

Diocese of Rupert's Land



Treasurer's Handbook 2017

updated November 2017

*The information in this handbook should be used in conjunction with
The Churchwardens Handbook and
The Canons of the Diocese of Rupert's Land.*

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Staff and Office Hours

ANGLICAN CENTRE

935 Nesbitt Bay, Winnipeg, MB R3T 1W6

Office Hours

Regular Office Hours:

Monday to Friday: 8:30 am to 4:30 pm

Closed for Lunch: 12 to 1 pm

Summer Hours:

June 1 to September long weekends

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The Anglican Church of Canada
Mission Statement

<http://www.anglican.ca>
<http://www.anglican.ca/about/beliefs>

Identity Statement of the Diocese of Rupert's Land
<http://www.rupertsland.ca/about/mission>

Mission Statement of the Diocese of Rupert's Land
<http://www.rupertsland.ca/about/mission>

Safekeeping of Funds

The safekeeping of funds is the responsibility of the churchwardens (see Duties and Responsibilities of Churchwardens - Canon 21). The collection of offerings is usually delegated to the sidespersons or a sidespersons' committee. A rotating roster can be set up and these individuals trained in the duties of a sidesperson and also the procedure to be followed after the service for the disposition of the offerings.

It is recommended that the offerings be counted and separated from the envelopes as soon as possible and funds deposited into the bank.

The most convenient method would be to arrange for a night depository bag and have the funds counted, recorded in the parish register, and deposited immediately after the service.

Funds should not be withheld for payment of expenditures. All expenditures should be made by way of cheque. The name of the parish should be either printed or marked with a rubber stamp on all cheques issued on behalf of the parish.

Arrangements can be made with the parish bank to leave the night deposit bag sealed until persons delegated by the parish attend and count the offerings on the next banking day. This would eliminate the need to stay after the service to count the offerings and separate the envelopes. Care should be taken to record the type of cash receipt at the time of the count (i.e. parish pledge, open, Sunday School, P.W.R.D.F., etc.) so that funds designated for beyond the parish can be identified and forwarded without delay. This also provides for a method of balancing the total deposit to the total cash received by source.

Rural parishes may have difficulty in having a bank within reasonable access. In these cases the offerings should be counted and recorded as noted above and the deposit prepared and entrusted to a designated member of the parish for deposit to the bank at his or her earliest convenience.

Funds should not be left in the church building which may, quite often, be left unattended for long periods of time.

The treasurer and envelope secretary should, on a periodic basis, ensure that the total of the issued receipts agrees with the total of funds deposited and any discrepancies reconciled.

Diocese of Rupert's Land
Annual Parish Financial Statement Summary

The year-end financial statement that each parish prepares must be submitted to the diocesan office on the forms provided, and cannot be in any other format because these financial statements are used for many purposes and therefore must have a uniform structure to enable their accurate tabulation.

Please DO NOT submit auditor's financial statements as a substitute for this form as these statements often classify information in a different manner than our statement. Attach a copy of the Auditor's report to the form.

Explanatory Notes re Financial Reporting – Parish to Diocese

Cash Receipts

A. Parish Operating Income: The bulk of the parish receipts will be reported under Operating Income, which covers normal collections, monies raised by projects and unspecified donations by parish organizations, rents, etc. A parish receiving support from the Diocese will report these funds under Grants. Also included in this Section should be income earned from investments used specifically for the operation of the parish.

Guidelines

Total of Receipts from

- | | |
|--|--|
| (i) Offerings – Identifiable/open | Envelopes, cheques from members, Pre-authorized remittances, Automatic deposits, unidentified offerings |
| (ii) Parish Organizations | Donations to the parish from ACW, Men's group, Youth group, etc., |
| (iii) Net income from Projects | Net income from dinners, garage sales, Plant sales, events (Income less costs incurred) |
| (iv) Donations (General) | Special operating donations received. |
| (v) Investment & Endowment Income available for operating purposes | (Interest, dividends, capital gains etc. Does not include capital transferred from investments to operating.) |
| (vi) Net Rental Income | Rent received for church, rectory, parish hall, church property, less direct costs associated with rental, (Property taxes and insurance on rented |

rectory or church property, Additional security & caretaking costs on rental of parish hall)

(vii) Other undesignated income used for operating purposes.

It Does Not Include

- a) Investment & Endowment Income designated for non operating purposes. (Cemetery, capital purposes, etc.)
- b) Bequests
- c) Funds received for capital purposes or to retire capital debt
- d) Donations specified for Parish Outreach purposes.
- e) Donations specified for Diocesan and national outreach (PWRDF, Anglican Appeal, Rupert's Land News, etc.)
- f) Other receipts which flow through the parish books for non operating purposes.

B. Non-Operating Income: The balance of the receipts will be reported under Non-Operating Income. This includes specified donations received for Parish Outreach and outreach beyond the parish (e.g., P.W.R.D.F., etc.), bequests and any other extraordinary receipts. In addition, donations received for Capital Projects will be reported under Non-Operating Income.

Disbursements

- A. Clergy Salaries: This covers all costs relating to paid clergy. The first line covers stipends, car expenses and housing allowances. The second line covers the parish portion of clergy's pensions, group insurance/health benefits, Continued Education, EI, CPP and EAP.
- B. Administration: The first line covers administration salaries only. The second line includes the parish portion of CPP, EI and other benefits. The salaries and/or honoraria paid to the, music director, organist, caretaking and maintenance staff etc., are now separated into C. and D. Administration costs include items such as stationery, postage, telephone, advertising, professional fees, travel reimbursement to non-clergy staff, etc.
- C. Worship & Education: The first line covers the salary or honoraria paid to the music director, choirmaster or organist. The second line covers youth leader salaries/fee. The third line covers choir expenses, Altar Guild supplies, Communion supplies, etc. The Fourth line is materials, etc. The fifth line would be additional programs.
- D. Parish Property: The first line covers the salary of the caretaker or fees paid to a cleaning service. The following lines cover costs relating to maintaining the land, building(s).
- E. Acquisitions: This covers virtually all tangible pieces of equipment and furnishings.

- F. **Common Ministry & Mission (CM&M):** Diocesan Synod at its 2008 meeting approved the following resolution: RESOLVED THAT the Common Ministry and Mission program be approved and introduced in accordance with the following Definitions and Program Description: and that it be implemented for two years and then brought back to Diocesan Synod in 2010 with an evaluation and recommendations for the future. At the Diocesan Synod in 2010, CM & M program was to be continued with greater emphasis placed on meeting with individual parishes to discuss their level of and ability to support the program.

Definitions as used for CM&M:

a. Parish Operating Income: Total of receipts from

- i. Offerings - Identifiable and Open
- ii. Parish Organizations
- iii. Net income from projects
- iv. Donations (General)
- v. Investment & Endowment Income available for operating purposes
- vi. Net Rental Income
- vii. Other undesignated income

(See guidelines below)

b. Common Ministry and Mission Contribution Rate

The percentage of parish operating income approved by Diocesan Council that lies within the range approved by Diocesan Synod.

c. Common Ministry & Mission Contribution

Parish Operating Income multiplied by the CM&M Rate.

d. Parish Ministry and Mission Assistance.

Approved contributions to Ministry and Mission of a Diocesan Nature carried out by a Parish.

Program Description

1. All parishes are making a covenant with one another to contribute to the approved budget for Diocesan operations in the amount indicated by the calculation of its Common Ministry and Mission Contribution.
2. It is recognized that some parishes will not be able, financially, to reach this level of contribution immediately. Those parishes unable to reach this level will be requested to meet with Diocesan officials to discuss the parish's financial position and means of working toward the objective.
3. Other parishes currently contribute in excess of this level and are capable of continuing to do so. Until the program is fully established, such parishes are requested to not reduce their contribution by more than 1% per year, of its operating income, without prior discussion with Diocesan officials. Such discussions may include the feasibility of the parish entering into a mission arrangement with another parish to assist the other parish by contributing to the Diocese a portion of the other parish's Common Ministry and Mission Contribution.

