"

11 "Oh, that's a great idea."

12 That would be the answer he would get in
13 that context, so then James would go out would and
14 execute on getting a motorcycle.

15 It's like within the -- again, staff is
16 authorized to spend the budget, the total budget
17 that was approved.

18 It was within the total budget, and,
19 again, we did a great job of managing our expenses
20 to make sure that we always came in under-spent at
21 the end of the year and over-collected.

22 Q. Well, I always hear that motorcycle story
23 brought up by adversaries of James as an example of
24 un-Godly spending.

1 The person who that was given to, that's
2 an employee of the church, right?

3 A. And it was included in his Box 1 on his
4 W-2.

5 Q. So he had to pay taxes on it?

6 A. Uh-huh.

7 Q. Income tax?

8 A. Uh-huh.

9 Q. And it was also essentially a bonus to an
10 employee?

11 A. Correct.

12 Q. And how much did the motorcycle cost?

13 A. I'm guessing fifteen-to-twenty thousand.
14 I don't remember.

15 Q. And do you have a recollection of what
16 the individual's salary was?

17 A. I'd say 90 to 110,000, somewhere in that
18 range.

19 Q. So somewhere between a 10-to-15 percent
20 bonus?

21 A. Max 20 percent, yeah.

22 Q. Did that raise any eyes when it was
23 actually done by the elders or anybody that reviewed
24 the checkbook?

1 A. No.

2 So James would come back -- James would
3 meet with the EC. He'd come back and say: "Hey, I
4 talked to the EC."

5 We had well-established patterns of like
6 how information was supposed to flow. I was in the
7 room multiple times. The EC agreed.

8 The EC meets with James, not with Scott
9 and I, but with James.

10 James comes back and tells us, you know,
11 what the outcomes are or "Hey, this is what we're
12 going to do."

13 So James would come back. I could check
14 anything if it sounded odd, like: "What do you mean
15 we're buying, you know, an island in the Bahamas?
16 I'll have to call Jeff."

17 But, certainly, we had given multiple
18 motorcycles away over the course of five or eight
19 years, I think, you know, to Rick Donald, Kent Shaw,
20 maybe Kevin Decker.

21 So the fact of Mo getting a motorcycle
22 was not outside of the ordinary, and, again, bonuses
23 were not given to the same person.

24 They were given -- in Rick's case, it was