

Diocese of St Mark the Evangelist

“Guidelines for Leaders” - Chapter 5

Financial Responsibilities



God calls the church to mission and ministry, and so we should not be spending all our time and energy with finances! However, it is very important that our money and finances are well managed. The purpose of this chapter is to make sure that we look after our money in a godly way - so that we don't waste our time with unnecessary financial disputes and problems.

†Martin: St Mark the Evangelist

1. Financial Responsibilities - Chapelries

The responsibility for maintaining accurate and true records, producing financial information and controlling the finances of the Chapelry rests with the Chapel Wardens (See rule 26.5 and 26.8)

To assist the wardens a Treasurer is elected to maintain the records and do the necessary work. The appointed as treasurer is not a member of the council (although he can be if elected to council), and need not be a member of the congregation (see rule 28.9.9).

1.1 The Duties of the Chapelry Treasurer

At each Chapelry Council meeting the treasurer shall make available a revenue and expenditure account, or at least a cash statement for the previous month, and a copy of the bank statement. So at the March Chapelry Council meeting, February figures will be tabled. This financial information is essential to the smooth running of the Chapelry.

The treasurer also does the banking of income and the payment of accounts, importantly seeing that the Chapelry pledge to the parish is paid regularly and on time. The Parish treasurer must also be advised of the payment, especially when it deposited directly into parish account by the Chapelry.

An essential part of the job is to ensure that every payment made is supported by documentation (e.g. invoice, cash slip) and that a requisition form, duly authorised by two responsible persons is present. This is essential item for the auditor/independent verifier and should be neatly filed. Similarly all cash and cheques are to be receipted in an official diocesan receipt book. (Only diocesan receipt books shall be used). Every deposit should bear a cross reference to the receipts that it covers. This is simple but of utmost importance. If the chapelry runs a bank account the treasurer also needs to monitor the bank balance and ensure that the regular budgeted items are paid first.

As the year progresses the treasurer needs to repair quarterly and half yearly income and expenditure accounts for the Chapelry Council meeting, leading up to the annual accounts which need to be prepared. These accounts need to reflect all income received and all payments made, whether cash or cheques payments. The following categories are among those commonly used:

1.1.1 Income

- ⌘ Pledges
- ⌘ Collections
- ⌘ Puno/Harvest
- ⌘ Specific Fund Received -e.g. Building, Car, Thanksgiving etc.
- ⌘ Other e.g. Rent, Donations received, refunds, funds withdrawals etc

1.1.2 Expenditure

- ⌘ Worship (Ministry) Cost. These include wine, wafers, candles and books, Sunday school / Youth etc.
- ⌘ Property costs. Insurance, Repairs & Maintenance, garden etc
- ⌘ Contribution to Parish pledge
- ⌘ Contribution to car/Building/Other Funds in the Parish
- ⌘ Admin Cost - printing & stationery, photocopying telephone, postage and bank charges etc.
- ⌘ Other - tithe and any other incidental expenses

As soon as possible after year end the income and expenditure needs to be finalized and handed to the auditor/independent verifier, together with all relevant documents for him to audit and approve. See rules 1.1.3 and 30.1, 30.2 & 30.3 regarding the auditor / independent verifier.

The treasurer also needs to draw up a simple Balance Sheet as at 31 December showing the bank balance and any funds that the Chapelry might have. This also has to go to audition/independent verifier.

1.2 Budgeting

Once the Parish budget has been drawn up, and the Chapelry knows how much the Parish is asking it for, (see rules 30.4.2 & 30.4.3) the Chapelry budget can be finalized. This is an estimate of the income and expenses for the following year. This budget has to be presented at the November Chapelry Vestry for approval. It is usually the task of the Chapel wardens together with the treasurer to draw up the budget.

Rule 30 “of Financial Matters and Auditors of Parishes and Chapelries” contain much useful information, and sums up the essentials. Make sure you have read it and have a copy always handy. You will note that “pledges shall form a first charge on all income of the Chapelry” (Rule 30.4.1)

1.3 Duties of the Chapelwarden with regards to Finance

As stated in the introduction to Treasurer, the Chapel wardens have the ultimate responsibilities for the finances of the Chapel and the presentation of the financial accounts timeously, i.e. at Annual Vestry. These accounts need to be made available at least 7 days before Annual Vestry. (See rule 26.9)

Once the accounts have been presented and approved, a copy of accounts and auditor/independent verifiers report must be sent to the parish wardens and council for approval and presentation at Annual Vestry. (See rule 26.9)

Once the accounts have been presented and approved, a copy of accounts and auditor/independent verifiers report must be sent to the parishwardens and council for approval and presentation at Annual Vestry.

If at any time during a Chapelwarden should vacate his office, audited financial statements should be prepared and presented covering the period from the last statement to date of resignation.

After the financial statements have been adopted by the annual chapelry and parish vestries the incumbent and church/chapelry wardens shall deliver to the Diocesan Finance Board a copy thereof, signed and certified as stipulated in rule 26.9, together with a copy of the auditor/independent verifiers report. (Rule 26.10)

1.4 The Auditor/Independent Verifier

According to the rules of the Diocese and auditor/independent verifier is either a qualified auditor/independent verifier, or a suitable person who is sufficiently equipped and experienced to audit the book of Chapelry. (1.1.3) The auditor/independent verifier must be appointed at the Annual Vestry (30.1) and his duties are (30.3)

- ⚡ To audit the books of the Chapelry.
- ⚡ To report in writing to Vestry that :
 - He has received all the information and explanations that he has required.
 - Proper books and financial record have been kept.
 - The accounts reflect a true view of the financial state of the Chapelry.

