



PARISH FINANCES POLICY

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1 PURPOSE

- 1.1 This purpose of this policy is to ensure all ministry centres meet their fiduciary duties through good management and accurate and timely reporting of their finances.

2 SCOPE

- 2.1 This policy applies to all officers of the Ministry Centres in the Diocese of North West Australia (“the Diocese”) including the Minister-in-Charge, Treasurer and members of the Parish Council.

3 POLICY STATEMENT

- 3.1 The Diocese is committed to careful use and management of the funds it receives from church members and other forms of fundraising. In implementing this policy its primary concern is that these funds are used in an appropriate way and in support of the work of the gospel.

4 SIGNATORIES AND AUTHORITIES PROCEDURE

- 4.1 Parishes are to have their own bank accounts. The recommended bank is Anglican Community Fund in Perth.
- 4.2 Bank accounts are to be set up so that two persons are needed to withdraw funds (“two to sign” bank account). This principle applies regardless of whether transactions are electronic or cheque. Electronic banking is always preferred, as it provides more information and greater transparency on bank statements.
- 4.3 Approval should be sought from the parish council for expenses above a certain threshold. Each parish should determine what that threshold is (e.g. \$500). Where the expense is incurred prior to approval being obtained, such as a large power bill or phone bill, it should be reported to parish council after the fact.

5 BOOKKEEPING PROCEDURE

- 5.1 The parish should maintain an appropriate bookkeeping system. Although a paper-based system may be adequate for small parishes, an electronic system is preferred. This could be an Excel spreadsheet, in a similar format to a traditional cash book, however the preferred option is to use accounting software such as Xero, MYOB or QuickBooks. Accounting software is usually subscribed to rather than purchased, and monthly payments can be debited directly from the parish bank account.
- 5.2 The Diocesan Registry has developed a model chart of accounts, for use in accounting software, which would suit larger parishes. All parishes are encouraged to use this template and are free to modify it as they see fit. The accounts can be used in conjunction with tracking codes, to keep track of different ministries, activities or buildings.

The primary advantage of using this set of accounts is that it will make parish bookkeeping and financial reporting easier and clearer. This is offset somewhat by the amount of work required to convert from existing systems. Each parish should consider these pros and cons and make their own decision. Refer to the Model Chart of Accounts for Parishes located at Appendix 1.

6 CASH AND CHEQUE HANDLING PROCEDURE

- 6.1 Cash and cheques should be counted each week by two persons, not including clergy, and duly recorded on counting sheets. The counting sheet should be handed to the person doing the bookkeeping, for cross-checking against amounts banked.
- 6.2 Donations and collections should be banked as soon as possible. This also applies to cash and cheques collected at fundraising events, market/cake stalls, or given to the minister or others outside of church services.
- 6.3 Electronic giving is preferable over cash and cheque giving, as it provides greater transparency and consistency.
- 6.4 If the parish uses petty cash for minor purchases, this can be topped up from collections, providing it is clearly recorded on the counting sheet and entered into the bookkeeping system. This method is preferable to the writing of cash cheques, due to high bank fees associated with this.
- 6.5 Purchases made from petty cash are to be recorded in the bookkeeping system as soon as possible, in the same way that all purchases are recorded. This will ensure that the petty cash balance can be easily checked at any point in time, and any inappropriate use of cash quickly uncovered.

7 FINANCIAL REPORTING PROCEDURE

- 7.1 Parish finances are to be reported to parish council on a regular basis, at least once a quarter. This report should be similar in style to a profit and loss, and a balance sheet containing bank balances.
- 7.2 Parish income is to be reported to the Diocesan Registry each quarter, specifying the amount of donations collected by the parish, as well as rental and investment income. Refer to the Quarterly Return Form located at Appendix 2.
- 7.3 Parish finances are to be reported to the Annual General Meeting of the parish, and a copy presented to the Diocesan Registry. The report should be similar in style to a profit and loss and balance sheet.
- 7.4 Parish finances are to be reviewed by an independent reviewer in a timely manner, within six months of the end of financial year. Where the review hasn't occurred by the time of the Annual General Meeting, it should be presented to the parish at the following year's AGM, and to the Diocesan Registry as soon as it is received.

The reviewer of parish finances needs to be a person who is competent with financial reporting and bookkeeping, and familiar with record keeping in general. They don't need to be a qualified accountant or auditor. They can be a bookkeeper, accountant, or other competent person.

The review should state that the reviewer is satisfied that the financial reports are a true and fair statement of parish finances, that the parish maintains adequate financial records, and that nothing has come to their attention to the contrary. Note that the review and reports don't need to be published externally or submitted to the Australian Government, and that the requirement is less stringent than it is for organisations who are not basic religious charities.

