



The Ministry of Managing Money

Congregational Finances and Stewardship for Treasurers

The Ministry of Managing Money
Congregational Finances and Stewardship
Webinars presented by The Presbyterian Church in Canada
with the support of Presbyterians Sharing

Table of Contents



2

Table of Contents

- Telling the Story: Reporting & Communicating Finances
- Session, Congregation & Donors
- Periodic Updates
- Annual General Meeting
- Narrative Budget
- Canada Revenue Agency

Webinar Series



Today

Telling the Story

Reporting & Communicating Finances



Presbyterians
Sharing

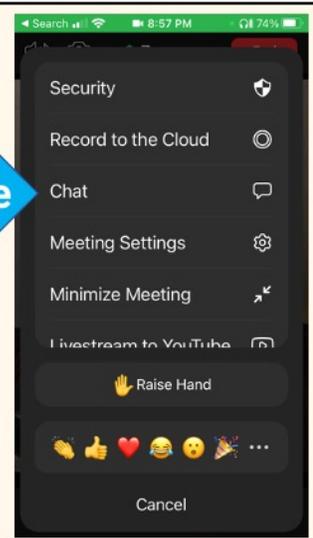
Today, we are going to cover tips to help you report & communicate finances to members, session, donors, the government, Presbytery and national office. We'll cover the T3010, the PCC statistical report and what you should report to the congregation at your AGM and throughout the year.

Our webinar series is supported by gifts to Presbyterians Sharing.

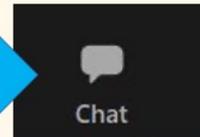
Protocol

- Stay muted and use chat to ask anything
- Chat will be monitored and questions asked as we go along or at the end
- There may be an opportunity to unmute at the end

Mobile



PC



Spread the word

Recording & Slides & Notes will
be available at

**[presbyterian.ca/
leadership-webinars](https://presbyterian.ca/leadership-webinars)**

Share it around!



5

Recordings will also be posted at <https://presbyterian.ca/leadership-webinars/> for people to find and use in the future.

Presenters

Karen Plater, Stewardship & Planned Giving

**Maurice Mawhinney, Presbytery of West
Toronto & PCC Finance Committee**

Jim MacDonald, Stewardship & Planned Giving

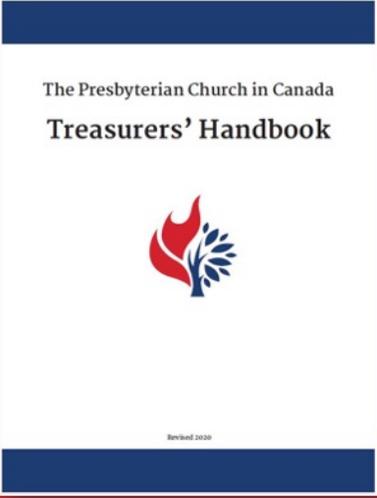
Oliver Ng, CFO, PCC

Larry Eastwood, Congregational Treasurer, BC

Bill Paterson, Congregational Treasurer, AB

6

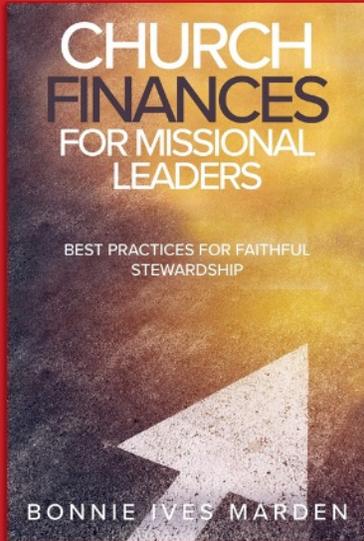
One of the benefits of a webinar is that you can pull in multiple people to present. This really is a collaborative effort. We're honoured with the participation of congregational treasurers – Larry Eastwood in BC and Bill Paterson in AB. Both were active answering questions on chat, so we thought we'd recruit them to present!



Treasurer's Handbook

Download presbyterian.ca/resources/finance/

Most of the information will be found in the Treasurer's Handbook.



Best Practices

“Budget building and management work is sacred and will directly impact the morale and confidence of the whole community.” – Bonnie Ives Marden

Available on [Amazon.ca](https://www.amazon.ca)

Bonnie Ives Marden’s book *Church Finances for Mission Leaders* does an excellent job of integrating both stewardship and money management and biblical principles.



Telling the Story: Reporting & Communicating Finances

January 13, 2022

9

So let us begin to explore different ways we report and communicate finances.

Produce Reports

- The Session
- The Congregation
- Donors
- Presbytery, Synod & National Office (Statistical Report)
- Canada Revenue Agency
- Banks, Insurance, Foundations & Grant makers

The Job Of The Treasurer

One role is to produce reports. It's important to know there will be different reports for different audiences. We're going to look at the first five bullets – but the info you use for them is probably what Banks, Insurance and Foundations or other grant makers want.

Report Characteristics

Financial Statements & Budgets should be

- Understandable
- Relevant
- Reliable
- Consistent
- Comparable
- Accurate/Reconciled

Financial Statements

Financial statements should possess the following characteristics to be useful

- Understandable – describe the financial information in a meaningful way
- Relevant – providing timely information and context
- Reliable – information is supported, accurate, and if estimated, conservative
- Comparable – consistent application of accounting methods



Session, Congregation & Donors

And onto the CRA.

Session

- **Details for operating budget & special funds**
- **See the big picture**
- **Monthly updates**

Responsible for the finance & stewardship of all the congregation – so they want to see both the details and the big picture.

Monthly updates – anticipate questions. Is there a line which is different from the previous year? What might stand out.

- Obviously, members, adherents and other donors want to know how their donations are being used
 - Donations to General fund, special “designated” fund(s), e.g. building, new organ, etc.
 - Donations to *Presbyterians Sharing...*, PWS&D
 - Stipends and salaries
 - Church programs and ministries, facilities upkeep and operations

Congregation

- **Present operating budget & special funds**
- **More big picture, but want to be transparent and accountable**
- **Updated at AGM**
- **Periodic updates on budget income**

14

- Obviously, members, adherents and other donors want to know how their donations are being used
 - Donations to General fund, special “designated” fund(s), e.g. building, new organ, etc.
 - Donations to *Presbyterians Sharing...*, PWS&D
 - Stipends and salaries
 - Church programs and ministries, facilities upkeep and operations

Donors

- **Impact of Donations**
- **Stories of Lives Changed**

KP

Periodic Updates

KP

people give the way they receive

Copyright 2017 ©
Stewardship
Possibilities
Dr. Kennon L.
Callahan, Ph. D.
All Rights
Reserved. Used
with permission .

agriculture	harvest
salary	weekly, bi-weekly, monthly
self-employed	seasonal

17

Copyright 2017 © Stewardship Possibilities
Dr. Kennon L. Callahan, Ph. D.
All Rights Reserved. Used with permission.

Items appear over multiple clicks

KP

J F M A M J J A S O N D

Copyright 2017 ©
Stewardship
Possibilities
Dr. Kennon L.
Callahan, Ph. D.
All Rights
Reserved. Used
with permission .

