

**Clearing Any Deficit / Surplus at Year-End 2020-21**

RECOMMENDATION TO THE SYNOD COUNCIL:

**Resolved, that if any deficit (the amount by which approved expenses exceed approved funding sources) exists in the Operating Fund at the end of fiscal 2020-21, the first \$20,000 of the deficit will be offset by a transfer of funds from the Strategic Initiatives Fund, and any deficit over \$20,000 will be absorbed into the Operating Fund's net asset balance.**

**Resolved that any 2020-21 surplus (the amount by which approved funding sources exceed approved expenses, including churchwide mission support and transfers to the Planting Fund and to Region 9) existing at year-end in the Operating Fund be absorbed into that fund's net asset balance.**

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**RATIONALE**

At the end of October 2020, the operating fund showed a deficit of about \$6,000. The deficit has fluctuated widely during the course of this year, and the final quarter of the year is unpredictable. It's likely, however, that any deficit or surplus in the operating fund at the end of the year will be small. The synod does still have about \$134,000 in reserve, from our PPP loan, so our net operating fund cash flow for '20-'21 should be positive.

Since we have no way to predict what financial challenges 2021 will bring, except that we probably won't receive another PPP stimulus, it seems wise to retain any surplus from this year in the operating fund.

If, on the other hand, we should finish the year with a deficit in the operating fund, we recommend transferring money from the Strategic Initiatives Fund to offset the deficit. (The SIF didn't exist when the '20-'21 budget was created, but the '21-'22 budget includes the option of using up to \$56,140 from the SIF to offset a deficit in the operating fund.)