

# Deficit Dilemma

Hosted by your staff support:

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January 11, 2023

7-8:30 pm

# Agenda

1. Welcome – Lynne
2. Territorial Acknowledgement - John
3. Anxiety - Lynne
4. Cof Profile - Lynne
5. Stewardship – Brenna
6. Staffing – Micol
7. Shop Around/Buying United - Micol
7. Restricted Funds – John
8. Collaborative Ministry - John
9. Treasurer Webinars – John
10. Long Term Options Property Redevelopment and Rental Income – Lynne
11. Question Period



# Territorial Acknowledgement

# Prayer

In the manner of the Indigenous cleansing ritual of smudging I offer this prayer.  
Feel free to join me in the actions while we reflect upon these words together:

- Blessings upon our eyes - that we may always see others as beloved children of the Creator
- Blessings upon our ears - that we may listen to the words of others and receive them with good intent
- Blessings upon our mouth - that we might speak truth and provide opportunities for others to do so
- Blessings upon our mind - that we may understand the wisdom others bring and be open to creative ideas
- Blessings upon our hearts - that we live in hope. We are not alone.
- Blessings upon our bodies - that we remember to care for ourselves



Anxiety

# Anxiety

- We recognize that finances are a concern for the majority of congregations, and this has been compounded by the effects of the pandemic and the changes to our society, church attendance and fundraising
- Stress about finances can make people feel uneasy and overwhelmed which takes energy away from other areas
- Stress about finances can make it difficult to make decisions and envision new possibilities.
- Naming the stress, talking about the situation and approaching with openness to new ideas can reduce the anxiety
- Remember finances are a shared congregational responsibility and not something the treasurer or governing body can address alone.



# Community of Faith Profile

# Components

- Financial Viability Worksheet
- Demographics Worksheet
- Real Property Worksheet
- Living Faith Story Worksheet

Can be found under Congregational Support Toolkit 2 on  
the regional council websites

## How it Can Help

- Gathers 5 years worth of data for review
- Makes it possible to identify trends
- Asks questions about giving patterns, building expenses, number of supporting households, other assets such as the gifts, skills and passions of members
- Provides a framework for discussion and reflection
- Living Faith Story describes the congregation and your ministry priorities. What are you called to do? What do you need to do it?

## When is it Needed?

Needed as background for:

- Grant or loan applications
- Search for new ministry personnel
- Changes to existing call/appointment
- Redevelopment or other building projects
- Sale of property
- Any other decision requiring Regional Council approval

The background features a light gray field with a large, white, tilted diamond shape in the center. The diamond is outlined by a thin white border. In the four corners, there are overlapping geometric shapes: yellow diamonds in the top-left and bottom-right, and blue diamonds in the top-right and bottom-left. The word "Stewardship" is centered within the white diamond.

Stewardship



# Deficit Dilemma:

Keep calm and make a plan

## Leadership Must Remain Calm and Communicate a Plan

- No one wants to give to a sinking ship or from guilt or shame.
- Tell people about the ways you used their generous gifts this year, and what you'd love to do next year with more resources.
- **Thank** those who have supported the ministry this year. Gratitude inspires others to give.
- Explain calmly and without judgment why there is a deficit: "We started a new outreach project this year," or "We unexpectedly lost a partnership with a renter."




- Explain what your plan is to increase revenue and reduce expenses so you are not in the same situation at this time next year. Be specific. Will you cut maintenance costs? Will you increase PAR givings by 10% Seek 1 new renter?
- **Important: Check in with these goals once a month throughout the year, and adjust accordingly.**

*"Never talk about money apart from mission."  
-Lovett Weems, Generosity, Stewardship, and Abundance*

Remember: You are not in the building management business.  
Your calling is not to survive. Your calling is to live out the Gospel.  
Whenever you talk about money, tell people how the money allows you to do that.



