

† TRINITY COVENANT CHURCH

Budget Proposal FY 2021

The Congregational Budget Meeting for Trinity Covenant Church is scheduled for Monday, August 31st at 7:00 in the sanctuary of the church. Congregational Conversations supporting the budget meeting will take place on August 20 via Zoom and August 24 at the church, both at 7:00 pm. Attached is the proposed Trinity Covenant Church budget for Fiscal Year 2021. Our fiscal year has already started, and will run from July 1, 2020 through June 30, 2021. The budget meeting was delayed from its usual June date due to the impact of the pandemic.

Financial Overview:

The church continues to have adequate financial resources to handle the financial uncertainty caused by the Covid-19 pandemic. As of the June 30th Fiscal Year end, we had about \$435,000 in reserves. This represents about 5.5 months worth of expenses. Based upon recent recommendations for churches of our size, our new goal is to have 3-6 months worth of expenses in reserve, and we are in this range. This level of reserves is higher than we've had historically. We had an \$125,000 budget surplus for the Fiscal Year ending June 30th, driven by lower expenses due to reduced operations during the pandemic, and the impact of the \$88,025 Paycheck Protection Program loan/grant that we received.

Giving for the Fiscal Year ending June 30th was \$927,000, down about \$7,000 from the prior Fiscal Year. Due to very strong giving at the end of 2019, we were able to hit our budget target for giving.

Recent giving has not been as strong, with giving declining each of the last 5 months during the Pandemic. Giving for Calendar Year 2020 is 12% lower than Giving for Calendar Year 2019. The giving trends are shown below.

FY 18-19	Contributions		FY 19-20	Contributions		FY 20-21	Contributions	
Month			Month			Month		
Jul-18	\$68,579	-5%	July 19	\$65,213	-5%	July 20	\$56,198	-14%
Aug-18	\$62,468	6%	Aug	\$64,990	4%			
Sep	\$62,038	1%	Sep	\$76,355	23%			
Oct	\$65,974	-15%	Oct	\$60,684	-8%			
Nov 18	\$61,336	-51%	Nov	\$53,365	-13%			
Dec 18	\$162,438	-3%	Dec	\$206,784	27%			
Jan-19	\$61,239	6%	Jan-20	\$70,370	15%			
Feb-19	\$58,173	-3%	Feb	\$72,669	25%			
Mar-19	\$105,762	30%	Mar	\$69,110	-35%			
Apr-19	\$82,527	-18%	April	\$67,483	-18%			
May-19	\$66,685	-10%	May	\$62,149	-7%			
Jun-19	\$76,508	21%	June	\$57,533	-25%			
Full Year	\$933,727	-7%	Full Year	\$926,705	-1%			
						CY 2020 vs 2019		-12%

Projecting giving during the Pandemic is a difficult exercise. It is also difficult to determine expenses, given the unknowns around returning to a more normal ministry schedule. Given the current level of giving, it is certainly possible that we will run a budget deficit for the current Fiscal Year. Taking into account all of the income projections, staffing and ministry needs, wise stewardship of our resources, and the direction of the Key Leaders, Governance Board, and Pastors, the Finance Team has set the new budget at \$962,738, a 5.8% increase from the FY 2020 annual budget.

On behalf of the Finance Team,

Bennett Kleinberg,
Treasurer

Fiscal Year 2021 Budget Materials
August 2020
Frequently Asked Questions

1) **Can you give an overall summary of the budget proposal?**

	FY 2021	% of total budget	FY 2020	% of total budget	Change
Salaries and Benefits	\$539,856	56%	\$479,845	53%	\$60,011
Pastoral Expenses	\$12,288	1%	\$14,000	2%	-\$1,713
Facilities and Barnabas House	\$167,100	17%	\$173,150	19%	-\$6,050
Office/Technology/Other Admin	\$70,523	7%	\$75,059	8%	-\$4,536
Visionary Opp/Lay Leader Meeting Delegate	\$7,000	1%	\$4,500	0%	\$2,500
Subtotal	\$796,766	83%	\$746,554	82%	\$50,213
Missions (includes MACC and Youth Missions, & Pastoral exp)	\$96,415	10%	\$93,965	10%	\$2,450
Care, Encouragement, Evangelism, Outreach, Connection (ex MACC)	\$23,645	2%	\$22,486	2%	\$1,159
Discipleship (Adult, Children, Youth ex Missions)	\$33,510	3%	\$30,896	3%	\$2,614
Worship and Music	\$12,400	1%	\$16,400	2%	-\$4,000
Programs and Missions Subtotal	\$165,970	17%	\$163,747	18%	\$2,223
Total	\$962,736		\$910,301		\$52,436

