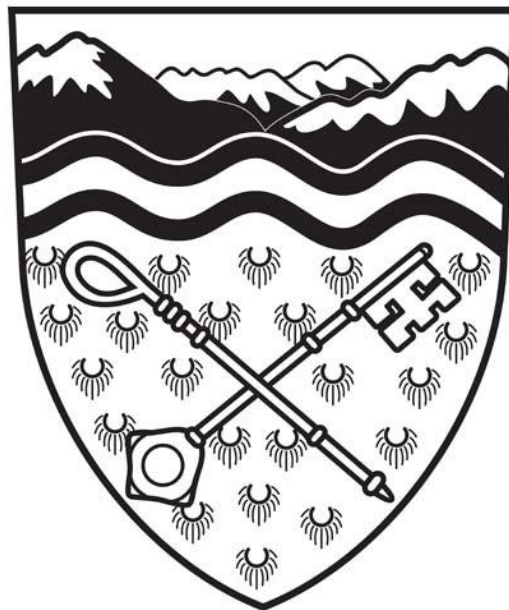


The Anglican Church of Canada

Diocese of Kootenay



The Most Reverend Lynne
McNaughton Bishop

Synod Organized May 1900

Area: 215,000 sq. kilometers

Members: 3665 (2018)

Congregations: 44

Parishes: 28

Regions: 5 (as of Dec 19/19)

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PREAMBLE

TO THE CHURCH TREASURER:

File #1.1

The Church Treasurer is appointed by the Wardens and shall be a member of the Church Committee. The position carries definite responsibilities and it is helpful to have knowledge of the Canons of the Diocese - [Constitutions & Canons](#) and the Planning/Organization Workbook (POW book) - [POW Book Policies](#).

This handbook is based on the Constitution and Canons of the Diocese of Kootenay and the purpose is for general information and as a guide for the accounting practices of the congregation.

The handbook may appear rather comprehensive for some parishes as the intent is to provide information in many areas; however, it is reasonable to expect only portions of this information will be actually used by some parishes. Sections of the handbook will be revised annually or as necessary and forwarded to the parish treasurers.

THE DIOCESE AND THE SYNOD:

File #1.2

The Diocese of Kootenay is comprised of the area of the Southeast corner of British Columbia. It has an area of approximately 120,000 square kilometres and there are 32 Parishes and 46 Congregations and 3 Worshipping Communities in 5 Regions. Please refer to the enclosed map.

The basic structural unit of the Anglican Church is the Diocese. The Diocese is apportioned into Parishes. A Parish may consist of one or more congregations. A Worshipping Community is included as part of the sponsoring Congregation.

Parishes are grouped together as a Region, under the leadership of a Regional Dean, both for facility in administration and in order that they may work together in solving problems of mutual interest.

The Diocesan Synod was formed by an act of the Legislative Assembly of British Columbia in May 1900 and incorporated June 4th, 1903 as "The Synod of the Diocese of Kootenay". Under the Chairmanship of the Bishop, it is the governing body of the diocese. The Synod consists of the Bishop and Clergy of the diocese, lay members elected by the parishes at their annual vestry meetings and ex-officio members.

Synod meets every third year for the purpose of considering the reports of committees charged with particular responsibilities, electing new committees, enacting or amending legislation, and taking what steps may be deemed advisable for strengthening the work of the Church in the diocese.

In addition to the Diocesan Synod there are the Provincial and General Synods.

PROVINCIAL AND GENERAL SYNODS:

File #1.3

The Provincial Synod of the Ecclesiastical Province of British Columbia and the Yukon consists of all the dioceses in this Province. The Chairperson is the Archbishop who is known as the Metropolitan. Membership consists of representatives from each diocese in the Ecclesiastical Province elected by the various Synods, together with the respective Bishops and Chancellors. Provincial Synod meets every three years at the call of the Metropolitan and considers matters of interest in the provincial sphere.

The General Synod is the governing body of the Canadian Church. It consists of all the Bishops together with clergy and laity elected by each diocese. The Chairperson is the Primate and meetings are held every three years. In the years that General Synod does not meet, meetings are held of a smaller body elected by General Synod known as the National Executive Council.

DIOCESAN SYNOD OFFICE STAFF & OFFICE HOURS**File #1.4**

STAFF

Bishop	The Most Rev. Lynne McNaughton
Executive Officer	The Reverend Rita Harrison
Office Administrator	Kate Dalton
Finance Manager	Teresa Kennedy
Archivist	Kathryn Lockhart

ADDRESS

The Diocese of Kootenay
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Finance: finance@kootenay.infoWebsite: www.kootenayanglican.ca

DUTIES OF THE TREASURER

DUTIES OF THE TREASURER - GENERAL

File #2.1

As previously mentioned, the Treasurer is appointed by the Churchwardens who, by Canon 10 Para 11(d), are responsible to account for the congregation's funds to the Church Committee and in consultation with the Treasurer, to produce for the Annual General Meeting financial statements for the previous fiscal year (including a Statement of Receipts and Expenditures and a Balance Sheet) and an operating budget for the current year. Other duties may include the completion and return of the annual year-end financial returns required by the Diocesan Synod Office prior to the end of February each year.

In most parishes the Churchwardens delegate their bookkeeping and accounting responsibilities to the Treasurer. The Treasurer, by Canon 10, is a member of the Church Executive Committee and shall be one of the Signing Officers of the congregation. As such, the Treasurer is perceived to be involved in all financial matters and, even though some matters are clearly the responsibility of others, it is recommended that the Treasurer be at least acquainted with all financial activities in order to ensure that nothing is overlooked. For general information purposes, this handbook is designed for the person responsible for the bookkeeping and accounting responsibilities and the title of "Treasurer" will be used throughout to designate that person.

The Treasurer should not hesitate to seek help in situations where the proper course of action is in doubt. Many persons both within and outside the congregation are qualified and willing to give advice and assistance and the synod office is always accessible.

DUTIES OF THE TREASURER - REVENUES

File #2.2

The Treasurer must keep a record of all moneys received for the support of the local church. Since the Treasurer is accountable for these receipts s/he is responsible to set up and keep proper bookkeeping records.

Contributions to any Pass Thru Funds (PWRDF, food banks etc.), or to any special purpose fund authorized by the Church Committee, are amounts received in trust. Unreasonable delay in 1) forwarding applicable funds to the Diocesan Centre office; 2) using the gifts for their intended purpose; or 3) using them for some other purpose, is a breach of trust. An action of this kind is not only morally wrong, but may be a criminal offence.

It is important that contributors are provided with official receipts for Income Tax purposes at the end of each year specifying the amount of their contribution for local purposes, to any Pass Thru Funds and to any special funds. Preferably this should be done by someone other than the Treasurer i.e. an Envelope Secretary. The Treasurer, with the Envelope Secretary should be certain that the proper government forms are completed annually (See [File #5.2](#)) so the churches charitable society status is not jeopardized and tax receipts invalidated.

GENERAL

File #2.3

DUTIES OF THE TREASURER - EXPENDITURES

The Treasurer shall disburse moneys received for local church purposes under the direction of the Church Committee and keep detailed records of all transactions. It is reasonable to authorize the Treasurer to make payment for regular disbursements such as monthly remittances to the synod office (Salaries, D.F.B. and Clergy

Moving), local taxes as applicable, light, water, fuel, telephone and similar items. No unusual payments should be made by the Treasurer without approval in advance by the Church Committee. The Treasurer should report to the Church Committee all disbursements made in the period prior to the meeting as well as any accounts to be approved for payment.

The Treasurer is expected to ensure that all receipts and disbursements are recorded on a timely basis and shall present to the Church Committee, monthly (or quarterly) Statements of Account showing the current financial position of the church for the period.

AUTHORIZATION OF EXPENDITURE

File #2.4

As in any organization, a lack of control over authorization of expenditures creates problems.

Suppose, for example, an interested member of one group or another, becomes aware of a condition requiring attention and, without prior consultation with the chairperson or other officers, proceeds to have work done or purchases made on her/his own initiative. Too often the other officers and the group itself condones this because the member who commits the group is recognized as an ardent and interested person. A member can get into a habit of committing the group first and seeking their approval afterwards when it is too late for the group or its elected representative to easily dissent. This procedure may result in unnecessary costs, use funds that might have been better used for more urgent needs and lead to hurt feelings within the group.

No one person should have the authority to incur expense for the church itself or any organization of the church other than for day-to-day fixed expenses previously approved by the group or committee. A situation is never so urgent that immediate action need be taken without prior consideration by other responsible elected representatives. Consult before you commit.

METHOD OF PAYMENT

File #2.5

There are two desirable methods of paying invoices. They are 1) by cheque bearing the signature of two signing officers or 2) by electronic funds transfer whereby one signing officer sets up the payment and a second signing officer approves the payment. Both signing officers must have examined a properly detailed invoice, statement or other supporting voucher.

The signing officers should not, at any time, sign a cheque or effect an electronic funds transfer until they are fully aware of the transaction involved and understand completely its terms and then only after the account has been presented to, and approved by, the group or committee to which the account applies. A Treasurer or other officer should never complete a cheque or cheques and seek out a second signing officer who goes through the formality of signing without any or perhaps only a cursory examination of the detail relative to the expenditure.

It is realized that many arguments and objections could be raised against strict adherence to the foregoing recommendations but the signature is a safeguard against careless methods. It may seem convenient to pay accounts by cash but the practice should be avoided for all but minor transactions in the interest of orderly and controlled procedures and the maintenance of substantive records.

RECORD RETENTION**File #2.6**

As a general rule, books, records and related vouchers should be retained for a period of six calendar years after the year in which the record was originated. This is a requirement of the Income Tax Act applicable to charitable organizations. However, Regulation 5800 makes an important exception to this rule. Duplicate donation receipts issued by a registered charity need be kept for only two years from the end of the calendar year in which the receipts are issued; however, receipts for donations of property to be held for a period of not less than ten years, are to be retained.

No books or records should be destroyed prior to the expiration of the retention period without written permission of the Minister of National Revenue which is obtained from your local District Taxation Office. The same clearance should be obtained from the provincial taxation authority. The following information will be required:

- A clear identification of books, records or other documents to be destroyed.
- The taxation years for which the request applies.
- Details of any special circumstances which would justify destruction of the books and records at an earlier time than that normally permitted.
- Any other pertinent information.

Permission will not likely be granted to destroy "permanent records" such as minutes, by-laws and general ledgers.

We recommend that after the six year retention period, the permanent business records be forwarded to the Diocesan Archivist for storage; Church registers of births, confirmations, marriages and deaths should be forwarded to the Diocesan Archives every ten years or upon completion of the register (whichever comes first) so that they can be recorded in the Diocesan Archive files. If requested, incomplete registers will be returned to the Church after posting is completed.

As part of your year-end activities, you may want to archive your important paperwork. Clearly label all boxes and files and store them in a secure location.

A well-thought-out and executed filing system means that your important paper documents are readily available to support your tax return, provide information for a bank loan, or return a faulty product with the original receipt and warranty information.

