



## The Diocese of Nova Scotia and Prince Edward Island

### The 2023 Parochial Return Line – By – Line Descriptions

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

## **Parochial Returns**

The Diocese uses the allotment system in Canon 16 to fund the services it provides to parishes. Full financial disclosure from every parish is needed to apply the allotment fairly across all parishes. This disclosure includes all sources of income, including that generated by every organization within or managed by the church, including interest earned by, and donations made to, all funds or accounts maintained by the parochial corporation, including memorial accounts.

The 2023 Parochial Return continues the Missional Allotment exemptions approved at Synod 2019. Therefore, it includes exemptions for a portion of stipendiary costs (26%) and missional activities (to a maximum of \$3,000).

The return also asks that you provide information about some costs that are not 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 and to allow for the calculation of the Clergy Travel Exemption.

We designed the financial reporting sheets to accommodate parishes with several congregations or funds. We also provided a supporting schedule to detail your missional allotment exemptions.

The Parochial Return is available in Excel, which does many of the calculations,. There is a manual form available in pdf. It can completed by hand, and forwarded to the Synod office before the deadline.

### **ALIGNMENT WITH ANNUAL T3010**

All the line numbers on the left hand margin of the parochial return refer to boxes on the annual T3010. If you report all amounts the parochial return that are on your income statement and balance sheet, you should be able to report the totals for each line on your T3010.

### **CROSS REFERENCING is very helpful!**

In the event that you do not report all amounts from your financial statements, it will be helpful for you to use a cross- referencing technique. Beside each figure on your Financial Statement, indicate the line number from the Parochial Return Form.

### **Schedule 6A - Assets**

Use this schedule to report all the assets from your balance sheet.

### **Schedule 6A – Liabilities (Optional)**

Use this schedule to report all the liabilities from your balance sheet. Although the diocese does not require this information, we created this schedule to help you summarizing the liabilities for the annual T3010 return.

### **Schedule 6R - Revenue**

Use this schedule to summarize your revenue from all sources.

- Only report HST rebates on line 4650 if you show HST rebates on your income statement as revenue. Otherwise, leave this row blank.
- At the bottom of the schedule, please report the amount of any loans your parish received during the year, as well as the redemption of any investments.

### **Schedule 6E - Expenses**

Use this schedule to summary your expenses.

There is a 100% exemption from the calculation of allotment for capital improvements:

- If you report capital improvements as an expense on your income statement, please include that amount on row 4850 “Capital Improvements” in the section for Rectory Costs or Other Properties, depending on which classification is appropriate.
- If you capitalize improvements to accounts on your balance sheet, please list the additions in the space provided at the bottom of the schedule.

## Schedule 6M – Missional Activity

You can use Schedule 6M to detail your parish's missional activities. Up to \$3,000 of missional activities are exempt from the calculation of allotment.

## Exemptions

The major exemptions from the allotment calculation on the 2023 return are:

Exemption	Canon	Calculation
Flow-through funds – including special appeals, donations to other charities	4(1)(b)	(100%)
Income of a cemetery fund	4(1)(c)	(100%)
Bequests placed in investment funds	4(1)(d)	(100%)
Proceeds from sale of assets that are transferred to investments		(100%)
Grants reported as income	4(1)(e)	(100%)
Cost of fundraising	4(1)(f)	(100%)
Rectory costs	4(1)(g)	(maximum \$5,000)
Missional activities	4(1)(h)	(maximum \$3,000)
Capital improvements reported in expenses	4(1)(h)	(100%)
Capital improvements reported on balance sheet	4(1)(h)	(100%)
Grants deducted from improvements on balance sheet		(100%)
Stipendiary costs	4(1)(h)	(26%)
Clergy travel	4(1)(i)	See Schedule 6-E
Christian education	4(1)(j)	(maximum \$1,000)