

DEMD SYNOD
FINANCIAL BEST PRACTICES DURING COVID-19

Today, you need to begin to have challenging financial planning conversations with your treasurer, executive committee and full council and include all employees. It is essential that you look at your income, review your expenses and budget lines. Where are you saving during this time, what are must pay items, what are your reserves, and even what are your designated funds that could be used for a time to offset expenses. All resources need to be on the table. If you are able, in an emergency, borrow internally against designated funds. It does you no good to have a flower or organ fund, if the church is closed.

You need to be talking about contracted and hourly employees – how/how long are you going to pay, where are the funds coming from, how do we maintain just equity in dealing with those in our care?

Now is the time to make sure your congregation has online and alternate giving platforms. The ELCA has several partners, Vanco GivePlus+ and Tithe.ly and you can access those [preferred vendors here](#). *Karen Johnson Kretschmann and Julie Stecker can be helpful.*

Pastors and Deacons, as best as you can, keep your hands out of anything having to do with money. Constitutionally, this is an explicitly lay function – and despite the extraordinary times, it should remain so. No one, lay or ordained, should be taking money, checks, etc., home with them. Two unrelated people should go to the church, and while maintaining social distancing and best sanitary practices, count offerings every week or two or three – and make deposits in the usual ways. If gathering two unrelated people is not possible – having a second or third person watching via FaceTime, Zoom or Skype is possible, as well. Please note that any changes, temporary or otherwise, to policies and procedures for handling money should be brought to the Congregation Council for a vote and properly recorded in the minutes of that meeting. Be mindful of insurance regulations and bonding policies. "Breaking the rules," whatever your policies, constitutions and insurers stipulate, puts greater responsibilities and burdens on the rule-breaker(s) – and those who "bless" the rule-breakers.

If you use Portico, the monthly bill was posted about 10 days ago to your congregation. Portico has no great reserve pool and primarily serves as administrators. They have to pay Blue Cross and Humana. If your bill is not paid in 90 days, you will be cut off.

There have been questions about Rostered Ministers under call: While it is true that constitutionally, your congregations or ministries can't unilaterally make changes to your compensation, that has to be tempered by the reality of the circumstances. If a congregation or ministry doesn't have funds to pay, there is no way for me or our synod to force them to pay. If push comes to shove, there is wisdom in negotiating – keeping full benefits even if you sacrifice some portion of salary. If the congregation or ministry cannot meet payroll, and you've not tried to negotiate a solution, the call will end for a lack of funds to meet the obligations the congregation or ministry has made. This is why it is critical to start thinking, praying and talking about this – sooner, rather than later.

You need to make sure your council members, especially treasurers and presidents, are linked into getting our synod weekly communication by signing up for the E-Letter at <https://demdsynod.org/communication/>

You must talk about money. It doesn't have to be a hard talk, nor does it need to be disrespectful of the realities those in our care find themselves, but if, as we engage with folk online, on the phone and by mail, we don't remind them of the clear and urgent need to support our congregations and ministries, and provide clear instructions and directions for opportunities to do that, we are going to hasten a bigger crisis. Although there may be some disagreement, it is important that leadership have access to giving records to be able to monitor and provide pastoral care for those with giving changes or to thank those giving more.

Now is the most important time to keep offering central to online worship formats and directly communicate with members about ways they can engage and give. Be *INTENTIONAL, INSPIRATIONAL & INFORMATIONAL*. *Intentional* means thankful, sacred - not goading or desperate. *Inspirational* means sharing impact, being relational, telling stories and openly invitational. *Informational* means being abundantly clear about the ways to be generous and give – provide the online link, remind folks to mail in offering by giving them the address, send a letter sharing every way someone can give and maybe include a few self addressed stamped envelopes so they can send it immediately. Engage, Connect, Ask! Yes, some members will not be able to give at this time, but others can be extra generous, if we only ask. Our Generosity Team has a number of relevant and *useful resources available on [our Congregational Generosity pages](#)*.

Similarly, please tend the nomenclature in your context, too. The Church is not closed, our buildings are closed, but the Church is more than the building. Worship is not cancelled, we are providing online opportunities when in-person gatherings are not possible. Language matters, and it is a reminder that we are the church and we need to continue to be the church.

Members need to hear we believe in them, that we are encouraged by the many ways they can and are engaging, connecting, giving. As you are staying connected with your members, doing relational “check ins” by phone, facebook live, email, cards consider including questions like “what generosity have you seen during this time?” or “where have you been able to share? Do this with ALL members but fundraising experts remind us that our top givers and our church council leadership are important to check in with, both relationally AND financially. Often they are the folks who fund 30%-50% of a congregations income and we need them to know they matter, they make a difference, and their collective generosity will allow your congregation to thrive during these difficult times.

Follow what is available through the 2020 CARES Act forgivable loans. Attorneys and Public Accountants are still studying the bill and awaiting guidelines from the Small Business Administration (SBA) and the U.S. Treasury on exactly how the CARES Act will be administered. It does appear that churches and non-profits may be able to borrow money that could be forgiven depending on how they maintain their previous 12-month staffing levels through June. Eligible churches and non-profits will be able to borrow up to 2.5 times their average monthly payrolls and benefits up to \$100,000 per employee. Funds can be used to cover payroll, benefits, employer payroll taxes, rent/mortgage payments, utilities and interest on existing debt. The SBA will have to issue guidance on how housing allowance will factor into the calculations. If the church or non-profit meets the employee retention requirements up to 100% of the loan can be forgiven. The period during which the program applies is Feb 15, 2020, through June 30, 2020. What can each church be doing now?

- Ensure your 2019 Financial Statements are complete and your first-quarter financial statements are prepared as soon as possible.
- Review your church's polity/constitution on receiving a loan and take steps toward notices of meetings that may be required. If a church vote is necessary, think about how you will accomplish that during social distancing using mailed ballots or online meetings (such as

Zoom) that can accommodate large numbers of people. Determine if approval is required to apply for the loan or just to sign documents.

- Review these two resources for easy explanations on the process: [US Chamber of Commerce Coronavirus Emergency Loans](#) and a presentation created by Vanderbloemen on [Potential Church Access to 2020 Cares Act](#)
- Identify an SBA approved bank and let them know you would like to apply. Ask them to immediately provide you loan documentation requirements once published by the SBA.