December 2024 Treasurers' Resource Call



Agenda

- Year-end Checklist
- New 2025 Treasurer's Monthly Report



Year End Checklist

- ✓ Payroll
- ✓ Donations
- ✓ Financial Statements
- ✓ Annual Reporting



Payroll

Year-end tasks:

- ✓ Include Imputed income on clergy (per letter from diocese)
- ✓ Any clergy bonuses must be reported to CPF (Change of Compensation form)
- ✓ Staff bonuses (lay or clergy) must be paid through payroll, not as a separate check

What's New for 2025:

- \checkmark Minimum wage increase to \$16.50/hr (local minimum wages may be higher).
- ✓ Exempt Threshold increases to \$68,640.
- ✓ Employers must offer retirement programs to all employees*

Donations

- ✓ Pay close attention to check dates.
- ✓ Apply prepaid pledges to new year.
- ✓ Encourage QCD donations (too late for 2024, but think about it for 2025)
 - ✓ QCD (Qualified Charitable Donations) are donations made directly from a donor's IRA.
 - ✓ Available for anyone who has an IRA account and is over 70 ½ years old.
 - ✓ QCDs can provide greater tax savings than charitable deductions. QCDs are not included in taxable income, and they can lower the donor's adjusted gross income (AGI). This can help them stay below tax thresholds and save on Medicare premiums.
 - ✓ Donors can claim a QCD benefit without itemizing their taxes.



Financial Statements

Year-end tasks:

- ✓ Check restricted/designated donations against associated expenses.
- ✓ Handling Deficits or Surpluses
 - ✓ Record a transfer in/out to net out operating statement or
 - ✓ Let a surplus/deficit close out to unrestricted net assets (i.e. retained earnings)
- ✓ Include year-end deficit or surplus on TMR



Annual Reporting

- ✓ Church Insurance Worker's Compensation Payroll Audit Report
- ✓ Church Pension Fund Clergy Change in Compensation Form
- ✓ Diocese Updated payroll forms for all changes in pay/other information
- ✓ TMR Reconciliation

EPISCOPAL DIOCESE OF NORTHERN CALIFORNIA

- ✓ Parochial Report
- ✓ Update Banking Information (New Vestry/New Signers)



WHAT'S CHANGED

- One page spreadsheet vs. monthly tabs
- > Statement of Financial Activities (Operating statement) reporting
- Simplified/combined categories
- Compatible with both Excel and Google Sheets

WHAT'S NOT CHANGED

Apportionment Formula



THE EPISCOPAL DIOCESE OF NORTH	EKN CALI	POKNIA						CHURCH:	Citui Cii				City	
		TI	REASURE	ER'S MON	THLY RI	EPORT							YEAR	2024
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	RECONCILIA
tement of Financial Activities DERATING INCOME														
. Pledge & Plate Offerings													0.00	
o. Restricted Offerings													0.00	
Transfers from Subsidiary Funds for Operating Expenses													0.00	
I. All Other Operating Income													0.00	
COTAL OPERATING INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PERATING EXPENSES														
Outreach Expenses													0.00	
Transfers to Subsidiary Funds for Future Use													0.00	
. All Other Operating Expenses													0.00	
TOTAL OPERATING EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
IET SURPLUS (DEFICIT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PPORTIONABLE INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
EDUCTIONS		-	1	1	1	1	1	1	1					
. Allocation of Costs due to Use of Facilities for Outreach Purposes													0.00	
Direct Expenses applicable to Non-Outreach Rental Property													0.00	
Expense of Fundraising Events			ļ				ļ	ļ					0.00	
Capital Expenditures / Other Deductions		-	1	1	-	-	-	-	1		- 1			
Loan Payments (Principal & Interest)													0.00	
n. Property/Equipment Rental or Lease Payments	ļļ												0.00	
OTAL DEDUCTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
ET DISPOSABLE INCOME (NDI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Apportionment %														
MONTHLY APPORTIONMENT DUE	0.00													
	0.00												0.00	
ALANCE FORWARD (From Prior Month/Year)	0.00													
	0.00					4							0.00	
3ALANCE FORWARD (From Prior Month/Year) n. AMOUNT PAID 3ALANCE DUE	0.00				/2	4							0.00	

Statement of Activities

Statement of Financial Activities

OPERATING INCOME

- Pledge & Plate Offerings
- **Restricted Offerings**
- Transfers from Subsidiary Funds for Operating Expenses
- All Other Operating Income

TOTAL OPERATING INCOME

OPERATING EXPENSES

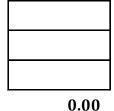
- **Outreach Expenses**
- Transfers to Subsidiary Funds for Future Use
- All Other Operating Expenses

TOTAL OPERATING EXPENSES

NET SURPLUS (DEFICIT)



0.00



0.00

Key Points

- > Fewer categories
- Includes both income and expenses
- > Designed to match the parish's operating statement.
- ➤ Allows for easy reconciliation to monthly and year-to-date totals.



Apportionable Income (Before Deductions)

- Calculated for you.
- > Equal to:
 - ➤ Total Operating Income
 - Less Operating Expenses (excluding outreach and transfers)
 - Adjusted for Deficit or Surplus

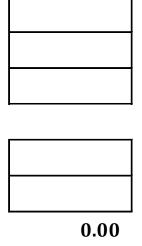


Deductions

DEDUCTIONS

- h. Allocation of Costs due to Use of Facilities for Outreach Purposes
- i. Direct Expenses applicable to Non-Outreach Rental Property
- j. Expense of Fundraising Events
- k. Capital Expenditures / Other Deductions
- l. Loan Payments (Principal & Interest)
- m. Property/Equipment Rental or Lease Payments

TOTAL DEDUCTIONS



Key Points

- ➤ Direct Outreach Expenses and Transfers already reported.
- Capital Expenditures/Major Expenses and Other Deductions combined – reported in detail section.
- ➤ ALL deductions reported MUST also be part of expenses reported on operating statement.



Deductions - Detailed Line K Deductions

Line #	Date	Description	JAN
1			
2			
3			
4			

Key Points

- ➤ All deductions for capital, major expenses, creative staffing, etc.
- Detail allows for easy reconciliation
- ➤ All expenses deducted MUST be reported on the operating statement.



USING THE FORM

- Make sure that year-to-date information matches year-to-date operating statement. If they differ, make an adjustment in the CURRENT month to correct balance.
- ➤ Balance Forward and Amount Paid Important to complete for accurate calculation
- ➤ EMAIL FORM TO <u>accountant@norcalepiscopal.org</u> EVERY MONTH
- ➤ Once a Month has been emailed (enter date emailed on form) NO CHANGES should be made to the closed month.



AVAILABILITY

New TMR form (along with detailed instructions and FAQs) will be available for download on the diocesan website by January 30, 2025.



Questions and Comments