2. Financial responsibilities - Parishes

The responsibilities for maintaining accurate and true records, producing relevant financial information and controlling the finances of the Parish rests with the Parishwardens. (See rule 26.5 and 26.8) To assist the Wardens a Treasurer is elected to maintain the records and do the necessary work. The appointed as treasurer is not a member of the council (although he can be elected to council), and need not be a member of the congregation. (See rule 29.13.12)

2.1 The Duties of the Parish Treasurer

At each parish Council meeting the treasurer shall make available

- ✦ A revenue and expenditure account, or at least a cash statement for the previous month.
- ✦ A copy of a bank statement.
- ✦ A statement showing pledges receiving from each Chapelry on a monthly basis, together with the budgeted Chapelry pledges.

So at the March Parish Council meeting, February figures will be tabled. This financial information is essential to the smooth running of the Parish.

The treasurer also does the banking of income and the payment of accounts importantly seeing that the parish's pledge to the Diocese is paid regularly and on time. The Diocesan treasurer must also be advised of the payment, especially when it is deposited directly into the Diocesan accounts by the Parish

An essential part of the job is to ensure that every payment made is supported by documentation (e.g. invoice, cash slip) and that a requisition form, duly authorized by two responsible people is present. This is an essential item for the auditor/independent verifier and should be neatly filed. Similarly all cash and cheques are to be receipted in an official diocesan receipt book. (Only diocesan receipt books may be used) Every deposit should bear a cross reference to the receipts that it covers. This is simple but of utmost importance. The treasurer needs to monitor the cash flow and ensure that sufficient funds are available for the regular budgeted items.

As the year progresses the treasurer need to prepare quarterly and half yearly income and expenditure accounts for the Parish Council meeting, leading the annual accounts which need to be prepared. These accounts need to reflect all income received and all payments made whether cash or cheques payments. The following categories are amongst those commonly used:

2.1.1 Income

- ✦ Pledges per Chapelry
- ✦ Collection per Chapelry
- ✦ Puno / Harvest per Chapelry
- ✦ Specific Funds Received -e.g. Building, Car, Thanks giving etc.
- ✦ Other e.g. Rent, Donations received, refunds, Fund withdrawals etc.

2.1.2 Expenditure

- ✦ Worship (Ministry) Cost. Include Wine, Wafers, Candles, Books, Sunday School / Youth etc.
- ✦ Clergy costs
- ✦ Contributions to Diocesan costs
- ✦ Property Costs, Insurance, Repairs & Maintenance, garden etc.
- ✦ Contribution to Car/Building/Other Funds in the parish

- ⌘ Admin Cost - printing & stationery, photocopying, telephone, postage, bank charges etc.
- ⌘ Other - tithe and any other incidental expenses.
- ⌘ Transport
- ⌘ Catering

As soon as possible after year end the Income and Expenditure needs to be finalized and handed to the Auditor/independent verifier, together with all relevant documents for him to audit and approve. See rules 1.1.3 and 30.1, 30 & 30.3 regarding the Auditor/independent verifier.

The treasurer also needs to draw up a Balance Sheet as at 31 December showing the bank balance and any funds that the Parish might have. This also has to go to the auditor/independent verifier.

Once the accounts have been audited or approved, a copy of the accounts need to be presented at the next Chapelry Council meeting for acceptance and made available to the congregants at least 7 days before the Annual Vestry. (See rules 26.9 and 26.10)

2.2 Budgeting

Once the Parish budget has been drawn up, it must be communicated to the Chapelries, so that they can draw up their Chapelry budget and have it approved at the budget Chapelry Vestry. This is an estimate of the income and expenses for the following year. This budget has to be presented at the budget Parish Vestry for approval. It is usually the task of the Parishwardens, together with the Treasurer, to draw up the budget.

Rule 30 “of Financial Matters and Auditors of Parishes and Chapelries” contain much useful information, and sums up the essentials. Make sure you have read and have a copy always handy. You will note that “pledges shall from a first charge on all income of the Parish (Rule 30.4.1)

2.3 Duties of the Church (Parish) wardens with regards to Finance

As stated in the introduction to Treasurers, the Church wardens have the ultimate responsibility for the finances of the Parish and the presentation of the financial accounts timeously, i.e. at Annual Vestry. These accounts need to be made available at least 7 days before Annual Vestry. (See rule 27.10/11/12/13)

Once the accounts have need presented and approved, a copy of the account and the auditors/independent verifiers report must be send to the Diocesan Financial Board c/o the Diocesan treasurer, together with approved copies of the Chapelries accounts (see rule 27.13)

If at any time during the year a Churchwarden should vacate his office, audited financial statements have to be prepared and presented covering the period from the last financial statements to date of resignation (see rule 27.11)

2.4 The auditor/independent verifier

According to the rule of the Diocese an auditor/independent verifier is either a qualified auditor/independent verifier, or a suitable person who is sufficiently equipped and experienced to audit the book of the Parish (1.3) the auditor/independent verifier must be appointed at the Easter Vestry (30.1) and his duties are (30.3):

- ✦ To audit the books of the parish
- ✦ To report in writing to Vestry that:
 - He has received all the information and explanations that he has required.
 - Proper books and financial record have been kept .
 - The accounts reflect a true view of the financial state of the Parish.