Giving Pattern in Budget

18

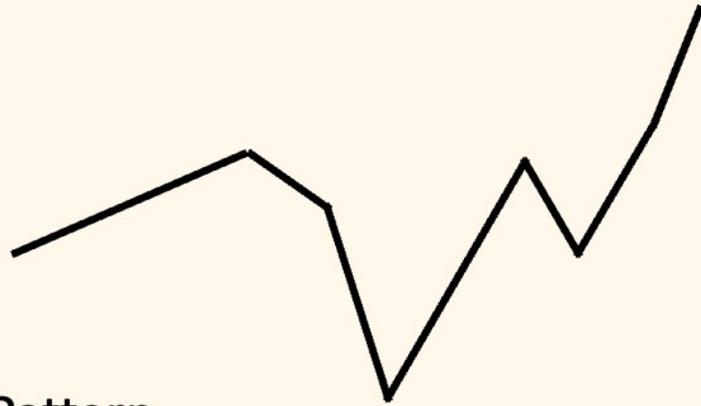
Our budgets tend to treat income as if it comes in regularly, the same amount.

Items appear over multiple clicks

KP

J F M A M J J A S O N D

Copyright 2017 ©
Stewardship
Possibilities
Dr. Kennon L.
Callahan, Ph. D.
All Rights
Reserved. Used
with permission ..



Giving Pattern

19

We really know that it fluctuates.

Items appear over multiple clicks

KP

J F M A M J J A S O N D

Jan 2019	6%	2022 budget: 100,000								
Jan 2020	5%	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Budget 1/12</td> <td style="width: 50%;">8.33%</td> </tr> <tr> <td>Needed</td> <td>\$8,333</td> </tr> <tr> <td>Received</td> <td>\$6,110</td> </tr> <tr> <td>Short</td> <td>\$2,223</td> </tr> </table>	Budget 1/12	8.33%	Needed	\$8,333	Received	\$6,110	Short	\$2,223
Budget 1/12	8.33%									
Needed	\$8,333									
Received	\$6,110									
Short	\$2,223									
Jan 2021	7%									
3YA	6%									

Copyright 2017 © Stewardship Possibilities
 Dr. Kennon L. Callahan, Ph. D.
 All Rights Reserved. Used with permission .

Items appear over multiple clicks

KP

J F M A M J J A S O N D

Jan 2019 6% 2022 budget: 100,000

Jan 2020 5%

Jan 2021 7%

3YA 6%

Giving Goal of 6%

Jan \$6,000

Given \$6,100

Thank You!

Copyright 2017 © Stewardship Possibilities
Dr. Kennon L. Callahan, Ph. D.
All Rights Reserved. Used with permission ..

21

Items appear over multiple clicks

KP

J F M A M J J A S O N D

Jan 2019 6% 2022 budget: 100,000

Jan 2020 5%

Jan 2021 7%

3YA 6%

Giving Goal of 6%

Jan \$6,000

Given \$5,500

Thank You!

Copyright 2017 © Stewardship Possibilities
Dr. Kennon L. Callahan, Ph. D.
All Rights Reserved. Used with permission ..

22

Items appear over multiple clicks

KP

J F M A M J J A S O N D

Jan 2019	6%	2022 budget: 100,000
Jan 2020	5%	<p>Giving Goal of 6%</p> <p>Jan \$6,000</p> <p>Given \$8,000</p> <p>Thank You – we’re going to do some more!</p>
Jan 2021	7%	
3YA	6%	

Copyright 2017 © Stewardship Possibilities
 Dr. Kennon L. Callahan, Ph. D.
 All Rights Reserved. Used with permission ..

23

Items appear over multiple clicks

Time for Q & A



Use the chat to
ask a question
about presenting
monthly updates

KP

Annual General Meeting

Annual Meeting

- Report and celebrate accomplishments
- Cast vision for the future
- Receive the financial statement, (including audit/financial review), and approve a budget for the coming year

Annual Church Report

As treasurer, you are responsible for monthly reports and the annual report to the congregation.

The goals of the Annual meetings are:

- To report and celebrate what has been accomplished (session/pastor)
- To cast vision for the future (session/pastor)
- To receive the financial statement, (including audit/financial review), and approve a budget for the coming year (treasurer/finance committee)

LE

Present the Audited Financial Statements

**Audited = examined by someone,
other than the Treasurer
(see Session One)**

27

Prepping for the AGM

- Anticipate questions and build them into your presentation
- Show 3 years of actuals, last year's budget, next year's budget

Prepping for the AGM

- Congregation needs it in their hands 2 weeks before meeting
- If invested in consolidated portfolio, info doesn't come out until end of Q1
- Leave time for auditors to complete audit
- Leave time for publication (photocopying, layout, etc.)

Time for Q & A



Use the chat to ask a question about presenting line-item statements and budgets

JM

Narrative Budget

Top 3 reasons people give

- Belief in Mission & Vision
- Confidence in Leadership
- Accountability & Transparency

Barna Foundation Survey

32

A Barna Foundation survey shows the top 3 reasons people give

1. People want to be part of something that impacts others. They believe in the **Mission and Vision – of the non-profit they are giving to**. For congregations, this means that they want to see how they are participating in God's mission – that they are not just paying the bills to keep the building open.
 2. People are looking for trust & authenticity in the places and people to which they give. They want to have **Confidence in Church Leadership**.
- AND
3. People need to see evidence of responsible management (**accountability**) with consistent regular **communication** of results (**transparency**). They want to be assured you achieving what you communicate that you are doing.

Let's keep these in mind as we look at the different budget options you are going to present.

Present the budget

- Line-Item Budget is an accounting tool
- Narrative Budget is an educational and visioning tool
- We can be intentional in how we use both

(reveal bullet points)

Click:

The church's line-Item Budget, which is an accounting and management tool. It's what is going to help answer reasons 2 and 3 of why people give: confidence in leadership and accountability and transparency.

Click:

A Narrative Budget however, is an educational and visioning tool which you can use to help capture people's hearts – speaking to the mission and vision of the congregation.

Click:

And we can be intentional in how we use both.

Narrative Budget

- Connects income and expenses to mission and vision
- Tells story of the line-item budget

So your line-item budget keeps track of church income and expenses. It does not easily connect church spending with church vision and tell the story of how you are achieving that vision. And yet that's the main reason people give.

For instance, people don't give to the Cancer Society so they can pay the staff, rent and heating bills at the administrative office. They give because, first of all, it supports people with cancer and secondly, funds research toward a cure and then, finally, it supports caregivers. However, there won't be any supports or research without the infrastructure to support it.

By linking dollars to mission, a narrative budget inspires and informs donors about the importance and impact of their gifts. It allows you to share your budget in a way that gives a fresh perspective on the ministry your church is doing at home and in the world.



How your gifts become grace



Your gifts to *OurChurch* are bringing God's love and grace into the lives of people in our congregation, in our neighbourhood and around the world.

How to tell the story in a different way

- Re-sort and summarize church's line-item budget into missional categories
- Add visuals and pictures to tell the story

To create a narrative budget, you must start with good data – a good fiscal line-item budget – one that is sustainable, connected to the vision, and is achievable for your church.

Once you have a good budget in place, you need to transform the data to tell your congregation's story. To do that, you are going to re-sort and summarize the church's line-time budget into missional categories and then add visuals (graphs and pictures so that people can see what their gifts are accomplishing.)

To make your narrative budget you need to assign the different lines from your line ministry budget to key areas of ministry. It's not an accounting exercise – and it's quite subjective – but the idea is to build a reasonable snapshot of how resources – time, talent and treasure - are used in the church. While allocating figures to ministry areas can be challenging at first, with each subsequent year the process will become easier. Let's look at how we can create and assign missional categories.

Determining Categories & Distribution Whose job?

