

GENERAL INSTRUCTIONS FOR COMPLETING THE 2011 PAROCHIAL REPORT

FILING AND PAGE 1

File your Parochial Report online at <http://pr.dfms.org> using the UEID and PIN that are printed on the card that was included along with this instruction sheet in your Parochial Report packet. Do not forget to include the dash in the middle of your UEID when you log on. If you are unable to file online, mail your completed Parochial Report to your diocese. Please do not send your form to New York.

Review your pre-printed addresses on Page 1 and correct them if there are errors or if information is blank. On your street address, do not give an intersection as your address. Give an actual street address and zip code of where you hold worship services. This address is not used for mailing purposes, but to identify the physical location of your place of worship.

PAGE 2: MEMBERSHIP, ATTENDANCE, AND SERVICES

Active Baptized Members of the Reporting Congregation Reported Last Year. This number will appear automatically on the electronic data entry form and may also appear pre-printed in Box M10 of the hard copy Parochial Report form. Do not change this number unless it is blank, zero, or if it is incorrect because your congregation failed to file a 2010 Parochial Report.

Active Baptized Members of the Reporting Congregation. For statistical purposes the Episcopal Church counts only *active baptized members*. Inactive members should be noted as inactive in the *Register of Church Membership and Rites* and should not be counted in the Parochial Report. By canon law they should remain on the membership rolls, however, until removed by reason of transfer or death.

Enter all active baptized members added during 2011 to the Total Increases line (1.). Enter all of the active baptized members removed by death, transfer or to your inactive roll during the year in line 2. Add the increases to your membership total from last year and subtract your decreases to get your current active, baptized membership total (M11).

All communicants (adults and youth) in good standing. To be a *Communicant one must be a baptized member* of the reporting congregation. To be a Communicant one also must have received Holy Communion in this church at least three times during 2011. (See Canon I.17.2a) *Communicants in Good Standing* are those communicants, "who for the previous year have been faithful in corporate worship, unless for good cause prevented, and have been faithful in working, praying and giving for the spread of the Kingdom of God."(See Canon I.17.3) **On Line 3, count all active baptized members who are communicants in good standing regardless of age.**

Since the persons entered on line 3 have been previously counted as active baptized members, the line 3 total normally will be less than M11 (active baptized members). Under some circumstances line 3 might be the same as M11, but a congregation should never have more communicants in good standing than active baptized members.

Average Sunday Attendance. To obtain the average Sunday attendance for the year, compute (add up) the total number of persons (children and adults) who attended all public Sunday services (include Saturday evening Eucharists if they are considered Sunday services). Do not include attendance at weddings or funerals. Divide the total number of those attending all Sunday services by the number of Sundays in the report year in which services were offered and enter the average Sunday attendance in line 6. Seasonal chapels will divide by the number of Sundays that services were held. If your congregation does not hold services on Sunday, it is appropriate to count attendance at services on another day as Sunday services (unless most of your participants attend Sunday services elsewhere).

Sacraments and Services. This section refers to services held, not the people who attended them. Refer to the Workbook for Page 2 for additional information about recording services (available at <http://generalconvention.org> under Parochial Reports).

PAGE 3: STEWARDSHIP AND FINANCIAL INFORMATION

Pledge cards. On line 1, enter all persons, adults and children, who signed a pledge card (number of signed pledge cards) or some other pledge of record (signed note or letter of pledge) for the Report Year.

Amount pledged. On line 2, enter the total amount pledged. This number does not refer to the amount of pledge income that was actually received.

General Description of Operating Revenues and Expenses: All funds, from whatever source, that are used for the general operation of the congregation are *operating revenues*. The general operation of the congregation includes—but is not limited to—compensation of clergy & lay staff, all expenses related to operating and insuring the building(s), expenses of the music program, church school, adult education programs, flowers and supplies for the altar, diocesan quota or assessment, utilities, and office expenses.

Because operating revenues are defined as the funds that are used to pay operating expenses, Total Operating Revenue will typically equal or nearly equal Total Operating Expenses.

Money received from investments used for operations in 2011. Line 4 does not refer to gains or losses in your congregation's investments, but rather to funds transferred from your investments to your operating budget. A negative number cannot be reported here because it is incorrect.

Non-operating revenue. Funds included here are not part of a congregation's operating budget. All funds received that were used for a non-operating purpose (expense) must also be non-operating revenue. Thus, funds received via plate or pledge but that were transferred to your investments should not be counted in line 3. They should be counted in line 9. If they are spent at some later date for an operating purpose, the amount transferred from investments into the operating budget is recorded in line 4 for that year.

Cash and Investments. Line 19, cash in checking and passbook savings accounts, refers to cash in these accounts. Funds held in CDs, bonds, stocks, and other securities should be recorded in Line 20. Increases or decreases in the value of your investments are not recorded on this form, but are reflected in the amount recorded in Line 20 from year to year. When funds are transferred from your investments into your operating budget they are recorded in Line 4 as operating revenue.

PAGE 4: PRIESTS AND DEACONS SERVING THIS CONGREGATION

Priest(s) Serving this Congregation. Most congregations have one priest. Enter the name, position and other information about that individual in the first set of boxes. Report on the priest(s) serving your congregation now as you complete the Parochial Report, rather than the situation at the end of 2011.

“Full time and part time” refers to work in this congregation. If your priest serves another congregation as well, the name of that congregation should be entered in the space provided. Priests who receive only non-monetary compensation (such as housing) should be recorded as part-time rather than non-stipendiary. Do not record supply priests (or priests who occasionally lead worship services but are not on the staff of the church). If you have more than one priest or deacon, add information for each of them too. If you have more than four priests, the online form will generate additional space for entry.

If you have no priest at present, indicate who leads worship for your congregation by checking the appropriate boxes (supply priest, deacon, lay worship leader, other).

