



## **MEMORANDUM**

**To:** Congregational Treasurers  
Rostered Ministers Serving Congregations

**From:** Keith Myra, Treasurer  
Kim Marcy, Director of Finance and Administration

**Date:** December 4<sup>th</sup>, 2020

**Re:** 2020 Year-end and Other Important Financial Matters

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This communication was emailed to those congregational treasurers with email addresses on file at the synod office. In addition, a hardcopy version was mailed to all congregational treasurers using the church mailing address. If you received this letter and are no longer the treasurer, please forward to the current treasurer. An email copy was also sent to all rostered ministers serving congregations.

To facilitate access to the URL link references, a copy of this communication has been posted online – to find the online version, go to the home page of the Eastern Synod website (<http://www.easternsynod.org/>), scroll down to the rose coloured box titled 'Treasurers/Financial Info', click the drop down arrow, select 'News Updates' and click on the "Search" button.

If you have questions related to this communication or other financial matters, please feel free to contact either (or both) of us:

Keith Myra	Email: <a href="mailto:kmyra@elcic.ca">kmyra@elcic.ca</a>	Toll free: 1-877-373-5242 (Ext 224)
Kim Marcy	Email: <a href="mailto:kmarcy@elcic.ca">kmarcy@elcic.ca</a>	Toll free: 1-877-373-5242 (Ext 223)

We begin by expressing our deepest thanks to you for the ministries of leadership and financial administration that you have been so faithful in providing to your congregation over the past year. Although these important responsibilities can be time consuming and challenging in the best of times, they have been even more daunting in the unprecedented times that we've experienced throughout most of 2020. ***Thank you!***

## **A. 2020 YEAR-END CLOSE**

***The Synod's books for 2020 will close at noon on Friday, January 22<sup>nd</sup>, 2021.*** In order to be credited for 2020, all remaining remittances of benevolence and other offerings must be received at the synod office by this date. Please note that due to the synod's tight year-end and auditing schedule, no extensions will be possible.

Due to the pandemic, it's not surprising that the remittances that we've received from congregations in 2020 to date have decreased when compared to 2019. As such, we would appreciate if you could ensure that your congregational remittances are up to date by January 22<sup>nd</sup>. If your congregation is able to consider making an additional contribution to benevolence, over and above what you have budgeted, your "second mile" gifts are always appreciated!

Although the preferred practice is that benevolence and other offerings directed to the synod be given (and receipted) through the local congregation, occasionally gifts are sent directly to synod office. As is the case in each congregation, ***if a donation is received after December 31st, 2020, the synod will not be able to date it for the 2020 taxation year.***

The 2020 fourth quarter statements will be mailed to congregational treasurers and chairpersons in early February, 2021. When these arrive, please check your statement closely as these figures will be included in the year-end audit of the synod's financial statements. Any discrepancies from your records should be reported promptly to:

Sue Heimpel, Accounting Assistant

Telephone: (519) 743-1461 or 1-877-373-5242 (toll free) Ext 217

email: [sheimpel@elcic.ca](mailto:sheimpel@elcic.ca)

## **B. LOOKING AHEAD TO 2021**

As you finalize your budget for next year, we, along with Bishop Michael Pryse, request that you and your church council/board prayerfully consider your benevolence budget line for 2021. A few examples of the synod's ministries that are supported by your benevolence offerings are included in the [Our Ministry Story 2021](#) document, copies of which have been sent to your congregation for distribution to your members. As always, we are very grateful to each of you for the important role that you play as advocates for the ministries of the wider church. Thank you!

Rostered ministers, please keep in mind that you are responsible for ensuring that your congregation's 2021 "Commitment Amount" to Regular (General/Undesignated) Benevolence, along with other items in the annual parochial report, are submitted by the March 31<sup>st</sup>, 2021 deadline. The ELCIC national office has significantly simplified reporting requirements for the parochial report over the last few years and will provide more information early in the new year.

***When submitting your 2021 remittances to the synod office, please use the 2021 version of the Congregational Remittance form to accompany your cheque.*** As these forms change from year to year, using the current version of the form will help to ensure that your offerings are recorded accurately. For the convenience of congregational treasurers, a copy of the 2021 form has been included in your hardcopy mailing of this communication - please photocopy it or obtain additional copies by going to the home page of the Eastern Synod website (<http://www.easternsynod.org/>), scroll down to the rose coloured box titled 'Treasurers/Financial Info', click the drop down arrow, select 'Forms' and click on the "Search" button. Both a fillable PDF and printed version will be available on the website in early 2021.

