



March 23, 2020

Dear Sisters, Brothers and Friends of the Presbytery of Los Ranchos,

These are unprecedented times.

We are hearing reports from our churches of mounting financial headwinds due to the disruptions related to COVID-19. Many of our churches will begin to experience cash flow challenges as contributions decline with attendance. This may complicate efforts to provide employment continuity for staff and pastors, which is further exacerbated by the uncertainty of duration of these current circumstances.

Given the difficult situation this may create for our churches, the Presbytery of Los Ranchos is offering the following suggestions and provisions in an effort to support you during this time of uncertainty, knowing full well that the financial concerns are only one component of the overall concern for the health and well-being of your communities.

As receipts are anticipated to slow due to the inability to assemble and collect offerings, church treasurers and trustees should immediately review their cash positions in order to ascertain their liquidity. However, using cash is not the only tool at your disposal. The list below provides some additional items to consider:

(1) Pray

Our ability to gather is constrained but not banned. Prayer should be our default posture. Being deliberate and frequent in prayer with your leadership teams is imperative. We should draw inspiration from the early Church who were devoted to each other in prayer and sharing resources (Acts 2:42-48).

(2) Encourage Increased and Online Giving

During times of crisis the Church has an opportunity to demonstrate a unique model for unity and solidarity through increased giving, which bears witness to the Kingdom to which we belong. It also offers pastors and congregational leaders the opportunity to lead by example through increased tithing. Take this opportunity seriously. We have included some coaching tips from Jon Moore, PMA Mission Engagement Advisor, to help you do this well, especially as it relates to missions giving (see enclosed). Also, encourage parishioners to utilize alternative means of giving. For example, they can have a check sent through their online bill pay. Likewise, online giving is very easy to set up and use. The most common providers are PushPay, Tithly, PayPal and the Presbyterian Foundation's online giving program. As you consider online giving options, be mindful of transaction fees before signing any contracts. Competitive rates for nonprofit organizations are 1% for debit card transfers and 2.3% for credit card payments. Also note, the Presbyterian Foundation's online giving program holds funds for 30



THE PRESBYTERY OF
Los Ranchos

days then distributes. You can contact emailonlineservices@presbyterianfoundation.org to request that donations be released right away if you choose to work through the Foundation.

(3) Extend Payables

As you manage your working capital, review your repayment terms for your bills. Many invoices provide for a 30 to 60-day repayment term. When cash is tight, take advantage of the maximum repayment term without incurring any additional fees or costs. Furthermore, you may be able to negotiate longer repayment terms with your providers.

(4) Reduce expenses where possible

It makes good sense to review your budgets and see what expenses are “essential,” including those that can be eliminated, reduced or delayed until things become clearer. The finance committee and leadership should convene virtually or via conference call to review and prepare for immediate action planning. If you need support to host these types of meetings please reach out to me. I will help connect you with a member of Trustees or someone with financial savvy who can help.

(5) Review credit facilities

Lines of credit can provide some short-term liquidity. While borrowing is always an option of last resort, it may be necessary and a good idea particularly for those organizations that have long term investments but are using up short term cash. A careful review of the current market value of your long-term investments should be considered before selling assets for liquidity needs. Speaking to your investment professional prior to doing so is highly recommended. In the event you do not have this type of support, Rev. Jason Micheli, Chair of the Presbytery of Los Ranchos Investment Committee can serve as a resource, though he cannot step in as an advisor. As an alternative to liquidating investments, a line of credit secured by those investments may prevent locking in losses that may be incurred through their sale, while providing the liquidity needed in the short term. Typically, lines secured by investments are subject to advance rates, but the pricing can be more favorable than unsecured lines of credit and most certainly credit cards. Underwriting is also more expedient; however, if your church can obtain a well-priced line of credit within the time horizon of your potential need, without pledging your investments, that is highly preferred. Each session will have to analyze its options. Lastly, borrowing to fund deficits is not advisable. However, should a church borrow for working capital needs, it should have an identifiable source of repayment. Hopes and dreams do not substitute for committed, pledged future contributions.

(6) Speak to Presbytery staff and officers

If you believe you will be encountering financial stress it is advisable to speak with your partners in the Presbytery sooner rather than later, in order to devise a plan to manage through this time. This is particularly true if your church currently has loans outstanding.

In addition to these recommendations, the Council has a few important announcements for members of the Presbytery related to financial support;



THE PRESBYTERY OF
Los Ranchos

- All non-essential spending will be suspended and a portion of the associated funds redirected to an emergency relief fund to be administered by the Strategic Coordinating Team.
- Per capita suspension: for those congregations with approved per capita payment plans, the Presbytery will consider waiving per capita dues on a month-to-month basis.
- Emergency short term, low-rate, interest-only borrowing from the presbytery may be available.
- BOP contributions: The presbytery is considering covering the Board of Pension contributions for installed pastors who demonstrate sufficient need.

We will continue to notify the Presbytery of the extent of the need and condition of our churches as we navigate this time of disruption. We are grateful to God for our Presbyterian community of support and connection, and the many ways it strengthens our pastors and congregations.

On behalf of the Council,
Rev. Jesse Lund
Moderator, Trustees of the Presbytery of Los Ranchos