

## MANAGING PARISH BUSINESS

The Corporation (Incumbent, Wardens and Vestry members) is responsible for the management of the day to day affairs of the parish. It is essential that all members of the corporation have an awareness of the state of the church in their area, and to be diligent in their collective decisions.

The [Constitution, Canons](#) and the [Anglican Church Act, 2003](#) (as amended in 2017), along with federal, provincial, and municipal legislation, provide the legal framework within which corporate decisions are made. We must however be cognizant, as well, of the need to function within our Christian framework. It is that which sets the parish apart from most other corporate entities.

For all intents and purposes, however, a parish is much like any other corporation; that is, it can own property, can sue (and can be sued), can sign binding contracts, maintains a public profile, and reports to various government and other outside agencies.

The following pages provide insight into our established procedures and policies around our corporate responsibilities with respect to issues of property, employment, and other matters.

As has been mentioned, the information following is of a general nature and relates to our canons, regulations, policies and directives, some of which are provided in part three of this handbook.

### The Parish as Property Owner

#### Registered Owner

The parish may own real property and improvements thereon. Deeds for title to land are registered to the parish corporation. Ideally, this would be in the official current or a former corporate name of the parish (Corporation of the Anglican Parish of ..... or the Rector, Wardens and Vestry of the Parish of .....).

However, that is not always the case as deeds may have been registered even before a parish was formally established, or may be registered to one of the churches in the parish. This does not normally become an issue until title or ownership needs to be verified, as in a sale.

#### Approval Required for Disposition

While land may be owned by and registered to a parish there is another interest to be considered. Under the terms of The Anglican Church Act, 2003 [s.7(5)], lands

owned by a parish corporation cannot be sold, mortgaged, or otherwise encumbered without the consent of the bishop and the Synod.

From a procedural standpoint, if a parish wishes to sell real property (whether with a building or without), e.g., a rectory, they must first have authority to do so. This involves an application to the bishop, usually by way of the territorial archdeacon, through the diocesan Property Committee. See [Policy A-3 Sale, Purchase or Renovation of Parish Property](#).

The application must provide indication that the corporation has agreed to the request for approval, the value of the property in question (from a qualified source), the reason for the sale, the method by which the sale will be accomplished (listed through agents or sold privately) and, of course, the asking price.

Applications for approval should first be referred to the territorial archdeacon for input and assistance in preparation to ensure the application is complete. Input from the archdeacon is required in all property matters.

Once the application is approved by the bishop and Diocesan Council (by way of the Property and Finance Committees), and an agreement of sale is reached, the deed of transfer must be signed by the appropriate parish officers and by both the bishop and the Secretary of the Synod. These signatures signify the diocesan and episcopal approval of the transfer of title. The deed is not valid without this signatory.

The same procedure applies in cases of the granting of right-of-way, easements or in the sale of property to government either through sale agreement or expropriation.

### **Approval Required for Lien or Mortgage on Parish Property**

There are times when a parish has need of funding for a major building project and there is a desire to use parish real property as collateral for a financing arrangement, i.e., mortgage or collateral chattel. In this situation there is a need to consider the bishop's vested interest in the property.

In order for the mortgage or other encumbrance to be valid the bishop must sign off his interest in the property. Again, there is a procedure for requesting approval.

The parish must ask for approval of the financial aspect of the undertaking and must make application in that respect. The application (with the archdeacon's input) is made to the Property Committee and must show the financial details of the request as in a sale application.

If the committee and the bishop agree then the mortgage document must be signed by the bishop and the secretary on behalf of the Synod. This signature is given only as a release of the bishop's interest in the property and does not constitute an agreement to co-signer, or act as guarantor of the loan.

## **Approval Required for Major Building Work**

Another area related to property, and which requires approval, is plans for building projects. The acquisition or construction of new facilities, or plans for a major renovation of or addition to an existing building, require both synod and episcopal approval.

The parish may apply for approval through the Property Committee. The application will include both the design or plans and an explanation of how the project will be funded. Both aspects require appropriate attention and ultimate approval before the work may proceed.

