

The Find a Better Bank Toolkit

How Churches Can Bank with their Values
By Divesting from Banks Funding the Fossil Fuel Industry

A resource created by the members of Northshore United Church of Christ,
a congregation that broke ties with Wells Fargo
after discovering it financed the Dakota Access Pipeline.



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Introduction

The United Church of Christ and other religious institutions share a deep concern for the sustainability of our planet and our planet's future. Many within the UCC recognize climate change as a significant moral issue of our age. Religious institutions can play a major role in the struggle for a livable world. One way to do this is by breaking ties with the banks that are funding the fossil fuel industry. This toolkit can be used to assist congregations to divest from banks funding the fossil fuel industry. We hope you find that this toolkit enables your congregation to align its money with its values in the fight against climate change.

Background

The movement against the Dakota Access Pipeline (DAPL) highlighted the financial sector's role in financing the climate crisis and its failure to respect indigenous peoples' rights. Funding of new fossil fuel projects is incompatible with curtailing climate change. In early April 2017, Seattle City Council followed its breakup with Wells Fargo by voting unanimously to avoid banking with *any* financial institution that provides loans to Keystone XL. In July, a coalition of 16 national environmental groups, including the Sierra Club, 350.org, CREDO, Friends of the Earth, and the League of Conservation Voters, announced that they would be boycotting the banks that were funding new oil pipelines. Since then, a coalition of Native-led organizations, including Honor the Earth, Indigenous Environmental Network, and Camp of the Sacred Stones, launched Mazaska Talks: a campaign calling on organizations, governments, and individuals to boycott the 64 banks funding new tar sands pipelines and the Dakota Access Pipeline. The Treaty Alliance against Tar Sands Expansion, which represents the councils of over 150 First Nations and tribes, is also a part of the coalition.

Northshore UCC was the first religious institution in the country to join this boycott. We encourage you to read about the Mazaska Talks Boycott and join the campaign.

What Have the Banks Got to Do with Climate Change?

If we burn all the oil, gas, and coal in production, it will be impossible for us to obtain the Paris Agreement's target of 1.5°C of warming above the temperature during pre-industrial times. It is well documented that warming on this scale is expected to result in "certain death" for many African and small island nations. Yet, over the last three years the world's largest banks

provided \$290 billion to finance new fossil fuel projects, including \$87 billion in 2016, the year after the Paris Agreement was signed by 195 nations.

Many new fossil fuel projects rely on these large bank loans for their construction. The Dakota Access Pipeline, for example, is a \$3.8 billion pipeline, \$2.5 billion of which came from bank loans. Without these loans it becomes difficult for fossil fuel corporations to find the billions required to build new infrastructure projects. In other words: If you stop the flow of dollars, you stop the flow of oil.

Learn more about how banks finance the destructive practices of the fossil fuel industry by reading the [Fossil Fuel Finance Report Card](#).

Why Boycott the Banks? What Good Will It Do?

As the central organization behind [the birth of the environmental justice movement](#) and as the first denomination to call for divestment from fossil fuels, the United Church of Christ has a history of striving to care for creation through prophetic action. More recently, the General Synod 31 passed a resolution entitled ["The Earth Is the Lord's—Not Ours to Wreck: Imperatives for a New Moral Era."](#) This resolution calls for churches to recognize how God's great gift of creation has been thrown into crisis by humanity's use of fossil fuels. It further states that this crisis is "an opportunity for which the church was born." Defunding banks that support the development of fossil fuel infrastructure is one tool we can use to take a moral stand. Profiting from the destruction of God's creation is nothing less than a sin.

