



Q1-2024 Treasurers Call Resources & FAQs
The Episcopal Diocese of Northern California
March 18, 2024

Discussion Topics

- Surpluses and Deficits
- TMR Review
- Fund Reporting
- 2024 Congregational Audits

Resources (Click to open)

- [2024 Treasurers Call Schedule](#)
- [March 2024 Treasurer Call Slide Deck](#)
- [March 2024 Treasurers Call Recording](#)
- [2024 Treasurers Monthly Report](#)
- [Church Accounting webpage](#)
- [Treasurers Resources on our website](#)

***Please note:** When visiting our website, you may need to clear your cache in order to view updated documents. To do so, click in the address bar, then press the F5 key on your keyboard.*

Surpluses and Deficits

Q: Does a year-end surplus need to be deducted from the TMR?

A: Yes. A year-end surplus must be deducted from the TMR.

- The surplus amount must be transferred to an unrestricted reserve account and shown on line (p.) of your TMR
- This represents a transfer to your reserves of surplus revenue so that you will not pay apportionment on these amounts.

Q: How do you offset a deficit?

A: The funds necessary to offset the deficit must be transferred from unrestricted reserves and shown as a transfer on line (h.) of your TMR.

- This represents a transfer from your reserves needed to cover Operating Expenses and you will pay apportionment on these amounts.

Q: Are funds transferred from net assets to offset a deficit subject to apportionment?

A: Yes.

TMR Review

Q: What do we do if we've made an error in a previous month?

A: NEVER edit prior months. Instead, notate it on the current month.

Q: What can be deducted under Line M (*Capital Expenditures*)?

A: If it's not budgeted, not recurring, or if the life expectancy is greater than one year (*i.e. purchasing ten copies of the Book of Common Prayer can be deducted under Line M*). Only expenses reported on the Statement of Activities can be deducted.

Q: Should we include capital/outreach/other expenses paid out of funds not reported on the Statement of Activities?

A: No.

Q: Can we leave Line R blank?

A: No, do not leave this blank.

Fund Reporting

Q: I can't find "Unrestricted Funds" in QuickBooks. Is it called something else?

A: Yes. QuickBooks refers to Unrestricted Funds as Retained Earnings account.

Q: What are some examples of Donor Restricted?

A: Examples include outreach, discretionary funds building capital campaigns, youth groups, music funds, altar guild, scholarship fund, etc...

Q: What are some examples of Permanently Restricted Funds?

A: Examples include fixed assets (land, buildings, equipment), endowment funds, etc...

Q: What is the difference between Unrestricted and Restricted Funds?

A: *Restricted* indicates the funds are donor restricted (*i.e. Mary gave \$1,000 to be used for the flower ministry*). *Unrestricted* indicated the funds are available for use. Under Unrestricted, there can be Vestry/Mission Committee designated funds. Vestry/Mission Committee designated fund(s) indicates the Vestry/Mission Committee has designated funds towards a certain mission or priority. It always means they can change their mind and designate the funds towards something else. (*i.e. the vestry votes they want a separate account for children's ministries and want to put \$5,000 in it. The Vestry/Mission Committee can redesignate the \$5,000 at any point and put it towards something else like painting the church*).

- The term that used to be used here was *Temporary Restricted*, however that term is no longer commonly used. It is now called a Designated Fund.
- It's important not to comingle Designated Funds and Donor Restricted Funds as it could make the entire fund donor restricted. This means that a parish could end up with two similar funds, one of which is designated, and one donor restricted. For example, you could have a Vestry/Mission Committee Designated Flower Fund and a Donor Restricted Flower Fund.

Q: What is the difference between a Bank/Investment Account and a Fund Account?

A: Bank or Investment Account(s) simply report the total in a physical bank and are reported as an Asset. A Bank/Investment Account can have multiple Fund Accounts in it. Fund balances may be commingled within a single or multiple bank accounts and the balance of each fund is reported in the Equity section of the Statement of Financial Position. For example, the flower fund could be in both the XYZ Bank-Checking account, and XYZ-Savings account.

Q: How should someone name a Bank/Investment Account?

A: Bank/Investment accounts should generally not be named for specific funds – Investment accounts are a vehicle for investing money, not tracking fund balances. Instead, Bank/Investment Accounts should be named according to the Bank and Account type: For example – “US Bank – EFNC Investment Fund” or “XYZ Bank – Checking”.

Q: If I'm using funds from my building account to pay for a new roof, do I have to list it on the TMR?

A: If you're using it from a Funds Account, no. However, if you want to list it on the TMR (under Deductions), you must also include in the transfer from a fund on your operating statement as income to offset the expense.

2024 Congregational Audits:

Q: Will my church be audited?

A: All churches are asked to complete a [Congregation Financial Review Survey](#). The audit team is meeting in the next few weeks to plan the 2024 Audit process. If you're concerned and would like a review, please reach out to Kati Braak (kati@norcalepiscopal.org). If you have not already done so, please submit the following Financial documents ASAP at [this link](#):

- December 2023 Statement of Financial Position (Balance Sheet)
- 2023 Year-end Fund Report (if separate from Statement of Financial Position)
- 2023 Full-Year Statement of Activities (Income/Operating Statement)
- 2023 Treasurers Monthly Report (full excel worksheet)
- 2024 Budget

Treasurers Call Zoom Meeting Info:

<https://us02web.zoom.us/j/86875353412?pwd=c3Zjd0FaZHMzMVFISU40NGNKbER4UT09>

Meeting ID: 868 7535 3412 Passcode: 95825

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