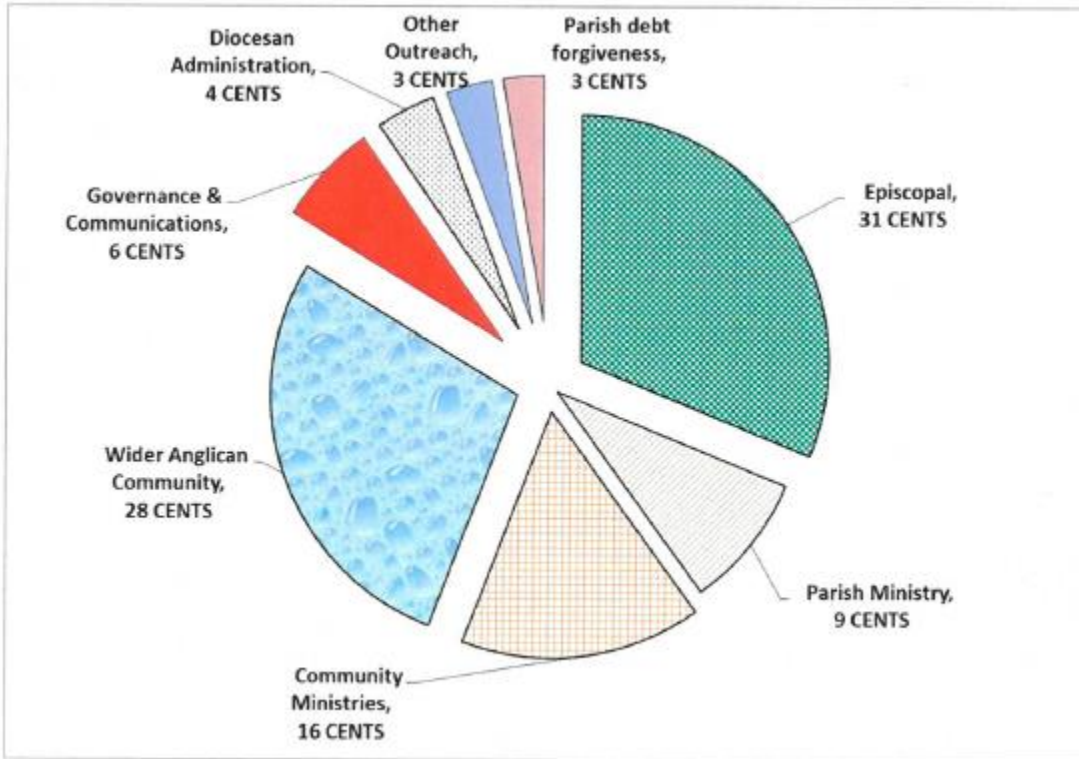


# Information about Parish Financial Management in the Diocese of Ottawa

## Use of Parish Fair Share by the Diocese of Ottawa

The pie chart below is from *A Budget Narrative for 2016* that the Diocese of Ottawa presented at Synod in October 2015. It explains how every dollar from Parish Fair Share supports the ministry of the diocese, the Anglican Church of Canada and the wider Anglican community.



## Managing parish finances in the Diocese of Ottawa

The administration of parish finances is outlined in the *Managing Finances in the Parish* guidelines issued by the Diocese of Ottawa 2013 ([http://www.ottawa.anglican.ca/documents/Managing\\_Finances\\_in\\_the\\_Parish\\_-\\_October\\_2013.pdf](http://www.ottawa.anglican.ca/documents/Managing_Finances_in_the_Parish_-_October_2013.pdf)). This document includes information about how the Parish Fair Share is calculated and the priorities that a parish must follow when it falls behind the Vestry-approved budget for a given year. Excerpts are included below for your information.

### 5. GENERAL INFORMATION

#### How Obligations to the Diocese Are Determined

##### 5.1 Parish Fair Share (PFS)

A parish's "fair share" of the Diocesan budget is calculated at the Synod Office using the parish income data submitted in the annual statistical return

#### Calculation of the Parish Fair Share (PFS) Figures:

(a) "Assessable income" is determined by taking the total income reported on Line 27 of the annual statistical return and deducting the following:

- Any income deposited in the Consolidated Trust Fund (Line 24A)
- Funds received for construction of new church structures or additional buildings (Line 24B)
- The income flow-through for outreach appeals (Line 28A) which includes undesignated funds received by a parish that are then donated to an outreach project
- Expenses related to rental income (Line 28B)
- Any monies borrowed (Line 24A)
- The ECOPS charge to the parish
- That compensation for lay staff of a parish engaged in ministry in the parish, but not including organists or music directors, administrative staff or custodial staff, regardless of job title
- Income related to the cost of a professional fundraising campaign
- Capital expenditures for project(s), single or multiple, if they exceed 10% of the three-year average parish assessable income as provided by the Synod Office, and the project deals with any of the following:
  - i) structure (foundations, walls, windows, floors, roofing);
  - ii) services (HVAC, plumbing, electrical, fire protection);
  - iii) the site (roadways, parking lots, pedestrian access); and
  - iv) environmental initiatives.

