

2024 Vestry Academy

WE ARE HERE TO HELP

Our purpose is to support you in accomplishing the mission of the congregation by assisting and providing guidance with business and accounting needs.

Finance Team

William Buchanan – Canon for Finance and Administration

Martha Smith – Payroll and Benefits Coordinator

Yuliya Griffin – Accounting Manager

Cathy Roberts – Office coordinator

CeCe Floyd – Staff Accountant

Financial role of the vestry

Canonical requirements of the vestry

7.11.2. The Vestry has general supervision, control and management of all business affairs, properties and finances of the Parish and the relations of the Parish to its Clergy.

7.11.3. The Rector presides at Vestry meetings. When the Rector is absent, the Wardens, according to seniority by title, preside.

Primary Duties of Vestry

- **Duty of Care**
- **Duty of Loyalty**
- **CONFIDENTIALITY**

Duty of Care

1. Be reasonably informed - read information provided and understand it. You can rely on the information to be accurate unless you know it is unreliable. Exercise your own independent judgment - everyone is equal.
2. Participate in decisions.
3. Act in good faith with the care of an ordinarily prudent person.

Duty of Loyalty

1. Act in a fiduciary capacity. Act in the interest of the corporation.
2. Disclose any conflict of interest - abstain.
3. Act in good faith with the care of an ordinarily prudent person.

Duty of Confidentiality

You should not disclose information about the Church's business activity unless it is known by the public or of public knowledge.

Business Judgement Rule

Even if an action of Vestry/Bishop's Committee turns out to be unwise or unsuccessful, you have no personal liability if:

1. You have acted in good faith.
2. You have acted in a manner reasonably believed to be in the best interest of the corporation.
3. You have acted with independent and informed judgment.

What should you be reviewing?

- Budget to actual financials during your vestry or bishop's committee meeting
 - See example financial statements for key areas of review
- Year to date balance sheet
- Status of mutual ministry support
- Status of any building repairs or insurance claims

Mutual Ministry Support

The Mutual Ministry support for 2024 will remain at 15% assuming that the conditions below are met:

- Audit for 2022 has been submitted to the Diocese (2023 audit is due Sept 1, 2024)
- Parochial Report for 2023 has been submitted by March 1, 2024
- Parish Personnel Report is submitted by March 1, 2024
- MMS is current and paid by the 15th of the subsequent month.

Diocesan payroll process overview

Key statistics

- The Diocese processes payroll for 60 churches, schools and retirement communities
- The Diocese uses a 3rd party payroll processor (Paycom) and the fees associated with Paycom are paid by the Diocese
- On average, we process payroll for 250 employees per pay period
- The average payroll per month is approximately \$600k
- Payroll processing fees incurred by the Diocese are approximately \$35k per year
- On average, we process 45 time sheets per pay period.
- For those church's who have a supply priest, the supply priest is not paid through payroll, rather, each church pays the supply priest directly. Further, 1099's must be issued to the supply priest not later than January 31 for the previous years' earnings.
- A reminder that Safe Church requires a background report for employees. New hire packets should always include a background report application.

Important Payroll Dates

Payroll due dates – Payroll changes and time sheet due dates have been communicated to each of the payroll administrators.

October 2024 – Open enrollment for medical and dental insurance.

November 2024 – Open enrollment for flex spending accounts.

January 4, 2025 – Clergy housing forms due.

Diocesan Benefits

- Benefits for Employees (Both clergy and lay)

Pension = 1,000 hours worked per year

Medical = 1,500 hours worked per year

- Insurance/pension is effective on the first of the month.

REPORTING REQUIREMENTS

So Many Dates to remember.....

- March 1st – Parochial Report (Everyone does this)
- March 1st– Parish Personnel Report (Everyone does this)
- March 1st - Convention Delegate Designation Form (Everyone does this)
- September 1st – Audits are due
- As amended or requested – By Laws sent to the Diocesan office

AUDITS – A Necessary Evil

Canon 6.2.4 requires the audit of each Parish, Mission or Institution's Financials

WHY??????

AUDITS – A Necessary Evil

- Assure Financial Statements are stated fairly
- Protect Church Assets
- Protect against assertions of Impropriety
- Follow the Manual of Church Business Methods

UGH!! What does that really mean?

AUDITS – A Necessary Evil

THE NITTY GRITTY

- The audit is to protect people who contribute to the congregation to make sure the money is being used the way the person contributing would expect.
- The audit is to protect the Church from accusations of misuse of funds. Having an outsider (or someone who is not responsible for bookkeeping) verify funds are being properly accounted for and used is a guarantee of sorts that we “Do what we say, say what we mean and mean what we say”. This also builds trust in the organization.
- The audit is also to protect you who handle and account for the money. When you go through an audit, it confirms things are being handled properly and there is no mishandling of funds going on. This builds trust and faith in your ability to handle things appropriately.

Other – Investment and tax issues

Common Investment Fund

INVESTMENT RETURN	AS OF 12/31/2023	AS OF 12/31/2022
1 Year / YTD	Actual: 11.39% Benchmark: 13.27%	Actual: -11.6% Benchmark: -12.5%
5 Year	Actual: 4.42% Benchmark 4.09%	Actual: 3.8% Benchmark 4.9%
10 Year	Actual: 5.64% Benchmark: 6.5%	Actual: 6.5% Benchmark: 6.9%

Investment Fund Withdraw Request

All withdrawal requests will need to be submitted to the Diocesan office, to Yuliya Griffin at ygriffin@epiok.org. All fund disbursements will be made within 30 days of the request.

If you would like to have the funds direct deposited into a checking/savings account, a voided check must accompany each request. This is to ensure the accuracy of the account information we have on file.

Tax Issues

- **Unrelated Business Income and is Your Church Exempt?**

- Rental property – If property is debt financed, then you do have unrelated business income and tax forms should be filed to determine tax liability.
- Do you have a parking lot that you lease to others? Then you have unrelated business income!
- If you have either of these, and have questions, let the Diocese be your resource. Give us a call!

- **Annual Reporting Requirements**

- 1099s for Contractors (This includes supply priest)
- W2s for payroll, if the Diocese does not process your payroll.
- Form 990T for Unrelated Business Income if applicable.

Resources

1. Canons of the Episcopal Diocese of Oklahoma which can be found at: <https://www.epiok.org/canons>
2. Manual of Business Methods which can be found at: <https://www.epiok.org/finance-and-adminstration>
3. Diocesan office – Primary phone number is 405-232-4820

Questions