- Determining the mission categories and creating the percentages may not be the treasurer's job – it could/should be taken on by the session and/or brainstormed by congregation
- The more help you have creating the budget (narrative and line-item), the more ownership you will have for the budget overall and the more people will be willing to support it.

36

Determining the mission categories and creating the percentages may not be the treasurer's job – it could/should be taken on by the session.

The more help you have creating the narrative budget, the more ownership you will have for the budget overall, the more people will be willing to support it. So it's worth the time to build participation into your budget building!

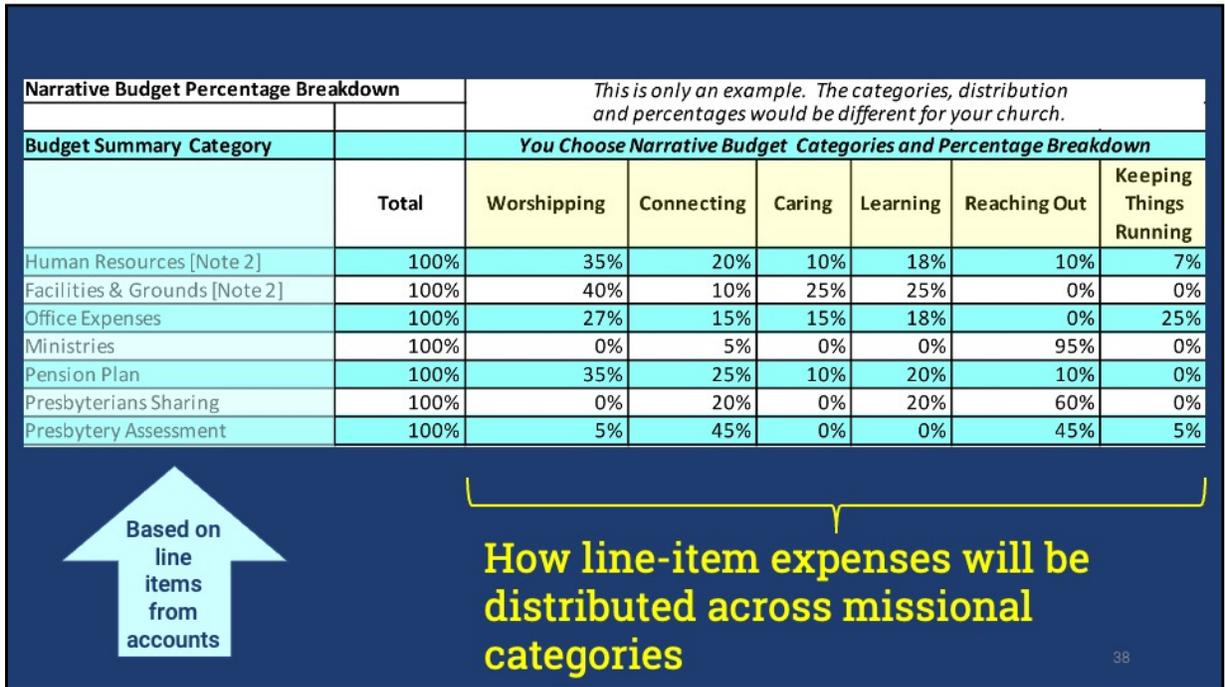
Determining Categories & Distribution Tips & Ideas

- Use the figures from the clergy tax form to assign the minister's time
- Get input from committee chairs
- Ask church staff (ministers, youth workers, administrators) for their input

You can use the figures collected by the minister for tax purposes to help you determine how to distribute the minister's time across the narrative budget categories. (It can be a good discussion with the minister about how they are using their time!)

Talk to committee chairs, who might consult their committees

Get input from other church staff (ministers, youth workers, administrators etc) about how they use their time and how they support the different narrative categories



After we agree on our narrative budget categories, which you can see here highlighted in yellow, we estimate the percentage of each budget summary category that should be applied to each narrative category.

You'll notice that in column one, we've listed summary lines that come your line-item budget.

For instance, we add up the amount spent on facilities and grounds. We then work out how much of that cost, as a percentage, applies to the mission-based categories of a narrative budget.

Let's look at your congregation's facilities and grounds. The expenses in this category might be utilities (heat, hydro, water) landscapers, cleaners, minor repairs and renovations. In a line-item budget, these would each get their own lines. But we know the grounds and facilities are used for A LOT of different things, the sanctuary is used for worship and community concerts and youth movie nights, the Sunday school rooms are used for learning and to host Alcoholics Anonymous, and the youth group, and WMS groups and more! (And sometimes they might be used to make an income.) This chart shows that this congregation has decided facilities and grounds are used 35% of the time for Worship, 25 percent to Learning and the balance to other categories because the facilities and grounds are needed for most church

activities.

You'll find that expenses will fit in a variety of narrative categories. The nice thing is, it's not an accounting process -- it's a communications tool -- and the more involvement you have in helping create the categories, the less chance there will be debate about them at your AGM!

Narrative Budget Percentage Breakdown		This is only an example. The categories, distribution and percentages would be different for your church.					
Budget Summary Category	You Choose Narrative Budget Categories and Percentage Breakdown						
	Total	Worshipping	Connecting	Caring	Learning	Reaching Out	Keeping Things Running
Human Resources [Note 2]	100%	35%	20%	10%	18%	10%	7%
Facilities & Grounds [Note 2]	100%	40%	10%	25%	25%	0%	0%
Office Expenses	100%	27%	15%	15%	18%	0%	25%
Ministries	100%	0%	5%	0%	0%	95%	0%
Pension Plan	100%	35%	25%	10%	20%	10%	0%
Presbyterians Sharing	100%	0%	20%	0%	20%	60%	0%
Presbytery Assessment	100%	5%	45%	0%	0%	45%	5%

Estimate the percentage of each budget summary category that should be applied to each narrative category.