2011
Parochial Report

Report of Episcopal Congregations and Missions

Workbook
for Page 2

Membership, Attendance and Services



File automatically on line:
<http://pr.dfms.org>

With
Line-by-Line Instructions

Using the *Register of Church Membership and Rites or Parish Register*,
and the *Register of Church Services* of the Reporting Congregation



LINE-BY-LINE WORKBOOK & INSTRUCTIONS FOR THE 2011 PAROCHIAL REPORT PAGE 2: MEMBERSHIP, ATTENDANCE, AND SERVICES

MEMBERSHIP (DEFINED BY CANON I.17)

"All persons who have received the Sacrament of Holy Baptism with water in the Name of the Father, and of the Son, and of the Holy Spirit, whether in this Church or in another Christian Church, and whose Baptisms have been duly recorded in this Church," are members thereof. (Canon I.17.1)

Note: A person's baptism, when duly recorded in the *Register of Church Membership and Rites* (also known as the *Parish Register* or *Church Register*) of the recording congregation, is his/her record of membership in the Episcopal Church.

ACTIVE BAPTIZED MEMBERS OF THE REPORTING CONGREGATION

For statistical purposes the Episcopal Church counts only *active baptized members*. Counting active members avoids double-counting of persons who are registered in another congregation and did not obtain a letter of transfer. Counting only active members also avoids counting persons who are not currently contributing to the corporate worship and communal life of the reporting congregation. Inactive members should be noted as inactive in the *Register of Church Membership and Rites* and should not be counted in the Parochial Report. By canon law they should remain on the membership rolls, however, until removed by reason of transfer or death.

A member, whether active or inactive, should not be removed from the *Register of Church Membership and Rites* except for the following reasons:

- Removal by reason of transfer (see Canon I.17.4)
- Death

Active Baptized Members defined: *Any person whose baptism is recorded in the Register of Church Membership and Rites (Parish Register) and contributes to or participates in the worship and communal life of the reporting congregation, regardless of how much or how little, should be considered active and counted in this report.*

Reasons why a member should be removed to inactive status:

- **Domicile unknown**—a member no longer attends and cannot be contacted by mail, email or phone.
- **Member has not attended the congregation** for more than a year and has not contributed either financially or in service to the parish.
- **The person attends another congregation**, but your congregation has never received a request for transfer.
- **The person is attending a church affiliated with another denomination**, and no longer gives to your congregation or participates in your congregation's worship.

MEMBERSHIP, ATTENDANCE AND SERVICES OF THE REPORTING CONGREGATION
Line-by-line instructions for page 2, Box M11 and Items 1 through 21

Active Baptized Members of the Reporting Congregation Reported Last Year (this number will appear on the electronic data entry form and may also appear pre-printed in Box M10 of the hard copy Parochial Report form mailed with this workbook):

<p>Using Last Year's Report: Baptized Members of the Reporting Congregation</p>	<p>Using the 2010 Parochial Report, record the Number of Baptized Members Reported as of December 31, 2010. (Use the number recorded in 2010 Parochial Report, Box M10.)</p> <p align="right">Members Reported Last Year = M10. <input style="width: 100px; height: 20px;" type="text"/></p>
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At top of page 2 enter the record of active baptized members you reported at the end of last year as of December 31 from Box M10 of last year's Parochial Report. *Even if you disagree with this figure, enter the amount you reported at the end of last year. You will have an opportunity to correct last year's membership in the increase and decrease sections of this report.*

Then, using the congregation's Register of Church Membership and Rites, enter the number of increases and decreases in active membership that occurred during the report year in boxes 1 and 2 of the 2011 Parochial Report.

Box 1 All increases to active membership during the report year:

<p>Using the Register of Church Membership and Rites: During the Report Year</p>	<p>1. Increases during year: <i>All members added to the baptized members section of the congregation's Membership Register during 2011 by: baptism, confirmation/reception, or transfer; and those persons restored from inactive status or not counted in last year's membership count.</i></p> <p>Increases in Membership Total Increases = 1. <input style="width: 100px; height: 20px;" type="text"/></p>
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All persons added to the Register of Church Membership and Rites during the report year should be included in Box 1.

A person is added to the *Register of Church Membership and Rites (Parish Register)* for the following four reasons:

- **Baptism** _____
- **Letter of Transfer** _____

When a person moves into your congregation with a letter of transfer, s/he should be recorded in the baptismal section of your *Register of Church Membership and Rites*. Please note that if s/he in fact has been confirmed or received, this should be noted opposite the person's name on the same line under the column heading "Confirmed/Received."

- **On request, provided no letter of transfer is received** _____

A name may be added to a *Register of Church Membership and Rites* without a letter of transfer, provided that an energetic but unsuccessful effort has been made to obtain one.

- **Confirmation or reception by a bishop if, and only if, their baptisms have not been previously recorded** _____

If, and only if, at the time of confirmation or reception the person is added to the baptismal section of the register, he/she should be counted as an increase. The Bishop may receive a person in three different ways, according to the sections of the cited canon. Count those persons received by the Bishop during the report year through: (a) baptism and confirmation; (b) reception after confirmation by any bishop in apostolic succession; (c) reception of any baptized person into the Episcopal Church who has made a mature public commitment in another Church. Remember to indicate that the new member is confirmed in the appropriate column opposite the new member's name in the baptized members' section of the register.

Other Increases in reported active membership:

In addition to those persons added to the baptized member's section of the **Register of Church Membership and Rites**, the following increases in *active membership* should be included:

- **Restored to active status** _____

Count those persons restored from inactive status to active status in the Register of Church Membership and Rites during the report year. "Active" and "inactive" are defined on page 1 of this workbook.

- **Corrections to last year's membership count** _____

If your congregation under-reported membership last year, add the members that were not included in last year's active member total to the amount reported in Box 1.

Box 1 Total increases during the year: 1.

Add all increases you have noted above for the total increase during the year and record in Box 1 on page 2 of the Parochial Report form.

