INSTRUCTIONS FOR THE FINANCIAL SECTION,
LINES 1-15, ON PAGES 5-9 OF THE 2025 PR

"Old Line" refers to lines in the financial section of the parochial report form in use in 2023 and prior years. "New Line" refers to lines in the financial section on the 2025 parochial report form.

OVERVIEW - The numbers reported on Lines 3, 5, and 9c(1) are the only ones from the parochial report that will be used to calculate your parish's 2027 assessment. So, pay particular attention to those lines. The other two numbers, which are used in the calculation (bequests used for operations and outreach from operating income), come from the diocese's Assessment Supplement. The other numbers reported are for diocesan and parent church informational purposes only.

1-2 STEWARDSHIP

1. Same as Old Line 1 - number of pledges for the year.

2. Same as Old Line 2 - total dollars pledged for the year.

3-5 REVENUE

GENERAL RULE - Each item of income should be reported only in one place on PR lines 3-5, i.e. any income reported on Line 3 should not be reported on Lines 4 or 5, any income reported on Line 4 should not be reported on Lines 3 or 5, and any income reported on Line 5 should not be reported on Lines 3-4.

CAUTION - Lines 3 and 5 are used in the calculation of the 2027 assessment. Be sure not to over report. If the amount you calculate for Line 3 or 5 is more than what you reported last year, double check it.

3. Same as Old Line 3. Report plate, pledges, contributions from non-pledgers, all undesignated gifts and gifts for operations. Also include gifts restricted for operating purposes, such as flowers, Altar Guild, rector's salary, fuel oil. Prepaid pledges, generally, are not reported in the year of the gift. Rather they are Line 3 revenue in the year when they are intended to be used and actually used. Do not include diocesan grants.

4. New Line 4 asks for contributions restricted or designated for particular purposes, but do not report gifts restricted or designated for operating expenses. They go on New Line 3. In most cases this will be the total of all non-operating income received by the parish. Some parishes report receipts for flowers or altar guild as non-operating, but such receipts should be reported on Line 3, not Line 4. Insurance proceeds are not reported. Do include Diocesan grants restricted or designated for non-operating purposes.

5. Same as Old Line 5. It includes, for example, net space use, net fund raising receipts, actual receipts received from parish organizations (e.g. thrift shop, ECW, food pantries, day care, after-school programs, summer camps, shelters), interest earned, and miscellaneous grants for operating purposes not already reported on New Line 3 or 4. For example, assume a fundraiser has 12,000 in receipts and 5,000 in expenses. Report 7,000 on New Line 5. But, if a thrift shop has 12,000 in receipts and 5,000 in expenses, and if the committee running the thrift shop decides to contribute only 6,000 to the parish, then

report 6,000 on New Line 5.

6-7 EXPENSES

6. New Line 6 asks for Church non-capital expenses, expenses incurred to "operate the parish's ministries," and also "disbursements to charitable organizations." This includes assessment (Old Line 12), outreach from the operating budget (Old Line 13), operating expenses (Old Line 14, which includes interest paid on loans but not principal), parish-run outreach/mission programs, e.g. food pantries (Old Line 16)), gifts to Episcopal seminaries (Old Line 17), and pass through disbursements (Old Line 18).

7. Same as Old Line 15 - capital expenses, major repairs, new equipment, etc. Include principal paid on loans. Assume a parish had a flood and received a 25,000 insurance settlement. The total repairs cost 30,000. The 25,000 receipt is not reported on any line. The disbursement of the 25,000 settlement is not reported. But the 5,000 paid by the parish is reported on Line 7. The definition of a "capital expense" remains vague. A definition commonly used by parishes in the past is any expense of $1,000 or more for something with a life expectancy of three years or more, or any expense that would be depreciated under traditional for-profit accounting rules. Each parish treasurer should adopt a definition and then make sure that it is applied consistently.

8-15 YEAR END

8. Same as Old Line 19. Report all bank accounts, both checking and savings. Include discretionary accounts and accounts of parish organizations, such as Altar Guild, Thrift Shop, etc., but not CDs, which are considered investments and reported on New Line 9a.

9a. Based on Old Line 20 - total parish investments including CDs. But now parishes are asked to divide investments into "endowment" and "non-endowed," and then to divide each between restricted and unrestricted. No guidance is provided as to how to make the breakdown between "endowment" and "non-endowed," so any reasonable division should be acceptable. Designated funds should be considered unrestricted. The important number is "total investments." Treasurers should have a clear understanding of which of their funds are restricted and which not. If in doubt, check with a parish business consultant.

9b. This percentage is calculated from the amount reported on new Line 9c divided by the "total investment" reported on new Line 9a.

9c. DIFFERENT FROM LAST YEAR - Line 9c now asks for funds (1) withdrawn for operating use and (2) withdrawn for non-operating/capital.

CAUTION - The Line 9c(1) is used in the calculation of the 2027 assessment. Be sure not to over report. If the amount you calculate for Line 9c(1) is more than what you reported last year, double check it.

Line 9c(1) - Funds withdrawn for operating use. This is the same as Old Line 4 - pre-existing funds withdrawn (as opposed to current year receipts) used for operations. Consistent with prior understanding, the instructions for New Line 9c(1) specify that money must be used to be reported. For example, assume a parish starts the year with a budget resulting in a 30,000 deficit. During the year it withdraws 30,000 from the DIT. But at year-end the deficit turns out to be only 20,000 before the use of the withdrawal, so only 20,000 is actually used. The 20,000 is reported on Line 9c. The other 10,000 can be carried over and used to fund the next year's deficit and reported on Line 9c(1) the next year. Alternatively, it can be returned to the DIT, in which case it is not reported on Line 9c(1) until it is again withdrawn and used.

Line 9c(2) - Funds withdrawn for non-operating use. Line 7 called for capital expenditures. Such expenditures may have been funded by new contributions rather than by fund withdrawals. Here report withdrawals from funds used for capital and any other non-operating purpose.

9d. Net gain/loss on investments. The suggested method of calculation is convoluted and does not take into account withdrawals during the year. Investment fees may not be readily available. The easiest way to calculate a number for this line is to subtract total investments at the beginning of the year from total investments at the end of the year, adjusting for additions and withdrawals. For example, assume a parish starts the year with 300,000 in investments. During the year it adds 10,000 to investments and withdraws 20,000 so net investments are 290,000. At year end investments are 305,000, so report 15,000 investment gains.

10a-b. Does the parish have outstanding debt (Y/N)? If so, how much, and what is the debt for? Limited space is provided for any description, so, if provided, the description need only be brief.

11. Does your parish own buildings and/or land (Y/N)? Almost all parishes in this diocese own their church, so almost all parishes will answer "yes."

12a-b. Does your parish rent or lease (Y/N)? Most all parishes do if the questions means to ask about licenses as well as leases.

Line 12a asks for the amount, presumably the gross amount, received for rentals and licenses. The instructions say to include this amount in Line 5, but only the net rental income, not the gross income, should be reported on Line 5. Including the gross rental income on Line 5 could significantly increase your parish's 2027 assessment.

Line 12b asks for "direct" rental expenses. Presumably the intent is to exclude "indirect" rental expenses, but there is no instruction given as to how to distinguish direct from indirect. Any reasonable response should be acceptable.

13. Optional narrative response. How is your parish reducing its carbon footprint?

14. Optional narrative response. What program or initiative best exemplifies your congregation?

15. Optional narrative response. What program or initiative represents your hope for the future?