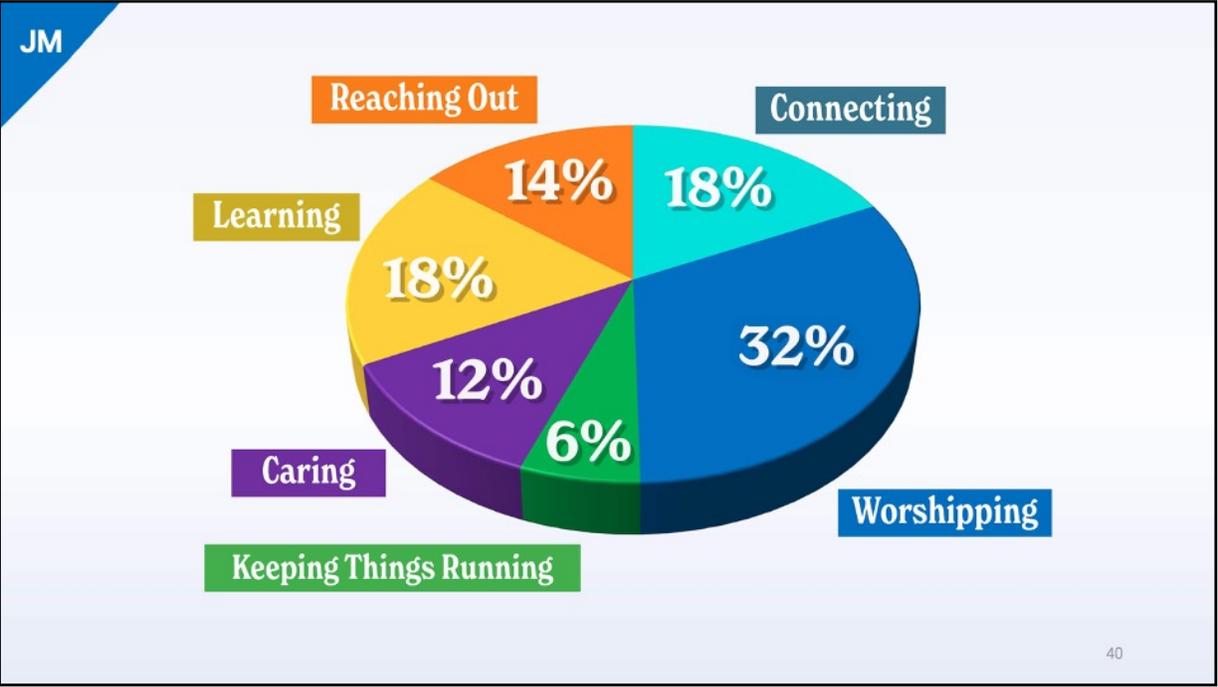
Budget Summary Category	Calculate Narrative Budget Dollar Amounts						
	Total	Worshipping	Connecting	Caring	Learning	Reaching Out	Keeping Things Running
Human Resources [Note 2]	300,000	105,000	60,000	30,000	54,000	30,000	21,000
Facilities & Grounds [Note 2]	85,000	34,000	8,500	21,250	21,250	-	-
Office Expenses	33,000	8,910	4,950	4,950	5,940	-	8,250
Ministries	24,000	-	1,200	-	-	22,800	-
Pension Plan	24,000	8,400	6,000	2,400	4,800	2,400	-
Presbyterians Sharing	18,500	-	3,700	-	3,700	11,100	-
Presbytery Assessment	6,200	310	2,790	-	-	2,790	310
Other							*
Total Expenses	484,479	156,620	87,140	58,600	89,690	69,090	29,560
ROUNDED	492,000	157,000	87,000	59,000	90,000	69,000	30,000
NARRATIVE BUDGET TOTALS	100%	32%	18%	12%	18%	14%	6%

Distribute the budget summary subtotals across the Narrative Budget Categories and then total to make up the data for the pie chart.

Data for pie chart

We then take the actual numbers from the line-item budget and multiply them by the percentages we've determined, which distributes the budget summary subtotals across the Narrative Budget Categories.

For instance, we take Human Resources as a line-item subtotal for this example, which is calculated to be \$300,000 and, using the percentages in the blue table above, we distribute that expense across the narrative budget categories, with the 35% indicated under Worshipping in the blue table above multiplying out to \$105,000 in the yellow table below. We do this for all the percentages for each narrative budget category and then add each narrative budget category up at the bottom. Those narrative budget totals are used to create a pie chart. (I used a fairly large congregation example, just to help you see the differences in the numbers.)



And this is the pie chart. You can see here how our congregation's expenses now tell the story of what we achieve together as a congregation. To some extent, how we spend our resources, shares what's important to us as a congregation, and this helps us see it clearly. In this sense, it can also be a planning tool, because we can see how our gifts are put to work, and decide if we want to shift that for future years.

When you give \$100

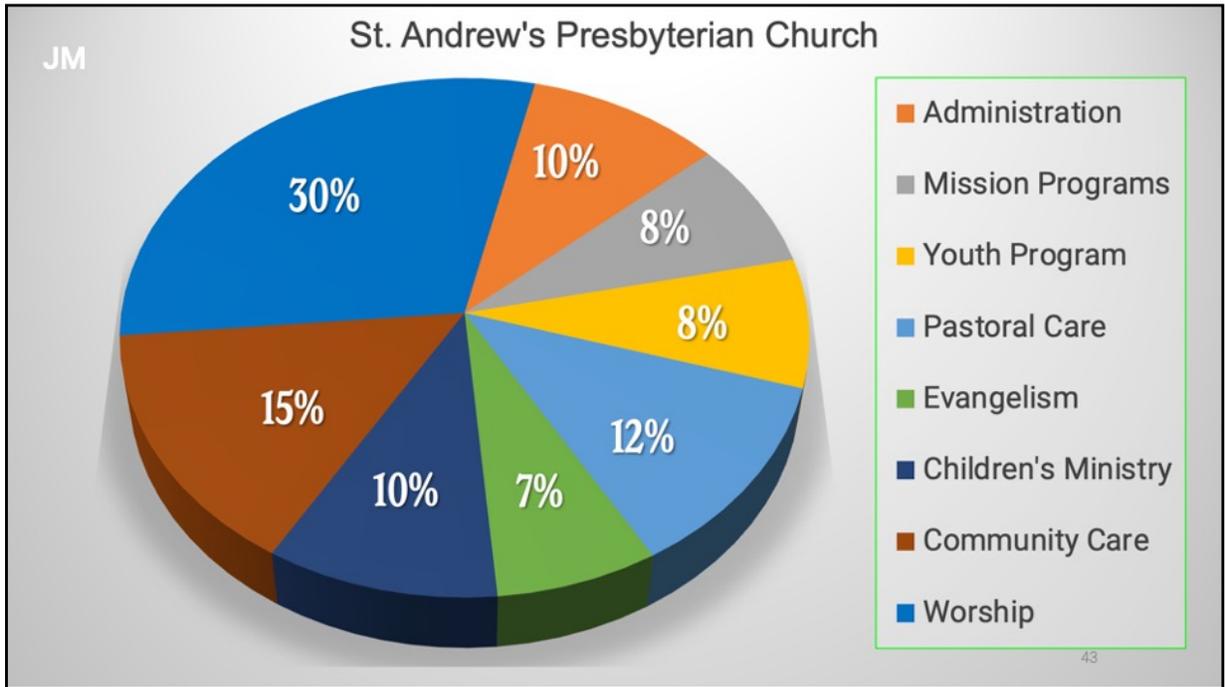
- \$14 supports evangelism and mission programs
- \$18 supports education of children, youth and adults
- \$12 allows for pastoral care
- \$6 covers the costs of administration
- \$32 goes to meaningful and vibrant worship
- \$18 helps us connect each other and the community

Now a lot of treasurers like pie charts, because we're numbers people. But they might not mean a lot to others - Another way to say the same thing is to break down a gift of \$100 into the categories you've chosen. For people who are concerned that their money may be getting burned up in administrivia, it's nice to see just how each dollar is spent.

When you give \$100

- \$30 goes to meaningful and vibrant worship
- \$15 supports care for people in our community
- \$10 encourages and equips our children
- \$7 supports evangelism program
- \$12 allows pastoral care
- \$8 supports our youth
- \$8 supports mission programs
- \$10 is for Administration

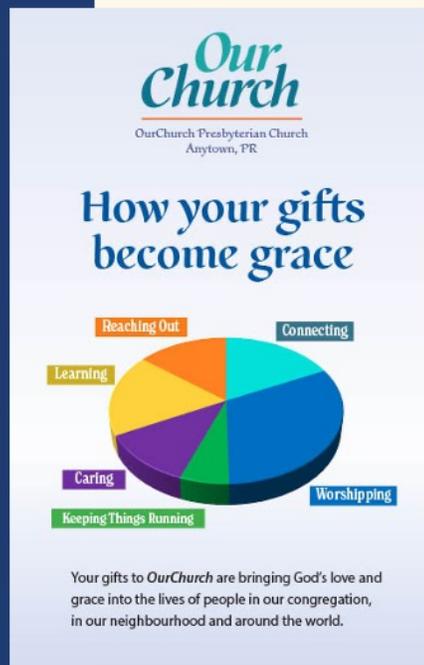
Here is an example of expenses categorized in a slightly different way. You'll notice that they assume more for administration, and they further separate mission from evangelism, youth from children, etc. It's totally up to you how you want to break out your narrative categories. It should be tied into your annual reports!



