



Finance

BELINDA RADALJ

Finance

PRESENTATION OVERVIEW



- Parish Annual Reports
- Diocesan Assessments
- Finance Team



Parish Annual Reports

OVERVIEW



- Accounts as at 30 April in each year to be prepared and presented to the annual meeting in May or June:
 - An audited, reviewed or examined statement of income and expenditure for the financial year;
 - A statement of assets and liabilities, or at least a statement of uncollected revenue and outstanding liabilities, at the end of the financial year; and
 - A budget of anticipated income and expenditure for the ensuing financial year.



Parish Annual Reports

AUDITS, REVIEWS & EXAMINATIONS



- Every parish whose "gross income" i.e. income before deduction of expenses:
 - exceeds \$1,000,000 must appoint an Auditor;
 - exceeds \$250,000 but does not exceed \$1,000,000, must appoint either an Auditor or a Reviewer, at the direction of parish council and subject to the discretion of parish council; and
 - is less than \$250,000, must appoint an Independent Examiner.

"Independent Examiner" is a person having appropriate experience

"Reviewer" is an accountant qualified to perform an independent review

"Auditor" is a qualified auditor

Parish Annual Reports

APPOINTMENT OF INDEPENDENT EXAMINER



- Independent Examiners require the approval of the Diocesan Secretary prior to appointment.
- This approval can be applied for on the approved form that is submitted to Diocesan Office.
- An Independent Examiner must have appropriate experience in book-keeping or accounting and relevant qualifications.

[Financial Returns - Selection of and Independent Examiner](#)

Parish Annual Reports

FORMS



- The following is to be forwarded to Diocesan Office by 31 July.
- The financial return in the prescribed form:
 - Audited, reviewed or examined statements, including:
 - Income Statement for 12 months ending 30 April
 - Balance Sheet as at 30 April
 - Auditor / Independent Examiner / Reviewer Report
- Budget of anticipated income and expenditure.
- Annual Return Form (in Excel and hardcopy) and accompanying instructions are sent in April.
- Complete and send in the Annual Return using the Excel template.

Diocesan Assessments

OVERVIEW

- Each Parish is required to complete the Parish Annual Financial Return which is used to determine the Diocesan Assessment for the Parish
- The return template and instructions are sent out in April each year and published on the Diocesan website under the Forms for Parish Office Bearers:

[Annual and Financial Return Forms 2021-2022](#)



The screenshot shows the website's navigation menu with links for 'A+ A-', 'Statutes & Canons', 'Policies', 'Forms', 'Resources', 'Diocesan Office', and 'Visit the Public site'. Below the menu, the breadcrumb trail reads 'Home > Portal > Forms > Annual and Financial Returns'. The main heading is 'Annual and Financial Returns'. On the left, a sidebar menu lists 'Overview', 'Annual and Financial Returns' (highlighted), 'Archive Forms', 'Insurance Forms', 'Parish Forms', 'Personnel Forms', and 'Safe Ministry Forms'. The main content area contains the text: 'In this section you will find all Annual and Financial Returns forms applicable to parish clergy and office bearers.' Below this, a section titled 'Annual and Financial Returns Form 2021-2022' lists four PDF links: 'Form AR22-01 Parish Leadership Return [PDF]', 'Form AR22-02 Return of Services [PDF]', 'Form AR22-03 Memo to Treasurers re Annual Financial Return [PDF]', and 'Form AR22-04 Annual Financial Return Cover Page [PDF]'.

Diocesan Assessments

INCOME SUBJECT TO ASSESSMENT ON NET BASIS



- Income net of related expenses:
 - Receipts from fetes, bazaars, all other special activities;
 - Rental from rectories leased out by a parish; and
 - Income from opportunity shops or similar.

[PGS 66.3 (a)]

Diocesan Assessments

INCOME NOT ASSESSED AS ORDINARY INCOME



- Income Not Subject to Assessment as Ordinary Income:
 - Diocesan Grants, Loans, Insurance Proceeds, Sale of Assets
 - Legacies subject to specific purposes
 - Monies collected for specific purposes e.g. Capital works approved by Diocesan Council, Restoration of heritage buildings, missions outside of the parish
 - Monies raised to discharge arrears with Diocesan Council approval
 - Commercial Income (assessed separately)

[PGS 66.4]

Diocesan Assessments

DEDUCTIBLE EXPENSES



- Standard Deduction of \$15,000
- Donations to listed missionary agencies:
 - Anglican Board of Mission – Australia;
 - Church Missionary Society;
 - SparkLit (formerly the Society for the Propagation of Christian Knowledge Australia or SPCK Australia);
 - Bush Church Aid;
 - The Mission to Seafarers; or
 - Social Responsibilities Commission
- Monies paid in respect of OCF, other Diocesan parishes, excess clergy travel costs, approved theological education and formation programmes, curacy in a parish.

