Constellation
Spring 2021

A Christian Brothers Services publication

Health, Finances,
Property/Casualty,
Retirement,
School Management &
Technology

Equipment failure can cost your organization in many ways

Risk Management Services

The weather is warming up, so now is the perfect time to prepare your building's mechanical equipment for the extreme heat and humidity to come. Summer weather brings its own set of issues for keeping your facilities up and running, so performing some preventative maintenance on your equipment now can go a long way.

Preventative maintenance is important to stop machinery breakdown. Regular inspections of mechanical, hydraulic and electrical components can help anticipate major breakdowns, optimize the use of equipment and ensure the safety of your employees.

Preventative maintenance program

Every organization should have a preventative maintenance program in place to ensure its equipment is kept in proper working order. Having a program for preventive maintenance is a better alternative to the "if it's not broke, don't fix it" reactive maintenance approach, which can save money up front but end up costing you more in the long run.

Unplanned downtime from broken equipment can result in idle employees, halted production and missed deadlines. When equipment isn't working in optimal condition, it also creates hazardous working conditions. Preventive maintenance improves the safety of equipment and therefore the safety of workers resulting in fewer on the job injuries and accidents.

There are three principal areas of maintenance that should be emphasized in any preventive maintenance program. These are inspection, testing and servicing. Your program should include conducting routine inspections, tests, and servicing of equipment regularly to detect and eliminate impending problems which could cause breakdowns. The program should consist of concise instructions, measurements, and operating parameters. The results of the inspection, tests and servicing should be recorded for review to establish maintenance and operating trends.

Inspections include visual inspections of equipment for any signs of improper operation, such as overheating or excessive vibration. With regular inspection, you make sure your equipment is in top shape and can handle the toughest jobs. A trained technician can determine if small repairs will make a big difference and can suggest repairs to help your equipment run more efficiently. An equipment inspector may point out details your team might overlook.

Testing includes non-destructive testing, such as hydrostatic tests for boilers. Certain tests and inspections may require the assistance of outside contractors, who should be engaged prior to any performed maintenance.

Servicing includes replacement and/or repair of equipment as needed to prevent untimely breakdown or malfunction. Consultation with the manufacturer of the various types of equipment will assist the formulation of the preventive maintenance program.

Property insurance doesn't cover everything

To underscore the importance of regular equipment maintenance, even organizations with extensive property insurance coverage are still subject to property exclusions that relate to maintenance of equipment and property. For instance, property insurance does not cover normal wear and tear on equipment, or such things as pot holes in a parking lot. Organizations have the responsibility for maintaining, inspecting, and cleaning their property and equipment systems, since these items are typically excluded from coverage.

Additionally, there are other excluded items you may not have considered. For example, typical property insurance does not include loss or damage caused directly or indirectly by:

- Breakdowns of a machinery and/or boiler explosion.
- Loss resulting from variation of humidity or temperature, shrinkage, condensation, evaporation, loss of weight or leakage.
- Loss resulting from settling, shrinkage, cracking, bulging or expansion of floors, foundations, pavements, walls, ceilings or roofs. Collapse does not include settling, shrinkage, or expansion.
- Loss resulting from any of the following:

1. Planning, zoning, development, surveying, siting;
2. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading compaction;
3. Materials used in repair, construction, renovation or remodeling; or
4. Maintenance.

If loss or damage results from a covered cause of loss, then the resulting loss or damage may be covered.

- Loss or damage caused by Earth Movement/Quake, landslides, earth rising or shifting, volcanic eruption, explosion or effusion, hydraulic fracturing and mud flows.
- Loss of or damage to bridges, including vehicle bridges, pedestrian bridges, piers, docks, boardwalks, seawalls, retaining walls and any other similar structures, unless coverage for such items are specifically scheduled and agreed to by your coverage provider.
- Usually there is also a Fungal Pathogen Exclusion that excludes (except for certain conditions) loss, cost, claim or expense of whatsoever nature directly or indirectly caused by, resulting from, or in any way involving fungal pathogens.

Other coverages for specific non-maintenance related coverages can be added, such as for certain machinery breakdowns or earthquake damage. Check your policy for specific information on your coverage. A good preventative maintenance program should be a standard in your organization and can mitigate the risk of many of these issues.

For more information on preventative maintenance, read our Guide to Preventative Maintenance at right or visit the Risk Resource Flyers and Guides section of cbservices.org.