And here's the pie chart from that example. The pie chart comes straight out of Microsoft Excel directly into PowerPoint, ready to present at your annual congregational meeting.

Missional Categories

Find sample at
[presbyterian.ca/
stewardship/
narrative-
budgets/](http://presbyterian.ca/stewardship/narrative-budgets/)



Once you have your missional categories and pie chart, you can decide how to present them to the congregation.

This is an example of a narrative budget presented in a simple four-page bulletin insert.

Page one has the pie chart on it, and a simple statement about the congregation's mission and vision.

Missional Categories

Find sample at presbyterian.ca/stewardship/narrative-budgets/

14% **Reaching Out — \$69,000**
The people of *OurChurch* share God's grace through local, national and international missions. *PWS&D* and *Presbyterians Sharing* help us share God's love across Canada and around the world. *OurChurch* supports the Local City Mission, *Addiction Recovery*, the *Food Bank and Kids to Camp*. Through our *Connections Ministry*, we welcome those who visit, and invite those who have drifted away to return.

18% **Learning — \$90,000**
Educational programs for children, youth and adults promote growth in faith, participation in Christian community, and active witness to Christ in our world. They include adult bible studies, *Calm Camps*, *Vacation Bible School*, *Messy Church* and more.



12% **Caring — \$59,000**
Our minister and pastoral care team support members during times of illness, grief, or change. They provide nourishment and strength to fortify those in need to endure pain, heal wounds, and continue on with life and faith.

6% **Keeping Things Running — \$29,500**
Our hard-working staff and volunteers do lots of behind the scenes administration and bookkeeping to help us run on course, on time and on budget.

18% **Connecting — \$87,000**
We come together in ways that are vital to growing spiritual life. *OurChurch* connects through our *Women's Ministry*, *Congregational Life Ministry*, and our *Christmas Project* in support of *Distant Inner City Missions*. We get together through the *Lunch Prayer Group*, the *Wednesday Community and Fellowship Group*, the *Faith and Film* series, *West Hall floor hockey*, our annual pancake supper and the prayer chain that faithfully prays for the many prayer requests they receive.

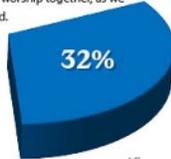


Worshipping — \$157,000
Worship at *OurChurch* is always a time of grace and love. Careful thought and preparation is evident at every worship gathering. *Rev. Name Here*, the hard-working staff and a wonderful team of committed congregation members work



diligently to prepare and contribute to worship at *OurChurch*. Our praise band, the scripture readers, the floral arrangers, the greeters, the audio visual team and many others help us worship together, as we praise, thank and are blessed by God.

Your gifts to *OurChurch* reach out to so many people, bringing them the grace, love and kingdom of God.



Page two says a little bit more about the six missional categories. Each category has a deeper description which was drawn from the story the congregation is simultaneously telling in its annual report.

Budget amounts are categorized into six missional categories. The categories are based on the story the congregation is simultaneously telling in its annual report.

Our example keeps it simple, but there are other components you might consider to incorporating into a longer document (statistics, case histories, quotes, infographics, photos of your church in action, etc.)

As you can see here, a narrative approach to communicating your budget allows you to better communicate the vision of the church.

This sample is available on the PCC website by searching “narrative budgets”

Missional Categories

Find sample at
[presbyterian.ca/
stewardship/
narrative-
budgets/](http://presbyterian.ca/stewardship/narrative-budgets/)

Turn your Gifts to Grace

There are many ways to donate to *OurChurch Presbyterian Church*. We'll send an annual tax receipt reflecting all your gifts.

Cheque or cash
If you're visiting on Sunday you can give by **cheque** or **cash**. Use one of the pink visitor's envelopes or ask our **envelope secretary** for your own weekly envelopes.

Interac e-Transfer®
Send e-Transfer gifts to MyGift@ourchurch and your gift will be automatically deposited into our congregational bank account.

Pre-Authorized Remittance (PAR)
Make regular monthly donations directly from your bank account through automatic bank withdrawal. If interested, ask our envelope secretary for the PAR form.

Online
You can give online using the donate form at OurChurch/donate.

Gifts of Publicly Traded Securities
Use the PCC's broker to give securities as a gift-in-kind to our congregation. You won't pay tax on the capital gains and you'll receive a donation tax receipt for the full market value of the securities. Our congregation will be sent the funds.

Bequests
Making a gift in your will allows you to make a legacy gift at the time you can most afford to give and can save your estate significant taxes. We gratefully accept gifts for our Legacy Fund to help continue ministry today and into the future.



46

And the final page shows how a person can give to support this exciting mission!

This bulletin insert keeps everything simple, but you could also have a longer document, or a PowerPoint presentation which includes statistics, case histories, quotes, infographics, photos of your church in action, etc.

As you can see here, a narrative budget allows you to share how gifts connect to the vision of the church.

This sample is available on the PCC website by searching “narrative budgets”. Feel free to use it!

There is also a previous webinar with real life examples presented by Mark Tremblay on how XXX congregation in Calgary built their narrative budget.

The power of numbers

- \$70 provides Christian Education for our children each week
- \$15 provides a hot meal for one person through Out of the Cold
- \$3000 will repaint our Sunday School
- \$700 will send a youth to Canada Youth

The narrative budget tells the story of UNDESIGNATED GIFTS to your general fund. It helps them know what their offering envelopes and PAR achieve.

But we also know people like to give designated gifts. You can use a narrative budget to help you determine numbers like these. Because you don't just use the actual cost, but can add a % for administration, because you know what the REAL administration percent is.

Beyond money

- # of people attending/reached
- # of hours invested

Remember to include other statistics in your narrative budget, to help show what the congregation is doing, beyond gifts of money.

Communicate Vision

- Visually inviting, and energizing
- Write about positive impacts
- Art and text from youth / Sunday school or creative volunteer
- Feature testimonials or stories

Finally, remember that the narrative budget is a communication piece.

- Make your Narrative Budget attractive, inviting, and energizing
- Think about the value of cartoons, drawings/photos, charts, personalized invitations, questions-and-answers, emotional honesty, high-quality design and layout, and drama. Include art from youth and children.
- Use surprising, delightful, or inviting words focussed on impact.
- Feature testimonials or stories

A creative volunteer might even make a simple video about the narrative budget.

If you need any help with setting up a narrative budget, please contact me in the Planned Giving and Stewardship Department for advice and assistance.

Time for Q & A



Use the chat to
ask a question

The logo for the Canada Revenue Agency (CRA) is displayed. It features a dark blue background with a large, light yellow circular shape in the center. The text "Canada Revenue Agency" is written in a black, sans-serif font across the middle of the yellow circle. A thick red horizontal line is positioned below the text, extending across the width of the yellow circle.

Canada Revenue Agency

And onto the CRA.

Canada Revenue Agency (CRA)

- Annual Public Information Return (T3010)
- Monthly / quarterly payroll deductions and reporting of any scholarships paid
- Harmonized Sales Tax / Goods and Services Tax (HST/GST) rebates

Canada Revenue Agency

- Annual Public Information Return – T3010
- Monthly / quarterly payroll deductions and reporting of any scholarships paid
- Harmonized Sales Tax / Goods and Services Tax (HST/GST) refunds/rebates

Today – we're going to focus on the T3010

Registered Charity Information Return Pre-filled B when completed

Section A: Identification

1. To help you fill out this form, refer to Guide T3010, Completing the Registered Charity Information Return. It can be found at www.cra-arc.gc.ca.

