



Training Tuesdays



Local Church Finance Update

November 25, 2025

Welcome



Course Title: Local Church Finance Update

Presenters: Paul Eichelberger, Conference Treasurer
Dave Schoeller, Director of Business Systems
John Gauthier, Application Administrator/Data Analyst

Scheduled: November 25, 2025, 7 PM - 8:30 PM EST

As we prepare to close out the year, our Finance Staffs would like to provide local churches with insights into the trends and performance in our Conference budgets. Our data team will also provide an update on the trends we are observing in the local church statistical data through the Area. Lastly, we will cover some details about how the new COMPASS clergy pension plan will be billed to churches in the Area starting in January 2026.

Please plan to join us as we also address the questions brought by participants in the webinar.

Agenda



- Compass Overview Paul Eichelberger
- Compass Billing Details Dave Schoeller
- Local Church Statistical Trends John Gauthier
- Conference Budget Updates Paul Eichelberger
- Questions & Answers All



Compass Overview

Overview of Compass Pension Plan



- General Conference approved the new clergy pension plan in April 2024
- The plan will become effective 1/1/2026
- *Compass* is a 100% Defined Contribution plan
- Unlike CRSP, *Compass* will no longer contain a Defined Benefit component

There are three (3) types of Contributions

	<u>Paid by Conference from Church Billings</u>	<u>Paid by Clergy</u>
- Flat-Dollar Contribution	\$150/mo	No
- Pay-Dependent Contribution	3% of pay	No
- Matching Contribution	1:1 match up to 4% of pay	4% will maximize match. <i>Additional contributions are not matched, subject to legal max.</i>

Local Church Pension Contributions



Compass Formula Example

Compensation	\$40k	\$75k
Flat dollar contribution (\$150/month)	\$1,800	\$1,800
3% of Plan Compensation	\$1,200	\$2,250
4% Match	\$1,600	\$3,000
Total Plan Sponsor Contribution	\$4,600	\$7,050
Percentage of Compensation	11.5%	9.4%

- *Current CRSP Contributions = 14% (DB + DC)*
- *Implementation Date is 1/1/2026.*
- *35% of cash salary is used for plan compensation with a parsonage.*



Compass Billing Details

Compass Billing Changes Overview



- Beginning January 1, 2026, churches throughout the Area will experience a new billing and statement system under the Compass Pension Plan
- The goal is to make statements easier to understand by clearly distinguishing participant contributions and church-paid amounts
- This improved clarity supports Compass' defined-contribution design and helps churches stay current on all participant obligations
- To support accurate and timely processing, ACH payment options will be rolled out in two stages
- Updated online payment portal will group invoices by category, display aging and provide new features

Mission Share and Apportionment Statements



- No changes will occur for Mission Share or Apportionment billing in either conference.
 - BWC churches will continue to receive statements with monthly invoices.
 - PDC churches will continue to receive statements with Conference and District Goals.
- Monthly statements will still display payments toward the annual goal, keeping reporting consistent and transparent

Pension and Health Insurance Statements



The new billing separates invoices based on which charges are attributed to the church, and which are attributed to participants, while recognizing that the church is ultimately responsible for submitting all payments accurately and on time.

How It Works Today

Churches currently receive one or two statements based on benefit eligibility and enrollment.

- #1: Pension statement listing church contributions
- #2: Health Insurance statement listing church and participant contributions

After January 1, 2026

Churches will receive two or three statements based on benefit eligibility and enrollment

- #1: Participant Contributions to Pension and/or Health Insurance Benefits
- #2: Church Contributions to Pension Benefits
- #3: Church Contributions to Health Insurance Benefits

Pension and Health Insurance Statements



#1 Participant Contributions

- Participant Compass contributions
- Participant health insurance premiums (medical, vision, dental)
- Participant contributions to FSA and HSA accounts

#2 Church Contributions to Pension Benefits

- Church portion of Compass benefits (Flat Dollar, 3% Plan Comp, 4% Match)
- All open pre-Compass pension invoices dated on or before 12/31/25 (CPP, CRSP DB, CRSP DC, UMLIFE)

#3 – Church Contributions to Health Insurance Benefits

- Church portion of health insurance premium (1/1/26 and later)
- All open health insurance invoices (church and participant portions) dated on or before 12/31/25

ACH Payments for Benefit Billing

Compass significantly increases the volume of required participant payments. To protect clergy and ensure timely, accurate remittances, an ACH payment program will be introduced.

Optional ACH Payments (April 2026)

- Available for all benefit payments
- ACH enrollment materials will be available starting February 1st, 2026
- The deadline for April enrollment will be **March 15**

Mandatory ACH for Participant Contributions (July 1, 2026)

- All charges on Benefit Statement #1: (Participant Contributions/Premiums for Compass and Health Insurance Benefit) Will be paid via ACH

How will ACH Payments Work?