When a church withdraws its money from a bank financing the fossil fuel industry, its action can become all the more powerful when it is done as part of a well-organized boycott campaign. If the bank boycott campaign is successful, then banks will start to view investments in new fossil fuel projects as risky to their reputation, their finances and the environment. Bank boycotts will:

- Increase the interest rates they charge on loans to new fossil fuel projects, thus making the projects more expensive and less likely to be built. The more the costs of new fossil fuel projects increase, the smaller their profit margins. This is particularly true of capital-intensive forms of fossil fuel, as [HSBC Bank has pointed out](#), such as tar sands and Arctic drilling. These are some of the most polluting and carbon-intensive forms of fossil fuels. In order to be profitable, the price of oil must be \$80-\$100 a barrel. (Global oil prices haven't been much above \$55 a barrel for years.)
- Negatively impact the bank's reputation and ability to attract business. On average, fossil fuels only represent [1% - 4%](#) of a large Wall Street bank's assets. There could come a time when investing in fossil fuels — this relatively small part of a bank's business — will no longer be worth the reputational damage that such investments cause. As citizens of conscience, we will force that time as quickly as we can.

How to Find a Better Bank, a Step-by-Step UCC Guide

The steps outlined below are detailed, but not difficult. The Members of Northshore UCC (NUCC) learned as we moved through the process of changing banks. We hope that this toolkit will be of use to you when you decide to take this important step too.

Through the work of a Justice Leadership Jubilee Intern at NUCC, the church's financial team learned of the need for change and was presented with supporting information.

Phase 1: Education/Presentation to Finance Ministry Team and Council

Phase 1 and 2 may take 1-2 months.

Step 1: Educate yourself and invite others to do so as well. There are great resources and reading materials available on page 6. A list of the “pipeline banks” funding the fossil fuel industry can be found at www.mazaskatalks.org.

Step 2: Present to the Financial Ministry Team [the General Synod 31 resolution on caring for God’s creation](#) mentioned above, background information, and the Mazaska Talks pledge for discussion/discernment. Request to divest banking operations from financial institutions that support the fossil fuel industry. If approved, prepare presentation for Council.

Step 3: Present to Council the General Synod 31 resolution, background information, the Mazaska Talks pledge, and Financial Ministry Team’s approval and support. Request a vote authorizing making a change in financial institution for all banking operations and approval to move forward with the process of divestment, and signing on to the Mazaska Talks pledge.

Mazaska Talks Pledge, Pledge to DeFund Disaster:

“Standing in solidarity with Mazaska Talks, we pledge to renounce business with banks that are enabling the climate crisis by providing lines of credit and project-level loans to new tar sands projects. Those of us who are current customers of the 17 banks specified by Mazaska Talks pledge to break ties within 12 months, and to inform the bank of our reasons for doing so”.

Sign on to commitment to join the boycott [here](#).

Phase 2: Research, discernment and decision.

Step 1: Identify assets (this Toolkit focuses on divesting cash assets). Identifying where your assets are is key to how you approach the process.

Step 2: Review accounting requirements and accounting controls – your controls must continue to work for your Financial Ministry team and congregation.

Step 3: Develop a questionnaire (sample questionnaire [here](#)) to use when interviewing each prospective financial institution you are considering.

Step 4: Research financial institutions in your area that are not on the [list of 17 banks](#) that are providing lines of credit and project-level loans to new tar sands projects. Check out [the UCC’s resources for finding a bank](#) as well as other [online resources](#) for finding a new institution at which to bank. Consider proximity to your church (within 10 miles). As many churches use volunteers to administer financial processes, location will be an important factor for current and future volunteers. Look at Google maps or go to financial institution website to check locations. (See note in Sample questionnaire about the option of using Shared Credit Unions for teller services.)

- Check out why a local credit union may be better than a bank [here](#).
- Click [here](#) to read more about Credit Unions vs Banks.

Step 5: After interviews are complete, compare/contrast requirements. Discuss options with all financial team members. Determine best financial institution for your congregation's financial needs.

Step 6: Present decision to Council and request vote to divest. The resolution should include name of bank divesting from, name of financial institution to which you are moving funds as well as names and titles of signers for the accounts.

Phase 3: Set-up new accounts and move funds

Phase 3 may take 1-3 months to complete. Much depends upon how long it takes to get new bank accounts set-up and new banking supplies ordered (i.e.: checks, deposit slips).

Step 1: Make an appointment with credit union Business Specialist to set-up new checking and savings accounts. Confirm all requirements for joining and opening accounts. Gather required documents, which will vary by institution. All signers must be present to open the new accounts.