Box 2 All decreases in active membership during the report year:

During the Report Year	2. Decreases during year: <i>All baptized members lost by death, transferred to another congregation, removed to inactive status, removed for other reasons, or not removed from last year's membership count.</i>
Decreases in Membership	Total Decreases = 2. <input type="text"/>

All persons removed from the Register of Church Membership and Rites (Parish Register) should be included on line 2.

A person is removed from the *Register of Church Membership and Rites* during the report year for the following reasons:

- **Death (record number of member deaths)** _____

Include those persons whose baptisms were removed from your Membership Register during the year because they died.

- **Transferred out** _____

Count those persons who left the parish by official letter of transfer during the report year and were removed from the *Register of Church Membership and Rites*.

Other decreases in Active Membership that should be included are as follows:

- **Baptized Members who were changed to inactive status** _____

Count those persons who have been moved to inactive status in your register. "Active" and "inactive" are defined on page 1 of this workbook.

- **Members whose active status changed for other reasons** _____

Count those persons who have been "removed from active status" for disciplinary reasons.

Remember that becoming inactive is not a reason for removing a name from the baptized members' section of the *Register of Church Membership and Rites*. Rather, indicate inactive status in the appropriate column of the register.

- **Corrections to last year's membership count** _____

If your congregation over-counted membership last year, include the corrections to the amount to be reported in box 2.

Box 2 Total Decreases during the year: 2.

Add all decreases you have noted above for the total decreases in active membership during the year. Record the total in Box 2 on page 2 of the Parochial Report form.

Box M11 Total active baptized members at year-end

$$\text{Last year} + \text{Increases} - \text{Decreases} = \text{This year}$$

$$\text{Box M10} + \text{Box 1} - \text{Box 2} = \text{Box M11}$$

Active Baptized Members of Reporting Congregation At year-end

M11. Add the Increases entered in box 1 to the amount in Box M10. Then subtract decreases entered in box 2 for the total active membership as of December 31, 2011.

Total Active Baptized Members (end of report year) = M11.

To the membership number carried forward from last year's report (Box M10) add the increases in box 1, and subtract the decreases in box 2. Record the total in Box M11.

This is your active baptized membership count as of December 31, 2011 and your beginning of the year count for the Parochial Report for next year (2012).

Box 3

All communicants in good standing regardless of age

Communicants in Good Standing of the Reporting Congregation

3. All communicants in good standing: *all baptized members (of the reporting congregation), who have received Holy Communion in this church at least three times during the preceding year, and have been faithful "in corporate worship, unless for good cause prevented," and "in working, giving and praying for the spread of the Kingdom of God."*

All communicants (Adults and Youth) in good standing = 3.

To be a *Communicant* one must be a baptized member of the reporting congregation. To be a Communicant one also must have received Holy Communion in this church at least three times during 2011. (See Canon I.17.2a)

Communicants in Good Standing are those communicants, "who for the previous year have been faithful in corporate worship, unless for good cause prevented, and have been faithful in working, praying and giving for the spread of the Kingdom of God."(See Canon I.17.3) **On Line 3, count all active members who are communicants in good standing regardless of age.**

Since the persons entered in line 3 have been previously counted as active baptized members, the line 3 total normally will be less than M11 (active baptized members). Under some circumstances line 3 might be the same as M11, but a congregation should never have more communicants in good standing than active baptized members.

Line 4, Communicants in good standing who are members under 16 years of age:

Youth in Good Standing

4. Those communicants in good standing (counted on line 3) who are under 16.

Communicants in Good Standing who are 15 years old or younger = 4. _____

Count those communicants in good standing, who were counted on line 3, who are 15 years old or younger.

Line 5, Others who are active:

Others Active

5. Others who are active *whose baptisms are not recorded in the Parish Register, or in another Episcopal Congregation.*

Others = 5. _____

On Line 5, count those persons, who share in the life of the congregation but do not fit the preceding membership categories. Include all adults and children who have not changed their denominational affiliation but attend your congregation and have not been added to the baptized members' section of the *Register of Church Membership and Rites*. This includes persons who are awaiting baptism and are active in the congregation. Do not count persons who are members of another Episcopal Congregation awaiting transfer.

This concludes the membership section of Page 2

Attendance and Services:

Use your congregation's Service Register for the following attendance and services information.

Box 6 Average Sunday Attendance

Using the Register of Church Services:

Average Sunday Attendance For 2011 **6. Sunday (and Saturday Evening) Attendance:** Divide total Sunday attendance by number of Sundays.

Avg. Sunday Attendance = 6.

To obtain the average Sunday attendance for the year, compute (add up) the total number of persons (children and adults) who attended all public Sunday services (include Saturday evening Eucharists if they are considered Sunday services). Using your *Service Register* will be easier if you bring forward a weekly subtotal of Sunday attendance for the year. Do not include those persons who attended Church School but did not attend any part of the Sunday service or a scheduled Sunday service for Church School students. Do not include attendance at weddings or funerals. Divide the total number of those attending all Sunday services by the number of Sundays in the report year in which services were offered and enter the average Sunday attendance in Box 6. Seasonal chapels will divide by the number of Sundays that services were held.

Line 7, Easter Attendance

Easter Attendance in 2011 **7.** Easter attendance (7)

On line 7, count, as recorded in the service book, the total number of persons, children and adults, who attended Sunday services for Easter, include Saturday evening Easter Vigil.

**Sacraments and Services:
Lines 8 through 10, Holy Eucharist Services**

Number of Holy Eucharists Celebrated during 2011

8. Sunday & Saturday Evening Eucharists	(8) <input type="text"/>
9. Weekday Eucharists	(9) <input type="text"/>
10. Private Eucharists	(10) <input type="text"/>

On line 8 include the number of Saturday evening Eucharists as well as all Sunday Eucharists. Note that this figure (and others in this section) refers to services, not to people attending services.

