

Temple Beth-El
Chazon Campaign
Frequently Asked Questions
June 2020

When will we learn the specifics of the 10% increase in annual giving?

As in the past, in mid-June we mailed letters to all congregants asking for their annual giving commitment. The pledge form you should have received reflects opportunities for you to increase your past annual giving by increments of 10%, 15%, 20% or more. We understand that not all members of our TBE community will be able to increase their giving by 10%, while there may be other members who can increase their giving by more than 10%. We hope that, on average, annual giving will increase by at least 10%. Any increase from any level of annual giving will strengthen TBE. We use the terms “annual giving” and “annual pledge” interchangeably. You will note that for some years, we at TBE have stopped referring to this as “dues.” Led by our Brit K’hillah task force, we have revised our language to more accurately reflect the community values of being part of our TBE community, rather than a more sterile commercial transactional perspective. Via Shulcloud, you may make a one-time payment of your new annual commitment or establish a payment plan that meets your needs.

Will 10% be enough to close the gap for next year? Are there any projections that would provide a truer long term picture? Do the projections take into account that some of the groups that rent space from TBE, like the Bridge group, may not resume renting space as quickly?

Our FY2021 budget (for the fiscal year beginning July 1, 2020) reflects our financial assumptions that suggest that an average increase of 10% in annual giving will be enough to balance our budget. A major assumption is that our main tenant, the Montessori school, will resume renting space from TBE on or before September 30, 2020. There is a lot of uncertainty around the timing of the return of tenants, but based on information available to us now, we believe the assumptions underlying our FY2021 budget are reasonable.

Can we donate to the Restoration campaign now or should we focus on increased giving at this time?

Without question, any and all gifts to TBE are meaningful. Our Sustenance campaign, the increase in average annual giving by 10% or more, is our priority because without that level of commitment, TBE will continue to have budget deficits. Our Restoration campaign looks to the longer range future and is intended to restore our capital reserves to a healthy level, make up for our losses due to the coronavirus crisis and the Beit Am vacancy, and to anticipate future needed capital expenditures for the next 5 years. The perfect situation would be if you are able to increase your annual giving by 10% or more AND make a gift to our Restoration campaign.

Is TBE continuing to pay our professional, custodial and secretarial staff?

We have kept all staff members fully employed and engaged either working from home remotely or doing projects in the building. It takes a lot of work to keep TBE going, even when the building is closed, to shift to remote operations. Our maintenance staff has been

kept busy with special projects in the building. Staff is being paid at normal levels of salary and benefits. It is our hope to continue doing so. In order for a highest portion of the Payroll Protection Program (PPP) loan to be eligible for forgiveness, we need to continue to pay our staff.

Have you considered any other expense containment measures, such as suspending 401K payments for employees?

Expense management is an ongoing diligence at TBE. While the building is closed, we are able to reduce our utility expenses significantly. We have been implementing a project to change our interior lighting to LED, which will further reduce our energy expenses. This project is subsidized by the state so we will get a rebate for most of the project expenses. We are continuing to be as focused on finding savings wherever we can, just as in the pre-coronavirus times. As for making changes to our staffing or compensation structure, we have decided not to take any action at this time, except that compensation will not be increased in the new fiscal year. Reducing compensation or staff should not be our first course of action in addressing our fiscal shortfalls and could dramatically change the very nature of the community we all love so much.

Are there any additional costs or expenses to maintaining our religious school, programming and rituals in a virtual environment?

Fortunately, Zoom has made its platform available to educational institutions at no cost. The cost for virtual broadcasting for larger events is nominal. We anticipate perhaps needing to invest in some newer technology in order to broadcast from the sanctuary and to implement visual t'filah if we are unable to use our traditional machzor.

What is net shortfall we are anticipating for end of fiscal year 2020, which ends on June 30, 2020?

As of the end of May 2020, we anticipate a shortfall of approximately \$140 - 150K after transfers from capital and reserves.

Can the proceeds of the PPP loan be used for improvements to the building for health considerations – i.e., temperature screening, improved air filtration or other PPE equipment?

The PPP is intended to cover payroll expenses, mortgage or rent payments (which we do not have) and utilities. If the proceeds of the PPL loan are used for other purposes, it jeopardizes our eligibility to have the PPP proceeds forgiven as a grant versus a loan which must be repaid.

Has TBE applied for an Economic Injury Disaster Loan, which is limited to \$10,000?

No, TBE has not applied for an Economic Injury Disaster Loan (EIDL.) The EIDL and PPP work in tandem so the amount of an EIDL would reduce the eligibility for forgiveness of the PPP loan by the EIDL amount of \$10,000. We decided the PPP was better place to begin, as a portion of the PPPL can be converted from a loan to a grant. The PPP mitigates to some extent our losses from this year, but doesn't address our needs for fully funding our budget for coming year and beyond, which is why we have embarked on the Sustenance campaign portion of our *Chazon* initiative.