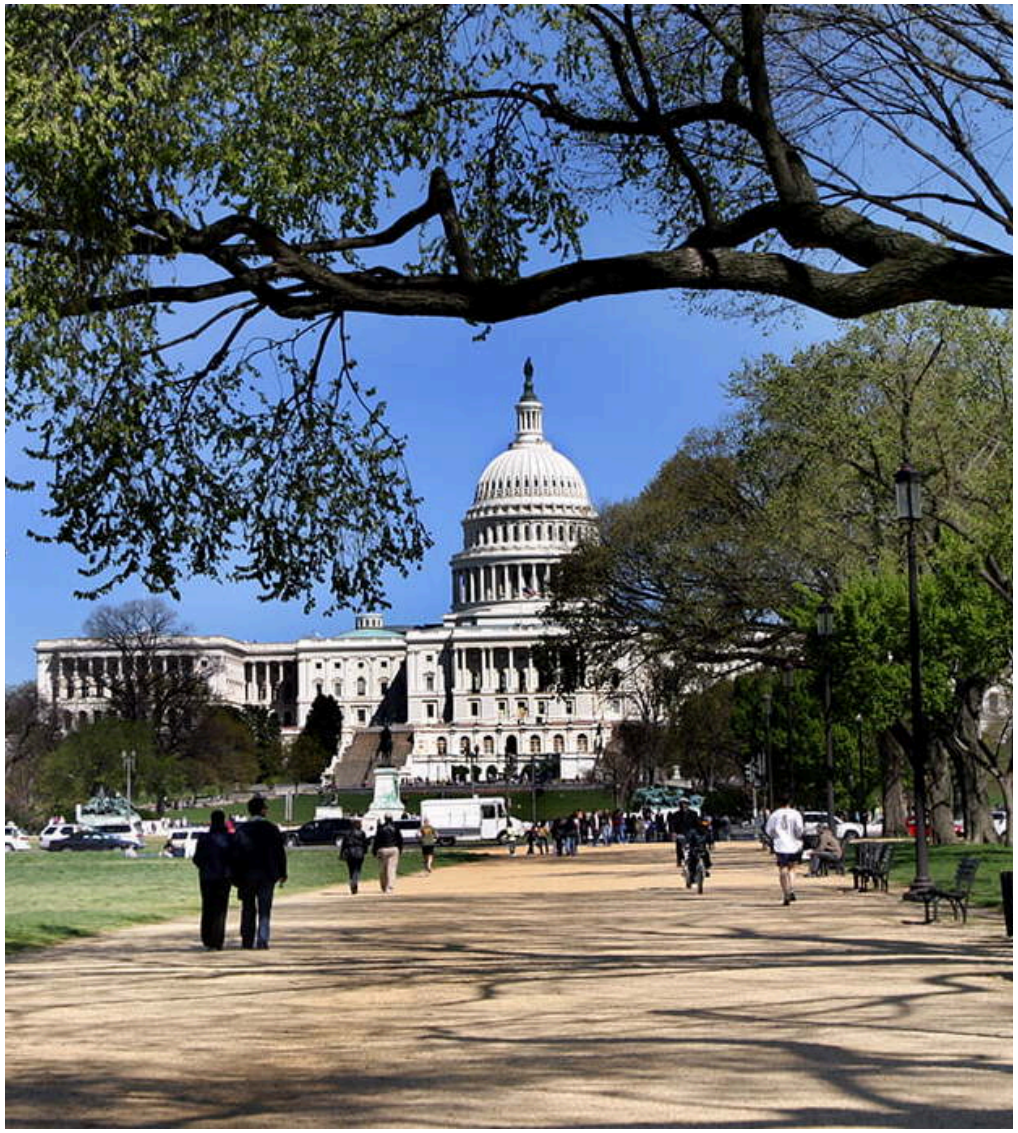
If you would like more information about how Christian Brothers Risk Management Services can assist you and your ministry with Risk prevention and training, contact us at RiskControl@cbservices.org.

Roll over above image to view guide.

CHRISTIAN BROTHERS SERVICES

What are the Transparency-in-Coverage Rules and what do they mean?

Health Benefit Services



In order to prevent surprise medical billing, a new law under the Consolidated Appropriations Act (CAA), specifically, the “Transparency in Coverage Rule” which became effective Jan. 11, 2021, is centered on disclosing a range of information, such as cost-sharing information, in-network negotiated rates, out-of-network historical allowed amounts, and prescription drug prices. The legislation aims to curb the widely spread price differences in healthcare depending on the provider and who is paying.

Proper Planning

The final rule contains requirements for employer-sponsored group health plans and insurers to publicly disclose to plan participants, the reimbursement rates and estimated costs associated with covered items or services furnished by a particular provider.

Though only a subset of these provisions take effect Jan. 1, 2022, with the remainder following Jan. 1, 2023, through Jan. 1, 2024, it is imperative action begins now to ensure compliance will be reached by the time these requirements go into effect.

The Christian Brothers Employee Benefit Trust (EBT) and Religious Medical Trust (RMT) are currently researching options on fulfilling these requirements with our claims system partner and our Preferred Provider Networks.

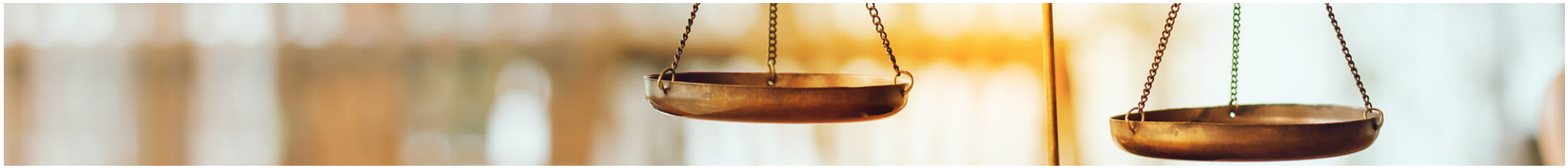
Participant Disclosures

Under the participant disclosure requirements, group health plans and issuers must provide certain personalized cost-sharing information to participants and beneficiaries in advance and upon request. The disclosures must be available both using an internet-based self-service tool and, on paper, if requested.