In addition to mailing your remittance cheques to the synod office, we are now able to receive e-transfers from those congregations that have the capability to make digital disbursements from their bank account using a two-person authorization process. For more details, please contact Kim Marcy.

### **C. OTHER 2021 BUDGETING AND FINANCIAL ADMINISTRATION CONSIDERATIONS**

A copy of the Synod's [2021 Compensation Schedule](#) is posted on the synod's website in the Treasurer/Financial section. This information provides guidance for budgeting salaries/benefits for rostered ministers and/or pastoral supply. Questions about the information in this schedule should be referred to Rev. Doug Reble ([dreble@elcic.ca](mailto:dreble@elcic.ca); 1-877-373-5242, Ext 215).

As recently communicated, the Eastern Synod's triennial convention (Assembly 2021), scheduled for June 25-26, 2021, will be a virtual event. When preparing your congregational budget for 2021, you should budget \$300 for registration fees for each of your pastor/rostered minister and lay delegate. Given that the fees for this online assembly are significantly less than those that would otherwise be required for an in-person event, it is our hope that every congregation will be represented by both their rostered leader and a lay delegate. Further details about registration and the agenda will be sent in the new year.

ELCIC Group Services Inc.'s November 13<sup>th</sup> communication, [Treasurer Fall Newsletter](#), was recently sent to all congregational treasurers and included details on a number of important items, including the following:

- The redesigned extended health and dental plan, including 2021 premium rates
- A one-time reduction to the employer premium for life, disability, AD&D, parental leave supplemental pay and short-term counselling benefits (from 4.0% in 2020 to 3.5% in 2021).
- 2021 CPP rates and the 2021 Yearly Maximum Pensionable Earnings (YMPE)

ELCIC Group Services is also planning to send two new reports to you in the new year that are intended to help confirm the amounts that should be entered for taxable benefits and GSI pension contributions on the T4 that you issue to your employee(s).

The ELCIC national office and ELCIC Group Services Inc. provide excellent resources for congregational treasurers and others involved in congregational finances. Both of these resources are updated on a continual basis, as required:

- ***[The ELCIC Treasurer's Information Booklet](#)*** – The most current version is posted on the ELCIC website ([www.elcic.ca](http://www.elcic.ca) - under "Resources - Treasurer's Resources").
- ***[Payroll, Pension and Benefit Information](#)*** – Detailed guidance on these matters, including several calculation worksheets, is available on the ELCIC Group Services Inc. website ([www.elcicgsi.ca](http://www.elcicgsi.ca) – under the "[Employers](#)" section).

#### **D. UPDATE FROM CANADA REVENUE AGENCY (CRA)**

***If you haven't done so already, we strongly encourage your congregation to take advantage of the various financial assistance programs that the federal government has made available to congregations during the pandemic.*** Communications describing these programs can be accessed from the Treasurer / Financial Info section on the home page of the [Eastern Synod website](#) (select the "News" category from the dropdown list) and look for communications with a subject line preface of "COVID-19".

As you are likely aware, due to the pandemic, CRA extended the deadline for submitting your 2019 Charity Information Return (T3010) to December 31<sup>st</sup>, 2020. If you haven't already submitted your return, please note that this deadline is quickly approaching! For your 2019 and subsequent years, you have the option of using CRA's new on-line service or continuing to use the paper form. For further information, refer to CRA's document: [T3010 charity return – Filing information](#).

Please note for next year when you complete your 2020 return, that if you received any assistance from federal government pandemic programs (e.g. Temporary Wage Subsidy, Canada Emergency Wage Subsidy, etc.), these amounts should be included in Box 4570 in Schedule D or in Box 4540 on Schedule 6, depending on which schedule is required for your congregation.

If you require assistance completing your T3010 form you may wish to view a recorded webinar [Completing the T3010 Annual Charity Return](#) that was produced by the United Church of Canada (UCC). Although this webinar includes several references that are specific to the UCC and its operations, most of the content is generic and applicable to ELCIC congregations. I recommend that you take some time to view this. The accompanying PowerPoint slides are also available to download from this site. We are most grateful to the United Church of Canada for their willingness to share these resources with us!

## **E. INSURANCE RENEWALS**

A number of congregations have mentioned that the premiums quoted on recent insurance renewals have increased significantly, with some reporting increases of 50% or more. These increases seem to be common across the insurance industry and not necessarily specific to churches. Reasons for the increases can be attributed to a variety of factors, including the significant increase in claims that insurance companies have been experiencing in recent years due to the effects of climate change (e.g. wildfires out west, major storms and flooding across Canada, wind damage from tornadoes, etc.).