4. **Common Ministry and Mission Contribution Rate** will be reviewed at every second meeting of Diocesan Synod. The range established for the budgets of 2009 to 2012 will be from 12% to 15%. Diocesan Council shall have the authority between Synods to set the contribution rate applicable for the coming budget year. The rate shall not be increased by more than 1% from one year to the next.
5. **Common Ministry and Mission Program Recognition for Extraordinary Diocesan Mission and/or Evangelism Projects**

Introduction:

The 2008 Diocesan Synod passed resolution B-10 on adopting a Common Ministry and Mission program for parish financial support of the ministry and mission that is common to all parishes as outlined in the Diocesan budget. Section #4 reads: “A program of **Parish Ministry and Mission Assistance** will be established” that will recognize a parish’s financial contribution to ministries which are supported locally and are carried out on behalf of all of the parishes of the diocese in a way that exceeds the normal expectations for local ministry and mission. *“Application criteria will be developed for approval by Diocesan Council. Eligible parishes may then apply to the program for assistance.”*

The November 2011 meeting of Diocesan Council approved this program and authorized its implementation for a trial year in 2012 and it has been subsequently adopted.

Parish Calculation of Common Ministry and Mission:

1. Parish Common Ministry and Mission allotment is calculated according to the percentage of Operating Income (as outlined in the CM&M program) that is authorized by Synod and Diocesan Council for that year. It is currently at 12%.
2. Within the limits established below, parishes should include the expenses they incur for a program in mission and/or evangelism which meets the criteria and is approved since, indirectly, all parishes will benefit from this work.
3. At the same time, the actual CM&M amount contributed by a parish is not reduced directly, because the eligible mission and/or evangelism program does not directly provide financial resources to the Diocesan budget, nor does it reduce the expenses of the “common ministry and mission work” contained in the approved diocesan budget.
4. Therefore, the approved amount of expenses is deducted from the parish’s calculated Operating Income prior to assessing the percentage allocated for CM&M.

Principles

1. Social mission and evangelism programs that are recognized by the Diocese as being greater than would normally be undertaken by a single parish, would qualify for a reduction in declared Parish Operating Income that is used for calculation of the parish’s Common Ministry and Mission allotment.
2. The maximum authorized deduction would be 20% of the calculated Operating Income. The rationale behind this is that parishes should not expend more than

20% of the income for local ministry and mission of a diocesan-based project. Instead, parishes should partner with other parishes and organizations in order to take on larger projects.

Criteria

1. Any eligible mission expenses must be drawn from declared Operating Income (i.e. not from other special grants, appeals, designated giving or other non-operating income.)
2. The expenses of an eligible project must meet or exceed 5% of the declared Operating Income. (The rationale behind this is that projects that utilize less than 5% of a parish's declared Operating Income is not deemed as being beyond the normal mission or evangelism program common to all parishes. And, as above, the maximum amount that can be deducted from the calculated Operating Income is 20% of the Income.)
3. Evangelism projects. The project must have a reasonable expectation of increasing church membership and participation in order to qualify.
4. Social mission projects. The project has to be of common concern to Anglicans in the Diocese and only able to be offered in a unique context. (i.e that parish's context)
5. First-time applications would need the approval of the Executive Committee according to this policy. Subsequent applications for the same project would receive automatic approval upon receipt of a satisfactory annual report on the project.

Application Procedure

If a parish believes that it has an evangelism or social mission project that it is *currently* funding that meets the criteria above, it should send a written description of the work, along with a current parish financial statement, and a notation explaining what portion of the operating income is being applied to this project to the Diocesan Executive Committee in care of the Bishop. The portion applied must represent expenses that the parish otherwise would not incur. If the expense for the project represents a portion of a larger expense item (ef: a worker's stipend who also performs other duties), this should be explained and only the portion designated for the project should be included.

Concluding Note:

Clearly, parish and diocesan leadership will need to handle these applications in a spirit of trust and transparency. The common goal for all involved is to recognize and provide for the continued vitality and viability of both the individual parish and the common ministry and mission of the diocese.

Financial queries should be directed to the Director of Finance. Other questions of interpretation about the policy should be directed to the bishop.

- G. Non-Operating Expenses: This covers all outreach disbursements, including funds which have been designated by the donor (e.g., P.W.R.D.F.), Capital Expenditures (for buildings and major repairs) and the interest on Loan Repayments.

H. Loans & Mortgages: The proceeds of all loans and mortgages should be shown on the first line and payments made on the principal of loans and mortgages shown on the second line.

Balance Sheet Summary

Current Assets

Current assets include the balance of all bank accounts, term deposits and other investments, prepaid expenses and accounts receivables.

Fixed Assets

The fixed assets consist of land, buildings, furniture and equipment and should be shown at book value.

Liabilities

All liabilities as at the end of the year should be shown.

Equity

The various funds which the parish holds for specific purposes should be shown in the appropriate category. Net value of fixed assets should be the total of fixed assets shown above less any outstanding loans or mortgages associated with those fixed assets.

Insurance Report

The valuation of the various properties should be equal, as close as reasonably possible, to their replacement cost. It is not suggested that an appraisal be done annually, but the Finance Committee recommend that an appraisal should be made preferably once every five years, or at the very least, once every ten years.

The value of furnishings will not be an easy figure to calculate. It is suggested that each parish should take an inventory of the contents of each building at year-end, listing all major items:

e.g.:

Church: Organ, pews, choir stalls, pulpit, lectern, draperies, carpets, font, amplifying system, communion vessels (chalice, paten etc) TV's, VCR's, projectors, etc.

Office: Desks and other furniture, computers, typewriters, duplicators, calculators, filing cabinets, etc.

The first inventory will be the most difficult, but thereafter it should be relatively easy, mainly in listing additions and deleting items that have been disposed of.

The valuation should reflect the replacement cost or market value of the items concerned.

The amount of insurance carried should cover at least a major portion of the listed value, but preferably should be for the full value of buildings and contents.

The existence of an inventory is of particular value in the event of a loss by fire, theft, or vandalism. This will facilitate the settlement of any insurance claim. A duplicate copy of each

year's inventory should be made, with one copy kept at the church and one in safekeeping in an entirely separate location.

If all parishes will follow the above system of reporting, it will be of great assistance to those responsible for maintaining this information at the Diocesan Centre. At the same time, it is hoped that in preparing these reports they will be of considerable value at parish level.

**Common Ministry & Mission
(Year 1) - PRIOR YEAR CONTRIBUTION**

Anglican Parish of _____
(Year 2) - PARISH OPERATING INCOME

Sample Form

Offering	Identifiable	\$ 114,499	
	Open	\$ 4,923	
Parish Organizations			
Net	income from projects	\$ 7,185	
	Donations (General)	\$ 5,735	
	Investment & Endowment Income(available for operating purposes)	\$ 48,400	
Net	Rental Income	\$ 19,210	
	Other Undesignated Income	\$ 12,980	
TOTAL (YEAR 2) OPERATING INCOME		\$ 212,932	
CM&M (Year 1) contribution Rate 12.5%		\$ 26,617	
CM&M (Year 1) contribution		\$ 6,000	2.82%
CM&M Contribution recommended for inclusion in (year 1) Parish Budget \$ _____			
Percentage of (year 2) operating income		_____	%

COMMENTS:

The Commitment will be paid to the Diocese of Rupert's Land in _____ installments of \$ _____ beginning _____.

Warden

Warden

Incumbent

Treasurer

Dated this _____ day of _____, (year).

**PLEASE RETURN AS SOON AS POSSIBLE AFTER YOUR ANNUAL MEETING;
NO LATER THAN MARCH 1st. THANK YOU.**

Annual Parish Financial Statement Summary – see Attachment 1

Annual Insurance Report – see Attachment 2

Clergy Stipends and Related Matters

Basic Stipend

All parishes are under obligation to pay the minimum stipend, and self-supporting parishes are, of course, free to pay more.

The present rates are recommended by the Diocesan Compensation Group and set by Diocesan Council. Whenever changes are made, clergy and parish treasurers will be advised by the Diocesan office.