Form	Keep for at least.....	Examples
<u>Legal documents</u>	permanently	<ul style="list-style-type: none"> • Incorporation papers • Partnership agreement • Church committee meeting minutes • Leasing agreements
<u>Insurance records</u>	permanently	<ul style="list-style-type: none"> • Policy contracts • Amendments letters • Claim information • Riders Correspondence

<u>Banking records</u>	10 years	<ul style="list-style-type: none"> • Cancelled cheques • Bank Statements • Loan agreements and payment receipts
<u>Filed tax returns</u>	permanently	<ul style="list-style-type: none"> • Income tax (Charity) returns • Forms and correspondence sent to Canada Customs and Revenue (formerly Revenue Canada)
<u>Employment records</u>	permanently	<ul style="list-style-type: none"> • ROE • T4 • PD7A • Any related correspondence
<u>Annual financial statements</u>	permanently	<ul style="list-style-type: none"> • Year-end balance sheet • Year-end profit & loss statement
<u>Vendor bills for supplies and services</u>	7 years	<ul style="list-style-type: none"> • Receipts from the vendor • Credit or collection correspondence
<u>Vendor bill for fixed assets</u>	7 years after you sell or dispose of the asset	<ul style="list-style-type: none"> • Receipts from the vendor • Credit or collection correspondence
<u>Customer Invoices</u>	7 years	<ul style="list-style-type: none"> • Customer invoices, statements, and credit memos • Credit or collection correspondence
<u>Equipment</u>	While in possession	<ul style="list-style-type: none"> • Model & Serial numbers where applicable • Warranties for length of time warranty is valid
<u>Church Offering Envelopes</u>	for a period of six years from the end of the tax year to which the envelope relates..	<ul style="list-style-type: none"> • This position is effective as of 2016 and includes envelopes for the 2015 tax year and onward

INDEPENDENT FINANCIAL REVIEW**File #2.7**

In accordance with **Canon 10: #17 Independent Financial Review**, "The Church Council will appoint an independent person not related to the Treasurer, and not a member of the Church Council, but with a reasonable understanding of financial records, who will review the financial records of the Congregation and report to the Council prior to the Annual General Meeting."

The 'books' should be reviewed annually. This need not be done by a chartered accounting firm. It is, however, important that the person be one with financial competence and is not connected to the leadership circle of the Parish. The books of ACW, Men's groups, etc., should also be reviewed by a person outside the group and their financial statements included in the Annual Parish Report along with the financial statements for the Parish.

Perhaps a retired bank manager, member of an accounting firm or Canada Revenue Agency employee, might volunteer to review the books. A small honorarium can sometimes be very appreciated.

The following is an example of a checklist of the recommended duties to be performed.

To Whom It May Concern:

I have performed a review, to the best of my ability, of the following provided by the **Church/Parish Name** for the year January 1 to December 31, **Year**.

Duties Performed	Initial	Date	Exceptions found
Review minutes to ensure that financial motions have been acted upon			
Ensure each bank account has 12 month reconciliations that tie to the GL			
Trace a sample of 10 cheques to their respective invoices			
Trace a sample of 10 receipts to the deposit slip, and bank statement			
Examine payroll (if performed at the church/parish level) and ensure CRA liabilities have been paid.			
Ensure the T3010 was completed for the previous year.			
Review bank reconciliations for stale dated deposits or cheques			

I have found the above to be correct and in good order.

Name _____ **Signature** _____

GUIDELINES FOR AN ACCOUNTING SYSTEM

GENERAL

File #3.1
Page 1 of 2

In setting the guidelines for accounting, it is recognized that some parishes/churches in the Diocese already have well-established systems that are providing their members with clear and precise information. It is also recognized that there is the possibility that the systems now being used in some churches may tend to present information that is confusing and even perhaps inaccurate.

The system used must provide up to date information for the preparation of the financial statements, as well as the cumulative information. Not having this information readily available and clearly separated can lead to unwarranted concern, frustration and even despair.

The purpose of the guideline is to:

- Develop a common terminology across the Diocese.
- Obtain a uniformity in financial reporting.
- Make it easier for parishes to prepare reports to the Diocese - and to make the reporting more accurate.

The proposed financial statement formats set out both income and expenditures under sub-headings and separate these as "Operating" and "Non-Operating".

The income and expense account headings should be the same for every parish as they are also used on the "Statement of Income and Expenditures" that is forwarded annually to the Diocesan Centre Office to determine the K.F.S. calculation. The sub-accounts may vary, however, in each parish situation.

The items under "Expenditures" set out the various missions in which a parish is involved. Using this format in budget priority setting and long range planning is a viable tool to assist the parish family in identifying each of their missions, seeing how they tie together, and how they must be increased or decreased to fulfil their visions.

The "Cash Statement" (Balance Sheet) is used through the year to control cash flow and at the end of the year to present a total financial picture.

In order to have this information constantly updated, and available simply and clearly, an accounting system should include Cash Receipt, Cash Disbursement and General Journals and a General Ledger.

GUIDELINES - GENERAL - Continued:**File 3.1**

Page 2 of 2

The Journals, when totalled at month end and transferred to the General Ledger, provide the figures to be used on the Statement of Income and Expenditures. Although this requires an additional posting at each month end in a manual accounting system, it is the easiest method of providing current data, and to preserve data for the future. In a computer accounting system, these transfers are automatic upon data entry.

At Year End, the income and expenditure accounts should be closed through a balancing account called "Parish Family Equity" or some such similar name.

It is not an easy task to set out a format for a set of Journals and a General Ledger that would meet the need of every parish, and we realize that some parishes already have this type of system in place whether it be manual or computer.

For those parishes that are not presently on this Journal-Ledger system, it is suggested the parish and Diocesan Centre office work on an individual need basis to set up a suitable system. This can be done through mail correspondence or perhaps through regional seminars.

The Diocesan Statement of Income & Expense Form – File #3.2 (See the Kootenay website - [Resources](#)) has been revised to conform to the Income and Expenditure breakdown as outlined in the statements examples that follow the "Explanation of Terms". It is from the information provided on this form that each parish Kootenay Fair Share (K.F.S.) assessment is determined for the following year. If parishes are assessed by the "Region", e.g. East Kootenay Region, the Region would assess each individual parish a percentage of the Region total.

It is our desire that by the use of a consistent method of accounting throughout our Diocese, our Treasurers will find it easier to present the necessary financial information to both their parishes/congregations and the Diocesan Centre Office.

STATEMENT OF INCOME AND EXPENDITURES

DIOCESAN REPORT FORM (Year-End Statement)

File #3.2

STATEMENT OF INCOME & EXPENSES for the Year Ending December 31, 2022

For the Congregation of **C**
 Name Location

1. Multi-point Parishes:
 - ◆ Complete a Statement of Income & Expenditures report for each church that keeps its own books and accounts.
 - ◆ Central Treasurer to complete a Statement of Income & Expenditures report for funds which cover common costs.
2. Shared Ministry Parishes:
 - ◆ Pro-rate and record income and expenses as per the Anglican % of membership if there are not separate accounts.
3. Attach a copy of the Financial Statements for each location.

INCOME - Operating:

Open Offerings	700
Identifiable Giving (tax receipts issued)	40000
Interest (see Note 1)	
Kootenay Forward Fund Grant	
Rental Income	15000
Other Income (see Note 2)	15000
Total Operating Income - TOI	A \$ 70700
(see Note 3)	

EXPENSES - Operating:

KFS Apportionment Paid	5000
KFS Apportionment Owning	
Other Beyond the Parish Expenses	
Total Clergy Cost	70000
Parish Staff (Secretary, Organist, etc.)	
In Parish Programs (Church School, etc.)	
Administration & all other costs	15000
Total Operating Expenditures	C \$ 90000

INCOME - Non-Operating:

Pass Thru Funds (PWRDF, etc.)	1000
Capital Funds	
Special Bequests	
Total Non-Operating Income	B \$ 1000

EXPENSES - Non-Operating:

Pass Thru Funds	1000
Capital & other non-operating expenses	
Total Non-Operating Exp.	D 1000

Total Parish Income - TPI A + B \$ **71700**

Total Expenses C + D \$ **91000**

Notes:

1. Include operating funds received from investments held by Diocese or parish.
2. Include funds received from other congregations and Parish Organizations (e.g. A.C.W.) and fees from weddings, funerals, etc. and gross fund-raising income.
3. This amount is used to calculate the Kootenay Fair Share Assessment (KFS)
4. Total Operating and Non-Operating Income/Expenditures totals should be the same as the amounts on your Financial Statements.

Diocese of Kootenay

Previous Year DCI

Excel\AnnualReports\INC&EXP

K.F.S. Calculation:

Total Operating Income - TOI "A"	70700
Less:	
1 KFF Grant	
2 Rental Expenses	4500
3 Fund-Raising Expenses	500
4 Other	-5000
Defined Congregation Income - DCI	65700

Completed by: _____ Date: _____

STATEMENT OF INCOME AND EXPENDITURES**EXPLANATION OF TERMS****File #3.3**
Page 1 of 2**INCOME - OPERATING: Part "A"**

Open Offerings - Money gifts received which are not identifiable, the giver is unknown.

Identifiable Offerings - Those moneys received through envelope giving, cheques, bank withdrawal, etc. which have a name & address attached so tax receipts can be issued.

Interest - Interest moneys earned and received from Bank Accounts, G.I.C.'s, Term Deposits, etc.

Kootenay Forward Fund Grant - Moneys received from the Kootenay Forward Fund.

Rental Income - Income received from renting Halls, Property, Equipment, etc.

Other Income - Income received from other congregations, Parish groups, weddings, funerals, etc., and net fund raisers.

TOTAL OPERATING INCOME "A" - This figure is used to determine the starting figure in the *K.F.S. Calculation*.

INCOME - NON-OPERATING: Part "C"

Pass-Thru Funds - Monies that are received and tax receipted by your church/parish but NOT for your use and are passed on either directly or via the Synod Office to another charitable organization for which they were designated. Note: This explanation has been accepted by our auditor.

- INCLUDE: Monies received for Primates World Relief Development Fund, Kootenay Forward Fund, Anglican Appeal, Canadian Bible Society, or any other organization that has a Charitable Tax Number.
- EXCLUDE: Monies received for your parish programs (eg soup kitchen, refugee family).
- This amount at year end should be the same as the 'Pass Thru Funds' on the Expense side of the statement.

One Time Donations & Special Bequests - Large amounts of money not being used immediately but held for special purpose or designation. If any of these funds are used for operating purposes in the future, they must then be transferred to Operating Income.

EXPLANATION OF TERMS - Continued:**File #3.3**
Page 2 of 2**EXPENDITURES - OPERATING: Part "B"**

K.F.S. Apportionment Accepted - The annual Kootenay Fair Share amount your parish accepted.

K.F.S. (Shortfall)/Overage - The amount of K.F.S. that was either underpaid or overpaid from the accepted amount (the above figure).

