



The Diocese of Nova Scotia and Prince Edward Island

The 2019 Parochial Return Line – By – Line Descriptions (with references to prior years' lines)

Please cross-reference your Financial Statement figures to the appropriate line numbers on the Parochial Return.

Parochial Returns

To fund the ministry of the Diocesan Office, the Diocese uses the allotment system enshrined in Canon 16. For the system to be applied fairly across all parishes, there must be full financial disclosure from every parish. This disclosure must include all sources of income, including that generated by every organization within the church. It must also include interest earned by, and donations made to all funds or accounts maintained by the parochial corporation, including memorial accounts.

The 2019 Parochial Return format has changed. While it has been reviewed by many people, it is possible that something has been overlooked. If you notice an error, or have a question about how to record anything, please contact the Diocesan Controller ggreencorn@nspeidiocese.ca

Reporting for the year 2019 includes the same revenues and exemptions as have been allowed in recent years. You will note that this year's parochial return introduces some additional exemption lines in anticipation for the new missional activities exemption which come into effect on January 1, 2020. The return also asks that you provide information about some costs that won't be exemptions (utilities, other staff costs, office expenses etc.). The purpose of gathering these other expenses is to get a complete picture of the financial pressures facing parishes.

The financial reporting sheets largely consist of two pages, one for income, and one for expenses and claimed exemptions. The sheets are designed to accommodate parishes that have from one to five separate congregations. Two supplementary sheets are provided to record a parish's Repairs and Maintenance items and any Missional Expenditures (the missional expenses won't be a deduction for 2019 but may provide you with some guidance in your planning for activities in 2020).

The Parochial Return is available in two formats. It is available in Excel, which, if your parish has the program, does many of the calculations for you (sums columns and rows, calculate the travel allowance, brings forward the repairs and maintenance and missional activities costs). It is also available in pdf which can be printed, completed by hand, and forwarded to the Synod office before the March 31, 2020 deadline.

The financial sheets have eight columns for figures. The seventh column is reserved for horizontal totals and the eighth is used for the calculation for allotment. If you are completing the return by hand, there is no need to put anything in this column. Column 1 (Income) should be used for the Parish, if the Parish generates any money independently of the congregations. It is this column that will be used for a single point parish. Single point parishes do not need to fill in the right-hand column as well.

CROSS REFERENCING - CRITICAL!

For Diocesan reviewers to determine which figures from the Parish or Church Financial Statements have been used in calculating each line on the Parochial Return Form, it is important to use a cross-referencing technique. Beside each figure on the Financial Statement, indicate the line number from the Parochial Return Form.

For example, write "101" beside all items on the Financial Statement used to arrive at the figure placed on this line in the Return Form. These would include such items as Regular Envelopes, Christmas, Easter, Lenten folders, etc. Do this for all income and exemption lines in the Return Form. This will not only assist Diocesan reviewers, but also help with the completion of the return form at the Parish level, for the current and subsequent years.

INCOME

In the income sheet, there are a variety of income sources, with brief descriptions. Each of these will be described in detail in the following table. Several blank lines for writing in the name an income source that is unique to a parish or congregation are provided. For ease of reference, each source is given a unique number beginning with # 101.

Within each congregation and parish, the transfer of funds from one account to another is quite common. This can lead to some confusion when totaling the income under each of the categories shown on the income sheet. With lateral transfers, it is very easy to include a portion of an organization's income twice and, thus, arrive at an assessable income that is larger than it should be. For example, if an ACW has \$4,500 in income and offsetting expenses and transfers \$2,500 to the church's general account, for Parochial Return purposes: The congregational treasurer should exclude the transfer to the general account, and the ACW can show its entire Income (and expenses in line # 212) without dealing with the transfer as an expense.

| LINE NO. | Old line # | Description | Canon 16 | Explanation |
|----------|----------------------|-------------------|----------|--|
| 101 | 101, 102, 103, | Regular Offerings | 1(4)(a) | All regular offerings – envelopes, loose, special occasions – including Pre-Authourized Receipts (PAR) |
| 102 | 101, 103, | Donations | 1(4)(a) | Other general or specific donations – building fund, amounts in “memory of”, etc |
| 103 | 109 | Specific Appeals | 1(4)(a) | For use outside the Parish – PWRDF, Diocesan Times, AST, etc. Since there is only one line on which to insert a total amount, it is recommended that a list be included in the parochial financial statements outlining the amount contributed to each fund. This contribution will include money received in envelopes or by hand, that is specifically marked for a definite fund, or donations made by any of the church organizations. This money was formerly known as ' <i>Flow Through Income</i> '. The counterbalance to this income is shown in the claimed exemptions #209. |
| 104 | 104 | | 1(4)(a) | Blank for other donations from individuals – fill in the description Use lines #103-106 to enter the income <u>generated or donated</u> to each fund. Examples of “other funds” could be: organ fund, memorial fund, computer fund, siding fund, land fund, needy fund, glebe fund, miscellaneous account and others. <i>Placing money in a memorial account does not constitute a memorial. Memorial Funds are assessable income.</i> Use additional lines for more than one fund. The circumstance under which money raised and subsequently spent on capital and memorial projects can be exempted from allotment is explained in detail later in this book. See pages 8-10. If the number of lines is insufficient for the number of accounts, tabulate these on a separate page, and transfer the total to the income sheet, suitably cross-referenced. |