# Scenario Budgeting

- 
- Not a replacement for the regular budget.
  - A tool to imagine various possibilities and prepare a plan.
  - If X, then we will Y
  - Start with what you know – what is reliable? Look at historical giving, rental contracts, fixed expenses
  - What are your hopes for the year? (e.g. emphasis on stewardship, a new outreach program, etc.)
  - What is uncertain? (e.g. how long you'll be without a FT minister, how Covid may continue to impact givings, rentals, hybrid situation, grant applications, cost of building repairs, etc.)

# Examples of Unknowns

## Income:

- Fundraising Projects
- Results of Giving Program/increased stewardship education
- Grant Applications
- Bequests/Memorial Gifts
- Rental income can come and go


## Expenses:



- Staffing - especially in transition with ministry personnel
- Building Maintenance or urgent need (furnace breaks)
- Outreach or ministry needs, ideas for new programs





# Possible Steps to Take

You must explain to stakeholders how programming will be impacted by possible unknowns

- If we are able to increase offerings by 10% (through a giving program, etc.)...
  - If our major renter does not return by April, 2023 (set a time)...
  - We will take a risk and hire a PT Communications Asst.
  - We will experiment with a seniors' lunch once a month
  - We will consider how building maintenance might be achieved by volunteers, and create a plan over the summer.
  - If we have seen a demonstrated growth of engagement and offerings by Nov 2023, we will continue the position.
- 

| Sources of Income     | 2022 Actual  | Proposed 2023 Budget | Scenario A   | Scenario B   | Commentary  |
|-----------------------|--------------|----------------------|--------------|--------------|---|
| PAR/Envelope Givings  | \$75,000.00  | \$73,500.00          | \$78,750.00  | \$71,250.00  | Original Budget anticipates a 2% decrease. However, maybe you intentionally target PAR givers and increase by 5% or maybe you lose some significant donors and it decreases by 5% |
| Rental Income         | \$30,000.00  | \$30,000.00          | \$31,500.00  | \$15,000.00  | A: You negotiate a rent increase with a tenant, or<br>B: A significant renter does not return after Covid   |
| Fundraising           | \$15,000.00  | \$15,000.00          | \$15,000.00  | \$7,500.00   | A: You can increase fundraising by 5%, or<br>B: Volunteers can only do 1 event this year instead of 2   |
| Loose/One-time Giving | \$10,000.00  | \$9,800.00           | \$9,800.00   | \$9,500.00   | You can make this a priority and try to increase by 5% through online giving, advertising, etc. Or perhaps it decrease more than anticipated.                                     |
| Grants                | --           | --                   | \$10,000.00  | --           | In Scenario A, you apply for and receive a Mission and Service Grant from your Region for your outreach initiative.   |
| Total                 | \$130,000.00 | \$128,000.00         | \$146,500.00 | \$146,500.00 |   |

| Expenses                           | 2022 Actual  | Proposed<br>2023 Budget | Scenario A   | Scenario B   | Commentary   |
|------------------------------------|--------------|-------------------------|--------------|--------------|--|
| Ministry<br>Personnel and<br>Staff | \$90,000.00  | \$120,000.00            | \$90,000.00  | \$130,000.00 | Perhaps your CoF is in the search process and unsure of whether you'll call a new minister this year. That would greatly impact this expense. Perhaps you call a minister as well as hiring a new Sunday school director.              |
| Building<br>Maintenance            | \$50,000.00  | \$55,000.00             | \$43,000.00  | \$65,000.00  | <b>A</b> imagines that you might be able to save some money by getting a new quote on snow removal or recruiting volunteers for landscaping.<br><b>B</b> anticipates a major repair or urgent building need                            |
| Ministry and<br>Programs           | \$30,000.00  | \$25,000.00             | \$15,000.00  | \$35,000.00  | In <b>A</b> , you decide, based on other factors, to forgo some programs - perhaps vacation Bible school or a meal ministry.<br>In scenario <b>B</b> , new ideas emerge for ministry and outreach, but have unbudgeted start up costs. |
| Total                              | \$170,000.00 | \$200,000.00            | \$148,000.00 | \$230,000.00 |  |



# More Info

[Propelnonprofits.org](https://Propelnonprofits.org)

Search: "Scenario Planning"

There are templates, a webinar, and more info.




