

January 2023

Treasurers' Resource Call



Agenda

- TMR Reconciliations
- Parochial Report
- Year-end Reporting
- 2023 Congregational Audit Process
- Personnel and Payroll



TMR Reconciliation

- Use information from your final year-end Statement of Financial Activities (Operating or Income Statement).
- Deductions should **ONLY** be reported if they are included on the Statement of Financial Activities Report.



TMR Reconciliation

➤ Explain any differences – Do NOT go back and correct previously completed months.

| | Parochial Report Line # | ANNUAL REPORTED TOTALS | ACTUAL YEAR END TOTAL | DIFFERENCE | COMMENTS |
|-----------------------------------------------------------|-------------------------------|------------------------------|--------------------------|-------------|----------|
| <u>Operating Income</u> | | | | | |
| a. Pledge & Plate Offerings | 3 | 0.00 | | 0.00 | |
| b. Investment Income | 4 | 0.00 | | 0.00 | |
| c. Rental and Facilities Usage Income | 5 | 0.00 | | 0.00 | |
| d. Fundraising Events | 5 / 6 | 0.00 | | 0.00 | |
| e. Grants | 7 | 0.00 | | 0.00 | |
| f. Other Operating Income | 10 / 11 | 0.00 | | 0.00 | |
| g. Restricted / Designated Offerings | | 0.00 | | 0.00 | |
| h. Transfers from Subsidiary Funds for Operating Expenses | 5 | 0.00 | | 0.00 | |
| TOTAL OPERATING INCOME | | 0.00 | 0.00 | 0.00 | |



TMR Reconciliation

- Line M/Q should match previously reported figures. If they don't add detail in schedules at bottom of reconciliation

Other Deductions

m. Capital Expenditures / Major Expenses

_____ 0.00 _____ 100.00 _____ 100.00

Please enter detail for any difference on Page 2

Enter any items below that are reported as a difference on Page 1 Line M.

| | | | |
|--|--|--|--|
| | | | |
| | | | |
| | | | |



TMR Reconciliation

- Year-end Surplus or Deficit **MUST** be included on Line H (for deficit), Line P (for surplus) or in the 2022 OPERATING SURPLUS (DEFICIT) BOX.

| | ANNUAL REPORTED TOTALS | ACTUAL YEAR END TOTAL |
|-----------------------------------------------------------------|------------------------------|--------------------------|
| h. Transfers from Subsidiary Funds for Operating Expenses | 0.00 | |
| OR | | |
| p. Transfers to Subsidiary Funds for Designated/Future Purposes | 0.00 | |

OR

TOTAL INCOME LESS DEDUCTIONS

0.00

0.00

2022 OPERATING SURPLUS or (DEFICIT)

0.00



TMR Reconciliation

- Make sure to include the apportionment payment made in January 2023 to determine any balance due (or credit) in 2022 apportionment.

| | Subtotal (Payments Made Feb-Dec): | 0.00 | | | | | | | | | |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------|--------|--|--|--|--|--|--|------|
| Enter payments made in January 2023: | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Date</th> <th style="width: 33%;">Check #</th> <th style="width: 33%;">Amount</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> </tbody> </table> | Date | Check # | Amount | | | | | | | 0.00 |
| Date | Check # | Amount | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | Subtotal (Payments Made in January 2023): | 0.00 | | | | | | | | | |
| | Total Payments made towards 2022 Apportionment: | \$0.00 | | | | | | | | | |
| 2022 APPORTIONMENT BALANCE DUE: | | \$0.00 | | | | | | | | | |

If you have a balance due, please submit payment to the bishop's office. If you have a credit, please make sure to record the credit balance forward on your January 2023 TMR.



Parochial Report

Page | 5

Congregation _____ City _____ Diocese _____

Stewardship and Financial Information of the Reporting Congregation

Giving Information for 2022:

Please indicate the reporting currency: _____ US DOLLAR _____ OTHER CURRENCY _____

Number of Pledges 1. Number of confirmed pledges/commitments for 2022 report year (1) _____

Total \$ Pledged 2. Total dollar amount pledged for 2022 report year (2) _____

Report of Revenues and Expenses for 2022:

Operating Revenues

3. Plate offerings, pledge payments & regular support (3) _____

4. Money from investments used for operations in 2022 (4) _____

5. Other operating income (5) _____

6. Unrestricted bequests used for operations (6) _____

Subtotal Normal Operating Income (3+4+5+6) = A _____

7. Assistance from diocese for operating budget (7) _____

Total Operating Revenues (A + 7) = B _____

Non-Operating Revenues

8. Capital funds, gifts & additions (8) _____

9. Additions to endowment & other investment funds (9) _____

10. Contributions & grants for congregation-based outreach & mission programs (10) _____

11. Funds for transmittal to other organizations (11) _____

Subtotal Non-Operating Revenues (8+9+10+11) = C _____

Total All Revenues (B+C) = D _____

Operating Expenses

12. To diocese for assessment, appointment, or fair share (12) _____

13. Outreach from operating budget (13) _____

14. All other operating expenses (14) _____

Subtotal Operating Expenses (12+13+14) = E _____

Non-Operating Expenses

15. Major improvements & capital expenditures (15) _____

16. Expenses for congregation's outreach & mission (16) _____

17. Funds contributed to Episcopal seminaries (17) _____

18. Funds sent to other organizations (18) _____

Subtotal Non-Operating Expenses (15+16+17+18) = F _____

Total All Expenses (E+F) = G _____

At Year-End: 19. Total cash in all checking & savings accounts (19) _____

As of December 31, 2022 20. Total investments at market value (not including cash reported in line 19) (20) _____

A filed report is due online at <https://reports.dfms.org> by March 1.

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Congregation _____ City _____ Diocese _____

Continuing Stewardship and Financial Information of the Reporting Congregation

Information for 2022:

21. Number of contributing households without a pledge/commitment: _____

22. If the congregation has an endowment or reserve funds, how did usage of those funds in 2022 change compared to 2021?
 Increased Decreased Same

23. If the congregation takes an endowment draw to fund the operating budget, what was the percentage draw from the endowment for 2022?
 (If there are multiple endowment funds provide the average draw percentage) _____

24. How significant is the negative impact of the pandemic on your congregation's finances for 2022?
 Very significant somewhat significant neutral somewhat insignificant very insignificant

Comments: _____

25. Does the congregation have any outstanding debt? Yes No
 If yes, how much? (In your currency) _____

What is the debt for? _____

26. What is the financial outlook for the congregation over the next 5 years?

A filed report is due online at <https://reports.dfms.org> by March 1.



Parochial Report

- START with information from your final year-end Statement of Financial Activities (Operating or Income Statement).

TOTAL INCOME

Line 3 ----- Pledges, Plate, Givers of Record, Undesignated gifts, etc. **Minus**

Line 4 ----- Money from investments **Minus**

Line 6 ----- Unrestricted Bequests (uncommon) **Minus**

Line 7 ----- Diocesan Assistance **Minus**

Line 10 ----- Outreach donations for parish programs **Minus**

Line 11 ----- Donations collected for outside outreach appeals

Line 5 ----- EVERYTHING ELSE **= Other Income**



Parochial Report

- START with information from your final year-end Statement of Financial Activities (Operating or Income Statement).

TOTAL EXPENSES

Line 12 ---- Diocesan Apportionment

Minus

Line 15 ---- Capital Improvements
(ONLY if Reported on SoFA) – For now....

Minus

Line 13 ---- Outreach for non-parish programs paid for by general donations.

Minus

Line 16 ---- Moneys used to fund internal parish outreach programs.

Line 18 ---- Funds raised from designated outreach gifts (See Line 11)

Line 17 ---- Funds contributed to Episcopal Seminaries.

Line 14 ---- EVERYTHING ELSE

= All Other Operating Expenses



Parochial Report

1. ✓
2. ✓
3. ✓
4. ✓
5. ✓
6. ✓
7. ✓
8. ✓
9. ✓
10. ✓
11. ✓
12. ✓
13. ✓
14. ✓
15. ✓
16. ✓
17. ✓
18. ✓
- 19.
- 20.

➤ Add any Deficit to Line 5 or Line 4

➤ Line 1 and 2: Based on number and value of pledges made, not fulfilled.

Now it starts getting a bit more complicated and challenging...

Using your Statement of Financial Position (Balance Sheet) and/or Fund Report:

➤ Line 6: Any bequests received that are NOT included on the SofA.

➤ Line 8: Donations made to capital funds

➤ Line 9: Endowment Gifts

➤ Line 10: Outreach donations not included in the SofA.