However, projects that deal with finishes, fixtures, furnishings (fixed or moveable) and landscaping are not exempted.

- Certain other exemptions which may be approved by the Fair Share Review Subcommittee

(b) The PFS calculation is based on the average of the parish's assessable income for the most recent three years. The purpose of averaging is to even out the anomalies that tend to create significant swings in some parishes' apportionment figures from one year to the next.

#### PFS Appeals:

If a parish has a concern with the PFS amount, it may appeal using the following procedure:

- (i) Upon receiving the notice of the parish's Fair Share, a parish may appeal the amount assessed by giving notice to the parish's Archdeacon by October 15.
- (ii) The written appeal submission will initially be presented to, and discussed with the Archdeacon. This will occur between October 15 and October 31.
- (iii) The Archdeacon will subsequently forward the submission with his/her own comments/recommendation to the Director of Financial Ministry by October 31, even if the Archdeacon does not consider that the parish has grounds for appeal.
- (iii) After review of each case, the Director of Financial Ministry will make a recommendation on each appeal to the Property & Finance Committee for consideration at its November meeting. A parish appealing will be given an opportunity to be represented and to speak to the Committee.

- (iv) Notification of the Property & Finance Committee decision will be communicated to the parish by November 30 in writing.
- (v) If after being notified of the Property & Finance Committee decision, a parish finds such determination unacceptable, then it may appeal to the Diocesan Council. This body will consider whether such an appeal has merit and the Council's decision will be final.

This appeal process is not to be confused with the procedure related to requests made to the Fair Share Review Subcommittee for review of any anomalies in income, before the calculation of Parish Fair Share is done, at the time the Statistical Returns are submitted to the Synod Office.

## 5.2 Support Grants

Funded by the diocesan operating budget, support grants may be provided to parishes demonstrating a need for assistance. Applications should be submitted to the Synod office, after the Parish Fair Share assessment statement has been received, no later than November 1 (see Appendix 6(a)).

## 5.3 ECOPS (Equalized Cost of Priestly Services)

Adopted at Synod 2010, ECOPS is the financial assessment system we have carefully developed to strengthen our congregations, ministry and mission. ECOPS enables clergy appointments to be guided principally by ministry gifts and their "fit" with a parish.

The concept of ECOPS is to:

- make individual clergy gifts accessible to all parishes
- make COPS (Cost of Priestly Services) proportional to a parish's ability to pay
- improve on the Equalization Assessment and Grant systems previously used
- create a more stable year-to-year system, allowing for better long-term planning

With ECOPS, the amount parishes pay for priestly services is a function of their share of the total diocesan cost of priestly services (excluding housing) and not a function of their particular incumbent's stipendiary costs. The Parish Fair Share percentage under ECOPS is the three-year average of a parish's assessable income, without the incumbent deduction, expressed over the total of all the parishes' net assessable income.

## 6. PARISH FINANCIAL RESPONSIBILITIES

Abstracts from the Canons, Bylaws & Regulations of the Incorporated Synod of the Diocese of Ottawa, which can be found at [www.ottawa.anglican.ca/CBR.html](http://www.ottawa.anglican.ca/CBR.html)

NOTE: B.5.05(18) refers to Bylaw 5, section 5, subsection 18; R.5.02(6c) refers to Regulation 5, section 2, subsection 6c

### In the Parish

10) A budget is drafted for consideration of parish council and subsequently the Vestry at its annual meeting. This covers the financial requirements for the coming year, including the diocesan apportionment **B.5.05(8) R. 5.05(7) R.5.02(6d)**

11) The approved budget governs the financial operations for the year. It can be altered only by another Vestry; or by the Incumbent and wardens with parish council approval, which they shall explain at the next Vestry meeting **B.5.05(8)**

12) Monies payable by parishes for ECOPS (Equalized Cost of Priestly Services) are to be remitted monthly by the 25th day of the month **R.4.01(14) R.5.07(2)**

13) In the event that there is a shortfall in anticipated income, a scale of priorities is established for the expenditure of monies throughout the year, as follows:

- Clergy and lay salaries, allowances and benefits
- Insurance premium to diocese
- Essential operating expenses and loan interest payments
- Maintenance & Mission payments
- Repayment of debt
- Capital maintenance or replacement, and other expenses **R.5.08**