



Treasurers Call Resources & FAQs
The Episcopal Diocese of Northern California
May 17, 2021

Discussion Topics

- 2021 Audit Process Update
- Retirement Plans for Part-time Employees
- Employee Retention Tax Credit
- 2022 TMR Review

FAQs

- 1) Where can I find the May Treasurers Call Slide Deck?**
A. You can [click here](#) to download the May 2022 Treasurers Slide Deck.
- 2) Where can I watch the recording of this call?**
A. You can [click here](#) to watch the recording of this call.
- 3) Where can I find more resources for Treasurers?**
A. You can visit our website at: www.norcalepiscopal.org/site/church-accounting or www.norcalepiscopal.org/site/church-accounting/#treasurersresources

2021 Audit Process Update

- 4) What do we do if we are getting a 2021 Audit?**
A. Complete the [Congregational Financial Review Survey](#), submit 2021 year-end financial reporting so that TMR/Parochial report can be reviewed. After reviewing these documents, your assigned auditor will contact you to schedule the audit.
- 5) What do we do if we're not getting a 2021 Audit?**
A. Complete the [Congregation Financial Review Survey](#), submit 2021 year-end financial reporting so the TMR/Parochial report can be reviewed. After reviewing these documents, the Bishop's office will follow-up with any questions.
- 6) Should churches submit a TMR for every month?**
A. Yes. While the reconciliation is important, it is also incredibly helpful to be able to refer back (Excel TMR) to each month in the event that there are any questions.

Retirement Plans for Part-time Employees

7) What do we need to know about the new change to the CA pension law?

A. Effective June 30, 2022, employers with five or more employees **must** offer all employees the opportunity to enroll in a pension plan where they can make salary deferral contributions on a tax-preferred basis. All employees will be eligible to enroll in a plan regardless of the number of hours they are scheduled to work in a given plan year. However, employers are not required to pay into the pension plans unless the employee is scheduled to work 1,000 or more compensated hours per plan year.

8) Where can I find more information on the new pension law change and what churches need to do?

A. You can [click here](#) to find more information on who this applies to and how to proceed with the new changes.

9) Who is considered an “employee”?

A. Anyone who has, or is expected to receive a W2 for their work with the church/paid through payroll.

10) Do part-time employees count towards the 5 or more count?

A. Yes, if they have or will be receiving a W2/paid through payroll.

11) Are “Independent Contractors” considered employees?

A. No. They are not considered employees, and do not count towards the 5 or more rule.

12) Can a church offer to pay employer contributions for those working less than 1,000 hour a year?

A. Yes, however you have to keep parity in mind, so if you offer it to one type of employee, you must offer it to all others in the same scenario.

13) Do churches who have less than five employees have to have each employee complete the pension election form?

A. It would be helpful to have, however it is not required from employers with less than five employees.

Employee Retention Tax Credit

14) What is the Employee Retention Tax Credit?

A. It is a credit/IRS refund that is available to employers who retained employees during the 2020-2021 pandemic period. You can file amended payroll tax return and receive a refund of up to \$26,000 per lay employee. This does not apply to clergy. Churches who received a PPP grant can qualify for this credit.

15) Are clergy considered employees with regards to the ERTC?

A. No. Clergy are considered self-employed, so this only pertains to retaining lay employees.

16) What is the deadline to apply for the ERTC?

A. For 2020 ERTC claims the deadline is April 15, 2024. For 2021 ERTC claims the deadline is April 15, 2025. It is a complicated process, the earlier you apply, the earlier it can be processed.

17) If parishes are approved for an ERTC, would the credit subject to apportionment?

A. This is subject to further discussion by the Board of Trustees.

18) Where can I find more information on how to apply for the ERTC?

A. You can [click here](#) to find out more information and for a recommendation for a consultant/tax preparer that is experienced and familiar with this work.

2022 TMR Review

19) Is there a difference between Lines m. and q. on the TMR?

A. Yes. Line m. is for Capital Expenditures/Major Expenses. Line q. is for Other Deductions. They're both treated the same way in terms of how the actual deduction from apportionment, however we have found it easier to separate out capital items in Line m., and include other deductions in Line q.

20) What is Line o?

A. Line o. was created specifically for Rental/Lease Payments.

21) What is the purpose of the "Year-to-date Surplus(Deficit)" section?

A. The purpose of this is to balance your apportionment payments.

22) Where should churches send TMRs, and how often?

A. Please send your churches TMRs to accountant@norcalepiscopal.org on a monthly basis.

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