



METROPOLIS OF
SAN FRANCISCO

Metropolis Financial Statements December 2022 YTD

(Does not include FDF or St. Nicholas Ranch; unaudited and non-consolidated)

**Presented to: Clergy-Laity Assembly
April 25, 2023**

The Greek Orthodox Metropolis of San Francisco
Statement of Financial Position
As of December 31, 2022

	2022	2021	Change	% Change
ASSETS				
Current Assets				
Bank Accounts Unrestricted	435,387.28	716,201.34	(280,814.06)	-39.21%
Bank Accounts Restricted	1,281,057.77	1,445,979.90	(164,922.13)	-11.41%
Total Bank Accounts	\$ 1,716,445.05	\$ 2,162,181.24	\$ (445,736.19)	-20.62%
Total Accounts Receivable	\$ 166,165.17	\$ 14,167.31	\$ 151,997.86	1072.88%
Total Other Current Assets	\$ 2,500.00	\$ 5,203.05	\$ (2,703.05)	-51.95%
Total Current Assets	\$ 1,885,110.22	\$ 2,181,551.60	\$ (296,441.38)	-13.59%
Fixed Assets				
				0.14
1405 Metropolis House	22,000.00	22,000.00	0.00	0.00%
1710 Turkey Farm Land	218,950.43	218,950.43	0.00	0.00%
Total Fixed Assets	\$ 240,950.43	\$ 240,950.43	\$ -	0.00%
TOTAL ASSETS	\$ 2,126,060.65	\$ 2,422,502.03	\$ (296,441.38)	-12.24%
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Total Accounts Payable	\$ 10,593.25	\$ 7,405.00	\$ 3,188.25	43.06%
Total Credit Cards	\$ 11,778.76	\$ -	\$ 11,778.76	
Total Other Current Liabilities	\$ 203,601.20	\$ 289,648.71	\$ (86,047.51)	-29.71%
Total Current Liabilities	\$ 225,973.21	\$ 297,053.71	\$ (71,080.50)	-23.93%
Total Liabilities	\$ 225,973.21	\$ 297,053.71	\$ (71,080.50)	-23.93%
Net Assets				
3000 Opening Bal Equity	617,174.13	617,174.13	0.00	0.00%
3700 restricted Fund Balance	413,095.07	413,095.07	0.00	0.00%
3900 Retained Earnings	1,095,179.12	1,416,627.22	(321,448.10)	-22.69%
Increase / (Decrease) in Net Assets	(225,360.88)	(321,448.10)	96,087.22	29.89%
Total Net Assets	\$ 1,900,087.44	\$ 2,125,448.32	\$ (225,360.88)	-10.60%
TOTAL LIABILITIES AND NET ASSETS	\$ 2,126,060.65	\$ 2,422,502.03	\$ (296,441.38)	-12.24%

Tuesday, Feb 07, 2023 03:32:41 PM GMT-8 - Accrual Basis

The Greek Orthodox Metropolis of San Francisco

Statement of Cash Flows

	2022 Total	2021 Total	Variance	Change
OPERATING ACTIVITIES				
Increase / (Decrease) in Net Assets	(225,360.88)	(321,448.10)	96,087.22	-30%
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	(220,375.31)	(178,710.63)	(41,664.68)	23%
Net cash provided by operating activities	\$ (445,736.19)	\$ (500,158.73)	\$ 54,422.54	-11%
INVESTING ACTIVITIES				
1405 Metropolis House		(22,000.00)	22,000.00	-100%
1630 Suspense				
Net cash provided by investing activities		\$ (22,000.00)	\$ 22,000.00	-100%
FINANCING ACTIVITIES				
3900 Retained Earnings	0.00	200,228.15	(200,228.15)	-100%
Net cash provided by financing activities	\$ -	\$ 200,228.15	\$ (200,228.15)	-100%
Net cash increase for period	\$ (445,736.19)	\$ (321,930.58)	\$ (123,805.61)	38%
Cash at beginning of period	2,162,181.24	2,484,111.82	(321,930.58)	-13%
Cash at end of period	\$ 1,716,445.05	\$ 2,162,181.24	\$ (445,736.19)	-21%

The Greek Orthodox Metropolis of San Francisco
Statement of Activities
Period ending December 31, 2022 and December 31, 2021

