

FAQ on the New England Conference's coronavirus financial relief measures

March 30, 2020

What is the status of the Conference's finances?

Our current financial position is not in crisis. However, we are investigating a line of credit to support our common ministry and mission. We also expect that we will need to reduce expenditures, and are looking into various options.

What is the expectation regarding mission-share giving by local churches?

The Conference Council on Finance and Administration (CFA) wants to encourage those churches that are able to continue to contributing Mission Shares to do so – and, in fact, to contribute sooner than they might otherwise have. We recognize that some churches, especially those that were on the edge financially before the COVID-19 crisis, will be hard pressed to meet their Mission Share commitments.

In keeping with our Methodist way of having those that can support those that cannot, we urge all local churches to take reasonable steps to shore up their internal finances and to do their best in supporting our common expenses for ministry and mission.

What other plans does CFA have to reduce expenditures?

The CFA is in the process of preparing a series of options for reducing expenditures so that we can live within our means even if our income is reduced by the inability of some churches to pay their Mission Shares on a regular basis.

We expect that there will be reductions in some expenses as a result of the COVID-19 crisis, and we are aware that other expenses may go up because of it. We are looking for ways to avoid causing unexpected hardship, while doing this necessary budgeting work.

We also want to make sure that we all are taking advantage of government programs to help address our needs, while honoring our staff in this difficult time. As the Coronavirus Aid, Relief and Economic Security (CARES) Act is better understood, we will fold our reliance on that into our overall approach to stewardship.

What other assistance might CFA offer in the future?

If your church is experiencing fiscal challenges because of the COVID-19 crisis, we urge you to work with your [District Superintendent](#), your district finance team, the [UM Foundation of New England](#) staff (800-595-4347 or email leanne@umfne.org), and to contact [members of the CFA](#). The Treasurer's Office staff is mostly working from home and can answer some of your questions as well. Please use email to [connect with individual staff](#) members.

Will my church continue to receive bills?

Billing invoices will continue to be sent. For those who are unable to pay in full, pay what you can. Any non-payment will be forgiven for the months of April and May (for property insurance) and April-June (for pension/death and disability benefits). Churches will not have liens put on the property for non-payment during this period.

Can you say more about ACH transactions?

ACH transactions will continue as usual, unless a church makes a request to alter their withdrawal authorization. Churches utilizing ACH now will continue to receive the discounted rate through 2020 regardless of any modification made at this time.

ACH modifications, including cancelations, must be requested by noon two business days before to the scheduled withdrawal date. For example, a transaction scheduled for Monday, April 20, would need to be modified no later than noon on Thursday, April 16.

ACH transactions can be changed, paused or cancelled by contacting Kerry Patles, Accounts Receivable Specialist, at kpatles@neumc.org

Your email should include the following:

Church name and #

Transaction(s) to be modified

Amount of transaction(s)

specific modification needed (Examples: "Pause for April and May, resume in June" or "Stop transactions until further notice")

How much funding is required to support these waivers and what is the source of the funds?

The Board of Pensions has reserves that enable the Board to fulfill its pension obligations to retirees and to continue funding the retiree health insurance program. There are sufficient funds for all our current obligations, with a fluctuating surplus (based on the stock market). The conference has enough funds invested that allow us to “borrow from ourselves” and not depreciate our investments during this unstable time in the market.

Likewise, the Board of Trustees manages several undesignated funds and will allocate earnings on those reserved funds for this purpose.

The total cost of all churches property insurance for 2 months is close to \$650,000. The total cost for pension/death and disability benefits for 3 months is approximately \$550,000.

What is the rationale for providing relief for these bills and not health insurance?

We recognize that nearly all of our churches pay property insurance and many provide some pension, but the majority of our churches are served by less than full-time pastors and so are not paying into the health insurance program. By providing relief to the property insurance payments, we hope to be more equitable in our grants.

What if my church paid its property insurance premium in full?

Thank you for doing this! When churches are able to budget and plan for these regular payments, it does help us to meet our obligations as a conference. If your church has done this and still finds yourself stretched thin to meet your expenses, please speak to your District Superintendent.

Is the availability of undesignated reserve funds an indication that churches have been paying too much for their benefits?

No, we periodically are able to adjust or even provide rebates to churches in years that we have a large surplus. The Board of Pensions keeps enough reserve to cover market fluctuations.

Will my pension benefits or medical coverage be changed in any way by this waiver?

Participants' pension/death and disability benefits and medical benefits will not be impacted due to this waiver.

Will churches be asked to repay the amounts that are being waived?

No. No repayment is necessary. The waiver is given to local churches to help defray the cost of their benefit obligations.

Will the waiver impact the participant benefit contributions?

No. The waiver does not impact the participant benefit contributions that are made to the United Methodist Personal Investment Plan (UMPIP). All participant benefit contributions that are made through payroll deductions should remain the same and they will continue to be remitted for payment in response to Conference billed invoices.

Will the waiver impact the W-2 of clergy and laity?

The W-2s for clergy and laity will not be impacted by this waiver, because benefit related payroll deductions will continue to be made for all participants.

How will the waiver be applied to a local church that uses the Conference Plan to extend medical benefits to laity employees?

Laity premiums are at the sole discretion of each salary-paying unit (the local church).