| | | | | |
|-----|-----|---------------------------------|---------|---|
| 105 | 104 | | 1(4)(a) | Blank for other donations from individuals – fill in the description |
| 106 | 104 | | 1(4)(a) | Blank for other donations from individuals – fill in the description |
| 107 | 110 | Interest and other Gains | 1(4)(a) | Investment income generated by the Parish. It may be from the Consolidated Trust Fund (CTF) or GIC's or investments held by the Parish. Include bank interest generated in the parochial bank accounts. |
| 108 | 110 | Redemption of Principal | 1(4)(a) | Withdrawal of Principal from investments held by the parish. It may be from the CTF or GIC's held by the Parish. Do not include any amount simply "rolled-over" during the year. |
| 109 | 120 | ACW (Gross Receipts) | 1(4)(b) | Gross earnings of all funds generated by the ACW. Expenses incurred in generating the funds are captured below |
| 110 | 121 | | 1(4)(b) | Blank for Gross earnings generated by other groups operating under the name of the Parish or church. Insert the name and the gross earnings. |
| 111 | 121 | | 1(4)(b) | Blank for Gross earnings generated by other groups operating under the name of the Parish or church. Insert the name and the gross earnings. |
| 112 | 121 | | 1(4)(b) | Blank for Gross earnings generated by other groups operating under the name of the Parish or church. Insert the name and the gross earnings. |
| 113 | 130 | Special Events (Gross Receipts) | 1(4)(a) | Gross income of any event(s) conducted by the parish or any congregation and where this event is <u>not</u> conducted by one of the church organizations listed in lines 120 to 124 (above). |
| 114 | 135 | Rental Income | 1(4)(a) | Gross income from Rental Income of Parish facilities |
| 115 | 136 | Cemetery Income | 1(4)(a) | Include sale of grave lots, general donations to the cemetery or cemetery fund, and any interest generated by the cemetery fund. |
| 116 | 140 | Grants | 1(4)(a) | Any Grants received by the Parish – Anglican Foundation, heritage grant from a government agency |
| 117 | 141 | Loan Receipts | 1(4)(a) | Amounts borrowed by the Parish |
| 118 | 142 | HST/GST Rebates Received | 1(4)(a) | The total of Tax refunds received |
| 119 | 143 | Insurance Claims | 1(4)(a) | Any insurance claims received – there will be offsetting costs for Capital or Repairs |
| 120 | New | All Other | 1(4)(a) | Any other income received by the Parish not Identified above |

| |
|---------------------------------|
| EXPENSES and CLAIMED EXEMPTIONS |
|---------------------------------|

This is the area in which the parish and the congregations apply for exemption from allotment. In the cases involving church organization income for example, the allowable expenses (to raise those funds) **must** be tabulated or otherwise identified in the parochial financial statements. It would assist the Diocesan reviewer if a number were placed in brackets next to this tabulation (on the financial statements). For example, the expenses for the ACW should be tagged with '[212]' to indicate that this is the origin for the dollar figure that appears on line 212 in the 'Claimed Exemption' sheet.

| | | | | |
|-----|-----|--|---------|--|
| 201 | New | Stipendiary Costs (Salary, Benefits, Pension etc) | 4(1)(h) | Stipendiary costs for clergy. Include salary and the Parish cost for benefits. |
| 202 | 231 | Housing Costs (Rectory Expenses or Allowance) | 4(1)(g) | Include the total for Rectory Expenses or Clergy housing costs. The spreadsheet will deduct the first \$5,000 per Canon 16. |
| 203 | New | Other Salary Costs (Music, Administrators, Office) | | Cost of Other Salaries – these costs are not exempt but allow reporting of the full cost of the parish |
| | | <i>Building Costs (Excluding Rectory)</i> | | |
| 206 | New | Utilities (Heat, Electricity, Water - Not Exempt) | | Cost of Utilities – these costs are not exempt but allow reporting of the full cost of the parish |
| 207 | New | Snow Removal and Landscaping (not exempt) | | Cost of Snow Removal and Landscaping – these costs are not exempt but allow reporting of the full cost of the parish |
| 208 | 245 | Repairs and Maintenance | 4(1)(h) | Enter the total amount spent. |
| 209 | 210 | Capital Improvements | 4(1)(h) | Enter the total amount spent on capital improvements. 100% exemption |
| 210 | 221 | Clergy Travel Reimbursement | 4(1)(i) | Enter the total amount paid for clergy travel. The spreadsheet will calculate the amount in excess of 5% of operating expenses |
| 211 | 214 | Christian Education Expenses | 4(1)(j) | Enter the total amount paid for Christian Education as defined by Canon 16. The spreadsheet will exempt the amount up to \$1,000 |
| 212 | 220 | Fund Raising Expenses (113) | 4(1)(f) | Enter the costs incurred to generate the Fund Raising Income reported on line 113 above |
| 213 | 235 | Rental Expenses (114) | | Enter the costs incurred to generate the Rental Income reported on line 114 above |
| 214 | New | Office (Stationery, Postage, etc.) | | Cost of Office Supplies and Utilities – these costs are not exempt but allow reporting of the full cost of the parish |