	2022	2021	Change	% Change
Revenue				
Archdiocese Allotment	\$ 987,709.00	\$ 926,047.00	\$ 61,662.00	6.66%
Metropolis Ministries Assessment	\$ 155,182.67	\$ 78,520.00	\$ 76,662.67	97.63%
Unrestricted Donations	\$ 490,553.01	\$ 405,183.45	\$ 85,369.56	21.07%
Rental Income	6,000.00	6,000.00	0.00	0.00%
Registry Fees	7,700.00	5,075.00	2,625.00	51.72%
Missions & Evangelism Ministry	6,770.28	21,438.59	(14,668.31)	-68.42%
Restricted Donations	\$ 146,993.60	\$ 52,131.00	\$ 94,862.60	181.97%
Greek immersion camp	15,011.84	12,786.55	2,225.29	17.40%
YAL Conference	\$ 290,130.99	\$ 345,644.74	\$ (55,513.75)	-16.06%
Immerlogian sales	(1,431.73)	1,775.42	(3,207.15)	-180.64%
Investment income	\$ 72.71	\$ 3,306.84	\$ (3,234.13)	-97.80%
St George St Katherine portfolio	(34,388.82)	26,578.93	(60,967.75)	-3438784.20%
Youth Ministries	\$ (3,598.44)	\$ 4,456.04	\$ (8,054.48)	-180.75%
Summer Camp	164,434.95	33,833.13	130,601.82	386.02%
Investments	\$ 412.47	\$ 94.24	\$ 318.23	337.68%
Other Types of Income	\$ 1,304.41	\$ 8,913.97	\$ (7,609.56)	-85.37%
Rev Released from Restrictions	(110,364.69)	(78,924.00)	(31,440.69)	-39.84%
Total Revenue	\$ 2,122,492.25	\$ 1,852,860.90	\$ 269,631.35	14.55%
Gross Profit	\$ 2,122,492.25	\$ 1,852,860.90	\$ 269,631.35	14.55%
Expenditures				
Camps & Conferences expense	\$ 492,752.28	\$ 379,773.86	\$ 112,978.42	29.75%
St Nicholas Ranch Support	32,000.00	27,000.00	5,000.00	18.52%
Hellenic Culture and Education	4,433.62	11,374.45	(6,940.83)	-61.02%
Cultural Events	\$ 374.00	\$ 168.79	\$ 205.21	121.58%
Strategic Plan Expenses	\$ 153,351.87	\$ 148,853.59	\$ 4,498.28	3.02%
Auto Expense	\$ 14,912.22	\$ 20,809.48	\$ (5,897.26)	-28.34%
Gifts & Honoraria	\$ 132,447.56	\$ 204,468.86	\$ (72,021.30)	-35.22%
Hospitality	\$ 50,347.60	\$ 26,309.36	\$ 24,038.24	91.37%
Legal Fees	2,707.50		2,707.50	
Computer	3,435.14	7,538.23	(4,103.09)	-54.43%
Office	\$ 37,842.32	\$ 39,405.32	\$ (1,563.00)	-3.97%
Payroll Expense	\$ 1,086,624.62	\$ 1,080,586.82	\$ 6,037.80	0.56%
Contract Services	\$ 39,168.00	\$ 54,312.49	\$ (15,144.49)	-27.88%
St Francis Home Assn	5,203.05	4,730.04	473.01	10.00%
Property Liability Insurance	121,299.99	110,913.96	10,386.03	9.36%
Property Taxes	\$ 6,226.59	\$ 5,018.10	\$ 1,208.49	24.08%
Public Relations	\$ 4,170.75	\$ 2,939.25	\$ 1,231.50	41.90%
Facilities and Equipment	14,217.66	2,444.71	11,772.95	481.57%
Religious Education	1,000.00		1,000.00	
Supplies/Maintenance	\$ 19,855.37	\$ 16,063.05	\$ 3,792.32	23.61%
Telephone	21,146.13	17,133.19	4,012.94	23.42%
Operations	\$ 1,214.85	\$ 568.82	\$ 646.03	113.57%
Travel	\$ 64,984.60	\$ 26,674.36	\$ 38,310.24	143.62%
Utilities	\$ 36,476.42	\$ 26,325.03	\$ 10,151.39	38.56%
Youth & Young Adult Ministries	23,377.64	1,737.11	21,640.53	1245.78%
Youth Ministries Expense	1,067.00		1,067.00	
Fundraising expenses		5.00	(5.00)	-100.00%
Total Expenditures	\$ 2,370,636.78	\$ 2,215,153.87	\$ 155,482.91	7.02%
Increase / (Decrease) in Net Assets (Operating)	\$ (248,144.53)	\$ (362,292.97)	\$ 114,148.44	31.51%
Net Other Revenue	\$ 22,783.65	\$ 40,844.87	\$ (18,061.22)	-44.22%
Increase / (Decrease) in Net Assets	\$ (225,360.88)	\$ (321,448.10)	\$ 96,087.22	29.89%



METROPOLIS OF
SAN FRANCISCO

Metropolis 2023 Operating Budget

**Presented to: Clergy-Laity Assembly
April 25, 2023**

The Greek Orthodox Metropolis of San Francisco
2023 Budget - Final Recommended for Adoption by CLA April 25, 2023
Endorsed by Metropolis Council March 28, 2023

	2022 Dec YTD Actual	2022 Budget	2023 Budget	% Inc / (Dec) From 2022 Actual	% Inc / (Dec) From 2022 Budget
Operating Budget					
Revenues					
Operating & Administrative Revenue	\$ 1,457,931	\$ 1,350,203	\$ 1,348,271	(8%)	(0%)
Metropolis Ministries - Unrestricted	332,098	426,829	503,604	52%	18%
Metropolis Ministries - Released from Restriction	1,288,783	1,554,730	1,954,784	52%	26%
Ministries Revenue	1,620,882	1,981,559	2,458,388	52%	24%
Total Revenues	\$ 3,078,813	\$ 3,331,762	\$ 3,806,659	24%	14%
Expenses					
Operating & Administrative Expenses	\$ 1,514,347	\$ 1,393,088	\$ 1,419,603	(6%)	2%
Metropolis Ministries - Unrestricted	322,866	383,944	432,272	34%	13%
Metropolis Ministries - Funded from Restricted*	1,288,783	1,554,730	1,954,784	52%	26%
Ministries Expenses	1,611,649	1,938,674	2,387,056	48%	23%
Total Expenses	\$ 3,125,996	\$ 3,331,762	\$ 3,806,659	22%	14%
Net Increase / (Decrease) in Net Assets	\$ (47,184)	\$ (0)	\$ -	(100%)	(100%)
				% by Funding Source 2023	% by Funding Source 2022
Net Operating & Administrative Budget	\$ 1,457,931	\$ 1,350,203	\$ 1,348,271	100%	100%
Funded by Archdiocese	(987,709)	(948,611)	(906,425)	(67%)	(70%)
Funded by Metropolis Direct Fundraising	(490,553)	(396,592)	(400,847)	(30%)	(29%)
Funded by Other	20,331	(5,000)	(7,700)	(1%)	(0%)
Net Metropolis Ministries - Unrestricted Budget	\$ 332,098	\$ 426,829	\$ 503,604	100%	100%
Funded by Metropolis Ministries (pass through)	(332,098)	(426,829)	(503,604)	100%	100%
Net Metropolis Ministries - Funded from Restricted	\$ 1,288,783	\$ 1,554,730	\$ 1,954,784	100%	100%
Funded from Restricted Accounts	(1,288,783)	(1,554,730)	(1,954,784)	100%	100%

* denotes that these Ministries are either self-funded (and therefore fully pass through), funded by the Metropolis Gala account, or a combination of both. Not directly impacting operating budget but shown for completeness.