The required disclosures will most likely be provided as an advanced Explanation of Benefits (EOB), similar to what is provided to participants now after the adjudication of an actual claim for a covered item or service. Plans must send participants the disclosures/advanced EOB at least three business days before scheduled care and no later than one business day at date of scheduling.

The advanced EOB must include a good faith estimate for:

- amount of any cost-sharing the participant must pay (deductibles, coinsurance, copayments)
- amount the participant has accumulated toward meeting their deductible and/or out-of-pocket limits,
- the contracted rate under the Plan for requested services (based on billing and diagnostic codes) if the provider or facility is in-network
- the out-of-network allowed amounts, or any other rate that provides a more accurate estimate of what the Plan or issuer will pay for the requested covered item or service, and any cost sharing the participant must pay for out-of-network services, as well as a description of how the individual can obtain information on in-network providers
- the amount the Plan is responsible for paying
- a notice if the service is subject to any medical management, such as prior authorization or prerequisite that must be satisfied before the Plan or issuer will cover the item or service,
- a plain language disclaimer regarding items such as out-of-network balance billing provisions; possible variations in actual services received; notice that the estimated cost-sharing liability is not a guarantee; the application of copayment assistance and/or third-party payments, and any other information deemed appropriate. A model notice is available on the Department of Labor's website.



Public Disclosures

Plans and insurers must make extensive price transparency disclosures to the public in machine-readable files updated monthly. The disclosures include:

- in-network provider negotiated rates for covered items and services
- historical data showing billed and allowed amounts for covered items or services, including prescription drugs, furnished by out-of-network providers
- negotiated rates and historical net prices for prescription drugs furnished by in-network providers

In addition, the rule addresses the Continuity of Care. Insurers must provide 90 days of continued in-network coverage to the continuing care participant if his/her treating in-network provider leaves the network (or 90 days from the date that the participant is no longer a continuing care patient, whichever is earlier).

Various documents will need to be revised or newly created to include new provisions such as:

New Provisions for Provider Directories

- In-network directories must be up-to-date and accessible to participants online or by phone.
- A process verifying accuracy every 90 days will be required.
- If a participant requests information via phone, they must give a written response within one business day.

Physical or Electronic Identification Cards must include:

- in-network and out-of-network deductibles
- out-of-pocket maximums,
- contact phone number and website address for information regarding in-network hospitals and urgent care facilities

Additional Transparency Requirements

A number of separate provisions intended to increase transparency include this wide range of items:

- external review to determine whether surprise billing protections are applicable when there is an adverse determination by a health plan
- removal of gag clauses that prevent open sharing of provider-specific or quality of care information
- analysis of mental health/substance abuse benefits
- further reporting on drug prices

As the Christian Brothers EBT and RMT finalize steps to be taken and processes that will be followed, more information will be shared with our Trust Plan administrators. Christian Brothers Services will conduct a thorough review of this legislation to determine what exemptions, if any, exist for Church Plans and will share more information as it becomes available. If you have any questions at this time, please reach out to your CBS Benefit Consultant.

Was this information regarding the Consolidated Appropriations Act (CAA) Transparency in Coverage Rule useful to you?

