



UUA Recommendations to Congregations and UUA-Related Organizations Regarding Staffing and Finances in the Time of COVID-19

To: Congregational Presidents, Treasurers, and Ministers
Cc: UUA Professional Organizations and UUA-Related Organizations

Fr: Reverend Richard Nugent, Director, UUA Church Staff Finances (RNugent@uaa.org)

Re: Staffing and Finances in the Time of COVID-19

Date: March 30, 2020

Overview: In this unprecedented time, the Unitarian Universalist Association (UUA) understands the extraordinary challenges faced by our congregations and their leaders and staff. The last few weeks haven't been easy. Everyone has experienced much stress and uncertainty. The future remains beyond our individual and collective vision. But importantly, we have each other, and cherishing each other is so important.

Over the past few weeks, through the hard work of so many staff and volunteers, congregations have continued to provide meaningful ministries despite limitations on in-person gatherings. **It's critically important as people of faith that we don't lose sight of our core mission to each other and to the broader community.**

This memo provides a framework for managing congregational finances in the coming months by offering guidance on a number of key areas identified by our constituents. It was drafted through the UUA's Office of Church Staff Finances, which oversees compensation and benefit programs as well as support for congregations as employers. It was developed in collaboration with the Stewardship and Development department, who oversees fundraising, as well as with CFO/Treasurer Andrew McGeorge, and incorporates wisdom from other UUA staff groups to provide congregational leaders with an integrated approach.

The Challenges Ahead- Stewardship/Budgets: The financial effect of COVID-19 on our congregations is not yet clear. It's a complicated picture including the loss of rental income, postponed fundraising events, and possible reductions in plate income and pledge payments. As this memo is being written, the U.S. Congress has enacted the third law addressing the coronavirus pandemic (CARES ACT), while we are still learning details of the Families First Coronavirus Response Act, signed into law on March 18. **These federal initiatives offer the possibility of financial support to congregations for retaining staff on their payroll (see below), and we will update UUA resources as additional governmental resources and policies become available.**

The timing of these changes complicates decision-making during the season that often includes the annual stewardship canvass, budget preparation, and annual meetings of many congregations. Yet we are a resourceful community of talented individuals. Helpful information on stewardship during this pandemic is being curated by the Stewardship and Development team, and can be found at:

<https://www.uua.org/leadership/library/stewardship-distance>.

A variety of ideas are being weighed by congregations.

- Most congregations can continue with their pledge drives as scheduled, albeit with adjusted content and tone. The ground has shifted financially for many members and for congregations. Stewardship drives that happen at the regular time allow congregational leaders to plan responsibly for the present and the future. Reaching out allows those that can increase their giving to do so, to ensure continuity in the congregation's mission, and also to make space for those who need to decrease their giving. It is important to reach out to members pastorally first. At this time and always, people need to know that their value as human beings in a community is not a by-product of their financial capacity. Done well, a stewardship drive can underscore the relational ties that bind the community, as well as the purpose at its heart. Some congregations are delaying pledge drives until the fall and asking pledging households to continue their current pledge commitments - increasing them, if possible, and decreasing in cases of financial hardship. A delayed drive may be an appropriate course of action in some cases.
- Some congregations are crafting two budgets. One assumes a return to "normal" operations by September, and another assumes a slower return to normalcy with decreased rental income until January. Both budgets should factor in your best estimates regarding rental, event, and pledge income. Do consider savings that may occur due to reduced building use, travel, and events. Given the uncertainty of budgeting in this time, you may also consider approving a preliminary budget with a commitment to revisit at a specific future date when more of your financial picture becomes clear.
- Certain congregations are weighing the use of unrestricted reserve or endowment funds to offset income shortfalls in the months to come. While endowment policies may discourage spending additional endowed funds to save them for a true emergency, the current pandemic would seem to qualify as such an emergency. However, note that drawing on assets when they are at a low point of valuation can be costly and should be carefully considered. Endowed funds may be appropriate as part of a short-term strategy to keep congregational resources, including staff, intact during this time, thus allowing in-person programming and community-outreach to resume in the future without experiencing delays and costs arising from hiring and training new staff. Information on the UU Common Endowment, including COVID-19-related reflections, can be found at: <https://uucef.org/>.

The Challenges Ahead - Staffing: We urge you to review the landing page, **Congregations as Employers During the COVID-19 Pandemic**, which can be found in the UUA LeaderLab at: <https://www.uua.org/leadership/library/employer-pandemic>. Curated by Jan Gartner, UUA Compensation and Staffing Practices Manager, you'll find a rich array of pandemic-related information on staffing and supervision, compensation and benefits, and links to stewardship resources. This page includes links to the "Congregational Staff Teams" resource page, with critical tools for shared ministry approaches across professional disciplines.