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Operating Budget					
Revenues					
Archdiocesan Allotment	\$ 876,262	\$ 876,262	\$ 892,595	2%	2%
Archdiocesan Total Commitment Sharing	111,447	72,349	13,829	(88%)	(81%)
Unrestricted Donations	490,553	396,592	400,847	(18%)	1%
Registry	7,700	5,000	7,700	0%	54%
Clergy-Laity Registration Fees	-	-	33,300	-	-
Other, non-operating revenues	(28,031)	-	-	(100%)	-
Operating & Administrative Revenue	\$ 1,457,931	\$ 1,350,203	\$ 1,348,271	(8%)	(0%)
Metropolis Ministries Funding Sharing	155,183	158,300	158,300	2%	0%
Greek Village Immersion Camp Ministry	15,012	67,929	67,929	353%	0%
Youth & Young Adult Ministry (not including Summer Camps)	(2,531)	41,000	47,375	(1,971%)	16%
Summer Camp Ministry	164,435	159,600	180,000	9%	13%
Missions & Evangelism Ministry	-	-	50,000	-	-
Metropolis Ministries - Unrestricted	332,098	426,829	503,604	52%	18%
Metropolis Ministries - Released from Restriction	1,288,783	1,554,730	1,954,784	52%	26%
Ministries Revenue	1,620,882	1,981,559	2,458,388	52%	24%
Total Revenues	\$ 3,078,813	\$ 3,331,762	\$ 3,806,659	24%	14%
Expenses					
Clergy-Laity	206	5,750	33,300	16,104%	479%
Metropolis Council Finance Committee Expenses	-	5,000	5,000	-	0%
Auto Expenses	14,912	20,500	17,000	14%	(17%)
Gifts - Patriarchal	40,000	50,000	50,000	25%	0%
Gifts - Other	92,448	75,000	75,000	(19%)	0%
Honoraria	-	10,000	2,500	-	(75%)
Culinary & Hospitality	50,348	30,000	30,000	(40%)	0%
Legal Fees	2,708	5,000	5,000	85%	0%
Accounting & Auditing Fees	22,460	65,000	65,000	189%	0%
Computer	3,435	5,000	5,000	46%	0%
Office & Printing	37,842	38,000	35,000	(8%)	(8%)
Payroll & Benefits	934,411	783,175	790,928	(15%)	1%
Contract Services	16,708	16,000	10,000	(40%)	(38%)
HOA Fees - Metropolis House	5,203	5,203	5,730	10%	10%
Insurance, Property Liability & Other	121,300	116,460	127,365	5%	9%
Property Taxes	6,227	5,000	5,096	(18%)	2%
Advertising & Public Relations	4,171	5,000	5,000	20%	0%

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	Actual	2022 Budget	2023 Budget	2022 Actual	2022 Budget
Supplies & Maintenance	35,288	30,000	30,000	(15%)	0%
Telephone & Cellular	21,146	18,000	22,000	4%	22%
Travel & Lodging	63,374	60,000	60,000	(5%)	0%
(less: reimbursed from Archdiocese and Parishes)	-	-	-	-	-
Utilities	36,476	33,000	35,000	(4%)	6%
Other, miscellaneous	5,685	12,000	5,685	0%	(53%)
Operating & Administrative Expenses	\$ 1,514,347	\$ 1,393,088	\$ 1,419,603	(6%)	2%
St. Nicholas Ranch Allocation	32,000	32,000	32,000	0%	0%
Metropolis Ministries Funding Support (NEW)	35,000	35,000	-	(100%)	(100%)
Greek Language and Culture	4,808	5,000	5,000	4%	0%
Greek Village Immersion Camp Ministry	38,199	67,929	67,929	78%	0%
Missions & Evangelism Ministry	-		50,000	-	-
Youth & Young Adult Ministry (not including Summer Camps)	43,889	95,315	97,343	122%	2%
Summer Camp Ministry	168,970	148,700	180,000	7%	21%
Metropolis Ministries - Unrestricted	322,866	383,944	432,272	34%	13%
Family Wellness Ministry	8,582	16,350	16,250	89%	(1%)
Religious (Christian) Education Ministry	3,535	5,780	5,463	55%	(5%)
Clergy Continuing Education Ministry	2,223	9,155	13,000	485%	42%
Orthodox Parish Leadership Ministry	44,000	49,500	65,000	48%	31%
Stewardship Ministry	621	2,500	-	(100%)	(100%)
Metropolis Website	14,611	17,000	14,880	2%	(12%)
Youth Website	273	2,216	2,300	742%	4%
Ministries Office	970	2,000	2,000	106%	0%
Development & Communications Office	60,796	65,510	60,810	0%	(7%)
Missions & Evangelism Ministry	18,740	37,500		(100%)	(100%)
YAL Conference Ministry	285,818	338,227	341,677	20%	1%
Church Music Federation Ministry	7,098	37,500	29,560	316%	(21%)
Folk Dance and Choral Festival (FDF) Ministry	689,303	710,000	1,201,997	74%	69%
Ministries Payroll	152,213	261,492	201,847	33%	(23%)
Metropolis Ministries - Funded from Restricted*	1,288,783	1,554,730	1,954,784	52%	26%
Ministries Expenses	1,611,649	1,938,674	2,387,056	48%	23%
Total Expenses	\$ 3,125,996	\$ 3,331,762	\$ 3,806,659	22%	14%
Net Increase / (Decrease) in Net Assets	\$ (47,184)	\$ (0)	\$ -	(100%)	(100%)

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Standard Financial Reporting

Guide for Parishes

Release 2: March 2023

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- ⑧ Total Commitment Program (formerly National Ministries Allocation)

Section 1

INTRODUCTION & OBJECTIVE

Introduction



- This document can serve as a guide for parishes and provides information on general accounting operations and standardized financial reporting.
- This was originally authored by members of the Finance Task Force, as part of the Greek Orthodox Metropolis of San Francisco's overall 2012 Strategic Plan.
- A first draft was released on September 22, 2015, and has been updated to be released in April 2023. From time to time, periodic updates will be made as appropriate.
- An electronic version of this guide can be obtained via the Metropolis of San Francisco Finance website at <https://sanfran.goarch.org/resources/finance>
- We welcome all suggestions for improving this guide. Please email us at finance@sanfran.goarch.org with your suggestions, comments, and questions.