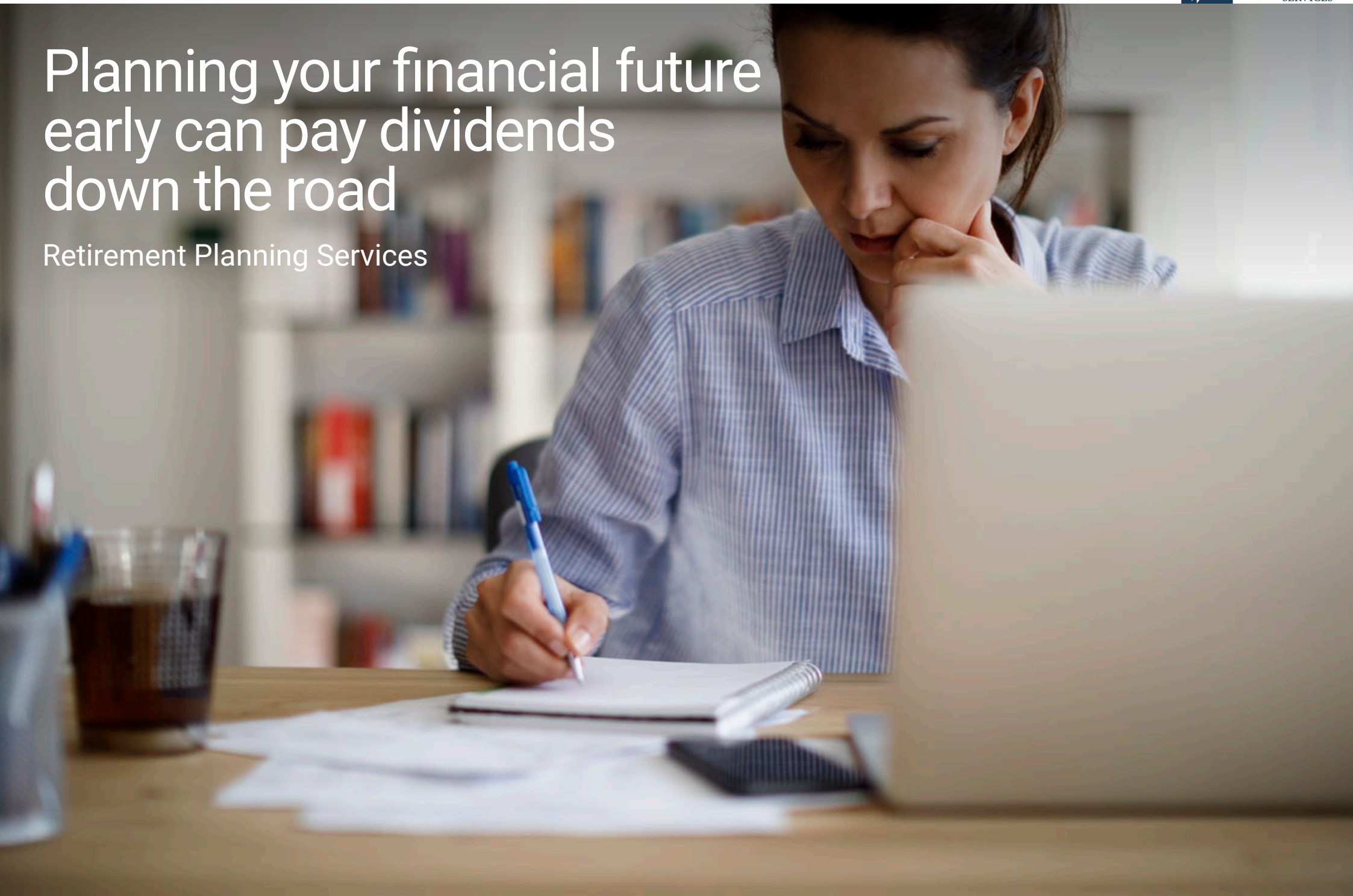
- ○ Yes
- ○ No

See results

CHRISTIAN BROTHERS SERVICES

Planning your financial future early can pay dividends down the road

Retirement Planning Services



Ask any group of people in their 50s or 60s what their biggest regret is regarding their retirement savings, and a good number of them will say it's that they didn't start saving sooner.

The earlier you save for retirement, the better; it's as simple as that. If you contribute to your retirement savings accounts when you're young, your money will have longer to grow. However, that isn't the only reason it's important to get a jump on retirement planning.

Time is such a great helper that if you start saving early, while you are still in your 20s or 30s, your money can even exceed those who save a lot more than you, but start later in life. This is all possible because of one major phenomenon that is called compounding!

Compound interest is the key

Compound interest can do wonders for your money, but many people are unclear on what it is. Simply stated, compound interest is when you earn interest on both the money you've saved and the interest you earn.

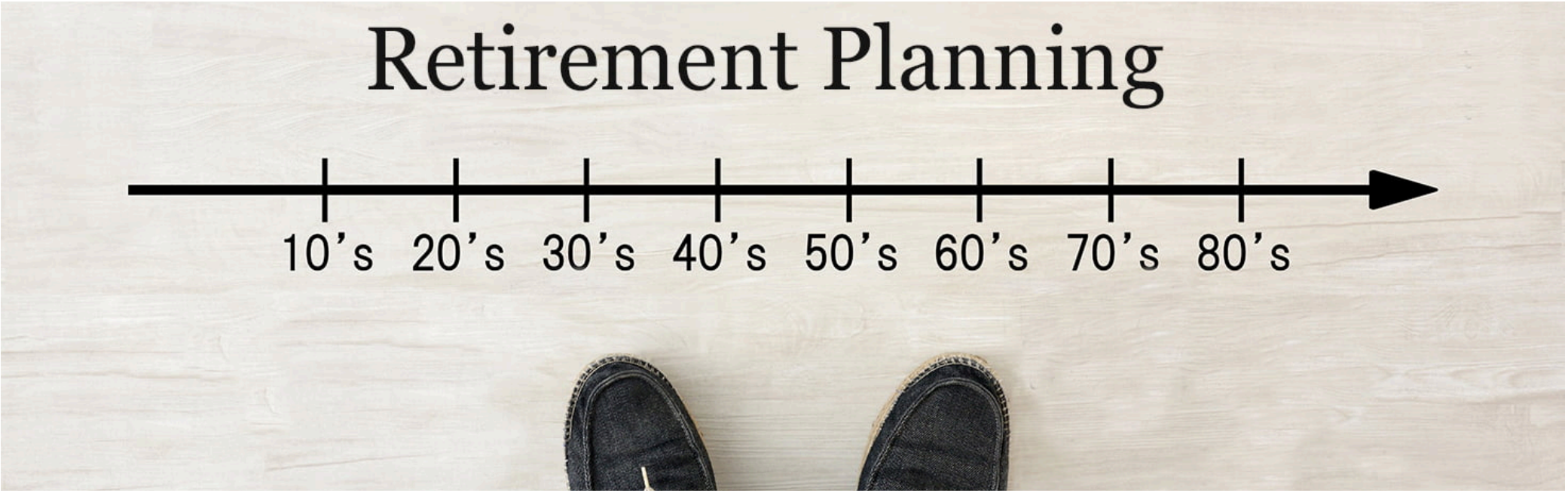
As an example, let's say you invest $1,000 (your principal) and it earns 5% (interest rate or earnings) once a year (the compounding frequency). After the first year, you would have $1,050–your original principal, plus 5% or $50. The second year, you would have $1,102.50. That is because the next interest payment equals 5% of $1,050, or $52.50.

