

DIOCESE OF BRANDON

Anglican Church of Canada

403 13th Street, Brandon MB R7A 4P9

Phone: 204-727-2380

Fax: 844-725-7533

Synod Office E-mail: admin@brandon.anglican.ca

A Condensed Guide for Parish Treasurers in the Diocese of Brandon

Being asked to stand in the role of treasurer carries much responsibility. It is important that treasurers understand that they, by authority of Parliamentary Act, and Canon Thirty-Two, 5, a., are subordinate to the corporation of the parish, and thereby cannot make financial decisions alone.

Canon Thirty-Two,

5. Churchwardens and Other Officers

- a) The churchwardens together with the incumbent form the corporation of a parish or mission (**The Anglican Church of Canada Temporality Act of the Civil Province of Manitoba**) and by virtue thereof, are included as signing officers for the parish or mission.

Responsibilities of a Warden

- ✦ Per the above Canons and Constitution of The Diocese of Brandon, the incumbent and the two wardens form the corporation of the parish and are included as signing officers for the parish.

The Wardens Duties (extract from Canon Thirty-Two):

- ✦ Present an annual report and an audited balance sheet to the parish at the AGM
- ✦ Collect and record all monies contributed to the church
- ✦ Pay all salaries, stipends, debts and accounts as approved by the vestry
- ✦ Call a general meeting before an unusual expense is undertaken

✦ **The wardens may delegate certain of these responsibilities to others, such as:**

- delegate the keeping of financial records to a parish treasurer
- delegate the keeping of minutes to a parish secretary

Role of the Parish Treasurer

- ✦ As you can see, finances are your wardens' responsibilities and they have chosen to delegate the responsibility to a treasurer by appointment or AGM election.
- ✦ Treasurers must consult with wardens on financial concerns.
- ✦ Prepare accurate and timely Financial Reports for Vestry.
- ✦ Must NOT act without vestry or corporation's direction.

A Good Bookkeeping System Will Be:

1. As simple as possible.
2. Sufficient to accurately illustrate current financial position of the congregation.

A church accounting system should provide:

- Historical information classified to assist in planning the future program of the church.
- Current financial information presented so it is easily comparable to the budget.
- A system of internal controls that provide assurance to donors that all funds taken in for church use are recorded accurately and are used as designated by the donor or approved use by the vestry.

Division of Funds: Commonly used parish fund accounts.

Some segregated accounts are required as follows. They may have appropriate sub-accounts.

1. Current or General Fund (operations):

The receipts in this fund are to be used to cover all current operating expenses and any capital expenditures that vestry chooses to pay from current revenues.

- Envelope, open, and undesignated donations.
- Undesignated fundraising income.
- DONORS MAY NOT DESIGNATE DONATIONS TO SPECIFIC OPERATING EXPENSES, e.g. to pay hydro bill.

2. Building Fund and Sub Accounts¹ (for capital repairs, or modifications):

- Major equipment purchases.
- Building renovations.
- New church property.
- Roofing.
- Accessibility Modifications.
- Lasting changes to the fabric of the church plant.

3. Mission Funds:

- PWRDF for example.
- “Flow Through”. Income for the year will equal expense.

4. Memorial Fund. Sub-account of operations fund:

- “Memorial Donations”, “In Memory of...”.
- No different than any other donation; available for any use.
- Exception: when a donation is designated for a special purpose.
E.g.: “To the accessibility fund in memory of.....” In that case, a separate notational sub-account of the BUILDING FUND should be used.

¹ When a parish is seeking funds for a special capital project, it should be clearly stated to potential donors that if the project cannot be carried out or more money is collected than the project requires, that it will use the excess for other purposes as decided by vestry. (Moved to the operations account.)

PREPARATION OF BUDGETS

- Prepared by the Vestry, or appointed budget or finance subcommittee including the treasurer.
- To be approved at the Annual General Meeting held as early in the new year as possible, prior to March 31st.

Operations Fund Budget:

- The cost of monthly regular expenses: Fair Share, salaries, and utilities.
- Other expenses: group insurance, pension and healthcare benefits.
- Proposed equipment purchases out of the operating account as directed.
- The estimated cost of any minor repair work.
- Major repairs or purchases are not part of the operating budget and should be noted in a separate Capital Budget if planned for the year

Mission Fund Budgets – Flow Through (e.g. PWRDF)

- Optional. An estimate of funds that simply pass through your books is not necessary.
- Budgeting for FLOW THROUGHS artificially inflates income and expenses and obscure clarity of the actual operations needs.
- If listed, flow-through income MUST equal the flow-through expense on the budget.