[Policy A-3 Sale, Purchase or Renovation of Parish Property](#) contains the required detail in respect of applications to the Property Committee for building/renovation plans, purchase, or sale approval.

## **Historic Properties**

While our diocese has been incorporated for over 150 years, many of our churches are over 200 years old. This leads to important considerations with respect to the historic nature of some of our buildings. The diocese pursues the development of policies and guidelines to assist parishes in dealing with the issues of historic recognition or designation of buildings and the protection of that heritage.

## **Property Insurance**

A parish has a clear responsibility to ensure its buildings and parish owned contents are adequately insured. In that respect, and with the approval of the Synod, the diocese has specific minimum standards as to types and limits of coverage required. See [Policy A-8 Minimum Insurance Standards](#).

In 1998 the diocese undertook a process to establish the replacement values of all parish buildings. These values have been adjusted for inflation and are still quite valid. However, these valuations do not reflect the value of contents, fixed furnishings (pews, for example), organs, or stained glass. Nor do they adequately reflect any historical significance about construction. Those areas must be identified by each parish as you consider your insurance requirements.

Normally, the building policy limitation includes property AND contents and of course excludes land value. Insuring to value helps avoid any obligation by the parish to be a co-insurer on losses. As an example, if replacement cost of a building is established as \$500,000 but the policy is for only \$250,000, then the parish would be responsible for one half of the cost of any insured losses (since only one half of the building's value is insured).

In some cases it may be appropriate for property to be insured for less than replacement cost. This is valid in cases where a building is considered surplus to

parish needs, or would simply not be replaced if destroyed. In these cases coverage for “actual cash value” or “site cleanup” may be feasible.

It is important however that these circumstances be very carefully considered before the reduced coverage is put in place. While the premium cost will be lower, the parish would be in a co-insurance position for the cost of any required repair in the event of a partial loss.

Other areas of insurance requirements include general liability, pollution liability, physical and sexual abuse coverage, crime, and boiler and machinery coverage. It is vital that these be considered where they are applicable.

The diocese has established a group property and liability insurance package. This is designed by our brokers (Marsh Canada Ltd.) and currently underwritten by [Ecclesiastical Insurance](#). The package is specifically designed to meet the established standards of coverage.

The parishes are not obligated to participate in this plan, while an increasing number do. However it is vital that insurance and any arrangements made through other providers meet the established minimum standards (see [Policy A-8 Minimum Insurance Standards](#)).

Our broker can be contacted at 1-800-405-6668 (Barbara McGuire).

### **Director and Officer Liability**

The people who have agreed to serve in various capacities at the parish level require certain personal insurance protection. To meet that requirement, and as directed by the Synod of 1999, the diocese carries director and officer liability insurance.

This policy covers all officers in all parish corporations and our two church camps, as well as the diocesan and episcopal corporations. It extends to individuals serving as wardens, chapel wardens, treasurers, vestry clerks, rectors, committee members, and members of Synod and all of its boards, groups and committees.

This coverage provides individuals with protection from damages that may arise as a result of personal action against them in their various corporate capacities at the parish or diocesan level. If, for example, a member of vestry was named personally in a legal action against a parish this policy would defend that person on an individual basis.

The cost of this coverage (less than \$175 per parish) is paid from the diocesan shared ministry budget.

## The Parish as Employer

### Clergy Remuneration

The parish corporation has responsibility to provide the incumbent (and assistant clergy if applicable) with remuneration as per [Canon Seven](#) s.7 and the related policies or regulations. The Diocesan Council, on recommendation of the Human Resources Committee, has responsibility for establishing the level of minimum remuneration and the manner in which the other remuneration and benefits will be provided.

The diocese participates in the General Synod clergy pension plan, long term disability plan and clergy continuing education plan. In addition we utilize the services of the General Synod for group life insurance and a medical plan for retired clergy.

Generally clergy remuneration consists of a stipend and a provision for housing.

**Stipend:** a minimum stipend scale is established by Diocesan Council. Parishes that are not in receipt of a mission grant may pay a stipend in excess of the scale amount. This practice, along with an annual review of stipends in the parish, is encouraged.

