

PARISH FINANCIAL MANAGEMENT

A workshop for treasurers and others with a responsibility for parish finances

Welcome

- What is your name?
- What parish are you from?
- What is your position there?
- How long have you been involved with church finances?



Duties of the Treasurer

- The duties of the Parish Treasurer shall be

- to assist the Church Wardens in the handling of offerings and contributions



– and –

- to keep the Parish accounts



– and –

- to perform such other duties as are prescribed by the Canons.

(there are no such other duties)



Responsibilities of the Wardens

- Have custody of Parish funds
- See to the collection and proper disposition of funds
- Ensure the maintenance of accounting records
- Submit accounts to the Accounts Examiner
- Report and account to Vestry
- Report and account to the parishioners
- Prepare and present a budget annually
- Conduct an annual canvass for funds
- Ensure that charities returns are filed

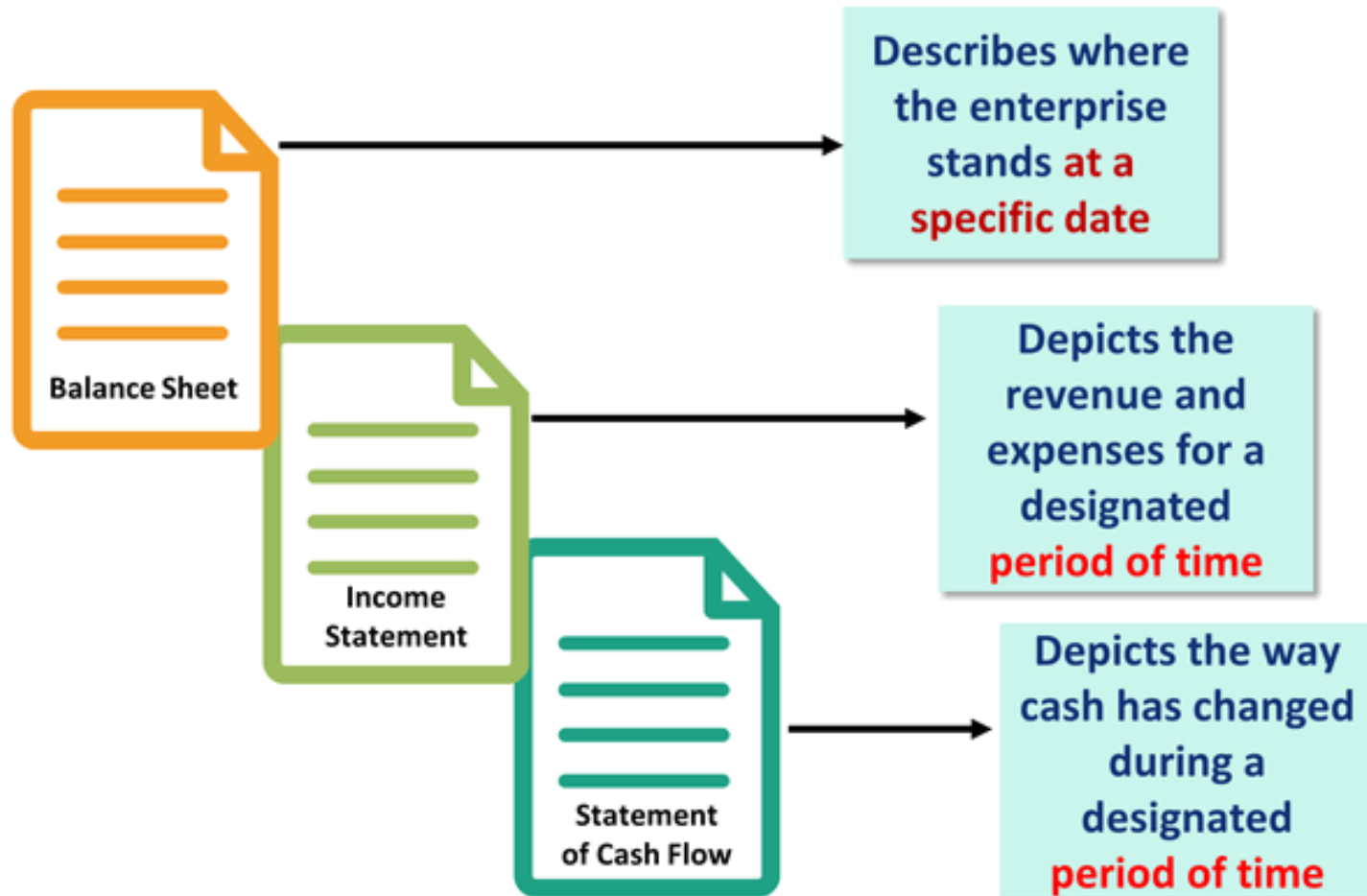
Share your Experiences

With the person sitting next to you, discuss:

- How are these responsibilities actually carried out in your parish?
- Is there anything you weren't previously aware of?
- Which of these items have you had problems with?