Pension Premiums

According to Regulation 9 of the General Synod Pension Canon VIII, pension premiums are based on the actual stipend plus 50% of the total stipend. Starting the first of January 2014, employers are required to remit 1.3% of pensionable stipend which will pay for all overhead expenses of the Pension Fund.

According to General Synod pension regulations, pension premiums must be forwarded by the Diocese to the National Pension Board at the end of each month. Therefore, it is essential that parish benefit payments be forwarded to the Diocesan office by the 25th of the current month.

Stipend and Benefit Form

At the beginning of each calendar year, and whenever a stipend increase occurs, the revised figure should be reported to the Diocesan office. The office will then advise your treasurer of the revised amount of benefit deductions and parish expense. Whenever the diocesan office is advised of changes in the premiums on benefit plans, a new form indicating these changes will be prepared and sent to the treasurers. It is important that the treasurer review and return one signed copy of the stipend and benefit form to verify agreement with diocesan figures or indicate on this returned copy any revisions.

Income Tax Returns

A fair rental value for a rectory provided must be reported on the T4. For clergy not living in rectories, a portion of the remuneration is deemed to be a housing allowance by the Diocese. This amount is not subject to tax, except in exceptional circumstances. This income is reported on the T4 with the stipend. At the year-end a T1223 must be completed by both the clergy and parish as required for the clergy to claim a residence deduction.

When the parish does not provide a rectory, but pays a housing allowance, this allowance must be included as employment earnings for E.I. calculations.

It is the duty of churchwardens in each individual parish to estimate a fair rental value for the rectory and advise the treasurer of the amount to be reported on the T1223 and the T4.

Clergy Housing

Canons of the diocese stipulate that the parish must provide its clergy with suitable housing and utilities, or an appropriate allowance in lieu thereof.

The Clergy Housing Allowance is recommended by the Diocesan Compensation Group and set by Diocesan Council, and is for clergy purchasing their own homes. It does not apply to clergy living in rectories or rental accommodation.

Such housing or allowance is exempt from income tax, in most circumstances but must be reported in box 14 on the T4. This information relates to a Registered Charities Newsletter dated June, 2005. 'When a clergy member lives in their own house or rents a property and claims a clergy residence deduction based on the fair market value of the house or the rent paid, respectively, they will need to file a T1213 (Request to Reduce Tax Deductions at source for Years – can make the request for up to two years) to the address listed on the T1213. As this takes 6 – 8 weeks to process by Canada Revenue Agency, it is recommended that the form be completed and sent in by October 1 of each year.

The cleric making this request, will receive an approval letter from Canada Revenue Agency. They must provide this to the individual completing their payroll, If this approval form has not been received by the first payroll in January, they will be required to deduct income tax off both the stipend and the Housing Allowance. Upon receiving the approval letter, adjustments will be made to the remaining pay periods in the year for the taxed Housing Allowance.

Such housing or allowance is exempt from income tax, with receipt of above approval process, but must be reported in box 14 on the T4.

The rectory must be properly insured and normally this can be arranged along with insurance coverage on the church and other buildings.

An inspection of the condition of the rectory should be made annually and a report forwarded to the diocesan office on the forms which are provided in December of each year. Care should be taken to arrange such inspection at a time mutually convenient to the churchwardens and the rector.

Standards for Clergy Housing

Recommended standards for clergy housing have been prepared by the Diocese which should be studied at any time a parish is considering the purchase or building of a new rectory. They should also be studied when major changes in the present rectory are being contemplated.

Manitoba Property Tax Credit

Clergy living in a rectory are entitled to the Manitoba Tax Property Tax Credit. The figure which they should use in making their claim on the income tax form is the fair rental value as established by the churchwardens.

Vacation

Full-time clergy are entitled to vacation as follows:

Minimum of:

For the first ten years of ordination	1 month
Between 10 and 15 years	5 weeks
Thereafter	6 weeks

The expense of providing for services during such vacation shall be borne by the parish.

Substitute Fees for Services

That the following policy be established for substitute fees to be paid as set each year by Diocesan Council.

Mileage per prescribed rate from home of clergy to parish and return. Parish pays fees and mileage. If a mission or administered parish, then the Diocese pays these costs.

A flat fee for emergency pastoral service, in the event of the absence of the clergy or no parish clergy, be paid at a minimum of \$50 plus travel in accordance with Diocesan Travel Policy.

Request to Reduce Tax Deductions at Source for Year(s) – T1213 – see Attachment 3

Clergy Housing and Minimum Stipend Scale for current year - see Attachment 4

**Guideline Regarding Years of Service Salary Scale Credit
for Clergy Entering Stipendiary Ministry from a Different Occupation**
(found in the Diocese of Rupert's Land Canons – under Guidelines)

<http://www.rupertsland.ca/wp-content/uploads/Years-Of-Service-Salary-Scale-Credit-For-Clergy.pdf>

Please note: These discussions need to take place before hiring occurs.

Up to the present, there has been no consistent practice of providing a person who enters stipendiary ministry later in their working life, nor does there appear to be an equitable formula by which such decisions should be made. Some parishes have provided a stipend which acknowledges that previous experience in a former occupation brings worth that should be reflected in stipend by matching year for year or a fraction of the years (1/2 – 1/3) of service in the former occupation. This decision is governed by the parish's disposition toward generosity, the parish's ability to offer a higher stipend, the relatedness of the previous occupation to parish ministry and /or the income received from pensions from previous employment.

Given the number of variables that impact on this decision, a precision formula or scale is neither possible nor appropriate; rather A PROCESS OF NEGOTIATION IS PROPOSED. When a parish is considering the name of a cleric who is beginning parish ministry having had a previous occupation, they are advised of the need to consider the matter of setting years of service beyond the years of ordination for stipend purposes.

Once it is decided that such a person is to be appointed as the incumbent, the Diocesan or one of the Archdeacons would undertake a negotiation with the wardens and the incumbent designate to determine the appropriate level of compensation for previous experience on the years of service scale. Once this level has been determined, ratified and documented in the incumbent's file by the Diocesan, the cleric advances on the scale annually from that year. This decision would be considered "portable", that is when the cleric moves to his or her next appointment, he or she could expect to be paid at least according to the basis of advance years of ordination identified in the previous parish.

Certificate of Annual Clergy Compensation for current year - see attachment 6

Salary and Deduction Worksheet see Attachment 9

Diocese of Rupert's Land Pre-Authorized Remittances (Payroll)

The Diocese of Rupert's Land presently has **Payworks** process the payroll for the Diocese, plus a number of parishes. The payroll is completed on a semi-monthly basis.

Attached is a Pre-Authorized Remittance (Payroll) form to be completed if it is the Parish's wish to share in this program. The funds are automatically withdrawn from the Parish bank account on a semi-monthly basis (as per the Pay Run Schedule – also attached).

Items required to be forwarded with the Pre-Authorized Remittance include a TD1, TD1 MB, salary and benefit sheet for the employee, e-mail address for the employee, and e-mail address and name of individual who would be the main contact for the parish.

Parish cost to complete semi-monthly payroll, employee pay stubs, parish statements and yearly T4's are as in attachment 7.

Pre-Authorized Remittances (Payroll) – see attachment 7

Diocese of Rupert's Land

Pre-Authorized Remittances: Benefits and Common Ministry & Mission

The January 8, 2008 Executive Committee meeting passed the following items:

THAT a program of pre-authorized monthly remittances for benefit costs re the National Church Benefit Plan be instituted. That benefit costs be transferred from the parish bank accounts to the Diocesan bank account on a monthly basis, and that this program start as early as January, 2008.

THAT a program of pre-authorized monthly remittances for Common Ministry and Mission be offered to parishes on a voluntary basis commencing as soon as possible.

Attached is a Pre-Authorized Remittance Form to be completed and forwarded to the Diocese of Rupert's Land along with a sample cheque marked "void".