The total budget is \$962,738, up \$52k and 5.8% from the current fiscal year. Looking at our expenses by categories:

Administration is \$56K higher than last year's budget. This is driven by a \$47k increase in expenses from assuming we hire a full-time Worship Pastor in January 2021. Other key assumptions are \$4k for salary increases effective January 2021, and payroll taxes about \$10k higher from fixing a problem with the way we budgeted for FICA. This is offset by \$7k lower IT expenses.

Facilities and Barnabas House are \$6k lower, due to the payoff of the Barnabas House mortgage.

Our Missions spending is higher due to more explicit budgeting for the Pastors' planned Mexico expenses. Missions expenses are 10% of the budget.

Our Program expenses are roughly flat. Music special events were reduced by \$4,000, recognizing that a Christmas Musical is not planned for 2020.

We have budgeted \$5,000 for Visionary Opportunities, which are ministry opportunities that are not currently known, but where opportunities are presented during the year.

2) How was this budget developed?

To determine the budget, we first received a budget from all of our Key Leaders. Then the Finance Team (Bennett Kleinberg- Treasurer, Randy Collins- Admin Chair, Dave Pantaleo- Financial Secretary, Deb Smith- Financial Clerk, Brian Wylie- Church Chair, and members at large Sandra Stevenson, Beth Dayton, and Dennis Platt) reviewed the budget and recommended minimal changes to what the Key Leaders proposed. We then met with the Governance Board and Pastors to get their feedback, met with the Key Leaders to get their feedback, and then the Governance Board voted to move forward this budget. As a result, all Ministry Leaders have had input into this budget.

3) What is the current status of the Barnabas House?

Chelsea and Evan Burgess have been living at the Barnabas House for the summer. All rent received has been applied to offset the expenses of maintaining the Barnabas House. The mortgage for the Barnabas House was paid off in early 2020.

4) What changes are being made to Missionary support in this budget?

After much prayer, and a long term Vision of supporting fewer Missionaries more comprehensively, we are continuing a multi-year process of reducing support for certain missionaries, and increasing support for others. Support will be reduced for six of our Missionaries, including two of our ECC supported Missionaries. Support will be increased for six of our Missionaries, with total spending flat for the 12 supported Missionaries.

5) How will the budget be voted on?

This year we will be presenting the budget for approval in 7 sections. This will ensure that each section of the budget gets adequate discussion and input from the congregation. The 7 sections are Administration, Worship Pastor, Facilities and Mortgage, Missions, Care/Encouragement/Evangelism/Outreach/Connection, Discipleship, and Worship and Music.

6) Can you help me understand the columns in the budget attachment?

The first column is the proposed budget for the next fiscal year, running from July 2020 through June 2021. The second column with numbers is the current budget for this past fiscal year, which ran from July 2019 through June 2020. The final columns are the dedicated funds and their balances (see Q#10 for an explanation of dedicated funds)

7). I know that Hope 4:10 is an active ministry in our church, but I don't see it with a line item in the Budget proposal. Why?

Hope 4:10 is funded solely through a designated fund. Designated Funds are funds that have been set aside for specific uses. In this case, donors designate their contributions to Hope 4:10. The Samaritan Fund is funded in the same manner.

8). Do our staff members pay a portion of their Medical Insurance?

No. There is no charge for the provided Medical Insurance. Additionally, by church policy, if a staff member declines insurance coverage (e.g. if they have other coverage from their spouse), half the cost of the insurance is then added to their pay. This is similar to previous years.

9). Will individual salaries be published?

No. Similar to the last couple of years, for the privacy of our staff and to improve personnel management, staff salaries will no longer be published. However, any member of the congregation can request these numbers. To do so, please contact the Treasurer, Bennett Kleinberg: bkleinberg@trinitycovenantchurch.org, and they will be emailed to you.