Introduction to Financial Statements



The Link Between the Balance Sheets and the Income Statement

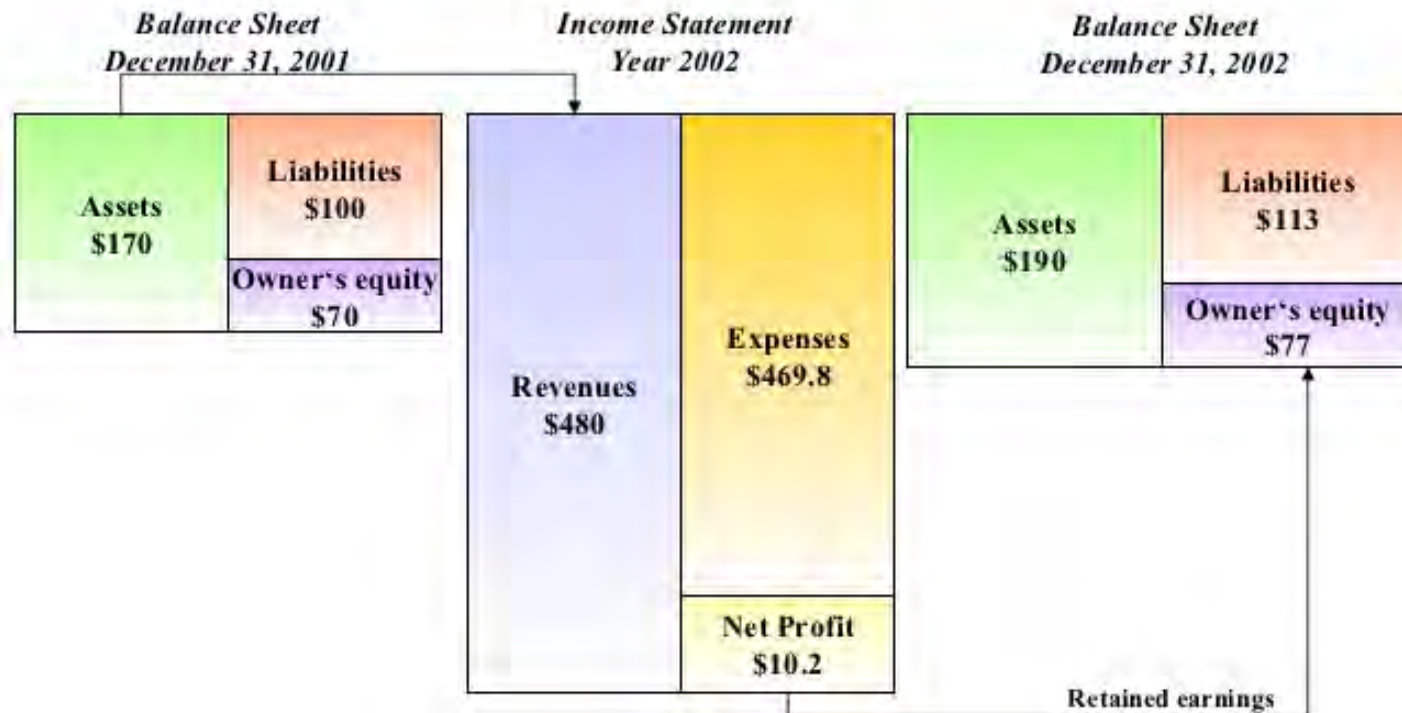


Chart of Accounts

Asset

1000 - Checking
1011 - Savings
1100 - Invoices Receivable
1200 - Inventory
1300 - Land

Liability

2000 - Accounts Payable
2001 - Credit Card Balance
2002 - Property Mortgage
2201 - Vehicle Loan
2300 - Notes Payable

Equity

3000 - General Fund
3100 - Missions Fund
3200 - Building Fund
3300 - Special Projects
Fund

