



ANGLICAN EAST NL

Anglican East NL Payroll Support Plan

The Synod Office has received several inquiries from parishes seeking guidance as to how they are to deal with the serious financial challenges posed by the COVID19 crisis. The Bishop, in keeping with his commitment to provide payroll support to employees of parishes in the Diocese expressed in his pastoral letter quoted below and consultation with the Executive Committee, has directed that the following process be followed for those parishes seeking payroll support.

This plan is valid for the period **April 1, 2020 to July 31, 2020**, after which the need and ability of the Diocese to provide payroll support will be reassessed.

Step by Step Process for Parishes that seek Payroll Support

Step 1. New Anglican Joint Investment (AJI) Withdrawal Policy

Our current Diocesan Policy 4 permits a parish to make AJI Withdrawals for housing or capital projects in accordance with its terms and conditions. Such withdrawals require approval from the Finance Committee if the amount of the project is over the limit set by the Diocesan Executive Committee.

On March 23, 2020 the Diocesan Executive Committee passed a new Policy on AJI withdrawals for parishes facing emergency financial situations. In such an **emergency financial circumstances**, a parish may also apply to withdraw from its AJI account up to a maximum of the lesser of 50% of capital gains from **non-restricted funds** in its AJI account or three months parish operating expenses.

However, at this most critical time, the first charge on these AJI funds is to provide payroll support to clergy and lay staff before any other bills are paid. Banks and Service Providers are providing flexibility and relief for bill payments during this time. The use of AJI, Government Programs, and Diocesan Relief is for the purposes of maintaining payroll obligations to our people.

Application by a parish shall be made by submission to Synod Office of the documents set out below. Upon receipt and satisfactory review of these documents, such an emergency request by a parish may be permitted by the Executive Officer in his discretion in consultation with the Finance Officer.

In order to process this, the following information is needed and has to be submitted to the **Finance Officer**:

- i. Motion from Vestry seeking approval on an emergency basis of a withdrawal of non-restricted funds from the parish AJI account of an amount not exceeding the maximum amount set out above.
- ii. Copy of all Bank Statements for the current year.
- iii. Copy of current year's Budget, by month if possible.
- iv. Detailed monthly projected income and expenses for the period requested.
- v. Detailed previous year's monthly Income and expenses for the same period that is being requested in current year.

If your parish does not have non-restricted funds or any funds with Anglican Joint Investments, you will be expected to follow Step 2 immediately.

Step 2. Access Government subsidy programs

The online application process for the emergency federal government wage support program of \$2000.00 per month which is currently scheduled to last four months will be available by April 6th. The requirements for this will then be shared with parishes by the Finance Officer. It is not expected to be onerous for parish employees to apply. Details of other emergency federal or provincial subsidy programs are not yet available, but will also be shared with parishes by the Finance Officer when available. In the case of each program, the Finance Officer will be pleased to provide assistance to employees and parishes to ensure that all applications are completed properly and on a timely basis.

Federal

On Wednesday, the Canadian Parliament and Senate passed into law a \$107 Billion aid package for Canadians.

Part of this package is the **Canada Emergency Response Benefit (CERB)**. This program will offer Canadians hurt by COVID-19 \$2,000 a month for the next four months. An online portal allowing you to apply should be available on April 6th. According to information provided, you should be receiving your cheques 10 days after applying.

People who are covered by the CERB are as follows:

“any Canadian out of work due to reasons related to COVID-19, including for sickness, quarantine, caregiving, staying home to take care of children or loss of jobs.

Furloughed workers, those who are still technically employed but not receiving income, would also qualify for the benefit. The benefit would cover wage-earners, contract workers and self-employed and gig industry individuals.

All Canadians who have ceased working, whether they are eligible for employment insurance or not, would be able to receive the benefit.”

Provincial

On March 14, 2020, the Provincial Government, announced through a News Release from the Executive Council

“The Provincial Government will provide compensation to private sector employers to ensure continuation of pay for employees affected by this decision. Details on the required documentation and processes for reimbursement to private sector employers will be released in the coming days.”

