

**28.--The Diocesan Budget and Its Apportionment**

1. A budget for the ministries and operations of the Diocese shall be prepared annually. The total amounts thereof shall be apportioned among all the parishes/congregations of the Diocese as hereinafter provided and all apportionment remittances from parishes/congregations shall be applied in support of the Diocesan budget.
2. The Diocesan budget shall be approved each year by the Diocesan Council on the recommendations of the Administration and Finance Committee on the following basis:
  - (a) a Budget, which shall provide for the actual necessities of the present work of the Church in the Diocese and beyond;
  - (b) an "Extra Mile Budget," which shall be the Budget plus 10% of the Budget to encourage parishes/congregations to go the "extra mile" and to provide for new and expanded work which ought to be undertaken in the Diocese.
3. The Budget shall be apportioned among the parishes/congregations of the Diocese on the following basis:
  - (a) Each parish/congregation in the Diocese shall report annually to the Synod office by February 28<sup>th</sup> its operating expenses as defined below for the preceding year, submitted on a printed Financial Return supplied by the Synod office. It shall also submit at the same time its annual Vestry report. The Vestry's financial report shall be independently reviewed or audited and differences (if any) between the Vestry financial report and the Financial Return explained.
  - (b) The following items of ordinary expenditure shall be listed on the Financial Return and included in the total of operating expenses:
    - (i) salaries, including bonuses, pension and employee benefits, travel reimbursements and all other allowances paid to clerics and all lay employees of the parish/congregation;
    - (ii) church school and youth expenses, choir and music expenses, and all church office expenses incurred, including supplies, printing and advertising costs;
    - (iii) all expenses of providing heat and utilities to and the cleaning and ordinary maintenance of the church, parish hall and Rectory;
    - (iv) all taxes, rentals and insurance premiums;
    - (v) any operating expenses paid directly by any individual, group, organization, society or fund on behalf of the parish/congregation and not otherwise included in the operating expenses.

- (c) The following items of expenditure shall be listed on the Financial Return and deducted (without duplication) from the total of subsection (b) above, to obtain the Adjusted Operating Expense (defined below) for the year:
- (i) 50% of money expended upon housing allowance paid to clerics and the rental costs of buildings for church or other parochial purposes including Rectory;
  - (ii) 25% of money expended for interest on, or for repayment of principal of loans or mortgages originally incurred to finance capital expenditures;
  - (iii) 100% of the stipend, travel and other costs of one or more licensed assistant curates for the first two years of their ministry and paid summer internships.
- (d) The following items of expenditure shall be listed on the Financial Return but excluded from the Adjusted Operating Expense:
- (i) capital expenditures, including purchase of land, purchase or erection of buildings, additions or extensions or repairs to buildings or equipment, payments on principal and interest on mortgages or other debt;
  - (ii) money expended on any retiring allowance to a former Rector/Incumbent/Priest-in-Charge no longer in active service or to the widow or children of a former Rector/Incumbent/Priest-in-Charge;
  - (iii) all salary and benefit settlements, allowances and payments provided by the parish/congregation to a Rector/Incumbent/Priest-in-Charge upon resignation or termination from a parish/congregation;
  - (iv) expenditures for work outside the parish/congregation, Diocesan Apportionment and other payments to outside funds or organizations, including any outreach and appeal expenses, which would include all expenditures incurred as a direct result of a parish/congregation acting as the host church to a new mission congregation that meets in a place other than their present buildings, when the intent of these actions is to eventually create a new independent congregation. These deductions would not include any portion of the host church's present operating expenses. A full accounting of the mission congregation expenses must be presented to the annual Vestry of the host church and submitted to the Diocese at the same time as all other financial records are submitted. This exemption would be in effect for a period of five years from the start of the project; after which apportionment would be calculated on expenses in the usual manner.

- (e) The Financial Return shall be signed by the Churchwardens and the Rector/Incumbent/Priest-in-Charge and shall be submitted by February 28<sup>th</sup> of the following year.
- (f) Should any parish/congregation fail to report on the form supplied by the Synod office, its operating expenses for any year before the first day of the following June, the operating expenses of that parish/congregation for that year shall be deemed to have been the operating expenses for the previous year, increased by ten per cent. For the second consecutive year of failure to report, the percentage shall be 20%, and the percentage shall continue to increase by ten per cent for each subsequent consecutive year of failure to report.
- (g) The Basis of Apportionment for the ensuing year shall be the proportion of the Adjusted Operating Expense as defined above that is obtained by the application of the following table:

<u>Adjusted Operating Expense</u>	<u>Basis of Apportionment</u>
Up to \$3,000	\$800 plus 60% of Adjusted Operating Expense.
Between \$3,000 and \$4,000	\$1,400 plus 80% of Adjusted Operating Expense in excess of \$3,000.
Over \$4,000	\$2,200 plus 90% of Adjusted Operating Expense in excess of \$4,000.

Notwithstanding this formula, if a parish/congregation has been formally designated as a “supported parish/congregation”, that parish/congregation’s Basis of Apportionment may be set by the Bishop.

- (h) The Basis of Apportionment for each parish/congregation having been calculated as provided above, the Secretary-Treasurer shall take the Budget and shall divide it by the aggregate of the Bases of Apportionment for all the parishes/congregations in the Diocese to determine the Percentage Rate of Apportionment. The Percentage Rate of Apportionment shall then be applied to the Basis of Apportionment of each parish/congregation to allot each parish/congregation’s share of the Diocesan Budget and the Diocesan Extra Mile Budget.
4. The Basis of Apportionment, the Apportionment based on this canon for the Budget and the Extra Mile Budget, and the total amount paid towards the Budget by each parish/congregation shall be published annually in the Synod Journal.

5. Every parish/congregation in the Diocese shall have the right of appeal (on the basis of an error in calculation or reporting) for a correction in its Basis of Apportionment. Any such appeal must be in writing, signed by the Rector/Incumbent/Priest-in-Charge and the Churchwardens, and sent to the Secretary-Treasurer before the first day of December.
6. Every parish/congregation shall:
  - (a) include its Diocesan Apportionment in its parochial budget to be presented to its annual Vestry meeting;
  - (b) take adequate steps by means of an every-member canvass, or otherwise, to raise its parochial budget in full;
  - (c) regard its Diocesan Apportionment of the parish/congregation as an obligation equal to parochial expenses; and
  - (d) be expected to pay one-twelfth of its Diocesan Apportionment every month, by utilizing all financial measures at its disposal to do so.
7. Apportionment that is unpaid is to be considered as a debt of the parish/congregation and, upon reorganization or disestablishment of a parish/congregation, unpaid apportionment for the past five years shall be paid from the net assets of the parish/congregation.