Strategic Objective



Assist Parishes in developing best practices for standardized internal controls and financial reporting for their use and for reporting to the Metropolis



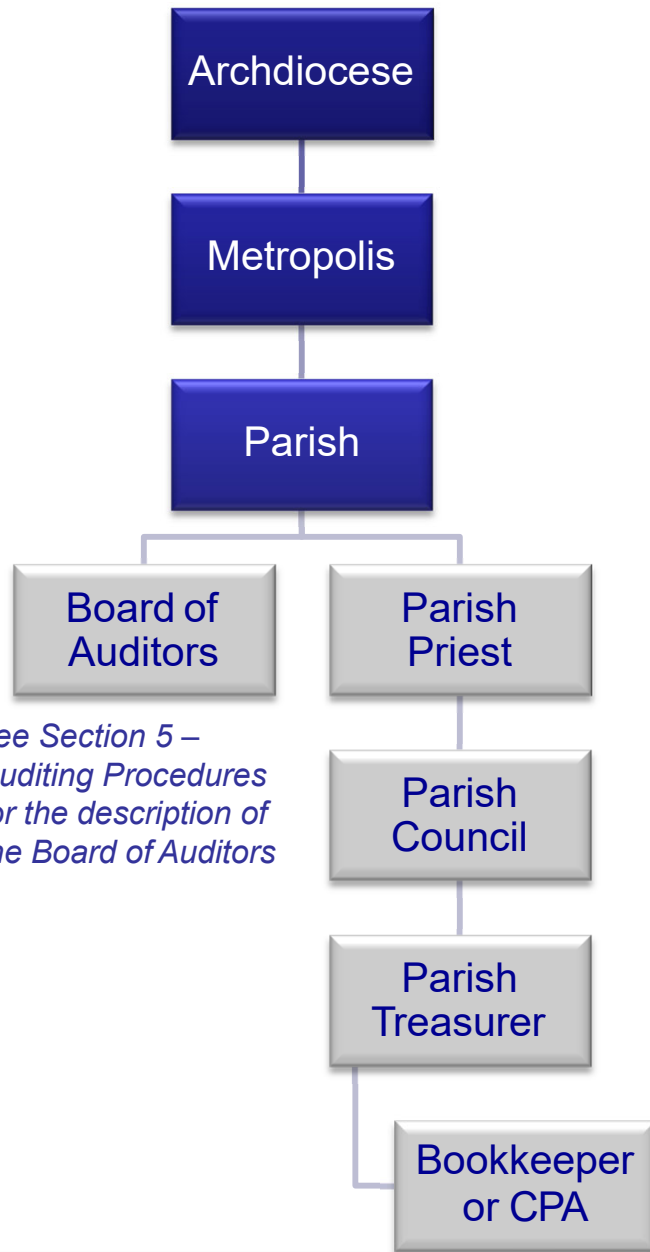
“Of what use is money in the hand of a fool, since he has no desire to get wisdom?”

Proverbs 17:16

Section 2

ROLES, RESPONSIBILITIES, AND GOVERNANCE

Finance Org and Governance

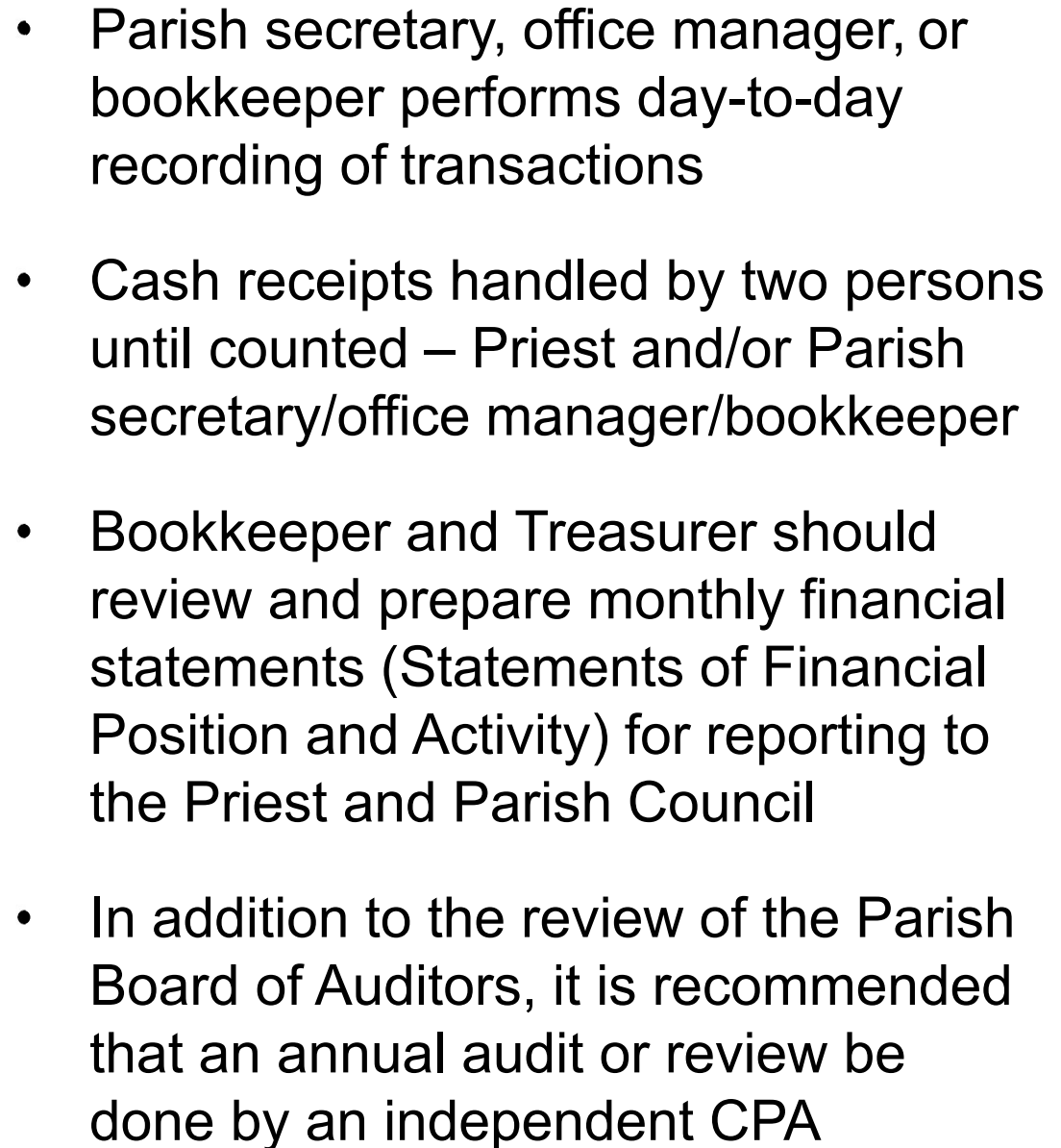


- The Archdiocese and the Metropolis each have Finance Committees that provide oversight and guidance to the financial operations of parishes.
- The Uniform Parish Regulations (UPRs) found in the updated January 2019 Archdiocese Regulations describes the financial reporting and auditing obligations of our parishes. <http://www.goarch.org/archdiocese/documents/upr>
- The **Parish Priest**, by virtue of his canonical ordination and assignment, heads and administers the Parish.
- The **Parish Council** is responsible to the Parish Assembly and to the respective Hierarch for conducting all Parish affairs in keeping with the mission, aims and purposes of the Church.
- The **Parish Treasurer** is elected by the Parish Council and shall not hold this office for more than six (6) consecutive years.
- The **Bookkeeper or CPA** should be an independent party that is overseen and directed by the Parish Treasurer and Parish Council