We encourage you to be particularly mindful of staff team dynamics in this time, and to explore ways to embrace a flexible, collegial approach to shared ministry in your congregation that will help you be best positioned to utilize the wisdom and skills of your staff. In addition, please do all you can to involve staff directly in conversations and decisions that may affect their responsibilities and/or their employment.

The COVID-19 pandemic offers an extraordinary opportunity to truly live our Unitarian Universalist Principles beginning with the awareness of our interdependence and our commitment to economic

justice. Living into our Principles begins with our commitment to the hard-working staff who support the ongoing work of our congregations. Toward that end, consider the following recommendations for congregational leaders:

1) Immediate Staffing Issues:

- a. **Staff Flexibility:** Working substantially, or fully from home, can be challenging under the best of circumstances – even more so if there is a child(ren) at home. Even for those without children (or elderly parents or other family members) at home, the stress of this time is great: many staff are struggling to enhance their on-line skills, reimagine their programming, and attend to increased pastoral needs. Some staff will want to shift their working hours to maximize their productivity. Some staff will find it necessary to reduce their hours due to family obligations, or due to anxiety and stress. Allowing sick leave to cover such situations is a reasonable option. (See the box below on federal legislation.) Some staff, due to the nature of their position, are not able to do their jobs remotely. Please be as flexible, understanding, and generous as possible, and convey this explicitly to your staff.
- b. **Changing Work:** Many staff have had to learn new skills on short notice. Some staff are doing work that is not in their position description and/or working additional hours, while others are striving to fulfill their assigned responsibilities in wholly new ways. This would be stressful under the best of times, and even more so in these times. For the short-term, position descriptions may need to be rewritten to better reflect what is now expected. You might consider additional compensation – or offset time – for staff who are putting in extra hours. Transparency and candid conversation are needed now more than ever.
- c. **Backup Plans:** Given the possibility that members of your staff or their close family members may become seriously ill with COVID-19, we recommend discussion among lay and staff leaders regarding backup plans for all staff positions as well as key lay leadership positions. In particular, think about essential procedures that may have single points of failure and implement cross-training for those areas.
- d. **Sick Leave/Family Leave/Quarantine Leave:** In addition to the new Federal Paid Sick Leave provision (described in the box below), the Congregation’s Personnel Policies hopefully provide for sick leave for both full-time and part-time staff. The UUA Recommended Personnel Policies for Congregations, revised in early 2019, provide one approach. (See https://www.uua.org/sites/live-new.uua.org/files/sample_personnel_policy_manual.docx.)

The reality of the current situation may require rethinking “normal” sick leave policies. Whether the employee is sick, or caring for an ill family member, the congregation should extend paid sick leave/paid family leave to the individual. Indeed, some states already mandate this. If the employee becomes seriously ill, the UUA Recommended Personnel Policies has language providing “extended medical leave.” If your congregation has enrolled eligible staff in the UUA Long Term Disability Plan, benefits might be available to any individual who experiences lasting health problems related to a COVID-19 infection.

Federal Funding for Staff Retention: The **Families First Coronavirus Response Act**, signed into law on March 18, provides federally subsidized leave as follows:

- 1) **Emergency Paid Sick Leave:** Up to 10 days of paid sick leave for employees (both full and part-time) who are unable to work due to COVID-19 illness or quarantine, or because they are caring for a quarantined individual OR child where childcare or school has closed. This is **in addition** to any employer provided sick leave.
- 2) **Emergency Paid Family and Medical Leave:** Up to 12 weeks of paid family and medical leave to employees unable to work or telework due to the closure of a child's childcare provider or school.

These two leave provisions are effective April 1, 2020 and congregations are eligible to receive these benefits. More details about these provisions, including reimbursement limits, can be found on the **Federal Policies and Actions Related to COVID-19** page: <https://www.uua.org/leadership/library/federal-policies-pandemic>.

