

NVC Finance Committee Meeting (Hybrid) – Oct. 8, 2022

Committee Attendees: Fred Lincoln, Wendy Huntoon, Bill Eastty, Brady Brim-DeForest (Zoom), and Jeff Magee; also in attendance was NVC President Janae Novotny

The committee convened at the Community Hall with members of the public invited to monitor the meeting. Continuing discussion ensued with defining the committee's "mission statement", with additional ideas being shared. The members agreed to give this additional consideration and revisit later.

The NVC Treasurer provide a status to the committee regarding current issues involving the calendar year 2022 Payroll reporting and accounting gaps. Following a committee discussion, the following two recommendation were prepared for presentation to the Overseers at the Oct. 9, 2022 meeting:

1.) **Payroll Records (current state)** - To remediate the previously identified 2022 Payroll accounting issues and resolve the associated visibility impact to NVC financial statements and reporting, **the NVC Finance Committee recommends the hiring of accounting firm Wilke & Associates, LLC for the following:**

- a.) Analyze the detailed data now available from Bangor Payroll to reconcile the January thru June 2022 records and make the appropriate monthly adjusting entries in QBO
- b.) Review weekly payroll information from June 2022 to the present, and correctly assign the information in QBO
- c.) Perform weekly payroll processing/reconciliation in QBO going for the remainder of CY2022.

The rate for Wilke & Associates is estimated at \$140-\$160 per hour. Without currently knowing the full scope of the above efforts, the number of required hours is undetermined but could be at least 30-40 hours. This work could commence after Oct. 17, 2022.

2.) **Payroll Processing (future state)** - To foster processing and simplification of bookkeeping efficiencies on a recurring basis, **the NVC Finance Committee recommends NVC explore the use of an independent bank account in 2023 dedicated solely to employee payroll processing of the General Government, Water, and Sewer departments.** The objective is to help rectify the fundamental issue of available resources to process the weekly payroll, and to address current record keeping problems primarily caused by lack of NVC office resources. This will further ensure each department more evenly shares the timing of payroll expenses to their respective departments and reduce reconciliation gaps.

The committee also reviewed the existing Warrant process and discussed the ongoing schedule challenges with ensuring the warrants are accurately completed and made available to the Overseers in advance of the monthly Overseers Board meetings. **The following recommendation was prepared for the board's consideration and potential approval.** If

approved, the Warrant process will be updated accordingly and provided to NVC's bookkeeper.

Warrant Process - To meet relevant expectations and objectives of the Overseers and Utilities Trustees in providing necessary reporting information in a more efficient and timely manner, the NVC Finance Committee recommends the monthly cut-off date for the Warrants cycle be modified to the 25th within each month (or the last business day preceding the 25th, if occurring on a weekend/holiday). This offers 1 additional week for coordination and review of appropriate backup artifacts for submittal and processing by the bookkeeper, and appropriate time for final analysis and real-time corrections of results by the NVC office. This change is expected to significantly reduce the risk of errors and ensure availability of the completed Warrants for the timing of monthly Overseer meetings.

In addition, the Finance Committee recommends the backup invoice artifacts (already having been reviewed by the NVC office) be excluded from the Warrant packages circulated to the Overseers, while still being on file in the NVC office for Overseer review upon request. The circulated Warrants would continue to include a summary listing of Bills and Expenditures, along with the Overseer signature page. For audit and reference purposes, the backup will continue being filed each month with the corresponding summary and signature pages. These changes will lead to approval efficiencies and free up several hours per month for our limited office resources to work other pressing matters.

Regarding the continuing bookkeeping/accounting progress being achieved among the NVC and the Bookkeeping firm that came aboard early this past summer, the NVC Treasurer and the Finance Committee Chair agreed that a status meeting with the accounting firm would be helpful to share constructive perceptions of leading practices, some lessons learned, and future state expectations and capabilities.

Additional agenda items were: The Treasurer's brief on the 2020 audit, requests for information, and outstanding deliverables (further ref. available in the NVC Treasurer's report); ongoing challenges with NVC office financial activities (caused by the existing vacancy of the Office Manager role) that continue being satisfied through volunteer efforts; acknowledgement by the committee that review of NVC's Financial Policies and Procedures be included in our upcoming year agenda as part of our continual review process; discussion of an action plan to finish identification and remediation of account coding/labeling errors in the 2022 General Ledger; future state data management improvement opportunities.

Submitted by Fred Lincoln, NVC Board member and Finance Committee Chair