Other expenditures Beyond the Parish (Mission) - Moneys paid out of the Parish Budget to support the work of the church and church workers Beyond the Parish (e.g. Kootenay Forward Fund, soup kitchen, newsletter, Volunteers in Mission, etc.).

Clergy Cost - The total money paid for Clergy salary, travel, benefits, rectory taxes & utilities, clergy moving fund, etc.

Parish Staff - All other salaries and/or honorariums and benefits paid to organist, secretaries, janitors, administrators, etc.

Parish Programme - Moneys spent for choir, church school, servers, altar guilds, hospitality, etc. (e.g. altar supplies, music, etc.).

Administration (General Operation) - Moneys spent for utilities, hall taxes, stationery supplies, postage, general repairs, lease and maintenance of equipment. Fund raiser expenses should be netted in Other Income.

EXPENDITURES - NON-OPERATING: Part "D"

Pass Thru Funds - moneys given & passed through the congregation (not part of the parish budget) e.g. Primates World Relief Development Fund, Kootenay Forward Fund, etc. This amount at year end should be the same as the 'Pass Thru Funds' on the Income side of the statement. (See Income – Non Operating: Part "C")

Capital and Other Non-Operating Expenses - Moneys spent to purchase new buildings or new equipment (e.g. organ). Also for large major repairs, roof replacement, furnace replacement, etc. In general, any expenses that are not every day operating expenses.

K.F.S. CALCULATION

The formula for the 2016 KFS calculation in the POW book File 5.2.1 is currently being re-examined.

PARISH NAME

File #3.4
Page 1 of 3

STATEMENT OF INCOME AND EXPENDITURES

OPERATING ACCOUNTS

INCOME - (Part 'A')

Open Offerings _____

Identifiable Giving

- Envelope Holders _____

- Non-envelope Holders _____

- Bank Deductions _____

Interest Earned

- From Operating Income _____

- From Capital Funds (if used for _____

operating expenditures. _____

Kootenay Forward Fund Grant _____

Rental Income (Gross) _____

Other Income

- Fund Raisers _____

- Other Congregations _____

- Weddings and Funerals _____

TOTAL OPERATING INCOME _____

STATEMENT - OPERATING ACCOUNT - Continued:

File #3.4
Page 2 of 3

EXPENDITURES - (Part 'B')

Beyond the Parish

- K.F.S. Apportionment Paid _____
- K.F.S. Shortfall (Current Year) _____
 Outstanding to Diocese at Year End _____
- K.F.S. Overage (Current Year) _____
 Paid in addition to the accepted amount _____

TOTAL BEYOND THE PARISH _____

Other Expenditures Beyond the Parish (Mission) _____

Clergy Cost

- Stipend _____
- Benefits _____
- Travel _____
- Moving Fund _____
- Rectory or Other Housing _____

TOTAL CLERGY COST _____

Parish Support Staff

- Office _____
- Organist _____
- Janitorial _____
- Benefits for the above _____

TOTAL PARISH SUPPORT STAFF _____

In Parish Programs

- Choir _____
- Church School *To be set up* _____
- Outreach *according to* _____
- Worship (Altar Supp) *each Parish's* _____
- Training *need.* _____
- Travel _____

TOTAL IN PARISH PROGRAMS _____

STATEMENT - OPERATING ACCOUNT - Continued:

File #3.4
Page 3 of 3

General Operation

- Advertising _____

- Building Maintenance:

Hall _____

Church _____

Other _____

- Bank Charges _____

- Parish Publications _____

- Fund Raiser Expenses _____

- Supplies:

Church _____

Office _____

- Telephone _____

- Utilities:

Hall _____

Church _____

Other _____

- Insurance _____

- Miscellaneous _____

TOTAL ADMINISTRATION COSTS _____

TOTAL EXPENDITURES _____

Total Income from Part 'A' _____

Total Expenditures from Part 'B' (_____)

NET OPERATING SURPLUS/(DEFICIT) - Current Year _____

Transfer to Cash Statement

PARISH NAME

File #3.5

STATEMENT OF INCOME AND EXPENDITURES

NON-OPERATING ACCOUNTS

INCOME - (Part 'C')

Pass Thru Funds

- PWRDF _____
- Kootenay Forward Fund _____
- Canada Bible _____
- Diocesan DFB Donations _____
- Others _____
- TOTAL PASS THRU FUNDS _____

Capital Funds _____

Special Bequests - Items not used for operating expenditures. _____

TOTAL NON-OPERATING INCOME _____

EXPENDITURES - (Part 'D')

Pass Thru Funds _____

Capital and other non-operating expenses _____

TOTAL NON-OPERATING EXPENDITURES _____

Total Income - Part 'C' _____

Total Expenditures - Part 'D' (_____)

NET NON-OPERATING SURPLUS/(DEFICIT) - Current Year _____
Transfer to Cash Statement

PARISH NAME

File #3.6

CASH STATEMENT AS AT

(Date)

ASSETS

Bank Balance -	Operating Account	_____
	Non-Operating Account	_____
	Other Accounts	_____
Accounts Receivable		_____
	(e.g. GST rebate not yet received)	
Prepayments (e.g. payments for items not yet received)		_____
TOTAL ASSETS		_____

LIABILITIES & RETAINED EARNINGS

DFB Outstanding to Diocese as of the above date	_____
Loans Outstanding	_____
Previous Year End:	
- Operating Account Net Surplus/(Deficit)	_____
- Non-Operating Account Net Surplus/(Deficit)	_____
Current Year:	
- Operating Account Net Surplus/(Deficit)	_____
- Non-Operating Account Net Surplus/(Deficit)	_____
TOTAL LIABILITIES & RETAINED EARNINGS	=====

Note: The totals of the Assets and Liabilities & Retained Earnings should be the same.

2022 CALENDAR**File #4.1****Proposed Meeting dates & Annual due dates for parish information:**

January

February 28th - Annual Parish Statistics & Financial information are due at Diocesan Centre

March 31st - 2022 Insurance Premiums Due

April

May 30th - Anglican Foundation Grant/Loan Applications (Sept. 1 meeting) due at Diocesan Centre

June 1st - Prepare Annual Registered Charity Information Return T3010-1 and forward to Revenue Canada by June 30. (information on methods of submitting the T3010 to CRA noted further on)

July

August

September 1st - Rufus Gibbs Applications due at Diocesan Centre

October

30th - Kootenay Fair Share prepared for regional KFS meetings

31st - KFS acceptances are due at Diocesan Centre

31st - Kootenay Forward Fund requests are due at Diocesan Centre

November

December 8th - Clergy Letters of Agreement are due at Diocesan Centre

Monthly due dates for parish information:6th - Revision cut-off for current month Pre-Authorized (PAG)8th - PAG reports forwarded to Parishes11th - PAG funds credited to Parish accounts14th & 28th - Stipend sheets for hourly payroll forwarded to applicable Parishes15th & last working day of month. - Payroll debited from Parish accounts21st - KFS debited from Parish accounts28th - Payment schedule report forwarded to Parishes

PAYMENT SCHEDULE OF MONTHLY REMITTANCES TO SYNOD OFFICE

File #4.2

Annually, generally just prior to year-end or early in January, forms are sent to each of the parish treasurers denoting the total monthly payable to the Diocese of Kootenay for D.F.B., Clergy Moving, Stipends, and any known miscellaneous amounts (e.g. parish loans). A form is also included to authorize the "Pre-Authorized Payment" (PAP) service that allows the diocese to withdraw the total monthly payable from the parish bank account thereby eliminating the necessity of writing a monthly cheque to the Diocese of Kootenay and ensuring the payments are received on time. (See Examples: File #4.2a & #4.2b)

EXAMPLE: Payment Schedule of Monthly Remittances to Synod Office

File #4.2a

		Church/Parish Name									
		<small>Note: This schedule may be updated during the year as necessary.</small>									
<i>Payment for:</i>	<i>K.F.S.</i>	<i>Clergy Moving</i>	<i>Clergy</i>	<i>Payroll</i>		<i>KFF Donation & EIM Mentors</i>	<i>Misc (Rent, Admin & Loans)</i>	<i>Less Grant</i>	<i>TOTAL PAYABLE</i>	<i>Paid by PAP</i>	
				<i>Support Staff Salary</i>	<i>Hourly</i>						
Jan 15,2016	PP 1			1000.00					1000.00		
Jan 21,2016	PAP	200.00	12.50						212.50		
Jan 31,2016	PP2			1000.00					1000.00		
Feb 15,2016	PP 1			1000.00					1000.00		
Feb 21,2016	PAP	200.00	12.50						212.50		
Feb 28,2016	PP2			1000.00					1000.00		
Mar 15,2016	PP 1			1000.00					1000.00		
Mar 21,2016	PAP	200.00	12.50						212.50		
Mar 31,2016	PP2			1000.00					1000.00		
Apr 15,2016	PP 1			1000.00					1000.00		
Apr 21,2016	PAP	200.00	12.50						212.50		
Apr 30,2016	PP2			1000.00					1000.00		
May 15,2016	PP 1			1000.00					1000.00		
May 21,2016	PAP	200.00	12.50						212.50		
May 31,2016	PP2			1000.00					1000.00		
Jun 15,2016	PP 1			1000.00					1000.00		
Jun 21,2016	PAP	200.00	12.50						212.50		
Jun 30,2016	PP2			1000.00					1000.00		
Jul 15,2016	PP 1			1000.00					1000.00		
Jul 21,2016	PAP	200.00	12.50						212.50		
Jul 31,2016	PP2			1000.00					1000.00		
Aug 15,2016	PP 1			1000.00					1000.00		
Aug 21,2016	PAP	200.00	12.50						212.50		
Aug 31,2016	PP2			1000.00					1000.00		
Sep 15,2016	PP 1			1000.00					1000.00		
Sep 21,2016	PAP	200.00	12.50						212.50		
Sep 30,2016	PP2			1000.00					1000.00		
Oct 15,2016	PP 1			1000.00					1000.00		
Oct 21,2016	PAP	200.00	12.50						212.50		
Oct 31,2016	PP2			1000.00					1000.00		
Nov 15,2016	PP 1			1000.00					1000.00		
Nov 21,2016	PAP	200.00	12.50						212.50		
Nov 30,2016	PP2			1000.00					1000.00		
Dec 15,2016	PP 1			1000.00					1000.00		
Dec 21,2016	PAP	200.00	12.50						212.50		
Dec 31,2016	PP2			1000.00					1000.00		
TOTALS		2400.00	150.00	24000.00	0.00	0.00	0.00	0.00	26550.00	0.00	

EXAMPLE: Pre-Authorized Payment Authorization

File #4.2b

Pre-Authorized Payment Authorization

Effective Date: _____

Acct # _____

Parish of _____

SEE ATTACHED MONTHLY PAYMENT SCHEDULE

If you wish to make your payments through the pre-authorized payment service, please complete the following and forward this form to the Diocese of Kootenay:

BANKING INFORMATION:

Name of Parish Financial Institution: _____

Branch Address: _____

Street

City

Postal Code

Branch No. ___ ___ ___ Transit No. ___ ___ ___ ___ Acct. No. _____

TYPE OF ACCOUNT: Checking Savings Current

We hereby authorize the Diocese of Kootenay to debit our bank account:

1. the amount as indicated on the attached payment schedule

or

2. the amount of \$ _____

Frequency of debit: Payroll semi-monthly on or about the 13th and 28th day of each month, KFS and Other Charges on or about the 21st of each month.