Pre Authorized Payroll and Common Ministry and Mission Form – see Attachment 8

Pay Run Schedule for current year – see attachment 13

Parish Remittance Forms

These forms have been designed so that they can be immediately credited to your respective accounts. In order to facilitate this process, please observe the following:

1. Write as clearly as possible.
2. Do not write on the dotted lines any amounts that are not being remitted.
3. Do not write in sub-totals.
4. Be sure the right-hand column adds up to the "TOTAL".
5. Be sure the amount of your cheque agrees with the "TOTAL".
6. Any sundry payments should be listed under "OTHER" with a brief description (we will record the appropriate account number).
7. Each item has a separate set of account numbers.

A copy of this form will be sent to parishes at the beginning of each year, which can be photocopied. This form **MUST** accompany your monthly cheque to the Diocese in order for us to know the breakdown of your cheque and make the appropriate entries in our accounting system

Parish Remittance Form - see Attachment 10

The General Synod Pension Plan Benefits Highlights

The General Synod Pension Plan is a multi employer defined-benefit plan.

Eligibility

All Bishops and members of the clergy on the register of a Diocese which is a participating employer, and in receipt of salary shall be members except as provided under sections 4, 4A, and 5 of this regulation and shall for the purpose of the plan be considered to be employed by the said Diocese. The Pension Committee may, at its sole discretion, exempt from membership any person otherwise required to become a member provided that there is set forth in full in the application for the exemption:

- a. the grounds upon which the exemption is sought;
- b. a statement from the person's employer
 - i concurring with the application; and
 - ii confirming that neither the employer nor the person will benefit monetarily or otherwise by virtue of non-membership.

The application must be concurred in by the diocesan Bishop or the Primate and by the person concerned.

Contributions

You are required to contribute 5.3% of your salary. The salary-paying source is required 11.9% of salary plus 1.3% for overhead expenses.

Retirement Dates

Normal Retirement:

The first day of the month following your 65th birthday or following completion of forty years of contributory membership, whichever comes first.

Early Retirement:

You can retire any time after age 55 with a benefit reduction of .5% for each month the retirement date precedes your normal retirement date by the first 60 months.

Deferred Retirement:

If you choose not to retire on your normal retirement date your benefit will be increased by .5% for each month of deferred retirement.

Retirement Pension

You earn a specific amount of pension for each year of contributory membership which is based on 1.8% of your salary in that year. When you retire, your pension will equal the sum of the pension amounts accumulated plus such increases as approved from time to time.

Death Benefits

Prior to Age 65:

For a member with at least 5 years contributory membership, if you do not have a spouse, your beneficiary or your estate will receive the greater of your personal contributions plus interest or the commuted value of your accumulated pension.

If your spouse is not eligible to receive a surviving spouse's benefit, your beneficiary or your estate will receive the greater of your personal contributions plus interest or the commuted value of your accumulated pension.

After Age 65:

If you do not have a spouse, your beneficiary or your estate will receive the return of your personal contributions plus interest less pension paid.

If your spouse is not eligible to receive a surviving spouse's benefit, your beneficiary or your estate will receive the return of your personal contributions plus interest less pension paid.

Survivor's Benefits

Providing you have 5 years of contributory membership in the plan at time of death or retirement, your spouse is eligible to receive a surviving spouse's benefit.

If you die prior to retirement, your spouse's pension is equal to 60% of your accumulated pension at time of death.

If you die after retirement, your spouse's pension is equal to 60% or 100% (providing you elected the 100% option at time of retirement) of your accumulated pension at time of death.

A survivor's benefit will not be terminated upon remarriage.

Termination of Employment

If your pension is not vested and locked-in, you are entitled to receive a return of your personal contributions plus interest. If your pension is vested and locked-in, you may elect one of the following options:

1. to transfer the commuted value of your pension to the Registered Pension Plan of your new employer, if the Plan will accept the transfer;
2. providing you are not eligible for early retirement under the terms of the plan, you may elect to transfer the commuted value of your pension to a locked-in Registered Retirement Savings Plan.
3. to request that a deferred annuity be purchased from an insurance company;
4. to request that the accumulated pension remain in the Plan until you are eligible to apply for a retirement benefit.

Vesting & Locking-In

Vesting and locking-in occur after two years of continuous service, or if age plus continuous service equals 45 (minimum one year of continuous service is required).

"Vesting" means you have a right to your accumulated pension, even if you terminate employment before you are eligible to retire.

"Locking-in" means you have a right to your accumulated pension, even if you terminate employment before you are eligible to retire.

Commuted Value

Commuted value means the cash value of your accumulated pension. In determining death benefits, with respect to service prior to 1987, commuted value means the member's contributions plus interest.

Marriage Breakdown

In the event of a marriage breakdown, payment of a pension to the former spouse must be made in accordance with the terms of a written domestic contract or court order and the requirements of applicable pension legislation.

Annual Statement

Each year you will receive a personalized pension statement showing your current status in the plan, including contributions and pension accumulated to date.

In this brief summary of the plan, some of the provisions have been simplified. Reference should be made to Canon VIII and the Regulations.

Lay Retirement Plan

(Canon IX of the General Synod Canons)

Membership Eligibility

All lay employees of a Participating Employer shall be Members except as provided under Regulation 2.2 and 2.3 of General Synod Canon IX.

General Synod Canon IX, section 2.a) defines a Participating Employer as any Parish or organization admitted to participation in the Plan.

New Entrants

Lay Retirement Plan Enrolment form to be completed by the new employee and employer.

Termination Of Active Service

A termination form should be completed and sent to the Pension Office immediately. Under the Pension Benefits Act the plan administrator (the Pension Office) has 30 days from the date the notice of termination has been received to provide the member with their termination options. The termination options are contained in Regulations 8.

Disability

If the member becomes disabled, the total funds being held on behalf of the member will be used to purchase an annuity.

Retirement

The amount of annual Pension payable on a Member's retirement shall be equal to that amount of life annuity which can be provided at date of retirement by the then application of the Member's Account.

Death

Before Retirement

If a member dies before retirement and has no partner at the time of death, the beneficiary named will be entitled to the full account balance, including employer contributions, plus interest less income tax. If a beneficiary has not been named, the funds will be paid to the estate.

If a member has a partner at the date of the member's death, he/she has the following options for payment of the member's account balance:

- Use the funds in the account to buy a life annuity that begins payment immediately r at retirement age
- Transfer the funds in the Member's account to another tax-sheltered plan such as a personal RRSP or employer's pension plan
- Take a one-time cash payment and pay income tax on this amount.

If the partner does not make a choice within 90 days, the partner shall be deemed to have elected an immediate pension.

Summary of Health/Life Insurance National Church Employee Benefit Package
(Manulife Financial)

<u>LIFE INSURANCE (TERM)</u>	\$100,000 which includes dependent coverage in the amount of \$2,000 for spouse and \$1,000 per child.
<u>OPTIONAL LIFE INSURANCE</u>	Additional term life insurance may be purchased in units of \$10,000 up to a maximum of \$300,000. Premium paid in full by employee.
<u>ACCIDENTAL DEATH & DISMEMBERMENT</u>	\$100,000 - in the event of accidental death; the beneficiary would receive this amount in addition to the life insurance.
<u>LONG TERM DISABILITY</u>	Coordinated with CPP plus any other disability income, the total of which cannot exceed 85% of gross pre-disability income.
<u>EXTENDED HEALTH CARE</u>	<ul style="list-style-type: none">• No deductible.• No lifetime maximum limit.• Pay direct drugs (RX Plus); \$1.00 fee per prescription• Treatment by a chiropractor, osteopath, podiatrist, chiropodist, naturopath, speech therapist, licensed massage therapist to a maximum of \$15 per visit and \$350 per calendar year.• Treatment by a physiotherapist up to a maximum of \$500 per calendar year with no per visit maximum.• Treatment by a psychiatrist or psychologist, when recommended by the attending physician, up to a maximum of \$30 per visit and \$350 per calendar year.• The Mandatory Generic Substitution is continuing and members will be reimbursed based on the lowest cost generic alternative. If this alternative cannot be tolerated a GL4445E - Manulife Financial Group Benefits Request for Approval of Brand-Name Drug that the doctor may complete and this form should be submitted to Manulife.
<u>DENTAL</u>	100% of basic treatment, 100% endodontic and periodontal, 50% major, and 50% orthodontic Benefit maximum - \$1000 yearly.
<u>VISION</u>	Maximum reimbursement of \$100 once every 24 months per individual for eyeglasses.
<u>RETIREE COVERAGE</u>	Extended Health, Dental, Vision

Monthly premium: 40% employee deduction 60% employer contribution.