**Housing:** incumbents are provided with a residence, which includes heat and utilities and basic telephone service. In cases where no housing is available or the available housing is not occupied by the incumbent, there is provision for a cash allowance in lieu. [Regulation 7-2 Remuneration, Travel and Housing](#) gives direction in this regard.

All parish clergy are currently provided with a car replacement allowance and per kilometre reimbursement. Additional reimbursements are available in some cases.

The diocese contracts with appropriate companies for the provision of medical and dental plan coverage for clergy. The plan is mandatory and the premiums are cost shared.

There is provision for leave and funding for continuing education for clergy. There is also provision for a sabbatical leave under certain circumstances. See [Regulation 7-8 Continuing Education](#).

Clergy are entitled to an annual vacation leave of one month (four Sundays). In addition clergy are provided an additional, non-cumulative vacation period between Epiphany and Palm Sunday (see Canon Seven s. 3(1)).

The Diocese has an agreement with the Employment Insurance Commission for the provision of a short term disability plan. This provides for income for clergy for a period of up to 15 weeks of disability or illness.

Clergy also participate in a group RRSP as a supplement to the pension plan. Individual contributions (to a set limit based on age) are matched by the diocese.

Upon appointment, clergy may need to relocate to a new parish. [Regulation 7-3 Housing Standards and Moving \(Relocation\)](#) addresses this issue whereby the cost is covered through the diocesan shared ministry budget.

During periods of study leave, illness or vacation, a parish may need to call upon other clergy to conduct worship. The honorarium that applies in these cases is stipulated in [Regulation 7-2 Remuneration, Travel and Housing](#) s. 8.

### **Lay Employees**

Many parishes determine a need for lay employees as organists, sextons, secretaries, or youth/Christian education workers. These appointments are a valuable addition to the work of the ministry of a parish.

It is the responsibility of the parish to ensure that lay employees are treated fairly and in a manner that reflects our Christian ethics. The salary should reflect the nature of the work and the skills of the individual. There must be adequate provision for review of salary and work on a regular basis.

Parishes should be aware that there is a pension plan as well as a medical/dental plan available for lay employees, through the General Synod Pension Office. The Diocesan Synod office can be contacted for details. Generally, participation in these plans requires a minimum 20 hour work week.

Parishes are encouraged to adopt policy whereby all employees who qualify are offered these benefits with a cost sharing for premiums. It is also important to consider such issues as vacation, sick time etc.

### **The Parish in the Diocese**

Our mission and ministry as Anglican Christians is interwoven among the 74 parishes that make up the diocese. There is a sharing of this mission which transcends traditional parish boundaries. No parish stands alone; rather, it is part of the family of Anglican Christians in this area – the Diocese of Fredericton.

### **Parish Partnership in the Diocese**

Each parish has a very direct link with the bishop. Clergy are appointed by the bishop, in consultation with the parish. [Canon Seven](#) describes that process, providing detail as to the roles that are played.

Clergy operate in parish ministry with the bishop's authority, but it is the parish that is to assist the priest as required. Clergy remuneration is a parish responsibility.

The bishop is the spiritual leader of our church in this diocese, but s/he seeks input from the parishes in many ways: through Diocesan Synod, consultations on the shared ministry budget, normal communications and meetings to name a few. Similarly, diocesan policy is established with a high degree of parish input.

The diocese establishes an annual operating budget (the Shared Ministry Budget) to meet its stated goals and objectives, which in turn reflect priorities that serve to build up our people and support ministry.

Each parish is expected to meet its share of that budget's episcopal, administrative and mission and ministry costs. Parish proportionate share of the cost is determined through an assessment, calculated on the basis of a percentage of parish income. The assessment rate varies on the basis of the number of identifiable givers in each parish.

It is recognized that, at times, parishes are unable to meet these budget support requests and, while that is unfortunate, it does not necessarily need to reflect negatively on the parish ministry.