This authorization may be canceled at any time upon written notice.

For verification purposes, please enclose one of your parish cheques marked "VOID".

Authorized Signature

Date: _____

Authorized Signature

If you prefer to pay by cheque, please forward remittances early in the month, preferably payable no later than the 21st of the month.

This form is located on the Kootenay website - [Resources](#) under Forms

CLERGY STIPEND AND BENEFITS PAYABLE File #4.3

This form is sent to each of the parish treasurers at the beginning of each year and thereafter whenever any changes are effective in stipends or benefits that are paid by the Diocese on behalf of the parishes. (See Example: File #4.3a)

The form itemizes the monthly and annual salary, employer share of benefits, and fixed auto allowance payable for each person included on the diocesan centralized payroll.

EXAMPLE: Clergy Salary and Benefits Payable

File #4.3a

Diocese of Kootenay

Salaried

EFFECTIVE: January 1st, 2022

NAME: xxxxxxxxxxxxxxxxxxxx Congregation(s): xxxxxxxxxxxx

	<u>Position & Increment</u>	<u>Grid \$</u>	<u>%</u>	<u>Semi-Monthly</u>	
Salary	XXXXXXX	\$ 55,000.00	100%	2291.67	100.0%

EMPLOYER SHARE OF:

Canada Pension	5.70%		Y	122.53
Employment Insurance	2.21%			50.69
Workers Compensation	0.15%			3.42
General Synod Pension	12.50%	Y or N	Y	286.46
Long Term Disability		S or R	S	50.42
Medical Services Plan		S, M or F	S	0.00
Continuing Education Fund		Y or N	Y	37.50
Extended Health/Vision Plan		S or F	S	20.42
Dental Plan		S, M or F	S	10.46
Group Life Insurance		S, M or R	S	9.08
SUB-TOTAL BENEFITS				590.98

OTHER MONTHLY TAXABLE BENEFITS: not included in total payable

- Life Insurance	CPP only	3.83
- BARD'S	CPP & EI	0.00
- RRSP	CPP & EI	0.00

TOTAL MONTHLY PARISH PAYROLL \$ 5765.28

TOTAL ANNUAL PARISH PAYROLL \$ 69183.41

SEMI-MONTHLY SALARY & BENEFITS PAP \$ 2882.64

MONTHLY REMITTANCE FORM

File #4.4

A supply of these forms is sent to each parish annually for use as cheque enclosures when forwarding payments to the Diocese of Kootenay. Use of these forms ensures payments are credited to the areas designated by the parish. (See Example: File #4.4a) This form is located on the Kootenay website www.kootenayanglican.ca > Resources

EXAMPLE: Monthly Remittance Form

File #4.4a

To: The Diocese of Kootenay
 #201, 380 Leathead Rd
 Kelowna, BC, V1X 2H8

Note: Send original with remittance
 and keep a copy

MONTHLY REMITTANCE FORM

FOR THE MONTH OF: _____ 20 _____

PARISH OF: _____

TREASURER: _____

A. Total Stipend, Housing and Travel Allowance for:	
1)	
2)	
3)	
4)	
5)	
B. Kootenay Forward Fund Grant	()
C. Kootenay Fair Share (KFS)	
D. Clergy Moving Fund	
E. Insurance	
F. Primate's World Relief Fund (PWRDF)	
G. Kootenay Forward Fund Donation	
H. Parish Loan Inv #	
<u>OTHER ITEMS:</u> Please specify.	
I.	
J.	
CHEQUE #	TOTAL PAYMENT \$

STATEMENT OF ACCOUNT**File #4.5**

Statements prepared with QuickBooks are sent monthly to each parish account that has an outstanding balance at month end. The statements itemize any outstanding balances from previous months as well as current charges and payments.

Reconciliation to the account statement is helpful at month-end and is most important at year-end.

RECEIPTS FOR INCOME TAX**File #5.1**

Page 1 of 2

In accordance with legislation enacted in 1966 by the Government of Canada, in order to issue income tax deductible receipts, all Churches must be registered with the Charities Division of Revenue Canada, Taxation. Registration certificates and Business Numbers are issued directly to each Church.

Effective September 1, 1998, all charities must ensure that they have revised their numbers for tax receipts to the Business Number (BN). This is a single number a charity can use in all its dealings with the federal government. The business number assigned to a charity is the charity's registration number. In 1997, Revenue Canada deemed that the Anglican Churches within The Diocese of Kootenay should be an extension of The Diocese of Kootenay Business Number which is 12914 4549; therefore, the Canadian Charitable Organization Registration number for the Anglican Churches within The Diocese of Kootenay is an extension (0001, 0002, 0003, etc.) of **BN 12914 4549 RR**.

The original tax receipt is to be sent to the donor and the duplicate kept on file for possible audit purposes. It is important that the total amount for which receipts are issued agrees with the total recorded in the church books and financial statements.

The following information must appear on each receipt:

- ◆ a receipt number, preferably imprinted by numbering machine;
- ◆ the name and address of the Registered Charity (your Church);
- ◆ the Charity's BN/Registration number;
- ◆ a notation that it is an official receipt for Income Tax purposes; and
- ◆ **Canada Revenue Agency** website <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities.html>

As not all churches can afford to have special receipts printed, serially numbered receipt forms can be purchased in duplicate (e.g. Blueline DC74). The Blueline book receipts are already numbered but in order to eliminate the possibility of duplicate numbers and to keep the numbers in chronological order; it is suggested writing your own receipt numbers using a two-part numbering system. The first part would be the calendar year (e.g. 13 for 2013) and the second part would be the chronological order of the receipts written in that calendar year (e.g. 001 for the first receipt of the calendar year). The receipts would therefore be numbered 13-001, 13-002 and so forth. This numbering system will accommodate up to 999 receipts in the calendar year.

It is acceptable to use a rubber stamp bearing:

The Name and address of the Charity
Official Receipt for Income Tax Purposes

Registration Number ##### RR 00 ##

CRA website <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities.html>

→ **Each receipt must be dated and show the amount of the donation, the name and address of the donor (including the first name or initials), and be signed by an authorized signing officer.**

A donation/gift that qualifies for a tax receipt involves a voluntary transfer of **property** for which the donor receives or expects nothing in return. Qualifying gifts include cash, cheques, money orders, and other negotiable instruments.

RECEIPTS FOR INCOME TAX - Continued:**File #5.1**

Page 2 of 2

Where the donation/gift is of property other than cash it is sometimes called a **donation/gift in kind** and covers tangible items such items as artwork, equipment, and land. The receipt must also contain a brief description of the property and the name and address of the appraiser of the property if an appraisal has been made (an invoice). The amount shown on a receipt for a gift of property must be the fair market value of the property as of the date the gift is made and must be of benefit to the Charity.

A contribution of services (i.e., time skills and effort) does not qualify as a gift, since services are not property.

A charity must not issue tax receipts for **services rendered**. Instead, the person providing the service should bill the congregation for her/his work and receive payment in the usual fashion. If the person who has provided the service cares to donate an equivalent amount to the charity, s/he should do so and receive a receipt in return. Otherwise, the charity could find itself in the position of being a party to a fraud whereby the person who provides the service evades tax by not reporting the consideration received (in the form of a tax receipt) as income.

Prepare receipts legibly so that they cannot be easily altered. If a receipt is illegible or incorrect, cancel it by marking "cancelled" across the face and retain the original copy with duplicate copy. Mark the replacement receipt "Replaces receipt #".

Revenue Canada, Taxation will not allow improperly completed receipts to be used as deductions from income.

Give particular attention to the dating of receipts. Subsection (1) of Income Tax Regulation 3501 reads, in part: "Every official receipt ... shall show clearly . . .

- (e) the day on which, or the year during which, the donation was received:
- (f) the day on which the receipt was issued where that day differs from the day referred to in Paragraph (e) or (e.1);... "[e.1) refers to gifts or property]"

Further, a receipt on which the day or year of receipt is incorrectly or illegibly entered "shall be regarded as spoiled" (Sec. 6, Regulation 3501). The effect of these regulations makes it illegal to issue a receipt in one year and receive the cash in another without bringing it to the attention of Revenue Canada.

The penalty for failure to comply is severe and may result in the charity's registration being revoked. A charity whose registration is revoked no longer enjoys income tax exempt status and cannot issue tax-deductible receipts.

CRA provides good information at:

<https://www.canada.ca/en/revenue-agency/services/charities-giving/charities.html>

and Videos and Webinars on operating charities and issuing receipts for Income Tax Purposes may be viewed at <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/operating-a-registered-charity/video-series-gifting-receipting.html>

ANNUAL INFORMATION RETURNS**GENERAL****File #5.2**

Page 1 of 1

Requirements

Under the *Income Tax Act* (the Act), every registered charity has to file a T3010 each year. The T3010 is a reporting tool used to hold a charity accountable to the public and to the CRA for how it has spent its money.

Registered charities are required to file a Registered Charity Information Return and Public Information Return - Form T3010.

The T3010 must be filed no later than six months after the end of the registered charity's fiscal period. A charity that fails to file can have their registration revoked and will be liable for a \$500 penalty if they apply for re-registration.

A completed information return includes:

- Form 3010, Registered Charity Information Return
- Form T1235, Directors/Trustees and Like Officials Worksheet
- Form T1236, Qualified Donees Worksheet / Amounts Provide to Other Organizations (if applicable)
- Financial Statements (even if your charity was not active)

Requirements - Continued

Each year, following the Annual Meeting of the Church a copy of the approved annual financial statement, along with a completed applicable form T3010, must be forwarded:

- Online - see instructions below or
- By mail to:

Charities Directorate
Canada Revenue Agency
105-275 Pope Road
Summersie PE C1N 6E8 or

- By fax to: 1-613-957-8925

Note: The BN/Charitable Registration Number for the "Synod of the Diocese of Kootenay" is 12914 4549 RR0001.

***in order to file online you will need to have a Repld #, in order to get this you need to create a 'my business account' see link below for instruction on how to get this. Once you have the Repld please notify the finance manager who will then authorize you to be able to complete and submit your T3010 online.

<https://www.canada.ca/en/revenue-agency/services/e-services/represent-a-client/help-represent-a-client.html>

IMPORTANT

Failure to file the annual Registered Charity Information Return T3010 is the most common cause of revocation of registered status. Once it has lost its registration, a charity can no longer issue tax receipts to acknowledge donations. A Treasurer will therefore save a good deal of time, anxiety, and trouble by filing the return when due. There are a number of resources to help you complete them including Charities Directorate of the Canada Revenue Agency and the Diocesan Synod Office.

