

Today: Focus on some policy, process, resources

- Sr. Warden – Key dates and documents
- How can I save?
 - ☐ Property Insurance
 - ☐ Consumer Directed Health Plans / Health Saving Accounts
 - ☐ Benefits / Resources
- Finance / Administration / Employment

Resources / Info can be found at: DIOCGC.ORG

In your packet you have examples of some of the resources:

- 1. Vestry Resource Guide**
- 2. A few things you should know about... *(May 2019)***
- 3. Quick Reference Guide to Diocesan Benefits and Policies**
- 4. Clergy Minimum Compensation Guidelines**
- 5. Digital Giving: How you can get started**
- 6. Wellness Offerings for Clergy**
- 7. Consumer Directed Health Plan / HSA Fact Sheet**
- 8. Understanding Alacrity Services (contractor / repairs / restoration)**

Diocese of Central Gulf Coast

Diocesan Convention

Mid-February

Register by January

Diocesan Journal

Updates

Due April 1 to Office

Medical Trust – Open Enrollment

Starts in October

2019

Parochial Reports

Due: March 1

Required

Church Audits

Due September 1

Required

Diocesan Pledge (for Budget)

Due in December

Key Suggestions:

- ✓ Register for Convention early
- ✓ Start gathering Parochial Report information in January, complete online and in full
- ✓ Update congregational information when changes occur throughout the year; you can update on diocgc.org
- ✓ Begin compiling audit information in advance
- ✓ Review medical plan rates and determine plan selection in advance
- ✓ Submit estimate pledge for the coming year to the Diocese; update / finalize prior to convention if needed

Most common question I usually receive is: “How can we save \$\$?”

- ✓ Look at your insurance coverages
- ✓ Learn about Consumer Directed Health Plans (with Health Savings Accounts)
- ✓ Look to see what benefits / resources are available to you (webinars, ministry grants, on-line resources, embedded benefits for employees, utility audits)

Property Insurance

- The Canons require that buildings and contents be “adequately insured.” Do you know your deductible levels?
- Includes: Sexual Misconduct Liability, Ordinance and Law, Equipment Breakdown, Flood, Crime, Director’s and Officers, Employer Liability, Umbrella Liability, Vehicle, Fine Art
- Directors and Officers: protects vestry for its decisions on behalf of church.
- Issues/ Questions? Church Insurance Company:
- 1-800-293-3525 (Our Rep is Paul Stephens)

Directors' and Officers' / Employment Practices Liability

- The purpose of D&O / EPL insurance is 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?

Question to ask: Can you bear more risk in the form of a higher deductible...do you have property reserves?

Wind / Hail Deductible: Flat (eg. \$500) or 2%

Hurricane Deductible: \$500, 2%, 5%, 7%

Umbrella: \$1M, \$4M, \$10M, etc.

AOP Deductible: \$500, \$1000, \$5000, \$10,000

- Example: AOP deductible - changed from \$1,000 AOP to \$5,000 saved \$2,638 per year. Set aside in reserve fund; breakeven in 18 months.
- We now have third party administration embedded in all our policies: Alacrity Services

Savings: Medical/Health Insurance

- Review our *Denominational Health Plan Policy* (parity and minimum coverage levels)
- Recommend use of the High Deductible Health Plan 15 with a Health Savings Account (HSA)
- For those age 65+, use the MSP SEE Plans (Medicare Secondary Payer)
- Encourage your clergy / employees to use preventative services and embedded benefits (Health Advocate, Employee Assistance Program, EyeMed, etc.)

Consumer Directed Health Plans (CDHP) w/ HSA

- **CDHP's** work much like a PPO
- The Health Savings Account (**HSA**) is a savings account funded by employer / employee with a “tax-favored” status (like a 401K)
- When you incur a qualified medical expense, you can pay for it out of your HSA funds (debit card).
- If you do not use the money in your HSA, the balance rolls over, earnings are with tax-free, can be applied for future medical expenses.
 - ✓ You pay 100% of your medical, behavioral, and prescription drug expenses until you've met your annual deductible
 - ✓ Once you've met your deductible, you pay the co-insurance, limited to the Out-Of-Pocket max.
 - ✓ HSA 2019 Limits: Individual \$3,500 / Family \$7,000

Diocese of Central Gulf Coast

Example: CDHP Plan 15 (Individual)

Individual

Annual Deductibles

Medical/Pharmacy: \$1,400*



Out-of-pocket limits (network)

Medical/Pharmacy: \$2,400*



Physician visits

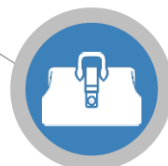
Preventive: No cost share
Office visit: 15% coinsurance
Specialist visit: 15% coinsurance



Emergency room 15% coinsurance



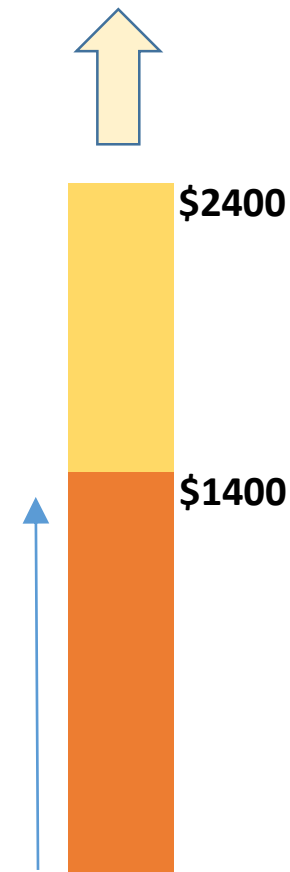
Referral for specialist No



* Deductible and out-of-pocket limit are non-embedded

CDHP 15 WITH INDIVIDUAL COVERAGE

EXAMPLE: OUT OF POCKET



Plan Pays

15% coinsurance to OOP Max (up to \$2400)

BUT:
Member can use HSA \$\$'s

Member responsible for 100% up to \$1400 deductible

BUT:
Member can use HSA \$\$'s

2019 HSA Max Contributions: \$3500 single / \$700 family

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

***Rector / Sr. Warden* should have the following documents handy:**

1. Church By-Laws (available? updated?)
2. Parochial Report (signed off 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. Safeguarding records?

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 your 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 1f: *Diocese shall be audited annually by CPA. Parishes, Missions, or other institutions will be audited by CPA, LPA, or Audit Committee (see Diocesan Canon 10)*
- 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 needed at larger churches; volunteer audit committee for smaller churches (don't include Treasurer or administrator)
- We are still working on updating our procedures to be more user friendly

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
<http://www.safeguardingonline.org/>
- Courses are on-line and at no cost.
- **We've streamlined the process**
- 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.**

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**. We’ve streamlined it.
- 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
- Highly Recommend a payroll processing vendor. Call us for info...