# Online Giving: Make it Easy and Instant

- **Etransfer:** If it's not already set up with your bank, make it happen! Prominently display the appropriate email in bulletins, newsletters, social media posts, YouTube video descriptions, worship slides, etc. Encourage people to set up automatic transfers from their bank.
- **Canada Helps:** Set up an account with CH and incorporate the link everywhere. [Canadahelps.org](http://Canadahelps.org)
- **Case for Support:** On your "Donate" or "Give" page, tell people where their gift goes. Come up with a one-liner to include in all publications and verbal announcements: "Your offering supports our ministries of education, justice work, and hospitality. Thank You." Or "Because of your gift, we can feed the hungry, bring hope to those who grieve, and welcome neighbours into our building."
- **Promote PAR:** This is the best way to ensure predictable income month to month.


# Grants and Resources

- **Mission Support Grants:** Through your Region, you can apply twice a year. These support specific ministries, outreach initiatives, etc. (find under "Resources" on your Region website)
- **Grants from various Extension Councils:** Check your Region website – many help with capital expenses  
On home page, Resources drop down, click on Financial Support
- **United Church of Canada Foundation:** [unitedchurchfoundation.ca](https://www.unitedchurchfoundation.ca) Lots of different opportunities, including new debt relief grant for thriving CoF.  
<https://www.unitedchurchfoundation.ca/grants/>



**Local Community Grants:** Check with your municipality. Trillium is also a place to look. Many grants wouldn't support expressly religious activities like tech for worship, but would support programs open to the community like a meal program or fitness class.

**Faithful Footprints:** UCCan initiative, grants to make your building more energy efficient.  
<https://www.faithfulfootprints.org/>



**Greening Sacred Spaces:** Tools and ideas to make your building more "green", energy efficient (often money saving in the long term.)  
[https://www.faithcommonsgood.org/greening\\_sacred\\_spaces](https://www.faithcommonsgood.org/greening_sacred_spaces)

# Get Quotes on Services

- When was the last time your Community of Faith got a new quote on landscaping, cleaning, internet, snow removal, etc? Take some time to shop around and let your current provider know. They may offer you a deal. This is responsible stewardship.



# Last Threads...

- **Spend money to make money** – Are you in a position to hire a part time communications/social media staff person? Or perhaps someone to coordinate a Sunday School/family program.
- **Who is your community? Look wider.** Are there other groups that use your building and would support your ministry? Find a way to talk with the individuals who participate and invite them to contribute. Communities of Faith are no longer just those that attend on Sunday mornings.



**There is no “quick fix”, but there is....**



**Ongoing education, coaching, and support**

Look for more information in Feb/March about “Getting Started in Stewardship” and Module 1: Stewardship Best Practices. In the meantime, get 3-4 people together to be a stewardship team.

Contact [bbaker@united-church.ca](mailto:bbaker@united-church.ca) for more information.

# Thought following Workshop Q&A

- Someone asked about rentals vs. offering space for free to other community groups. Each community of faith must make this decision on their own, however, it's helpful to have ongoing conversations with your tenants about what each side needs and is willing to compromise. This is at the heart of partnership.
- Invite participants in these community groups to give. See if you can find a time to tell them about your ministry or write them a letter. In exchange, you might promote their program, provide a meal for them, etc.
- If you offer space at no cost, a recommendation is to assign a monetary value to that space and time. For instance, if you were asking market rental value of the Scouting or AA group in your building, what would it be? Include that in your annual reports and when you talk about the ministry of your church. **"Each year we offer \$5,000 worth of free space to community groups making a difference in our neighbourhood."**



Staffing

**“The timely and accurate handling of payroll is a top priority....**

**The treasurer is responsible for initial setup and ongoing updates as needed—and, of course, for ensuring there is enough cash in the bank!”**