Charities Annual Information Returns (Previous years and no longer available on the CRA website) **File #5.2a**

- **Charities Annual Information Returns for years ending prior to January 1, 2009 must use Registered Charity Information Return and Public Information Return - Form T3010A**
- **Charities Annual Information Returns for years ending between January 1, 2009 and March 3, 2010 must use Registered Charity Information Return and Public Information Return - Form T3010B**
- **Charities Annual Information Returns for years ending between March 4, 2010 and December 31, 2012 must use Registered Charity Information Return and Public Information Return - Form T3010-1**
- **Charities Annual Information Returns for years ending after December 31, 2012 must use Registered Charity Information Return and Public Information Return - Form T3010-13e etc. for this year the form is T3010-21e**

NOTE: Incorrect forms will not be accepted by CRA , the benefit of using the 'online' option is that any errors are identified and addressed at the time of filing.

Completing the Charity's Annual Information Return

The CRA [T3010 – Registered Charity Information Return](#) site has been produced to assist charities in completing the information return and supporting schedules. The forms are available in both PDF and fillable/saveable formats and contains links to the attachments and related documents including the T4033 Guide for completing the Registered Charity Information Return. The Guide is easy to follow.

Application for Designation as Associated Charities - [Form T3011](#)**File #5.2b**

Charities that gift more than half their income to other charities are designated as foundations. A charitable organization that makes substantial gifts to another charity can avoid being re-designated as a foundation if it is "associated" with the other charity.

This application is for use by two or more registered charities, that have substantially the same charitable aim or activity, that want to be designated "associated" under subsection 149.1(7) of the Income Tax Act. See Information Circular 77-6 Registered Charities: Designation as Associated Charities for more information.

BENEFITS OFFERED BY THE
DIOCESE OF KOOTENAY -
Summary

File #6.1

Page 1 of 2

EFFECTIVE DATE: **JANUARY 1, 2022**

A = Active Employees

R = Retired Employees

MONTHLY PREMIUMS

		<u>SINGLE</u>	<u>MARRIED</u>	<u>FAMILY</u>
E.H.B.:	Manulife Financial	A 79.97	210.50	
	• Extended Health Benefits not covered by Basic Medical.	R 122.64	322.11	
	• \$1,000,000 Lifetime Max (R=\$50,000)			
	• Vision Care included			
	• Employee paid 50%			
* PENSION:	Anglican Church of Canada			
	• Prerequisite for LTD, EHB/Vision Life & Dental Ins. coverage.			Pensionable Earnings: Clergy & Lay: Actual Earnings
	• Premiums based on Pensionable Earnings			
	• Employee contribution 5.0%			
	• Employer contribution 12.5%			
L.T.D.:	Anglican Church of Canada			
	• Long Term Disability			Pensionable Earnings is the same as PENSION
	• Coverage: 60% of Earnings			
	• Benefit is Taxable			
	• Premiums based on Pensionable Earnings			
	• Employee contribution 0.0%			
	• Employer contribution 2.2%			
* LIFE INS:	Manulife Financial			
	• Group Coverage:			
	• Life \$90,000 (65+ \$50,000)		\$0.25 per '000	
	• Self-Insured \$10,000 (65+ \$10,000)		\$1.18 per '000	
	• A.D.&D. \$100,000 (65+ \$50,000)		\$0.02 per '000	
	• Employee paid 50%			
	• Dependants			.57 per member
	• Prerequisite for Dental & EHB Coverage			
	• Individual Optional Life Ins:			based on age & other factors
	• Employee \$10,000 to \$100,000			
	• Spouse \$10,000			
	• Employee paid 100%			
* DENTAL:	Manulife Financial	A 41.85	72.92	155.03
	• Coverage:	R 52.95	95.52	201.00
	• Basic 80%			
	• Major 50%			
	• Endodontic & Periodontal 80%			
	• Orthodontia 50%			
	• Employee paid: A = 50% R = 100%			

BENEFITS OFFERED BY THE
DIOCESE OF KOOTENAY – Summary

File #6.1
Page 2 of 2

- * **C.E.P.:** Anglican Church of Canada \$75.00 Month
- Continuing Education Fund
 - 2022 Annual Premium \$900.00
 - 100% Employer Paid
 - Reimbursement 75% of expense not exceeding individual fund balance

Clergy Car Loan:

Diocese of Kootenay Maximum \$3500.00

Repayable at \$100.00 per month through the Centralized Payroll

Note: ***ALL PREMIUMS ARE SUBJECT TO CHANGE***

PAYROLL

GENERAL:

File #7.1

The Diocesan Synod Office provides a centralized payroll for all stipendiary clergy employed by the Diocese of Kootenay. It is possible for other (Lay) church/parish personnel to be paid through this central payroll as well.

Whether the payroll is being processed at the Synod Office or church/parish level, it is well advised for the Treasurer to have knowledge of the earnings and deductions that make up a payroll as the church/parish is responsible for payment of clergy and lay staff stipends and parish (employer) portion of benefits.

Are you an employer?

File #7.1a

CRA will generally consider you to be an employer if:

1. you pay salaries, wages (including advances), bonuses, vacation pay, or tips to your employees; or
2. you provide certain taxable benefits, such as an automobile or allowances to your employees.

An individual is an employee if the employment arrangement between the worker and the payer is an employer-employee relationship. This relationship is referred to in this guide as employment under a contract of service. Although a written contract might indicate that an individual is self-employed (working under a contract for services), we may not consider the individual as such if there is evidence of an employer-employee relationship.

For more information on employment status, see [Guide RC4110, Employee or Self-Employed?](#)

PAYROLL EARNINGS RECORDS:

File #7.2

If a payroll is being processed at the church/parish level, it will be necessary for the Treasurer to keep individual earnings records for each employee in order to accumulate the needed information for monthly statutory deduction remittances and annual government returns. The record also serves as a control for issuing pay cheques. Books for this purpose are available at most stationery stores.

ALLOWANCES

CLERGY RESIDENCE INCOME TAX REDUCTION

File #8.1

Effective January 1, 2012 Clergy of the Diocese of Kootenay are paid a "Salary" which includes a housing component. The total salary is taxable under Section 6(1)(a) of the Income Tax Act.

Clergy may apply for a reduction of Income Tax under Section 8(1)(c) of the Income Tax Act:

- ◆ the value of the residence or other living accommodation occupied by them in the course of employment relating to ministering to a congregation;
- ◆ the rent paid by them for a residence or other living accommodation; or
- ◆ the fair rental value of a residence or other living accommodation owned and occupied by them.

It is clear that a Minister cannot deduct mortgage interest or other costs relating to the ownership of their home. They may deduct only rent or a "fair rental value" which is typically the amount that could be obtained for their home if it was rented to another person.

The deduction is limited to the amount of the Minister's income from employment including any housing allowance. Where a Minister is entitled to a deduction in respect of rent, it is the amount actually paid as rent that is deductible without regard to the services or utilities that may be included. A Minister who owns and occupies her/his own home is limited to the fair rental value of the unfurnished premises, excluding utilities. However, if the rental value of similar premises normally includes the cost of some utilities, s/he would be entitled to claim those items that do not result in a charge above the basic rent.

To determine the value of the benefit arising from occupation of a rectory, it is suggested that a local Realtor be consulted as to values of similar houses (unfurnished and unserviced) in the area.

In the case of the living accommodation provisions (rectory), it should be noted that the value of any living accommodation must be included on the Minister's T4 slip in Boxes (14) and (30). The Minister must then deduct on her/his income tax return, as a separate item, the related expense permitted to her/him pursuant to the provisions of the Income Tax Act. It is not sufficient to simply take the position that there is no benefit because an equivalent deduction is allowed. Revenue Canada wants the opportunity of assessing whether or not the deduction is reasonable and accordingly forces the taxpayer to include the value of any benefit in her/his income and claim the equivalent deduction. It is also important to include this information for the purpose of determining maximum annual RRSP investment.

In a nutshell:

- ◆ All housing and utilities, whether included in salary, paid on behalf of, or supplied (rectory) to a clergyperson are considered taxable and must be included on a T4.
- ◆ The fair rental value of parish provided housing (rectories) is insurable for EI purposes.
- ◆ A member of the clergy may request an income tax reduction in respect of their residence by forwarding annually, a **T1213 Request to Reduce Tax Deductions at Source** and a **T1223 E** for the reduction year that they are in accordance with Section 8(1) © of the Income Tax Act. These forms are distributed by the Diocesan Centre to each salaried clergyperson in September of each year for the following year.
- ◆ Where free accommodation is provided (rectory), the reduction claim will probably be limited to the value included in income as a benefit.

REIMBURSEMENT OF TRAVEL EXPENSES File #8.2

Travel allowances and most particularly automobile allowances come under scrutiny by Revenue Canada from time-to-time.

A minister and other church employees may be reimbursed for the use of their automobiles on Church business and that reimbursement may not be taxable to the minister or employee. There are three important factors that must exist in order for such payments to be non-taxable:

- 1) The payment must be a pre-established per kilometre rate that is not more than a reasonable amount.
- 2) The payment must be based on actual distance driven (e.g. Expense claims). The minister or employee involved must keep a log book detailing distances driven on Church business (to substantiate the distances claimed); and
- 3) The driving must be done in the course of carrying out the required duties of ministering to a church. It is important to keep in mind that travel from residence to the business office (e.g. church office) is considered personal and not business travel

We encourage the above method ONLY to be used; however, Revenue Canada has agreed that employees may receive accountable, non-taxable, advances (allowances) for automobile expenses providing all the following conditions are met:

- 1) There is a pre-established per kilometre rate that is not more than a reasonable amount
- 2) The rate and the advances are reasonable under the circumstances.
- 3) This method is documented in the employee's record.
- 4) No other provision of the Income Tax requires that advances to be included in the employee's income.

It is important to monitor the actual kilometres occasionally to ensure the allowance paid is reasonable for the distance travelled.

Reasonable travel allowances and travel expense reimbursements are not included on the employee's T4.

Revenue Canada has stated that payment of an allowance to cover certain basic expenses, such as insurance and depreciation, in addition to payments for actual mileage driven are unreasonable and therefore all such payments are taxable benefits to the recipient and will be included as taxable benefits on the employee's T4.

[File 5.6.13 of the POW Manual](#) sets out the basis for reimbursement for automobile expenses and the travel rates for both clergy and diocesan employees.

Note: Travel reimbursement, either by \$/km or actual receipt contains a GST component. **50% of this GST component can be claimed on the GST rebate form.** *To determine the total GST component on \$/km reimbursement multiply the total \$/km reimbursement by 5 and divide by 105.*

GST

INTRODUCTION

File #9.1

The GST (Goods and Services Tax) came into effect January 1, 1991, and is a federal tax on the consumption of goods and services in Canada, the current rate is 5%.

There is a system of input tax credits and rebates so that as goods go through various stages of manufacturing and distribution, the GST paid is recovered.

It is necessary to receive a GST account/rebate number in order to participate in the recovery of 100% of the GST taxes paid.