Employee Assistance Plan

Plan Membership

A confidential counselling and health promotion benefits package with Blue Cross, which is mandatory for all stipendiary clergy.

Non-stipendiary clergy and full or part-time lay workers, in the Diocese may also join this plan. Retired clergy may continue on the plan. The cost of providing this coverage is by payroll deduction, shared 60% employer and 40% employee. Current monthly premium is \$7.14.

The personal counselling and health promotion benefits of the Plan include:

- Marriage Counselling
- Family Counselling
- Alcohol Abuse Counselling
- Drug Abuse Counselling
- Stress Counselling
- Career/Termination Counselling
- Financial Counselling
- Pre-Retirement Counselling
- Lifestyle/Fitness Counselling
- Weight Loss/Control
- Smoking Cessation

The Employee Assistance Plan allows employees and members of their families to seek early assistance before personal concerns seriously affect health, family life, or work performance.

A plan member or family member may use up to \$500 each of counselling per calendar year.

Continuing Education Plan

Plan Membership

All stipendiary clergy automatically join the Continuing Education Plan on their first day of employment. Lay employees of the Church or other participating organizations may join the Plan with their employers' approval. The monthly contribution of an individual's salary source (total of \$450 per annum) is sent to the Continuing Education Plan. Reimbursement to the applicant will be paid to the extent of 75% from the Fund, in respect of the applicant's account and 5% from the General Assets of the Fund. The applicant shall pay the remaining 20% of the cost.

Use of Benefits

Members may use the Plan to cover the cost of:

- any continuing education program or course of study
- books or other materials
- computer hardware or software (effective January 2004, the plan will cover up to \$1000 every 3 years for computer hardware or software)

Applications for benefits are available from the Diocesan office or can be accessed at

www.anglicanpension.ca

Sabbatical Grants

Members in the Plan for at least five years, may apply for full-time study leave. Resources permitting, members may be granted up to \$3,000 in order to complete eight or more weeks of study.

Applications for sabbatical grants are available from the Diocesan office. Members will be asked to provide the following information:

- study goals
- how work will be supervised
- how work will be evaluated
- pertinence to future employment in the Church
- budget

Retraining

CEP members who are experiencing a career crisis and wish to leave the employ of the Church may ask the Bishop to apply for a retraining grant on their behalf. These grants are limited to \$2,000 and are available only to those with at least five years of membership in the CEP.

Administration

The Pension Office is responsible for the day-to-day administration of the Plan. Policy decisions and the authorization of sabbatical and special grants are the responsibility of the Continuing Education Administrative Unit. The Administrative Unit includes five plan members appointed by the National Executive Council.

For information, please call the Pension Office at (416) 960-2484/toll free 1-800-265-1070, or write to:

The Pension Office, The Anglican Church of Canada
625 Church St. Suite 401,
Toronto, ON M4Y 2G1

Short Term Disability Plan

It is the recommendation that a Multiple Employer Plan (MEP) be instituted by the Diocese of Rupert's Land. This has been passed by Diocesan Council September, 2017.

The Diocese of Rupert's Land arranged with Employment Insurance for a plan which covers income for all clergy and employees enrolled in the Extended Health Care Plan of the Anglican Church of Canada for short-term disability.

- ✧ The MEP covers unemployment caused by illness and only comes into effect after the employee has exhausted all sick time available to them. Owed vacation time is not affected by the plan.
- ✧ Generally there is a one week waiting period for EI benefits, but this is decided on an individual basis at EI. If the one week period is required, the Diocese of Rupert's Land SUB Plan allows for 95% of the employee's weekly earnings during that one week.
- ✧ To start on the SUB Plan, the employee must receive a Record of Earnings and apply for EI benefits. Once approved, the weekly income (including EI and SUB income) will be 95% of the employee's weekly earnings.

- ✧ The employee must provide EI cheque stubs to the Director of Finance at The Diocese of Rupert's Land so that verification of the SUB payment can be completed accurately.
- ✧ All payments to the employee while on the SUB plan will be facilitated through the Diocese of Rupert's Land centralized payroll and the appropriate parish will be required to be on the electronic funds transfer for payroll for this individual. The Diocese will keep a record of all SUB payments. There is a parish cost for this service.
- ✧ The maximum allowable on the SUB plan is 17 weeks. Subpayments will continue for the 17th week, although EI is exhausted.
- ✧ The SUB plan once approved by EI will be in force for 5 years. A new agreement must be approved at that time through EI.
- ✧ A written notice of any change will be given to Service Canada within 30 days of the effective date of the change.
- ✧ Addendum: Payments in respect of guaranteed annual remuneration, deferred remuneration or severance pay must not be reduced or increased by SUB received under the plan. These amounts include any benefits to which the employee is entitled i.e. sick leave, vacation leave, commissions, bonus, etc.

Summary Of Long Term Disability Plan

Clergy enrolled in the national long-term disability plan of the Anglican Church of Canada will pay, along with their employer, premiums based on 150% of stipend.

All stipendiary clergy, who work at least 20 hours a week, are covered by LTD.

Benefits are payable following a waiting period of 119 days. The monthly LTD benefit payment is taxable, and is calculated at 60% of salary to a maximum of \$ 10,000.00

The LTD benefit paid will be reduced by income from the Canada Pension Plan, and 60% of the value of housing or housing allowance provided during disability. Information on the process for LTD and application forms are available at the Diocese of Rupert's Land.

Cost-of-living adjustment

LTD benefits will be increased every year there is an increase in the Consumer Price Index, to a maximum of 3%.

Payment of LTD benefit

Benefits will be paid monthly in arrears, by cheque or direct deposit to the member's bank account.

If partly disabled

If a member has been continuously disabled for 119 days, and cannot return to the job although able to undertake other paid employment, the member will receive reduced LTD benefits.

If sick again

If the member returns to the job before the 119-day waiting period ends and becomes sick again from the same or a related disability within 15 days, the member will not have to begin the waiting period over again.

If the member returns to the job after receiving LTD benefits and again becomes sick from the same disability within six months of the return, LTD benefits will resume immediately.

Rehabilitation

While a member is receiving benefits, the Pension Office, together with the doctor, may ask the member to take part in a rehabilitation program. This is a program that provides training or other work-related activities, and is intended to help the member back to their job or other paid employment.

If the member refuses to participate in a recommended rehabilitation program, payment of LTD benefits will stop.

Leave of absence

On any approved leave of absence without pay, including maternity and parental leave, coverage will be suspended unless the member makes premium payments that would normally be deducted from their pay cheque.

How to claim LTD benefits

Claim forms are available from the Diocesan office. All sections of the forms must be completed by the member, the doctor and the employer before the claim can be considered for payment. The member may be required to undergo an independent medical examination. This would be at no cost.

Plan Administration

The Pension Office is responsible for the day-to-day administration of the plan. For information, please call or write to:

The Pension Office
The Anglican Church of Canada
625 Church St, Suite 401
Toronto, ON M4Y 2G1
Tel: (416) 960-2484 or Toll-free 1-800-265-1070

This plan description summarizes only the most important provisions of the long term disability plan. If there is a discrepancy between the information in this description and the legal documents, the legal documents will rule.

Completion of T4

A T4, T4 Summary, as well as a TD1 and TD1MB can be accessed on the CRA website
www.cra-arc.gc.ca

Stipend = \$37,744.08

Housing = \$13,572.00

Taxable Benefit Life Insurance @ \$7.02/month = \$168.48

- Box 14 Stipend, Housing Allowance, Taxable Portion of Life Insurance
- Box 16 Employee's portion of CPP contributions based on stipend and taxable portion of life insurance.
- Box 18 Employee's EI premium based on stipend and housing allowance paid.
- Box 20 Employee portion of pension contributions.
- Box 22 Employee Income Tax deductions based on stipend and taxable portion of health benefit less personal pension contributions.
- Box 24 The total amount used for EI purposes to a maximum (stipend plus housing allowance).
- Box 26 The total amount used for CPP purposes to a maximum (stipend plus taxable portion of health benefit).
- Box 30 Housing Allowance paid.
- Box 40 Taxable portion of life insurance.
- Box 50 Pension Plan number. Clergy # 0345777, Lay # 1026509
- Box 52 Total pension contributions for the employee (employee + employer remittances).