Income

4000 - Contributions
Income
4203 - Grant Income
4005 - Designated
Donations
4100 - Pledge Income
4300 - Sales Revenue

Expense

5000 - Salary Expense
5002 - Rent or Mortgage
5100 - Office Supplies
5300 - Fees and Permits

Annual Accounts Examination

- There must be an “Accounts Examiner” but that term is not defined
- May be a parishioner or other volunteer
- Should be financially knowledgeable
- Should not be involved with financial administration of the parish
- Types of examination done by professional accountants:
 - Notice to Reader
 - Review
 - Audit
- Should be done before the AGM

Financial Controls

- Cheque signing – **NEVER SIGN BLANK CHEQUES**
- Credit cards
 - Low credit limit
 - Secure custody of card and number
 - Authorization for purchases
- Electronic banking
 - Authorization for money going out should be same as cheque
- Monthly reconciliation of accounts



Trust Obligations

- Donations made for restricted purposes create a trust
- A legal obligation with **civil and criminal penalties** for breach
- You can always refuse a donation if you don't want to accept the conditions
- If carried forward to a subsequent year, funds should be shown as “externally restricted” on the balance sheet



Charitable Donation Receipts

What are your experiences with issuing tax receipts?

- Stories
- Unusual requests
- Issues
- Questions



CRA suggested format for receipt

Official donation receipt for income tax purposes

Receipt # XXXXX



Charity or qualified donee name

Address

Charitable registration #: 000000000 RR 0000*

Receipt issued ____ DD/MM/YYYY

Location issued ____ City, Prov.

Donated by _____
(First and last name, and initial)

Address _____

Donation received _____ Amount of gift _____
(Date or year)**

Eligible amount of gift

Authorized signature: _____

Canada Revenue Agency - canada.ca/charities-giving

T3010 Charitable Information Return

- Must be filed by June 30 or **charitable status may be revoked.**
- A charity's complete annual information return includes:
 - Form T3010, Registered Charity Information Return, and all applicable schedules
 - a copy of the charity's financial statements
 - Form T1235, Directors/Trustees and Like Officials Worksheet
 - Form T1236, Qualified donees worksheet/Amounts provided to other organizations (if applicable)
 - If financial statements are not included, the charity's **registration may be revoked.**

Section D: Financial Information

Fill out either Section D or Schedule 6, Detailed financial information.

If any of the following applies to the charity, complete Schedule 6 instead of Section D:

- (a) The charity's revenue exceeds \$100,000.
- (b) The amount of all property (for example, investments, rental properties) not used in charitable activities was more than \$25,000.
- (c) The charity had permission to accumulate funds during this fiscal period.

Show all amounts to the nearest single Canadian dollar. Do not enter "See attached financial statements." All relevant fields must be filled out.

D1 Was the financial information reported below prepared on an accrual or cash basis? **4020** Accrual Cash

D2 Summary of financial position:

Using the charity's own financial statements, enter the following:

Did the charity own land and/or buildings? **4050** Yes No

Total assets (including land and buildings) **4200** \$

Total liabilities **4350** \$

Did the charity borrow from, loan to, or invest assets with any non-arm's length persons? **4400** Yes No

—

D3 Revenue:

Did the charity issue tax receipts for gifts?.....	4490	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, enter the total eligible amount of all gifts for which the charity has issued or will issue tax receipts.....	4500	\$	_____
Total amount of 10 year gifts received	4505	\$	_____
Total amount received from other registered charities	4510	\$	_____
Total other gifts received for which a tax receipt was not issued by the charity (excluding amounts at lines 4575 and 4630)	4530	\$	_____
Did the charity receive any revenue from any level of government in Canada?.....	4565	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, total amount received	4570	\$	_____
Total tax-receipted revenue from all sources outside of Canada (government and non-government).....	4571	\$	_____
Total non tax-receipted revenue from all sources outside of Canada (government and non-government).....	4575	\$	_____
Total non tax-receipted revenue from fundraising	4630	\$	_____
Total revenue from sale of goods and services (except to any level of government in Canada).....	4640	\$	_____
Other revenue not already included in the amounts above	4650	\$	_____
Total revenue (add lines 4500, 4510 to 4570, and 4575 to 4650).....	4700	\$	_____

Expenditures:

Professional and consulting fees		4860	\$	_____
Travel and vehicle expenses		4810	\$	_____
All other expenditures not already included in the amounts above (excluding gifts to qualified donees)		4920	\$	_____
Total expenditures (excluding gifts to qualified donees) (add lines 4860, 4810, and 4920)		4950	\$	_____
Of the amount at line 4950:				
(a) Total expenditures on charitable activities	5000		\$	_____
(b) Total expenditures on management and administration	5010		\$	_____
Total amount of gifts made to all qualified donees		5050	\$	_____
Total expenditures (add lines 4950 and 5050)		5100	\$	

GST66 Application for GST Rebate

Part D – Details of claim

Enter on the appropriate line the amount of rebate that you are claiming for each activity that you perform. If you engage in various activity types, see Guide RC4034, GST/HST Public Service Bodies' Rebate, for more information.

