Dear Clergy, Senior Wardens, and others in charge of congregations:

The Diocese is aware that many congregations are looking at their 2020 budgets and making plans to reduce spending in response to the current crisis. In an effort to do the same, the Diocese had suspended all discretionary and program spending and is only meeting its canonically required spending, payroll, and utilities. The following is guidance on available financial resources and payment relief efforts for congregations:

1. **2020 Budget Reviews** - Please review your budgets for any programmatic and discretionary spending that can be placed on hold. Per CDC guidance, if your church is placing all in-person worship on hold, you can immediately cut or reduce the following expenses to preserve cash to pay essential costs:
   
   a. Travel reimbursements and expenses  
   b. Food and refreshment costs for in-person events  
   c. Program expenses  
   d. Stop flower funds, printing costs, and other fees associated with in-person activity  
   e. Reduce lawn maintenance and cleaning costs  
   f. Adjust HVACs for reduced costs  

**ACTION:** Clergy, please place a budget review on your next virtual vestry meeting for discussion and request that your treasurer conduct an assessment of reducing costs. For additional support, contact Canon Easterlin for guidance.

2. **Prepare a cash Flow Projection** - conduct a review of available cash resources to respond to possible reduced giving. Work with your bookkeeper and treasurer to develop a cash flow projection that shows how long the cash on hand in operating and unrestricted savings accounts will cover the reduced budget expenses in a reduced giving scenario. The sample below shows the process used for simple cash flow projections – to vary the results the cash inflows are adjusted. As an example, the parish anticipates regular monthly giving of $10,000 in April and the checking and money market accounts hold $6,000 of unrestricted cash at the end of March, having reduced expenses to the minimum costs of salaries, insurance and the basic utilities for the building, the operating costs will be $8,000 per month. See a simple
cash projection example below that assumes regular giving in April and only half of regular giving for the next two months.

<table>
<thead>
<tr>
<th>Simple cash projection with fixed expenses</th>
<th>March 31 Balance</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. cash on hand</td>
<td>$6,000</td>
<td>$8,000</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>b. inflows</td>
<td>$10,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>c. expenses</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td></td>
</tr>
<tr>
<td>d. Balance forward</td>
<td>$6,000</td>
<td>$8,000</td>
<td>$5,000</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

3. **Benefit Payment Deferments** - Until June 30, 2020, the Church Pension Group (CPG) will not be cancelling any group benefits or property & casualty insurance coverages or charging interest for failure to make timely payments. Institutions that can afford to make full or partial payments for pension assessments, health benefits (including individuals on extensions of benefits), property & casualty coverage, life insurance, and disability policies offered through a Church Pension Group company should continue to do so, but CPG is temporarily implementing a 90-day hardship grace period for those who cannot make timely payments.

**ACTION:** Reach out to Canon Easterlin at keasterlin@gaepiscopal.org for process and forms.

4. **Small Business Association (SBA) Loans** – The CARES Act was signed into law last week. NPR reports: “The main features for small businesses are emergency grants and a forgivable loan program for companies with 500 or fewer employees. There are also changes to rules for expenses and deductions meant to make it easier for companies to keep employees on the payroll and stay open in the near-term. Religious institutions and 501c3s are eligible for the following:

- ** Forgivable loans:** There is $350 billion allocated for the Small Business Administration to provide loans of up to $10 million per business. Any portion of that loan used to maintain payroll, keep workers on the books or pay for rent, mortgage, and/or servicing other existing debt could be forgiven, provided workers stay employed through the end of June.

**ACTION:** The application process will require specific documentation and approval through the Standing Committee. The Diocese will work on specific process documentation once the Small Business Association provides the application process. In the mean-time here is the [FAQ](#). We plan on making this as quick and smooth as possible for those who qualify.
5. **Diocesan Assessment** - The Diocese understands that one of the larger expenses for most congregations is their Diocesan assessment. The Diocese has immediately and drastically reduced its expenses for the coming months to the bare essentials. Without incoming tithes, however, we will not be able to meet our payroll and essential expenses in a very short time period. The Diocese would like to recommend the following, for those congregations who need it:

- **2% Assessment** - Temporarily suspending the 2% assessment for 90 days and stretching out the catch-up payments through December 31st, 2020.

**ACTION:** Please reach out to the Bishop at bishop@gaepiscopal.org with questions or to inform him that your congregation will be taking advantage of this temporary suspension.

6. **Pledge Giving and Guidance** - In this time of crisis, many congregations are offering new and creative ways to stay connected, and individual parishioners are appreciating those connections more deeply. Clergy should communicate with their congregations about ways they can participate in and support these ministries, including making financial gifts to their congregations. This communication should be clear and honest about congregational needs without attempting to “guilt” people into giving. This communication will need to be repeated at regular intervals, as people’s attention may become distracted. Below are some resources and thoughts that may be of use in developing these communications:

- **Remote Giving Guidance** - The Diocese developed a document on how all congregations, regardless of size, can receiving giving remotely.
- **The CARES Act** - Parishioners may not yet know that this legislation allows for a tax deduction for monetary charitable contributions (i.e. – not “in-kind” donations) of up to $300 even for those who do not itemize their tax returns. Additionally, the bill lifts the limitation for individual charitable deductions.
- **Ongoing and Generous Giving** - As communities in the Diocese of Georgia see the increasing effects of COVID-19, our congregations will continue to respond, as we already are. In addition, there are many organizations that are able to provide direct assistance, and both our congregations and these organizations need not just the same but increased support in this time. While many parishioners may have seen income loss during this period, clergy might encourage those individuals who have been able to maintain their salaries and benefits during this time to keep giving at same or potentially increased level to meet the mission needs of the church and ensure operations will be maintained after the crisis. One way to do this might be for those whose income has been unaffected to give away a significant portion of the governmental support check they may receive through the CARES act.

**ACTION:** Consider posting available remote giving guidance on your Facebook page and website in addition to other charities you are promoting. Remind parishioners their ongoing gifts are one way that they can respond to the current crisis and ensure the ongoing health of their congregation.