- Statements will continue to be sent **on or before the 10th** of each month
- Withdrawals will occur **on the 20th** (funds settle 2–3 business days later)
- ACH ensures every participant contribution is delivered on time and without error, protecting participant accounts and reducing church's administrative burden

Updates to Online Payment Portal*

**Online payments will be a new feature for Pen-Del churches (effective early 2026).*



We will be updating our Online Payment Portal to align with the new billing structure and provide a more user-friendly experience.

- **The portal will organize invoices into categories:**
 - Mission Share
 - Participant Contributions (Compass + Health Insurance)
 - Pension (Church Contributions)
 - New Compass invoices: Flat Dollar, 3% Compensation, 4% Match
 - Unpaid Pre '26 invoices for legacy plans (CPP, CRSP DB, CRSP DC, UMLIFE)
 - Health Insurance (Church Contributions)
 - New Insurance invoices
 - Unpaid Pre '26 invoices that include church and participant contributions
- **New Quick Pay button and Invoice Aging Column**
 - Pay buttons on each invoice row for convenience and accuracy
 - Aging column displays the number of days an invoice has been outstanding, helping churches, identify and prioritize past due items

Updates to Online Payment Portal*

**Online payments will be a new feature for Pen-Del churches (effective early 2026)*



Accounts Receivable

Church On-line Payment Portal

Invoice #	Category	Date	Due Date	Aging	Amount	Payments	Outstanding	Payment Amount
Compass (Participant)								
736747	Compass (Participant)	11/24/2025	11/24/2025	2	\$353.34	\$0.00	\$353.34	\$353.34 <input type="button" value="Pay"/>
					Description	Amount		
					CMP6: Prtp. Contrib.(4%) - Jane Doe	\$353.34		
Compass (Participant) Total					\$353.34		\$353.34	\$353.34
Compass (Employer)								
736746	Compass (Employer)	11/24/2025	11/24/2025	2	\$768.35	\$0.00	\$768.35	\$768.35 <input type="button" value="Pay"/>
					Description	Amount		
					CMP4: Ch. Prem (3%) - Jane Doe	\$265.01		
					CMP3: Fixed \$: F/T Apt - Jane Doe	\$150.00		
					CMP5: Ch. Match (4%) - Jane Doe	\$353.34		
Compass (Employer) Total					\$768.35		\$768.35	\$768.35

Click here to submit payment for selected invoices via ACH \$1,121.69



Local Church Statistical Trends

We Remember the Depth of the Pandemic



COVID-19 Survey Highlights Based on data thru June 2020

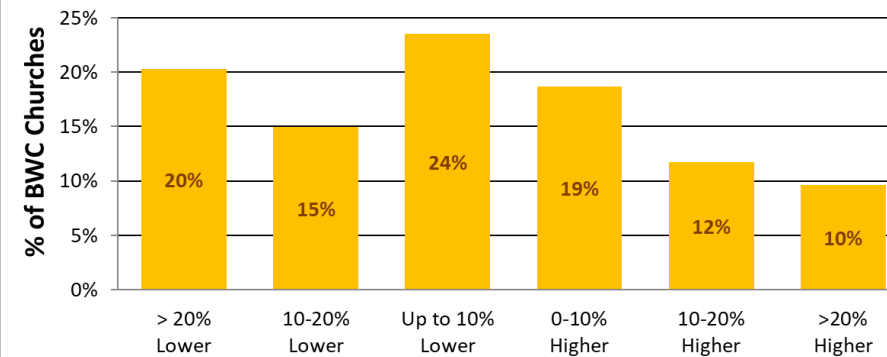
- 59% of churches reported a decline in giving in 2020
- PPP was a major stream of funding to keep church staffs intact

PPP Funding:

- **58%** of churches applied for PPP funds
- **89%** of churches that applied have been successful
- Churches were asked to do their best in making benefit payments

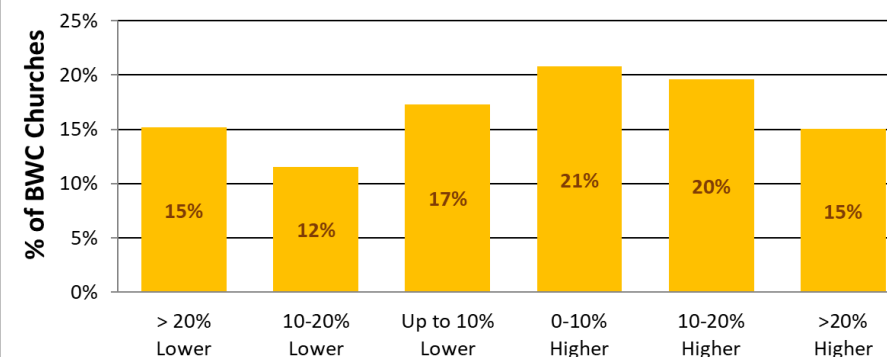
2020 Local Church Tithes/Offerings vs. 2019

