

Best Practices in Accounting & Bookkeeping

229th Annual Convention
November 2, 2023

Welcome! We'll get started in just a few minutes.

The Diocese of Virginia



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Today's Topics:

[DoV Treasurer's Office Web Page](#)

- Calendar
- Banking, Payroll, & Transactions
- Tax Exempt Status
- Audits & Parochial Reports
- Property
- Consultants & Vendors
- Resources and Q&A

Important Tasks & Dates

- January: Review clergy compensation with CPG
- March 1: Parochial Reports due
- August 31: Congregation audits due
- October: Pledge Cards due (30 days prior to Convention)
- December: Renew clergy housing resolution
- December: Review parochial report login credentials.

Banking, Transactions, and Payroll

- 1 is the number for checking accounts:
 - Control
 - Regulatory environment
- Alms vs. Discretionary Funds
- ACH vs. Checks
- Adoption of “125” plan
- ADP is not the only service out there
- Categorize employees correctly

Church Staff

Clergy

- Full-time or part-time ordained employees (W-2)
- Supply clergy (1099)

Laity

- Full-time or part-time employees (W-2)
- Seasonal employees (W-2)
- Contract workers (1099)

Employee or Self Employed? W-2 or 1099?

1. [Behavioral](#): Does the church control or have the right to control what the worker does and how the worker does his/her job?
2. [Financial](#): Is there an invoice? Who provides the tools?
3. [Type of Relationship](#): Are there benefits (i.e. pension plan, insurance, vacation pay, etc.)? Does the person provide the same or similar services for other entities?

Tax Exempt Status

- Only the Treasurer's Office of TEC can certify a congregations 501c3 status, via an [association letter](#).
- Congregations generally aren't incorporated and therefore will not have Articles of Incorporation
- Our corporate form is "Unincorporated Religious Association"
- Use Virginia Constitution & Canons in place of bylaws
- "Beneficial Owner" use senior warden or trustee

Audits, gotta ~~love~~ do 'em

- Canonically required
- *All* funds of the church
- Includes the *church* alms account
- Outside firm: Never required; BP is to use one at transitions
- You will need your audits to be current to apply for church debt and diocesan grants
- It's easier than you think!

Parochial Reports

- Required by General Convention of TEC.
- Due March 1, may begin on January 1.
- File online at [General Convention site](#)
- [Robust instructions](#) online

Property, Trustees, and Vestries

- In VA, parish property is held in trust for the Diocese by parish trustees.
- [Canonical processes](#) for alienation of property. 15.2 applies in most cases.
- Trustees have ONE job: Hold real property for the parish.
- Norm: 3 trustees

Consultants & Vendors

- A list of external auditors is available [here](#).
- External book keepers:
 - [Cornerstone Franciscan Ministries](#)
 - [Numbers for Good](#)
- Financial Consultant:
 - [James Jordan, CPA](#)

Church Pension Fund Resources

[CPG Active Clergy Resources](#)

- [A Guide to Clergy Benefits](#)
- [Guía de Beneficios para el Clérigo](#)
- [Clergy Tax Prep Guide](#)
- [Federal Reporting Guide for Episcopal Churches](#)
- [Beneficiary Center](#)

More Resources

- [Church Administration and Finance Manual, Revised Edition](#)
- [Financial Management for Episcopal Parishes](#)
- [Dominion Payroll](#)
- Office Supplies: Stay tuned!

Thank you for being here today!

- Places to get a lot of (helpful) information
 - www.cpg.org
 - [Diocesan Main Web Page](#)
 - [Finance and Management Page](#)
 - **1-800-DIOCESE**
 - PO Box 27426, Richmond VA 23261