



Approval Process for Covid-19 Related Loans and Subsidies

Background:

At present there are several sources of emergency financing available to pastoral charges and communities of faith within The United Church of Canada. The application process will be set out by the agencies providing the funds i.e. provincial, municipal, federal governments, UCC, financial institution. Before applying for any funds be sure you have obtained proper authorization from your Community of Faith and, when necessary, the Regional Council Covenant Commission.

Request to Access Funds:

Communities of faith experiencing a significant reduction in revenue, without sufficient funds to meet expenses, are being encouraged to explore all options available to address the current shortfall. See [Considerations Before Making Major Financial Decisions](#).

Use of Funds

Please follow the Manual when disbursing funds.

Disbursement of Funds Priorities—Order of Priority (as per The Manual, 2019 section G.4.2.4).

The governing body is responsible for ensuring all funds received for the ministry of the congregation or pastoral charge are disbursed in the following order of priority:

- a) the remuneration of the ministry personnel serving the pastoral charge;
- b) the assessments payable to the United Church pension fund and the group insurance plan;
- c) the salaries of other staff of the congregation or pastoral charge;
- d) the assessment for the costs of governance and support services for the denomination; and
- e) other capital and current expenses of the congregation or pastoral charge.

Who Applies for the Funds?

Loans & Lines of Credit:

The governing body (board/council) makes the decision to borrow money and directs the Board of Trustees to enter into the financial agreement on behalf of the congregation. They may seek assistance from the Treasurer/Finance Committee to carry out the decision of the governing body.

Wage Subsidies:

10% Wage Subsidy

The governing body makes the decision to direct the ADP representative for the congregation to authorize ADP to access the 10% wage subsidy. Governing bodies are encouraged to authorize general council to act on their behalf with ADP. An email was sent to all ADP representatives. Check UCC website for details. All payroll that is not managed by ADP is also eligible for the wage subsidy, but these calculations must be done by the person managing the payroll.

75% Wage Subsidy:

The governing body makes the decision to apply for the 75% wage subsidy and directs the treasurer to do so. The treasurer may work with the ADP representative, office administrator or other members of the governing body/finance Committee/M&P committee/Board of Trustees in completing this task.

In a Multi-point Charge:

In a multi-point charge, it is the pastoral charge that is the employer for ministry personnel and files the charitable tax return. Therefore, the pastoral charge governing body must make the decision to apply for any wage subsidies and the Canada Emergency Business Account. However, individual communities of faith within a pastoral charge may apply for loans/line of credit not related to payroll, including the United Church of Canada Pandemic Response Bridging Loan program.

Access to Funds Restricted by Presbytery or Regional Council:

The Covenant Commission has authorized the use of funds restricted by presbytery or regional council to be used to pay ADP payroll expenses for March, April, May and June. To access these funds, the governing body of the community of faith makes the decision to direct the Board of Trustees to make this money available to the treasurer to cover this expense. A record of this transaction is kept and the appropriate form (check website or contact your Minister for Congregational Support) is submitted to the Minister, Congregational Support and Mission.

Steps for Approving Applications for Wage Subsidies:

10% Wage Subsidy:

The governing body makes the decision to direct the treasurer to access this subsidy, if needed, even if they are applying for the 75% wage subsidy as well. The ADP representative for the congregation can request that this be done automatically by ADP by following the instructions outlined in [this document](#) by **April 20, 2020**. Payroll not managed by ADP must be calculated and submitted by the congregation. Regional Council approval is NOT needed.

75% Wage Subsidy:

The governing body, in consultation with the M&P Committee, makes the decision to apply for the subsidy. All efforts should be made to provide the additional 25% to staff. Regional Council approval is NOT needed. However, please consult with regional council staff before making the decision to lay off employees.

Steps for Approving Applications for Loans/Line of Credit:

At present there are sources of financing available to communities of faith. These include:

- Line of Credit secured by congregational investments and if necessary, guaranteed by UCC.
- Any other loan or line of credit available.

The governing body of the pastoral charge or community of faith makes the decision to apply for a loan or line of credit. In their motion they direct the Board of Trustees to act in their capacity as legal representatives of the congregation or pastoral charge to apply for the loan or line of credit. Communities of faith are only required to report the loan application to the Covenant Commission. The Board of Trustees may seek the assistance of the treasurer and finance committee in this task.

United Church of Canada Pandemic Response Bridging Loan program:

There will be a separate application form available for this loan program. To apply, the governing body must meet and make the decision to apply by directing the Board of Trustees to complete the application. This will be administered through the covenant commission of the regional council. **Regional council approval IS required.**

- Congregations applying for this loan will be asked to: Do you prayerfully believe that your community of faith will be able to make this request with an expectation and commitment to continuing your existing ministry until December 31, 2022?
- In addition, to the UCC application form the regional council will need: [Regional Council requirements for Pandemic Response Bridging Loan - Form](#)
- The application process will be online. Watch the United Church of Canada website for details. <https://www.united-church.ca/covid-19>