Note: Even if a charity is inactive, an information return must be filed to maintain its registered status.

Complete the following:

1. Charity name: _____

2. Return for fiscal period ending: Year _____ Month _____ Day _____

3. Identification number: _____ RR _____

4. Web address (if applicable): _____

A1 Was the charity in a subordinate position to a head body? Yes No
If yes, give the name and identification number of the organization: _____ (RR 9-digits, 2 letters, 4 digits. Example: 1234567890001)

A2 Has the charity wound-up, dissolved, or terminated operations? Yes No

A3 Is the charity designated as a public foundation or private foundation? Yes No
If yes, you must complete Schedule 1, Foundations. To confirm the charity's designation, go to www.cra-arc.gc.ca/charities/inf and refer to the charity's official page.

Section B: Directors/Trustees and the officials

B1 All charities must complete Form T3010, Directors/Trustees and Like Officials Worksheet. Only the public information section of the worksheet is available to the public.

For charities subject to the Ontario Deserptions Act:
As of May 15, 2021, the Canada Revenue Agency no longer collects this information on behalf of the Ontario Ministry of Government and Consumer Services. For more information on filing an Ontario annual information return, visit ontario.ca/businessregistry.

Note: If you would like these individuals to have the authority to communicate with the CRA on behalf of your charity, their names must also appear as an officer for your Business Number (BN). For more information, go to www.cra-arc.gc.ca/charities/eng/eng/charity/charity.asp and see "Making a change to your organization" and see "Change Director".

Section C: Ongoing and new charitable programs

C1 Was the charity active during the fiscal period? Yes No
If no, explain why in the "Ongoing programs" space below at C2.

C2 Describe all ongoing and new charitable programs the charity carried on during this fiscal period to further its purposes (as defined in its governing documents). "Ongoing" includes all of the charitable activities that the charity carries out on its own through employees or volunteers as well as through qualified donors and intermediaries. The charity may also use the space to describe the contributions of its volunteers in carrying out its activities, for example, number of volunteers, special hours. Do not list only the names of employees or volunteers. Grant-making charities should describe the types of organizations they support. Do not describe fundraising activities in this space.

Do not attach additional sheets of paper or scanned reports.

Ongoing programs: _____

New programs: _____

T3010 E (21) (Version A) (En français voir disponible en français)

What is the T3010?

BP

- Annual Charity Return
- Filed with CRA Charities Directorate
- Provides Accountability and Transparency
- Due within 6 months of end of church's fiscal period

SECTION 15.0 COMPLETING THE T3010 – ANNUAL CHARITY RETURN

What is it?

An annual return which is filed with the CRA Charities Directorate to confirm compliance with the provisions contained in the Federal Income Tax Act. It provides accountability and transparency to the public since the information is made available through the CRA website. **It is due within six months of the end of the church's fiscal period.**

T3010: Forget to file?

- Charitable status revoked
- Unable to issue tax receipts
- \$500 penalty
- Late filers published on CRA site

What happens if we don't file?

Failure to file the T3010 on a timely basis is cause for the congregation to have its charitable status revoked. It would then not be able to issue tax receipts for donations. Further, it could be subject to a \$500 penalty (to be administered as a re-registration fee). The T3010 is used to confirm compliance with the provisions contained in the ITA (ITA). Names of late filers are published on the CRA website.

It can be a full-year process to get back your charitable status and CRA will hold back any refunds the congregation is entitled to it.

NOTE: The return is due the end of June, in the meantime, you've issued your tax receipts and been used by donors, they could look at all the donors who have given and re-assess their taxes! This is a headache you don't want.

We need to be sure that the Session and Board of Managers are aware of this – it's why the Presbytery asks, the national office asks, and it's often a question your auditors will ask – on what date was the T3010 filed?

T3010: What's needed?

(1 of 2)

- Financial statements & accounting records
- Financial records from other groups within the church
 - WMS (unless filed separately)
 - Sunday School
 - Choir,
 - Camps
- Blank Form T3010 Return downloaded from www.cra-arc.gc.ca

55

What do I need to get started? (Slide 1 of 2)

Financial statements & accounting records

Financial records from other groups within the church (i.e. WMS unless filed separately, Sunday School, Choir, etc.)*

A blank Form *T3010 Return*

(mailed to congregations by CRA)

and a *Registered Charity Basic Information* (Form TF725) See next slide

Look on CRA's website if you need any of the forms or the guide. www.cra-arc.gc.ca

*Per bullet #2: Maurice mentioned that congregations may have multiple funds and related bank accounts which must be reconciled for the T3010.

Guides and Worksheets

available at: canada.ca/en/revenue-agency/services/forms-publications/forms.html

- Guide T4033 – Completing the Registered Charity Information Return
 - Called *the Guide*
 - Can be found at canada.ca/cra-forms
- T1235 – Directors/Trustees Worksheet
- T1236 – Qualified Donees Worksheet
- Schedules 1 to 6 (May not need but included in download)

56

What do I need to get started?

Guides and Worksheets:

T4033 – *Completing the Registered Charity Information Return* (called the Guide)

T1235 – All charities must complete Form T1235, Directors/Trustees and Like Officials Worksheet. Only the public information section of the worksheet is available to the public.

Note: Does not update Directors/Trustees list for provincial registration (esp. Ontario)

Decide if the Minister will or won't be listed, it can be helpful for them to be listed for smaller congregations. . . Be consistent!

T1236 – *Qualified Donees Worksheet* is used by a registered charity to identify the gifts it made to qualified donees and other organizations during a fiscal year. If you answered "yes" to question C3, "Did the charity make gifts or transfer funds to qualified donees or other organization?" then you must fill out the T1236.

Is Presbytery a qualified donee or not? IF they don't have their CRA registration (some do and some don't, it's not a transfer, but an expense. Presbytery should provide an invoice or letter saying what the assessment is and what is covered under it.

Schedules 1 to 6. (Note: you may not have to complete all these schedules, but they are included in the Form T3010 package)

Look on CRA's website if you need any of the forms or the guide. www.cra-arc.gc.ca

LE

A1 Was the charity in a subordinate position to a head body? **1510** Yes No
 If yes, give the name and BN/registration number of the organization.

Name The Presbyterian Church in Canada	BN (9 digits, 2 letters, 4 digits. Example: 123456789RR0001) 10785 6619 RR 0001
--	---

57

2019 T3010 (Cont'd.)

A1 – Was the charity in a subordinate position to a parent organization?