Approval of Budget

- At the AGM by vote.
- The adoption of the budget authorizes the Vestry to act within the budget. That does not mean that Vestry has no further duty and must keep oversight.
- The treasurer will produce financial statements for each vestry meeting which includes a comparative budget column.
- Regular updates from vestry to the entire congregation are imperative. Adopt a method of sharing information: regular updates in the church bulletin, etc.

HANDLING CASH RECEIPTS

- All church funds should be received by counters appointed by the wardens or vestry.
- Offering envelopes are the responsibility of the envelope secretary and/or treasurer.
- Ultimately the canonical responsibility and authority of the Churchwardens.
- No one person should handle the envelopes. They must be opened and counted by a minimum of two people.
- Wardens must ensure proper scrutiny of funds collected.
- Donation Receipts issued must be traceable per Canada Customs and Revenue Agency regulations. Failure will jeopardize the charitable status of your parish.
- Differences between the amounts shown on the envelope and the amount contained in the envelope should be noted on the front of the envelope and signed by both persons counting on that day.
- Proper Counter's Report must be signed by a minimum of two counters.
- Essential for the treasurer's protection and to provide a record of cash and cheques counted and for what designation or fund e.g. general operating fund, building fund, PWRDF, Mustard Seed, etc.
- Count sheet copies should be given to the treasurer, and the priest and wardens.
- The envelopes to be given to the Envelope Secretary for recording the amounts contributed in each member's account and balanced regularly.
- The envelopes must be kept for seven years as required by Canada Revenue Agency.
- Deposit collections within two banking days.

HANDLING DISBURSEMENTS

- Requirement for payments of expenses is proper authorization, and controls: two signatures.
- The AGM approved budget is authorization for all disbursements covered.
- Vestry is responsible to ensure payments are in accordance with the budget.
- Disbursements should be made by cheque only, signed by two persons designated by the Vestry and canons.

Fixed Expenditures

- Salaries, travel allowance and retirement fund contributions and need no further approval for payment.

Variable Expenditures

- Taxes, utilities, telephone, etc. and requires no further approval, other than by a Vestry review of the monthly statements.

Contracted Expenditures

- Insurance, and advertising.
- Vestry should approve the company, the price and the terms of the contract.
- Authorization should be given in writing to the treasurer: the minutes of the Vestry meeting approving the expenditure, signed by the Vestry Secretary.

Cont....

Capped Expenditures:

- Repairs and maintenance
- Supplies, equipment, honoraria and misc.
- A target cap is set but overruns may happen. Authorization obtained in writing from the vestry should be given.

Expenditures not provided for in the budget:

- PRIOR authorization should be given in writing from the Vestry.
- Invoice should be signed and dated by the person receiving them. The co-signer on each cheque should review the supporting vouchers before placing his or her signature on the cheque.

Petty Cash Fund:


- For minor disbursements such as stamps, office supplies, etc.
- The cash limit of this fund will be dictated by the vestry.
- This fund should be replenished by cheque from the operations account only, for the total amount of receipts and/or vouchers in hand.
- Petty Cash Vouchers should be used and will require a signature of one of the signatories on the church's bank account.
- No other source of funds will be deposited to this fund.

Bank Reconciliation:

- To be done monthly and be on hand at vestry should members want to see them.

FINANCIAL MATTERS:

- The annual financial statements should include:
 - Statement of Receipts and Disbursements
 - Balance Sheet reflecting the financial position of the parish at year end.
 - Assets at historical cost
 - Liabilities at the amount outstanding at year end.
- The increase or decrease in equity on the balance sheet will reconcile to the Statement of Receipts and Disbursements.
- The Balance Sheet is required to on annual CRA Charity Return (Form T3010 / T1236 / T1235) by the June 30th deadline following your year-end.
- Year-end audited financial statements are kept for seven years but should be kept indefinitely should historical analysis by the vestry be desired.