Responsibilities of Parish Treasurer



- ☐ Serves as chief financial officer of the parish
- ☐ Is responsible for payment of all bills, invoices, and obligations
- ☐ Performs or oversees all of the financial recordkeeping functions
- ☐ Prepares the financial reports for the Parish Council (monthly is a best practice) and provides appropriate financial information to the Parish Assembly (twice annually is a best practice; more frequently in bulletins is also a best practice)
- ☐ Files any of the required federal, state, and local tax forms
- ☐ Monitors the cash position of the parish and invests available funds in accordance with church investment policies
- ☐ Is empowered to borrow funds as directed by the Parish Council and, when appropriate, the Parish Assembly
- ☐ Assists in the preparation of the annual parish budget
- ☐ Provides needed information to the Board of Auditors, so they can fulfill their responsibilities to the Parish and Metropolis
- ☐ Often serves as a member of the Parish Finance Committee



Independent Audit or Review



- Should be performed by a reputable and independent accounting firm that has experience with religious or not-for-profit organizations
- Cost of the engagement is an investment in the Parish
- Mitigates the risk of fraud and improper recording of monies or handling of accounts
- Reduces likelihood, or potentially identifies, any misappropriation of funds
- Protects the volunteers and those entrusted by parish from unwarranted accusations and suspicion

Section 3

GENERAL ACCOUNTING OPERATIONS

Day-to-Day Transactions



Guidelines

- Avoid using cash for any disbursements, insist on using checks and online payments for transactions
- Checks should always be signed by two (2) authorized individuals
- Record cash, check, and credit card donations in an accounting system or paper receipt book
- Provide monthly statements to donors to confirm gifts and identify any discrepancies quickly
- Do not co-mingle unrestricted and restricted funds and it is strongly suggested to use separate bank accounts
- Use of restricted funds are limited to donor-imposed stipulations and cannot be used for any other purpose

Cash vs. Accrual Accounting



Ideally, parishes should use accrual accounting for their financial reporting, but this degree of sophistication may not be practical for smaller parishes with fewer resources.

Accrual Accounting

Income is recorded when it is earned, and goods and services purchased are recorded based on the time the liabilities arise rather than when payment is made (the liabilities normally arise when the “Title to Goods” passes or when the services are received). The intent of the accrual basis of accounting is to relate revenues, expenses, gains, and losses to the proper period of time rather than only to when cash actually changes hands.

Cash Accounting

Income is recorded when actually received, and goods and services purchased are recorded based on when payment is made, without regard to when Title to Goods passes or when services are received.

Restricted vs. Unrestricted Funds



Financial Accounting Standards Board (FASB)

- No. 20216-14, Not-for-Profit Entities (August 8, 2016) addressed revisions to the classifications of net assets.

Restricted Funds (Assets with donor restrictions)

- When the donor places a restriction on their donation, the assets are restricted and can only be used for the designated purpose.
- The Parish Council (Board) also have the ability to designate funds/accounts as “restricted,” although these restrictions do not carry the same weight under U.S. Generally Accepted Accounting Principles as donor-designated restrictions.

Unrestricted Funds (Assets without donor restrictions)

- The donation can be used for any of the organization’s purposes.

Section 4

BUDGETING PROCESS

Why Create an Annual Budget?



The Annual Budget

- Allows Parish Council to better control financial operations throughout the year
- Highlights major variances to plan, so that adjustments can be made to keep the parish financially sound
- Must be presented and approved by the Parish Assembly by the end of November
- Required by Metropolis at the beginning of each year
- Shall include appropriations for sending delegates to the Clergy-Laity Congresses and Local Assemblies

Budget Process & Responsibilities



Process

- Planning is the prerequisite for budgeting and the process should begin no later than October

Roles

- The **Parish Treasurer** is responsible for compiling the Annual Budget, but should enlist the help of the Finance Committee, CPA, and others
- **Parish Council** needs to carefully review the budget and approve final budget for presentation to the Parish Assembly
- The **Board of Auditors** also needs to review and certify the Budget, prior to submission to the Metropolis

Approaches to Budgeting



Top Down Approach

- Most commonly used by churches
- Budget is prepared by church leaders
- Organization is small enough so that church leaders know the variables of the budget
- Start with income first, and then fit expenses into income limits

Bottoms Up Approach

- Used in larger, more complex parishes
- Others in the parish are asked to submit individual/ministry budgets for approval
- Usually used when money is not significantly constrained
- Expenses are determined first, then income
- This “zero-based” budgeting approach is a best practice

Sample Budget



Sample Summary Level Budget

	Actual	Actual	Nov YTD	Budget
<u>OPERATING INCOME</u>	2020	2021	2022	2023
<i>Stewardship</i>	230,000.00	245,000.00	155,798.97	230,485.00
<i>Candles & Trays</i>	52,000.00	51,919.00	38,561.00	56,000.00
<i>Donations</i>	11,000.00	10,523.47	6,426.55	12,000.00
<i>Rental Income</i>	42,000.00	42,787.50	36,625.00	48,400.00
Total Operating Income	335,000.00	350,229.97	237,411.52	346,885.00
<u>OPERATING EXPENSES</u>				
<i>Payroll</i>	161,520.00	165,033.12	107,657.27	165,965.00
<i>Benefits</i>	38,165.00	37,528.23	27,507.41	38,520.00
<i>Util/Maint/Suppl.</i>	80,200.00	83,011.00	61,769.24	82,900.00
<i>Equipment & Furniture</i>	50.00	2,187.88	387.10	1,000.00
<i>Organizations</i>	31,700.00	33,565.00	25,925.00	36,500.00
<i>Miscellaneous</i>	8,900.00	8,688.65	8,688.32	9,000.00
<i>Rental Costs</i>	8,700.00	12,250.14	5,346.01	13,000.00
<i>Other Disbursements</i>	4,500.00	6,792.14	131.17	0.00
Total Operating Expense	333,735.00	349,056.16	237,411.52	346,885.00

- Budget line items should be consistent with the Chart of Accounts (COA) which allows for monthly Actual vs. Budget reporting
- Initial budget estimates can be aided by reviewing current year-to-date (YTD) actuals, as well as past year actuals
- Budgeting requires firsthand knowledge of upcoming parish events, special needs, ministries, and clergy/lay staffing
- Parishes should strive to have breakeven or excess budgets. A deficit budget should not be presented to the Parish Assembly.