On line 9 count the number of the scheduled public weekday Eucharists recorded in the *Register of Church Services*. Include Eucharists following Morning Prayer which constitute complete and separate services.

On line 10 count Eucharists that are part of a marriage or burial service, including complete and separate Eucharists, which precede or follow a marriage or burial service. "Private services" refer to Eucharists that are either: (a) not regularly scheduled; (b) celebrated in homes and institutions; or (c) have Holy Communion administered by Lay Eucharist Ministers. Include Holy Communion administered by clergy from the Reserved Sacrament.

Lines 11 through 14, Other Services

Daily Offices and Other	11. Daily Offices on Sunday	(11) _____
Services held during 2011	12. Daily Offices on Weekdays	(12) _____
	13. Marriages	(13) _____
	14. Burials	(14) _____

On line 11 count all Sunday, and on line 12 count all weekday, services of Morning and Evening Prayer, and other daily services (Compline, Noonday Office, etc.), even when followed by or used with the Eucharist.

On Lines 13 and 14, count marriages and burials recorded in your *Register of Church Services*, even if they are counted on line 10 because a Eucharistic Service was included. Line 14 is not necessarily the same as the number removed by reason of death from your *Membership Register*. Line 14 should be obtained from your *Register of Church Services*. Some who are buried may not have been members, and some members who died may not have been buried at the reporting site.

Baptisms, Confirmations and Receptions during the year:

<i>Using the Register of Church Membership and Rites:</i>		
Baptisms during 2011	15. Baptisms 16 years and older	(15) _____
	16. Baptisms under 16 years of age	(16) _____

Count all baptisms recorded for the report year, adults (16 and older) on line 15 and youth (15 and younger) on line 16.

Confirmations during 2011	17. Confirmations 16 years and older	(17) _____
	18. Confirmations under 16 years of age	(18) _____
Received during 2011	19. Received by a Bishop	(19) _____

On lines 17 and 18 count the number of persons whose recorded confirmations took place during the report year. On line 17, count persons aged 16 and older. On line 18, record persons aged 15 and younger. For the purposes of this report, use the age (estimate if not known) on the last day of the reporting year for the age category.

On line 19 record the number of persons received by a bishop, because they are recognized as a member of the One, Holy, Catholic and Apostolic Church, and received into the fellowship of this Communion. Count those persons who have received the laying on of hands by a bishop in apostolic succession and received by a bishop of this Church, Canon I.17.1 (d).

Lines 20 and 21, Education:

Education:		
Children and Youth	20. Total Church School Students enrolled	(20) _____

On Line 20, count the number of children and youth in all grades who are enrolled. Do not include weekday parish Day School Students unless they were enrolled in Church School.

Adult Education	21. Did you have (a) scheduled Sunday or weekday adult education program(s)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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For line 21 indicate by "yes" or "no" whether your congregation provided any regularly scheduled adult Christian Education program(s) during the report year.

**THIS CONCLUDES THE LINE-BY-LINE INSTRUCTION WORKBOOK
FOR PAGE 2**

- **FILL OUT PAGE 2 OF THE PAROCHIAL REPORT FORM USING ANY NOTES YOU HAVE MADE IN THIS WORKBOOK.**
- **FILE YOUR REPORT ONLINE AT THIS WEB SITE: [HTTP://PR.DFMS.ORG](http://pr.dfms.org)**
- **OR, MAIL THE COMPLETED FORM TO YOUR DIOCESE, TYPED OR HANDWRITTEN, TOGETHER WITH PAGE 1, CERTIFICATION, PAGE 3, THE FINANCIAL REPORT, AND PAGE 4, CLERGY INFORMATION. DO NOT SEND THIS REPORT TO THE GENERAL CONVENTION OFFICE OR THE DFMS RESEARCH OFFICE.**
- **KEEP THIS WORKBOOK OR A PHOTOCOPY OF THE COMPLETED FORM FOR YOUR RECORDS.**
- **YOU MAY REVIEW YOUR DATA FOR PRIOR YEARS AT THIS WEBSITE: [HTTP://PR.DFMS.ORG](http://pr.dfms.org) USING YOUR UEID AND PIN. SELECT THE VIEW/PRINT OPTION.**

Questions and Answers about Average Sunday Attendance

Who should be included in this count? *All persons of whatever age, lay or clerical, who participated in all or part of your services, in the nave, choir, or sanctuary on Sunday mornings (or Saturday evening if that is, in effect, an anticipatory Sunday Service). In addition, if your main worship service(s) for the week are held on a day other than Saturday or Sunday and if you do not hold worship services on Saturday or Sunday, count such services as Sunday attendance.*

Do I count Easter? *Yes, as it always falls on Sunday.*

Do I count Christmas? *No. (Unless Christmas Day falls on a Sunday; in that case, count your Saturday Christmas Eve services as well as any services on Christmas Day).*

We have a service every Wednesday at 10:00 am and observe other holy days during the week. What about them? *Do not include attendance on those days.*

Grades 1-5 start out in church and then leave before the sermon for Church School. What about them? Count them. *They are in church for part of a Sunday service.*

We celebrate the Sunday Eucharist on Saturday night and have an early service at 7:30 a.m. on Sunday. Should I count those who attend? *Yes.*

We had a winter storm, which caused us to cancel our regular Sunday services last winter. Do we count that day as zero attendance in the total and divide by 52? *No, you should not count that Sunday, since services were cancelled. Instead take your total attendance and divide by 51 Sundays instead of the 52 Sundays you would normally average.*

What about marriages and funerals? *Do not count them.*

Our parish has a scheduled Sunday Liturgy and Eucharist for our Church School Students. They did not attend any part of the regular church service. Should I count them? *Yes.*

We have a special service for the EYF on Sunday evenings twice a month. Should we count them? *No.*

What is the simple way to compute average Sunday attendance? *Go through the Register of Church Services and highlight the number in attendance at each Sunday morning service during the year. Add up the numbers and divide the total by the number of Sundays in the year (usually 52).*

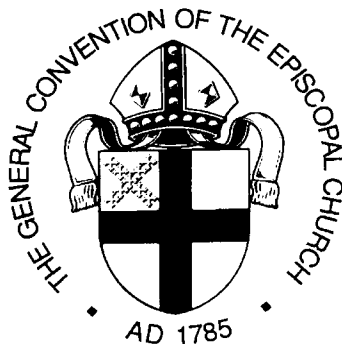
Please use your good judgment when tackling questions that may not seem to fit your congregation. When in doubt, first contact your diocesan office. The research office at (800) 334-7626, extension 6187 at the Episcopal Church Center is also available to answer questions about the Parochial Report.

