

Financial Information for Parishes – April 18, 2020

Rectory Costs

In its decision to cover stipendiary clergy salary costs for parishes for April and May, council included housing allowances paid to those clergy. Twenty-six (26) parishes in the diocese have a rectory and do not pay a housing allowance. In 2018, (the most current complete year available) the total cost of rectories (as reported on the Parochial Returns plus the \$5,000 base amount) was \$323,692. On average this is \$26,974 per month or \$1,037 per parish per month.

Today Diocesan Council passed a resolution to **pay 2/12ths (two months worth) of the rectory costs reported on the 2018 Parochial Return to a maximum of \$2,075** to those parishes. The \$2,075 was calculated as the average cost spent over two months for those parishes and would include major repair costs in addition to normal operating costs.

Federal Government Programs

There continues to be a number of announcements from the Federal Government about various forms of assistance to individuals and organizations as we collectively try to deal with the impacts of the COVID-19 Pandemic. Often when these announcements are made not all of the details about the programs are available and that creates some confusion about eligibility and impact.

I have received many questions about some of these programs. I hope that the following will address any that your parish might have.

Is the Parish eligible for the Canada Emergency Benefit Assistance (CEBA)?

CEBA is a program whereby a qualified organization may borrow up to \$40,000 (interest free) and if 75% of the principal is repaid by December 31, 2022 the balance is forgiven.

The short answer is **probably not. Religious organizations are specifically excluded** unless they generate revenue from the sale of Goods or Services. There is an opinion that those goods and services would need to be taxable goods and services.

It is important to note that this is a loan – not a grant – and needs to be repaid (in whole or in part).

What is the Canada Emergency Wage Subsidy (CEWS)?

CEWS provides a 75% wage subsidy to employers for up to 12 week retroactive to March 15.

Who will make the application for CEWS?

The Diocese will attend to the application for all employees (Clergy or Lay) for whom we process payroll. Those parishes that have a CRA Payroll account for any lay staff employed by them will need to apply for this subsidy for those employees through your “My Business Account” portal. If your parish does not process payroll you do not have to do anything.

What is the process for applying for the CEWS?

At this writing the application process is not defined. The application must be made on-line through the “My Business Account” portal with CRA. I will continue to monitor the CRA website to see when the process is defined.

My Parish has some Contract People can we get the Subsidy for them?

No – the wage subsidy program is only for employees for whom mandatory employment deductions (Income Tax, CPP, EI) are withheld. If you are not withholding and remitting these amounts you are not eligible for CEWS.

What should we do with our employees?

This is a parish’s decision. If you keep them on and the diocese processes payroll, the diocese will apply for and apply to your parish any wage subsidy received. If you keep them on and process your own payroll, you will need to apply for the CEWS.

If you choose to temporarily lay-off paid staff you will need to issue a Record of Employment and the staff member would apply for EI or the Canada Emergency Relief Benefit. This is an amount of \$2,000 paid directly to qualifying individuals. If your staff member is paid through the diocesan payroll, advise the payroll office with the details and we will issue the Record of Employment.

What should we do with our contract staff?

This is a parish’s decision. It may be in your contractor’s best interest for you to suspend the contract (according to the terms of our contract) so that they may be able to apply for the Canada Emergency Relief Benefit. This is an amount of \$2,000 paid directly to qualifying individuals.

What if I have more questions?

Send them along to the diocesan controller ggreencorn@gmail.com. This is a “fluid” situation and programs are being announced and updated frequently. New questions come up and I will endeavour to answer them based on the best available information.