Check Yes

Presbyterian churches are “linked” to The Presbyterian Church in Canada

Enter: The Presbyterian Church in Canada

Enter: 10785 6619 RR 0001

C6 If the charity carried on fundraising activities or engaged third parties to carry on fundraising activities on its behalf, select all fundraising methods that it used during the fiscal period:

- | | | |
|--|--|---|
| 2500 <input type="checkbox"/> Advertisements/print/radio/TV commercials | 2570 <input type="checkbox"/> Sales | 2620 <input type="checkbox"/> Telephone/TV solicitations |
| 2510 <input type="checkbox"/> Auctions | 2575 <input type="checkbox"/> Internet | 2630 <input type="checkbox"/> Tournament/sporting events |
| 2530 <input type="checkbox"/> Collection plate/boxes | 2580 <input type="checkbox"/> Mail campaigns | 2640 <input type="checkbox"/> Cause-related marketing |
| 2540 <input type="checkbox"/> Door-to-door solicitation | 2590 <input type="checkbox"/> Planned-giving programs | 2650 <input type="checkbox"/> Other |
| 2550 <input type="checkbox"/> Draws/lotteries | 2600 <input type="checkbox"/> Targeted corporate donations/sponsorships | 2660 Specify: _____ |
| 2560 <input checked="" type="checkbox"/> Fundraising dinners/galas/concerts | 2610 <input type="checkbox"/> Targeted contacts | |

C6 – Treasurer may have to put the odd checkmark on C6

Select **all** applicable fundraising methods used by the charity during the fiscal period.

LE

C7 Did the charity pay external fundraisers? 2700 Yes No

If yes, you must complete the following lines, and complete Schedule 4, Confidential data, Table 1.

(a) Enter the gross revenue collected by the fundraisers on behalf of the charity: 2700 \$

(b) Enter the amounts paid to and/or retained by the fundraisers: 2700 \$

59

2019 T3010 (Cont'd.)

C7 – Did the charity pay external fundraisers?
Check No

A third-party fundraiser is a company or individual, not employed by the charity, that solicits funds for the charity.

Poll

C8 Did the charity compensate any of its directors/trustees or like officials or persons not at arm's length from the charity for services provided during the fiscal period (other than reimbursement for expenses)?..... **3200** Yes No

C9 Did the charity incur any expenses for compensation of employees during the fiscal period?..... **3400** Yes No

- Larger churches can be "Yes"
- Be consistent

60

2019 T3010 (Cont'd.)

C8 – Line 3200 – The charity may have made a payment to one or more of its directors/trustees or like officials, or persons not at arm's length, which was not a reimbursement or an allowance, and was for an amount spent to carry on their duties (for example, an out-of-town director's accommodation and travel expenses while attending a board meeting). If so, select **yes**.

The term **not at arm's length** means persons acting jointly without separate interests or who are related.

C8 – Minister shouldn't be included in T1235 – Directors/Trustees Worksheet, so C8 not applicable to Minister

Smaller churches versus larger churches

Larger churches likely select [] yes

Be consistent

Poll: Which do you do?

LE

Did the charity acquire a non-qualifying security? Yes No

C13 Did the charity allow any of its donors to use any of its property? (except for permissible uses)..... **5810** Yes No

Did the charity issue any of its tax receipts for donations on behalf of another organization? Yes No

61

2019 T3010 (Cont'd.)

C13 - Did the charity allow a donor to use any of the charity's property during the fiscal period
Check No

LE

2 Were any of the charity's financial resources spent on programs outside of Canada under any kind of an arrangement including a contract, agency agreement, or joint venture to any other individual or organization (excluding gifts to qualified donees)? **210** Yes No

If **yes**, provide details of the amount reported in question 1 on line 200, that the charity transferred to these individuals or organizations in the following table:

Country code where the	Amount (\$)

62

2019 T3010 (Cont'd.)

Schedule 2 - Line 210 – Programs outside of Canada
 This doesn't apply to PWS&D & International Ministries

LE Was the financial information reported below prepared on an accrual or cash basis?..... 4020 Accrual Cash

Statement of financial position

Show all amounts to the nearest single Canadian dollar. Do not enter "see attached financial statements." All relevant fields must be filled out.

Assets:		Liabilities:	
Cash, bank accounts, and short-term investments	4100 \$	Accounts payable and accrued liabilities	4300 \$
Amounts receivable from non-arm's length persons	4110 \$	Deferred revenue	4310 \$
Amounts receivable from all others	4120 \$	Amounts owing to non-arm's length persons	4320 \$
Investments in non-arm's length persons	4130 \$	Other liabilities	4330 \$
Long-term investments	4140 \$	Total liabilities (add lines 4300 to 4330)...	4350 \$
Inventories	4150 \$		
Land and buildings in Canada	4155 \$		
Other capital assets in Canada	4160 \$		
Capital assets outside Canada	4165 \$	Amount included in lines 4150, 4155, 4160, 4165 and 4170 not used in charitable activities	4250 \$
Accumulated amortization of capital assets	4166 \$		
Other assets	4170 \$		
10 year gifts	4180 \$		
Total assets (add lines 4100 to 4170)	4200 \$		

Statement of operations

Revenue:

Total eligible amount of all gifts for which the charity has issued or will issue tax receipts	4500 \$
Total eligible amount of tax-receipted tuition fees	5610 \$
Total amount of 10 year gifts received	4505 \$
Total amount received from other registered charities	4510 \$
Total other gifts received for which a tax receipt was not issued by the charity (excluding amounts at lines 4575 and 4630)	4530 \$
Total revenue received from federal government	4540 \$

2019 T3010 (Cont'd.)

If you are completing Schedule 6: Detailed Financial Information:

Line 4155 - Land and Buildings in Canada

Line 4165 - Capital assets OUTSIDE Canada

Line 4166 - Accumulated amortization of capital assets

this refers to an accounting term that means how an asset depreciates over time

i.e. a computer depreciates over time

some congregations will set up the computer as an asset and then depreciate it over 5 years or 20% of the value each year

Line 4510 - Total amount received from other registered charities

		Protected B when completed	
LE Expenditures:			
Advertising and promotion	4800	\$	
Travel and vehicle expenses.....	4810	\$	
Interest and bank charges.....	4820	\$	
Licences, memberships, and dues.....	4830	\$	
Office supplies and expenses.....	4840	\$	
Occupancy costs	4850	\$	
Professional and consulting fees	4860	\$	
Education and training for staff and volunteers.....	4870	\$	
Total expenditure on all compensation (enter the amount reported at line 390 in Schedule 3, if applicable)	4880	\$	
Fair market value of all donated goods used in charitable activities	4890	\$	
Purchased supplies and assets	4891	\$	
Amortization of capitalized assets.....	4900	\$	
Research grants and scholarships as part of charitable activities.....	4910	\$	
All other expenditures not included in the amounts above (excluding gifts to qualified donees).....	4920	\$	
Specify type(s) of expenditures included in the amount reported at 4920.....	4930		
Total expenditures before gifts to qualified donees (add lines 4800 to 4920).....	4950	\$	
Of the amounts at lines 4950:			
(a) Total expenditures on charitable activities.....	5000	\$	
(b) Total expenditures on management and administration.....	5010	\$	
(c) Total expenditures on fundraising	5020	\$	
(d) Total other expenditures included in line 4950.....	5040	\$	
Total amount of gifts made to all qualified donees	5050	\$	
Total expenditures (add lines 4950 and 5050).....	5100	\$	64

Line 5050 - Total amount of gifts made to all qualified donees

Line 5100 - Total expenditures (add amount from line 4950 and 5050)

Pulpit supply should be treated as an expense and not included in Line 4880

LE

Occupancy costs		\$	
Professional and consulting fees	4860	\$	
Education and training for staff and volunteers	4870	\$	
Total expenditure on all compensation (enter the amount reported at line 390 in Schedule 3, if applicable)	4880	\$	
Fair market value of all donated goods used in charitable activities	4890	\$	
Purchased supplies and assets	4891	\$	

3 Total expenditure on all compensation in the fiscal period.	390	\$	
---	------------	----	--

Line 4880 – must be the same as the amount reported on Line 390 of Schedule 3

Other financial information

Permission to accumulate property:

Only registered charities that have written permission to accumulate should complete this section.

