

September 2021 Treasurers' Resource Call



1

Agenda

- 2020 Audit Process Update
- Standardized Chart of Accounts
- Knowing your Cash Reserves
- Vestry Financial Reporting
- 2022 Budget Process



2

2020 Audit Process

- If you are getting a 2020 audit...
 - Complete the Congregation Financial Review Survey
 - Submit year-end reporting so the TMR/Parochial report can be reviewed. (See Section 9 of Survey)
 - After reviewing the above, your assigned auditor will contact you to schedule the audit



3

2020 Congregation Audits

- If you're not getting a 2020 Audit...
 - Complete the Congregation Financial Review Survey
 - Submit year-end reporting so the TMR/Parochial report can be reviewed. (See Section 9 of Survey)
 - After reviewing the above, the Bishop's office will follow-up with any questions.



4

Standardized Chart of Accounts

ASSETS

- Operating Bank Accounts
 - Operating Checking Account
 - Bank Savings Account
- Investment Accounts
 - EFNC Investment Accounts
 - Other Investment Accounts
- Other Bank Accounts
 - Rector's Discretionary Fund Account
 - ECW or other Subsidiary Org Accounts
- Accounts Receivable
 - Facilities Usage/Rent
- Other Assets
 - Prepaid Expenses
- Fixed Assets



5

Standardized Chart of Accounts

LIABILITIES

- Accounts Payable
- Other Current Liabilities
 - Payroll Taxes/Pension Obligations
 - Prepaid Pledges
 - Facilities Usage Deposits
 - Accrued Expenses
- Long-term Liabilities
 - Loans/Mortgages



6

Standardized Chart of Accounts

EQUITY (NET ASSETS)

- Unrestricted Net Assets Unrestricted/Undesignated assets with no restrictions on use.
- Designated Funds Vestry (not donor) has designated for a purpose.
- Donor Restricted Funds Funds like Outreach, capital campaigns, etc. where funds were donated for a specific use.
- Endowments/Permanently Restricted Funds
- Fixed Assets Direct offset of amount listed in Assets
- Retained Earnings/Current Year Surplus(Deficit)



7

Standardized Chart of Accounts

INCOME – *(Life is easier if you follow the TMR format)*

- Offerings Pledge & Plate (Non-designated offerings)
- Investment Income Realized (actual) interest and dividends on operating funds.
- Facilities Usage/Rental Income
- Fundraising Income Can be "gross" or net of related fundraising expenses.
- Grants
- Other Income
- Restricted/Designated Offerings Offerings that are restricted to a specific purpose
- Transfers from Funds for Operating Expenses



8

Standardized Chart of Accounts

EXPENSES

- Group into categories
 - Clergy Payroll
 - Lay Payroll
 - Facilities
 - Administrative Expenses
 - Program Expenses
 - Outreach
 - Apportionment
- Mirror Budget (if possible)
- Transfer unused Restricted Donations to Restricted Funds
- Report Outreach on Income statement rather than through Funds



9

Standardized Chart of Accounts

Questions?



10

Knowing your Cash Reserves

- Do you know what your parish's reserves are?
- Does your vestry know what your parish's reserves are?
- Does your vestry have a long-term plan for the sustainable use of parish reserves?



11

Knowing your Cash Reserves

Calculating your Parish Reserves:

Total Net Assets (Equity)

Less:

- Fixed Assets
- Permanently Restricted Funds (Endowment Corpus)
- Donor Restricted Funds

= **Unrestricted Net Assets**

Less: Designated Funds

= **Unrestricted/Undesignated Net Assets**



12

Knowing your Cash Reserves

Questions?



13

Vestry Financial Reporting

What reports does your Vestry receive at their monthly vestry meetings?



14

Vestry Financial Reporting

Cash Flow Projections

- Provides the vestry with a picture of how much cash is available for operations.
- Should be a rolling forward analysis of 6-12 months of operations.
- Does not need to be extremely detailed – base income and expenses on historical information to project future cash flows.



15

Vestry Financial Reporting

Financial dashboard

- A financial dashboard is a summary- generally one page – that provides your vestry with a snapshot of the parish's financial position.
- A financial dashboard should NOT replace a vestry discussion/review of the financial statements.



16

Vestry Financial Reporting

What Should be on a Financial dashboard

- Summarized income and expenses
- Pledge status report
- Cash Reserves
- Charts are always good!



17

Vestry Financial Reporting

Discussion & Questions



18

2022 Budget Process

- Start with expenses
 - Payroll – don't forget to include 2.7% COLA increase (and adjust pension)
 - Benefits – 2022 benefits information will be available October 1
 - Fixed expenses
 - Administrative expenses
 - Program expenses
 - New vestry/mission committee initiatives
 - Diocesan Apportionment

Thoughts

- Make sure you look at 2019/2020 budgets to think about life before COVID.
- Consider ongoing impacts of COVID restrictions on parish programs/fixed costs.



19

2022 Budget Process

- Income
 - Pledges and other offerings
 - Facilities Usage Income
 - Projected Grants and Fundraising Events
 - Other income

....Now what....



20

2022 Budget Process

- How do you fund a budget shortfall
 - Using cash reserves:
 - Does the parish have a plan for a sustainable investment spending policy?
 - Look at expenses
 - Is there anywhere you can reduce costs.
 - Talk to your parish
 - You never know if you can get more donations if you don't ask.
 - Talk to the Bishop's Office
 - There are resources and/or grants available to help your parish.



21

Closing Questions and Comments