 **These statements will also be regarded as the minimum reporting to the Vestry and at the Annual General Meeting**

FINANCIAL CHECK LIST

Monthly

- Pay salaries / wages of parish employees and diocesan required benefit deductions.
- Make necessary statutory payments: CPP, EI, Income Taxes before **the 15th of the month following deduction.** Your priest is on Central Payroll, the diocese administers this for you, but you may have an organist or caretaker that you pay.
- Remit to diocesan synod office, on a quarterly basis, post-dated payroll and benefits cheques. Payroll cheques are to be dated the 1st and 16th of the month. Benefits payments are to be dated the 1st of the month.
- Remit to diocesan synod office monthly all payments for fair share
- Pay all other parish expenses as due.
- Record all transactions in the journal / ledger.
- Bank Reconciliation upon receipt of the monthly bank statement.
- Prepare monthly financial reports. (at minimum prepare Income & Expense Statement) with comparisons to budget figures for each meeting of vestry. These financial reports will require a **motion to receive** by vestry. A listing of monthly cheques issued (date cheque issued, account name and dollar amount) and a **motion to approve** by vestry.

Annually

- Closing entries to the journal / ledger for year end and run a trial balance. If the debits and credits are equal, then your books are balanced.
- The financial reports together with the report of the auditors to be presented to Vestry at the parish annual meeting.
- Prepare the budget for the next year with financial committee your parish have setup for recommendation by the Vestry and then final approval at the annual parish meeting.
- Complete Parochial Statistics Form to synod office by February 28th of the new year. Usually the parish treasurer completes the financial sections and the priest or as assigned to other individuals will complete the rest and all the pages are then reassembled and mailed in together.
- Complete and distribute T-4 slips
- T-4 Summary report to the Receiver General by the deadline of February 28th.
- Complete the Charity Return (T3010A E & attachments T1235/T1236) and mail it by the June 30th deadline. Failure will cause revocation of charitable status: right to issue tax deductible receipts will be rescinded by the CRA.
- Issue next years envelopes to parish members. May be handled by a separate Envelope Secretary.
- Review the insurance coverage on church properties with Vestry.

ANNUAL AUDIT

- The CRA does not require a charity to have an annual audit.
- However, DoB Canon 32, sub-section 5f requires an annual audit of the financial records of the church.
- An audit serves the purpose of indemnifying the treasurer, Vestry and Wardens against future liability.

Auditors: elected at the parish Annual General Meeting. Do not need to be professional accountants.

- Someone with knowledge of bookkeeping.
- Who is independent from the duties of keeping the church records.
- Is not a signatory on any of the church's bank accounts. A banker. A business person.

Minimum Procedures

- The auditor(s) should review the systems of receipts and disbursements
- Determine that adequate controls exist.

When a weakness becomes apparent the auditor will do two things:

- Report the weakness with recommendations for its correction.
- Heighten attention of records to that area of the audit.

Examples of weaknesses

- Lack of approval for payments.
- One person acting as Counter for the offerings.

Comprehensive audit guidelines are available from the Synod Office.

REMITTANCES TO SYNOD OFFICE

Forms: The Synod Office provides remittance forms for use by parishes when remitting amounts to Synod Office. Please use them or mark the memo line of your cheque clearly stating the purpose.

The Sheet is set-up in three parts:

Section A: for remittances of stipend and benefits

Section B: Fair Share & Liability Insurance.

Section C: all other remittances such as Anglican Appeal, Mustard Seed, PWRDF etc.

Please remit a separate cheque for each section.

Forms are available by email from the finance officer at finance@brandon.anglican.ca, by phone at (204) 727-2380. From the diocesan website: www.dioceseofbrandon.org and click the forms tab. Try to use electronic formats to save on postage and energy.

Central Payroll (dated the 1st & 16th of the month): the financial officer will send a letter to the parish in early December requesting post-dated reimbursement cheques to cover each pay period. Generally, you would send a minimum of six to cover the coming calendar quarter.

Benefits are to be paid MONTHLY at the beginning of each, dated the first of the month.

Missions such as PWRDF and Anglican Appeal must still be made out to the diocese. HOWEVER, if it is for a time sensitive relief campaign, such as those that will be matched by the government or for disaster relief, it is best that they be sent directly to the national body administering the effort.

P.W.R.D.F.
c/o The Anglican Church of Canada
80 Hayden St.
Toronto ON M4Y 3G2

Any questions concerning your individual remittances and Financial Information Sheet data should be referred to Greig Scott at the Synod office . Please remember that the Synod Office employees are here to help you.