

2022 Budget Considerations

National perspective – CRA News, Assessments, M&S

The United Church of Canada
L'Église Unie du Canada

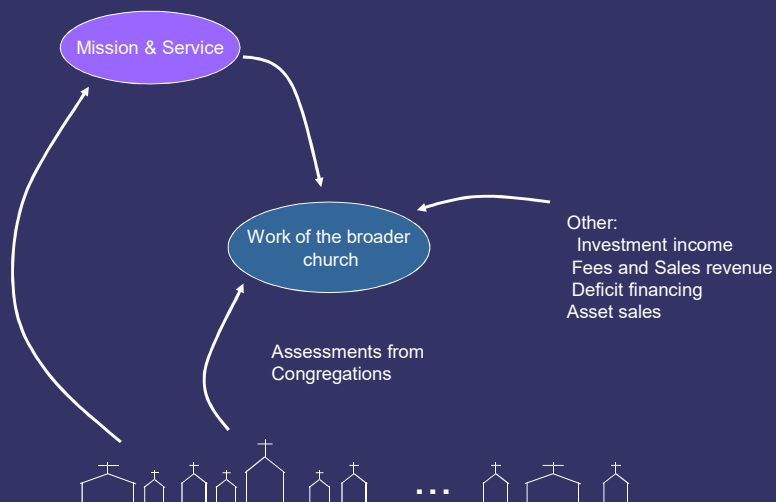


November 13, 2021
Erik Mathiesen
Shining Waters Regional Council



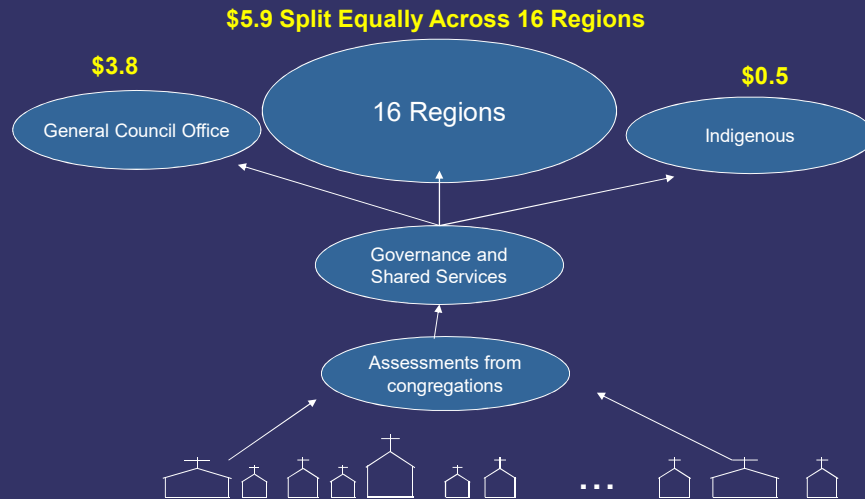
Financing beyond the congregation

Budget for broader work of the church > 80% funded by congregations





Financing beyond the congregation



Finance, United Church of Canada

9



October 21 Federal announcements

- CEWS and CERB will NOT be extended beyond October 23, 2021 (period 21)
- CHRP (Canada Recovery Hiring Program) extended to May 2022 – but with narrowed criteria
 - Won't apply to most of us. Need to be staffing up
 - Same as CEWS for calculations
 - “trust the spreadsheet”
- CEWS reminders
 - Deadline is 180 days after the applicable period
 - Do both CEWS and CHRP calcs to see which better

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CRA updates

- Having a My Business Account for your charity is the new normal.
- We still offer help desk support for CRA online access matters at crahelp@united-church.ca
- CRA payroll discrepancy notices are being sent if you did not file your PD27
- T3010 filing deadline is six months after your fiscal year and late penalties are being applied again.

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2020 was the year of the asterisk *

- Congregational reported revenue decline in 2020 versus 2019 was **12.7 %** AFTER an estimated \$25 million in wage subsidies (otherwise almost **20%**)
- Estimated \$7 million in federal CEBA loans too once churches deemed eligible
- 2021 will also be year of the asterisk
- But seeing some bounceback in M&S support
- Covid uncertainty still a big factor.

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Assessments Updated on line - NOW

- 2022 assessment statement is online
 - 73 / 157 pastoral charges will see a decrease.
 - if not yet at target, will be by 2023
 - if increase < \$500, move to target in 2022
 - if increase > \$500
 - half of the gap will be applied in 2022
 - full target by 2023
- all of this explained on your statement



Assessments Updated on line - NOW

ON AVERAGE

- 11 regions decrease in assessment for 2022
- 1 region flat
- but still individual increases for some who chose the freeze option
- as predicted last Spring, church revenues for 2020 did drop and therefore so did target assessment



Covid implications – Assessments

- virtually all COFs at target will pay less assessment in 2022 than they did in 2021
- virtually all COFs who chose the 3 year transition, now looking at much smaller increases than before – if any
- the whole idea of the new funding model is that it adjusts for what is happening to COF revenue

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9

Assessment Table - October 9 DRAFT		2022	2023	2021	

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10



Admin rules now ratified

1. Full assessment to be collected for any year of partial operation
2. Use CRA wind-up date (final filing) as end date for how long assessments will be owing.
3. For amalgamations and partial closures, use most current revenue data to adjust assessment (avoid 2 year lag)



Assessing investment income (GCE23)

Effective 2020 statistical reporting, calculate assessment amount owing from investments as:

$$0.25\% \times \text{investment balance}$$

(implied is $4.5\% \times 5.67\% \text{ gain} = .0025$)

- Provides transparency, easy to explain, easy to verify
 - First \$100,000 exempt



Assessing investment balances

	Or more				Assessment
0.0025	Threshold	Number	Assets	Cum Assets	0.0025
	4,000,000	20	270,800,729	270,800,729	677,002
	3,000,000	8	28,032,911	298,833,640	747,084
	2,500,000	11	30,327,426	329,161,066	822,903
	2,000,000	12	26,481,113	355,642,179	889,105
	1,500,000	27	44,818,357	400,460,536	1,001,151
	1,000,000	47	56,294,245	456,754,781	1,141,887
	750,000	54	45,905,999	502,660,780	1,256,652
	500,000	122	72,539,309	575,200,089	1,438,000
	250,000	315	107,885,597	683,085,686	1,707,714
	100,000	537	86,318,541	769,404,227	1,923,511
	-	929	30,495,034	799,899,261	1,999,748
	Totals	2,082	799,899,261		
> \$49,999	< \$100,000	294	21,303,060	forego	53,258
> \$1	< \$50,000	389	9,191,974	forego	22,980 ¹³



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Your generosity transforms lives at home and around the world!



Children learn about farming thanks to your support.

Photo credit: Emmanuel Baya

Please share our quarterly digital impact report with your community of faith.

**“A generous person
will prosper; whoever
refreshes others
will be refreshed.”**

-Proverbs 11:25



Rose enjoys a warm meal at Centre 507 thanks to your support.

Photo credit: Centre 507