

## Treasurers' Handbook

### Introduction

This handbook outlines the role of the treasurer in a congregation in the Anglican Diocese of British Columbia. It is not a substitute for the canons of the diocese but intends to help treasurers navigate their role as set out in the canons and regulations.

A parish treasurer is appointed by the incumbent and wardens with the consent of parish council. (Regulation R 7.5.3 A) This appointment is usually reported at the annual general meeting. The appointment continues at the will of the wardens and incumbent. The parish treasurer reports to the wardens who are ultimately responsible for all financial aspects of the parish.

Together, the incumbent, wardens and the treasurer form the group of dedicated people who provide the core leadership for the local "vestry" or congregation.

Section 1	Duties of the Treasurer
Section 2	Handling Funds
Section 3	Bookkeeping
Section 4	Consolidated Trust Fund (CTF)
Section 5	Insurance
Section 6	Reporting
Section 7	Canada Revenue Agency
Section 8	Records Retention

## Section 1 Duties of the Treasurer

The duties of the treasurer are set out in Regulation R7.5.3 D:

*1. to ensure that all monies received by the parish are accounted for, recorded and deposited into a recognized financial institution in a safe and timely manner.*

- Treasurers should familiarize themselves with the collections handling policy [<https://bc.anglican.ca/resources/policies>] and the signing authority policy [link to come] on the diocesan website.
- See below for further information about signing authority.

*2. to assist the churchwardens in seeing that all parish financial obligations (clergy salary and benefits, staff salaries, benefits, bills, taxes, insurance, assessment, etc.) are paid in a timely manner.*

*3. to control or prepare and maintain accounting records of the financial activities of the parish.*

*4. to ensure that the incumbent, churchwardens and parish council are kept aware of the parish's financial condition and to present regular, accurate, comparative financial statements to them.*

*5. to assist the churchwardens in the development of an annual budget for the parish.*

- Treasurers and wardens work together pursuant to the process set out in Regulation R 7.6.2 [<https://bc.anglican.ca/resources/canons-and-regulations>]
- The budget is most helpful to parishioners and parish council if it compares the current figures with the previous years' figures.

*6. to attend all council, regional and other meetings as required by the incumbent or churchwardens.*

*7. to ensure that all of the parish financial information is available for audit, review or examination and be prepared to answer any questions relating to it.*

*8. to pass all records on to the successor parish treasurer in a neat and tidy condition and timely manner.*

## Section 2 Handling Funds

Generally, it is recommended that all funds are handled in a "dual control environment". This includes counting of offerings from worship services, recording of transactions and disbursement of funds. A dual control environment would include at least two people (who are not related) involved in all these situations. The treasurer could be accompanied by a warden, member of parish council or another appropriate individual. The diocese has developed a policy setting out how collections must be handled. Treasurers should make themselves familiar with this policy.

### Banking

Parishes should establish an account (or accounts) with a chartered bank or accredited credit union. The account must require two signatures authorizing any withdrawal from the account. Some parishes may have multiple accounts.

All parish accounts must be included in the annual report to the parish. (Canon 7.6 B) The exception to "all parish accounts" is the incumbent's discretionary fund which is typically under the incumbent's sole control. The incumbent's discretionary fund is not a replacement for any of the parish's operating accounts.

## **Signing Authority**

Canon 7.6 provides that a parish shall have specific people authorized to sign cheques and deal with the parish financial accounts. These include the treasurer, the incumbent, the wardens, and any member of parish council who is authorized by parish council to be a signatory.

The treasurer should ensure that the parish bank records are kept current on who is and who is not authorized to sign cheques. After the Annual General Meeting each year the treasurer should consider whether the signing authorities need to be updated.

To avoid any inappropriate expenditures or appearance of inappropriate expenditures, no one should have the authority to incur, on their own, expenses for the parish - other than day-to-day expenses that have been previously approved by the wardens or parish council or included in the approved parish budget.

It is considered inappropriate to authorize payments which benefit the signer or a signer's family member or their related interest.

## **Method of Payment**

In most cases, the most appropriate method of payment for parish expenses is by cheque bearing the signature of two persons having signing authority. Prior to signing, persons signing cheques should check the invoice or other supporting documentation. Parishes should have a manual cheque stub that would be retained by the parish. These types of cheques and cheque stubs may be ordered from most printers or through the parish's financial institution.

Some parishes may use electronic payment services. This is acceptable if the authorization of payments follows a similar, required review of supporting documentation and authorization by two persons designated as signers. Parishes using e-payment services should ensure that users receive training, appropriate limits are established, and transactions are regularly reviewed.

