

Today: Focus on a few Sr. Warden activities
&
Most common questions received...

1. Resources
2. Insurance (and how to save)
3. Employment / Benefits
4. Key Activities

Sr. Warden / Vestry Leadership:

- Sound Business Practices in place
- Annual Audit is conducted
- Appropriate Insurance
- Employees / Volunteers are valued
- Buildings managed / maintained
- Community Safeguarded
- + lots more!!

Where to begin....

*Resources / Info can be found at: **DIOCGC.ORG***

Examples of Resources Available:

- 1. Vestry Resource Guide**
- 2. Loans / Property Sales Process - Overview**
- 3. Quick Reference Guide to Diocesan Benefits and Policies**
- 4. Topic Papers (Discretionary Funds, Housing Allowance, etc)**
- 5. Clergy Minimum Compensation Guidelines**
- 6. Digital Giving: How you can get started**
- 7. Wellness Offerings for Clergy**
- 8. Consumer Directed Health Plan / HSA Fact Sheet**

Other Examples of Resources Available:

1. ECF (Episcopal Church Foundation) www.ecf.org

ECF Vital Practices (ecfvp.org) – vestry papers, practical resources, tools, webinars

2. TENS (The Episcopal Network for Stewardship) www.tens.org

Recent Webinars: Year Round Stewardship; Virtual Stewardship

*Upcoming: Recruiting & Training a Stewardship Team

3. EPN (formally CEEP, Episcopal Parish Network) www.ceepnetwork.org

Recent Webinars & Digital Workshops: Vaccines: The Role of the Church in Promoting Vaccinations; Millennials and the Episcopal Church: Challenges and Opportunities; Making a Difference: The Impact of Acting on Climate Changes

Common questions received...

Insurance (how to save)

- Is my Vestry covered by insurance?
- Can we save on property/liability insurance?
- What are some health insurance option?

Property / Liability Insurance

- ✓ The TEC Canons require that buildings and contents be “adequately insured.” What does that mean?
- ✓ Insurance for Churches is complex: includes Property, Sexual Misconduct, Ordinance and Law, Equipment Breakdown, Flood, Crime, Director’s and Officers, Employer Liability, Umbrella, Vehicle, Fine Art, Cyber Liability / Malicious Attack...
- ✓ You can shop coverages but.... You may find property insurance (in FL many are exiting) **but** finding casualty / liability side will be difficult. Sexual Misconduct and Pastoral Professional are two such items of concern.
- ✓ We do have diocesan minimums and we will need to review your changes to ensure they are met. Do not change insurance without your quotes reviewed by CIC/Diocese.

Directors' and Officers' / Employment Practices Liability

- To protect an organization and its agents against civil liability for “Wrongful Acts.” It protects the corporate entity and its Directors and Officers, including clergy, church officers, chapter members, and boards and leaders of church-related institutions.
- Employment Practices Liability covers “Wrongful Acts” such as wrongful termination, allegations of discrimination, harassment, retaliation...
- Wrongful termination is the most common type of claim related to this policy.

Can you save on property insurance?... Yes

Insurance Premiums:

Property Limits (value of your buildings) + Loss Ratio (claims filed) + Deductibles (AOP, Hurricane, Umbrella) + rate change

Know your deductible: AOP vs. Named Storm

AOP deductible levels (e.g. \$1000, \$5000, \$10,000, etc)

All other peril (fire, power surge, etc.). Lower ded. = pay more

SAVE \$\$: Move ded. from \$1,000 AOP to \$5,000

Named Storm (Hurricane Damage) = \$150,000

Hurricane (Named Storm) Deductible = 2%

Value of building = \$2.3M

Church Deductible (out of pocket) = \$2.3M x 2% = **\$46,000**

Church Insurance Pay out = \$104,000

How to Save: Change your **AOP deductible** and with the savings create a property reserve.

- ✓ Example: Change AOP from \$1,000 to \$5,000; saves \$2,000 yr.
- ✓ Within 2 years you can cover your new deductible out of pocket... And may reduce your “Loss Ratio” over time

Loss Ratio: Keep it below 50%

The % of “premiums paid” to “claims paid out” over the past 5 years.

Example 1: Loss Ratio = 36% This is OK...

You pay \$10,000 annual premium, claims paid out \$3,600

Example 2: Loss Ratio = 115% Your premiums will rise...

You pay \$10,000 annual premium, claims paid out \$11,500

Savings: Medical/Health Insurance

- Review our *Denominational Health Plan Policy* (eligibility, parity and minimum coverage levels)
- Recommend use of the [Consumer Directed Health Plans](#) (High Deductible) with a [Health Savings Account \(HSA\)](#)
- For those age 65+, use the [MSP SEE Plans](#) (Medicare Secondary Payer). Save as PPO, but cost less
- Encourage your clergy / employees to use [preventative services](#) and embedded benefits (Health Advocate, Employee Assistance Program, EyeMed, etc.). Saves \$\$ over time...