(as of June 2020 with 93% of churches responding)



2020 Local Church Total Income vs. 2019

(as of June 2020 with PPP Funding)



Our Changing Church Dynamics



- Average Worship Attendance has declined
 - 63-78 avg worship in 2019
 - 43-54 avg worship in 2023/2024
- Average Church Income has recovered
 - 3% to 14% increase from 2019 to 2023/2024
- How can this be happening?
 - Less frequent attendance by donors?
 - Online giving?
 - Attenders giving more?
 - Others?

BWC (Per-Church Avg Decline)		
	AWA	Income
2019	78	\$203,657
2024	54	\$215,568
Diff	-24	\$11,911
%	-30.77%	5.85%

PDC (Per-Church Avg Decline)		
	AWA	Income
2019	63	\$123,978
2024	43	\$127,925
Diff	-20	\$3,946
%	-31.83%	3.18%

EPA (Per-Church Avg Decline)		
	AWA	Income
2019	67	\$ 189,126.24
2023	51	\$ 214,966.32
Diff	-16	\$25,840
%	-24.22%	13.66%

What is the Health of our Conference Churches



BWC (Per-Church Avg Decline)		
	AWA	Income
2019	78	\$203,657
2024	54	\$215,568
Diff	-24	\$11,911
%	-30.77%	5.85%

\$/AWA

\$50/wk

\$77/wk

+54%

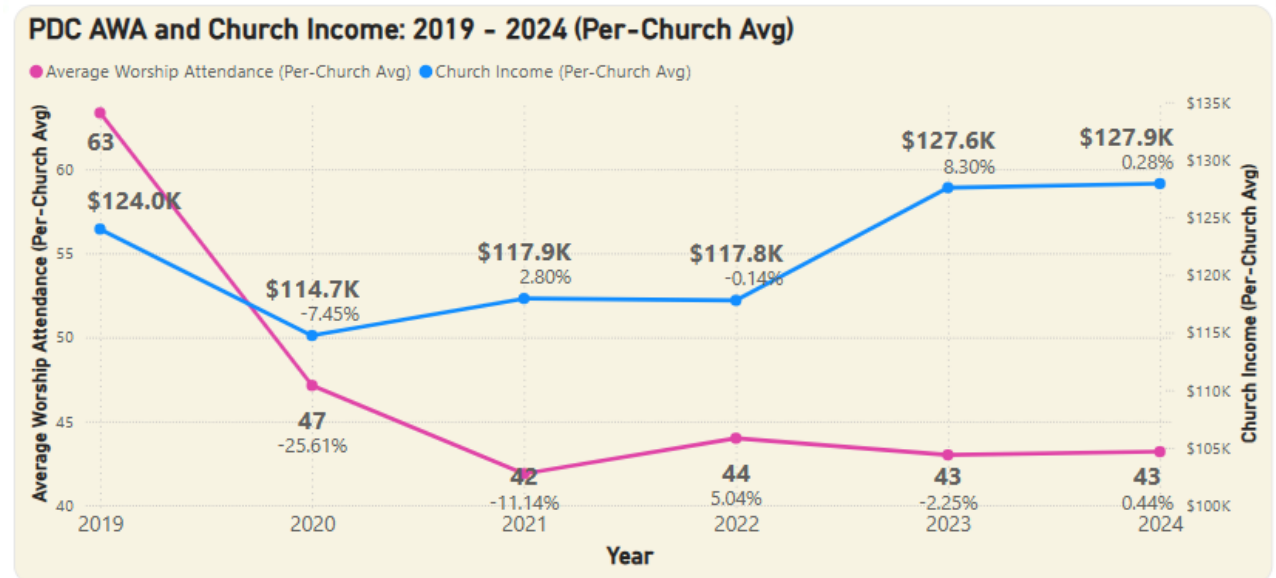
PDC (Per-Church Avg Decline)		
	AWA	Income
2019	63	\$123,978
2024	43	\$127,925
Diff	-20	\$3,946
%	-31.83%	3.18%