The diocese has established policies regarding the writing off of long outstanding budget assessment arrears and that policy is detailed in [Policy A-6 Outstanding Parish Assessment](#).

### **Diocesan “Services” to Parishes**

Diocesan “services” are what all the parishes enjoy due to the fact that we work together, making much possible when individually it would be more complex and costly overall. Some of the services available to parishes that are only possible due to our sharing as a diocesan (episcopal) church are:

- Payroll processing for parish clergy (mandatory) and lay employees (optional)
- Clergy benefits plan
- Parish [e-Offering program](#)
- Property / liability insurance program
- Diocesan Consolidated Investment Fund (D.C.I.F)

This fund provides parishes with an investment opportunity and normally provides an excellent rate of return on deposits with interest paid semi-annually. In addition, the Fund provides growth opportunity through “bonus interest.” This bonus return is added directly to the capital of each parish account at year end. Funds on deposit in the D.C.I.F. are not locked in and may be withdrawn any time upon authorized written request.



## **Managing Parish Finance and Administration**

### **Financial Controls and Procedures**

The proper management and handling of finances is important within the overall administration of a parish. [Canon Six](#) outlines parish governance and the various duties and responsibilities of parish officers.

It is the wardens who play the key role and who have much of the ultimate responsibility in this area, although most of the day to day functions are delegated to other volunteers, treasurer, counters, envelope secretary, etc. It is important that those assignees are properly trained and enabled to carry out their various functions. Some parishes established a finance committee to oversee certain aspects of financial administration and that can be a tremendous help, to both the wardens, treasurer and to the parish generally.

There is a strong relationship of trust between parishioners and the church when it comes to dealing with the funds that are collected and expended in support of the Lord's work through the parish ministry. This trust must be held in high regard and the parish leadership should always strive to deal with financial matters with integrity, accountability and appropriate transparency.

Without well-organized procedures in financial administration and reporting a parish is vulnerable to possible loss through simple errors, or through fraudulent practices. This can undermine the credibility of the church and its leadership.

The following guidelines are offered for use in the parish to point out some of the more important aspects of internal financial controls, reporting and administrative procedures. These will serve to develop sound practices that reflect local parish needs.

Among the areas that should be considered in assessing and upgrading parish procedures and controls are: handling receipts, expense authorization, budgeting, reporting, payment processing, and financial "auditing".

### **Receipts**

The bulk of parish income is derived from offerings received at worship services. These offerings are to be carefully counted and recorded. Normally, an envelope secretary is assigned the task of recording individually identified contributions for the purposes of tracking and issuing tax receipts.

The following are some of the more important points regarding offerings:

- Offerings must be counted before they leave the church building.
- The treasurer should avoid being a counter if at all possible.
- The count information should be carefully reported on forms designed for that purpose, including the parish vestry book, as soon as possible after the count is complete and before it leaves the church building.



- The funds are to be deposited in the bank as soon as is possible (a night depository service will assist greatly).
- The treasurer and envelope secretary are to be given copies of the count information for their respective purposes.

In dealing with offerings, it must be recognized that mistakes will occur from time to time. Wrong amounts may be recorded by donors on offering envelopes, cheques may be written incorrectly, or cash may be inadvertently left out of envelopes. If proper counting, handling and reporting procedures are in place these errors will be quickly discovered and volunteers will not be placed in positions of blame, nor will the parish face loss as a result.

Funds received outside worship tithes and offerings (for example, interest payments) can be incorporated into the offering count process or can be accounted for separately. If a receipt is needed it should be a pre-numbered, duplicate receipt, but only carry the parish registered charity number for valid charitable offerings.

### **Disbursements**

It is important to note, that when a parish cheque is issued to meet an expense that transaction must always reflect the decision and direction of the parish corporation. It is essential that proper authorization is in place for any payments made. This is an important aspect of the work of the parish treasurer, who is normally assigned the task of paying parish bills.

The form of payment authorization can vary, based on circumstance, local practice, or on the type of disbursement. In some parishes, all payments are authorized directly by the corporation, while in others there are standing arrangements made for certain regular expenditures, with extraordinary items being referred as appropriate.