Section 5

AUDIT PROCEDURES

Audit Objectives and Procedures



- **Metropolis Accounting & Financial Policies and Procedures (April 2023)**
- **Metropolis Ministry & Parish Financial Audit Guidelines (April 2023)**

Can be found at: <https://sanfran.goarch.org/resources/finance>

- Financial and controls audits protect persons in the church or ministry responsible for handling funds.
- Builds trust and confidence for supporters of the church
- Sets good habits of fiscal responsibility to assure consistency for those who handle funds.
- Provides checks and balances of the accounting process

Audit Objectives and Procedures



Objectives of the Parish Audit Review

- Proper revenue recognition
- Reasonable and verifiable expenditures
- Security of cash and property
- Internal controls of data and records

Procedures

- Each year, the Parish Assembly must elect a Board of Auditors to audit the parish financial statements and operations
- The Board of Auditors must prepare a report that is presented to Parish Assembly and forwarded to the Metropolis
- The Parish Board of Auditors must certify the annual financial statements that are sent to the Metropolis and Archdiocese
- The Board of Auditors must remain independent and are not under the jurisdiction of the Parish Council and/or the Priest

Uniform Parish Regulations



UPR ARTICLE 33 BOARD OF AUDITORS

Section 1: The Board of Auditors shall consist of at least three parishioners none of whom are members of the Parish Council. The Board of Auditors shall be elected at the last Parish Assembly preceding an election from among those who have not served on the Parish Council for the year being audited and who are not candidates for election to the Parish Council. The Board of Auditors shall have the financial competency to properly execute its responsibilities.

Section 2: The Board of Auditors shall audit financial records of the prior year and prepare a report of such audit for presentation to the Parish Assembly. After review by the Parish Assembly, the Parish Council shall transmit copies of the final audit to the respective Hierarch and the Archdiocese.

Section 3: A vacancy on the Board of Auditors shall be filled by the Parish Council by electing a successor, therefore, from amongst the parishioners of the Parish in good standing for the unexpired portion of the term of such vacancy.

Note that no employee of the Parish may serve on the Parish Council, the Board of Auditors, or the Board of Elections. (Article 24 in the UPR)

Section 6

ORTHODOX SOFTWARE INITIATIVE

Background on Software Initiative



- In 2011, the Archdiocese selected ACS Technologies' Parish Data System (PDS) to provide a standard, Orthodox-tailored software for parish management (Church Office) and financial accounting (Ledger)
- PDS received the highest overall scores in a detailed evaluation of numerous systems by a volunteer committee of professionals across the Archdiocese
- ACS is the leading provider of information management solutions to nearly 50,000 faith-based organizations. More information can be found at <http://www.acstechnologies.com>
- The Orthodox version of Church Ledger system has been customized to the unique needs of our parishes, such as tracking name days, sacraments, memorials, etc.
- After an initial pilot phase, the software has now been licensed to over 120 Greek Orthodox parishes in the U.S., and implemented to various stages
- In the Metropolis, the following parishes (likely among many others) have licensed the PDS Church Office software:



Annunciation, Sacramento

Assumption, Scottsdale

St. Anthony, Pasadena

St. Demetrios, Seattle

Sts. Constantine & Helen, Vallejo

St. George, Downey

Holy Trinity, San Francisco

St. Katherine, Redondo Beach

St. Nicholas, San Jose

Prophet Elias, San Bernardino

St. Spyridon, San Diego

Nativity of Christ, Novato
Resurrection, Castro Valley

Current Status of Software Initiative



This initiative was made possible, in part, by a very generous grant from Leadership 100, which subsidized parish costs in the early years of the program. This grant has been exhausted, and a parish can purchase the software on its own.

The Greek Orthodox Archdiocese no longer provides internal support for the Parish Data System. For inquiries, please contact ACS Technologies directly using one of the following methods:

Support Resources

If you require support or troubleshooting for an existing database, please use the following resources available through ACS Technologies:

- Call ACST Support at 877-737-4457
- Review the Online Training Library: <https://portal.acstechnologies.com/pds/training/training-library>
- Review the User Guides: <https://wiki.acstechnologies.com/display/PDS/PDS+Latest+Versions>
- Email ACST Support using the link at the bottom right of the Church Office User Guide

Implementation / New Users

If you are interested in learning more about the Parish Data System, please contact the ACS Technologies Sales Team at 800-892-5202 and refer to the PDS Church Office Software for Greek Orthodox parishes.

Benefits of the PDS Software



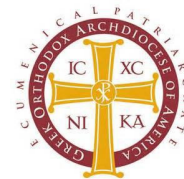
PDS Church Office encompasses all aspects of parish life, including:

- Tracking stewardship of time, treasure, and talents
- Managing parishioner data, family relationships, and demographics
- Maintaining directories and calendars
- Recording sacraments, memorials, and other major events
- Facilitating communications via letter generation, texts, emails, and social media links to Facebook, Twitter, and blogs

Other benefits of implementing the software:

- Favorable pricing, after no-cost first year of license (1st year funded by Archdiocese)
- Aids parishes with their Budgeting and Auditing processes
- Training provided via regional sessions, webinars, and online tutorials
- Increases cooperation between parishes and the sharing of best practices
- Assistance with initial data conversion and ongoing support from PDS
- Secure, with future plans for a cloud-based version of the software

Sample Screen Shots and Reports



Parish Data System - Church Office

Information Personnel Reports Sacramental Registers Administration

Dashboard Families Members Contributions

Search by: Text for Member Name Search
Order by: Name
1 of 3

Save Add Member
Cancel Delete Member

Members

Family: Abbott, Harold (Connie), Mr ID: 41
Name: Abbott, Harold (Rupert) (Harry), Mr
Mem ID Env: Avail? Show Name Formats Also Visible In:

Phones

Phone Number	Description	Unl.
(802) 678-2952	Office	<input type="checkbox"/>
(823) 762-8129	Cellular	<input type="checkbox"/>