To date, no information has come forward on this reimbursement.

Step 3. Direct subsidy by the Diocese for payroll support

The Bishop’s Pastoral letter on March 20, 2020 states: *“Effective immediately, the Diocese of Eastern Newfoundland and Labrador will offer payroll supports so that no person in the employ of our churches should fear the loss of their income. We also recognize that many parishes are not able to continue their full support of diocesan ministries through synod assessment and ask that nobody be distressed by that.”*

The Ad Hoc Executive Committee decided to add an additional month to what the Bishop promised (three months) to bring our plan into line with the Federal Government’s subsidy plan. Also, this Diocesan subsidy will not be considered a loan and there is no expectation that a parish ever pay back what is provided by the Diocese.

The expectation for any parish that seeks direct payroll support by the Diocese is that they have already went through the previous two steps to access necessary funding, being: utilizing non-restricted AJI funds as allowed by the new Policy, and accessing Provincial and Federal governments emergency subsidy programs. Once this is done, the Diocese will subsidize what is actually needed to meet full payroll responsibilities.

If your parish needs direct payroll subsidy, it will require a written request, updated on a monthly basis, sent by the Parish Treasurer and the Wardens (in multi-point parishes, this will mean the Parish Treasurer and at least two Wardens from the Parish Council) to the **Diocesan Executive Officer**. It will be the parish’s responsibility to provide the Diocese with the following information:

- i. The amount of funding received from any approved withdrawal of non-restricted funds from the parish Anglican Joint Investment fund;
- ii. The amount of funding received from any Provincial and Federal governments emergency subsidy programs;
- iii. Copy of all Bank Statements for the current year;
- iv. Copy of current year’s Budget, by month if possible;
- v. Detailed monthly projected income and expenses for the period requested;
- vi. Detailed previous year’s monthly Income and expenses for the same period that is being requested in current year.

Using this information will help the Diocese calculate the actual subsidy required for payroll support. The clergy and paid lay staff will be asked to enter the Diocesan

Centralized payroll system and the subsidy received will be deposited into their bank accounts during the four-month period to which this Diocesan program applies. The intention here is that every employee be kept whole in his or her income for the next four months.

Calculation of Diocesan financial support will be subject to the details of any government program which applies and will be paid directly to employees of parishes which are approved for Diocesan payroll support. By example if the only government financial support available for an employee was the recently announced federal emergency payment expressed to be \$2000.00 monthly, subject to the details of the program, the Diocese would pay the amount by which the employee's salary was in excess of the federal payment (after deduction of the employee's and employer's portion of payroll remittances where applicable e.g. for Income tax, CPP, EI, Pension and group benefits). If the employee's salary is not above that \$2000.00 monthly federal payment, the Diocese will pay the employer's portion (where applicable) of pension and group benefits and the employee will be responsible for paying the employee portion to the Diocese.

ONGOING STEWARDSHIP

While the Diocese is prepared to offer the above payroll support program for the next four months to assist in getting through the current crisis, it does strongly encourage all parishes to immediately explore and implement alternate means of stewardship while we are unable to physically gather and beyond. Indeed, some parishes have already established drop boxes for givings which are checked regularly. Perhaps more importantly (now and in the future) parishioners are continuing to enroll in direct deposit programs. It is vital that to maintain financial health, parishioners be encouraged to continue to give to support their parishes and Diocese and that easy opportunities to do so (electronically and by delivery to drop boxes) be urgently made known and available to them.

CONSTANT COMMUNICATION

It is important that we keep the lines of communication open between the Synod Office and the parishes. If you have any questions or concerns, please direct them to:

Archdeacon Sam Rose
Diocesan Executive Officer
srose@anglicanenl.net

Mr. Fred Dinham
Diocesan Finance Officer
financeofficer@anglicanenl.net