

# Policy and Process for Fair Share Relief

1. Accompanying this letter is a notice from Diocesan Council with your church's 2021 Fair Share using the Fair Share percentage adopted by Convention in November, 2019.
2. Under Canon 18 of the Diocese, a church "that believes, **for good cause, that it will be unable to give the amount required** to the Mission and Ministry Budget of the Diocese may file a written appeal" to the Fair Share Appeals Board. The Board looks for inability to give, rather than a church's preference. The Board also looks for an unusual circumstance that causes the inability.
3. Normally, appeals are filed for a subsequent year, i.e. filing in mid-2020 for a reduction in 2021 Fair Share. Subsequent to adoption of the Fair Share process in 2010, the Board has granted relief from the current year Fair Share in a small number of exceptional cases. When considering whether to appeal for a reduction in 2020 Fair Share, please take into account the following:
  - a. Churches whose 2020 Fair Share is less than \$10,000 **should have applied already** for an Adaptation Grant from the NC Episcopal Church Foundation. For these churches, the Adaptation Grant has the effect of reducing or even eliminating the Fair Share payable in 2020. If your church is eligible for an Adaptation Grant but you have not filed for it, please do so **before** filing an appeal. An appeal for a reduction in 2020 Fair Share from a church **eligible** for an Adaptation Grant will be considered extraordinary; the appeal should clearly explain why the Adaptation Grant did not provide sufficient relief already.
  - b. An appeal for a reduction in 2020 Fair Share from a church receiving PPP and/or EIDL loans will be considered extraordinary; the appeal should clearly explain why the PPP/EIDL loans did not provide sufficient relief already. (We are aware that details about obtaining forgiveness of PPP loans are just now emerging.)
  - c. Appeals arising from COVID-19, whether in whole or in part, should address these points specifically:
    - i. Measures that your church has taken to maintain continuity of church income, such as electronic payments.
    - ii. Certification that your church has taken full advantage of relief available from the Church Pension Group and the Church Insurance Company.
    - iii. Measures your church has taken in relation to the "Phase One: 80% of Annual Income" scenario of the "Examine Your Budget" section of the Financial Guidance and Support webpage of the Diocese.
    - iv. Financial reserves available to your church -- whether on or off the church's balance sheet -- and the extent to which your reserves are being used to cover your revenue shortfall.

4. At this moment in 2020, Diocesan Council believes it is premature for a church to file an appeal for 2021 Fair Share solely on the basis of COVID-19. To the extent there is a “new normal” in the way we do church – in other words, changes that have indefinite duration or are permanent – vestries should develop their 2021 budgets accordingly. If COVID-19 impacts 2021, it will be addressed by the 205th Annual Convention or by Diocesan Council in 2021.
5. The deadline to file an appeal is July 15, 2020. Address your appeal to the Fair Share Appeals Board, state the reasons for the appeal and the amount of relief requested, and provide supplemental information such as budgets, financial statements, and explanation of the unusual circumstance. The rector, vicar, or other member of the clergy in charge **and** the wardens of your church should sign the appeal. **Please file by email** to [appeals@episdionc.org](mailto:appeals@episdionc.org) with attachments as necessary.
6. If your church appeals for both 2020 and 2021, please prepare an explanatory letter for each year. Supplemental material for the two years need not be duplicated. The Board will consider the two appeals separately.
7. If the appeal is granted, the amount of the reduction in Fair Share is determined by the Board and confirmed by Diocesan Council.
8. The Board and Diocesan Council will process appeals for 2020 Fair Share before taking up appeals for 2021 Fair Share. It is hoped that all appeals will be adjudicated by September 30, 2020. However, meeting this date depends on how many appeals are filed.
9. While considering your appeal, the Board may request additional information by email or a conversation by telephone or Zoom. Please comply with these requests quickly; the Board has a limited amount of time to do its work.
10. The Constitution of the Diocese provides that clergy and lay delegates of a church in arrears of its Fair Share payments, taking into account any relief granted by the Board, lose their voting rights at Convention for that year. Please heed that this consequence is automatic and not subject to reversal.

Please direct any questions to Ms Maria Gillespie, Director, Finance and Administration at Diocesan House.