Payment by cash for all but the smallest transactions (petty cash) should be avoided. If petty cash is used, it must be recorded, and the treasurer must reconcile the petty cash on a regular basis.

## **Section 3 Bookkeeping**

While not required, it is recommended that each parish use the services of a bookkeeper. Depending on the size and complexity of the parish, the bookkeeper could be engaged on a monthly, quarterly or annual basis.

Again, while not required, it is recommended that an online software program such as QuickBooks be used for all the parish's financial transactions. The cost of one of these programs is not high and makes the recordkeeping reliable and much easier.

## **Section 4 Consolidated Trust Fund (CTF)**

"The CTF consists of financial assets entrusted to the diocese for long-term investment." (Canon 8.6 A)  
The CTF is managed by an investment advisory firm. The Diocesan Investment Committee monitors, advises and reports to the Finance Committee on the management of the CTF. (Regulation 8.6.1)

"Unless exempted by Diocesan Council, all property received in trust by a congregation or parish is required to be remitted to the diocese for administration and investment in the CTF." (Canon 8.6 B)  
"Parishes receiving large amounts which are not trusts and which are not required for operations or specific, short-term projects, are encouraged to remit the funds to the diocese to be invested in the CTF." (Canon 8.6 D) Since the CTF is not intended to hold short-term surplus cash, it is recommended that the "large amounts" referenced in the Canon be limited to a minimum amount of \$5,000. Parishes wishing to open a CTF account should contact the Diocese's Finance Officer for further direction.

The CTF pays dividends to unitholders quarterly. The amount of the quarterly dividend is determined by the Investment Committee during the last few months of the year so that parishes may prepare budgets with expected income from CTF holdings.

Requirements and timeframes for withdrawals from the CTF are described in Regulation R8.6.2.

## **Section 5 Insurance**

Regulation R7.7.1 C (9) provides that wardens are required to ensure that buildings are insured properly. Regulation R7.5.3 D (2) provides that treasurers assist the wardens in (among other things) making certain that the insurance is kept up to date and paid.

There are a number of types of coverage to which parishes have access - all of which are organized and paid by the synod office and most of which are reimbursed to the synod by the parish.

Each year the synod office arranges and pays for accidental death and/or dismemberment coverage for volunteers as well as an ICBC Special Excess Third Party Liability Policy that increases employee (including clergy) and volunteer vehicle liability to \$2,000,000 while conducting parish or diocesan business. Parishes need not do anything to continue these coverages.

Parishes also require a comprehensive insurance policy which includes property (buildings and contents), Commercial General Liability, PSA (misconduct), Boiler and Machinery Coverage (where a boiler and/or elevator is in place), Crime, and Directors and Officers insurance. One element of the insurance that is not a mandatory item to be covered is earthquake insurance.

In October of each year in preparation for the December 31<sup>st</sup> expiry date, the synod office sends out to incumbents, wardens and treasurers a reminder of the upcoming insurance renewal. This annual email will ask the parish to 1.) review the current insured values of both insured buildings and contents, and 2.) if the parish wishes to request the removal/ or continue the removal of the earthquake insurance coverage, to please advise the synod office. The Operations Committee will decide whether the request is approved, and the parish will be advised of the final decision. Earthquake coverage will automatically continue/be returned for any parish that does not advise the synod office by the email's mentioned deadline.

When parish wardens are reviewing the current building values stated in their insurance declarations, it is suggested that wardens research and apply the current cost per square foot for contractors in your region to replace the structure in the event of a full loss when calculating building replacement values. For contents coverage (anything not nailed, screwed down or part of the building), estimate what it would cost to replace the parish contents and whether the current coverage is adequate. If a change is necessary to either the building or contents values, contact the synod office as its staff will notify the broker. Please note, that it may take some months for a printed endorsement and invoice to be received.

Early in the new year, once the synod office has received the new declaration pages from the broker, a final email will be sent to the incumbents, wardens and treasurers with the parish specific declarations, invoice and renewal letter, which will include helpful updates regarding the diocesan insurance program including any changes to the operations on the parish premises (ex. cold weather shelters). Treasurers will need to review the invoice for either the monthly debit amount and schedule (if already participating), or the date of the one-time debit for premium owed conducted by the synod office; do not send payment for this invoice unless instructed.

Finally, incumbents, wardens and treasurers should keep in mind that outside parties- (eg. renters, users of space, those parking on church property other than for church events) need to not only have their own insurance but must give the parish proper evidence of that insurance.

For further information, please contact the synod office insurance department.