If you are claiming a rebate of the provincial part of the HST (Line B) use Form RC7066 SCH, Provincial Schedule – GST/HST Public Service Bodies' Rebate.

Line #	Activity type	Rebate factor	Federal
300	Municipality	100%	
301	University (or affiliated college or research body) established and operated on a non-profit basis	87%	+
302	School authority established and operated on a non-profit basis	88%	+
303	Public college established and operated on a non-profit basis	87%	+
304	Hospital authority (only on activities of operating a public hospital)	83%	+
305	Charity or public institution on non-selected public service body activities (defined on the back of this form)	50%	
306	Qualifying non-profit organization on non-selected public service body activities (see "Line 306 – Qualifying non-profit organizations" on the back of this form)	50%	+
307	Printed books (do not include in other activity types)	100%	+
308	Goods and services exported by a charity or public institution	100%	+
309	Self-government refund	100%	+
310	Hospital authority (for eligible activities other than the operation of a public hospital) – See "Lines 310, 311, and 312" on the back of this form	83%	+
311	Facility operator (on eligible activities) – See "Lines 310, 311, and 312" on the back of this form	83%	+
312	External supplier (on eligible activities) – See "Lines 310, 311, and 312" on the back of this form	83%	+
Total federal amount claimed (add lines 300 to 312)		A	
Total provincial amount claimed (from Form RC7066 SCH)		B	+
Total amount claimed (line A plus line B)		409	

Clergy Travel Expenses

- Current rate is 54 cents per kilometre (set annually)
- Reimbursed for actual distance travelled on parish business (includes required diocesan meetings)
- No claim for travel between home and principal workplace
- Consider car rental for longer trips



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The Diocese and You

- Monthly remittances: due by the 20th
- Please use the form
- Everything can go on one cheque except DDF loan payments and Reach donations
- Consider using direct withdrawal
- PAG saves time and increases giving
- All forms available on diocesan website:
<https://edmonton.anglican.ca/parish-info/pages/treasurers-toolbox>
- Bishops hate surprises! If you have a problem, call us