2011
Parochial Report

Report of Episcopal Congregations and Missions

Workbook
for Page 3

Stewardship and Financial Information



File automatically on line:
<http://pr.dfms.org>

With
Line-by-Line Instructions

Using the Year-end Treasurers Statement in Accordance with Canon 1.7,
and the *Manual of Business Methods in Church Affairs*



**LINE-BY-LINE WORKBOOK & INSTRUCTIONS
FOR THE 2011 PAROCHIAL REPORT
PAGE 3: STEWARDSHIP AND FINANCIAL INFORMATION**

Giving Information For 2011

Number of Pledges

1. Number of signed pledge cards for 2011-report year (1) _____ units

Count all persons, adults and children, who signed a pledge card (number of signed pledge cards) or some other pledge of record (signed note or letter of pledge) for the Report Year.

Example A: On January 1, 2011 St. Paul's had received 84 pledge cards. Five additional pledge cards for 2011 were received later that month, and four new families made pledges during the course of 2011. Enter **93** (84+5+4) on line 1, even though some who signed pledge cards may have died or moved away during the Report Year.

Total \$ Pledged

2. Total dollar amount pledged for 2011-report year (2) \$ _____

Give the total dollar amount pledged from the pledge cards (or records) recorded on Line 1.

Example A (continued): On line 2 enter the total pledged from the 93 pledge cards shown on line 1, even though not all of the pledges may have been fulfilled.

Guidelines for Reporting Revenues and Expenses, lines 3 to 18:

Basis of Reporting: *Revenues and expenses may be reported on a cash basis or on the accrual basis. Just be consistent.*

General Description of Operating Revenues and Expenses: All funds, from whatever source, that are used for the general operation of the congregation are *operating revenues*. The general operation of the congregation includes—but is not limited to—compensation of clergy & lay staff, all expenses related to operating and insuring the building(s), expenses of the music program, church school, adult education programs, flowers and supplies for the altar, diocesan quota or assessment, and office expenses.

Important notes: Because operating revenues are defined as the funds that are used to pay operating expenses, operating income will typically equal or nearly equal operating expenses. If this report is completed correctly, there will usually be no significant difference between total operating revenues and total operating expenses. Also, all figures reported in this section must be positive numbers (e.g., a stock market loss is not reported as negative income value, for example, but rather is reflected in the total value of investments for 2011).

A General note about Restricted, Unrestricted, Designated, and Undesignated Funds: Funds are considered *restricted* (permanently or temporarily) only if the *donor* has *specified* that the gift, or income from the gift, is to be used for a specific purpose. Unrestricted funds may be *designated* by the vestry for a specific purpose.

However, the parochial report is based on the distinction between *operating* and *non-operating* funds. A donor may *restrict* a gift for an operating purpose (e.g., the fuel bill or the rector's salary), and the income is considered *operating* income because the gift is used for an operating purpose.

On the other hand, the vestry may *designate* a bequest or gift for a non-operating purpose, and report such gifts as non-operating income.

Read the following pages for line-by-line instructions and examples that cover many different circumstances. If you have questions, please ask your diocesan office for clarification.

For purposes of this report:

- All funds that are available or used for operating expenses are operating revenues.
- All funds given or designated for non-operating purposes are non-operating revenues.

A General note about how outreach expenditures are reported:

There are three ways congregations can raise and expend money for outreach. They are different, so they are reported differently.

1. You can make a special appeal for a particular project outside the parish, or you can designate the proceeds of a fundraising event in advance for a purpose outside the parish.
For example: You receive \$417 in the Good Friday envelope and transmit the entire amount. Or, you announce that whatever you net on the Fall Rummage Sale will go to Episcopal Community Services. The sale nets \$1,544 and the entire amount is sent to that charity. These transactions are recorded on lines 11 and 18. If the collections and transmittals occur in the same year the amounts will be equal.
2. You can make a special appeal for the summer day camp your congregation runs for the community or you can designate in advance that the proceeds of the Spring Fair will go to the summer day camp program. In these cases, the income received from the appeal or the fair will be included on line 10. The expenses of the summer day camp will be included on line 16.
3. A vestry will often include mission and outreach line in the operating budget. They decide how much to contribute from the operating budget to various community programs or charitable causes. Because the source of the money is operating revenues reported on lines 3-6, these expenditures are shown on line 13.

Report of Revenues and Expenses For 2011

Operating Revenues

All funds available for operations.

3. Plate offerings, pledge payments, & regular support (3) \$ _____

Include on this line all giving from individuals for the general support of the congregation. *In most congregations this will be the largest income figure* and will not be significantly below a congregation's operating expenses. *Do not leave this item blank* or report an absurdly low figure!

Examples of income to report:

- Loose plate offerings
- All payments toward pledges
- All amounts in regular offering envelopes, including the envelopes of members of the Church School
- All unpledged or undesignated offerings. Include Easter, Christmas, etc., if used for operating purposes
- Payments from persons who made no pledge or declined to use envelopes.

