



THE DIOCESAN SYNOD OF FREDERICTON

115 CHURCH STREET, FREDERICTON NB E3B 4C8

(506) 459 1801 [o] (506) 460 0520 [f]

May 27, 2011

An Important Notice for Parish Corporations

Re: Using Direct Debit for Payment of Employment Assessment

The Diocesan Finance Committee wishes to announce that after careful consideration, a decision has been made to make it mandatory that the monthly payment of the Parish Employment Assessment be handled by way of direct debit to the parishes' operating accounts.

The Employment Assessment represents the financial commitment of the parish in respect of the appointment of their clergy, and in some cases for lay employees. It includes not only stipend or salary, allowances and government mandated charges, but also premiums for pension, medical, disability and continuing education plans.

With over 115 employees on the payroll system and with the challenge of a monthly cash flow requirement of over \$380,000, payment of the Employment Assessment must be made on time, every month. However, in its regular review of this item, the Finance Committee notes that there is a consistent level of arrears in the Employment Assessment, ranging from 10% to as high as 20% in some months.

The Committee is aware that in some cases, arrears reflects a serious financial problem, and the mandatory debit will not change that. But it will however help address missed payments that occur for a host of other reasons having more to do with circumstances than with the availability of funds. The Finance Committee feels that utilizing the debit process is one way to help ensure the required payments are made on time.

The mandatory debit will come into effect in September of 2011 and the debit will be processed on the 25th of each month. Parishes will have no less than 3 business days before that date, to inform Synod Office (by telephone or email) if there is a need to reduce the debit amount. There are steps that will be followed in cases where a debit is rejected for insufficient funds.

Complete details on the Policy are available on the Finance Committee web page.
(Those receiving this notice by mail will find that document enclosed.)

We ask that corporations prepare for this change, taking any steps that may be necessary in that regard. There may some who will want to set up overdraft protection or some other process to avoid rejected payments. Since there are 38 parishes already using the system and others who do not have an Employment Assessment, the actual number of parishes impacted by this change is somewhat limited.

Any questions regarding the process can be referred to the undersigned.

L F Scott, Diocesan Treasurer (For the Finance Committee)

Directed to Incumbents, Wardens and Treasurers of all Parishes via email or regular mail as applicable.