



SYDNEY DIOCESAN SECRETARIAT

Parish Accounting and Financial Administration

Parish Accounting and Financial Administration

- ***There is a prescribed format for the audited financial statements required to be presented to the annual vestry or parish meeting.***
- ***The annual financial return (with audited financial statements) must be lodged by 15 April each year.***
- ***The church or parish wardens have responsibility to ensure proper cash, accounting and administration procedures are followed to ensure –***
 - ***security of cash***
 - ***appropriate authorisation of payments***
 - ***proper accounting records are maintained***
 - ***timely reporting***

Financial reporting

Under the Church Administration Ordinance 1990, the Standing Committee has prescribed the form of annual financial statements which church and parish wardens are to prepare. The prescribed form is usually circulated to wardens in December each year and further copies are available from the SDS website (www.SDS.asn.au) or by contacting the Diocesan Secretary's PA on 9265 1545.

The wardens of a church or parish must present these financial statements, together with the auditor's report, to the annual vestry or parish meeting, which must be held between 1 February and 31 March following the year end.

The Standing Committee recommends that parishes use the Sydney Anglican Parish Accounting System (SAPAS) which is an MYOB-based accounting software package with accounting and payroll modules tailored to suit Sydney Anglican parish record keeping and reporting requirements. The reports direct from SAPAS satisfy the annual parish reporting requirements and the Standing Committee's prescribed format.

Under the Assessment and Charges Ordinance 1975 the wardens must also prepare an Annual Financial Return (AFR) for the parish. The AFR form is circulated to wardens in December each year and further copies are available from the SDS website (www.SDS.asn.au) or by contacting the Diocesan Secretary's PA on 9265 1545.

A copy of the audited financial statements must be submitted to the Diocesan Secretary with the AFR by 15 April each year.

Accounting procedures

The Finance Committee of Standing Committee recommends that the following cash, accounting and administration procedures be used by wardens –

Offertories

- (a) All money received must be recorded.
- (b) Two unrelated persons should take charge of the offertory immediately after each service and count it and record and sign the details on a form like the attached sample offertory count worksheet which is then retained and made available to the auditor.
- (c) The total offertory and attendance numbers for each service should be entered in the service register and one of the persons completing the count should sign the register.

- (d) The offertories should be held in a safe place until they are banked without deductions for expenses.
- (e) All offertories should be banked promptly by a person who was not involved in counting the offertories.

Other Receipts

- (f) All other money received should be banked promptly without deduction.
- (g) A report showing actual offertory by service, other receipts banked, and direct credit donations for the month, actuals year to date and budget for the month and year to date should be prepared, analysed by the churchwardens and any material variations explained in a report to parish council.

Payments

- (h) Bank accounts must only be opened and signatories added or changed with the authority of the parish council. Arrangements with banks and other financial institutions should require 2 signatories for all transactions.
- (i) The people appointed as signatories for payments should be unrelated persons. (Typically the wardens and treasurer are given this responsibility.)
- (j) All payments, whether by cheque, direct debit authority, periodic payment or other electronic form should be effected by 2 signatories.
- (k) There should be a supporting document such as a supplier's tax invoice for every payment and the invoice or other voucher should be authorised by an appropriate person to indicate that –
 - 1) any goods or services supplied –
 - a) are as ordered / required,
 - b) were received, and
 - c) the amount shown is the correct amount to be paid, or
 - 2) any payroll payments –
 - a) are based on approved pay rates,
 - b) are supported by records of hours worked, leave taken, etc, where appropriate, and
 - c) have resulted in appropriate PAYG payments..
- (l) Before effecting a payment both signatories should review and initial the supporting voucher(s) and ensure that there is evidence of prior authorisation, including evidence of approval by parish council for any significant payments of an unusual nature. The cheque or other reference number should be written on every voucher and supporting invoice and all vouchers retained and made available for the auditor.
- (m) Cheques should be pre-numbered and crossed and stored in a safe place. Blank cheques should not be signed. Cancelled cheques should be mutilated to prevent re-use and made available for inspection by the auditor.
- (n) Petty cash payments should only be made from a cash float maintained on the imprest system (a signed voucher for every payment and the total of the vouchers and cash on hand must always equal the imprest amount).
- (o) Reimbursements of petty cash should be made against an itemised list of payments supported by signed vouchers.

General Administration

- (p) Bank accounts should be reconciled monthly to the cash book or accounting system and any variation investigated and where appropriate an adjustment recorded after

comparing with the source document. Copies of the monthly bank reconciliation and bank statements should be provided to the churchwardens.

- (q) Offertory count worksheets, receipt books, vouchers, cheque books, bank statements and other accounting records should be retained for 7 years.
- (r) The service register, and the registers of baptisms, confirmations, weddings and funerals required to be maintained by the Church Administration Ordinance 1990 should be kept in a safe place and retained indefinitely.

Financial Reporting

- (s) Monthly reports should be prepared for the churchwardens and parish council (with appropriate detail according to the categories specified in the annual prescribed financial statements) covering –
 - 1) receipts/income (actual v. budget, month and year to date),
 - 2) payments/expenditure (actual v. budget, month and year to date), and
 - 3) balance sheet (or cash balance and outstanding commitments).
- (t) Careful planning and preparation for the financial year end is recommended to ensure that draft financial statements in the prescribed format are completed in time to enable the auditor to undertake their work and report, with copies of the audited financial statements then made available to parishioners at least one Sunday before the annual vestry or parish meeting.
- (u) The following timetable is recommended as a guide.

ACTION	SUGGESTED DATES
Wardens review last year's audit, Auditor's concerns and Treasurer's progress in dealing with Auditor's concerns.	August
Wardens confirm availability of Auditor for this year's audit. Auditor submits timetable including a detailed specification of his information requirements. Treasurer submits plan and timetable to Wardens to meet requirements for Financial Statements, Annual Vestry Meeting, and Annual Financial Return.	Early November
Receive Diocesan Circular of Financial reporting requirements.	Mid December
Treasurer presents Wardens with a draft of year end Financial Statements. Wardens approve release of Financial Statements to the Auditor.	Not later than Early February
Wardens speak to the Auditor and ensure any questions or issues raised by the Auditor have been satisfactorily addressed.	Not later than End February
Wardens receive final financial statements, sign them and authorise presentation to Annual Vestry or Parish Meeting with the Auditor's report.	Not later than Early March
Treasurer and Wardens present financial statements to AVM. Treasurer prepares Annual Financial Return for Wardens and Minister to approve.	Not later than End March
Mail complete Prescribed Financial Statements and Annual Financial Return to Diocesan Secretary	Due 15 April

Offertory Count Worksheet

Church

Service **8:00am 9:30am 10:00am 5:00pm 7:00pm** Date

1. **Two unrelated persons** must be present to count and record the offertory.
2. The total amount in all envelopes (whether for a specific purpose or the general use of the church) should be included in "Envelopes" column in the first table.
3. All specific purpose giving (indicated on the envelope or cheque) is recorded in second table.

	Offertory		Other receipts			TOTAL
	Plate	Envelopes	Books	CDs / Tape	Photocopy	
\$100						
\$50						
\$20						
\$10						
\$5						
\$2						
\$1						
Silver						
Cheques						
TOTAL						

	Break-up of Specific Purpose offertory (as indicated on the envelope or cheque)					
	For the church			For Missions (specify)		
	Building project	Youth minister	Other (specify)	1	2	3
TOTAL						

Duty officers:

name		
signature		

Include this worksheet with notes, coins and cheques for banking – then retain for audit purposes.