\$/AWA

\$38/wk

\$57/wk

+50%



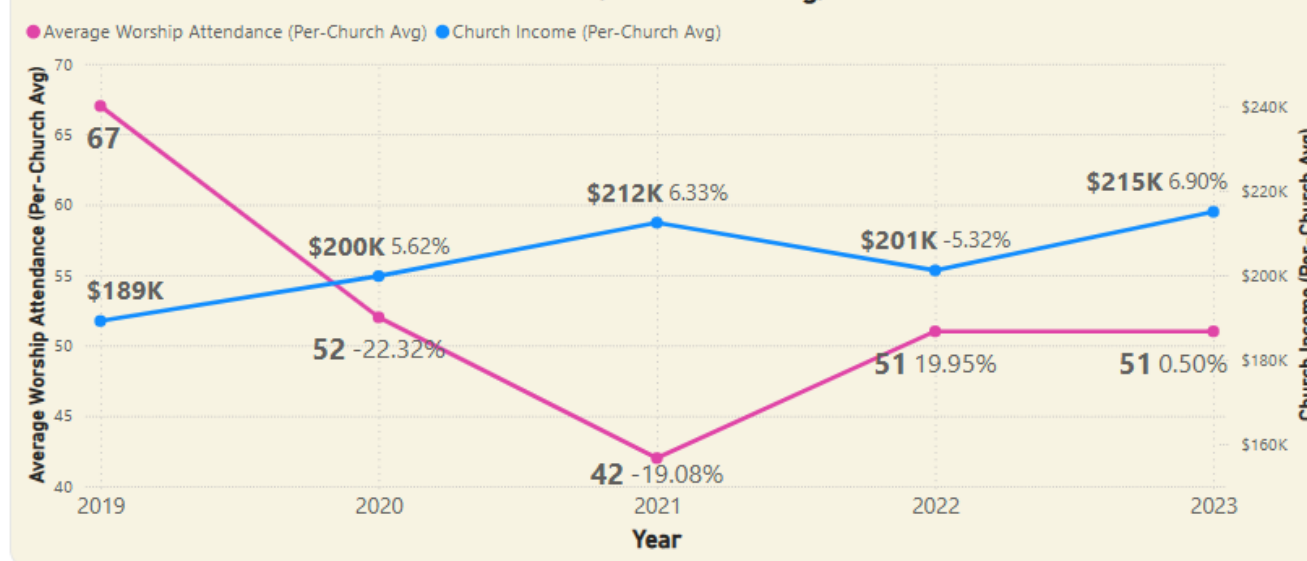
What is the Health of our Conference Churches



EPA (Per-Church Avg Decline)

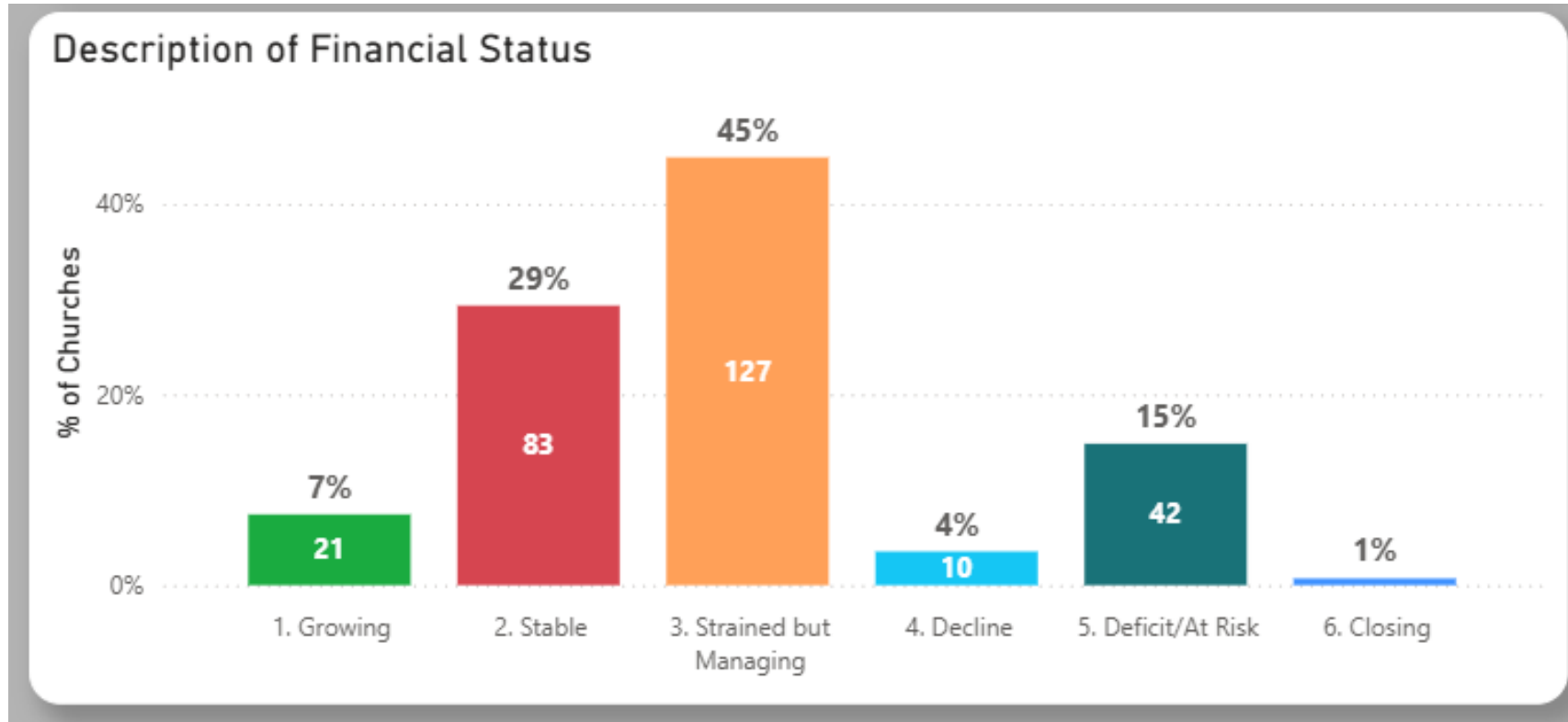
	AWA	Income	<u>\$/AWA</u>
2019	67	\$ 189,126.24	\$54/wk
2023	51	\$ 214,966.32	\$81/wk
Diff	-16	\$25,840	
%	-24.22%	13.66%	+50%

