



To: Congregational Treasurers
Rostered Ministers Serving Congregations

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

Date: December 3rd, 2021

Re: 2021 Year-end and Other Important Financial Matters

In addition to being included in the December 3rd weekly emailer to congregational lay and rostered leaders, a hardcopy version of this communication was mailed to all congregational treasurers using the church mailing address. Although intended primarily for congregational treasurers, it is also important that rostered ministers and other congregational leaders be aware of this information.

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: kmyra@elcic.ca	Toll free: 1-877-373-5242 (Ext 224)
Kim Marcy	Email: kmarcy@elcic.ca	Toll free: 1-877-373-5242 (Ext 223)

The past year, the second year in which we have been living through a pandemic, has been another challenging one for all congregational leaders, including congregational treasurers. Thanks to each of you for the ministries of leadership and financial administration that you continue to provide so faithfully to your congregation! 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 been experiencing over the past twenty months or so. **Thank you!**

A. 2021 YEAR-END CLOSE

The Synod's books for 2021 will close at noon on Friday, January 21st, 2022. In order to be credited for 2021, 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.

Benevolence remittances that we've received as of October 31st are tracking 4% behind those received for the comparable period in 2020 and are 10% lower than the comparable period for 2019. Considering the impact that the pandemic has had on the finances of many congregations, these results aren't overly surprising.

In spite of the challenges, we are grateful that many congregations have continued to contribute at their previous level and a few congregations have been able to increase their giving. Regardless of your congregation's particular situation, thank you for your most generous offerings that continue to flow into the synod office, month by month, during these challenging and unprecedented times! Should your congregation be in a position to make an additional contribution to benevolence, over and above what you have budgeted, your "second mile" gifts continue to be especially appreciated! A special thanks to those congregations that have already made an additional gift.

Although our preferred practice is that benevolence and other offerings directed to the synod be given (and receipted) through the local congregation, occasionally gifts from individuals are sent directly to synod office. As is the case in each congregation, ***if a donation is received after December 31st, 2021, the synod will not be able to date it for the 2021 taxation year.***

The 2021 fourth quarter statements will be mailed to congregational treasurers and chairpersons in early February, 2022. 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:

Danielle Arsenault (Accounting Assistant)
Telephone: (519) 743-1461 or 1-877-373-5242 (toll free) Ext 217
email: darsenault@elcic.ca

B. LOOKING AHEAD TO 2022

As you finalize your budget for next year, the two of us, along with Bishop Michael Pryse, request that you and your church council/board prayerfully consider your benevolence budget line for 2022. Hopefully you've had a chance to view some of the "Our Ministry Together" brief video clips that were released over the past year that help

to explain some of our various synodical ministries, most of which are supported through benevolence offerings. These video clips can be accessed by clicking on this [Our Ministry Together](#) link. We continue to be 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 2022 "Commitment Amount" to Regular (General/Undesignated) Benevolence, along with other items in the annual parochial report, are submitted by the March 31st, 2022 deadline. The ELCIC national office will provide more information early in the new year.

When submitting your 2022 remittances to the synod office, please use the 2022 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 2022 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 2022.

In addition to mailing your remittance cheques to the synod office, we are 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 2022 BUDGETING AND FINANCIAL ADMINISTRATION CONSIDERATIONS

A copy of the Synod's [2022 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; 1-877-373-5242, Ext 215).

ELCIC Group Services Inc.'s (GSI) [Fall 2021 Treasurer Information Update](#) was recently sent to all congregational treasurers and included details on a number of important items, including 2022 benefit premium rates (no changes from 2021) and a reminder about the opportunity that is available to plan members to reselect their benefits module option for 2022.

In addition to the taxable benefit and pension contribution reports that GSI started sending at the end of 2020, similar reports pertaining to the 2021 calendar year will be sent to you in early 2022, as well as a new report indicating the additional taxable

benefit amount that must be included in the 2021 T4 for those employees who utilized the new Lifestyle Spending Account during the past year.

GSI will be hosting a virtual conference January 18, 19 & 20 for ELCIC plan members and treasurers. Participants can join any or all sessions, and each day will include cooking demonstrations and fitness breaks. Treasurers will review eligibility and enrollment, as well as explore some of the challenges in managing medical absences and other leaves or life events. Treasurers will also learn tips on payroll budgeting, taxable benefits, T4 and other tax reporting. Plan members' sessions cover a variety of topics including: making the most of the benefits plan; wills, estates & planned giving; financial wellness and working with a financial planner; planning for retirement and lots more! Registration is free and open now. Visit the [conference page](#) to find more details.

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 - 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 – under the "[Employers](#)" section).

D. UPDATE FROM CANADA REVENUE AGENCY (CRA)

Was your congregation able to take advantage of the Canada Emergency Wage Subsidy (CEWS) or other financial assistance programs that the federal government made available to congregations throughout 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"). Although the CEWS program ended this past October, applications will be accepted up to 180 days after the end of the period for which you're applying, with a final date of April 21st, 2022.

Depending on the extent of your revenue decline, your congregation may also be eligible to apply for a subsidy from the Hardest Hit Business Recovery Program that was introduced in October. More details about this program will be communicated shortly.

Hopefully, you have filed your congregation's 2020 Charity Information Return (T3010) by now. The deadline for filing is six months following your fiscal yearend. For your 2021 return (due by June 30, 2022 for congregations with a December 31st fiscal yearend), you have the option of using CRA's on-line service or continuing to use the paper form. For further information, refer to CRA's document: [T3010 charity return –](#)

[Filing information](#). As was the case for 2020, please note that when you complete your 2021 return, assistance from federal government pandemic programs (e.g. Canada Emergency Wage Subsidy, etc.), must be included in Box 4570 in Schedule D or in Box 4540 on Schedule 6, depending on which schedule is required for your congregation.

E. PROPERTY AND LIABILITY INSURANCE

It's important that congregations review their insurance coverage periodically. For example, does your property coverage provide protection in the case of overland flooding or a sewage backup? Was your policy recently amended by your insurer so that it no longer includes coverage related to COVID and other infection diseases? Although you and your church council may ultimately determine that your congregation can't afford to be insured for every risk, it's important, nevertheless, to understand what types of events are covered, and just as importantly, what ones aren't.

A number of congregations insured through policies provided through AON have reported unsatisfactory response times when contacting AON with questions or concerns. AON has acknowledged these problems, agreed that their level of service has been unacceptable and is committed to improving their client service model for ELCIC congregations.

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. Click on this link for information about [2021 deadlines](#).

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

G. AUTHORIZED APPEALS FOR 2022

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 2022:

- ***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. ONTARIO CORPORATIONS ACT (ONCA)

After more than a decade, the Province of Ontario has finally enacted the *Not-for-Profit Corporations Act, 2010*. This new legislation has implications for all congregations that are currently incorporated in Ontario under the previous *Corporations Act*. If your congregation is one of these, Secretary of Synod Rev. Wendell Grahlman, will be contacting your chairperson sometime in the first half of 2022 to help you navigate through the transition to ONCA. Although most of the changes that have been introduced by ONCA are unrelated to congregational financial issues, the requirements for an audit have been relaxed somewhat. For more information, refer to the document "[Do We Need a Financial Audit at Year-end?](#)" posted on the synod's website.

I. OTHER INFORMATION

Finally, a reminder that the Treasurers/Financial Information section on the home page of the Eastern Synod website (www.easternsynod.org) provides a wealth of information and previous communications for treasurers that are of ongoing importance. If you haven't done so, you may wish to check this out.

Wishing You and Yours a Blessed Advent Season, a Merry Christmas and



All the best in 2022!