



Support Information to Churches and Trusts Regarding Funding, Grants & Offerings

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Existing Grants & Unspent Funding

How to manage existing grants and unspent funding due to COVID-19

Many non-profits have received grant funds for specific projects or specific events that are now difficult or impossible to spend due to the national lockdown. For example, those that receive funding by the Ministry of Education for a playgroup that now cannot meet during to the lockdown period. This checklist is to help your churches decide what steps you need to take to repurpose those tagged funds to other immediate expenses. There are three potential outcomes: delay purchase with permission, repurpose with permission, or return the grant.

No grant or donation may be used for alternative purposes to that which was originally given, without the written permission of the funder.

Make a list of all grant funders where you have received grants and there may be unspent balances.

Create an Income and Expense report that you could send to a funder right now.

What funding have you received and what was that tagged for? Of that amount, what have you spent it on? Make sure the report lines up with what the funder currently has allowed you to spend the grant on. Show the balance as unspent. Make sure you consider GST while creating these reports. Some grants attract GST and some do not.

Outcome A: Delay Purchase with Permission

Ask yourself the question, "In the next 6 months, will we be able to spend the grant as it is currently tagged?" Yes, No, maybe. Write down why too. What about in 12 months? What about in 18 months? You may decide the best use of the grant funds is to hold them for after lockdown or even next year. In this case, you may need to seek permission from the grant funder to delay purchase, delay using the funds until life returns to normal. If you receive permission, get that permission in writing. And set those funds aside, in your accounts, so that the funds are there when you need them.

For example, Church X has received funding for their youth worker to attend national training in July. The training event has been cancelled for the year. It is an annual event, so it should run in 2021. Church X might ask the funder if they can hold the funds to use for the training

in the 2021.

Outcome B: Repurpose with Permission

Ask yourself “What good works are we currently doing that this funder might support?” Create a list of your current projects that are still running during lock down and create a budget for the things you are doing right now, and why they should be supported.

For example, Church X is also now doing online mentoring of youth. This is something new they have never done before. There are some costs involved, such as salaries for the youth workers, internet access for the youth workers, and online software licenses. Church X might ask the funder if they could repurpose the training grant towards youth worker salaries and these other new costs.

For example, Church X is also now running a Food Bank. They have expenses related to that. The church might be calling the families of the youth they worked with (before COVID-19) and offering groceries to those families in need. Church X might ask if the youth worker training funds could be used to buy food for the families of the youth and petrol for those delivering the food.

The closer your new plan is to the original “good work” the more likely you will get a “yes” from funders. Think outside the square. Online versus public events. What could you do, if you had the funding to do it?

For example, Church X might also have some on-going expenses that funders normally will not fund, but that are critical “costs of doing business.” For example, paying vehicle insurance premiums, rent, administration costs, etc. If you have critical expenses that you can’t pay, write them down in a budget. You may want to ask a funder to fund “critical cost of doing business expenses during COVID-19 lock down” that will allow your non-profit to keep running during the shutdown and make it out the other side in good shape. Relate every expense back to the good work you normally do you. For example, “We pay \$60 a month for vehicle insurance for a van that we use to pick up students for our drop-in youth events. We can’t have the youth events right now, but we still need to pay the insurance during the shutdown period. Would you help us fund these types of expenses?”

Outcome C: Return the Grant with Permission

If you have gone through the steps above, you may decide that the right thing to do is to return the grant funds. If so, you need to contact the funder, explain your current situation and offer to return the funds. The funder may surprise you and offer an alternative plan. However, being upfront with the funder may protect your relationship for future grants. You may end up releasing funds, which will help another non-profit.

How to contact your funder – Your funder may have already given advice regarding COVID-19 and grant funds unspent. Check for emails from your funder and also their website. If no instructions are given, using the plan you have created above, try calling the funder. Call and ask the question: We have received funding for A, and we cannot do A right now, but we can do B. Would (grant funder) allow us to submit a new budget for B, and would (grant funder) consider letting us use the funds we got for A on B?” If you cannot reach them by phone, try email. Be patient, however, a regular weekly email is worth doing,

until you get a proper response. Show them you are being responsible and that your good work is still around and needs a response.

Under no circumstances should you spend funding without permission on non-agreed items. It is better to put funding aside, than to spend it incorrectly. Keep good records on this.