| | | | | |
|-----|-----------|---|---------|---|
| 215 | New | Church Supplies | | Cost of Church supplies and consumables – these costs are not exempt but allow reporting of the full cost of the parish |
| 216 | New | | | Blank for any other expenses – not exempt but allow reporting of the full cost of the parish |
| 217 | New | | | Blank for any other expenses – not exempt but allow reporting of the full cost of the parish |
| | | | | |
| 218 | 209 | Flow Through Funds (include specific appeals) | 4(1)(b) | Amounts sent to charitable organizations outside the Parish |
| 219 | 236 | Cemetery Funds (see line 115 above) | 4(1)(c) | Amounts transferred to Cemetery Funds – line 115 above |
| 220 | 205 | Bequests Placed in Endowment Funds | 4(1)(d) | Amounts transferred to an endowment fund – this would include any interest reinvested in the fund(s) |
| 221 | 240 | Grants | 4(1)(e) | This should equal line 116 unless the grant money is used for an “exemptible” purpose i.e. Capital Improvement. |
| 222 | 204 | Memorial Donations (must be approved by Parish Relations) | 4(2) | <u>Expenditures approved by the Parish Relations Task Group</u> from memorial funds for memorial items of a permanent nature, other than normal repair, maintenance or replacement, which are undertaken and dedicated as formal memorials. Such funds must have been given for a specific permanent memorial or endowment fund and not taken from the general operating funds, or other funds of the parish. A separate list of approved expenditures should be attached. |
| 223 | 211, 212, | Loan Repayments (Principal and Interest) | | Amounts spent on repaying loans |
| 224 | 242 | HST/GST Refunds | | HST/GST refunds received are exempt |
| 225 | New | | | Blank for any other exemptible expense |
| | | | | |
| | | Net Fundraising | | Calculation only |
| | | Net Rental | | Calculation only |
| | | Total Salary Costs | | Calculation only |
| | | <i>Missional Activities</i> | | |
| 204 | | | 4(1)(h) | Insert the description and cost of any missional activities. |

Summary of Parochial Returns

In completing these parochial returns, enter the figures rounded to the nearest dollar. Thus, a total such as \$2,804.76 would be entered as \$2,805 and \$746.39 as \$746.

In the parochial, congregational, and organizational financial statements, it is strongly recommended that explanatory notes be inserted wherever some ambiguity may arise. Keep in mind that several people will be using these financial statements that do not have the on-site knowledge to know what is happening in the parish or congregation. In addition to the notes, use a keying off or cross-referencing procedure.

In these parochial returns, there is a sheet in which the parish is requested to tabulate the amount of money contained in every account as of 31 December prior to the reporting year. This is historical data that plays no part in the calculation of allotment. However, it is vital information to the Parish Relations Task Group for those parishes that are applying for a Diocesan grant.

There is also a sheet for the parish statistics, such as the number of persons in the parish, and so on. This must be completed, as the Diocese is obliged to complete a diocesan summary to send to the national office in Toronto. This summary contains not only the statistical figures, but also a condensed version of the financial data. There is a deadline imposed on the Diocese for this report, thus the Diocese must impose deadlines on the parishes for the submission of these parochial returns.

The purpose of the parochial returns is to enable the Diocese to set an equitable allotment for each parish in order that the Synod may carry out its work. The major items for which allotment is paid are as follows:

- a) National Church, Missions; North American and Overseas;
- b) Assistance to Mission to Seafarers
- c) Programs for assistance to parishes, such as Stewardship, Planned Giving, Spiritual Development, Christian Education, Resource Centre;
- d) Diocesan Times;
- e) Relocation of clergy from parish to parish;
- f) Administration of Diocese, Synod, Teams, and Task Groups;
- g) Formation training for divinity students;
- h) Diocesan housing;
- i) Travel for Diocesan Teams and Task Groups;
- j) Meetings, conferences and Synod meeting;
- k) Cost sharing of Clergy Benefits;
- l) Salaries of the Bishops, Chaplains, and Diocesan Staff.