All parishes should have a completed TD1 Canada and TD1 Manitoba form on file for **ALL** paid clergy and staff. A new TD1 should be filled out at the beginning of each calendar year. A new TD1 must be completed when changes occur to an individual's tax status.

Clergy car reimbursements, provided it is based on actual business kilometres travelled, is not taxable and **NOT** required to be reported, as this meets Canada Revenue Agency reasonableness test.

T4's must be issued for any and all staff where full deductions have been taken; i.e., CPP, EI, income tax.

A T4 Summary must be completed and forwarded to CRA with a copy of the T4.

Completion of T4A

The T4A and T4A Summary, can be accessed on the CRA website www.cra-arc.gc.ca

- Box 18 Enter all honorariums and add a footnote which reads 'honorarium'.

Box 22 Enter any income tax deducted

Box 28 Enter other monies paid

This must be completed when, during the year, the amount awarded to an individual is greater than \$500.

Completion of T4A summary is required and forwarded to CRA with a copy of the T4A's.

Clergy Loan Fund

found in the Diocese of Rupert's Land Canons – under Guidelines or available on the website at <http://www.rupertsland.ca/wp-content/uploads/CLERGY-LOAN-FUND2.pdf>

Memorandum Of Agreement

Regarding repayment of loan by _____ to the Diocese of Rupert's Land.

Amount Of Loan \$ _____

Terms Of Repayment

An amount of \$125.00 per month to be paid to the Diocesan Office together with interest at a rate of _____% (calculated monthly on descending balance) commencing _____, until the debt is retired.

Diocesan policy on clergy loans is that the interest charged be at prime plus 1%, calculated monthly on the unpaid balance for all loans made after September 1, 2012.

In the event that the borrower leaves the Diocese, the outstanding balance of the loan must be repaid in full prior to departure.

Approved by:

Accepted by:

Dated: _____

Guaranteeing Loans

found in the Diocese of Rupert's Land Canons – under Guidelines or on the website at <http://www.rupertsland.ca/wp-content/uploads/GUARANTEERING-LOANS.pdf>

The Anglican Foundation of Canada Criteria for Awarding Grants and Loans
found in the Diocese of Rupert's Land Canons – under Guidelines or on the Website at
<http://www.rupertland.ca/reference/guidelines/>

<http://www.anglicanfoundation.org/>

<http://www.rupertland.ca/wp-content/uploads/The-Anglican-Foundation-Diocesan-procedure.pdf>

The Anglican Foundation
Diocesan Procedure for Making an Application to the Anglican Foundation

(found in the Diocese of Rupert's Land Canons – under Guidelines)
<http://www.rupertland.ca/wp-content/uploads/The-Anglican-Foundation-Diocesan-procedure3.pdf>

Diocese Of Rupert's Land Shared Ministry Investment Fund Application for Funding
[http://www.rupertland.ca/wp-content/uploads/](http://www.rupertland.ca/wp-content/uploads/Shared_Ministry_Investment_Fund_CRITERIA_FOR_FUNDING.PDF) Shared Ministry Investment Fund CRITERIA FOR FUNDING.PDF

Rupert's Land Capital Fund, Inc

Found in the Diocese of Rupert's Land Canons – under Guidelines or on the website at <http://www.rupertsland.ca/wp-content/uploads/Ruperts-Land-Capital-Fund-Inc..pdf>

CANON 24

Church Buildings and Loans

Found in the Diocese of Rupert's Land Canons or on the website at <http://www.rupertsland.ca/wp-content/uploads/Canon-241.pdf>

CANON 25

Parochial Records

Found in the Diocese of Rupert's Land Canons or on the website at <http://www.rupertsland.ca/wp-content/uploads/Canon-251.pdf>

Fees and Gifts for Services Rendered

found in the Diocese of Rupert's Land Canons – under Guidelines or on the website at <http://www.rupertsland.ca/wp-content/uploads/FEES-AND-GIFTS-FOR-SERVICES-RENDERED1.pdf>

**Guideline Regarding Study Leave
for Clergy and Other Full-Time Staff**

found in the Diocese of Rupert's Land Canons – under Guidelines or on the website at <http://www.rupertsland.ca/wp-content/uploads/STUDY-LEAVE-FOR-CLERGY-AND-OTHER-FULL.pdf>

Accumulated Study Leave for previous year form - attachment 11

Anglican Church of Canada Liability Insurance: Individual and Group User Program

AON Insurance Brokers are now providing Liability Insurance for individual and group users of the Anglican churches.

Attached is the 2006/07 Liability Insurance Program summary which was received from AON. Page 3 and 4 outline the coverage – please note the major exclusions. Page 5 has a listing of the rate schedules for individual events. The last page of the package is the “Application – User Group Liability” form that the User Group would be required to complete and forward to the Diocese, along with payment (made payable to the Diocese of Rupert’s Land). A Certificate of Coverage would then be forwarded to the 3rd Party and the Parish. **This must be requested prior to the event in order to be covered.** As long as the Diocese receives the “Application – User Group Liability” form and payment prior to the event, even though there has not been enough time to forward the Certificate of Coverage, the 3rd Party (Parish and Diocese) will be covered.

The rates remain the same for the current year with the additional cost of provincial sales tax (pst)

Anglican Church of Canada, Individual & Group Users Program and application form see attachment 12

Registered Charitable Organizations

Renewal of Registered Charitable Number

To retain its registered charitable status, an organization must file the following information **BEFORE JUNE 30th** of the following year:

1. Form T3010-1
2. One copy of the financial statements, including an **Income Statement** and **Balance Sheet**.

The charity must also disburse its relevant percentage of income on charitable activities and to qualified Donees.

Relevant Percentages

For fiscal periods ending on or after March 4, 2012; registered charities calculate their disbursement quota, as follows:

3.5% multiplied by the average value of property owned by the charity at the end of the 24 months before the beginning of the fiscal period, and that was not used directly on charitable activities (line 5900), if this value exceeds \$100,000 for charitable organizations.

Charitable Activities

1. advancement of religion;
2. a charitable activity; that is, one that directly accomplishes the charitable purposes set out in the charity's governing documents;
3. a business carried on by the charity in which substantially all of the employees are not remunerated;
4. disbursement of no more than 50% of income to qualified donees other than approved associated charities;
5. in the past the government, on its definition of what is a "business" or "political" activity, could revoke the charitable number of an organization and confiscate 100% of its assets. Since February 13, 1986, certain guidelines were enacted that allow certain business and political activities if they are related to the organization's charitable purposes. Please refer to Revenue Canada Information Circular 87-1.

Qualified Donees – T1236

- Another registered charity.

Note: Parishes should report payments of apportionment/parish pledges to the Diocese in Section D4 of Form T3010B as a gift to a Qualified Donee, line #5070 as follows:

Name: Diocese of Rupert's Land

Registration Number: 10807 9773 RR001

Donations In Kind

Charitable receipts can be issued for donations of property if their fair market value can be determined.

Note: All particulars of any such donations must be obtained (including name and address of donor, date of donation; if appraised, name and address of appraiser, date of appraisal, appraised value.)

Revocation of Registration

An organization's charitable number may be revoked if it:

1. fails to file the annual forms, when required.
2. fails to comply with the requirements for registration;
3. fails to keep proper books and records;
4. fails to disburse the prescribed amount of its income;
5. issues improper receipts.

If a church's charitable number is revoked, the government may:

1. confiscate 100% of the church's assets;
2. re-assess the parishioners' personal tax returns and **DISALLOW** all receipted charitable donations to that church.