Sometimes there can be a significant difference in the rates that different insurance companies charge for relatively similar coverage. If you're interested in exploring other options for your congregation, the following are two possibilities:

- AON – Because AON has a special arrangement with the ELCIC, we suggest that you mention that your congregation is an ELCIC member. Contact information is as follows:
  - Toronto office: Email: [shawna.whitmell1@aon.ca](mailto:shawna.whitmell1@aon.ca); Tel: 416.868.5697
  - Montreal office: Email: [natalia.vasquez@aon.ca](mailto:natalia.vasquez@aon.ca); Tel: 514-840-7823
  - Halifax office: Email: [nancy.walters@aon.ca](mailto:nancy.walters@aon.ca); Tel: 902-421-7041
- Robertson Hall – Robertson Hall is the broker for the Eastern Synod's property, liability and director and officer insurance. They also provide insurance coverage for many churches. [Robertson Hall Contact Info](#)

It's always important that your church council/board understand exactly what is included and what is not included in your insurance package and that you are comfortable assuming any residual risk. This review is even more important now that some insurers have started to exclude coverage for infectious diseases (e.g. COVID-19).

## **F. DONATIONS OF SECURITIES**

Did you know that donations of securities and mutual funds provide a very tax-efficient way for donors to make charitable donations because tax on capital gains can be avoided? To accept these types of donations a brokerage account is required. The Evangelical Lutheran Foundation in Eastern Canada ([ELFEC](#)), a charitable foundation that serves congregations across the ELCIC, offers assistance to congregation by providing brokerage services to facilitate these types of donations. And although organizations such as CanadaHelps.org, offer the same services, ELFEC offers these services at much lower fees.

Because the volume of these in-kind transfers tend to peak towards the end of the calendar year, to ensure that a donation receipt is dated in the current year a transfer authorization form for stocks or bonds must be received no later than December 10<sup>th</sup>. (The corresponding date for in-kind transfers of mutual funds is November 26<sup>th</sup>.)

For further information email ELFEC's Director of Finance and Marketing, Krista Kuehnbaum ([kkuehnbaum@elfec.ca](mailto:kkuehnbaum@elfec.ca)) or call toll-free (1-888-308-9461).

## **G. AUTHORIZED APPEALS FOR 2021**

The synodical constitution stipulates that "special appeals to congregations for the raising of funds shall require the consent of the convention or the synod council". Unfortunately, this approval is not always requested; as a result, congregations often receive numerous solicitations from church and community related organizations.

Although some members prefer giving to specific causes, a proliferation of special appeals can be counter-productive to the support of synodical ministries that are funded through regular benevolence dollars. These ministries are prioritized by Synod Council and approved by delegates to Assembly as part of the budgeting process.

It has been the practice of Synod Council to provide some guidance to congregations by designating a limited number of authorized synodical appeals and by communicating these priorities to each congregation on an annual basis. (Congregations retain the freedom to support additional appeals as they deem appropriate.)

In addition to ELCIC approved ministries (e.g. Canadian Lutheran World Relief, ELCIC Praise Appeal), Synod Council has authorized the following appeals for 2021:

- ***Outdoor Ministry General Appeal*** – in support of Camp Lutherlyn and Camp Mush-a-Mush
- ***St. Peter's Lutheran Church, Kitchener*** – CTV Television Ministry Appeal

It is understood that offerings for special appeals such as these are expected to be above and beyond, not in lieu of, regular benevolence offerings.

## **H. OTHER UPDATES AND MISCELLANEOUS INFORMATION**

This final section highlights various pieces of information from previous year-end communications that are of ongoing importance. You can access more information about any of the following topics by clicking on the following link: [Helpful Reminders](#)

- Restrictions on transferring church property to other organizations
- The church is not a club – membership does NOT have its privileges
- Restrictions on transferring or borrowing from restricted funds
- Congregational investments
- Workers compensation - requirements and other considerations
- Employee gift regulations
- Registered Charity Information Return (T3010)
- Monthly Remittances to the Synod Office

- Pre-authorized remittance option for benevolence remittances
- Eastern Synod undesignated donations/bequest policy
- Summary of financial information posted on the Eastern Synod website
- Protecting congregational financial assets
- Assistance available to congregations receiving a bequest

If you don't have internet access and would like a copy of the above Helpful Information topics, please leave your name and mailing address with Sue Heimpel at the synod office (Toll Free Telephone: 1-877-373-5242, Ext 217) and she will mail a printed copy to you.

***Wishing You and Yours  
A Blessed Advent and Christmas Season  
and  
All the Best in 2021!***