- 2) **Staffing Through June 30:** We urge congregations to continue paying all staff – both salaried and hourly employees – for the remainder of the congregational program year. This is critical both to care for your employees, as well as to avoid costly terminations and the disruptions that arise from laying off staff which would slow your future recovery. For salaried staff, we recommend paying their usual payroll amount, including benefits. For hourly workers, particularly those unable to work normal hours due to building closures, use their average weekly pay over the last two months to determine an appropriate weekly amount. Hopefully, pledge income and unrestricted reserves enable sufficient cash-flow to maintain current personnel-related expenditures. And if not, now would be the time to use “rainy day” funds including prudent draws or loans from an endowment. **In addition to the federally-paid sick leave and paid family and medical leave (noted above), the CARES ACT includes a Paycheck Protection Program authorizing loans from the Small Business Administration to employers, including nonprofits, to use to pay employee salaries and benefits, insurance, mortgage payments, and utilities. The legislation also authorizes forgiveness of these loans. More information about this loan program is on our Federal Programs and Actions webpage, and will be updated as more information becomes available.**
- 3) **Staffing Beyond June 30:** In the weeks ahead, we will learn more about what can be expected heading into the summer and fall. How widespread has the COVID-19 virus reached the overall U.S. and global population? Will virus transmission reduce during the summer months? Has an effective treatment or vaccine been found? What are the likely longer-term impacts to the U.S. and global economy? On a more local level, you will have data on the impact of the virus on current year giving and future pledges.

Remember that in times of crisis such as these, congregants will feel the need for, and the appreciation of, their community even more. Continue your good stewardship practices: reach out to thank them for their support. Reassure them that if their financial situation changes, the

community exists to support them. (This is what covenant means.) Invite them to consider giving at their current level, or to increase to help support others who are facing financial hardship. The UUA is curating resources to support congregational stewardship practices, which can be found at: <https://www.uua.org/leadership/library/stewardship-distance>.

When it comes to staffing, whatever path you follow, please be as transparent as possible with your staff. To the extent possible, involve your staff in considering options. Let them be part of the problem-solving team.

A few scenarios:

- a) Continued Staffing at Pre-COVID Levels:** We hope many congregations will be able to maintain staffing as the summer months begin. If so, congregations will have preserved their staffing infrastructure, institutional memory, and preparedness for the resumption of in-person services and ministries in the fall, if not sooner.
- b) Reduced Staffing Appears Necessary:** If your congregation finds itself in this situation, the first question is whether reduced staffing/payroll is likely temporary (e.g. three to six months), or whether it is likely to persist longer-term.
 - i) If temporary, salary/hours/responsibilities reduction:** Depending upon the depth of your budgetary shortfall and the situations of your staff, might temporarily reducing the salaries and hours of some staff be a possibility? Please be aware that some of your staff, particularly the minister, may have an agreement/contract stipulating that changes to their agreement, including compensation, must be mutually agreed upon. Also, reducing staff hours (below 750 hours) may affect eligibility for staff insurance benefits, particularly health insurance which, of course, should be preserved. UUA OCSF Staff can provide guidance regarding Plan rules. Any reduction in salary should be accompanied by a corresponding reduction in scope of work.
 - ii) If temporary, furloughs:** A “furlough” is a temporary layoff with the expectation that the employee will be rehired when conditions improve. It is possible to furlough some/all of your staff for a limited period of time while still paying for Life and Disability benefits, and reimbursing furloughed staff for Health and Dental COBRA (Consolidated Budget Reconciliation Act). The furlough designation probably is limited to a month or two at most, although premium payments may continue for a longer period.
 - iii) If extended, layoffs/terminations:** If short-term options aren’t sufficient, then congregational leadership (both lay and staff) may need to consider layoffs. Obviously, this should be the last resort since staff reductions will seriously affect programming, institutional memory, and morale. If layoffs are necessary, they should proceed according to the Congregation’s Personnel Policies.

These are extraordinary times. We continue to recommend if an employee’s position is terminated for reasons unrelated to work performance or employee conduct, the employee is eligible for 2 weeks of severance pay for each year of employment up to a maximum of 16

weeks. For hourly workers, severance would be calculated as the regularly scheduled hours x the hourly pay rate. Our values call us to be just and fair employers even under the worst circumstances. Please take this into consideration if you find that the congregation must terminate an employee.

UNEMPLOYMENT COMPENSATION: Please keep in mind that congregational employees in most states are traditionally not eligible for unemployment insurance payments. However, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, adopted by Congress on March 27, contains a new provision, the Pandemic Unemployment Assistance, providing unemployment benefits to individuals who traditionally have not been eligible. **It appears that terminated employees of congregations - not already participating in an unemployment insurance program - will be eligible for this new program.** State implementation may take awhile to implement. We will continue to update UUA resources as additional information on new federal programs becomes available. **Details are on our Federal Policies and Actions Related to COVID-19 website at: <https://www.uua.org/leadership/library/federal-policies-pandemic>.**

4) Employee Benefits:

- a) **Employee Health/Dental Insurance:** Now is no time to be without health insurance. Congregations are strongly encouraged to continue providing health insurance benefits for their staff whether through the UUA Health Plan, another employer plan, or by reimbursing the incremental costs of another *group* plan. (Reimbursement for individual plans is not allowed.) If a staff member is furloughed, laid off, or terminated, try to make the effective date the last day of the month. Employees would then be eligible for 18 months, minimally, of COBRA, continuation of their health coverage, if they maintain premium payments. The same COBRA entitlement applies to Dental Insurance. Congregations are encouraged to offer to pay the costs of COBRA for three or more months following separation from service.