## **Section 6      Reporting**

### **A.      Reports to the Parish**

Pursuant to Regulation R7.5.3 D (4), the treasurer is responsible to keep the wardens and parish council informed of the financial information of the parish in a timely manner by providing "regular, accurate, comparative financial statements". In some parishes the wardens and parish council ask for monthly statements, and in other parishes financials are only requested quarterly. "Financial statements" includes at least an income and expense statement and a balance sheet, showing how the current year's information compares with the previous year. It is helpful to include a comparison of actual expenses to the approved budget.

### **B.      Reports to the Parish and Synod Office: Trusts**

Trusts, including all bequests and externally restricted funds, require careful handling. There is legal risk if such funds are not handled appropriately. This gives rise to the requirement that funds received in trust be handled in the CTF. (See Canon 8.6 B) Parishes can apply to Diocesan Council for exemption from this requirement for a specific trust fund or group of funds. Exemption may be advisable if the trust fund or funds are not expected to be held for the long-term.

If a parish trust fund or group of funds are exempted, a simple annual report must be made both to the parish and Diocesan Finance Committee. The report is due by April each year, and it must include:

- opening balance
- earnings
- expenditures
- closing balance
- meetings held

(See Regulation 8.4.7 A (6)) **Often annual reports made for a parish vestry include all of this information.** Reports provide transparency and accountability.

If treasurers have questions about trusts, including bequests and other externally restricted funds, exemptions, or reporting requirements, please contact the Synod office.

### **C. Reports to the Synod Office: The PFR**

At year end, the treasurer works with the wardens to complete and deliver to the synod office the year end reporting documents required by the synod office. These documents sometimes change in format and information requested, so it is necessary to check the diocesan website for the most up to date forms. [<https://bc.anglican.ca/resources/parish-forms-and-applications/pages/parish-information-and-financial-forms>]

The PRF includes the details required to be reported to the synod office and forms the basis of the calculation of apportionment for the coming year. The PFR must be received by the synod office no later than March 31<sup>st</sup> of each year.

## **Section 7 Canada Revenue Agency**

### **A. Receipts for Income Tax**

The original tax receipt for donations (collection envelope funds and donations for other gifts to the parish) must be sent to the donor and a duplicate kept on file for possible audit purposes. It is important that the total amount for which receipts are issued agrees with the total recorded in the parish records and financial statements. Duplicates should be kept for seven years.

Canada Revenue Agency on its website indicates the information required on each donation receipt.

Many parishes use special receipts printed and serially numbered, with duplicates that would be kept by the parish. If a duplicate pad for receipts is not used, a parish may make up its own receipts. These need to be uniquely numbered and when filled out, copied for parish records. The numbering system should indicate the year and the number of the receipt. It is acceptable to use a rubber stamp bearing the name and address of the parish and the words "Official Receipt for Income Tax Purposes, Registration Number..."

Whatever type of receipt is used, it must include all information required by the CRA. (Charity name and address and charity business number, date, unique number, tax year, donor name and address, amount given, and authorized signature) Requirements vary if a benefit was received, for example a meal. The CRA web site includes sample official donation receipts for cash gifts with and without advantage. If questions arise, please contact the Synod office or your parish tax professional.

### **What Gift Qualifies for a Donation Receipt**

A donation that qualifies for a tax is one that is a voluntary transfer of property for which the donor receives or expects nothing in return. Cash gifts include cash, cheques, e-transfers and other negotiable instruments. A contribution of services (time and skills) DOES NOT qualify as a gift for which a tax receipt may be issued.

A donation of time and/or skills to a parish **does not qualify** for a tax deduction, and therefore no tax receipt should be offered by the parish. However, if the donor wishes to offer their time and/or skills for a reasonable price, and an invoice is produced and paid by the parish, the donor may wish to donate a similar amount to the parish (by way of cash, cheque, or money transfer). In that case, a tax receipt may be given for the donation of the funds. The donation must be recorded.

## **B. Filing requirements**

Parishes are responsible for filing a T3010 for their parish each year. It is important to check the CRA website to access the latest form. A copy of the T3010 should be sent to the synod office. It is also suggested that parishes file for a GST rebate (Public Service Bodies Rebate).

## **C. Gift Acceptance Policy**

The diocese has developed a gift acceptance policy that sets out what constitutes a gift, and the process that needs to be followed by the parish for various types of gifts (cash, securities, land, chattels, annuities, etc.). [<https://bc.anglican.ca/giving/giving-acceptance-policy>]

## **Section 8 Records Retention**

Final parish annual financial statements should be retained indefinitely.

Books, records, and related vouchers and cheque stubs should be retained for seven years from the date the record is created.

There is no requirement that parishes retain collection envelopes. However, it is prudent to maintain collection envelopes for at least 1 year past the year in which they have been used so that parishioners may access them if necessary for income tax issues that may arise in the year after the deductions have been taken.