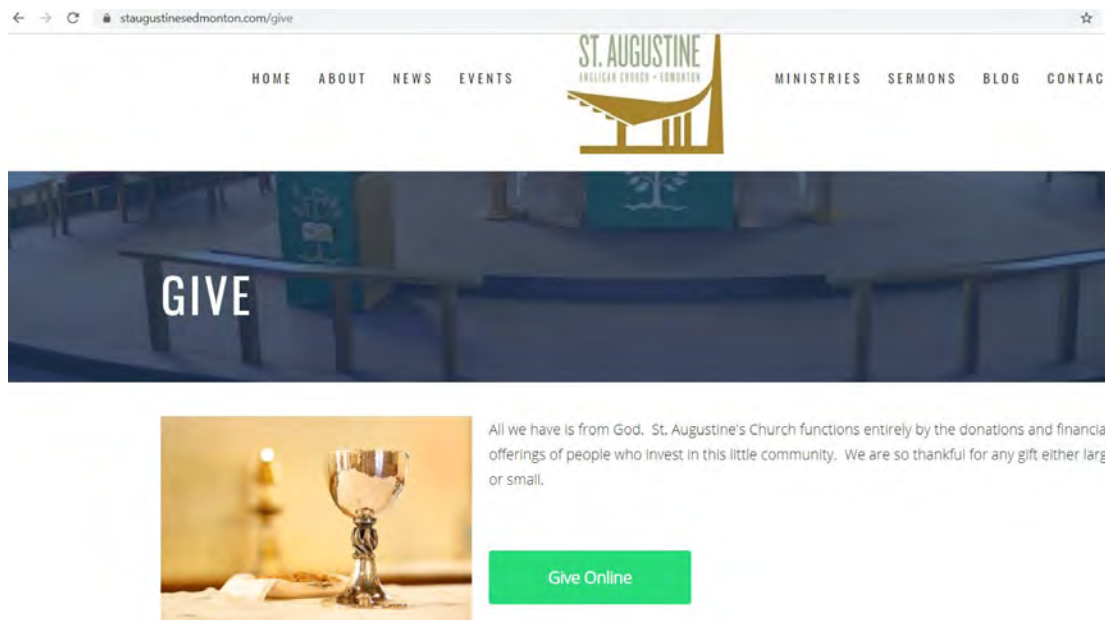
Electronic Records

- Keep information on a computer owned by the parish if at all possible
- Make regular backups and store them offsite
- Make sure that parishioners' personal information is secure (protected by a password, hard copies locked up)
- Make sure that critical information such as passwords is accessible in case something happens to you



Online Giving

- Parish website should have “click and donate” option
- Encourages generosity and removes a barrier to giving
- 20.5% of donors give online (canadahelps.org) this number is trending upward at a steady pace



The screenshot shows the website for St. Augustine Anglican Church - Edmonton. The browser address bar displays 'staugustinesedmonton.com/give'. The navigation menu includes HOME, ABOUT, NEWS, EVENTS, MINISTRIES, SERMONS, BLOG, and CONTACT. The main content area features a large banner with the word 'GIVE' in white text on a dark background. Below the banner, there is a paragraph of text: 'All we have is from God. St. Augustine's Church functions entirely by the donations and financial offerings of people who invest in this little community. We are so thankful for any gift either large or small.' To the left of this text is an image of a chalice on a table. Below the text is a green button labeled 'Give Online'.

Online Giving Provider Option #1

Tithely <https://get.tithe.ly/>

- Has merged with Ascend Collective which developed websites for the diocese and several parishes within our diocese
- Now even greater opportunity for parishes on the Ascend platform, as well as those who join in the future



Benefits of Website Partnership

- Added benefit to parishes who have an Ascend website is lower monthly website fees - \$24/mon includes website hosting, technical support and additional features such as e-newsletter and sermon podcasting, event registration (similar to Eventbrite) and more...

The screenshot displays the website interface for the Anglican Diocese of Edmonton. At the top, the 'ASCEND' logo is visible on the left, and navigation links for 'Search', 'Find-a-Church', 'Parish Info', 'Clergy Info', and 'Donate' are on the right. Below this, the 'Anglican Diocese of Edmonton' logo and name are centered, with a horizontal menu containing 'ABOUT US', 'NEWS', 'LEARN', 'WHAT WE DO', 'PRE-AUTHORIZED GIVING', 'PARTNERS', and 'SYNOD'. The main content area features a large banner for an event. On the left, a dark blue box contains the text: 'Info Session for treasurers, clergy, wardens and anyone who does financial tasks in their parish', 'PARISH FINANCES TRAINING DAY', 'Saturday, January 18, 2020', 'Synod Office, 10035-103 St NW Edmonton', '10 am to Noon - Parish Financial Management', 'LUNCH', and '1 pm to 3 pm - Budgeting'. On the right, a white box titled 'Upcoming Events' displays 'Parish Finances Training Day' with the same date and location information, and a time of '10:00AM'. The background of the banner is a close-up image of a calculator and a ruler.

Benefits to Parishes in General

- Simple process to set-up online giving option on parish website
- It's free to sign up for Church Giving account and there are no minimum requirements for number of transactions processed or dollars processed
- Funds deposited directly into church bank account
- Easy, user-controlled Recurring Monthly Giving option

Secure Giving and Records

- Ability to easily create multiple giving streams (general, ministries, etc.)
- Optional memo field for memorial gifts
- One database for online and mobile and admin giving is downloadable to integrate into your church accounting program
- Small churches can include their cash/cheque donations in this online database to create one secure record of all giving

Transactions and Tax Receipting

- Transaction costs are ‘reasonably low’: 2.9%+ .30 cents per transaction
- Option for donors to ‘Cover the cost of transaction’
- Captures Tax Receipt Information (full name, address, phone, email – note this must be activated)
- Creates Canadian Tax Receipts from online database which are then emailed to donors

Online Giving Provider Option #2

Canadahelps.org

<https://www.canadahelps.org/>



- Free to set up an account
- Enables custom pages and event registration

Transaction fees:

- One-time donations 4%
- Monthly donations 3.5%
- Security donations 2-3% depending on donation amount