



7.2.1 – PROPOSED FAIR SHARE ASSESSMENT RELIEF TO PARISHES IN 2021

PRÉCIS:

MARCH 17, 2021

In 2020, a lot of our parishes acknowledged that if Diocesan Council had not generously supported parishes by providing 5-month assessment relief to all parishes and 2-month clergy salary relief to parishes with investments of less than \$750,000, most parishes would have been in serious trouble. It costs the Diocese a total of \$1.73 million to provide such financial support in 2020.

The significant drop in Diocesan qualifying revenue (excluding investment income) due to 5-month assessment relief increased our eligibility to qualify for the Canada Emergency Wage Subsidy. In 2020, this resulted in a total of \$2.39 million in wage subsidy (\$1.82 million is attributed to parishes and \$0.57 million to the Diocese). The Diocese initially received \$0.77 million in 2020 and the \$1.62 million balance is received in February 2021. The remaining share of each parish in the total wage subsidy has been deposited to the parish bank account on March 11, 2021.

As COVID-19 continues and several parishes struggle to meet ministry and financial challenges, parishes are hoping that Diocesan Council would consider further ways to empower and support them to thrive through the pandemic. As you may note in *DC Item 7.2.1.1 - Parish Financial Summary 2020 vs. 2019* – of the 63 parishes that submitted a copy of their financial statements, 54 parishes continue to experience drop in qualifying revenue (excluding investments income, government grants, and other extraordinary items) in 2020 in comparison to the parish financial information in 2019.

To help sustain the ministries of our parishes not only in the current year but also in succeeding years, the Director of Finance initially proposed a 6-month assessment relief from January to June 2021. Such strategic direction will enable the Diocese and parishes to further qualify for the maximum wage subsidy that is available during the extended coverage period of the Canada Emergency Wage Subsidy in 2021.

Cost to the Diocese and Total Financial Benefit of Assessment Relief to Parishes in 2021:

	No Assessment Relief	3-month Assessment Relief	6-month Assessment Relief
Net Costs to the Diocese			
Assessment Relief	-	(605,500)	(1,212,000)
Less: Wage Subsidy Allocated to Diocese	-	96,000	240,000
	-	(509,500)	(972,000)
Total Financial Benefit to Parishes			
Assessment Relief	-	605,500	1,212,000
Wage Subsidy Allocated to Parishes	-	683,000	1,709,000
	-	1,288,500	2,921,000

The timing of assessment relief is critical to our eligibility for the time-limited wage subsidy which is available only through June 2021. In the absence of any directives to the Synod staff not to collect assessments, parish monthly assessments will be withdrawn from the parish bank accounts on or about the 25th day of the month.

Once the assessments have been collected, the Diocese and parishes will lose its ability to qualify for wage subsidy during the month of assessment collection.

While the 6-month assessment relief will cost \$1.21 million to the Diocese, it will enable us to potentially qualify for a total of \$1.949 million in wage subsidy from January to June 2021 (\$1.709 million for parishes and \$0.24 million for the Diocese).

On January 26, 2021, Finance & Property Committee reviewed the proposal and resolved to pass the following motions:

M/S: Bishop John Stephens / The Rev. Ruth Monette

THAT the Standing Committee on Finance and Property recommends that Diocesan Council approves the following actions in order to mitigate the ongoing financial impact of COVID-19 within the parishes of the Diocese:

- (1) Diocesan fair-share assessments from January 1, 2021 to March 31, 2021 be suspended.*
- (2) The Canada Emergency Wage Subsidy that will be received by the Synod Office on behalf of each parish for year 2020 and year 2021 will be reported as a liability of the Diocese to the parishes and will be released when all relevant financial information will be submitted by each parish.*
- (3) The maximum amount of wage subsidy for year 2020 and year 2021 that will be provided to each parish will be limited to the maximum amount that the Diocese has received from CRA for the parish.*

M/S: Bishop John Stephens / The Rev. Ruth Monette

THAT the Standing Committee on Finance and Property directs Synod Staff to defer the collection of the fair-share assessments from January 1, 2021 to March 31, 2021 until posterior analysis and decision by the Diocesan Council.

CARRIED

SUGGESTED MOTIONS:

MOVED BY THE STANDING COMMITTEE ON FINANCE AND PROPERTY

THAT Diocesan Council approves the following actions in order to mitigate the ongoing financial impact of COVID-19 within the parishes of the Diocese:

- (1) Diocesan fair-share assessments from January 1, 2021 to March 31, 2021 be suspended.**
- (2) The Canada Emergency Wage Subsidy that will be received by the Synod Office on behalf of each parish for year 2020 and year 2021 will be reported as a liability of the Diocese to the parishes and will be released when all relevant financial information will be submitted by each parish.**
- (3) The maximum amount of wage subsidy for year 2020 and year 2021 that will be provided to each parish will be limited to the maximum amount that the Diocese has received from CRA for the parish.**

MOVED BY THE STANDING COMMITTEE ON FINANCE AND PROPERTY

THAT Diocesan Council directs Synod Staff to defer the collection of the fair-share assessments from January 1, 2021 to March 31, 2021 until posterior analysis and decision by the Diocesan Council.