When will we know if our PPP loan is forgiven?

We received the proceeds from the PPP loan on May 8, 2020. In order for the PPP loan to be converted to a grant (versus a loan which must be repaid), 60% of the proceeds must be spent on payroll or payroll related expenses, such as benefits or pension contributions and 40% can be spent on other expenses like utilities or rent or mortgage payments (which we don't have.) We will need to file paperwork with the Small Business Administration (SBA) demonstrating our use of the PPP loan proceeds and how we maintained our staffing. The SBA now offers an 8-week spending period, or a 24-week spending period with slightly differing guidelines and benchmarks for forgiveness calculations. It is unclear which spending period TBE will use. If we use the longer spending period, we will not know about loan forgiveness until early 2021. To the extent that a portion of the PPP loan proceeds are not eligible to be converted to a grant, the loan will bear interest at 1%, with no prepayment penalties. At such time, TBE leadership will decide whether to carry that loan or repay it, without prepayment penalties.

Are we planning any fundraisers to replace the money we raise from our annual Gala, the lemonade stand at the 4H Fair, or Cantorial Concert?

Our major fundraiser for the remainder of 2020 and early 2021 will be our *Chazon* campaign –both the Sustenance portion and the Restoration portion. Currently in Governor Murphy's phased plan for reopening, there will be no opportunity to gather in large groups until the economy is wide open and there is no way to predict when that will happen. We hope to get back to a more normal level of fundraising activity when we can guarantee everyone will remain healthy.

Will the interest generated by the endowment from the sale of the Beit Am building match the rental income we will lose from a possible tenant?

Yes. The objective in selling the Beit Am has been to create an endowment fund which will reliably earn annual interest roughly equal to the rents we have received in the past from renting the Beit Am. The contract to sell the Beit Am was entered into in January 2019. It is currently expected to close in the third quarter of 2020. The net sales proceeds, after the expenses of selling the property, will give us investment income to closely offset the loss of rental income.

What impact will the social distancing requirements related to COVID-19 on the schedule for High Holiday services?

We have convened a Reopening Task Force comprised of TBE members with a broad range of professional and personal experience to develop detailed plans to address the myriad concerns arising out of reopening TBE and to ensure a safe and orderly return to the sanctuary. As the Task Force's work is underway, we are not able to give a definitive answer at this time. We are in regular contact with Governor Murphy's office and are engaged in dialogue with other faith leaders in New Jersey. At this point, the consensus is that we will take a very conservative approach to reopening to protect the health of our TBE community. It may be that we will use a hybrid approach to High Holiday services with perhaps a small number of people physically present in the sanctuary, with others, who we know are not willing or able to be physically present, able to participate via remote access. On the other hand, worship services may be entirely remote, with our Rabbi and Cantor, with only a few lay leaders, broadcasting from the sanctuary. We will also be considering creative ways to incorporate multi-dimensional music into our High Holiday worship.

How will services and programming be different for the summer season?

We are planning to continue “zooming” our weekly Erev Shabbat services. Rabbi Gluck will not be traveling to Israel this summer to participate in his annual Hartman Institute Rabbinic study program; he will be participating remotely and will share his inspiration and learning with all of us. We would love to hear from you about what you would like and any feedback about our online programming to make sure what we are doing meets the needs of the community. As Rabbi Gluck likes to say “Shabbat comes every week and every holiday gets celebrated at TBE. We firmly believe that even if we can’t be together in person, we will use whatever means available to draw our TBE community closer together.

When we return to in-person worship, will we be able to sing?

At this point, we don’t know. Studies have shown that singing is one of the riskiest behaviors in terms of potentially spreading the coronavirus. Our reopening practices will be based on the guidance of medical professionals. Protecting the health of our TBE community is our top priority.

Will the Helping Hands calls continue?

Our Helping Hands initiative, which involves everyone in our TBE community receiving a series of personal phone calls, together with delivery of meals and groceries, has been warmly received. We anticipate continuing these efforts to support each other for as long as this crisis continues. If you or someone you know, needs support, please let us know. If you haven’t received any phone calls, it may be that we do not have a current phone number for you. If you’d like to update your contact information, please be in touch with Amy Rubin. If you’d like to help with our Helping Hands initiative, please contact Robin Osman at HelpingHands@templebethelnj.org.

Is there a possibility of hosting outdoor services?

While there is a possibility of hosting some services outdoors, similar to our annual Shabbat Under the Stars at the JCC in Bridgewater, any event would feel very different as we would need to practice social distancing. In addition, we may not be able to broadcast an outdoor service on a platform like Zoom, meaning that those that could not attend in person would not be able to participate at all. Our preference is to be as inclusive as possible, and to avoid needless health risks to our TBE community.