### **The Parish Budget**

An important tool in setting expenditure limitations and priorities is the parish budget. The corporation is charged with the responsibility for setting a budget (usually adopted by the parish annual meeting) and for ensuring that disbursements are made in accordance with the budget and its limits. The budget sometimes serves as authorization for expenditure but that authorization must be limited, based on the type of expenditure involved.

For example, there are certain budget items fixed as to amount and usually no further authorization is necessary before making payment. Such items such as salaries and diocesan commitments fall into this category.

Other expenditures are estimated but are largely non-discretionary in nature. This would include such expenses as electricity, fuel, telephone, etc. Generally, the budget may be seen as the overall authority for these expenses, but, as in all cases,

regular reporting of variance from budget is critical to effective management of these expenses.

There are other budget categories, and of course, there are often expenses that are not budgeted at all. In these cases there is a need for clear direction as to an approval process for payment of the expense.

Parishes are urged not to overlook the importance of a budget in their work. A budget which reflects the goals of the ministry, which is well communicated, and which is monitored on a continuous basis, is one of the most effective financial management tools available to a corporation. Although it in no way takes the place of the parish line-item budget, many parishes find a narrative budget to be effective in communicating the work and ministry of the parish. Its value and purpose have application in any parish setting, and it should be given less appropriate emphasis.

### **The Reporting Process**

Beyond the issue of authorization, it is important that the corporation be kept fully informed as to expenditures, cash flow, future commitments and the like. Reports that provide this information are an integral part of sound financial management practices. Clear and regular reporting is vital. Monthly statements that show current costs, and year to date amounts, along with comparisons to budget and to previous years, are an effective communication and management tool.

The reports themselves should be part of an overall process of dealing with the business of the parish, both financial and otherwise. It is important that there be regular meetings of the parish corporation and that a review of finances be part of the agenda. If there is a need to authorize payments then that must be recorded in the minutes for future reference. Similarly, if an individual or a committee is appointed to deal with specific matters that may involve cost, then it must be made clear exactly how much authority those appointees have. Sometimes there can be assumptions that turn out to be incorrect or misunderstood, which can cause embarrassment and even financial loss.

### **Issuing Cheques**

Part One of this handbook provides important information regarding bank accounts and signing officers. While it may seem somewhat rudimentary there are certain aspects of handling disbursements that should be re-iterated:

- Cheques should be issued only when proper documentation is in hand (invoice, etc.) and only after authorization.
- Parish cheques require two signatures.
- Cheques should be signed only after they are completely filled out - signing cheques in advance "to make things easier" may indeed be convenient, but it is dangerous and can place individuals in somewhat compromised positions.
- A signing officer should not sign a cheque on which he or she is the payee.

- Cheques should be in the possession and control of one person only, normally the treasurer.
- Cheques must be pre-printed with the name and address of the parish and be numbered.
- The parish bankers must be kept fully informed of the names of the signing officers and any changes that may occur, especially after the annual meeting.
- The parish should ensure their banking service includes the return of cancelled cheques and a monthly statement.
- Cheques outstanding beyond six months should be followed up for cancellation or reissue as appropriate.

### **The Audit of Financial Records**

As a final safeguard of integrity and trust, the books of account for the parish MUST be “audited” annually. Although the term “audit” is not being used in the formal sense of the word, auditors offer a safeguard for the treasurer and assure the parish that an objective viewing of the financial records has intestinally taken place. For details as to the requirements and the qualifications of auditors see Canon Six s.4(1)(k). See the [Parish Financial Audit](#) for detailed information about the performance of this task.

### **The Registered Charities Information Return**

This [return](#) is authorized and prescribed by the Canada Revenue Agency and is a legislative requirement. The return is to be filed each year by all registered charities, and this includes all parish corporations. Among other things, its completion provides the CRA with the value of income tax receipts issued by the charity and confirms that the charity has used its tax-receipted income in a manner appropriate to its charitable activities.