Emails

Email Address	Desc.	Unl.
Harold.Abbott@PDSDemo.	Home	<input type="checkbox"/>
HarryA@PDSDemo.com	Personal	<input type="checkbox"/>

Insert Line Delete Reorder

User-Friendly
Navigation and
Screens



Family Registration

Family ID #: 0003 Today's Date: / /

Family Name: Pavlos, John (Catherine), Mr & Mrs
Head: Last: Pavlos First: John Title: Mr & Mrs Suffix:
Spouse: Last: First: Catherine Title:

Street Address Line 1: 899 Oliveleaf Avenue Street City/State: Oyster Bay, NY
Street Address Line 2: Street Zip: 11771
Geo. Area Number: Oyster Bay Registered: 02/12/1987 Family Status: Married
Phone: (777) 911-2227 Description: Home Ph. Unlisted? No
Phone: Description: Home/Office/Cel/Other Unlisted? Yes/No
Phone: Description: Home/Office/Cel/Other Unlisted? Yes/No
Email: Parish:

Mailing Address: Line 1: City/State:
(if different) Line 2: Zip:

Member Registration: Pavlos, Catherine (family: Pavlos, John (Catherine), Mr & Mrs)
Member Name: Pavlos, Catherine
Last Name: Pavlos First Name: Catherine Middle: Suffix:
Nickname: Catherine Title:
Maiden Name:

Personal Information: Relationship: Wife Type: Spouse
Grade/Degree: Gender: Female Marital Status: Married
Language: Ethnicity: Greek Birthdate: 05/01/1947
Religion: Greek Orthodox Special Need: Occupation: Homemaker
Member: True Mem Status: Active Member Voting Mem: True
Snd Statmnt: False
Location:

Phone: (777) 922-5111 Type: Home Ph. Unl: No Email: Type: Prefer Email? Y/N

COA Explorer:

Chart of Account List

Asst.	Liab.	R.E.	PY.FB.	Inc.	Exp.	Net
25000	- Retained Earnings-					Heading for Liability/Equity Acc.
25025	- Restricted Funds					Equity
25050	- Opening Balance Equity					Prior Year Fund Balance
25075	- Retained Earnings					Retained Earnings
29000	- *Total Retained Earnings*					Total for Liability/Equity Accounts
29900	- **Total Liabilities & Retained Earnings*					Total for Liability/Equity Accounts
30000	- Income-					Heading for Income Accounts
31000	- Stewardship-					Heading for Income Accounts
31020	- Family Commitments					Income
31040	- Single Commitments					Income
31060	- Senior Citizen Family Commitments					Income
31080	- Senior Citizen Single Commitments					Income
31100	- Stewardship Commitment					Income
31125	- Stewardship Commitment - Prior ...					Income
31150	- Stewardship Commitment - Next ...					Income
31900	- *Stewardship Total*					Total for Income Accounts
32000	- Stewardship - Other -					Heading for Income Accounts
32025	- Candles					Income
32050	- Memorials					Income
32075	- Flowers					Income
32100	- Weddings					Income
32125	- Baptisms					Income
32150	- Funerals					Income
32175	- Trays					Income

Comprehensive
Parishioner Data
& Reports

Archdiocese
Chart-of-Accounts
comes pre-loaded
(may no longer be the case)

PDS Church Office Menu Structure



DASHBOARD (Community level)

- Data Display

FAMILIES (Family Unit)

Data Entry:

- Primary Info
- Other Addresses
- Family Recap
- Letters, Visits, Etc.

Other Tasks:

- Individual Letter, Label
- Reasons for Changes
- Listing Screen
- Reports
- Quick Posting
- Processes

MEMBERS (Individual level)

Data Entry:

- Personal
- Phones/Emails/Addr
- Sacraments
- Ministries/Talents
- Attendance
- Family Recap
- Safe Environment
- Letters, Visits, etc.

Other Tasks:

- Individual Letter, Label
- Reassign Member
- Memorial
- Listing Screen
- Easy Lists
- Reports
- Quick Posting
- Processes

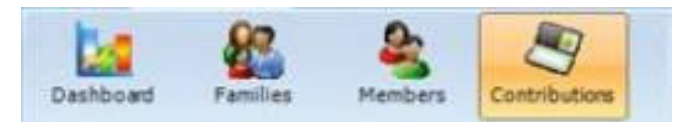
CONTRIBUTIONS

Data Entry:

- Rates/History/Keywords
- Recap/Totals
- Billing Address

Other Tasks:

- View/Print
- Fund Filter
- Listing Screen
- Reports
- Quick Posting]
- Processes





Section 7

STANDARD ARCHDIOCESE CHART-OF-ACCOUNTS

Standard Chart-of-Accounts



COA Background

- Over a period of several years, financial professionals/volunteers throughout the Greek Orthodox Archdiocese of America, developed a standard chart-of-accounts (COA) to be used by all of parishes.
- The COA is incorporated in the Orthodox version of the Parish Data Systems (PDS) software.
- Standardization of the COA was developed to provide consistent financial reporting to Parishes, Metropolis, and Archdiocese.

COA Benefits to Parishes

- Parishes don't have to "re-invent the wheel" and can use a proven COA that works for Greek Orthodox parishes.
- Unified approach allows parishes to leverage common training and support, and even share financial resources (bookkeepers, CPAs)
- Meets requirement of using the Archdiocese COA, as formally requested of parishes in July 2013 by the Chancellor of the Metropolis of San Francisco.