➤ Line 15: Capital Expenditures.

➤ Lines 16/17/18: Outreach expenses not included in the SofA.



Parochial Report

1. ✓
2. ✓
3. ✓
4. ✓
5. ✓
6. ✓
7. ✓
8. ✓
9. ✓
10. ✓
11. ✓
12. ✓
13. ✓
14. ✓
15. ✓
16. ✓
17. ✓
18. ✓
19. ✓
20. ✓

- Line 19: Cash balance in all checking, savings, discretionary fund accounts.
- Line 20: Balance in all investment accounts.



Parochial Report

NEW LINES FOR 2022

- Line 21: Number of contributing households without a pledge/commitment?
 - May be possible to calculate from Realm or other parish donation database.
- Line 22: Usage of endowment or reserve funds.
- Line 23: Percentage Draw on endowment funds.
- Line 25: Outstanding Debt.

Narrative Questions

- Line 24: Pandemic impact
- Line 25: Five-year Outlook.



Year-end Reporting

- Annual TMR Reconciliation – Due by Jan 31, 2023
- Parochial Report – Due by March 1, 2023

Upload year-end reports and 2023 budget
to Diocese by March 1, 2023

[\(<https://bit.ly/2022YEReports>\)](https://bit.ly/2022YEReports)

Also on Forms & Documents Page on Diocesan Website



2023 Audit Process

The Diocese of Northern California annual audit policy
(established August 2022)

All Parishes will submit annual financial reports, TMRs, and Parochial Reports to the Office of the Bishop no later than March 1 of each year. After reviewing such documents, the Congregational Audit Team will either assign a reviewer to meet with your treasurer and/or finance team to review the churches operations or request that the parish do an internal review using a committee of independent members of the parish.



2023 Audit Process

- Every Church uploads Year-end Information including:
 - FINANCIAL REPORTS
 - December 2022 Statement of Financial Position (Balance Sheet)
 - 2022 Year-end Fund Report (if separate from Statement of Financial Position)
 - 2022 Full-Year Statement of Activities (Income/Operating Statement)
 - TMR Spreadsheet
 - Note – Please Upload the full Excel spreadsheet, NOT a PDF report.
 - If you have converted the spreadsheet to another format (i.e. Google Sheets), please make sure to include a shared-link to the file in the comments section
 - 2023 Parish Budget



2023 Audit Process

- Congregational Audit Committee reviews Uploaded Files
- Committee will prioritize the churches to receive in-person audits.
- Those churches not receiving an in-person audit:
 - Will be sent the comments (if any) from the financial statement / TMR / Parochial Report review.
 - Will be asked to complete a self-review of the internal control survey looking at internal control procedures.
- Those churches receiving an in-person audit:
 - Will be contacted by a member of the audit team to schedule an audit.



Payroll & Personnel

➤ Exempt vs. Non-Exempt Employees

- California minimum salary to qualify as exempt: \$64,480.
- Non-Exempt Employees MUST be paid based on actual hours worked!

➤ Timecards

- All Employees INCLUDING Clergy should submit timecards.

➤ Bonuses / Extra Pay

- Bonuses MUST be paid through Payroll.
- Any extra pay (i.e. Musicians doing special services) must be paid through payroll unless paid by someone other than the church.



Payroll & Personnel

➤ Employee vs. Independent Contractor

➤ IRS Independent Contractor Test:

- **Behavioral:** Does the company control or have the right to control what the worker does and how the worker does his or her job?
- **Financial:** Are the business aspects of the worker's job controlled by the payer? (these include things like how worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.)
- **Type of Relationship:** Are there written contracts or employee type benefits (i.e. pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the business?



Payroll & Personnel

- Diocesan Reporting Requirements – New Employees
 - All New Employees must be reported to the diocese.
 - Various Forms required depending on type of employee and benefits reviewed
 - See <https://www.norcalepiscopal.org/site/human-resources/>

- Annual Reporting Requirements
 - Diocesan Employee Change in Information Form
 - CPG Employment Change Form
 - See <https://www.norcalepiscopal.org/site/human-resources/#changesinemployeeinformation>
 - Forms must be filed if any employee contact, benefits, or compensation changes occur (including annual COLA changes).

- Terminations
 - Must be reported to Diocese and CPG
 - See <https://www.norcalepiscopal.org/site/human-resources/#terminatingemployment>



Questions and Comments