The [Registered Charities Information Return](#) is to be filed ANNUALLY, within six months of the year-end of the charity. This means parishes must file the return by June 30th of each year. Failure to file the return by the deadline date may result in fines, and can even lead to revocation of the parish’s registered charity status.

It is imperative that the corporation verify annually that the return has been filed. This should be accomplished by specific reference to that effect in the minutes of a meeting of the corporation.

Because of the financial aspect of the return its completion is usually seen as a responsibility of the treasurer. However, it must be recognized that the information provided in the return is vital to the ongoing operation of our parish corporations.

## THE FINANCIAL AUDIT

Canon SIX 2(1)(d) states that financial statements are to be “duly audited by a professional accountant or by two competent persons”. There are essentially two reasons for this requirement. The first is to provide a second look at the financial information that is being presented to the congregation at the annual meeting. It is a verification that information being presented accurately reflects the true financial picture of the corporation. In this sense the audit is of benefit to the parish.

The second reason for an audit is to provide treasurers with assurances that their work is correctly represented in the financial statements. In this sense the audit is of benefit to the Treasurer, as an officer of the corporation.

The audit is not a “questioning” of the integrity of the treasurer, nor does it reflect a concern over the veracity of the financial statements. It is simply a device to provide independent opinion on the statements themselves.

There are essentially three areas that the audit will focus on; disbursements, receipts, and miscellaneous financial transactions. There is also a degree to which an audit can look at the administrative operation of the Parish in general although that may be beyond the scope of the audit envisioned in the Canon.

Simply carrying out the audit in itself is but one part of the process. The other is to report and to that end there must be a statement signed by the auditors attesting to the fact that the audit has been carried out. The auditors may also wish to report to the corporation with respect to weaknesses observed in the systems being used or in the overall administrative processes which are in place.

The following pages outline some of the necessary steps in doing a basic financial audit. It is designed to be a guideline for the use of the persons appointed to carry out the audit function. It should not be considered a definitive list of “things to do” and the auditors should not feel themselves restricted to these steps.

In summary the treasurers’ function in dealing with the financial life of the Parish is one of great importance. The audit provides piece of mind for the treasurers and gives assurances to the congregation that the financial statements accurately reflect the financial picture of the Corporation.

### GENERAL INSTRUCTIONS AND COMMENTS:

Carrying out an audit does not entail doing the treasurer’s work over again. Nor does it entail a check of every single transaction the treasurer has recorded. It is necessary for the auditors to do checks on random samples of transactions. This may mean choosing certain months and doing an exhaustive check on transactions processed in those months. It may include a detailed check of certain types of transactions such as all offering deposits and recording of same. It may be that the auditors will divide the work with one doing disbursements, another doing receipts. The important point is that no matter what form or scope the audit takes it must be more than a perfunctory effort. It must be detailed enough to be reliable and thorough enough to provide the desired level of assurances that are implicit in the Canon.

## **AUDIT CHECK LIST - DISBURSEMENTS:**

- [ ] Ensure there are adequate source documents (invoices, memos, budget etc) for all disbursements and that the corporation is appropriately named in those documents. Note: statements are not considered an adequate source documents without the accompanying invoices.
- [ ] Ensure source documents are adequately authorized by the Corporation for payment (via initials by authorized parties, reference to minutes, budget etc) and marked "paid" with reference to appropriate cheque number.
- [ ] Ensure all cheques are signed by two persons, duly authorized by the Corporation to serve as signing officers.
- [ ] Ensure all cheque numbers are accounted for (even those that were cancelled).
- [ ] Ensure expenses are paid on a timely basis so that any discounts are maximized and penalties avoided.
- [ ] Ensure payroll remittances are processed on a timely basis (employees paid when due, withholdings remitted to Revenue Canada and Synod within the legislated time frames, and if applicable central payroll assessments paid to Synod within the established time limit).
- [ ] Ensure the disbursements journal is properly added and balances carried forward.
- [ ] Ensure the total of expenses is properly noted in the financial statements.
- [ ] Ensure any purchases of a major nature or any investment purchases are adequately authorized and reflected in statements.