EPA AWA and Church Income: 2019 - 2023 (Per-Church Avg)



- All three conferences continue to have average worship attendance that is 24-32% less than pre-pandemic numbers
- It is counterintuitive that the average income per church in all three conferences is higher than pre-pandemic donations- key to this trend is the 50-54% increase in average giving by worshipper

Mid-Year Financial Survey Results



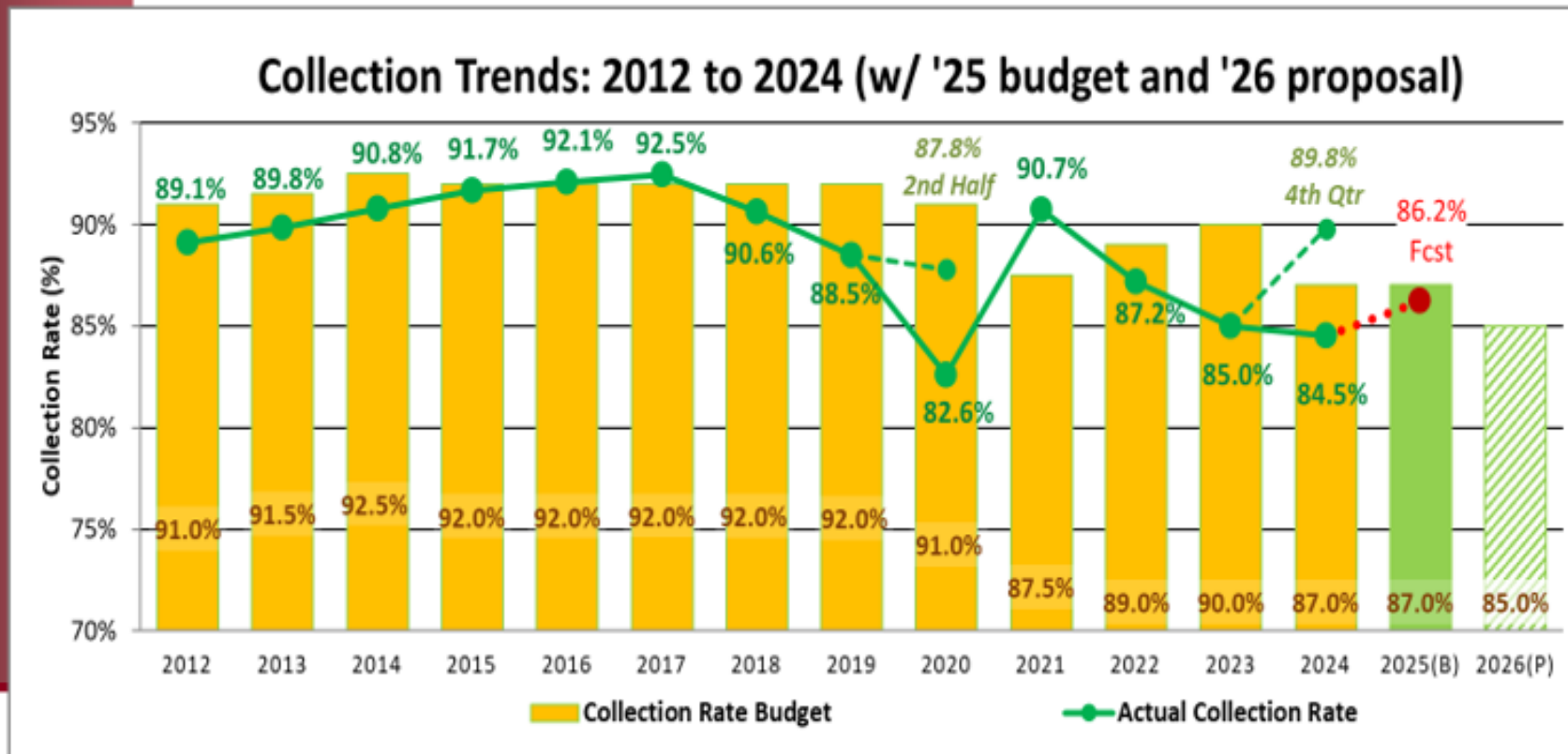
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- 73% of churches responded to our July 2025 Financial Survey
- 16% of responding churches reported significant financial challenges in 2025



