



# The Diocese of Nova Scotia and Prince Edward Island

## The 2020 Parochial Return Line – By – Line Descriptions

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 2020 Parochial Return begins the Missional Allotment exemptions approved at Synod 2019. Therefore, it includes exemptions for a portion of stipendiary costs (8%), missional activities (to a maximum of \$1,500), and reduces the exemption for maintenance and repairs to 67% of the total expenditure.**

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.

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 supporting schedules are provided and must be completed to allow exemptions for Missional Activities and building Repairs and Maintenance.**

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 deadline. **If you are completing the form by hand, take care to properly calculate the amount of certain exemptions (highlighted in grey).**

The financial sheets have eight columns for amounts. 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, **take care to properly calculate the amount of certain exemptions in this column.** Column 1 should be used for the Parish, if the Parish generates any income or expense independent of the churches. It is this column that will be used for a single point parish.

### **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
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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.	Description	Canon 16	Explanation
101	Regular Offerings	1(4)(a)	All regular offerings – envelopes, loose, special occasions – including Pre-Authourized Receipts (PAR)
102	Donations	1(4)(a)	Other general or specific donations – building fund, amounts in “memory of”, etc
103	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		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 <b>does not</b> 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. 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		1(4)(a)	Blank for other donations from individuals – fill in the description
106		1(4)(a)	Blank for other donations from individuals – fill in the description

107	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	Redemption of Principal	1(4)(a)	<b>Withdrawal of Principal</b> 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	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		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		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		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	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	Rental Income	1(4)(a)	Gross income from Rental Income of Parish facilities
115	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	Grants	1(4)(a)	Any Grants received by the Parish – Anglican Foundation, heritage grant from a government agency
117	Loan Receipts	1(4)(a)	Amounts borrowed by the Parish
118	HST/GST Rebates Received	1(4)(a)	The total of Tax refunds received
119	Insurance Claims	1(4)(a)	Any insurance claims received – there will be offsetting costs for Capital or Repairs
120	All Other	1(4)(a)	Any other income received by the Parish not Identified above

EXPENSES and CLAIMED EXEMPTIONS
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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	Stipendiary Costs (Salary, Benefits, Pension etc)	4(1)(h)	Stipendiary costs for clergy. Include salary and the Parish cost for benefits. <b>In 2020, 8% of this total is an exemption.</b>
204	Missional Activities	4(1)(h)	Insert the total cost missional activities from the attached schedule. The excel version will copy the total. <b>In 2020, a maximum exemption of \$1,500 is allowed.</b>
202	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. <b>Note that the allowable exemption excludes the first \$5,000.</b>
203	Other Salary Costs (Music, Administrators, Office)		Cost of Other Salaries – these costs are <b>not exempt</b> but allow reporting of the full cost of the parish
	<i>Building Costs (Excluding Rectory)</i>		
206	Utilities (Heat, Electricity, Water - Not Exempt)		Cost of Utilities – these costs are <b>not exempt</b> but allow reporting of the full cost of the parish
207	Snow Removal and Landscaping (not exempt)		Cost of Snow Removal and Landscaping – these costs are <b>not exempt</b> but allow reporting of the full cost of the parish
208	Repairs and Maintenance	4(1)(h)	Enter the total amount spent from the attached schedule. The excel version will copy the total and apply the 67% exemption rate. <b>In 2020, the exemption is 67% of this total allowed.</b>
209	Capital Improvements	4(1)(h)	Enter the total amount spent on capital improvements. <b>100% exemption</b>
210	Clergy Travel Reimbursement	4(1)(i)	Enter the total amount paid for clergy travel. The excel version will calculate the amount in excess of 5% of operating expenses. <b>The allowable exemption is only the portion greater than 5% of operating expenses.</b>

211	Christian Education Expenses	4(1)(j)	Enter the total amount paid for Christian Education as defined by Canon 16. <b>In 2020, a maximum exemption of \$1,000 is allowed.</b>
212	Fund Raising Expenses (113)	4(1)(f)	Enter the costs incurred to generate the Fund Raising Income reported on line 113 above. <b>100% exemption</b>
213	Rental Expenses (114)		Enter the costs incurred to generate the Rental Income reported on line 114 above. <b>100% exemption</b>
214	Office (Stationery, Postage, etc.)		Cost of Office Supplies and Utilities – these costs are <b>not exempt</b> but allow reporting of the full cost of the parish
215	Church Supplies		Cost of Church supplies and consumables – these costs are <b>not exempt</b> but allow reporting of the full cost of the parish
216	Insurance		Cost of Insurance paid by the parish – <b>not exempt</b> but allow reporting of the full cost of the parish
217	Other		Any other expenses – <b>not exempt</b> but allow reporting of the full cost of the parish
218	Flow Through Funds (include specific appeals)	4(1)(b)	Amounts sent to <b>charitable organizations outside</b> the Parish <b>100% exemption</b> . This <b>DOES NOT</b> include allotment paid to the Dioceses.
219	Cemetery Funds (see line 115 above)	4(1)(c)	Amounts transferred to Cemetery Funds – line 115 above <b>100% exemption</b>
220	Bequests Placed in Endowment Funds	4(1)(d)	Amounts transferred to an endowment fund – this would include any interest reinvested in the fund(s). <b>100% exemption</b>
221	Grants	4(1)(e)	This should equal line 116 unless the grant money is used for an “exemptible” purpose i.e. Capital Improvement. <b>100% exemption</b>
222	Memorial Donations (must be approved by Parish Relations)	4(2)	<b><u>Expenditures approved by the Parish Relations Task Group</u></b> 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. <b>100% exemption</b>
223	Loan Repayments (Principal and Interest)		Amounts spent on repaying loans <b>100% exemption</b>
224	HST/GST Refunds		HST/GST refunds received are exempt <b>100% exemption</b>

225	Other		Blank for any other exemptible receipt. A detailed explanation must be provided.
	Net Fundraising		Calculation only
	Net Rental		Calculation only
	Total Salary Costs		Calculation only
	<i>Missional Activities</i>		

## 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.