









Keep in mind that our Legacy Fund balance was as low as \$1.837 million in mid-March 2020, so this is a very substantial recovery.

**Paycheck Protection Program**

On May 1, 2020, the synod received \$234,127 from the Paycheck Protection Program (PPP). The proceeds were used for payroll and health and pension benefits. We initially had an eight-week period to use the funds, which would have been challenging. The government later expanded that to 24 weeks and the funds were spent by July 24, 2020. We then applied for loan forgiveness, and on November 12, 2020, we were informed that the Small Business Administration (SBA) had paid off the loan principal plus accumulated interest. The “loan” was fully forgiven and converted to a grant.

Since we had a larger 2020 surplus than we anticipated, one natural question was whether we would feel compelled to return at least a portion of the funds to the government. My answer is, in a word...

No.

Why? For several reasons. First, the government has not asked for it. Second, though the full PPP amount was not needed in 2020, mission support was \$126,000 less than we anticipated. Additionally, \$50,000 is designated for 2021, and \$25,000 for the 2022 operating budgets. Those three items account for most of the PPP loan/grant that we received. For now, the remainder is being used to bolster the synod’s financial position against future “shocks”, such as the pandemic.

**Audit**

The audit was conducted by RKL during the week of March 22, 2021. Due to COVID-19, the audit was conducted remotely except for a brief visit by an auditor on March 23 to review documentation as part of their audit sampling. As with the 2020 audit, this year’s audit was conducted primarily via email and uploading/downloading documents from the RKL server. And again, the effort appears to have been successful. This may be the future of audits, but it is too early to know.

We expect a draft report before the April 24 meeting of the Synod Council.

**Accounting System**

This one comes under the “we wanted to but had other priorities” category. We were prepared to evaluate a variety of accounting systems due to difficulties we experienced with our current software, MIP. Well, the pandemic put all of that on hold.

We hope to resume our evaluations later this year. We will also look at additional capabilities within MIP to allow for easier recording of online funds receipts, which is currently a manually intensive effort. Keep in mind there are significant challenges to changing accounting systems, on top of the already planning move of the synod office. So, any changes will not happen rapidly.

**Activities and Goals within the Treasurer’s Office**

The following sections detail the current challenges and activities within the treasurer’s office, some of them delayed from 2020.

**Accounting simplification**

This will be part of the effort to evaluate new accounting systems. If you are going to a new system, might as well clean up the chart of accounts.

**Automation**

We are still looking at email distribution of quarterly mission support reports. It is something we really want to accomplish.

**Other Activities**

- Monitored investment activity of the synod's Legacy Fund.
- Consulted with congregations about accounting and reporting issues.
- Worked with congregations and the Commonwealth of Pennsylvania to obtain new Sales Tax exemption forms.
- Consulted with congregations and prepared Zoom presentations about the Paycheck Protection Program.
- Began preparation for the synod office move later in 2021.

**Treasurer's Office Staff**

As always, the treasurer's office would function poorly without the efforts of Cathy Paul and Denise Ferguson. They expertly navigated every challenge presented to them during 2020. It has been a pleasure working with them both, a sentiment I am sure is shared with the many congregations they work with every day.

**Conclusion**

I can safely say that 2020 is a year I am pleased to leave behind. So much work was delayed due to the frequent "firefighting" efforts stemming from the pandemic. We began the year with significant concern regarding the synod's finances. However, as the year went on, the financial strains began easing. This was due, in part, to the synod's PPP grant and to the recovery of mission support from our congregations, many of which received their own PPP loans/grants.

There is also considerable optimism due to the availability of vaccines to help us out of the pandemic. While this probably does not mean "business as usual", it almost certainly means "better business than last year". Then again, it would be difficult for things not to be better than last year.

Despite the pandemic (or perhaps because of it), the synod's financial situation is stronger than it has been in years. We have ample cash in the bank and our Legacy Fund investments have significantly increased in value, even after withdrawals. So, there is much to look forward to.

We welcome questions relating to the synod's finances. You can call Cathy Paul, Denise Ferguson, or me at the synod office, or email me at [jstepansky@lss-elca.org](mailto:jstepansky@lss-elca.org).

Joe Stepansky, *Treasurer*