Note: Ensure that your Church's Annual Report that is filed with the Secretary of State is up-to-date with all Officers listed. (The new financial institution may require that two signers be from those listed on that Annual Report).

Step 2: Once new accounts have been opened and you have received the signed* new account letters, order checks, deposit slips and endorsement stamp for new accounts. If ordering from an outside vendor, you will need a MICR Specification Sheet from your new financial institution.

**The signed letter was a requirement for VANCO, a vendor for online deposits.*

Note: Carefully proof check and deposit slips including routing and account numbers, and the two numbers under the institution's name at the top of the check. Make no assumptions about accuracy. Double check everything; printing will proceed upon your approval.

Step 3: Determine date to move funds to new financial institution and inform church office staff and financial team volunteer(s). Request that no checks be written after the last date of the final month with the old bank. Delay writing checks on the new account until funds are transferred (within first few days of new month).

Step 4: In the month prior to the change, work with financial team to cancel automatic payments with old bank, and notify companies handling automatic deposits, update online tax payment account information (follow the instructions on the government tax payment website carefully including creating new pin).

Step 5: On the first day of the new month, reconcile old bank account. Back-up accounting data. Print financial month-end reports for old accounts.

Step 6: Depending upon the accounting program you use, you may need to create new checking and savings accounts. Contact the vendor for your church accounting program for the specifics on creating new accounts in the program.

Step 7: Transfer monies from old bank to new financial institution. Cashier's checks are most efficient for transferring funds (faster, no holds on funds and lower fees than other options). Leave sufficient funds in old account to cover any outstanding checks. Final transfer of remaining funds can be completed by the end of the month, pending all checks clearing.

Step 8: Deposit cashier's checks at new financial institution.

Step 9: Set-up new automatic payments and confirm that all automatic deposits are coming into new accounts (in some cases this required us to contact the outside vendor several times before it was correct).

Step 10: By end of month, verify that all checks have cleared the old account. Request a cashier's check for remaining total. Deposit in new checking account.

Step 11: Provide a letter to your old banking institution explaining why your church decided to move their financial resources to another financial institution. Find a sample letter [here](#).

Phase 4: Spreading the word - Educate Congregation, Pledge to DeFund Disaster as individuals and let others know too

Step 1: Announce to your congregation the exciting news that your church no longer has financial ties to a bank that supports the fossil fuel industry.

- Offer an after service "lunch and learn" to discuss the process and reasons behind the actions.

Step 2: Invite your congregational members to consider moving their money too and to sign on to the [Pledge to DeFund Disaster](#).

Step 3: Celebrate as a congregation this significant journey of justice. You have taken a large step toward a more just and fair society. Remind yourself why you have done it: climate change is already causing the deaths of [over 150,000 people](#) a year, the [relocation of entire nations](#) and the [collapse of ecosystems](#). The banks funding new fossil fuel projects are not only morally culpable in this crisis, they are actively enabling it — many proposed new fossil fuel projects would not be possible without them.

Step 4: Let others outside your congregation know what you have done! Notify the local media. The UCC keeps and publishes lists of what congregations are doing. Contact the UCC minister for environmental justice, [Brooks Berndt](#), and telling him the details of your actions.

*Thank you for aligning your money with your values.
Blessings upon you and all you do.*

Helpful resources:

- [UCC: Divest from fossil fuel companies](#)
- [UCC: Standing with Standing Rock](#)
- [UCC: Partnership with 350.org](#)
- [350 Seattle To Stop The Flow of Oil Stop the Flow of Dollars – A Case for Boycotting the Banks Financing Climate Disaster](#)
- [Global Alliance for Banking on Values](#)

- [Divestment Statement by Standing Rock Sioux, Matt Remle & Blackfeet, Gyasi Ross](#)
- [Beneficial State Bank: Move your Money Toolkit](#)
- [Standing Rock Solidarity Toolkit](#)
- [Learn about the Duwamish Tribe, the first peoples of what we call Seattle](#)
- [20+ Proposed Pipelines Threatening Indigenous Communities](#)