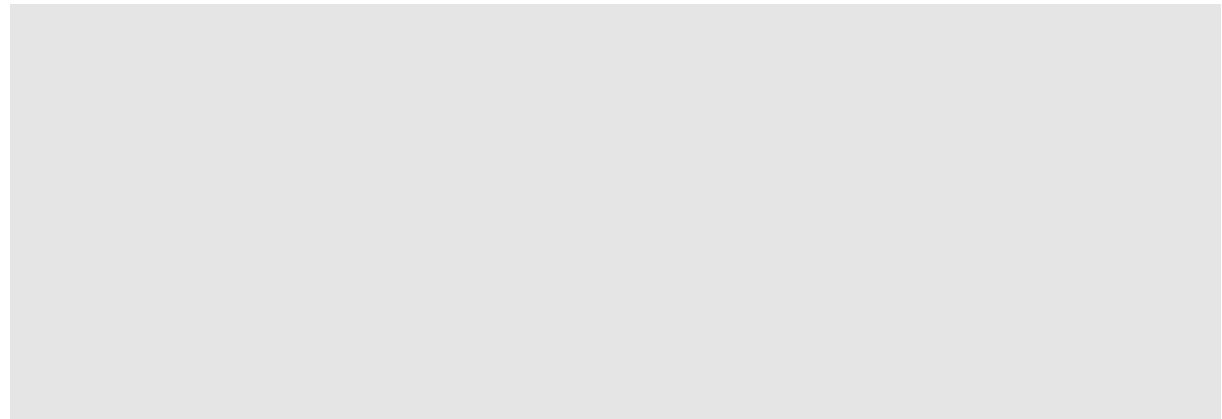


Parish Finances



Team



Patricia D'Souza
Treasurer & Director
of Finance

Keri Stilling
General Accountant
(Payroll and
Allotment)

Loretta Manuelpillai
Administrative
Assistant – IT &
Finance

Rebecca Scott
Senior Accountant

Jennifer Wang
Accounts Payable Clerk

Suchitra Ahlawat
Receptionist (on leave)

Trisha Baptista
Receptionist



Some of what finance does

- Payroll for clergy
- Billing for parishes
- Stock donation processing
- Investment fund (Consolidated Trust fund) processing
- Dividend distribution
- Grant distribution
- Financial management assistance
- Governance body decision support



Structure and Charitable Status

- Each parish is:
 - A separate provincial (Ontario) corporation – but is not separately incorporated
 - A Canadian Registered Charity
 - Must file T3010 within 6 months of year end (June 30 if the year ends on Dec 31st) to maintain charitable status



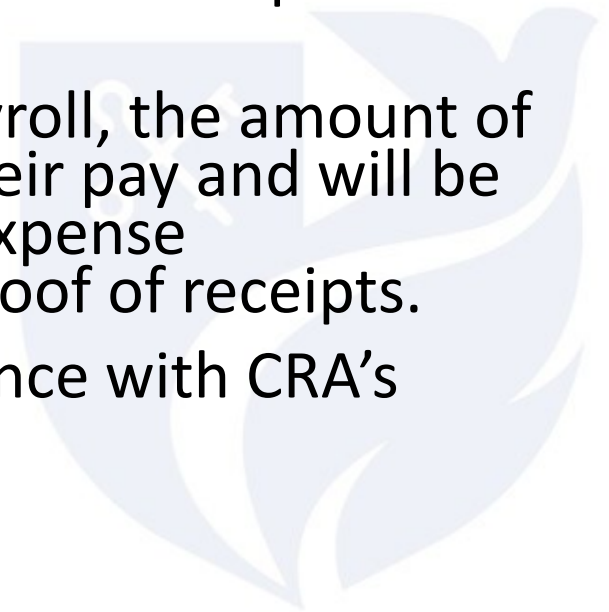
Requirements of the Parish

Requirement	Due Date
<ul style="list-style-type: none">• Diocesan invoice for stipend and allotment	Monthly
<ul style="list-style-type: none">• Churchwardens' Parochial Return (CWPR)	March 15
<ul style="list-style-type: none">• CRA Requirements:<ul style="list-style-type: none">✓ T3010-1 Charitable Information Return✓ HST Return✓ Payroll remittances	Six months after year end Determined by CRA (could be monthly, quarterly, annually) Determined by CRA



Discretionary disbursements by parishes

- Parishes that provide funds to individuals as a part of their discretionary spending are required to generate a T4A for the recipient of the funds, if the total amount of funds granted to a particular individual exceeds \$500 in a year.
- This includes ministry grants, honorariums and clergy discretionary grants or any amounts paid to individuals.
- If the recipient is on Diocesan payroll, the amount of funds granted will be added to their pay and will be taxed accordingly unless it is an expense reimbursement which requires proof of receipts.
- This is necessary to be in compliance with CRA's guidelines.



Disbursement Quota changes

- The disbursement quota is the minimum amount a registered charity is required to spend each year on its own charitable activities, or on gifts to qualified donees.
- Effective Jan 01, 2023, the disbursement quota rate has been increased to **5%** from 3.5% on the portion of charities' property not used for charitable activities that exceeds \$1 million.



Audited Financial Statements

	Audit	Review	Compilation/ Notice to Reader
Nature of involvement	Application of GAAP	Application of GAAP	Compiling information
Communication provided	Audit Report (opinion)	Review Engagement Report	Compilation report (no review)
Level of Assurance	Highest level	Moderate Level	No Assurance
Who can perform	Licensed Public Accountant	Licensed Public Accountant	Licensed Public Accountant



Audited Financial Statements

- Parishes that do not meet the requirements of Canon 14 regarding an audit are not in compliance with provincial law.
- At Synod 2023, the income threshold to conduct an audit under Canon 14 was increased to \$500,000. Parishes with income under this amount can conduct a review engagement by **passing an extra ordinary resolution** at the vestry meeting. Parishes with income less than \$100,000 can conduct a compilation agreement with the **permission of the Bishop and by passing an extra ordinary resolution at the vestry meeting.**
- These alternative engagements would still need to be completed by a licenced accountant, but they are less expensive than an audit.



Internal Controls – Financial Statements

- Churchwardens are responsible for all funds received and disbursed
- Statements should be prepared on a regular basis and reviewed
- Monitor financial operations:
 - Cash flow
 - Debt management, including balances owing to the Diocese
 - Investments including CTF funds
 - Segregation of restricted vs. non-restricted funds
 - Budget should not be in deficit position-sustainability



Internal Controls – Bank Accounts

- Bank Accounts – reconcile monthly
- CIBC – has a blanket agreement with parishes
- Signing authority – generally
 - 2 Churchwardens & Treasurer
- Cemetery funds & parish funds must be separated as per the *Funeral, Burial and Cremation Services Act*
- Parochial Organizations are not permitted to have their own bank accounts



Internal Controls – Donation Receipting

- Need to have an audit trail from bank deposit to receipt issued
- Need to ensure that receipts include all information required by CRA
- Documentation supporting receipts must be kept for 7 years



Investments

- Option to invest in Consolidated Trust Fund of the Diocese of Toronto
 - Monitored by the Investment Committee, which ensures compliance with Investment Policy
 - The annual dividend is \$13.50 per unit (4.50% return) for 2026 to be paid out quarterly
 - Currently holds \$225 million in investments



Information Technology Update

- Contact Loretta for password resets
- Multi-factor authentication to be set up on Diocesan emails.
- Auto-forwarding will be disabled
- Travel exemption request to be approved by the Diocese to access emails from outside of Canada.
- Bank information updates through phone only.

