

Session 2

Practical tips for managing parish finances

Presented by

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The logo for SDS, consisting of the letters 'SDS' in a bold, white, sans-serif font inside a dark blue rounded square with a white border.

Church Administration Conference – Saturday 16 June 2007

Practical tips for managing parish finances

- 1. Financial controls**
- 2. Day to day accounting issues**
- 3. Annual accounting issues**
- 4. Using financial information to help with ministry decisions**

Practical tips for managing parish finances

1. Financial controls

policies and procedures to protect your income and assets and the people administering them

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FINANCIAL CONTROLS POLICY

For the Anglican Parish of

Adopted by Parish Council at the meeting on (date)

Preliminary

This policy document sets out procedures and policies to ensure that the parish's receipts and payments are properly processed and recorded so as to ensure that its financial affairs are properly administered, and seen to be properly administered.

Offertories

(a) Two unrelated persons should take charge of the offertory immediately after each service and count it and record and sign

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Financial controls policy

(a) – (d) Offertories (segregation of duties)

(e) – (f) Direct debit giving

(g) Other receipts

(h) – (m) Payments

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Financial controls policy

(n) – (o) Internet banking

(p) – (r) Keeping books of account

(s) BAS

(t) Other statutory lodgements

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CHURCH ADMINISTRATION CONFERENCE 2011
SATURDAY 16TH JUNE

Welcome!

Our churchwardens and parish councillors have a significant role in the life of our local churches.

Our teams are committed to better equipping and supporting you in your ministry. Click on the photos at the right for individual team member contact details.

On this page you will find information and resources of special interest to churchwardens and parish councillors. There is a search function to help you in finding what you need.

If you cannot find what you need, or want further information, please use the contact details to let us know.

Financial Administration

- Parish Accounting & Financial Administration
- Prescribed Financial Statements etc
- Sydney Anglican Parish Accounting System (SAPAS)
- GST - A Guide for Parish Treasurers
- Investment of Church Funds
- Related Circulars
- Key Ordinances
- Forms**

Contact details:

Property Trust Team

SDS

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2. Day to day accounting issues

GST, other tax obligations & ABN issues

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2. Day to day accounting issues

GST

GST
A guide for Parish Treasurers

2nd Edition 2006

Practical tips for managing parish finances

2. Day to day accounting issues

GST

Practical tips for managing parish finances

2. Day to day accounting issues

Other tax obligations

- *PAYG*
- *BAS*
- *FBT*
- *Superannuation*

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2. Day to day accounting issues

ABN issues

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3. Annual accounting issues

*improving year end processes in
readiness for the Annual Vestry Meeting*

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ANNUAL TIMETABLE

July – December	Churchwardens and Treasurer formulate next year's budget
November	Churchwardens confirm availability of auditor for current year audit
January – March	Treasurer prepares year end reconciliations Treasurer prepares draft financial statements Treasurer/Churchwardens present draft financial statements and supporting information to the auditor Audit undertaken Auditor gives audit clearance

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TIPS FOR FINALISING YEAR END FINANCIAL STATEMENTS

- Print out the annual balance sheet and profit and loss accounts with comparatives to last year and budget. Review all balances and ensure there are no obvious errors and that they look reasonable compared to last year and budget. Make notes to explain significant variations.
- Prepare bank reconciliations for each bank account. Ensure that all reconciling items are correct (e.g. stale cheques written back, etc). The reconciliation should be done at 31 December even if the bank statement ends on another date.
- Agree investment balances to supporting documents (such as Anglican Church Property Trust (ACPT) year end statements). Note that ACPT statements may include the income distribution paid shortly after year end which may have to be included in the year end financial statements.
- Review all other asset accounts (conference deposits, bonds, etc and ensure they are correct.

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LIST OF THINGS TO GIVE TO THE AUDITOR

GENERAL

General Ledger

Frequently SAPAS/MYOB. Auditor may prefer to receive the computer data file rather than printouts

Minutes

Auditor will want to review minutes of meetings of Parish Council, Churchwardens and parishioners to check that decisions with financial impact have been reflected in the accounts

Bank Statements

For the whole year and any subsequent to the year

Budget

For the following year

Financial Controls Policy

Adopted by Parish Council

Business Activity Statements

All BAS statements for the year

Anglican Church Diocese of Sydney
Annual Financial Return: 2006

The Synod, through the Assessment and Charges Ordinance 1975 [ACO], requires the churchwardens of the principal or only church in a parish together with the minister to lodge this return with the Diocesan Secretary by 15 April 2007. Cost recoveries to be approved by the Synod in 2006 based on the information in this return will be payable in 2008. If a return is not lodged by 15 April 2007 the Standing Committee may estimate the gross receipts and allowable deductions for 2006 [ACO s5].

Please refer to the Guide Notes at the back of this document or phone Martin Thearle on 9265 1682 if you have any questions.

Parochial Unit – Incorporating all relevant funds and parish organisations.

1. Please print the name of your parochial unit in block letters -
2. Correspondence will be sent to the Minister and Churchwardens, but a contact is helpful for questions.

CONTACT PERSON

Mr/Ms

Daytime Telephone Number:

Home Business

Summary of Financial Details

3. Australian Business Number -
 (Please enter the registered ABN for all entities in your parish)

ENTITY	ABN
.....
.....
.....

4. Audited Accounts

Please attach a copy of your audited accounts in the format of the Prescribed Financial Statements.
 [Church Administration Ordinance 1990 s20(1)(o)]

5. Complete this table from the details in this return -

Item	Amount (whole \$)	Office Use
Gross Receipts (item 7)		
Less Exclusions from Gross Receipts (item 21)		
Adjusted Gross Receipts		
Less Allowable Deductions (item 26)		
Net Receipts		

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4. Using financial information to help with ministry decisions

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ANGLICAN PARISH OF ST BRUCE TEN YEAR PROJECTION

KEY STATISTICS

Number of partners	100	110	121	133	146	161	177	195	214	236	259	285	314
Number of giving partners	70	77	85	93	102	113	124	136	150	165	182	200	220
Giving/giving partner/week	25.00	26.00	27.04	28.12	29.25	30.42	31.63	32.90	34.21	35.58	37.01	38.49	40.03
CPI	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

MINISTRY ACTIVITIES

INCOME

Offeratories	91,000	104,104	119,095	136,245	155,864	178,308	203,985	233,358	266,962	305,405	349,383	399,694	457,250
Grants	20,000	15,000	10,000	5,000									

EXPENSES

Rector	65,000	67,600	70,304	73,116	76,041	79,082	82,246	85,536	88,957	92,515	96,216	100,065	104,067
Admin staff	5,000	5,200	5,408	5,624	5,849	6,083	6,327	6,580	6,843	7,117	7,401	7,697	8,005
Parish cost recoveries	12,000	12,480	12,979	13,498	14,038	14,600	15,184	15,791	16,423	17,080	17,763	18,473	19,212
Office expenses	27,000	28,080	29,203	30,371	31,586	32,850	34,164	35,530	36,951	38,429	39,967	41,565	43,228
Assistant minister appointed					76,000	79,040	82,202	85,490	88,909	92,466	96,164	100,011	104,011
Youth minister appointed									60,000	62,400	64,896	67,492	70,192

	111,000	119,104	129,095	141,245	155,864	178,308	203,985	233,358	266,962	305,405	349,383	399,694	457,250
	109,000	113,360	117,894	122,610	203,515	211,655	220,121	228,926	298,083	310,007	322,407	335,303	348,715

Practical tips for managing parish finances

4. Using financial information to help with ministry decisions

ten year projection

recognise actual cost of ministry operations

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Questions?