Conference Budget Updates

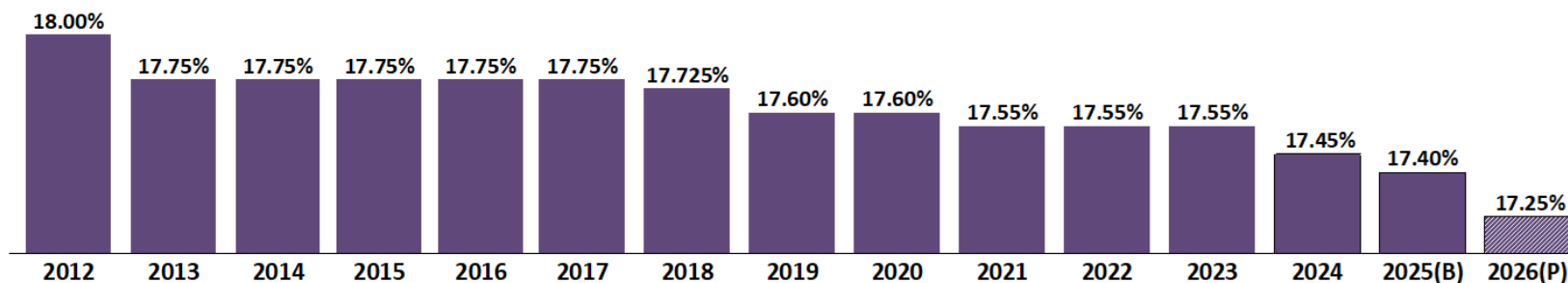
BWC Collection Rate Trends



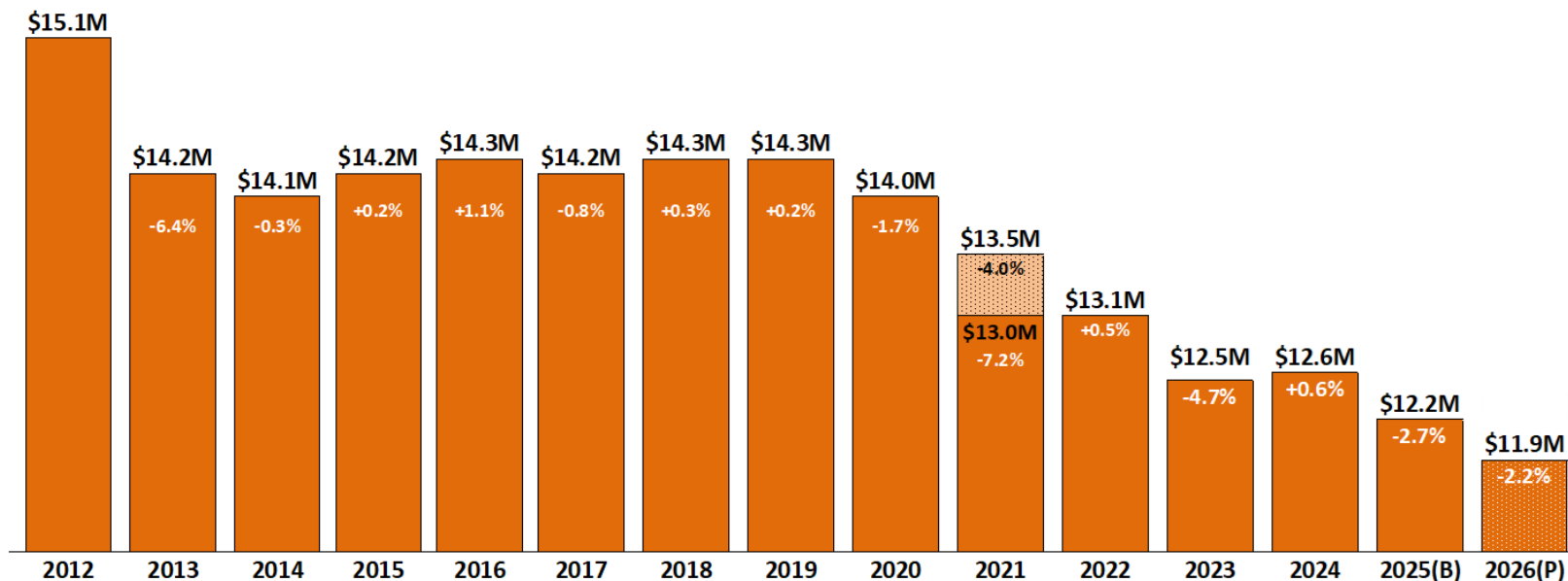
- The recent 2025 Year End Forecast from local churches indicates the collection rate will increase to 86.2%
- This is a level similar to the collection rate in 2022 and would be a good sign of recovery within the conference