Because interest accrues exponentially when it is compounded, the amount credited to an account can get bigger over time. While the effect may be small in the first year or two, the interest in an account with compound interest would start to "accelerate" after 10, 20 or 30 years. That is why people who save early could reap the biggest benefits of compounding interest.

What’s the plan?

Now that you know the importance of compound interest, the first step toward a successful retirement is to start saving. That means creating a plan. When you are in your 20s, retirement saving may not be a priority. You can probably find plenty of reasons not to save money. However, as they say, life comes at you fast, so if you don’t have a mortgage to pay or a family to support, the start of your career is the perfect time to establish a good savings strategy.

If you’re eligible to participate in a retirement savings plan at work, do so. While saving for retirement might seem impossible if you’re struggling to pay off student loans or cover your rent, every dollar counts, so contribute what you can. Automating your contributions means you will never skip or forget to save every month, and your nest egg will build over time.



Pay down debt.

After getting the employer match, focus on tackling any high-interest debt. One of the best things you can do for your finances is to stop using your credit cards for everyday expenses. It is too easy to get into credit card debt, and it can take years to get out of it.

Not only is credit card debt expensive, but missing payments can hurt your credit score and make it more difficult to borrow money in the future. If you have credit card debt, sending more than the minimum payment amount each month will shrink the balance faster and reduce the total interest you'll pay.

Do you know if you have enough savings for retirement?

- Yes. I am set.
- No. I need to catch up.
- I don't know and am afraid to look.

See results

Establish an emergency fund.

Instead of using credit cards for expenses like car repairs, set up an emergency fund instead. An emergency fund outside your retirement accounts is essential to cover sudden bills and can prevent you from dipping into your retirement account to pay off large amounts of debt, and wasting money paying interest on credit cards.

An emergency fund can give you peace of mind that you will be covered in case of a large, unexpected expense. For emergencies like a job loss, set aside at least three to six months' worth of living expenses.

Don't forget your 401(k), 403(b) when you change jobs.

The average American worker makes 12 employment moves before retirement, with workers ages 25-34 keeping their jobs for a median of 2.8 years, according to the Bureau of Labor Statistics. One of the most important questions you face when changing jobs is what to do with the money in your retirement account. Making the wrong move could cost you thousands of dollars or more in taxes and lower returns.

Generally, you have three options for managing the money in your retirement plan when you change jobs: keep your money in the plan; move your money to another plan, or take a cash contribution. Consult a qualified tax professional before deciding which option is best for you.

It’s never too late to save!

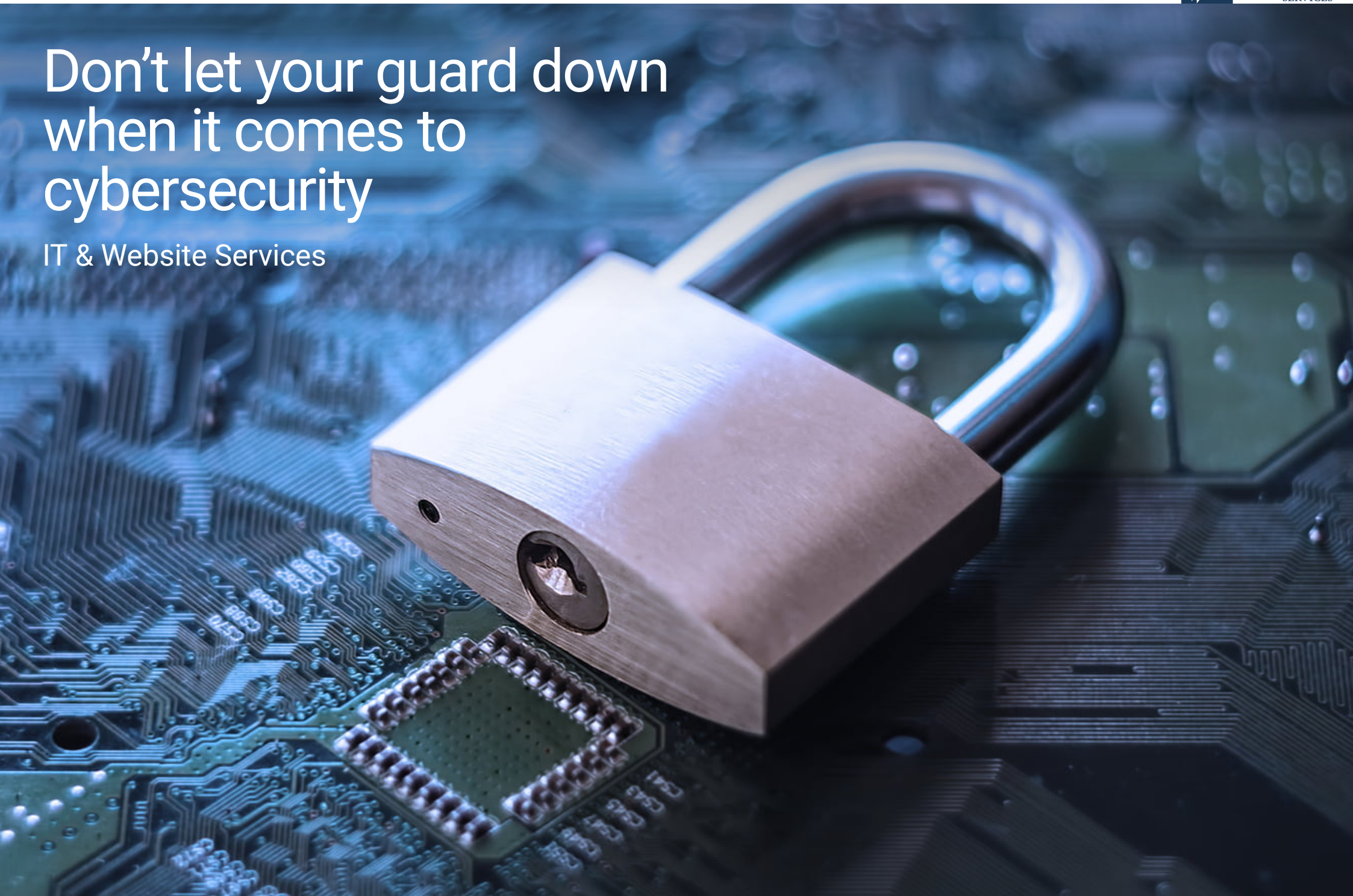
If you aren’t in your 20s anymore, you might regret the lost time when you could have been saving, but don’t lose heart! No matter what your age, the key to financial success is to act NOW rather than to delay things.

