

**Minutes of Board of Directors
Good Shepherd Lutheran Church
December 31, 2006**

Attending: Michael Dahlin, Cindy Oliver, Dan Barnett, Barbara Lamboley, Ruth Jessop, Carol Emslie, Alan Emslie, Bernie Schaeffer, and Kitty Jones.

Special meeting convened to conduct urgent Finance Committee business as regularly scheduled meeting had been cancelled.

Opening Statement by President: President opened the meeting with prayer

Minutes of November 16, 2006 meeting accepted as written.

Unfinished Business: none discussed

New Business: Resolutions received from the Finance Committee

RESOLUTION 1

RESOLVED, that Good Shepherd Lutheran Church authorizes the following individuals to carry over vacation hours from 2006 to 2007:

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|----------------------|---|
| 1. Andrea Stout | 9.36 hours |
| 2. Katie Krauss | 26.70 hours |
| 3. Susan Huthsing | 39.82 hours |
| 4. Laurie Richardson | 30.01 hours |
| 5. Pat Olive-Jones | 1.00 hour |
| 6. Cindy Thompson | 21.81 hours |
| 7. Sharon Krauss | 53.00 hours (all to be used by first pay period in January) |

All numbers were current as of December 19, 2006. Resolution passed.

RESOLUTION 2

RESOLVED, that Good Shepherd Lutheran Church authorizes and establishes the following individuals housing allowance for the year 2007:

Jim Johnson	\$48,000
Keith Jones	\$45,864
Jamie Just	\$20,000

The housing allowance will be paid from January 1, 2007 to December 31, 2007.

Resolution passed.

RESOLUTIONS proposed by Finance Committee Chair:

- I. RESOLVED, that Good Shepherd Lutheran Church authorizes and establishes the following business allowances for the year 2007 for Pastor Jim Johnson \$4,500 *for budgeting purposes only*. Motion was made seconded and carried.

- II. "It is hereby resolved, that Good Shepherd Lutheran Church adopt an accountable Plan Reimbursement Policy which is in accordance with income

tax regulations 1.162-17 and 1.274-5T(f), as described in the following terms and conditions:

1. Any minister or other employee who is employed now or hereafter shall be reimbursed for any ordinary and necessary business and professional expense incurred on behalf of the Church only if the following conditions are satisfied: (1) The expenses are reasonable in amount; (2) The employee documents the amount, time and place, business purpose and business relationship of each expense with the same kinds of documentary evidence as would be required to support a deduction of the expense on the person's federal income tax return; and (3) the employee documents such expenses by providing the Church treasurer with an accounting of such expenses no less frequently than monthly. In no event will an expense be reimbursed if substantiated more than 60 days after the expense is paid or incurred by the employee. It is understood that the above conditions are in large part taken from income tax regulation 1.274-5T(f), which provides that—"an adequate accounting means the submission to the employer of an account book, diary, statement of expense, or similar record maintained by the employee in which the information as to each element of expenditure (amount, time and place, business purpose and business relationship) is recorded at or near the time of the expenditure, together with supporting documentary evidence, in a manner which conforms to all the 'adequate records' requirements."
2. Reimbursements shall not be paid by increasing paychecks by the amount of business expense reimbursements. Rather all such reimbursements shall be separately paid out of church funds.
3. Reimbursable business and professional expenses include local transportation, overnight travel (including lodging and meals), entertainment, books and subscriptions, education, vestments and professional dues.
4. The church shall not include on the employee's Form W-2 the amount of any business or professional expense properly substantiated and reimbursed according to the preceding paragraphs. The employee should not report the amount of any such reimbursement as income on his/her Form 1040.
5. Any church reimbursement that exceeds the amount of business or professional expenses properly accounted for by an employee according to the terms of this reimbursement policy must be returned to the church within 120 days after the associated expenses are paid or incurred and shall not be retained by the employee.
6. If, for any reason, the church's reimbursements are less than the amount of business and professional expenses properly substantiated by an employee, the church will report no part of the reimbursements on the employee's Form W-2, and the person may deduct the unreimbursed expenses as may be allowed by law.
7. Under no circumstances will the church reimburse an employee for business or professional expenses incurred on behalf of the church which are not properly substantiated according to this policy. The church and staff understand that this requirement is necessary to prevent this reimbursement plan from being classified as a "non-accountable" plan, which would then require the reporting of all such reimbursements as taxable income on Form W-2.
8. All original receipts and other documentary evidence used by an employee to substantiate the business nature and amount of his/her business and professional expenses

incurred on behalf of the church shall be retained by the employee. The church may, at its election, make copies of such evidence."
MMSC.

Called Staff Reports: Report from Pastor Johnson is attached.

Committee Reports:

Elders: December 31, 2006 is last day of full time ministry for Pastor Johnson. He will continue to serve $\frac{3}{4}$ time for the first six months of 2007 and $\frac{1}{2}$ time for the remainder of the year. A Call is required for Pastor Jones to become Senior Pastor. Plan to get information out to congregation. Voters Meeting scheduled for January 21, 2007 at Noon. Notice will be given through bulletin announcements.

Preschool: report attached.

Personnel: report attached

Finance: report attached.

Closing Prayer offered by President Mike Dahlin..

Meeting adjourned.

IHS,

Barbara Lambole, Secretary