8 ADMINISTRATION COST RECOVERY PROCEDURE

8.1 Parishes pay monthly to the Diocesan Council an assessment based on a percentage of assessable income. In 2021 this percentage is 12%. Assessable income is determined every two years at the time of Synod.

Assessable income includes

- Donations and collections
- Fundraising for general parish ministry
- Rental income, investment income, bank interest
- External contributions to minister's stipend, e.g. from BCA or chaplaincy (received as income to the Diocese, and credited to the parish to offset stipend expense)

Assessable income excludes

- Recoupments such as books sold, insurance claim settlements
- Fees and specific contributions for church camps, church meals, youth group
- Fundraising for external entities such as mission organisations
- Fundraising for Diocesan approved building projects or capital works

Assessments are used to finance the operations of the Diocese that are administered centrally in the Diocesan Registry, such as:

- Payroll services including administration of superannuation and long service leave
- negotiation and administration of insurances
- preparation and registering of licenses
- monitoring of Diocesan Investments Portfolio
- administration of the car fleet scheme, fuel cards etc
- secretarial services to the Bishop, Trustees and Diocesan Council
- risk management, including church member, worker and workplace safety and health
- coordination of property maintenance and improvements
- records, archives and ministry resources (including the Diocesan Library)
- communications, fundraising and grants
- other administration required

9 AUSTRALIAN GOVERNMENT COMPLIANCE

9.1 Parishes are required to have their own ABN, and be registered for GST

9.2 Parishes are required to submit Business Activity Statements (BAS) to the ATO. Generally, this will only include total income and GST, as parishes are not expected to have their own payroll or be subject to other tax regulations.

9.3 Parishes are required to be registered as charities with the Australian Charities and Not-for-Profits Commission (ACNC). However, parishes are not required to submit annual returns, as the Diocesan Registry does this on their behalf. The parish should provide up to date information to the Diocesan Registry relating to this annual return, specifically the names, dates of birth and addresses of responsible persons. Generally, these would be church wardens, if they are willing to have their names listed on this government website (dates of birth and addresses are not listed).

The parish may submit their own annual ACNC returns if they prefer, in consultation with the Diocesan Registry. Note that financial information is not required to be included in these returns, on the basis that parishes are Basic Religious Charities.

10 RESPONSIBILITIES

Compliance, monitoring and review

- 10.1 The Diocesan Council is responsible for compliance of this policy by workers in its ministry centres. The Diocesan Registrar, assisted by the Diocesan Financial Officer, will monitor and review policy compliance on behalf of Diocesan Council.

Records management

- 10.2 The Registry maintains all records relevant to administering this policy using its recordkeeping system.

11 DEFINITIONS

- 11.1 Terms not defined in this document may be found in the Diocesan Glossary.

12 RELATED LEGISLATION AND DOCUMENTS

Australian Charities and Not-for-profits Commission Act 2012 (Cth)

Australian Charities and Not-for-profits Commission (ACNC) rules for Basic Religious Charities
<https://www.acnc.gov.au/for-charities/manage/manage-my-charity-type/basic-religious-charities>

13 QUESTIONS & FEEDBACK

- 13.1 Church members who have any questions about this regulation or who wish to provide feedback about this document should contact the Diocesan Registrar at registrar@anglicandnwa.org.

14 APPROVAL AND REVIEW DETAILS

Certifications and Assent	Details	Signature	Date
Chair of Committees	Certified as printed in accordance with the regulation as reported		
Registrar	Certified as passed by the Synod or Diocesan Council or Diocesan Council Executive		
Bishop	Assented		
Approval and Amendment History	Details		
Next Review Date	29/04/2024		

15 APPENDICES

1. Model Chart of Accounts for Parishes
2. Parish Quarterly Return

MODEL CHART OF ACCOUNTS FOR PARISHES

Income

Giving - Cash and Cheques	<i>Regular church giving - non electronic</i>
Giving - Electronic	<i>Regular church giving</i>
Donations - General	<i>Fundraising for general church ministry, donations from outside, other donations</i>
Fees and Specific Contributions	<i>Money received for specific events and activities like church camps, church meals, youth group, fundraising for external entities, fundraising for Diocesan approved building projects.</i>
Interest Income	<i>Bank interest and investment income</i>
Recoupments	<i>Minor expenses recouped e.g. books sold, insurance claim settlements</i>
Rental Income	<i>Income from property rented out</i>

