



MEMORANDUM

To: Congregational Treasurers and Other Lay and Rostered Leaders

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

Date: April 15th, 2020

Re: Update on COVID-19 Financial Issues

This communication was emailed to those congregational treasurers and other leaders (including rostered ministers) with email addresses on file at the synod office. If you received this letter and are no longer serving in one of these roles, please forward this to your successor.

Easter greetings to each of you!

He is Risen! He is Risen Indeed! Alleluia!

Words such as “unprecedented”, “extraordinary” and “challenging” have been used so frequently over the past month that perhaps they have lost some of their impact. As is the case for so many individuals and organizations across the world, these are also unprecedented times for the Eastern Synod, our 180 congregations and the lay and rostered congregational leaders such as you who serve them. Thank you for your faithful and dedicated service during these turbulent and challenging times! We hope that you, your family and friends have been able to stay healthy.

Over the last few weeks you received several communications that were developed jointly by the ELCIC national office and the treasurers of the five synods. The first was sent on March 25th (Financial Giving Resources for Congregations) and the second on April 3rd (COVID-19 - Letter #2 (and Addendum) to Congregational Treasurers and Other Leaders) that included information on wage subsidies and other government-sponsored benefits and resources in response to the COVID-19 pandemic. Hopefully you have found this information helpful. For your future reference, these documents (along with

this communication) have been posted on the synod website on the [Treasurer/Financial page](#) (refer to COVID-19 Updates section).

This communication includes information about a number of other miscellaneous congregational financial matters related to COVID-19, as well as a few updates to information that was communicated previously.

Wage Subsidies and Other Government Programs

[Letter #2 from the ELCIC treasurers](#) and the [Letter #2 Addendum](#) included preliminary information on the 10% Temporary Wage Subsidy for Employers and the 75% Canadian Emergency Wage Subsidy (CEWS) that was announced a week or so later. Although a number of administrative details still need to be finalized, legislation for both of these programs has been enacted.

When the CEWS program was initially announced, employers were required to demonstrate that their revenues had decreased by 30% or more during each of March 2020, April 2020 and May 2020, compared to the corresponding month in 2019. The 30% requirement for March has since been reduced to 15%. Refer to this link for information about what is currently known to date about the CEWS program: [Canadian Emergency Wage Subsidy](#). Representatives from the charitable sector are meeting with government representatives to work through the remaining details.

Although some congregations may not be eligible for the 75% CEWS subsidy, it seems likely that all congregations with at least one employee will qualify for the 10% Temporary Wage subsidy. As such, we strongly recommend that you take advantage of the 10% subsidy immediately, while it is available. Should you also qualify for the CEWS 75% subsidy, your CEWS claim can be reduced accordingly. For information on how to receive the 10% subsidy, refer to the following link: [Temporary Wage Subsidy for Employers](#).

Benevolence Remittances to the Synod

Although the synod office is currently closed due to the state of emergency that has been declared in Ontario, requiring that staff work remotely from home, we continue to check the mail on a regular basis, make occasional bank deposits and pay invoices, etc. as required. Thank you, and a big shout-out, to those many congregations that have continued to make their monthly benevolence remittances! We are very appreciative! Your financial support is important as the synod intends to honour all of its existing 2020 financial commitments.

If the cash flow situation in your congregation is such that you are temporarily unable to send in your remittances on a regular basis, or if you are unable to find a safe way to get your cheques signed, we understand! Hopefully, conditions will improve later in the year and you will be able to make up for any shortfalls.

If you have not already done so, you may wish to encourage your members to continue to give regularly to your congregation by using one or more of the alternate giving methods that were suggested in the [March 25th communication](#).

It has been our practice to send statements to the treasurer and chairperson of each congregation at the end of each quarter to confirm remittances that the synod received in the previous quarter. Since it is not possible to produce these statements while our office is closed, we plan to wait until July, at which time we will send you a statement that contains all remittances that were made during the first two quarters of 2020.

Ontario's Declaration of Emergency and Essential Business

Note that information in the following section applies to congregations in Ontario. Regulations in other provinces may be different. The following chart that is being maintained by the Canadian Council of Christian Charities may be a helpful reference for those congregations in Quebec, New Brunswick and Ontario: [Provincial COVID-19 Restrictions, Orders & Legislation](#)

Although there are a few exceptions, in general churches are not included in the list of essential workplaces under the declaration of emergency that is currently in effect in Ontario. As a result, churches must be closed to the public during this period of time. You may have some questions about how this impacts employees or volunteers coming to the church.