10). What is the difference between the Proposed Budget and Designated Funds?

On each line of the budget, there is a column for the Proposed Budget and a column for Designated Funds related to that budget line. The Proposed Budget is spending that we intend to fund from regular tithes, offerings, and gifts that we receive from the congregation during the year. Designated Funds are money we already have in the bank; these funds have been set aside for specific uses. Sometimes this designation is from the source of the money, such as when a donor designates to the Samaritan Fund or some other designated use; other times the designation is by carrying over unused budget from a previous year; and still other times designated funds are created by vote of the Governance Board, or decision of the Administrative Chair, to manage mismatches between available funds and the timing of the expense.

11.) Can this budget proposal still be changed or amended before we vote on it?

Yes. Since this proposal will come before the congregation as a set of motions to approve each section, Robert’s Rules of Order (under which we run our meetings) allow for amendments. All that is required is for somebody to make a motion to amend the budget as presented, followed by a second. If possible, we would like such amendments to be presented in writing, preferably in advance of the meeting. This allows the person making the motion to effectively articulate the reasons for the amendment, and for everybody to have more time to consider the merits of the amendment. We also encourage you to attend one of the congregational conversations about the budget proposal to express any concerns you may have.

12.) What happens if a section of the budget is voted “No”?

If a section of the budget is defeated, we would seek to understand why. We would reflect on any discussions in the Congregational Conversations, and reflect on statements made in support of “No” at the Budget meeting. We would then have additional Congregational Conversations on that section of the budget, propose a different budget, and then have an additional Budget meeting. In the interim, the Key Leader and the Governance Board would continue to fulfill their obligations and responsibilities, continue to pay any necessary expenses associated with that area of ministry, and continue current programs, until a new budget passed.

Worship Search Team

13.) What is going on with the worship leader search?

At the 2020 Annual Meeting in February, the church voted to start the search process for a full-time worship leader. The process of identifying and launching a search team was slowed considerably by the pandemic. The Governance Board has empaneled a team, which recently started to meet. The team members are: Jennifer Roggi, Chris Tonzi, Dan Catuccio, Donna Watson, John Cheman, Chloe Scheer, Ed Carrol, Anna Garcia, and Pastor Peter Kim.

14.) What are the expectations of a full-time worship leader?

The search team is completing the job description for the full-time worship position, based on the input from the congregational conversations that have been held and on other input. The job description will be released prior to the budget meeting.

15.) What timeline is the search team working to?

The search team is just finishing creation of the job description, which must be completed

before the full-time position can be posted within the ECC posting system.

The proposed budget contains funding for a full-time worship leader starting 1/1/2021. If the proposed budget is approved, the congregation could call a full-time worship leader at any time after that date. If the ballot item for the full-time position is not approved, the search team would continue to work with the goal of identifying and presenting a candidate after the new fiscal year starts in July 2021.

Meeting Participation

16.) Will I be able to participate in the Budget Meeting remotely?

Yes. Due to the extraordinary circumstances of the COVID-19 pandemic, the church is making arrangements to allow participation and voting both in-person and remotely. The church understands that many members are not yet comfortable attending large gatherings in-person and working to accommodate this reality.

In general, Trinity's bylaws and Connecticut General Statutes require that we conduct our business meetings in-person. However, this requirement has been waived via Executive Order for the duration of the current public health emergency.

17.) How will remote participation work?

The leadership team is working through the details at this time. Additional details will be provided prior to the meeting. As with all Trinity business meetings, all are welcome to attend the meeting, but only members will be able to cast votes.

Sample Ballot:

Approval of budget section: "Administration" Yes____ No____

Approval of \$45,767 of incremental funding to hire a Worship Pastor?
Yes____ No____

Approval of budget section: "Facilities and Mortgage" Yes____ No____

Approval of budget section: "Missions" Yes____ No____

Approval of budget section:
"Care/Encouragement/Evangelism/Outreach/Connection" Yes____ No____

Approval of budget section: "Discipleship" Yes____ No____

Approval of budget section: "Worship & Music" Yes____ No____