Church Tithes, Offerings & Donations

How to ask for tithes, offerings & donations from church members during COVID-19 shutdown

Many churches pass an offering plate every Sunday. In some churches in New Zealand, this is still the primary way the church is funded. There are many Christians, especially in certain ethnic communities that believe giving should also be anonymous. These things will make funding a church difficult during the COVID-19 lockdown. It also may seem difficult to talk about church funding while church members may be struggling financially. This check list is advice on how to move forward in these uncertain times.

1. How fundraising is also ministry – When you ask a person to give towards something, you are also allowing them to tell you about their current financial situation. Any ask for donations right now should be done in a pastoral approach. Give your church members the opportunity to share with you, what is happening financially for them. Take the time to listen, offer prayer, and encourage one another. Keep a list of church members who have perhaps lost jobs and may be suffering financially. Make practical plans on how to help those members of your church.

2. Anonymous Giving and Cash Giving - If you have members of your church who normally give anonymously, you may need to give them a way to give that is (nearly) anonymous. This means setting up giving numbers and showing them how to tag gifts for bank to bank transfer giving. Some members of your church may not understand how to do that, especially the older generations. Take the time to help those who want to give. Give them a way they can still give, while staying home.

Whenever possible, do not accept cash gifts. We don't want to spread COVID-19 through cash physically changing hands. If your church must collect cash, use social distancing when doing so. This means having one person put an envelope into say, the letter box, and having another person picking it up from there. Be smart, do not leave envelopes of cash without someone "watching it" from a short distance. Thefts of mail may happen.

If you are collecting letter box gifts, using gloves is a good idea. Deposit these funds on the day received or within one working day and keep good records. Be careful to not put any church member in a situation where they would be tempted to steal donations. These are tough times and we must help people with accountability systems. Ideally figure out a two-person system for double counting of funds received.

3. Ask church members to make a pledge – Many churches nowadays ask for church members to make a pledge amount, for example, "I pledge to give \$50 per week to the church." This is a different way of thinking for many Christians. It's not so much a tithe, as it is a promised amount. The advantage of this is that the church can plan for the future. During COVID-19, a church's income may go down. Many people may consider not giving at

all. It's more important than ever to be candid with your church, explain what church funds go towards and ask people to give "what they can in a pledge." Nominate one person (usually not the Minister) who can receive these pledges via email. This would be a good role for a Servant Leader to take on. Ask the members to also email that same person if their financial situation changes. From my experience with other tough times, some people will stop giving, some people will lower giving, and some people will actually increase their giving. You may be surprised by how a church works together during these times.

New Opportunities for Churches & Trusts

What can the church do to practically help our members and our communities during COVID-19?

There are new services that our churches may want to start, perhaps in place of other services we cannot do right now. For example, offering CAP money courses (Christians Against Poverty), giving budgeting advice, helping members sign up with Work and Income, opening a food bank, etc. As your church considers these options, please reach out to the other churches in your community. Now is a great time to partner with someone, across denominational lines. Let's be the church, uniting together.

If for example, you want to run a food bank, consider partnering with another church that already has those systems in place. You may want to just collect food and give it to the other church's food bank. And you may want to refer your church members to that food bank. Starting new ministries can be hard, so let's partner as much as we can.

New Opportunities for Grants and Donations

Make a list of all grant organisations you have received grants from in the recent past (say 2018 to present). Anecdotally, there is evidence that funders are more likely to give you funding if they have funded you in the past. Work now to renew those relationships.

As at 3 April 2020 we have identified these funders who may provide grants:

<https://tindall.org.nz/covid-19-response-our-commitment-to-our-community/>

<https://www.msd.govt.nz/about-msd-and-our-work/newsroom/2020/covid-19/community-awareness-and-preparedness-grant-fund.html>

Opportunities for Collaboration with Other Organisations

See the document "Resources for Churches" for a list of

Charities Commission about compliance, audits, and reviews.

Jewel Turinsky (cession|community) passes on this information: "I recently spoke with someone from Charities Commission who said they would be very kind to those non-profit

organisations who have compliance reports due, and who can not get their regular financial reports done because accountants are not available. The basic advice is to go to their website, read updates they put out, and talk to them if you are struggling to get something into them. If you get verbal permission to delay sending a report, ask for an email (written confirmation).”