[PGS 66.5]



Diocesan Assessments

COMMERCIAL INCOME



- Commercial properties assessed net of related expenses:
 - Residential,
 - Industrial,
 - Office,
 - Retail
- Assessed at 35%
- Commercial income excludes properties in use for normal purposes of a parish (e.g., hall, worship centre, courts) – assessed on a gross basis as ordinary income.

[66.6 and 67.2(b)]

Diocesan Assessments

SPECIFIC ITEMS IN RETURNS



- If a parish collects money for a purpose outside of the parish, it should be declared under Item 17 and the corresponding expenses should be under item 29. The expenditure must not be included in Item 33 as deductible expenditure.

Example: Special Collections income for ABM should be declared under Item 17 and the corresponding disbursement under Item 29 not Item 33.

- Timing of the fund raising events is important as most parishes report on a Cash Basis.

Example : A fundraising event close to the year-end will need be managed carefully, as the Income will fall in to a one year and expenses to another year or vice versa.

- If a parish is donating or supporting a parish the cash transfers need to pass through the Diocese. The payments are deducted as deductible expenditure (Item 35B) in the return of the parish which donates. The recipient parish recognizes this as Ordinary Income.
- Fund transfers between parish bank accounts should not be treated as income or expenditure in the return.

Diocesan Assessments

AREAS FOR ATTENTION



- Fully completing returns. For example, ensuring all relevant parts of the assessments return sheet are complete.
- Treasurers need to complete all the sections (A,B,C,D & E) of the Annual Financial Return Template.
- Treasurers should not manually fill the “ASSESSMENT” worksheet in the Annual Financial Return Excel Template as this is formula driven. Once you fill the other tabs the numbers will flow through automatically.
- Supporting information provided matches the return. For example, “Offerings” to match the figures in the P&L
- Providing only the required information. For example, AGM and council minutes and reports not required.
- Providing the information on time.

Diocesan Assessments

FINALISATION OF ASSESSMENTS



- Finance team review the returns received.
- Finance team aim to complete assessments by the end of September – depends on when information is received.
- Following this review the Diocese:
 - Makes adjustments to assessment to correct any errors
 - Calculates the final amount of the assessment for the year
 - Raises an invoice for the difference between the amount invoiced to the parish and final assessment.
 - Updates the monthly instalment amount to be invoiced to the parish for the remainder of the current financial year

Diocesan Assessments

ASSESSMENT ADJUSTMENT – PRIOR YEAR



	Assessment Amount	Assessment Invoices Raised by Diocese	Assessment Payments Received	Balance Payable by Parish
Estimated Assessment for 2021/22	\$12,000	\$12,000	\$11,000	\$1,000
Actual Assessment for 2021/22 (From Return)	\$15,500			
Assessment Adjustment	\$3,500	\$3,500	\$-	\$3,500

Diocesan Assessments

ASSESSMENT ADJUSTMENT – CURRENT YEAR



	Assessment Amount	Assessment Invoices Raised by Diocese	Assessment Payments Received	Balance Payable by Parish
Estimated Assessments (May – Sept at 2022/23 Estimated Amount)	\$5,000	\$5,000	\$5,000	\$-
Estimated Assessment for 2022/23 (Based on Prior Year Annual Return for 2021/22)	\$15,500			
Assessment Due for Balance of 2022/23 (October – April)	\$10,500			
Revised Monthly Assessment Invoices (\$10,500 / 7 months)		\$1,500		

Each parish must pay monthly by direct debit one-twelfth of the annual budgeted ordinary income component and one-twelfth of the commercial income component of the assessment (if any).

Finance Team

CONTACTS

Phone: (08) 9425 7200

Accounts: accounts@perth.anglican.org

Payroll: payrollenquiries@perth.anglican.org

ACF: info@anglicancf.com.au

Resources: www.perth.anglican.org/portal/resources/finance



Finance

This section contains useful information and resources to assist parishes and treasurers to foster good financial in financial matters.



Read more