Christian Brothers Retirement Planning Services has a Retirement Planning Handbook and Video that can help you plan your retirement whatever age you may be, and a Power of Compounding Flyer to help explain why starting your retirement saving as soon as you can is so important.

CHRISTIAN BROTHERS SERVICES

Don’t let your guard down when it comes to cybersecurity

IT & Website Services



With businesses slowly opening back up as COVID-19 vaccinations become more and more available, employees are also returning to the office in greater numbers. But we're not out of the woods yet, and for many organizations, Work From Home/Work From Anywhere (WFH/WFA) models will continue for the foreseeable future.

Business models for returning to the office differ from company to company, but there is one thing for certain: as we move further into 2021, it's become increasingly important for businesses to update their cybersecurity strategy so they don't become victims of cyberattacks. According to Forbes magazine, 83% of enterprises transformed their cybersecurity in 2020, with IT departments forced to speed up their plans and roll out new processes and systems rapidly to support the new norm. That trend shows no sign of slowing down in 2021.

Your Business is a Target

Every organization needs to acknowledge the threat that cyberattacks and scams pose to their existence. The size of the organization doesn't

matter as hackers are just as likely to target a smaller business, especially if their security measures are weaker. An organization stands to lose its intellectual property, money, and personal data of employees and customers, in addition to the damage to its reputation should a data breach occur.

Many larger organizations have the resources to rapidly change strategies to fend off cyberattacks, but that is not always the case for smaller companies. Many smaller, in-house cybersecurity teams spend much of their time putting out fires, which leaves little time to develop proactive future strategies and provide guidance to team members. Without the time or resources to look ahead, cybersecurity professionals at these companies may struggle to take measures that would truly benefit their security long term.

Help ensure your organization doesn't become a victim of cyberattack in 2021? Following these tips can help:

- **Encourage the use of strong passwords, changing them regularly.** Everyone in your business should have a strong, unique password for each account or system that they use. It's also important that they change passwords regularly. You can set up some systems and software to require a new password every 30 or 60 days, which is a good way of ensuring your team is following best practices. Using a password manager can help. A password manager comes up with complex passwords for each system or software, and the username and password are securely saved and are accessible with one master password.
- **Effective security training.** Most attacks and breaches are initiated by phishing emails that try to trick employees into installing malware or sharing details that give them access to your business. They design these emails to trick people and they are becoming more and more sophisticated and harder to spot. To educate your employees, conduct regular security training for all of your staff. This training needs to cover all of your security policies; best practices for working securely, including passwords, downloads, and online security; how to spot phishing emails; handling personal or sensitive data, and how to report a potential attack or breach.
- **Set up remote staff to work securely.** Most businesses have had at least some of their employees working remotely throughout the pandemic. Even with a return to the office on the horizon, many businesses will continue to provide remote or hybrid work options when possible.Remote work introduces additional security risks, so you need to be sure that you're providing your employees with all the knowledge that they need for data protection. Be aware of what devices are being used at home. If employees are keeping sensitive information and data on their personal devices, make sure they have the right security measures in place on them. Provide them with a work computer rather than asking them to use their own so you can be sure they are using a secure device. Set up their computers with a firewall and the right antivirus software to make sure the work they are doing is protected.
- **Backing up data and files.** The data and files you need to run your business need to be properly protected. Having all your important files in a single place without backups is extremely risky. Regularly back up all the files that you rely on to run your business somewhere secure and separate, ideally in at least two different formats such as a hard drive and a cloud backup.

What do you think is most helpful in reducing cyberattacks?

- ○ Using a password manager
- ○ Security training for staff
- ○ Backing up data and files

See results

These tips provide you with the basics for what you can do to prevent cyberattacks, but there is much more work to do. The hackers have upped their game to infiltrate and damage our organizations, so businesses can't afford to let their guard down. We must all remain vigilant in our efforts to secure our data.

Christian Brothers Information Technology & Website Services can assist your organization meet its cybersecurity needs. We are a full-service provider with a growing portfolio of products, services and preferred vendor relationships to assist Catholic organizations in meeting their IT goals and objectives fully and affordably.

If you have questions or would like guidance on online IT security measures, cloud hosting services, or any IT or website service, CBS IT & Website Services is here to assist you at any time.

