

Finance Committee Report to April 14, 2020, Congregation Council
Daryl Ackerman, Finance Chair

Finance Committee did not meet this month.

(1) In these trying times, it is refreshing to see the March financial statements from Paul. The results show that the congregation is responding and that costs are lower, and the budget summary shows net receipts less expenses of \$23,678. Trinity continues to compensate its staff, and that staff is working to continue Trinity's ministries, worship, website updates, and enhanced communication. Trinity also continues to maintain its benevolence responsibilities, as identified by our Missions and Social Ministry committees, to the various organizations, many of which are suffering budget shortfalls. Trinity's Property and ministry expenses have been lower than previously, due to the shutdown. And, contributions to the Capital Appeal in March were slightly above the average for January and February. In short, Trinity's current finances are more sound than many other churches and non-profits, and for that we are thankful.

(2) The commitment letter for the \$500,000 project loan was signed and submitted to S&T Bank on April 10, 2020. Many of the items required in the commitment letter have been submitted. Several outstanding items are awaiting input from others.

(3) There has been much talk of the CARES Act and its \$350 billion Paycheck Protection Program, the federal stimulus initiative that can provide 100% federally guaranteed loans, most of which may be forgiven if borrowers maintain their payrolls during the crisis. The program makes loans available to non-profits for 2.5 times the monthly payroll and utilities, with loan forgiveness of 8 weeks of such expenses. Because of the uncertainty of economic conditions over the next several months, this program may provide an opportunity to extend Trinity's resources to support our staff during what may still be difficult times, and it appears appropriate to request funding. For that reason, on April 8, the Executive Committee approved a motion to **"approve submission of a Small Business Administration Payroll Protection Program loan application through S&T Bank and authorize Paul Hensel to execute all required loan documents on behalf of Trinity."** The application for a \$191,349 loan and supporting documentation were submitted on April 10. A huge thank you to Paul Hensel for pulling this together in a very limited time! Now we wait to see if a loan is offered.

(4) There are three considerations when it comes time to approve the actual PPP loan from S&T Bank (should that happen), taken from Constitution and Bylaws on Trinity's website. First, the Constitution states in Article C12.05 "The Congregation Council shall be responsible for the financial and property matters of this congregation. The Congregation Council ... shall be responsible for maintaining and protecting its property and the management of its business and fiscal affairs." Second, Bylaws, Section 5, Article 9, "The Congregation Council shall be responsible for the financial and property matters of this congregation." and Article 9.e "The Congregation Council shall not borrow money in an amount to exceed \$50,000 without approval of the congregation." Third, Bylaws, Section 6, Article 1, "...the Executive Committee ... shall not have authority to borrow money."

We are living in uncharted territory, far beyond where we were living one month ago! First, the actual loan amount appears to be \$38,000 (initial \$191,000, forgiven \$153,000), which is less than the threshold for congregational approval. Second, the Congregation Council is responsible for the

ongoing financial health of the church, and that is the reason the Executive Committee acted to submit the loan application. Third, the Congregation Council should take formal action to approve the PPP loan in order to facilitate obtaining the funds in a timely manner, should the loan be offered.

Based on the above, the upcoming meeting of Congregation Council should consider the information above and include action to approve the Paycheck Protection Program loan when it is offered.