



# The Eastern Synod Lutheran Leaders' Edition

January 2016

"Yesterday is gone. Tomorrow has not yet come. We have only today. Let us begin." - Mother Theresa

We wish you a blessed New Year 2016!

*Jesus said to him, 'No one who puts a hand to the plough and looks back is fit for the kingdom of God.'* (Luke 9:62)



## A Church in Mission for Others

### Our vision:

- \* We will practice Spirit-ed Discipleship.
- \* We will pursue Com- passionate Justice.
- \* We will strive to be a Healthy Synod.
- \* We will build Effective Partnerships.

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## Annual Meeting Tips for Chairs

If you are chairing an annual meeting for the first time and feel that you need a boost of confidence please visit our website and read [Bourinot for the Baffled](#). It's a fast-read article on how to conduct a congregational meeting –or any meeting for that matter.

Here are some additional tips for planning the coming meeting.

1. Prepare the agenda. Notify the congregation by what day all the agenda items for the annual meeting have to be brought to the council.
2. Be prepared: Read the minutes and reports of the previous meeting. Read your congregation's constitution and/or bylaws. Know the rules on voting. Anticipate any items that may be contentious and determine a strategy prior to the meeting for how they

should be addressed.

3. Prepare the necessary motions in advance. Give them in writing to the secretary. Have members of Council primed to move or second the motions if no one else does.
4. Understand the rules of order, particularly as they pertain to motions, amendments, calling for an immediate vote ("calling the question") etc.
5. As much as possible, eliminate oral reporting. Distribute written reports in the pre-meeting package. Assume members have read the written reports prior to the meeting. Don't let people read written reports aloud at the meeting. Motions are not required to "accept" or "approve" reports.
6. Although printed financial reports and budgets usually need to be stated

accurately right to the dollar, use approximations when reporting verbally so that the audience doesn't get lost in the detail.

7. In order to ensure that the discussion around next year's budget focuses on the most important issues, talk more about the congregation's ministries that will be accomplished if the budget is met rather than the individual line items and the amounts associated with each. Those individual line items with significant budgeted increases or decreases compared to the previous year should also be highlighted, along with the reason for the proposed changes.

8. Remember that rules are your friends. As the chair of the meeting it is your job to maintain control and keep the assembly organized.
9. Stay calm, no matter what.




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**"In all the  
years I've  
given to the  
church no  
one has ever  
said thank  
you."**

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## Thanking Donors

In late November I read a blog posting with the title "Why don't churches thank us when we give them money?" by Lori Guenther Reesor. The author made a bold assertion: "My donor research suggests that secular charities do a much better job of thanking donors than the local church does."

She went on to offer a 2-part prescription: "First, thank God . . . The church wants people to give out of gratitude to God; worship provides a great place to model grateful behaviour. Second, thank donors . . . By doing the bare legal minimum required to acknowledge donations [a donation receipt], the church sends out a simple message: it doesn't matter whether you give or not."

Several years ago, at my *Nurturing Generous Giving*

workshop, I suggested to the pastors in the room that they should try writing thank-you notes. The following February I received a brief email from one of the pastors who had attended. It said "I thought I would let you know that one of your ideas went over very well in our congregation. I sent thank you cards out with all the year-end receipts. One lady, who is 92, said, 'In all the years I've given to the church no one has ever said thank you.' She loved her card."

Who among us is not searching for the silver bullet of stewardship, the one program that will turn every church member into a generous contributor? Here is something simple you can do over the next few weeks: prepare a personalized, hand-written note of

**by Jeff Pym**

thanks to each person who made a financial offering to your church in 2015. Who should write and sign the note? Ideally the pastor, but it could be co-signed by the Council chair. What should it say? Keep it short and simple. Two or three sentences will do. The expression of thanks is what matters.

Bruce Epperly, a pastor writing about gratitude in the Alban Weekly, said: "In a world in which people's efforts are often overlooked or taken for granted, gratitude warms people's souls and establishes deeper connections between the pastor and his or her congregation. Gratitude assures people that their lives matter – in the congregation, to the pastor, and to God."

Isn't that a message that everyone who gives to the church deserves to hear?

## Mitigating the Financial Risks of Refugee Sponsorship by Keith Myra

*It's been heart-warming to see so many congregations responding to the current refugee crisis through increased offerings to CLWR and/or by assuming sponsorship of a refugee/family. This article is intended to assist those congregations involved in refugee sponsorship programs by sharing best practices for managing practical concerns relating to financial administration and associated risks.*

**Child Protection Policy** - If the refugee family being sponsored has children, it is important for the congregation to have a child protection policy in place. The ELCIC's "Protection of Children, Youth and Other Vulnerable People Policy" provides a valuable starting point for developing a congregational policy. For further information, refer to the Resources-Documents section on the ELCIC web-

site ([www.elcic.ca](http://www.elcic.ca)). For CLWR sponsorships, CLWR is committed to upholding the Rights of the Child (also a UN Convention) which states that children have the right to protection from abuse, neglect and exploitation. Concerns regarding child protection in Canada are dealt with through organizations such as Child Welfare agencies. *Cont. page 3.*

## Mitigating The Financial Risks of Refugee Sponsorship

by Keith Myra

*Cont. from p. 2*

**Liability Insurance** – Even if the congregation’s insurance policy appears to cover outreach activities such as refugee sponsorships, you are advised to inform your insurance company in advance of the activities that you plan to undertake.