**- Financial Handbook for Congregations (2017)**

# Changes in staffing and ministry is a BIG DEAL



The non-financial cost



Discerning the change needed



Care for Process



Terminating Lay Employees



Change of Pastoral Relations



Small Savings Add Up

# Shop Around

- ❑ Start with Buying United
  - ❑ Consider UCC Protect
    - ❑ Talk to your phone company
      - ❑ Banking



# Restricted Funds

Restricted Funds can be split into two areas:

1. Those that are designated, and
2. those that are regionally restricted.

# Designated Funds

These are funds that have been designated for a particular purpose

- Funds that have been designated by the CoF

# Restricted Funds

These are funds that have been designated for a particular purpose

- Funds that have been given to the CoF with a specific purpose
- Funds from property sales



# Collaborative Ministry

# Collaborative Ministries


Two or more communities of faith (CoFs) work together in support of one another's ministry.

Collaborative agreements take many forms in structure and participation.

- Simple - Sharing ministry personnel
- Comprehensive – sharing ministry on multiple fronts

This helps to:

- Move out of a silo mentality
- Broaden understanding of United Church ministry
- Expand involvement in communities
- Share/reduce costs
- Share volunteers / staff
- Engage specific ministries more fully
- Resources are found in Congregational Support Toolkit #9 on the regional websites
- Must be financially stable enough to support your ministry and property costs



# Treasurer's Webinars

# Treasurer's Webinars

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## Webinars for Church Treasurers



### a monthly series for Church Treasurers

*(formerly called "Congregational Finances During the Pandemic")*

**4th Wednesday of each month, 7:00 - 8:30 pm ET**

These programs have proven so popular that we've invited Eric and Clyde back monthly, to keep us up to date on the latest news and advice for treasurers. Each session will provide information that's current as of the day of delivery -- since the government programs continue to change as we move through the pandemic, be sure you stay up to date on the things that could make a difference to your church and ministry.

#### **Fall 2022 Schedule:**

##### **September 28 - Lots of changes coming on the insurance front**

The United Church has taken bold action with new insurance arrangements that we expect will reduce premiums now and hopefully limit future increases as well as customize coverage more effectively. Find out how it will work and what you need to do.

##### **October 26 -- Getting Ready for 2023 finances**

Helpful reminders on all year end related tasks including payroll, insurance program rollout, 2023 assessment notices and billing process.

##### **November 23 - the annual free-for-all - Ask us anything**


Join us as we prepare a briefing on your questions and try to answer any question that has broad application to treasurerdom. (very specific questions that are dependent on very specific facts should be done by email or phone)

[Click Here and Checkout to Enrol](#)

#### **Using CHURCHx**

To connect to this program you'll need enroll in the course and create a (free) CHURCHx account. Click on the "Buy Now" button to put this course in your shopping cart, and then checkout. You'll be prompted to provide a username (lower case, no spaces) and a password. Each month, login to CHURCHx and navigate to this course to find all of your resources and recordings collected together in one convenient spot.

You'll also find a discussion forum where you can post questions and comments between our live meetings. Posts to the discussion forum are emailed to everyone who's enrolled in this course, so you can carry on the conversation between meetings.



# Long Term Options Property Re-development & Rental Income

# Property Redevelopment

Using existing property to generate income through housing or other development

- Kindred Works (United Property Resource Corp)  
<https://www.kindredworks.ca/>
- Income is determined by the % of total cost represented by the land value
- Takes at least 5 years to see income
- Ongoing income stream

## Rental Income

Using current or renovated building to generate rental income

- Consider leasing space for offices, daycare, schools, day programs, community programs, pickleball or to other faith groups at market rates
- Approved Kitchens may be rented by food services
- Consider leasing outdoor space for cell towers, parking, food trucks etc.
- Check out the resources on the website toolkit

# Rental Income

Two new ways to advertise space in your church for rent on-line

<https://activatespace.io/>

<https://www.tucc.ca/spaces-united/>



Questions