Expenses

Stipends and Wages	<i>Stipend contributions to Diocese or direct wage payments</i>
Less External Contributions to Stipends	<i>Credits from BCA, Diocese or Government on Diocesan invoices</i>
Superannuation	<i>Superannuation contributions or payments</i>
Long Service Leave	<i>LSL Contributions to Diocese</i>
Motor Vehicle Allowances	<i>Allowances paid through Diocesan payroll</i>
Motor Vehicle Expenses	<i>Vehicle maintenance, registration, fuel, fleet fees</i>
Diocesan Assessment	<i>Contributions for Diocesan Administration Cost Recovery</i>
Repairs and Maintenance	<i>Expenses incurred on damaged or run down assets, gardening etc.</i>
Building and Renovation Expense	<i>Expenses incurred to improve buildings or property. In other organisations these would be capitalised, but in Anglican parishes are expensed</i>
Furniture and Equipment Expense	<i>Purchases of equipment and furniture. In other organisations these would be balance sheet items to be depreciated, but in Anglican parishes are expensed</i>
Advertising	<i>Expenses incurred for advertising</i>
Bank Fees	<i>Fees charged by your bank for transactions regarding your bank account(s).</i>
Books and Resources	<i>Books and Resources</i>
Cleaning	<i>Expenses incurred for cleaning business property.</i>
Copyright and Compliance	<i>Copyright, Audit, Police Checks, Working With Children Checks etc</i>
Council Rates	<i>Council Rates</i>
Entertainment	<i>Food purchased in cafes and restaurants</i>
Food and Hospitality	<i>Food and groceries purchased from shops, caterers or suppliers</i>
Gas and Electricity	<i>Utilities</i>
Gifts, Donations and Honoraria	<i>Gifts to organisations and individuals as thanks or for assistance</i>
Insurance Premiums	<i>Insurance Premiums on buildings, vehicles, public liability, workers comp</i>
Mission Giving	<i>Regular donations to organisations and individuals</i>
Pass on Donations Received	<i>Passing on funds received for specific purposes, e.g. fundraising for external entities or missions</i>

Printing and Photocopying	<i>Photocopier expenses inc lease, external printing</i>
Professional Services	<i>Consultants, Secretarial, Legal etc</i>
Relocation Expenses	<i>Cost of clergy moving into the parish</i>
Rent and Venues	<i>Rental expense and venue hire</i>
Software and Subscriptions	<i>Software purchases, church website development, software subscriptions, website fees</i>
Stationery, Postage and Supplies	<i>Stationery, post, hygiene supplies, non-food consumables</i>
Subscriptions and Memberships	<i>Newspapers, magazines, professional bodies</i>
Telephone and Internet	<i>NBN, landlines, mobile phones</i>
Training and Conferences	<i>Course fees etc</i>
Travel Expenses	<i>Flights, accommodation, away meals, travel expenses</i>
Water	<i>Payments to water utility</i>
Assets	
Bank Account 1	<i>Cash at bank</i>
Bank Account 2	<i>Cash at bank</i>
Petty Cash	<i>An up to date tally of cash held on the premises for minor purchases</i>
Accounts Receivable	<i>Outstanding invoices the company has issued out to the client but has not yet received in cash at balance date.</i>
Loans and Recoverables	<i>Short term loans to people, bonds paid, payments expected to be recovered</i>
Prepayments	<i>An expenditure that has been paid for in advance.</i>
Funds in Trust with Diocese	<i>Investments and funds held in trust by the Diocese</i>
Liabilities	
Accounts Payable	<i>Outstanding invoices the company has received from suppliers but has not yet paid at balance date</i>
Credit Card	<i>Credit card account with bank</i>
Funds Held in Trust	<i>Funds held in trust on behalf of third parties</i>
GST	<i>GST payable or receivable from the Australian Taxation Office</i>
PAYG Withholdings Payable	<i>The amount of PAYG tax that is due to be paid</i>
Superannuation Payable	<i>The amount of superannuation that is due to be paid</i>
Suspense	<i>To allow an unknown transaction to be entered, so the accounts will balance and the entry can be dealt with later</i>
Loan	<i>Money borrowed from bank or Diocese for long-term purposes such as building projects</i>
Equity	
Historical Adjustment	<i>For accountant adjustments</i>
Retained Earnings	<i>Do not Use</i>
Revaluation Reserve	<i>To track changes in values of investments with Diocese</i>

PARISH QUARTERLY RETURN

PARISH OF:

Period: from:

to:

	Total Parish
TOTAL Income/Receipts received by the Parish for the period (a)	
Assessable Income:	
Donations, Collections	
Special Donations	
Rental Income	
Investment Income, Bank Interest	
	\$
Non-assessable Income:	
Recoupments and Specific Contributions (e.g. church camp fees, books sold)	
Transfers from Diocesan Funds	
	\$
Assessable External Contributions	
BCA (if known)	
Chaplaincy Payments (if known)	
	\$
Non-assessable External Contributions (if known)	
External Fundraising by Minister	
Diocesan Contributions to Stipend	
	\$

Attach copies of Financial Statements
(i.e. Income & Expense, Balance Sheet)

Signed:

Warden/Minister-in-Charge