Nancy Cody

From: Nancy Cody <ncody530@gmail.com>
Sent: Tuesday, December 29, 2020 4:20 PM
To: sherryhartman@asburyumcarnold.org
Subject: FW: Minutes of Council Meeting to Approve the 2021 Budget and a Consolidated Appropriations Act of 2021 Update with Some Good News
Attachments: Budget 2021 V. 2.pdf

From: Nancy Cody [mailto:ncody530@gmail.com]
Sent: Tuesday, December 29, 2020 4:19 PM
To: 'Alberta Stornetta' <wake1bert@gmail.com>; 'Anne Haas' <haasanne@hotmail.com>; 'Corinne Van Hoven' <clemiali@comcast.net>; 'Daniel Hass' <djhaas151@gmail.com>; 'Ellyn Campbell' <mdcampbell2@verizon.net>; 'Griff Hall' <griff@griffhall.com>; 'Michael Beer' <mkbeer@me.com>; 'Nancy Beers' <jbeers1424@comcast.net>; 'Owens Walker' <towalker3@gmail.com>; 'Scott Karsner' <scottkarsner@gmail.com>; 'Susan Hall' <snh0811@gmail.com>; 'Walt Bruso' <bwbruso@verizon.net>
Cc: ncody530@gmail.com; Vickie Whitley <v.whitley@asburychristianpreschool.org>; 'Fern Bowman' <fern.bowman@yahoo.com>; Roxanne Kuhn <roxannekuhn@gmail.com>
Subject: Minutes of Council Meeting to Approve the 2021 Budget and a Consolidated Appropriations Act of 2021 Update with Some Good News

Asbury United Methodist Church Council
Minutes of December 28, 2020 Meeting to Approve 2021 Budget
7:30 PM via Zoom

In Attendance: Elizabeth Tawil, Dan Haas, Anne Haas, Nancy Cody, Karen Beer, Scott Karsner, Pastor Jen Karsner, Owens Walker, and Vickie Whitley, Director Asbury Preschool & Clubhouse, Terri Dotterer, Fern and Eric Bowman, and Roxanne Kuhn.

Open in Prayer Scott opened us in prayer.

Budget Review

We reviewed the attached 2021 budget recommended by the Finance Committee in detail. The Finance committee had reviewed initial projections and budget requests in detail and reduced expenses where possible without impacting programs.

One assumption used in the 2020 projection and the 2021 budget was that the $36,000 PPP loan forgiveness would be included in 2020 grant income. We have applied for forgiveness and our application has passed the bank review and has been forwarded to the SBA for their review. I assume that the SBA will grant forgiveness but if we don’t receive notice until after we have closed out 2020, we will record the $36,000 in grant income in 2021.

Year	2020	2021	Cumulative Deficit
Projected Operating Surplus (Deficit) with PPP Grant Income in 2020	$ 8,864	$ (35,848)	$ (26,984)
Projected Operating Surplus (Deficit) with PPP Grant Income in 2021	$ (27,136)	$ 152	$ (26,984)

Unrestricted cash at 12/31/19 was $100,000. Based on the above projections (cumulative operating deficit 2020-2021 of $27,000), unrestricted cash will not reduce below $73,000 which amounts to almost 3 months of operating expenses.

Giving Review

We reviewed the giving trend over the past several years and a current year giving breakdown by size of gift. Giving has been declining since 2018 and we will need to increase our giving if we are to maintain our current programs. Looking at the current year giving breakdown, we feel that there is room to increase giving from members giving in the lower range.

Actions

- Elizabeth will give a message during the Sunday service on January 3 to inform the congregation of our financial situation.

- Jen will begin to include stewardship education throughout the year and plans a second pledge drive during the first quarter of 2021 that will focus on increasing giving from members giving in the lower ranges and members who don't pledge.

- We will continue to monitor our financial status monthly and will reassess our position at the end of the first quarter to see if we need to make any additional adjustments to the 2021 budget.

- Nancy will apply for any additional PPP loans that we are eligible for under the Consolidated Appropriations Act of 2021 (CCA).

  Update: Good News

  I have been doing some reading about the new CCA today and it looks like we may be eligible a PPP Second Draw loan equal to 2.5 times monthly payroll if we meet the criteria that we experienced a 25% year over year reduction in revenues for any one quarter during 2020. I will have to get the preschool financial reports and combine their revenues with church revenues to see if we would meet the revenue reduction criteria but I am assuming that we may qualify either during 2nd or 3rd quarter 2020. It looks like our December 2020 payroll was $32,207 ($20,487 preschool and $11,720 church) so we may be eligible for an $80,517 ($32,207 * 2.5) Second Draw loan.

  It also looks like the CCA retroactively eliminates the prohibition on obtaining a PPP loan **and** claiming the employee retention credit (ERC). This effectively permits recipients of a PPP loan to retroactively claim the ERC. The ERC amounts to a credit of 50% of wages paid during a forced closure for pay periods between 3/12/20 and 7/1/2021. I believe we were under orders to close between March 23 and May 15. I ran a report from ADP and it looks like we paid $101,197 in wages during that time period (preschool $80,069 and church $21,128) so we may be eligible for a $50,598 tax credit refund.

  The CCA legislation contains some details, but, as with the first round of PPP funds, more "guidance" will need to be supplied from the SBA.

Budget Approval

Dan Haas made a motion that we approve the budget as presented. Owens seconded the motion. All voting members with the exception of Karen Beer voted yes. Karen Beer voted no.

Next Meeting

The next meeting will be January 28 at 7:30.

Closing Prayer

Pastor Jen closed us in prayer.

Respectfully submitted,

Nancy Cody