



Round Table Discussion on Financial Sustainability-2020

Virtual Sunday, April 5, 2020



Background and Objective

- Understand the Impact of COVID-19 pandemic on Masjid revenue and operations
- Identify new practices to protect and sustain operations and revenue.
- Learn what resources (governmental or private) are available to assist
- Take away what is best for your Masjid.



COVID-19 Impact on Masjid Revenue

The Illinois Shutdown extends to houses of worship. As a result there has been a loss of revenue from:

- Fridays' collections.
- Safe deposit collections
- Food and Vending machine Sales
- Facility rental income.
- Daycare tuition.
- School day and week-end tuition
- Only Income is the recurring automatic income – Do we have enough of that?

** Losses are estimated between 1,000 to 25,000 per week*



HOW LONG WILL IT LAST

- State of Illinois: Shutdown to continue to at April 30, 2020; could be extended;
- Prediction: It could take to August 2020 to contain COVID-19;
- Record number of Unemployment Claims due to lay-offs and terminations;
- Increased demand on food pantries.
- Increased demand on Masjid services to needy members;
- **Warning:** The longer the period, the worst the conditions

"You don't make the timeline; the virus makes the timeline." Dr. Anthony Fauci



Plan NOW

- The effects of this pandemic will likely be felt, long-term
- Governmental assistance programs are short-term
- The time for planning is now:
 - Decisions are based upon facts, not speculation;
 - Better control over budget cuts
 - Frees up time to identify creative solutions to generate income



Step A: Assess Revenue Loss

- First, identify and record income from each source:
 - Friday donations, collection box, etc.
- Second, calculate revenue loss, by category, then by total
- Prepare before/after Income Statement



Step B: Examine Costs

- **First**, identify and record expenses from each source:
 - Wages, Utilities, Supplies, etc.
- **Second**, calculate expenses, by category.
- **Third**, calculate the differences, for both expenses and revenue



Step C: Protect and Expand Revenue

- Contact regular monthly donors.
- Create online donation portals
- Link donation requests in online activities



Potential Sources of Revenues (other than borrowing)

- Board members and small circle of associates.
- Islamic Organizations – Islamic Relief, NAIT, and others
- Member organizations in case of CIOGC
- Grants from Federal, State, and local Governments?
- Large amount donors' list – Individuals or Businesses
- Community members and donors.
 - Virtual Fundraising / Telethons
 - Email Blasts
 - Personal touch – Call your members directly



Revenue:

Mohid

The screenshot displays the MOHID Virtual Fundraiser Management interface. The top navigation bar includes the MOHID logo, a menu icon, and links for Reports and Settings. A left sidebar contains navigation options: Dashboard, Kiosks, Financials, Donations, vFR (highlighted in red), Fundraiser, Programs, Memberships, Communication, Zakat, and Bulletin Board. The main content area is titled "Virtual Fundraiser Management | Campaign" and shows "Active (1)" and "Inactive (0)" counts. A featured campaign card for "ICW Virtual Programs" by the Islamic Center of Wheaton is shown, with a progress bar indicating \$5,025 of \$100,000 raised. The card includes a "PUBLISHED" badge and a "View" button. Below the card, there is a message in Arabic and English regarding COVID-19 safety, and a grid of action buttons: Edit, Donate, Email, SMS, Announcement, and View.



Ramadan Opportunity

Our Greatest opportunity is Ramadan

- Capitalized on your Imams' potentials
- Annual 2 ½ Percent Zakat Money
- Make it easy and simple to donate
 - Online donations (Website, GoFundMe, LaunchGood, Mohid)
 - Credit card platforms
 - Secured Drop off location at the Masajids. (accessible from outside, if possible)



Step D: Cut Costs

- Employees: Reduce salary/Shortened Work Period/lay offs
- Utilities: Reduce Lighting/Led Lighting/
- Services: Reduce Outsourcing (complete internally)



Areas to consider for cutting How painful?

- Some expenses are gone simply by the masjid closure
 - Security personal
 - Janitorial contractors
 - Others – weekend teachers, etc.
- Payroll cut by tolerable percentage (10 – 30%)
- Freeze payroll for nonessential employees
- Utilities – turn off your AC and heating units.
- Consider payment deferments (call your vendors)



P & L and Cash flow statements

The first place to examine is your P & L and Cash flow statements.

- Analyze the magnitude of your losses
- Strategies to protect other income
- Determine the protected income amount
- Analyze the expenses categories
- Determine the “Must” have to maintain the operation:
 - Critical resources (Imam, admins, custodian, etc.)
 - Payroll
 - Utilities, insurance, others



Loans and other instruments of borrowing

- Good Loans (قرض حسن) from individuals or businesses.
- Islamic Organizations – NAIT
- Government Loans:
 - Working Capital Loan
 - Economic Injury Disaster Loans (EIDLs)

Note: Loans are meant to be paid back, “Interest” on loan is an issue.



Fatwah: Interest during COVID-19



<https://www.amjaonline.org/fatwa/en/87741/government-low-interest-loans-to-rescue-small-businesses>



Conclusions

Stay together, **work** together, **prevail** together