800.807.0200
customerservice@cbprograms.com

Timely Tips–Strategic Planning

Mission Advancement

If you aren't currently operating with a strategic plan, or your "current" plan is anything but, now is the time to get these ducks in a row. Start by talking with your organization's leadership.

- What should be the scope of the plan? Service areas, ministry, geography, membership, etc.
- Who should participate and how? Surveys, interviews, focus groups, planning meetings?
- What qualitative and quantitative data is required?
- What foundation documents are pertinent to the planning process?
- How can this process be participative and collaborative?
- What timeframe should the plan address? What is realistic?
- Who should serve on the Strategic Planning Committee?

Comprehensive strategic plans typically look at mission/vision, membership, community life, operations, finance, ministries, personnel, advancement and governance, but each organization is unique. Don't force yourself into a cookie-cutter mold. Design a process and scope that truly answers the questions of the day.

As with everything, it starts with mission and vision. Your strategic plan is the bridge between the two. Your mission statement should answer key questions: what values do we hold, who do we serve, what do we offer, why do we exist? A strong mission statement…

- is a simple, compelling statement of what the organization is called to do;
- positions and differentiates the organization;
- drives strategic planning, day-to-day decision making, programming/ministries, advancement; and
- serves as a basis for promulgating policy and prioritizing activity when resources are limited.

Thinking about strategic planning? Contact Mary J. Foley, Managing Director at 630.378.2454 or at MissionAdvancement@cbservices.org.

Undaunted by Distance

If you missed joining us live, it's not too late to pick up tips and best practices for managing donor relations despite the implications of COVID-19. You can watch the webinar on demand as well as download the slides. A few of the key topics include…

- Cultivation Checklist
- Donor Expectations
- Virtual One-to-One Visits and Solicitations
- Virtual Small Group Solicitation
- Giving Tuesday, 2021
- DAFs–Donor Advised Funds

Earlier webinars this year, which you can still access, include: Getting the Board You Want and Need and So We've Got This Development Office… Visit our webinar on demand webpage for more resources.

RCRI – In Person

Right now, RCRI is planning to hold its November conference in person in Orlando, Florida. Mary J. Foley, Managing Director of Mission Advancement, is one of the Christian Brothers Services staff members who will be speaking on Leveraging the Lessons of Covid as it relates to fundraising, development, constituent relations, etc. Despite the toll COVID-19 is taking on the U.S., there are many new opportunities emerging that will forever change the landscape for advancement. We hope to see you there!

Need More Money?

Eighty percent of all giving occurs between September and December – but only if we make sure our solicitation strategy is fully formed before we make the first ask. Annual giving needs to be a throughout-the-year endeavor, not just one time per year. This program will cover the key elements and best practices needed for this centerpiece of your development program. Make annual giving planning a pleasure instead of a chore. Contact us and we can help guide you through the process.

CHRISTIAN BROTHERS SERVICES

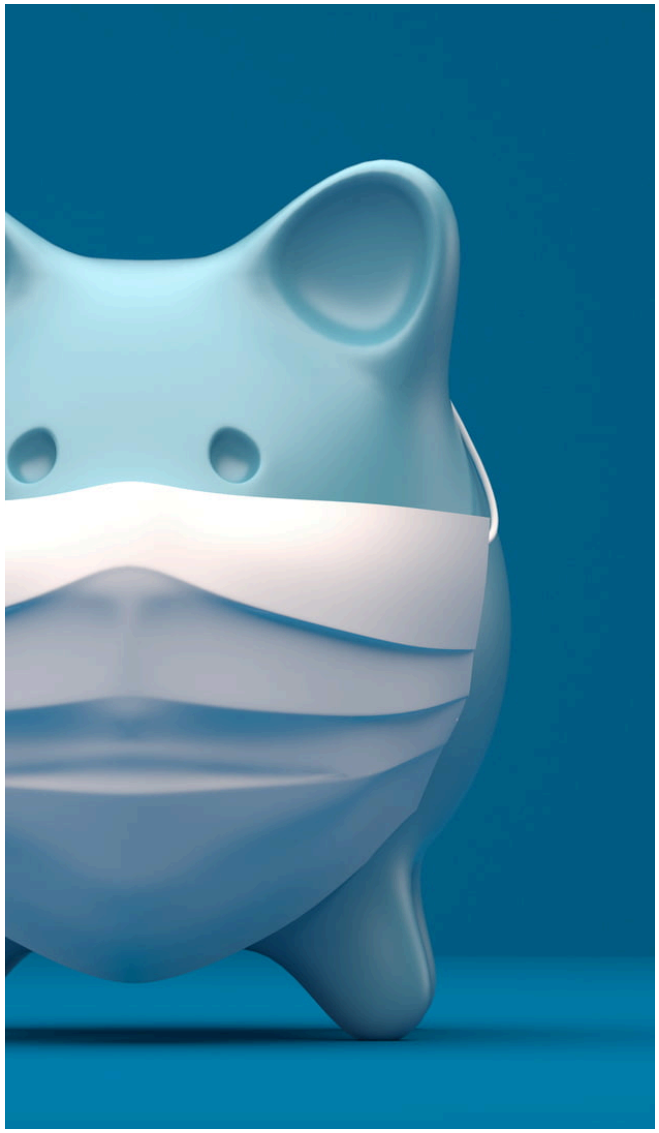
Working hard to meet clients' needs during the pandemic

BMT Management & Financial Consultants

The mission of BMT, a division of Christian Brothers Services, is to serve its clients—over 280 religious institutes and many sponsored ministries—in need of assistance with the management of daily operations including accounting and financial management, government benefits eligibility management, human resources, investment consulting and real estate planning and sustainability studies.

