SHARED MINISTRY

PART 1: PURPOSE, SCOPE, AND DEFINITIONS

Purpose

1 This Regulation furthers the mission of the Church by providing guidance on calculation of the shared ministry component of the Synod budget and on submission of a contributing corporation's Annual Financial Return.

Scope

2(1) This Regulation applies to the Cathedral, parish corporations, and their officers.

Definitions

3. In this Regulation:
"Act" means the Anglican Church Act, 2003;

"Annual Financial Return" means the report submitted by contributing corporations containing the financial information required for Synod to calculate the Shared Ministry Assessment and financial information and information on capital projects at year end, as required by the Canada Revenue Agency in a corporation's Registered Charity Information Return.

"Cathedral" means the Bishop and Chapter of the Cathedral of Christ Church in the City and Diocese of Fredericton;

"contributing corporation" means the Cathedral and parish corporations;

"Diocesan Council" means the Diocesan Council constituted pursuant to the Act and by the constitution of the Synod;

"operating income" means income that contributing corporations typically use to meet general operating costs, and includes:

a. open, envelope, and e-offerings;
b. donations from parish organizations (such as the ACW) for general use;
c. net income (revenue less expenses) from fund-raising events other than those for a specified purpose;
d. grants from the Synod or other sources used to cover general operating costs;
e investment income, but excluding income from restricted/designated trusts; and
f. any other income typically available for general use, such as income from rentals or parking, or unrestricted bequests or donations.

For greater certainty, "operating income" does not include:

a. income from donations that the donor designated for a special purpose, such as a bequest for capital work or a memorial;
b. flow-through donations, which the donor intends for remittance elsewhere, such as to PWRDF, local food bank, or a special appeal by another charitable organization. They flow into the contributing corporation but are offset by a corresponding disbursement;
c. proceeds from the sale of capital property; and
d. HST rebates, or rebates from self-insurance or travel funds

"parish" means a geographical area or a community of church members where ministry is maintained and managed by a parish corporation;

"parish corporation" means a corporation comprising the incumbent, church wardens and vestry of a parish continued or created under the Act;

"Synod" means The Diocesan Synod of Fredericton as constituted and continued by the Act and by the constitution.

"Shared Ministry" means the arrangement whereby contributing corporations provide the Synod with annual financial support for common missions and services, including:

a. episcopal grant to support the spiritual role of the Bishop and those who assist in that role;
b. grants to General and Provincial Synods;
c. missional grants to youth camps and parish corporations;
d. payroll and benefit administration for the Synod and contributing corporations, insurance management, investment management, directors & officers insurance coverage, workers' compensation management, safe church training, legal support, and e-offering administration;
e. operation of the Synod office;
f. clergy training, education, and support (including relocation, employee assistance, Archdeacon expenses, and clergy contingency funding); and
g. communications.

"Shared Ministry Assessment" means the financial component of a contributing corporation's responsibility to the Synod;

"Treasurer" means the Treasurer of the Synod;

Part 2: Shared Ministry Administration and Determination

Responsibilities

4(1) The Diocesan Council shall exercise oversight of the administration of this Regulation, principally through the Finance Committee as assisted by the Treasurer.

4(2) As provided in Regulation 5-2 (Parish Forms), contributing corporations shall submit an Annual Financial Return, the principal features of which are described in Appendix 1.

4(3) The Treasurer shall work to ensure that contributing corporations are acquainted with the requirements of this Regulation and offer particularized guidance on completion of their Annual Financial Return.

4(4) The Treasurer shall project required financial contributions to shared ministry according to the formula in s. 6(3) for consideration by the Diocesan Council at its autumn meeting.

4(5) Contributing corporations shall pay monthly such Shared Ministry and other assessments as the Diocesan Council apportions.

4(6) The Finance Committee shall periodically:
a) evaluate the effectiveness of this Regulation; and
b) provide recommendations for improvement to the Diocesan Council.

4(7) The Finance Committee shall provide the Diocesan Council with regular reports on the state of the Shared Ministry Assessment.

Shared Ministry Assessment Data Requirements

5(1) The required Annual Financial Return has four sections for data: two are used to calculate a contributing corporation's income and two are used to provide a record of corporation finances and information on capital projects at year end, as required by the Canada Revenue Agency in an individual corporation's Registered Charity Information Return. An explanation of the information required by the Annual Financial Return is in Appendix 1.

5(2) Where a parish has multiple treasurers, each shall provide the parish corporation's treasurer with the information necessary for a consolidated submission of its Annual Financial Return.

Shared Ministry Assessment Calculation

6(1) The Shared Ministry Assessment process is based on the following assumptions:
a. all contributing corporations are subject to financial assessment;
b. the level of assessment varies according to the amount of a contributing corporation's net operating income;
c. the Shared Ministry Assessment follows a formula set out in s. 6(3); and

d. Diocesan Council annual budgeting typically allows for limited assessment relief to respond to temporary financial stringency in particular contributing corporations.

