

From Property & Mission Review



Cooperative Strategizing with your External Users in the Wake of Covid-19

The Covid-19 outbreak has confronted communities of faith who rent their space to external users with difficult decisions. In most cases, external users will not be permitted to use the building during the lockdown period; furthermore, they might not be able to pay their agreed rent. This has implications for the congregation and the various ministries that are happening in the building now and in the future.

While churches commonly default to immediately forgiving payments, community leaders should first approach the issue from a broader perspective before finalizing their decision. Reaching out to the different users to find out about their particular situation should be a first step.

At this stage, there are three possible scenarios for external users in a church building:

- Child care or other similarly registered organization, as well as office tenants, who were faced with a government ordered closure of their facility.
- Regular users who come a few hours per week that cannot meet anymore due to ban of groups of people getting together by governmental legislation.
- One-off users who booked a hall for an event (birthday party, baby shower etc.) who have had to cancel the rental.

For presuming how these measures impact on your external users, consider the fact that they likely have insurance. If so, in general terms, the situation they are facing can be described in insurance terms as “interruption by civil authorities.” This will impact different users in distinct ways:

- The child care is a business that will need to pay its suppliers. You are the supplier of space. Their business insurance might cover them to continue to pay you for this service.
- The regular users are not allowed to meet. Here their cancellation policy can be used.
- The one-off users would have to pay a cancellation fee (presumably for all aspects of the party, which might also include caterer, etc.). If you have

cancellation clauses in your agreements then you can ask for the cancellation payment, which they should be able to get back from their insurance provider.

We have reached out to insurance providers with one response. They claimed that a pandemic is to be understood as an act of God. This can allow the business insurance providers to not pay. Cancellation insurances operate with different terms.

Forgiving rent payments

In general, do not automatically forgive any payments from your users before talking to them. A blank cancellation of all rent without any discussion about the current and future situation is not advisable. Instead, put an agreement in place that specifies amount, length of forgiving and potential payback amount, and the time period this is in effect. Feel free to agree on forms of non-monetary payments (fundraising events where you share the proceeds, etc.).

These very unusual times might be an opportunity for the congregation to develop closer relationships with the external users to ensure both will make best use of the space now and in the future.

While this is just a glimpse of the situation, I hope these suggestions are helpful at this stage. Whatever the result of your discussions and proceedings use this opportunity to reach out to your local councillor, MPP, and MP and inform them how much you are an asset to the community. The future of faith communities must become part of the conversations at all governmental levels. To support your arguments feel free to refer to the this [Halo Study](#) that provides insights into the social and economic impact that communities of faith deliver.

Do you have questions about the matters discussed in this blog? Feel free to contact Katja Brittain via [email](#) or call her at 647-550-7214.

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