IF YOUR CHARITABLE NUMBER IS REVOKED, THE GOVERNMENT DOES NOT SEND OUT ANY MORE FORMS IN THE FUTURE TO REMIND YOU TO FILE YOUR RETURNS OR TO REMIND YOU THAT YOUR CHARITABLE NUMBER HAS BEEN REVOKED!

Retention Period For Books And Records

Records that should be kept permanently:

- Registers, by-laws, minutes, ledgers, journals, financial statements and trust documents.

Records that must be kept 6 years:

- Vouchers, bills, invoices, receipts, bank statements, cancelled cheques, duplicate donation receipts and payroll records.

Other records:

- The numbered Sunday envelopes do not need to be kept longer than 2 years if other adequate records are kept.

You may wish to check with your lawyer or other professional advisor for information specific to your situation.

Type of Record	Retention Period
Governing Documents (Letters Patent, Certificate of Incorporation, By-laws)	Permanent
Official Receipts for Income Tax Purposes	3 years *
Official Receipts for Income Tax Purposes (Perpetual Endowment Gifts)	Permanent
Official Receipts for Income Tax Purposes (10-year gifts)	Permanent
Minutes of Directors' Meetings	Permanent
Minutes of Executive Committee Meetings	Permanent
Minutes of Members' Meetings	Permanent
Payroll Records, T4's	6 years
Personnel Information (sick leave, time sheets, attendance, discipline, vacation)	Permanent
Record of Employment (ROE's)	6 years
T-4 Summaries	Permanent
General Ledger (for legal defence reasons)	Permanent
Monthly Trial Balance	6 years
Bank Reconciliations	6 years
Financial Statement Working Papers	6 years
Approved Budgets	6 years
Year-End Financial Statements	Permanent
Bank Statements/Cancelled Cheques	6 years
Invoices/Receipts of Payment	6 years
Inventory Records	6 years
Donation Records	3 years
Church Envelope Records	3 years
Insurance Policies	Permanent
Employment Applications	Permanent
Performance Reviews	Permanent

Volunteer Application Forms	Permanent
Confidential Record of Reference Checks	Permanent **
Suspected Child Abuse Report	Permanent
Suspected Child Abuse Follow-up Report	Permanent
Authorization and Consent for Minors	Permanent
Employee & Volunteer Expense Claims (for legal defence reasons)	Permanent

* Records that are to be kept for a certain period (e.g., 2 years after the end of the tax year to which they apply) are rounded up to the next year (e.g., 3 years).

** The police record check itself may be destroyed, but keep a permanent record that it was received and vetted.

Conclusion

Keeping good records for your organization is not just a good practice, it's essential. By putting practical procedures in place, you can ensure that your organization has the appropriate information available when it is needed.

Guide To Charity Information Return

Balance Sheet

You are **required** to file a Balance Sheet even though one is not usually prepared in conjunction with a Statement of Cash Receipts and Disbursements. To complete the Balance Sheet, if you do not normally prepare one, you should use **the insured value of the buildings** as the figure to be shown on the statement.

“Disbursement Quota”

In order for a charitable organization to retain its charitable status, it must spend the charitable donations it receives on charitable purposes and not simply accumulate capital. To meet this requirement in the current year, for fiscal periods ending on or after March 4, 2012; registered charities calculate their disbursement quota, as follows:

3.5% multiplied by the average value of property owned by the charity at the end of the 24 months before the beginning of the fiscal period, and that was not used directly on charitable activities (line 5900), if this value exceeds \$100,000 for charitable organizations.

“Property Accumulated” By Approval Of Revenue Canada

A parish may have problems in meeting the above “Disbursement Quota”, especially if it accumulates large amounts of capital (from receipted donations) for a future building project; however, it appears that most parishes will build up a large enough “Disbursement Excess” that they will not have to apply to the Minister for approval to “accumulate property” for future building projects.

Recording of Receipts

Wardens oversee sidespersons in counting, balancing weekly offerings and summarizing on a form. The Treasurer and Envelope Secretary should receive a copy of this form after each Sunday. The Envelope Secretary records envelope offerings on each pledge number. The Treasurer reconciles with deposits in the bank.

The Envelope Secretary records weekly offerings, issues summaries each quarter, and a final charitable tax receipt after December 31st.

Completing the Registered Charity Information Return

The form T4033B can be accessed at the following webpage

<http://www.cra-arc.gc.ca/E/pub/tg/t4033b/README.html>

The return should be mailed to:

Charities Directorate
Canada Revenue Agency
Ottawa, ON K1A 0L5

T1259 – The Capital Gains and Disbursement Quota Worksheet is not forwarded to CRA; it is an aid in keeping track of your excesses to cover shortfalls for a period of 5 years.

T1235 – Directors/Trustees and Like Officials Worksheet is to be completed and forwarded to CRA with the T3010B. Please note that **ALL** boxes must be completed.

T1236 – Qualified Donees Worksheet is to be completed and forwarded to CRA with the T3010B

Schedule 2 – Activities outside Canada (if applicable)

Schedule 3 – Compensation (if applicable)

Schedule 4 – Confidential Data (if applicable)

Schedule 5 – Non cash gifts (if applicable)

Schedule 6 – Detailed Financial Information (if applicable)

Canon 20 revised 2012

The Canadian Institute of Chartered Accountants (CICA) handbook has this comparison of audits and reviews:

5025.11 In an **audit engagement**, the practitioner provides a high, though not absolute, level of assurance by designing procedures so that in the practitioner's professional judgment, the risk of an inappropriate conclusion is reduced to a low level through procedures such as inspection, observation, enquiry, confirmation, recalculation, reperformance and analytical procedures. Use of the term "high level of assurance" refers to the highest reasonable level of assurance a practitioner can provide concerning a subject matter. Absolute assurance is not attainable as a result of factors such as the use of judgment, the use of testing, the inherent limitations of control and the fact that much of the evidence available to the practitioner is persuasive rather than conclusive in nature. Assurance will also be influenced by the degree of precision associated with the subject matter itself.

5025.12 In a **review engagement**, the practitioner provides a moderate level of assurance by designing procedures so that, in the practitioner's professional judgment, the risk of an inappropriate conclusion is reduced to a moderate level through procedures that are normally limited to enquiry, analytical procedures and discussion. Such risk is reduced to a moderate level when the evidence obtained enables the practitioner to conclude the subject matter is plausible in the circumstances.

Comparison of an Audit Report (qualified for certain types of revenue which cannot be completely audited) with a review engagement report.

AUDITOR'S REPORT

To the Members of

I have audited the statement of financial position of as at, 20... and the statements of operations, changes in fund balances and cash flow for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from (specify type of contributions affected) the completeness of which is not susceptible of

satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at, 20... and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

REVIEW ENGAGEMENT REPORT

To [person engaging the public accountant]

I have reviewed the statement of financial position of as at, 20... and the statements of operations, changes in fund balances and cash flow for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the company.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Further comparison of Audits and Reviews explaining 'Plausibility' and difference between positive and negative assurance.

8100.05 Reviews are distinguishable from audits in that the scope of a review is less than that of an audit and therefore the level of assurance provided is lower. A review consists primarily of enquiry, analytical procedures and discussion related to information supplied to the public accountant by the enterprise with the limited objective of assessing whether the information being reported on is plausible within the framework of appropriate criteria. In this Section, the word "plausible" is used in the sense of appearing to be worthy of belief based on the information obtained by the public accountant in connection with the review.

8100.06 Enquiry, analytical procedures and discussion are normally sufficient for the purposes of considering whether information supplied to the public accountant is plausible in the circumstances. However, these procedures are not sufficient to provide reasonable assurance that undetected error or fraud does not exist. A review emphasizes enquiries of management, the responses to which the public accountant is entitled to accept as long as such responses appear plausible. A review does not require the public accountant to seek supporting or independent evidence or to study and evaluate internal control. As a result, the public accountant's review will not normally include procedures such as physical inspection, observation of client procedures, confirmation from external parties and examination of documents which are usually performed in an audit.