- All donations “restricted” for operating purposes, e.g., donations for flowers, fuel oil, the diocesan assessment, support of the clergy, etc.
- Donations from visitors or persons not members of the congregation

Example B: At Grace Church the Easter and Christmas offerings are used for the operating budget, but the Thanksgiving offering is given to a local interfaith soup kitchen. The Easter offering was \$3,500; the Christmas offering was \$2,500. The Thanksgiving offering was \$750. The \$6,000 from the Easter and Christmas offerings is included on line 3. The Thanksgiving offering is reported coming in on line 11 and going out on line 18. See further examples and explanations below.

Example C: At Christ Church the ECW, which maintains checking and savings accounts, receives donations for flowers at Easter, Christmas, and throughout the year. The ECW purchases the flowers, as well as the bread and wine and linens for the Altar. To complete this report correctly, the Parish Treasurer must add the income recorded in the ECW accounts for flower donations to operating revenue and the Altar expenses to operating expenses. It is therefore suggested that the income and expenses for Altar flowers and supplies be deposited into and paid from the general checking account of the parish. If there is a separate account, it is an operating account of the parish, not an organization account.

4. Money from investments, used for operations

(4) \$ _____

“Money from investments, used for operations” does *not* mean investment funds that could be used for operations (i.e., the entire investment portfolio). It means all amounts from investments that were actually transferred into operating accounts or used for operating expenses during the current year.

Include interest from all operating accounts, dividends and interest from investments used for parish operating expenses and/or the Diocesan and General Church Program. If restricted investment income is used for operating expenses, include the income here. If withdrawals of principal or capital gains were made to cover operating expenses, include the amount of those withdrawals here.

If the congregation applies a total return policy to its investments whereby it reinvests all income and gains and draws out a percentage of an average value, the amount reported here will not equal changes in the value of the investment portfolio. Regardless of the activity in the investments, the amount to enter here is whatever amount has been transferred or spent from the portfolio (whether principal, interest, dividends or accumulations) to support the operation of the congregation.

To avoid double assessments of revenues by your diocese be sure to report additions to investments under line 9 (a non-operating revenue category). If a congregation reported income from plate and pledge offerings in one year (line 3) but later transferred these funds into an investment portfolio, the principal of these funds need not be counted as operating revenue (under line 4) in another year if they are transferred back into an operating account.

Note: Losses to an investment portfolio cannot be reported as “negative income” to be used to lower a congregation’s operating revenue. Changes to an investment portfolio are reflected in the size of the investment corpus (line 20). Only income transferred from investments to be used for congregational operations are included in line 4.

Example D: St. Mary’s Church is the beneficiary of a trust. In setting up the trust, the donor stipulated that the income from the bequest could be used only toward the support of the Rector. The trust income St. Mary’s received this year was \$13,567. St. Mary’s fulfilled the restriction on the income by paying the Rector a total of \$45,000. The trust income is operating income reported on line 4, because it was available and used for an operating purpose.

Example E: St. Matthew’s reinvests all interest, dividends and gains in a balanced portfolio. The Vestry draws out 5% of a three-year moving average of the total assets for the operating budget. The full 5% draw down is reported on line 4.

5. Other Operating Income, including unrestricted gifts and restricted gifts used for operations, and contributions from congregation's organizations

- | | | |
|--|------------|----------|
| a. Rental of Property Income | a. _____ | |
| b. Less Direct Expenses | b. (_____) | |
| c. Net Rental Income (a-b=c) | | c. _____ |
| d. Fundraising Events Income | d. _____ | |
| e. Less Direct Expenses | e. (_____) | |
| f. Net Fundraising Income (d-e=f) | | f. _____ |

The figures for Net Rental and Fundraising Income (lines c and d) are not to be used if negative; expenses in excess of income are included as an operating expense rather than as negative operating income.

Example F: Zion Church had a disastrous experience with a major outdoor fundraising event. Bad weather caused cancellation of the event, and the congregation was unable to recoup what it had paid out for rental of tents and other items. The event lost \$1,500. Zion reports \$0 for the event on line 5 and adds \$1,500 to Other Operating Expenses on line 14.

g. Other income g. \$ _____

Include surplus operating revenues from cemeteries, schools, real estate, special grants from non-church sources, principal of all undesignated gifts, and memorials that were used for operating expenses or for the Diocesan and General Church Program. Include also support of the operating budget by congregation's organizations and foundations.

Example G: The ECW at St. John's sponsors events and raises funds. The group makes contributions to the Diocesan Altar Guild and many mission projects. The ECW also gives \$2,500 per year toward St. John's operating budget. The Treasurer reports the \$2,500 on line 5.

Example H: St. Michael and All Angels has set up a separately incorporated foundation to manage its endowment. The foundation makes grants to support both the parish operating budget and capital improvement projects. The full amount of all grants for operations is included on line 5; the grants for capital projects are included on line 8.

Example I: The Friends of St. Luke's was established to allow members of the community who are not parishioners to be involved in the care of St. Luke's landmark buildings. "The Friends" have their own checking account. Sometimes, funds are given by The Friends of St. Luke's to the parish; sometimes the Friends pays bills on behalf of the parish. Last year the Friends wrote a check to St. Luke's for \$10,000 for the roof replacement project. Last year also, the Friends paid much of St. Luke's fuel oil bill by writing \$7,500 in checks directly to the fuel oil company. The Treasurer records \$10,000 on line 8 as Capital Funds Revenues and the expense of \$10,000 on line 15. The Treasurer must include \$7,500 on line 5 as Other Operating Revenue and add \$7,500 to line 14 Operating Expenses.

Total: Add (c + f + g) and enter subtotal on line 5 (5) \$ _____

6. Unrestricted bequests used for operations (6) \$ _____

Principal of all unrestricted legacies and bequests that were used for operating purposes.

Example J: St. Alban's received a \$25,000 unrestricted bequest. \$10,000 was used to pay operating bills; \$15,000 was invested. St. Alban's includes the \$10,000 on line 6 and the \$15,000 on line 9.