2026 Mission Share Income

Benevolence Factor



Mission Share Income

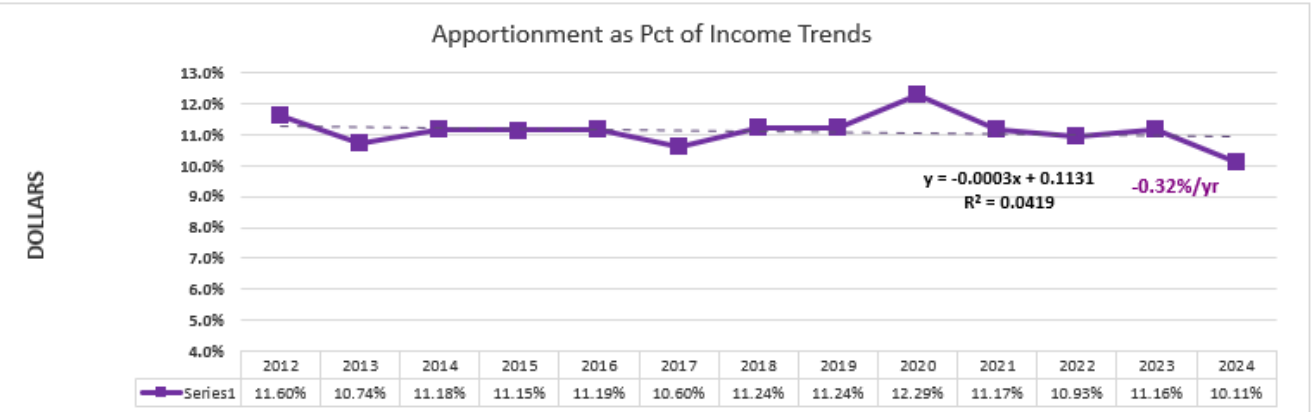
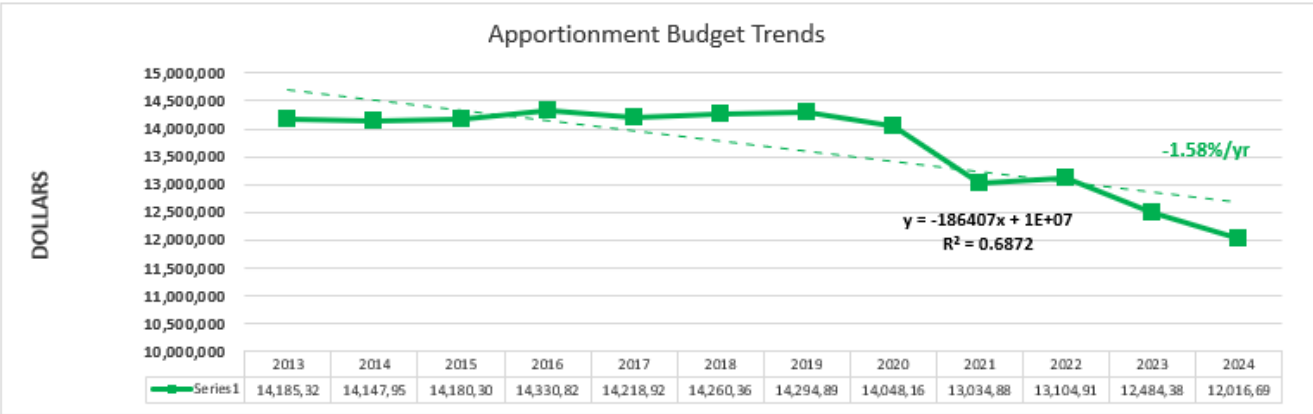
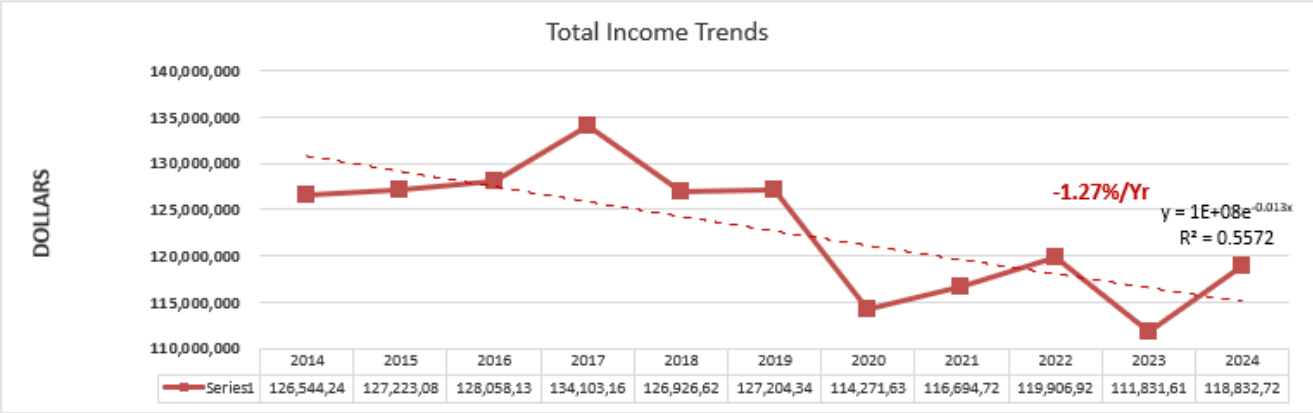