8100.07 In review engagements, it is essential that the public accountant not lead the reader to conclude that an audit opinion is being expressed. The style of reporting known

as negative assurance is distinguishable from an audit opinion and has gained acceptance when a level of assurance below that given in an audit opinion is being conveyed. Negative assurance is therefore appropriate for these engagements. The negative assurance form of reporting used for review engagements informs the reader that, although sufficient evidence has not been obtained to enable the public accountant to express an audit opinion, a review has been completed in accordance with the standards of this Section and nothing has come to the attention of the public accountant that causes him or her to believe that the information being reported on is not, in all material respects, in accordance with generally accepted accounting principles.

Some specific details of procedures required to be followed by the Independent Accountant in conducting a review

8100.19 A review consists primarily of:

(a) making enquiries concerning financial, operating, contractual and other information, and considering responses that, in addition to oral responses, may take the form of listings, schedules or other documents;

and

(b) applying analytical procedures such as comparing the current and prior period information and considering the reasonableness of financial and other inter-relationships. Analytical procedures performed during a review engagement would normally be less extensive than analytical procedures performed during an audit. Explanations for relationships and individual items that appear to be unusual would be obtained by directing enquiries to appropriate personnel of the enterprise, the responses to which the public accountant is entitled to accept without examination of supporting evidence as long as such responses appear plausible;

(c) having discussions with appropriate officials of the enterprise concerning information received and the information being reported on;

8100.20 When the public accountant doubts the plausibility of the information being reported on, sufficient additional or more extensive procedures would be carried out to resolve such doubt or confirm that a reservation is required.

8200.23 The public accountant's enquiry, analytical procedures and discussion carried out with respect to financial statements normally include:

(a) making enquiries concerning the business activities of the enterprise and the industry of which it is a part;

(b) making enquiries concerning control systems related to the preparation of the financial statements, to obtain an understanding of the manner in which transactions are recorded, classified and summarized;

(c) performing analytical procedures, which could include:

(i) comparing the financial statements with those of the immediately preceding period and with any budgets for the current period; and

(ii) considering interrelationships of key elements of financial statements that would be expected to conform to a predictable pattern based on the experience of the enterprise;

- (iii) and obtaining explanations for relationships and individual items that appear to be unusual;
- (d) considering the results of previous engagements, including accounting adjustments required, and the effect that any reservation in the reports thereon might have on the financial statements;
- (e) enquiring concerning matters discussed at meetings, if any, of board and directors and committees thereof that may affect the financial statements;
- (f) making enquiries of and having discussions with management concerning matters such as:
 - (i) the accounting principles being followed and whether they are consistently applied;
 - (ii) the existence of major commitments, contractual obligations and contingencies;
 - (iii) the occurrence of events subsequent to the date of the financial statements that could have a material effect on such statements; and
 - (iv) the occurrence of transactions with related parties;
- (g) discussing the financial statements and proposed review engagement report with the client; and
- (h) obtaining a letter of representation from the client as to the accuracy and completeness of the financial statements.

Judgment would be used in applying these procedures and determining the extent to which they would be applied to the particular circumstances of the enterprise.

PARISH OF _____

Date

Name & Address of person completing review of financial statements

Dear Sir:

We are providing this letter in connection with your review of the financial statements of the Parish of _____ for the year ended December 31, _____, which we acknowledge you performed in accordance with Canadian generally accepted accounting principles for review engagements. We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles, and for the design and implementation of internal control to prevent and detect fraud and error.

We understand that your review procedures consisted primarily of enquiry, analytical procedures and discussion, which are not designed to identify, nor can they necessarily be expected to disclose, fraud, shortages, errors or other irregularities should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of February 11, _____, the following representations made to you during your review.

- The financial statements referred to above present fairly, in all material respects, the financial position of the church as at December 31, _____ and the results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.
- We have responded fully to all inquiries made to us and have made available to you all financial records and related data and all minutes of the meetings of directors and members.
- There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
- We have identified to you all known related parties and related party transactions, including guarantees, non-monetary transactions and transactions for no consideration.
- We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- All related party transactions have been appropriately measured and disclosed in the financial statements.
- The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
- All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- The church has satisfactory title to all assets, and there are no liens or encumbrances on the church's assets, other than has been disclosed.
- We have disclosed to you, and the church has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements.

Sincerely,

Parish of _____

_____ Treasurer
Name

_____ Warden
Name

Date

Name and address of the firm completing review

Date

Name and address of Parish

Dear Sirs,

The purpose of this letter is to outline the terms of my engagement to review the financial statements of the Parish of _____ for the year ending December 31, _____.

Objective, scope and limitations

This review engagement does not constitute an audit, and therefore does not provide assurance that I will become aware of any or all significant matters that might be identified in an audit. For example, it does not contemplate a study and evaluation of internal control, tests of accounting records and of responses to enquiries by obtaining audit evidence through inspection, observation or confirmation, or other procedures ordinarily performed during an audit. Accordingly, this review is not intended to, and will not, result in the expression of an audit opinion or the fulfilling of any statutory or other audit requirement. In addition, each page of the financial statements will be conspicuously marked “unaudited”.

This engagement cannot be relied upon to prevent or detect fraud and error and other irregularities. The control over and responsibility for the prevention and detection of fraud and error remain solely with management.

Unless unanticipated difficulties are encountered, my report will be substantially in the following form:

REVIEW ENGAGEMENT REPORT TO THE MEMBERS

I have reviewed the statement of financial position of Parish of _____ as at December 31, _____ and the statement of revenue and expenditure and changes in fund balances for the year then ended. My review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Parish.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

My responsibilities

I will conduct the review, consisting primarily of enquiry, analytical procedures and discussion, of the Parish’s financial statements in accordance with Canadian generally accepted standards for review engagements.

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Accordingly, except for information that is in or enters the public domain, I will not provide any third party with confidential information concerning the affairs of the Parish without the Parish’s prior consent, unless required to do so by legal authority, the rules of professional conduct/code of ethics.

Management's responsibilities

Management is responsible for:

Financial statements

- (a) The preparation and fair presentation of the Parish's financial statements in accordance with Canadian generally accepted accounting principles;

Completeness of information

- (b) Providing me with and making available complete financial records and related data, and copies of all minutes of meetings of the Parish Council and corporation;
- (c) Providing me with information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
- (d) Providing me with information relating to any illegal or possibly illegal acts, and all facts related thereto;
- (e) Providing me with information regarding all related parties and related party transactions;

Fraud and error

- (f) The design and implementation of internal controls to prevent and detect fraud and error.

Recognition, measurement and disclosure

- (g) Providing me with its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
- (h) Providing me with any plans or intentions that may affect the carrying value or classifications of assets or liabilities;
- (i) Providing me with information relating to measurement and disclosure of transactions with related parties;
- (j) Providing me with an assessment of all areas of measurement uncertainty known to management that are required to be disclosed such as allowance for doubtful accounts;
- (k) Providing me with information relating to claims and possible claims, whether or not they have been discussed with the Parish's legal counsel;
- (l) Providing me with information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Parish is contingently liable;
- (m) Providing me with information on whether the Parish has satisfactory title to assets, whether liens or encumbrances on assets exist, and whether assets are pledged as collateral;
- (n) Providing me with information relating to compliance with aspects of contractual agreements that may affect the financial statements;
- (o) Providing me with information concerning subsequent events; and
- (p) Providing me with representations on specific matters communicated to me during the engagement.

Other matters

- (a) If my name is be used in connection with the financial statements, you will attach my review engagement report when distributing the financial statements to third parties
- (b) The Parish acknowledges that all working papers and files, other materials, reports and work created, developed or performed by the public accountant during the course of the engagement are the property of the public accountant;
- (c) I estimate that my fees for services for year _____ will be _____ plus applicable PST and GST. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs. My invoices for these fees will be rendered upon delivery of the financial statements and are payable upon presentation.

The above terms of my engagement will be effective from year to year until amended or terminated in writing.

If you have any questions about the contents of this letter, please raise them with me. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to me. I appreciate the opportunity of continuing to be of service to the Parish.

Sincerely,

Name

The services and terms set out above are as agreed.

Parish of _____

_____ Rector's Warden
Name

_____ Treasurer
Name

Date