- Enter the amount accumulated for the fiscal period, including income earned on accumulated funds 5500 \$ _____
- Enter the amount disbursed for the fiscal period for the specified purpose 5510 \$ _____

Permission to reduce disbursement quota:

If the charity has received approval to make a reduction to its disbursement quota, enter the amount for the fiscal period 5750 \$ _____

Property not used in charitable activities:

Enter the average value of property not used for charitable activities or administration during:

- The 24 months before the **beginning** of the fiscal period 5900 \$ _____
- The 24 months before the **end** of the fiscal period 5910 \$ _____



- LE**
- Complete based your congregation's circumstances
 - Pay special attention to line 5900 and 5910
 - Properties not used in charitable activities – if you have any pay attention to the disbursement quota

Other financial information

Complete this section based on the situation of your congregation. Pay special attention to line 5900 and 5910. You should not have any properties not used in charitable activities. If you do, make sure you comply with the disbursement quota.

<\$100K vs. >\$100K Churches

Section D: Financial information

Fill out either Section D or Schedule 6, Detailed financial information.

If **any** of the following applies to the charity, complete **Schedule 6** instead of Section D:

- (a) The charity's revenue **exceeds \$100,000**
- (b) The amount of all property (for example, investments, rental properties) not used for the charity's purposes exceeds \$100,000.
- (c) The charity had permission to accumulate funds during this fiscal period.

Show all amounts to the nearest single Canadian dollar. Do not enter "See attached".

Under 100K can skip 2 pages of detailed analysis

Smaller churches can complete section D

Larger churches must complete Schedule 6

<\$100K vs. >\$100K Churches

This image shows Section D of Form 990, which is the first page of the return for churches with gross receipts less than \$100,000. It contains various questions and data entry fields regarding the church's status, activities, and financial information.

Section D

This image shows Schedule 6 of Form 990, which is a detailed financial statement for churches with gross receipts more than \$100,000. It includes a balance sheet, a statement of activities, and a statement of assets and liabilities.

Schedule 6

- Under 100K can skip 2 pages of detailed analysis
- Smaller churches can skip Schedule 6
- Larger churches must complete Schedule 6

The screenshot shows the CRA website interface. At the top, there is a search bar and a language selector for 'Français'. Below the search bar is a breadcrumb trail: 'Canada.ca > Taxes > Charities and giving > Operating a registered charity'. The main heading is 'Making a change to your organization'. The text explains that there are different processes depending on the type of change and that registered charities should consult the pages below. It also states that all changes can be done using digital services or by mail/fax. A section titled 'Select the request you want to make for more details:' contains a list of links: 'Change director', 'Change public contact information or addresses', 'Change organization's legal name', 'Change organization's fiscal period end', 'Request permission to accumulate', 'Change bylaws', 'Change purposes and activities', 'Submit amended governing document', and 'Change legal status'. A blue arrow points to the 'Change director' link.

Authority to communicate with CRA LE

- Name must appear as owner for Business Number (BN)
- Go to:
- canada.ca/charities-giving
 - "Operating a registered charity"
 - "Making a change to your organization"
 - "Change director"
- Record "minute" re changes

70

NOTE: This is the most difficult task with the CRA! Be persistent.

Often the responsible members of session at a church change and the church doesn't inform the CRA, which may make it difficult to communicate with the CRA when the need arises.

There are two systems 1) the T3010 charity registration and 2) the GST/HST/payroll issues – these don't seem to communicate with each other.

If you would like a new individual to have the authority to communicate with the CRA on behalf of your charity, their name must also appear as an owner for your Business Number (BN).

For more information, go to canada.ca/charities-giving, select "Operating a registered charity," then "Making a change to your organization" and see "Change director."

Session needs to add a minute to record the names that will be submitted to the CRA.

Extracting Data for Reports

- Data from financial statements primarily used for
 - Annual report to the congregation
 - CRA Public Information return (T3010)
 - PCC annual statistical return
- Use grouping and headers
 - allow easy extraction of data
 - Or flow to the other reports
- Use account “segments” in your accounting software
 - Key to setting up your Chart of Accounts.

Income	Annual report	T3010 Line#	PCIC Line#
Tax receipted offerings:			
General	X	4500	14
Presbyterians Sharing...	X	4500	14
Special donations / appeals	X	4500	14/16/18
Rental income	X	4610	14
Interest and investment income	X	4580	14
Grants from other charities (PCIC)	X	4510	17
Proceeds from asset disposition	X	4590/4600	15
Revenue from fund raising / bake sales, etc		4630	14
Revenue from governments	X	4540/50/60/70	14/18/19
Receipts for endowments, bequests, special funds	X	4530	14/16
Other -			
Open offerings	X	4530	14
GST/HST refunds (<i>do not include rebatable portion</i>)	X	4650*	19/23

Total of \$ numbers being put into T3010 L4500 should agree to total receipted by Envelope Steward/Secretary. ⁷²

Expenses	Annual report	T3010 Line #	PCIC Line #
Stipend of Principal minister, including increments & travel	X	4880	21 a
Minister's utilities	X	4880	21 b
Continuing education allowance	X	4880	21 c
Other payments	X	4880	21 d
Other professional workers	X	4880	22
Housing allowances	X	4880	23
Other salaries and wages -organist, secretary, janitor	X	4880	23
Employee related benefit expenses (Employer's share of CPP, EI, pensions, H&D, etc)	X	4880	23
Office supplies	X	4840	23
Church utilities costs	X	4850	23
Occupancy	X	4850	23
Advertising and promotion	X	4800	23
Travel and vehicles	X	4810	23
Interest and bank charges	X	4820	23
Other expenditures	X	4920(?)	23
Debt repayments	X		24
Christian education program costs	X	4891 (or 4870)	23
Remitted for Presbyterians Sharing...	X	5050	26 a
Remitted to PCC (other than Presbyterians Sharing)	X	5050	26 b1
Expended on Refugee Sponsorship	X	5050	26 b2
Remitted to other Registered Charitable Mission Organizations	X	5050	26 b3

KP

Contact Info



The Presbyterian Church in Canada
50 Wynford Drive, Toronto ON
M3C 1J7

Tel: 416-441-1111 or 1-800-619-7301,
Fax: 416-441-2825

www.presbyterian.ca

Canada Revenue Agency -
www.canada.ca/en/services/taxes/charities

Oliver Ng, **CFO & Treasurer**, ext 316,
ong@presbyterian.ca

Diana Kellington, **Accountant**, ext 312,
dkellington@presbyterian.ca

Karen Plater, **Stewardship & Planned Giving
Associate Secretary** ext. 272
kplater@presbyterian.ca

Jackie Czegledi, **Senior Administrator,
Finance**, ext. xxx jczegledi@presbyterian.ca

Maggie Leung, **Gifts Administrator** ext. xxx
mleung@presbyterian.ca

74

We are always happy to help. Contact us if you have questions!

Thank You

Recording & Slides will be available at

[presbyterian.ca/
leadership-webinars](https://presbyterian.ca/leadership-webinars)

Share it around!



Recordings will also be posted at <https://presbyterian.ca/leadership-webinars/> for people to find and use in the future.

KP

Q & A



**What more do
you want to
know?**

Use the chat

76

Coming Webinars



What would you like?

Thank You



Presbyterians
Sharing

[presbyterian.ca/
leadership-webinars](https://presbyterian.ca/leadership-webinars)

Share it around!

78