Subtotal Normal Operating Income (3 + 4 + 5 + 6) = [A] [A] \$ _____

7. Assistance from diocese for operating budget (7) \$ _____

Include diocesan grants for the parish budget, clergy salaries, and other operating expenses. Do not include any amounts the diocese paid directly on your behalf, but only grants deposited in the congregation's accounts. Grants from the diocese for capital improvements are included on line 8; grants for outreach programs are included on line 10. See the examples.

Example K: St. George's received \$12,000 from the diocesan budget toward the compensation of its priest, \$2,000 for a ramp to make the church accessible to the disabled and \$3,000 toward the after school program. The Treasurer reports \$12,000 on line 7, \$2,000 on line 8, and \$3,000 on line 10. The \$12,000 expense is included in line 14, the \$2,000 on line 15, and the \$3,000 on line 16.

Example L: The congregations of a diocese send a certain amount to the diocesan offices from which the diocesan administration pays the medical premiums for all the clergy. The treasurers include these payments on line 14, Other Operating Expenses. The payments by the Diocese to the insurance company on behalf of the congregations are not shown on line 7.

Example M: In another diocese, aided congregations pay a percentage of their income to the diocesan office, and the diocesan budget pays all clergy compensation and fringe benefits directly. As in the previous example, the congregations report these payments to the diocesan budget on line 14. Only the amounts of checks from the diocese deposited into the congregation's bank account for support of the operating budget are included on line 7.

Total Operating Revenues (A+7) = [B] [B] \$ _____

Add revenues from lines 1 through 7 = [B]

Non-Operating Revenues (Restricted/Designated)

General description of non-operating revenues and expenses: Non-operating revenue is used for purposes outside the general operation of the congregation. Some examples of non-operating income include:

- Gifts to capital campaign or building fund
- Gifts or additions to the congregation's endowment funds
- Funds contributed to Episcopal seminaries
- Support of outreach ministries run by the congregation (soup kitchens, after-school programs, shelters, summer day camps, senior citizen programs, etc.)
- Funds restricted by the donor(s) or designated by the Vestry for transmittal to another recipient (UTO, Presiding Bishop's Fund, the Bishop's Discretionary Fund, etc.)

Capital Income and Expenses (lines 8 and 15)

- Report only new grants and contributions for capital purposes. Do not show interest, dividends gains or losses on capital funds invested or loans. Loans are not income. If you get a loan to fix the roof, do not include the loan proceeds on line 8. You will show the money raised to pay it back on line 8 and the actual repayment of the loan on line 15.
- For capital improvements, report only your actual expenses for the year. A loan for the improvements is not an expense. The repayment of the loan is an expense (line 15).

8. Capital funds, Gifts and additions (8) \$ _____

All designated or restricted contributions, pledged or otherwise, for the purpose of land, buildings, construction, or for major capital projects (new capital programs or capital projects that extend the life of existing fixed assets). Enter here only contributions and grants received or recognized during the report year. Do not enter interest, dividends, appreciation or depreciation on capital contributions already received.

Example N: Holy Nativity is raising funds to repair its historic steeple. Contributions are being received and invested until the work can begin. \$50,000 was received in individual contributions last year, and a landmarks conservancy granted \$25,000. The portfolio earned \$2,300 in interest and dividends and \$6,900 in appreciation. The Treasurer enters \$75,000 on line 8, reporting only the amount of gifts and grants.

Example O: Recently St. Stephen's suffered a fire that gutted the rectory. The insurance company settled last year for \$175,000, and an additional \$20,000 was raised to build a somewhat larger house. The insurance settlement is not income, and when it is used to rebuild, paying out the settlement is not an expense. (The cash settlement is for the replacement of a capital asset.) However, the \$20,000 that was raised is reported on line 8, and when it is expended, it is recorded on line 15.

See also examples H, I, and K.

9. Additions to endowment, & other investment funds (9) \$ _____

Report here additions to the principal of endowment funds. Include unrestricted memorial gifts, legacies, and bequests if not used for operating purposes. As on line 8, report only new contributions, bequests and gifts to the investment funds. Do not report interest, dividends, gains, or losses. Losses to an investment portfolio during 2011 reduce the size of the amount recorded in line 20. Losses do not constitute "negative income."

Example P: St. James the Less finds itself with a large checking account balance at the end of 2011, all of which was received from plate and pledge offerings. Rather than reporting all of this revenue as an operating expense (line 3), it transfers \$5,000 to an investment account. The \$5,000 is reported in line 9 and a reduction of \$5,000 is made to line 3. If St. James transferred the \$5,000 to investments in 2011 after reporting these funds as operating revenue in 2011, it should not count these funds as "Money from investments, used for operations" (line 4) if they are used for operations in 2011 or later. However, it is much preferred for excess funds to be transferred to investment accounts during the year they are received.

See example J.

10. Contributions & grants for congregation-based outreach & mission programs (10) \$ _____

Many congregations run outreach programs, such as soup kitchens, after-school programs, shelters, summer day camps, senior citizen programs, etc. These programs may be funded by a variety of sources. For example, an after-school program may receive fees from the participants, funding from local government sources, or grants from the Diocese, another congregation, or a foundation, as well as individual gifts for the program. Report all income for all such congregation-run programs here. Expenses for these programs are reported on line 16.

See example K.

11. Funds for transmittal to other organizations (11) \$ _____

Include all donor-restricted offerings or gifts for special purposes outside the basic operation of the congregation, i.e. Good Friday Offerings, Episcopal Relief and Development, Theological Education Sunday, the United Thank Offering, the Bishop's Discretionary Fund, etc. Funds contributed to seminaries or other organizations that were collected through regular offerings or other means should be reported here and those amounts reported in Line 17 (for seminaries) or Line 18 (all other organizations). Any amounts reported in Line 11 should not be included in Line 3 or in any other operating revenue line. Also include occasional unbudgeted income that the Vestry has designated for mission program outside the congregation.

14. All other operating expenses (14) \$ _____

Congregations differ widely in size and complexity of operation. With few exceptions "All other expenses" will be the total of all other expenses shown on the operating budget report received by the Vestry and presented to the Annual Meeting.