**The Refugee Family’s Financial Needs** – Refugees are responsible for costs that may have been incurred prior to their immigration to Canada (e.g. repaying government loans for items such as transportation and medical examinations). Refugee sponsors are responsible for the cost of housing, food and basic needs (e.g. local transit costs, winter clothing and other essential needs) for the first year. Sponsoring organizations should ensure that refugees do not apply on their

own to government agencies for social assistance programs as these payments will be clawed back and the congregation, as sponsor, will be responsible for paying them.

### Fund Raising and Management of Sponsorship Funds

– A charitable donation receipt may be provided for refugee sponsorship donations provided that the usual CRA regulations governing charitable donation receipts are followed:

- The donation or gift must be given freely to the charity
- There must be a transfer of property (cash, equipment, etc.) to the charity. Receipting for services is **not** permitted.
- The donor cannot receive an advantage or benefit.
- The gift cannot be directed to a specific person or family. Rather, the

gift must be directed to a specific program operated by the charity. The charity may then identify beneficiaries to receive funds from a specific program fund. From a practical perspective, this means that money must be donated to an ongoing congregational fund (e.g. Refugee Sponsorship Fund) rather than to a fund that explicitly identifies the refugee family (e.g. by name, through pictures, etc.). This concept can be further strengthened by publicizing that although donations to the fund will be used to sponsor a refugee family, any excess funds collected will be sent to CLWR for refugee support (or to another congregation that is sponsoring refugees, etc.)

- The charity must be able to reallocate the donated

funds within the program as it deems appropriate

- The donor cannot have control over the use of the funds

Consistent with best practices in managing all congregational funds, it is important that refugee sponsorship funds be managed by the congregational treasurer rather than being maintained in a separate bank account with different signing authorities. Following this practice ensures that the congregation’s usual internal controls (e.g. two counters for offerings, approval of expenses prior to payment, submission of receipts, two signing officers for cheques, etc.) are automatically in place for donation receipting and payment of applicable expenses. Furthermore, keeping these funds under the control of the congregation avoids potential conflict with CRA regulations prohibiting charities from transferring funds to another group that is not a registered charity.



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Plans for the 2016 Eastern Synod Assembly are well underway. Come and hear good news stories on mission and ministry and share in joyful worship with your sisters and brothers from across our synod. We will also welcome the President of LWF, the Rt. Rev. Dr. Munib A. Younan, as one of our guest speakers. One of our tasks, among others will be to elect clergy and lay delegates to the 2017 ELCIC National Convention.

The assembly will take place June 23-26, 2016 at the International Plaza Hotel in Toronto, Ontario.

Registration is set to begin on March 1, 2016. Check our website [www.easternsynod.org](http://www.easternsynod.org) for updates.



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Eastern Synod  
of the Evangelical Lutheran Church in Canada

## In Mission for Others

74 Weber St. West

Kitchener, ON

N2H 3Z3

Phone: 519-743-1461

Toll Free 1-877-373-5242

Fax: 519-743-4291

[www.easternsynod.org](http://www.easternsynod.org)

follow us on Twitter:

@ESynodELCIC

[www.facebook.com/](http://www.facebook.com/ESynodELCIC/)

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An audit or review provides assurance to church members and the general public.

## Final Reminder!

Thank you for the offerings your congregation has remitted to the synod throughout the past year! In order to be credited for 2015, all remaining benevolence and other offerings (e.g. CLWR) must be received at the synod office no later than Jan 22nd, 2016.

## Do We Need an Audit?

“Do our financial statements need to be audited?” is a question that I frequently receive at this time of year. Although legal and other requirements vary from one congregation to the next, for sure, either an audit, a review engagement or an internal review will be required at the end of each fiscal year. These three options in order of preference are defined as follows:

### 1. Audit

This is the most thorough option and provides the highest level of assurance that the congregation's financial statements accurately reflect its financial position, are free of material misstatement and that any internal control weaknesses are identified. An audit is conducted by an individual with a CPA/CA designation who is also certified as a licensed public accountant.

### 2. Review Engagement

A review engagement is less intensive than an audit and must be conducted by an individual with a CPA/CA designation and licensed as a public accountant.

### 3. Internal Review

An internal review is the minimum level requirement for congregations and is less thorough than the previous two options. Internal reviews are conducted by two unrelated individuals, both knowledgeable in finances and at arm's length from the church council and other congregational officers. Internal reviewers could be congregational members who are not involved in the day to day financial operation of the congregation, or for greater independence, non-licensed accounting professionals from outside the congregation.

Where resources allow, congregations are strongly encouraged to consider a full audit performed by a certified professional as this minimizes risk to both the congregation and members of the congregational council. Unfortunately, the cost of an audit can often be prohibitive for many small and medium-sized congregations and it is more practical to use one of the other two options instead.

Note that for congregations incorporated federally under the Canada Not-For-

by Keith Myra

Profit Corporations Act (CNCA), an audit is required unless 1) total annual revenues are below \$50,000, in which case a review engagement is required unless the congregation votes unanimously to waive this requirement, or 2) total annual revenues fall between \$50,000 and \$250,000, in which case members may vote for a review engagement instead.

For congregations that are incorporated provincially:

- Ontario (Corporation Act) An audit is required unless total annual revenues are less than \$100,000 and all members consent in writing to waive this requirement.
- Quebec (Companies Act) An audit is required unless members vote annually not to appoint an auditor.
- New Brunswick (Companies Act) and Nova Scotia (Societies Act) No requirement for an audit or a review engagement.

In addition to your congregation's incorporation status, your congregation's constitution may stipulate certain audit or review requirements.