6(2) Calculation of Shared Ministry Assessments is based on information on income and disbursements that contributing corporations provide in their Annual Financial Return.

6(3) The Shared Ministry Assessment is calculated as a progressive tariff on operating income less designated disbursements according to the following scale:
a. 9% on the first $50,000 of qualifying income;
b. 14% on the second $50,000; and
c. 18% on the remainder.

Shared Ministry Adjustments

7(1) When the Diocesan Council has budgeted an annual sum for Shared Ministry Assessment relief, a contributing corporation may apply for relief to the Finance Committee in accordance with Policy A-4 – Obtaining Financial Assistance.

7(2) The Finance Committee may reduce the operating income of a contributing corporation used to calculate shared ministry for a designated period to account for an extraordinary long-term fixed disbursement resulting from a loan or mortgage.

7(3) When a corporation has unpaid Shared Ministry Assessments from past years, the Finance Committee may forgive the arrears in accordance with Policy A-6 – Outstanding Parish Support.

7(4) When parishes amalgamate, the combined net income of the amalgamated parish will likely increase, resulting in a higher Shared Ministry Assessment. The Diocesan Council may grant the amalgamated parish an assessment reduction for a transition period. The Treasurer calculates the impact on a combined Shared Ministry Assessment levy for the next budget cycle. This is compared to the sum of the individual assessments, assuming a notional constant contribution ratio from former parish entities, and apply the following process:

a. in the budget for the year in which the amalgamation occurs, the new parish may continue paying the aggregate individual assessments of the amalgamating parishes;
b. the assessment will be modified over the next five years, so that by year six the amalgamated parish will pay the full levy on the amalgamated parish's operating income, unless a different time frame is requested and approved by the Finance Committee;
c. the amalgamated parish's assessment will be calculated from an estimated assessment of former parish entities, increased by 20% of the difference between the estimated assessment of the former parish entities and the assessment on the amalgamated parish each year until the difference is eliminated;

d. the individual assessments of the former parish entities will be estimated from the amalgamated parish income apportioned to the former parish entities in the proportion of their contribution at the year before amalgamation;
e. at any point during the transition the Finance Committee may shorten or lengthen the transition period; and
f. at any point during the transition, if the amalgamated parish finds the increased assessment to be beyond its means, it may approach the Finance Committee to propose some more realistic calculation.

Adopted
May 31, 2025

Appendix 1 – Annual Financial Return

1(1) The Annual Financial Return from contributing corporations has four sections: income, disbursements, general information, and capital expenditures. Data provided in the first two sections are used to calculate a corporation's income (operating income less designated disbursements) for the Shared Ministry Assessment.

1(2) The remaining two sections provide a useful snapshot of finances at year end and information on capital projects as required by the Canada Revenue Agency in the individual corporation's Registered Charity Information Return.

Income

2(1) The calculation of a contributing corporation's financial assessment for Shared Ministry uses general operating income and excludes all income that is restricted or designated for a special purpose, donations received but remitted to another charity, and HST rebates. The Treasurer will structure the format of the annual return to make the designation of income clear.

2(2) The following operating income sources and their use must be tracked:

a. open, envelope and e-offerings;
b. donations from parish organizations (such as the ACW) for general use;
c. net income (revenue less expenses) from fund-raising events other than those for a specified purpose;
d. grants from the Synod or other sources used to cover general operating costs;
e. investment income, but excluding investment income from restricted/designated trusts; and
f. any other income typically available for general use, such as income from rentals or parking, or unrestricted bequests or donations.

2(3) The following non-operating income sources must also be tracked:

a. income from donations that the donor designated for a special purpose, such as a bequest for capital work or a memorial;
b. flow-through donations, which the donor intends for remittance elsewhere, such as to PWRDF, local food bank, or a special appeal by another charitable organization. They flow into the contributing corporation but are offset by a corresponding disbursement;
c. proceeds from the sale of capital property; and
d. HST rebates, or rebates from self-insurance or travel funds.

Disbursements

3 Disbursements are categorized for ease of recording expenditures:

a. annual financial contributions to the Synod Shared Ministry Assessment;
b. financial donations to mission, such as a food bank or other mission project;
c. amounts remitted to other charities as a "flow through."
d. employment costs (Clergy and Lay);

e. building maintenance and repair costs (insurance, utilities, fuel etc.);
f. loan repayments;
g. expenses for capital projects; and
h. other expenses, such as professional fees, office supplies, Christian formation expenses, or worship supplies.

General Information

4 This section is a snapshot of finances at year end. All bank balances, investments, and liabilities are reported. The Treasurer of Synod will structure the data request so that the information in this section supports the creation of end-of-year financial statements and filling out the Registered Charity Information Return for the Canada Revenue Agency.

Capital Expenditures

5 The section provides a record of the capital work done during the year. It should include a brief description of work completed and the related funding sources and expenditures.