## **AUDIT CHECK LIST - RECEIPTS**

- [ ] Ensure deposits of offerings and other income are properly recorded in the cash journal and are in agreement with the bank statements.
- [ ] Ensure all income is deposited in a timely manner.
- [ ] Ensure adequate records are kept regarding envelope offerings so that individuals receive proper credit for their gifts.
- [ ] Ensure cheques are immediately endorsed to prevent loss or theft.
- [ ] Ensure contributions to special funds are properly allocated in the books of account.
- [ ] Ensure donations received via mail or personal delivery are receipted and recorded.

## **AUDIT CHECK LIST - MISCELLANEOUS**

- [ ] Ensure that a monthly reconciliation is done on all bank accounts and that it includes a listing of outstanding cheques and deposits.
- [ ] Ensure there are no cash withdrawals from bank accounts and that non-cheque entries are properly authorized .
- [ ] Ensure all non-cheque/non-deposit entries are appropriately recorded in the books of account.
- [ ] Ensure signing officers have been updated and that bank account agreements are current.
- [ ] Ensure cheques are not signed in advance.
- [ ] Ensure offerings are counted by two persons, recorded in the Vestry Book, and banked immediately.
- [ ] Ensure any debt is approved by the Corporation and is accurately reported in the financial statements. ]
- [ ] Ensure that any mortgages, or other debt instruments have been properly signed by appropriate parties, including the Bishop/Diocese where applicable, and the corporate seal affixed where necessary.
- [ ] Ensure investments held by the Parish, including those in the Diocesan Consolidated Investment Fund, are properly valued and recorded in the financial statements.
- [ ] Ensure proper authorization is in place for any withdrawal of investment fund(s) capital

## **AUDIT CHECK LIST - TAX RECEIPTS**

As a registered charity, parishes may issue tax receipts to acknowledge gifts from individuals and corporations. Those receipts are then used by the donors, to reduce their income tax. The issuing of receipts is a privilege that is to be very carefully guarded and is not to be taken lightly. Adequate controls must be in place to ensure the accuracy and validity of all receipts issued. The audit should include a check in this area of parish administration to help safeguard the tax exempt status of the Parish Corporation.

- [ ] Ensure that envelope records are maintained and tax receipts are issued on a timely basis.
- [ ] Ensure tax receipts are numbered, that all numbers are accounted for and that copies are kept on file.
- [ ] Ensure tax receipts contain all required information
- [ ] Ensure that no tax receipt is issued for any gift that cannot be directly attributed to a specific donor.
- [ ] Ensure tax receipts are signed only by duly authorized persons and that tax receipts are not signed in advance of being completed.

- [ ] Ensure there is a specific process for replacing lost receipts.
- [ ] Ensure that the amounts showing on receipts can be matched to funds recorded in the parish books.
- [ ] Ensure that any tax receipts for "gifts in kind" (ie. gifts other than money) are issued for amounts that are readily verifiable.
- [ ] Ensure that when it is necessary to issue a receipt for funds other than a gift (eg., an insurance settlement), that counter receipts (as opposed to tax receipts) are issued.

December 2005

**AUDITORS CERTIFICATION**

To: The Parish of \_\_\_\_\_

Re: Fiscal Year ending December 31, \_\_\_\_\_

I/We, the undersigned, having been duly appointed, have reviewed the financial accounts and the statements submitted to the Annual Meeting of the Parish of \_\_\_\_\_. In addition, we have reviewed any applicable certificates of investment.

In our opinion, the records maintained by the Treasurer are properly represented in the Year End Financial Statements presented to the Annual Meeting and accurately reflect the financial transactions of the Parish. The cash and investment balances properly state the financial position of the Parish.

Our review examined only the recording of the various transactions and does not purport to pass any judgement on the merit of the expenditures.

Respectfully submitted,

\_\_\_\_\_ Auditor

\_\_\_\_\_ Auditor

Date: \_\_\_\_\_

Notes:

This form should accompany the financial statements presented to the annual meeting. If the auditors are to on any observations regarding processes and procedures then that report should be made to the Corporation.