With church organizations hit especially hard during the pandemic, fulfilling the needs of these institutes is even more difficult than usual. However, BMT staff have risen to the occasion, providing clients with the services they need to keep them going under stressful circumstances. In one instance, the BMT HR team successfully secured a licensed Nursing Home Administrator for a client—a task the client thought would be impossible.

With great patience, the BMT Paycheck Protection Program (PPP) team is navigating through the complicated loan forgiveness application process for clients. Under the terms of PPP, borrowers may be eligible for loan forgiveness if they used the funds for eligible payroll costs, payments on business mortgage interest payments, rent, or utilities during either the 8- or 24-week period after disbursement. To date, a number of forgiveness applications for BMT clients were accepted and others have been filed. The relief this has provided to these church organizations is incalculable.



BMT is also looking after the financial wellbeing of its clients in other ways, such as providing investment oversight for over $3 billion of clients' invested assets. Looking forward, the BMT Investment Committee is nearing completion of its evaluation of new software products that will permit enhanced reporting to clients.

The BMT staff continue to go above and beyond for clients, protecting their assets and helping to mitigate risks. Senior Consultant, Deacon Mark Fontana was recognized by a client for his assistance relative to a fraud matter. His quick action mitigated the damage and expedited the recovery process.

Much of the work done by BMT staff involves going to client facilities to provide services. Because of the pandemic, sometimes that isn't possible during regular office hours. As a testament to their dedication, the BMT Financial Service Division staff continue to adjust their work schedules and family life to accommodate ongoing quarantine requirements at client offices. For BMT staff, working nights and weekends to be present at clients' facilities to ensure operations continue to function efficiently is second nature. Many staff members also are required to be tested for COVID-19 weekly to be on site. Three staff have been tested more than 30 times...that's commitment!

These continuing efforts are paying off both for BMT and the clients it serves. As proof its methods are successful, this year BMT will add staff in both Benefit Eligibility Management and Financial Services to accommodate onboarding new clients. That's quite an accomplishment during these times and a testament to the hard work of BMT staff.

BMT is headquartered in Tarrytown, New York, and serves clients nationally and internationally through regional offices in Romeoville, Illinois; Terre Haute, Indiana; Baltimore; Enfield, Connecticut; and Smithfield, Rhode Island. For more information, visit cbservices.org, email us at info@bmtconsults.com or call 800.836.3357.

Retention Countdown

Catholic School Management

Although it seems this year has been taking forever, the last day of school is fast approaching and with it the opportunity to substantially impact retention for next year. Catholic school numbers are down 6.4% nationally, and we can't afford to lose a single student or family. This issue of the Catholic School Management Letter, Retention–Necessities Not Niceties, shares best practices and timely tips for keeping the families you worked so hard to get. View our on demand webinar on this topic.

Timely Tips–Segmentation + Personalization = Enhanced Results

In the advancement world, personalization and segmentation is key. Ask these questions as you undertake your next fundraising or student recruitment effort.

- Audience: Who is your target market?
- Insight: What do they care about most? What do they need?
- Objective: What are you trying to accomplish?
- Focus: In light of audience, insight and objective, what aspect of your message will make the greatest impact?
- Vehicles, Venues, Voices, Frequency, Timing: When, where, how, how often and from whom should these inspired messages come?

Start with audience. Who is your target market and how precise can you make this market? The more specific we can be about our audience, the more we can tailor a message that resonates with who they are and what we hope to achieve.

What matters most given the audience you are addressing and your objective? Understanding your audience requires insight and inquiry. What do they care about? What concerns or interests them the most? It's important that we look at this from their point of view, not what we think they should care about.

> *They don't care how much you know until they know how much you care.*

That insight is essential, so we need to find out. Ask them, ask teachers, ask peers. Get to know them–who they are and where they are, emotionally speaking.

Do you receive the Catholic School Management Letter?

- ○ Yes
- ○ No
- ○ No, but I would like to.

See results

Every school will have different objectives and, as audiences are more carefully defined, the objectives will become more specific. On both sides of the advancement coin–development and recruitment–schools are typically addressing acquisition, retention, support, awareness, reputation, satisfaction and advocacy to name a few.

Strategic marketing requires this approach and also allows you to prompt effective word of mouth on multiple topics. Once you define audience, insight, and objective, then you're ready to think about messaging and methods. 1 + 2 + 3 will determine 4, 5 and 6.

1	2	3	4	5	6
Audience	**Insight**	**Objective**	**Focus**	**Vehicle**	**Frequency**

With clarity around audience, insight, and objective, it should be easy to determine what strength you want to reference.

- Academics
- Faith Formation
- Guidance/Counseling
- Support/Outreach

- Service
- Athletics Activities
- Financial Aid

- Fundraising
- Facility Improvements
- Graduation
- Enrollment

CHRISTIAN BROTHERS SERVICES

A Christian Brothers Services publication offering our readers insightful articles based on the services we offer.

Constellation

media@cbservices.org

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