- The Benevolence Factor will be reduced to 17.25%.

- The mission share income will be reduced to \$11.9M.

- Reducing the budget to \$12M has been the CFA goal since 2019.

View of the 2024 Budget as Pct of Total Income



*2023 data include the impacts of disaffiliations

Based on Reported 2024 Statistical Data and Actual 2024 Mission Share Budget

Mission Shares Report – Sept YTD

	2025 Actual		2025 Budget		Monthly	YTD
	Monthly Total	Cumm Total	Monthly Total	Cumm Total	Variance	Variance
			\$3,496,935			
Jan	166,895	166,895	162,063	162,063	4,833	4,833
Feb	186,100	352,996	246,655	408,718	(60,555)	(55,722)
Mar	327,949	680,944	327,472	736,190	477	(55,245)
Apr	281,533	962,478	228,038	964,228	53,495	(1,750)
May	269,501	1,231,979	284,713	1,248,941	(15,212)	(16,962)
June	267,796	1,499,774	394,276	1,643,216	(126,480)	(143,442)
July	219,985	1,719,760	242,641	1,885,857	(22,656)	(166,098)
Aug	241,159	1,960,919	266,837	2,152,694	(25,678)	(191,776)
Sept	260,531	2,221,450	253,619	2,406,314	6,912	(184,863)

- The Total Apportioned to Churches in 2025 is \$3,842,786
- The Apportionment Budget of \$3,496,935 represents a collection rate of 91%
- We noted the June “budget spike” at the last meeting that was caused by the addition of prepaid disaffiliation mission shares in June 2024
- The collection rate is 84.0% through September. Actual collection is \$45,000 higher than last year

Prepaid Disaffiliation Mission Shares Balance:

- Remaining Balance = \$568,328

Strengthening the Connection in 2026

FINANCIAL FOCUS	ACTIVITIES	2024 (A)	2025 (Est)	2026 (Est)	Chg
Mission Shares	Covenant Funding Plan	\$4.3M	\$3.5M (-19%)	\$3.6M (+2.1%)	↔
	Mission Shares Collected	\$3.0M (88%)	\$3.3M (87%)	\$3.6M (90%)	↑
	Apply Prepaid Mission Shares	\$882K	\$200K	No Prepaid	
	Reduced Appropriation to Agencies and Use of Carryover Reserves	\$238K	Full Appropriation	Full Appropriation	
Clergy Pension				Compass	↓
Active Medical				HealthFlex	↓

- The goal is to keep the 2026 budget relatively flat while providing local churches with relief in their clergy pension and medical expenses
- Reaching a 90% collection rate in 2026 will be a good return of strength for the connection as we plan to avoid the use of prepaid mission shares and plan to use full appropriations to the agencies



Q & A



THANK YOU