Other Operating expenses include—but are not limited to:

- **Salaries & Benefits:** all compensation and fringe benefits of all employees who work for the parish—clergy, office, maintenance, music, education staff—including FICA supplement to clergy, 403(b) contributions from the employer, bonuses to staff, honoraria paid to visiting and supply clergy, etc.
- **Running the buildings:** all expenses of the day to day operation of the building(s)—Fuel oil, utilities, water, repairs and minor improvements, insurance, property or sewer taxes, interest on mortgages or loans, landscaping services, etc.
- **Basic parish operations and programs—Altar, Choir, Church School, Office** (all expenses for running the office), forms such as baptismal certificates, offering envelopes, confirmation certificates, new Hymnals and Prayer Books (if a partial replacement of not more than 10% of the total on hand; a larger replacement could be considered a capital expense), paper, envelopes, postage, Church School supplies, telephone, Choir supplies and maintenance of instruments, costs of consultants, retreats, newsletter printing, Altar Supplies, Cluster Ministry expenses, etc. Include here as expenses any operating losses from cemeteries, schools, real estate operations, etc.

Example U: St. John's has an old cemetery in which no more plots can be sold. Income is derived from a small endowment, contributions toward annual care, and the occasional opening in one of the family plots. This income last year totaled \$8,700. The wages paid to the maintenance worker who mows the grass and maintains the fences, etc. came to \$12,600. The net loss of \$3,900 is included on line 14.

Example V: St. James' and St. Andrew's are "yoked" congregations. They share the services of one priest. The priest spends two-thirds of her time at St. James' and one-third at St. Andrew's. The priest is on the payroll of St. James', and St. Andrew's reimburses St. James' one-third of the total cost of compensation and benefits. St. Andrew's records its payments to St. James' on line 14, "Other Operating Expenses." St. James' does not record St. Andrew's payments as income, but reduces the amount it reports on line 14 by the amount St. Andrew's contributes.

Example W: The four congregations in Johnson County are a team ministry served by two full-time and one part-time priest. The diocesan office pays the compensation and benefits of the priests on the team. Each congregation pays a good portion of its operating budget to the diocesan office toward their expenses. Each congregation reports the amount of their payments on line 14, not on line 12.

See also examples F, K, L, M, S, T, and I

Subtotal Operating Expenses (12 + 13 + 14) = [E] [E] \$ _____

Remember: Operating income (Line B) in general will equal or be close to the number reported on line E.

Non-Operating Expenses

15. Major improvements and capital expenditures (15) \$ _____

Additions to property, major repairs tending to extend the life of the property, new equipment other than normal replacement, and any other improvements or major purchases that would be capitalized in conventional accounting. Include the full cost of the construction or purchase of the building(s) as well as the cost of the land.

See examples I, K, and O.

16. Expenses for congregation's outreach and mission programs (16) \$ _____

Report here all expenses against the income shown on line 10 for parish-based outreach programs such as summer day camps, after-school programs, shelters, food pantries or soup kitchens, shelters, senior citizen programs, etc. Include here the salaries and benefits of program staff and all expenses of operating the program.

17. Funds contributed to Episcopal seminaries (17) \$ _____

Include all amounts transmitted from gifts to Theological Education Sunday. Include all other funds contributed to Episcopal seminaries. The income for such gifts and contributions should be reported in line 11 along with all other income that is to be transmitted to other organizations.

18. Funds transmitted to other organizations (18) \$ _____

Include all amounts transmitted from gifts for special purposes other than theological education, such as Advent, Lenten, and Good Friday Offerings, Presiding Bishop's Fund for World Relief, the United Thank Offering, Clergy Discretionary Fund, etc. Include also occasional unbudgeted income that the Vestry has designated for mission program outside the congregation.

The amount shown here, together with line 17, should correspond to the amount on line 11 if all transmittals have been made by year-end. Line 11 reports these offerings coming in. Lines 17 and 18 show these offerings and contributions being transmitted to their intended beneficiaries.

See the examples given with the instructions for line 11.

See examples B, P, R, and T.

Subtotal Non-Operating Expenses (15 + 16 + 17+18) = [F] [F] \$ _____

Total All Expenses (E + F) = [G] [G] \$ _____

Notes on Expenses:

AT YEAR-END:

As of December 31, 2011:

19. Total cash in all checking and passbook savings accounts (19) \$ _____

Report on this line the total balances in all cash accounts maintained in the name of the congregation. Include organizations' checking and savings accounts and funds at the discretion of the clergy held under the congregation's federal ID number.

20. Total investments at market value

(20) \$ _____

Report on this line the total market value of all investments: CDs, mutual funds, stocks, bonds, etc., as well as any balance in cash accounts shown on the investment statements at year-end. Line 20 should not include cash accounts (checking and savings) reported in Line 19.

The figures entered on lines 19 and 20 will almost always be exactly equal to the figures on your audited financial statements for “Cash and cash equivalents” and “Investments.”

Decreases in market value of investments during 2011 will be reflected in the total recorded in line 20. Such losses are not expenses, nor are they “negative investment income.” Negative values are not allowed on the Parochial Report.

**THIS CONCLUDES PAGE 3: THE STEWARDSHIP AND FINANCIAL INSTRUCTIONS
WORKBOOK**

- Fill out Page 3 of the Parochial Report using any notes you have made in this workbook.
- File your Parochial Report online at <http://pr.dfms.org> using your UEID and PIN
- Or, mail the completed Form to your diocese, together with Page 1, Certification, Page 2, Membership, Attendance and Services, and Page 4, Clergy Information. Do not send this report to the General Convention Office or the DFMS Research Office in New York.
- Keep a copy of the completed Parochial Report form (or download one) and a copy of this workbook for your records.
- You may review and download Parochial Reports for prior years at <http://pr.dfms.org>