If a charity engages in commercial activities, it is required to collect taxes and register for GST unless any or all of the activities qualifies under three broad exemptions See [RC4082](#) GST/HST Information for Charities:

- 1) if the charity qualifies for the small trader exemption (gross commercial sales of GST taxable goods and services amount to less than \$50,000 annually
- 2) if the prices charged are nominal
- 3) if the activity is the provision of food, drink or accommodation to relieve pain, suffering or distress.

In general, donations, grants and subsidies received by charities are free from GST; therefore, if these are the main sources of income, the charity does not need to register for the purpose of remitting GST as none has been collected.

On the other hand, **charitable organizations may receive a rebate of 50%** of all GST paid out in the course of their charitable endeavours.

For GST purposes, a charity is defined as registered charity under the Income Tax Act. It must have

Each church that currently is a registered charity for income tax purposes with a valid registration number is automatically a charity for GST purposes.

Use [Form GST66, Application for GST/HST Public Service Bodies' Rebate and GST Self-government Refund](#) to claim the rebate.

REGISTRATION**File #9.2****WHO SHOULD REGISTER?**

In a nutshell, if your church's gross income is less than \$250,000 over each of the previous 2 years or taxable sales is less than \$50,000, it is not necessary to register.

If the church has no commercial activities and only receives donations, gifts, grants and subsidies, there is *no reason* to register. You need only claim your rebates.

For detailed information, refer to [RC4082 GST/HST Information for Charities](#).

HOW TO CLAIM A REBATE**File #9.3**

Charities may claim a rebate of 50% of GST (Jan/91-present) paid on purchases for exempt charitable activities. It is not necessary to be registered with the GST to do this, but the church's charitable registration with Revenue Canada must be valid.

The purchases that are eligible for the rebate include:

- General operating expenses such as travel, rent, utilities, office equipment and supplies.
- Reimbursement of employees' expenses that include GST (these can be subject to certain limitations).
- Purchases made for the goods and services the congregation offers (commercial activity) for which it is not required to collect GST because it is a small supplier (under \$250,000 rules).

Congregations must file for their rebate **quarterly**, the same as the Diocese of Kootenay ('Parent' Organization). Refer to [RC4034](#) for the Guide and Forms to claim a GST Public Service Bodies' Rebate. Four quarterly claims may be submitted annually in one envelope. Note that the time limit for claiming the GST rebate is four years.

CALCULATION OF REBATE

There are two ways in which to calculate the rebate:

1. total the GST paid on individual purchases used in exempt activities and apply the 50% rebate factor; or
2. use the Simplified Method in which you do not have to track the GST paid on each invoice (Pg 25 of RC4034):

Note that miscellaneous expenditures under \$30.00 (i.e., meals, taxi-fares) normally have GST included in the total. The GST component is calculated at 5/105 times the total payment. The rebate would then be calculated at 50% of this GST component. Reimbursement of travel expenses also contains a GST component that may be calculated at 5/105 times the total payment.

FILING**File #9.4****REGISTRANTS FILING OF FORMS (Does not apply for Public Service Bodies' Rebate applications)**

Congregations registered for the GST can claim an Input Tax Credit (ITC) on their commercial activities. The ITC is a credit applied against the tax collected on sales. It allows the recovery of *100% of the GST paid on purchases and expenses* (for all the taxable goods and services bought, leased or rented) *relating to the taxable activities* of the congregation.

An ITC may also be claimed for the GST paid on other expenses (in full or in part) used in taxable activities, including:

- utilities
- office rental
- purchase of office supplies

However, only the portion used in taxable activities may be claimed as an ITC. The method used to determine the amount relating to taxable activities must be *reasonable* and *applied consistently*.

The ITC is claimed when the GST return is filed. Input tax credits may only be claimed once and cannot be claimed for the GST paid on purchases related to exempt goods and services.

Input tax credits are limited strictly to purchases and expenses used in taxable activities. The balance of GST paid for expenses relating to non-taxable activities is eligible for the 50% rebate available to charitable organizations.

All registrants are required to file a GST return for each reporting period, even if there is no money to be remitted or refunded. Filing frequency can be monthly, quarterly or annually. Congregations filing monthly or quarterly, will remit the net tax owing or claim a refund at the same time as they file their GST returns. Those filing annually are required to make quarterly instalment payments unless the instalment base is less than \$1,000.00. If the filing schedule is monthly or quarterly, the GST return must be filed within one month of the end of the reporting period. If the filing schedule is annually, the GST return must be filed within three months of the end of the reporting period. Cash flow considerations, particularly as they relate to refunds of input tax credits and rebates may be the most significant factor in deciding which reporting option to choose.

ADMINISTRATION**File #9.5****BOOKS AND RECORDS**

Under the GST, it is recommended that the accounting records and systems be structured to allow for the recording of GST collected, paid, and Input Tax Credit or rebate claims (whichever is applicable). At the end of each filing period, the books should provide enough information to determine how much GST has been charged and paid as well as the amount recoverable through ITC's and/or rebates.

PURCHASE INVOICES

Sales records and invoices must be kept in order to support claims for the input tax credit or the rebate. Suppliers registered for the GST will provide invoices containing their GST registration number and other required information. These records must be kept for six years and made available to Revenue Canada Excise auditors on request.

REMITTANCES

If you are registered, cheques for GST should be made payable to the Receiver General and your GST account number must be noted on your cheque. Remember that it is not necessary to remit all GST collected. Only the net amount of tax - the difference between tax collected and the amounts of input tax credit and rebate - need be remitted.

ADMINISTRATION PROVISIONS

The administration provisions of the GST dealing with records retention, audits, penalties, assessments, collections, objections and appeals parallel those in the Income Tax Act and the Excise Tax Act. The GST legislation contains a general anti-avoidance provision and penalties for evasion, failing to file a return as and when required, and wilful failure to pay, collect or remit tax.

GST – REVENUES**File #9.6****REVENUES AND COMMERCIAL ACTIVITIES**

Most of the sources of income for churches are not taxable for GST purposes. These include:

- 1) Personal and corporate donations
- 2) Government grants and subsidies
- 3) Fees for research, counselling, rehabilitation, education and social services.
- 4) Admission to fundraising events such as dinner, balls, and galas, as long as a portion of the admission charge represents a donation for which a receipt is issued. Only a 50% rebate is available for any GST paid on costs related.

In addition, charities will be granted three broad exemptions that are not subject to GST:

- (1) A charity that qualifies as a *small supplier* (annual sales of GST taxable goods and services under \$125,000) will not have to collect GST on its sales. If a charity has distinct branches or divisions, each branch or division may apply to be treated as a separate entity for this purpose.

The gross revenue test threshold (total income from all sources) has been increased for charities and public institutions to \$250,000 over the previous two years. This means if your church/parish received less than \$250,000 from all sources, the two previous years in a row, they are not required to register for GST.

- (2) GST will not apply to goods or services provided for a *nominal charge* if it is reasonable to expect that the nominal charge will not cover the direct costs (excluding labour, capital and overhead costs) incurred for those goods or services.
- (3) GST will not apply to food, drink or accommodation provided to relieve poverty, suffering or distress.

If any of those three exemption conditions is met with respect to particular foods or services, GST will not apply. At all times, however, the exemption rules do not apply to real estate transactions.

COMMERCIAL ACTIVITIES**File #9.7****Rental of Facilities**

Long-term rentals (over 30 days) of church facilities are exempt where the tenant has full, continuous and exclusive use of the space.

This appears to classify the following traditional church arrangements as short-term:

- (1) rental of a hall, gymnasium or a meeting room for one evening a week by groups such as the Scouts, an adult athletic association, a group of retirees, etc.
- (2) rental of space for 5 days each week during business hours by a school or day care.
- (3) rental of the sanctuary for a portion of each Sunday by another church.

As short-term rentals, these arrangements would be considered GST taxable if you are registered for GST. The only exception to this would be short-term residential accommodation supplied for less than \$20 per day or \$140 per week. One-time rentals of space for a wedding reception, a meeting or other non-repetitive functions would be considered short-term and therefore taxable.

Rental of Parking Spaces

The supply of parking spaces, whether short or long term, will be taxable.

Services Rendered by a Priest and/or Church Employees

Fees to be directed to employees of the church for services rendered (weddings, funerals, etc.) are considered honoraria and are not subject to GST. However, if an employee (e.g., Church organist) is a registrant under the GST, that employee must charge GST on the value of the services rendered.

Seminar and Conference Fees

Fees charged for seminars, conferences, meetings and conventions are exempt from GST.

WORKSAFE B.C. (WCB)

INTRODUCTION

File #10.0

Effective, January 1, 1994, the Provincial Government of BC deemed it is compulsory for church employees to be covered by WCB.

The following information is intended as a guide only. If you require further details at your church, please contact the Diocesan Centre or WCB.

WHO MUST REGISTER?

Every employer who hires workers, whether these workers are full-time, part-time or casual, must register with WCB.

All church locations within the Diocese of Kootenay have been registered under the **"Synod of the Diocese of Kootenay" Firm No. 502775-111**. All employees included on the *Diocesan Centralized Payroll* are covered by this registration number.

If your church has its own payroll, you may register separately under the official name of your church. You will then have direct correspondence with WCB for assessments and claim reports. If you are uncertain about your need to register, contact the Diocesan Centre or WCB (website: <http://www.worksafebc.com>) for information. *Remember, an employer who is not registered at the time of a work injury to one of his workers is normally charged with the total compensation costs of that injury and regular assessments that may be past due.*

At the end of each calendar year, the synod office distributes a form (see File #10.7) to each church so you may include your casual and church payroll workers under the Diocese of Kootenay registration, thereby eliminating the necessity for individual church registration mentioned in the above paragraph.

WHO IS A WORKER?

Any individual employed - regardless of whether that employment is full-time, part-time or casual or whether payment is made on a wage, salary, honoraria, per-job, or piece-work basis. This includes administration, management and clerical staff as well as labourers.

Unregistered labour contractors are also classed as workers.

EMPLOYERS' RESPONSIBILITIES**File #10.1**

- Register your business with the WCB before workers are hired or work is contracted out. (Registration is not deemed in effect until a registration request is received by the WCB. either in writing or by telephone.
- Submit payroll returns and regular assessment payments when due - avoid penalties.
- If a work injury or industrial illness occurs, or is alleged to have occurred, and an [Employer's Report](#) is required:
 1. submit the report on a Form 7 (Employer's Report) within three (3) days, and attach a Form 7A if a First Aid Attendant has given treatment.
 2. report immediately to the WCB by telephone if the injury is critical or fatal.
- Comply with the WCB Industrial Health and Safety Regulations and the Occupational Environment Regulations and investigate all injuries.
- Comply with WCB First Aid Regulations

HOW TO REGISTER

Employers may register over the telephone by calling WCB Assessment Department toll free 1-800-661-2112, or by completing an Employer's Registration Form.

Once registration is completed, you will be assigned a firm number, classification and assessment rate.

WHAT IS "ASSESSABLE PAYROLL"?