Church as an Employer:

- Background Checks: **Required**
- Form I-9: **Required**. (Is employee eligible to work in the US?)
- State / Federal W-4 “Employee Withholding” – **Required**.
Completed when a clergy or lay employee is hired
- AL and FL New Hires Reporting: **Required**. File online report
- Provide **required** benefits; there are deadlines!
- There are **required** clergy minimum salaries; see policy
- Safeguarding: **Required**. New program in place...
- W-2 vs. 1099. Almost all church “employees” are W-2!
For example: W-2’s for Rectors, vicars, and their assistants; Interim clergy and regularly employed supply clergy who consistently work at the same congregation, secretaries, sextons, directors of Christian education, childcare providers, the organist and choir director
- Recommend using a payroll processing vendor if this is difficult

Taxes?

Must comply with federal withholding law and reporting employee taxes

- **Form 941 - Quarterly tax filings for employee tax withholdings. A must!!**
- Annual clergy housing resolution – Vestry approves at last meeting of the year
- Property Taxes: churches need to make sure they file with your local county for property tax exemption (example: every 2 - 3 years). Diocese is notified.
- CPG / Diocese communicates imputed income to clergy (group life)

Other?

- Churches usually exempt from sales tax in FL but not in AL
- Usually NOT exempt from Fair Labor Standards Act (overtime)
- Usually exempt from Americans with Disability Act – Public Accommodation
- Usually exempt from Family Medical Leave Act (but still a good practice)
- Churches are exempt from Federal Unemployment Act
- Affordable Care Act Reporting: done by CPG for those with Church Medical Trust Plans (if <50 employees)

Sr. Wardens – Remember it's a new team every year.

Rector / Sr. Warden should have the following documents handy and to hand off to their successor...

1. Church By-Laws (available? updated?)
2. Parochial Report (reviewed by vestry?) – **Due March 1**
3. A recent Church Audit (reviewed by vestry?) – **Due Sept 1**
4. Current budget / recent financial reports?
5. Letter of Agreement?
6. Insurance policies?
7. Who are your Safeguarding Admins?

Church By-Laws

- Do you have a copy of them? When were they last updated?
- Example is on our website (Congregational Resources)
- Updating is an opportunity for educating & communicating about church governance so parish can make informed decisions
- Includes such items as:
 - ✓ Annual Parish Meeting, vestry elections, nominations, membership
 - ✓ Vestry – composition, voting, vacancies, meetings, duties, attendance expectations
 - ✓ Officers – eligibility, duties, authority

Parochial Reports – vestry should review and sign off each year

- Due ***March 1*** each year (for previous year)
- Vital source of information about your church
- One of the few **required** reports as per Canons
- Reported to General Convention, published in Diocesan Journal
- Take the time to look over “Plate/Pledge” definitions; its what determines pledge to Diocese.
- ERD, UTO, Bishops Discretionary is not considered Plate/Pledge.
- The supporting worksheets are surprisingly helpful and answer most questions

Audits - vestry should review / sign off each year

- Required annually – **an effective financial tool with a vestry role**
- Title I. Canon 7, Section 1g: *audit reports, findings, corrective actions shall be filed with the Bishop not later than 30 days after report or by Sept 1 for the previous calendar year.*
- CPA's can be expensive but only needed at larger churches; volunteer audit committee for smaller churches (don't include Treasurer or administrator)
- We have new audit procedures with checklist... much easier for those with audit committees.
- If no recent audit on file the SC might not approve a loan

Letters of Agreements

- Formal agreement signed off by vestry, clergy, Bishop.
- It provides a full description of the terms that have been agreed upon
- May include role expectations, times of work, compensation, housing arrangement, benefits, discretionary fund, mutual ministry review
- Note there are Church / Diocesan requirements (ex: pension, min. salary)
- Bishop must review, approve & sign off
- Review with your rector and talk over things that might not be clear (eg. , sabbatical? continuing ed?)
- Questions? Contact Canon to the Ordinary, The Rev. Massey Gentry

Transition Ministry – examples available on diocgc.org

Budget & Financial Reports

- Building a balance budget – does it fit your finances?
- **Is budget shared or approved at your annual parish meeting?**
- Does your treasure provide you with monthly (or quarterly) financial statement such as a balance sheet, income statement, cash flow & budget projections?
- Are major financial expenditures approved and documented in your vestry meeting minutes?
- Do you have reserve fund for maintenance, repairs, deductibles?
- A few things other Sr. Wardens have asked:
 - For the avg. church, 75% comes from member contributions / pledges (less if smaller church)
 - % of budget for salaries/benefits: Smaller churches can easily be 70%, larger churches are closer to 50%+

Safeguarding

- Sexual abuse and harassment training
<https://www.praesidiumacademy.com/>
- Courses are on-line and at no cost.
- **The training platform has been updated**
- Training is required to be taken by all clergy, employees, leadership, and most volunteers. Make sure your vestry leads by example.
- Re-certification is required at least every 4 years.
- Have your Safeguarding “Administrator” run church report for course completion / user list
- **Don’t have one Admin? Call office and we’ll set you up.**