- b) **Group Insurance other than Dental:** Employees who are enrolled in Life and/or Disability Insurance may retain coverage for up to 60 days following separation, as long as the congregation pays the premium. Interim and other transitioning ministers/staff may be eligible for continued Life/LTD coverage for up to six months. Again, the OCSF Staff can provide details.

- c) **UUA Retirement Plan:** The UU Organizations Retirement Plan is an IRS qualified church plan governed by federal law. Congregations who offer this benefit are required to submit employees' elective deferrals swiftly. Employer retirement contributions are due by the end of the employer's fiscal year. Employers do not have the option to end employer's retirement contributions or to re-designate those contributions as salary even at the request of an employee; employees cannot "opt out" of employer's contributions. Congregations are required to calculate contributions each pay period

based on the compensation earned: zero compensation equals zero contribution. In addition, federal law doesn't allow retirement contributions based on severance payments. Refer to the Plan Document, adopted by your congregation, for definitions and crucial details.

In Summary: Please understand that these recommendations are just that – recommendations. Each congregation's situation is unique. UUA staff are available to consult with you and your leadership as you chart your own course for the months to come. Below you will find staff contacts for some key personnel and finance issues. Additionally, you are encouraged to consult with regional staff for any other questions that may arise.

UUA Resources on COVID-19

- **Congregations as Employers During the COVID-19 Pandemic:** <https://www.uua.org/leadership/library/employer-pandemic>
- **Federal Policies:** <https://www.uua.org/leadership/library/federal-policies-pandemic>
- **COVID-19 and Your Congregation:** <https://www.uua.org/safe/pandemics/covid-19>
- **Planning/Addressing the Pandemic:** <https://www.uua.org/safe/pandemics>
- **Stewardship:** <https://www.uua.org/leadership/library/stewardship-distance>
- **Talking to Children about COVID-19:** <https://www.uua.org/leadership/library/talking-kids-covid>
- **UUA Common Endowment:** <https://uucef.org/>
- **Donate to the UUA COVID-19 Response Fund:** <https://www.uua.org/giving/areas-support/funds/covid-19-response>

General Office of Church Staff Finances Resources

- Our **Congregations as Employers** page for compensation, benefits, staff support, and more: <https://www.uua.org/leadership/congregations-as-employers>
- **Compensation and Staffing News** monthly newsletter signup: <https://www.surveymonkey.com/r/compnewssignup>

Church Staff Finances Team:

- Jan Gartner, UUA Compensation and Staffing Practices Manager, can be reached at JGartner@uua.org. Jan can help guide congregational leaders on all compensation and staffing-related issues.
- Jim Sargent, UUA Insurance Plans Director, can be reached at JSargent@uua.org. Jim can answer general health insurance questions, not just the UUA Health Plan.

- Linda Rose, UUA Retirement Plan Director, can be reached at LROSE@uua.org while Charissa Benak, UUA Retirement Plan Specialist, at CBenak@uua.org. They can assist with the requirements of the UUA Retirement Plan while TIAA should be notified directly if staff are terminated.
- Tamika Mayes, UUA Billing and Enrollment Coordinator (TMayes@uua.org). If you are terminating staff who are enrolled in one or more of the UUA offered insurance plans, contact Tamika.

Stewardship and Development:

- Rev. Vail Weller, UUA Congregational Giving Director (VWeller@uua.org) can be contacted regarding questions about congregational giving and the UUA Annual Program Fund.

Endowment Management:

- Andrew McGeorge, UUA Treasurer/Chief Financial Officer (AMcGeorge@uua.org) can provide guidance regarding restricted funds and endowments.

Finally, I can be reached by email at RNugent@uua.org. My staff and I welcome your questions on the topics discussed here, and other financial-related issues. Again, the staff and leadership of the Unitarian Universalist Association understand how challenging these times are to you, other congregational leaders, staff, and members. Much is at stake, and our voices as religious progressives are needed now more than ever, and will be needed in the weeks, months, and years to come. Collectively, there is much work to be done, and much love to share with the broader community going forward.

Together, along the path,



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