- Gross wages, salaries, commissions or any other remuneration paid to work *including* taxable benefits are subject to assessment.
- Amounts paid to unregistered labour contractors.

PAYMENT OF ASSESSMENTS**File #10.2**

Each year, the WCB is required to collect from employers an amount sufficient to meet the current and future costs of all claims in that particular year, along with the associated costs of administration, amortizing unfunded liabilities, etc.

To this end, each employer pays an assessment based on their assessable payroll multiplied by the assessment rate for the industry group. The assessment rate is established, and re-evaluated annually, by reviewing the total cost for the industry group and the total assessable payroll for the group. The resulting ratio is the assessment rate.

There is an annual minimum assessment for each registered employer. Presently, it is \$25.00.

Because we were exempt previous to 1994 and do not have a WCB history to determine an assessment rate, we were assessed a low rate for the first two years. Thereafter, we have been assessed annually based on industry claims.

Please refer to File #7.3, [PAYROLL Statutory Deductions](#), for the current year assessment rate.

The assessment is paid solely by the employer. It is illegal to deduct, directly or indirectly, any amount from a worker for the employer's assessment or to require or permit a worker to contribute in any manner toward indemnifying the employer against a liability which he has incurred or may incur under the Act.

REMITTANCE OF PAYMENTSFile #10.3

Temporary - Employers whose operations are of a short and definite period will be assessed on their estimated payroll given at the time of registration. On completion of their project they must submit a Form 1810 - "Employer's Payroll and Contract Labour Report" - at which time their assessment will be adjusted.

Annual - Most firms with a projected annual assessment of less than \$1500.00 will report their payroll and pay their assessment only once a year. *A Form 1810 will be mailed to them in the first week of January following a year of operation. **The due date is February 20.***

Quarterly - All firms with a projected annual assessment of \$1500.00 or more are required to remit on a quarterly basis. *A Form 1820 - "Employer's Remittance Form" - will be mailed to these employers following each quarterly payroll period except at year-end when a Form 1810 will be required. **Remittances are due at WCB on April 20, July 20, October 20 and January 20.***

In the first week of January, every quarterly remitting firm will be mailed a Form 1810 - Employer's Payroll & Contract Labour Report. **The due date is February 20.**

If an employer fails to receive the remittance forms within a reasonable time after the mailing date, he or she should contact the WCB.

If there is no activity in a payroll period, you are still required to file the remittance stub, marking "nil" in the amount due box.

For those churches that do not have a payroll but do have casual employees (snow removal, etc.), a remittance form will be sent annually to complete (employee names and earnings) and return to the Synod Office before January 31st. These employees will then be included with the Diocesan Fourth Quarter Remittance to WCB.

WCB does not mail reminders to firms after the due date of the quarterly or year-end payroll reports.

PENALTIES

If an employer fails to meet the due dates required on Form 1810 or Form 1820, a penalty of 5% of the previous year's assessment (minimum \$50.00) is applied. This is a penalty for non-compliance - not an overdue interest charge.

PROCEDURE FOR SUBMITTING A CLAIMFile #10.4

INJURY REPORTS – See WorkSafeBC.com - [Online Services](#)

- Worker reports injury to employer and completes a Form 6A - Worker's Injury and Incident Report
- Employer completes a Form 7 - Employer's Injury and Incident Report

Even if the worker at the church is paid through the Diocesan Centralized Payroll, the Form 7 - Employer's Report of Injury - will still be completed at the church.

- Employer (church) forwards original of both forms to nearest WCB office within 3 days of Workers report of injury.
- **If the claim is being submitted under the Diocese of Kootenay Firm number, please forward a copy of the claim to the Synod Office.**

Please telephone 1-888-922-2768 to locate your nearest WCB (Worksafe) Office within British Columbia.

EXAMPLE: Workers' Compensation Form

File #10.7

Workers' Compensation - 2021

Church Name Location

The following people have received earnings from our church/parish:

<u>Employee Name</u>	<u>Gross Earnings 2021</u>	WCB Premium <u>(Gross x .0012)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTALS	_____	\$ _____
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This form is to be used only for employees that are paid direct by the parish. Do not include employees that are paid through the Diocesan Centralized Payroll or those that are included on your own W.C.B. Registration Number.

Please return this form and your cheque in the amount of the total premium payable to the Diocese of Kootenay.

This information must be returned by January 31, 2022.

MISCELLANEOUS**CAR LOANS****File #11.1**

The "Rollason Car Loan Fund" was established in 1959 to provide interest free loans to Diocese of Kootenay stipendiary Clergy for the purchase of a replacement automobile.

A maximum of \$3500 is available upon approval of the Diocesan Administration Committee and is repayable through payroll deduction of \$100 per month (minimum). The full balance is due and payable upon leaving the employ of the Diocese.

Please refer to the [POW Book](#) {File 5.6.9} for further details.

As interest is not physically charged on the loan, the percentage that would have been applicable by Revenue Canada Standards (See [File #7.3](#)) must be included on the employees' T4 as a taxable benefit and therefore have CPP, EI and Income Tax paid. The parish is also responsible for payment of the corresponding employer portions of the CPP and EI on this taxable benefit.

CAR PURCHASE FUND**File #11.2**

The "Car Replacement Fund" was established to assist Clergy with the purchase of new vehicles and so assure that they have safe and reliable transportation. This is a *contributory fund* to which the clergyperson, parish and diocese all made contributions on a monthly basis as determined by the Diocesan Administration Committee. **As of March 12, 2011 the plan is optional for current stipendiary clergy and is not available to new clergy.**

Please refer to the [POW Book](#) {File 5.6.8} for further details.

Monthly contributions are as follows:

Clergyperson	\$30.00
Parish	\$43.33
Diocese	\$26.67

The clergyperson's contribution is deducted from his monthly payroll. The employee pays CPP, EI and Income Tax at the time of contribution to the fund. The parish and diocesan portions become taxable earnings to the clergyperson upon withdrawing from the fund and CPP, EI and Income Tax are payable at that time by the employee. The parish is responsible for payment of the employer portion of CPP and EI on this taxable earning.

HONORARIUM AND TRAVEL FOR RELIEF MINISTERS**File #11.3**

Clergy and licensed lay workers conducting services of worship in the absence of the incumbent shall receive a minimum remuneration at prescribed rates.

For details, see - [POW Book Policies](#) {Files 5.6.13 & 5.6.14}

***this will be updated once we receive the package from AON for 2022**

INSURANCE

GENERAL

File #12.1

All diocesan owned church buildings, halls, rectories, and their contents are insured under a Diocesan Blanket Insurance Policy (as per the statement of values) that is renewed annually each December 31st.

Each church is responsible for their portion of the total policy cost based on their total insurable values.

Our insurance broker is Aon Risk Solutions. (since November 23, 2018).

Insurance to Value:

It is imperative that all replacement values are current; the policy may revert to a coinsurance clause for underinsured locations.

Co-Insurance Explained:

The Co-Insurance clause means that there is a requirement to be insured within 90% of the replacement cost of insured property at the time of the loss; otherwise, your claim could be reduced by the extent of under-insurance.

Example:

Insured value of parish building and contents:	\$1,260,000
Replacement cost of parish:	\$2,000,000
Amount of Loss:	\$ 50,000
Application of 90% Co-Insurance Clause	Insured values divided by Amount of Insurance Required.

Therefore, \$1,260,000 insurance value is divided by \$1,800,000 (90% of \$2,000,000) = 70%.
70% x \$50,000 loss = \$35,000 (less applicable deductible) is the claim paid.

Using the example above, you can see that the under-insured parish is paid only \$35,000 (less applicable deductible) for a \$50,000 loss, as it failed to insure their building and contents to within 90% of the replacement value. This example illustrates why a professional appraisal is highly recommended for greater certainty of adequate insurance protection, as well as avoidance of a co-insurance penalty.

There will be an average building inflation percentage applied to the building limit each year on renewal based on factors by Region/Diocese to assist in keeping up with rising construction costs. This still may not reflect the replacement values therefore an appraisal would be the best way to determine the current replacement values.

Please read the Summary of Coverage carefully and call if you have any questions.

NOTE:

Information revision

Aon Risk Solutions, has a toll-free telephone number. Report insurance claims to the Diocesan Centre and you may contact Brenda Garvey (250-377-2273) or Lorelee Friedel (250-377-2270) at Aon Risk Solutions, or toll free at **1-866-376-1133**. Please continue to forward all building and content value revisions to the Diocesan Centre.

SUMMARY OF PROPERTY COVERAGE***this will be updated once we receive the package from AON for 2022****File #12.2**

Page 1 of 6

Aon Risk Solutions.

SUMMARY OF COVERAGENovember 23, 2018 to December 31st, 2019INSURERS

Ecclesiastical Insurance Office – Property/Commercial General Liability/Miscellaneous (Abuse) Liability/Directors and Officers Liability/Crime/Boiler & Machinery
 Market Canada through Certain Lloyd's Underwriters – Umbrella Liability

DESCRIPTION OF COVERAGE, CONDITIONS, EXCLUSIONS**All Risks Property**

All Risks Property including Property of every description and loss of rental income. Coverage is not limited to buildings, and includes office contents, computer equipment, and rental income as defined in the policy.

Limit(s): As per Declaration of Values		Property of Every Description any one occurrence, including Flood and Earthquake
		Business Interruption – 12 months Indemnity Actual Loss Sustained, there is no dollar limit
	\$ 1,000,000	Extra Expense (in addition to limit on Property of Every Description)
Deductible(s):	Varies by Region	Earthquake
	\$ 25,000	Disappearing Deductible (Not applicable to certificates with a deductible of \$10,000 or higher)
	\$ 25,000	Flood
	\$ 10,000	Sewer Back-up (\$5,000 for rectories)
	\$ 5,000	Vacant Locations
	\$ 2,500	All Other Losses

Principal Terms and Conditions**Manuscript property wording including:**

- By-Laws and Debris Removal, combined limit \$1,000,000
- Cyber Incident Expense \$25,000 per occurrence
- Special Property Extensions \$1,000,000 (combined limit) in addition to Property of Every Description limit

Retro Rating agreement:

This Retroactive Rating Agreement applies for the 2018-2019 policy term if:

- The Earned Loss Ratio of the 2018-2019 policy term is less than 30%, but greater than 20%, then 5% of the paid property premium will be returned.
- The Earned Loss Ratio of the 2018-2019 policy term is less than 20%, but greater than 10%, then 7.5% of the paid property premium will be returned.
- The Earned Loss Ratio of the 2018-2019 policy term is 10% or less, then 10% of the paid property premium will be returned.

SUMMARY OF PROPERTY COVERAGE***this will be updated once we receive the package from AON for 2022****File #12.2**

Page 2 of 6

Commercial General Liability

Coverage is provided for the church and churchwardens, employees and volunteers for the legal liability imposed by law for Bodily Injury and/or Property Damage to a third party that arises from the church premises and/or operations.