After checking with the Province of Ontario's "Stop the Spread Business Information Line", we have determined that ***only those activities that are deemed to be essential to keeping the church running can be performed on-site***. Such activities could include making periodic bank deposits, issuing cheques, etc., ***provided that these activities cannot be performed remotely and that only one person is in the building at a time***, regardless of how large the church is, the number of floors in the building, etc. Any time that is spent in the church by an employee or volunteer must be limited to activities that are absolutely essential and should be as brief as possible. In some cases, police are entering places of businesses where people are working to determine if they should be there or not. You may wish to consider providing anyone who is required to work at the church for a brief period of time with a letter documenting that he/she is working on activities that are essential to keeping the church running and that these activities cannot be performed remotely.

In addition to the above, the Canadian Council of Christian Charities (CCCC) obtained some guidance related to congregations and virtual worship. In Ontario, CCCC has confirmed that it is permissible for places of worship to broadcast services provided that social distancing directives are observed and that a limit of five persons is maintained.

Property and Liability Insurance Considerations

For those congregations that are insured through Aon/Ecclesiastical, one of the ELCIC's preferred providers, Ecclesiastical has confirmed that congregations will not suffer any decrease in coverage related to temporary building closers due to the COVID-19 pandemic. Ecclesiastical does request, however, that provided that it is safe to do so, the church be checked periodically to ensure that no property damage has occurred.

If your congregation is not insured by Ecclesiastical, it would be prudent to check with your insurer in case there are changes to your insurance coverage or your obligations during the period of time that your building is temporarily closed.

Extension to Charity Information Return (T3010) Filing Date

Normally, the annual Charity Information Return (T3010) must be filed within six months of your congregation's fiscal year-end. For those congregations with a December 31st fiscal year-end, the deadline for the 2019 filing would be June 30th, 2020.

Canada Revenue Agency (CRA) has announced that the deadline for filing returns that would normally be due between March 18, 2020 and December 31, 2020 has been extended to December 31, 2020.

Accessing Restricted Purpose Trust Funds Prior to Obtaining a Court Order During the COVID19 Pandemic (Ontario)

In light of the difficult economic consequences created by the COVID-19 pandemic, the Ontario Public Guardian and Trustee has developed temporary guidelines to allow charities that are in danger of closing to access the income and capital of restricted purpose trust funds when necessary to enable them to continue their day-to-day operations.

Please note that a number of conditions and requirements must be satisfied before these funds can be accessed. For details refer to [Conditions for Accessing Restricted Purpose Trust Funds](#). ***This option should be considered only as a last resort if your congregation is in danger of closing due to financial issues imposed by the COVID-19 pandemic and if no other alternatives are available.***

Although it is possible that similar relief may be available in provinces other than Ontario, I am not aware of any announcements that have been made to date.

Summary

Are you still confused about the various subsidies and other government benefits that are available? What about regulations that have been temporarily relaxed? If so, you might find the following reference chart that has been prepared by Imagine Canada, helpful: [Federal Government Covid-19 Measures](#).

What's Next?

Because responses to the COVID-19 pandemic from government and other organizations are occurring on a daily basis, it's a challenge for all of us to keep aware of the latest developments! We're committed to staying in touch with you through communications such as this to ensure that you remain up to date.

Currently, we're considering two possibilities:

1. Scheduling a digital "town hall" meeting that would provide an opportunity for congregational leaders to ask us questions about financial issues related to COVID-19. These would be offered through Zoom, a user-friendly technology platform.
2. Conducting a survey to determine the level of interest in congregations if the Synod made digital options available, over and above PAR, for remitting benevolence and other payments to the Synod office.

You can expect to hear more about both of these in the next week or so.

In Conclusion

If you have questions about any of the information in this communication, please email both of us, including your name, email address and congregation name/location:

Keith Myra, Treasurer (kmyra@kmyra.ca)

Kim Marcy, Director Finance & Administration (kmarcy@elcic.ca)

Even though the synod office is currently closed, we are working remotely from our homes. One of us will respond to you in a timely manner.

Things are changing very quickly. Although we have made every attempt to ensure that information in this communication is current, it's possible that some regulations or other information will have changed by the time you read this! We will attempt to inform you of any significant developments in as timely a manner as possible.

May the Lord continue to bless your ministry in these challenging times!