Limit(s):	\$ 5,000,000	Bodily Injury / Property Damage per occurrence No General Aggregate
	\$ 5,000,000	Personal Injury / Advertising Injury
	\$ 5,000,000	Products & Completed Operations – Aggregate
	\$ 5,000,000	Employee Benefits Liability (Claims Made) - Aggregate
	\$ 5,000,000	Tenant's Legal Liability – any one premises
	\$ 5,000,000	Non-Owned Automobile Liability – each occurrence
	\$ Included	Voluntary Compensation
	\$ 50,000	Legal Liability for Damage to Hired Autos (SEF 94)
	\$ 50,000	Medical Payments – any one person
	\$ Included	Religious Institutions Counselling each occurrence
Deductible(s):	\$ 250	Tenants Legal Liability
	\$ 1,000	Employee Benefits
	\$ 1,000	Legal Liability for Damage to Hired Autos
	\$ NIL	All other losses

Physical Sexual Abuse (PSA) – Occurrence Form

Limit:	\$ 2,000,000	Physical Sexual Abuse including civil defense costs – each occurrence Occurrence Form
Sublimit:	\$ 100,000	Criminal defense costs – each criminal proceeding / \$250,000 Aggregate
	\$ 50,000	Medical Rehabilitation and counselling costs – each claimant \$100,000 Aggregate
Deductible(s):	\$ NIL	PSA

SUMMARY OF PROPERTY COVERAGE***this will be updated once we receive the package from AON for 2022****File #12.2**

Page 3 of 6

Crime

Coverage is provided for loss of money, securities and other property through the dishonest acts of employees and/or others.

Limit(s):	\$ 75,000	Employee Dishonesty Covers loss of money, securities or other property through the dishonest acts of employees acting alone or in collusion with others.
	\$ 25,000	Money & Securities Covers loss of money and securities within your premises, including banking premises and covers loss of money and securities outside the premises or while within the living quarters of the home of any messenger, excluding mysterious disappearance.
	\$ 25,000	Depositors Forgery Covers loss as a result of forgery or alteration of a cheque by an individual, other than an employee.
	\$ 25,000	Counterfeit Paper Currency & Money Orders
Deductible(s):	\$ NIL	Per Claim

Non-Profit Directors & Officers Liability

Coverage is provided for the churchwardens, directors, officers, employees and volunteers of the church against the liability arising out of a wrongful act as defined by the policy and reported during the policy period and coverage is provided to the church for all costs, charges, expenses and loss for a wrongful act committed or alleged to have been committed by any director or officer.

Limit(s):	\$ 2,000,000	Each Loss and In the Aggregate (Claims-Made)
	\$ 2,000,000	Employment Wrongful Act – Annual Aggregate
Deductible(s):	\$ NIL	Side A Coverage
	\$ 1,000	Side B Coverage
	\$ 1,000	Side C Coverage
	\$ 2,500	Wrongful Act

SUMMARY OF PROPERTY COVERAGE***this will be updated once we receive the package from AON for 2022****File #12.2**

Page 4 of 6

Equipment Breakdown Coverage (formerly Comprehensive Boiler & Machinery)

Coverage is provided for objects such as pressure vessels, boilers, compressors, air conditioning units, refrigeration equipment, motors, switchgear and transformers, against sudden and accidental breakdown:

Limit of Liability:	\$	As per	Property Damage – Subject to a maximum limit of \$12,000,000
		Declarations	
	\$	1,000,000	Business Interruption – 24 hour waiting period
	\$	1,000,000	Extra Expense – 24 hour waiting period
	\$	50,000	Spoilage – Broad Form
	\$	1,000,000	Automatic Coverage
	\$	1,000,000	Errors & Omissions
	\$	1,000,000	Hazardous Substances
	\$	1,000,000	Water Damage
	\$	1,000,000	Ammonia Contamination
	\$	1,000,000	Professional Fees
	\$	50,000	Data Restoration
	\$	1,000,000	Service Interruption
	\$	1,000,000	Bylaws – Combined Limit

Deductible:	\$	2,500	Extra Expense
	\$	10%	Spoilage – or \$1,000 Minimum
	\$	2,500	Each Object/All other Losses

This is a summary of coverage only issued as confirmation of insurance coverages and the information contained in this document does not modify or amend the terms and/or conditions of the Policy. In the event of a loss, all terms and conditions of the Policy wording will apply and supersedes any information contained herein.

SUMMARY OF PROPERTY COVERAGE***this will be updated once we receive the package from AON for 2022****File #12.2**

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SCHEDULE OF LOSS PAYABLES

Location #47, Sorrento Centre:	1159 Passchendaele Rd., Box 99, Sorrento
1 st Mortgage:	Salmon Arm Savings & Credit Union Box 868, Salmon Arm, B.C. V1E 4N9
A.T.I.M.A	Sorrento Centre Anglican Church of Canada General Delivery, Sorrento, B.C. V0E 2W0
A.T.I.M.A (06/2015)	Dominion Leasing Services Inc. 4393 Hobson Rd. Kelowna, BC V1W 1Y4 with respect to Telephone equipment leased under Contract Number 20578 (Term: 06/2018)
First loss Payee	Konica Minolta 3450 Superior Court Unit 1 Oakville, ON, L6L 0C4 CN 001-0204966-100
First Loss Payee (04/2016)	Pitney Bowes 5500 Explorer Dr Mississauga, ON, L4W 5C7 Lease # 857372

Location #42, All Saints Church,	3205 - 27 St., Vernon:
1st mortgagee:	Canadian Imperial Bank of Commerce 3201 - 30 Avenue, Vernon, B.C. V1T 2C6
Mortgage:	Canadian Imperial Bank of Commerce 328 Bernard Avenue Kelowna, BC V1Y 6N5
1st Loss Payee:	Meridian OneCap Credit Corp (Eff: May 1/16) 4710 Kingsway, Ste 1500 Burnaby, BC V5H 4M2 with respect to Digital copier Canon IRC5240A Color MFP under Contract #401836

Location #36a, Diocesan Synod Office,	#201 – 380 Leathead Rd., Kelowna
A.T.I.M.A	Pitney Bowes Leasing PO Box 278 Orangeville, ON L9W 2Z7 with respect to Postage Machine leased under acct # 0013269756

Location #26, St. Saviour's Pro-Cathedral	723 Ward St, Nelson, BC V1L 1TE
A.T.I.M.A.	MCAP Leasing Inc 595 Bay St, PO Box 99, Toronto ON M5G 2C2 with respect to equipment leased under acct #335248-303170

SUMMARY OF PROPERTY COVERAGE***this will be updated once we receive the package from AON for 2022****File #12.2**

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SCHEDULE OF LOSS PAYABLES – Continued

Location #16, St. Mark's Church, A.T.I.M.A.: Mail was returned undelivered	601 5 th St., Box 1059, Kaslo: Ikon Office Solutions #227 - 1891 Springfield Road, Kelowna, B.C. V1Y 5V5 but only with respect to leased equipment
Location #17, St Michael & All Angels, A.T.I.M.A.:	608 Sutherland Ave., Kelowna: RCAP (Roynat Lease Finance) 595 Nay Street, PO Box 99, Toronto ON V5G 2C2 with respect to leased equipment Copier KM BIZHUB – Model C364E, Serial No. A5C1011006645 Contract #392730 Value \$11,432
Location #32, Owaissi Anglican Camp, A.T.I.M.A.:	2411 Westside Place., Kelowna: BC Camping Association BCCA Treasurer, 9311 Shook Rd., Mission BC V2V 7M2 with respect to liability arising out of the operations of the Named Insured as it relates to the activity to which the certificate applies.

VOLUNTEER ACCIDENT INSURANCE – *Separate Policy***File #12.3*****this will be updated once we receive the package from AON for 2022**Page 1 of 2**INSURER:** SSQ Insurance Co.**BROKER:** Western Financial Group, Kelowna, BC**Effective June 1, 2019** - Policy Term: June 1 – May 31**Class I – overage for persons under age 75**

ACCIDENTAL DEATH & DISMEMBERMENT Principal Sum:	\$100,000
WEEKLY INDEMNITY - if gainfully employed full time:	\$350
52 week indemnity period	
HOME-MAKER WEEKLY Indemnity - if not gainfully employed:	\$100
ACCIDENT REIMBURSEMENT EXPENSES	\$5000
DENTAL INJURY	\$1000

2018 Premium: \$25.90 per Congregation*Note:* Class I is a blanket policy based on 1236 volunteers within the Diocese of Kootenay**Class II – coverage for persons aged 75 and older**

ACCIDENTAL DEATH & DISMEMBERMENT Principal Sum:	\$25,000
ACCIDENT REIMBURSEMENT EXPENSES	\$5000
DENTAL INJURY	\$1000

2018 Premium: \$1.35 per Person*Note:*

- Only congregations that submit numbers will have coverage for their volunteers aged 75 and older. It is not necessary to submit names and birthdates.
- Class II lists must be updated annually and should reflect persons that volunteer on a regular and ongoing basis. The lists will be retained at the church.

VOLUNTEER ACCIDENT INSURANCE – *Separate Policy*

File #12.3

***this will be updated once we receive the package from AON for 2022**

Page 2 of 2

Congregation Name & Location: _____

Volunteer Insurance list for xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Number of persons: _____ Class I – persons under age 75

Number of persons: _____ Class II – persons aged 75 and older as of June 1, 2019

Completed by: _____

Return form to:
Accounting e-mail: finance@kootenay.info

Return this information by

Class II list to be retained at the church

#	Person's Name	#	Person's Name
1		26	
2		27	
3		28	
4		29	
5		30	
6		31	
7		32	
8		33	
9		34	
10		35	
11		36	
12		37	
13		38	
14		39	
15		40	
16		41	
17		42	
18		43	
19		44	
20		45	
21		46	
22		47	
23		48	
24		49	
25		50	

Pre–Authorized Giving (PAG)**File #13.0**

The Synod Office offers a centralized Pre–Authorized Giving program using automatic bank debit to assist individuals in supporting their parish ministry. The Synod Office acts as administrators and transfer agents on behalf of the parishes only. It remains the responsibility for the parish to issue charitable receipts to their donors and assign donated funds to the ministry area requested by the donor.

Donors have funds debited from their accounts on or about the 10th of the month (the prior Friday if the 10th falls on a weekend or Monday holiday). The funds are then transferred to the parish bank account also on or about the 10th of the month to correspond with the first payroll PAP of each month and a detailed donor report is sent to the designated person at the parish.

The parish cost is \$2.50 for each new donor registration and \$10.00 if the donor’s withdrawal is rejected. This will be deducted monthly, as applicable, from the transfer to the parish bank account.

Registering Donors and Donor Changes

Each parish must designate one person who will administer the parish records for the program and act as the liason person with the Synod Office.

Donors register using the “Pre-Authorized Giving Authorization Form”; the original or a copy via fax or email is forwarded to the Finance Manager at the Synod Office and the parish designate retains either the original or copy.

New donors and donor changes are accepted at the Synod Office up to and including the 6th of the applicable month.