Not-for-profit Entities Formats



Not-For-Profit Entities (NFP) Financial Statements formats

1. The Balance Sheet is called the Statement of Financial Position

- There is no description for “Equity”
 - Instead, this is now titled “Net assets”
 - Net Assets without donor restrictions
 - Net Assets with donor restrictions

2. The Profit and Loss is called the Statement of Activities

- There is no “Net Profit or Loss”
 - Instead this is now titled “Changes in Net Assets”

Not-for-profit Entities Formats



Gifts from stewards/others must be differentiated

- Assets with donor restrictions and those without donor restrictions
 - It is best practice to establish separate bank accounts
 - Routine and general expenses are paid from the Unrestricted account
 - Specific projects that utilize cash are paid from the Restricted account
 - At month end the bank reconciliations must be prepared preferably by a person who does not handle any deposits or check writing. The bookkeeping cash accounts must equal the accounting from the bank. Every time. All the time.
- Key issues for Assets with donor restrictions
 - Timing of the receipt is likely to be different from timing of payment to a vendor
 - The period of the receipt is an increase in net assets
 - The period of the disbursement is a decrease in net assets
 - Ultimately, the utilization of the assets with donor restrictions will have no impact on total net assets

COA: Asset & Liability Accounts



ASSETS			
10000	Bank	10025	Petty Cash
10000	Bank	10050	Operating Checking Account
10000	Bank	10075	Operating Savings Account
10000	Bank	10100	Building Fund Account
10000	Bank	10125	Building Fund CD
10000	Bank	10150	Festival Account
10000	Bank	10175	Festival CD
10000	Bank	10200	Raffle Account
10000	Bank	10225	Restricted Fund Account
10000	Bank	10250	Restricted Fund CD
10000	Bank	10275	Credit Card Account
10000	Bank	10300	Ministry Fund Raising Acct - Customize
10000	Bank	10325	Customize
10000	Bank	10350	Customize
11000	Other Current Assets	11025	Restricted Fund Brokerage
11000	Other Current Assets	11050	Building Fund Brokerage
11000	Other Current Assets	11075	Credit Card Receivable
11000	Other Current Assets	11100	Deposits
11000	Other Current Assets	11125	Prepaid Expenses
11000	Other Current Assets	11150	Customize
12000	Building, Land, Furniture& Fixtures	12025	Land
12000	Building, Land, Furniture& Fixtures	12050	Building & Building Improvements
12000	Building, Land, Furniture& Fixtures	12075	Iconography
12000	Building, Land, Furniture& Fixtures	12100	Furniture & Fixtures
12000	Building, Land, Furniture& Fixtures	12125	Capitalized Leases
12000	Building, Land, Furniture& Fixtures	12150	Customize
12000	Building, Land, Furniture& Fixtures	12175	Customize
12000	Building, Land, Furniture& Fixtures	12900	Accumulated Depreciation
13000	Other Assets	13025	Burial Plots
13000	Other Assets	13050	Intangible Assets, e.g., loan costs
13000	Other Assets	13075	Accumulated Amortization
13000	Other Assets	13100	Miscellaneous
13000	Other Assets	13125	Customize
13000	Other Assets	13150	Customize
TOTAL ASSETS			

LIABILITIES			
20000	Liabilities	20025	Accounts Payable
20000	Liabilities	20050	Federal Tax Liabilities
20000	Liabilities	20051	FICA (SS&MC)Tax Liabilities
20000	Liabilities	20052	FUTA Tax Liabilities
20000	Liabilities	20060	State Tax Liabilities
20000	Liabilities	20061	SDIF/UC Tax Liabilities
20000	Liabilities	20062	SUTA Tax Liabilities
20000	Liabilities	20070	Local Tax Liabilities
20000	Liabilities	20075	Tax Liabilities
20000	Liabilities	20100	Line of Credit
20000	Liabilities	20125	Mortgage
20000	Liabilities	20150	Deferred Revenue - Stewardship Next Year
20000	Liabilities	20175	Customize
TOTAL LIABILITIES			
25000	Retained Earnings	25025	Restricted Funds
25000	Retained Earnings	25050	Opening Balance Equity
25000	Retained Earnings	25075	Change in Net Assets
TOTAL RETAINED EARNINGS			
TOTAL LIABILITIES AND RETAINED EARNINGS			

The Archdiocese standard COA only provides this level of accounts. Parishes can create sub-accounts as needed.

COA: Income & Expense Summary



ORDINARY INCOME/EXPENSE			
INCOME			
30000	Income	31000	Stewardship
30000	Income	32000	Stewardship - Other
30000	Income	33000	Restricted/Earmarked
30000	Income	34000	Fundraiser Income
30000	Income	35000	Ministries Revenue
30000	Income	36000	Outreach Revenue
TOTAL INCOME			
EXPENSE			
40000	Expenses	41000	Administrative
40000	Expenses	42000	Occupancy Expenses
40000	Expenses	43000	Salaries & Benefits
40000	Expenses	44000	Stewardship Expenses
40000	Expenses	45000	Archdiocese National Ministry Commitment
40000	Expenses	46000	Liturgical Expenses
40000	Expenses	47000	Fundraiser Expenses - Deductible
40000	Expenses	48000	Ministries Expenses - Nondeductible
40000	Expenses	49000	Outreach Expenses - Deductible
TOTAL EXPENSE			
NET ORDINARY INCOME			

An additional level of sub-accounts are provided in the Archdiocese Standard COA which can be found in the Excel document at:

<http://sfstrategicplan.net/finances/>

OTHER INCOME/EXPENSE			
OTHER INCOME			
50000	Other Income	51000	Tuition Programs - Preschool
50000	Other Income	52000	Tuition Programs - Greek School
50000	Other Income	53000	Tuition Program - Day School
50000	Other Income	54000	Investment Income
60000	Other Income	61000	Hall Rentals
60000	Other Income	62000	Rental Property 1 <i>Customize Name?</i>
60000	Other Income	63000	Rental Property 2 <i>Customize Name?</i>
60000	Other Income	64000	Net Assets Released from Restrictions
TOTAL OTHER INCOME			
OTHER EXPENSES			
70000	Other Expenses	71000	Tuition Program Expenses - Preschool
70000	Other Expenses	72000	Tuition Program Expenses - Greek School
70000	Other Expenses	73000	Tuition Program Expenses - Day School
80000	Other Expenses	81000	Hall Rental Expenses
80000	Other Expenses	82000	Rental Property 1 Expenses
80000	Other Expenses	83000	Rental Property 2 Expenses
80000	Other Expenses	84000	Released to Unrestricted Net Assets
90000	Other Expenses	90000	Building and Capital Improvements
90000	Other Expenses	91000	Depreciation
90000	Other Expenses	92000	Investment Expenses
TOTAL OTHER EXPENSES			
NET INCOME			

Section 8

TOTAL COMMITMENT SHARING PROGRAM (formerly the National Ministries Commitment Program)

Total Commitment Sharing



What Every Parish Needs to Know About National Ministries

1. The online data form must be completed by May 15 (instructions are included).
2. Parishes must submit Income & Expense Statements and Balance Sheets for the previous two years along with the form. Failure to comply with this requirement leads to an assessment of an additional 10% for the National Ministries Commitment of the Parish.
3. Metropolis volunteers review the submitted data. The more documentation or explanation that a Parish offers, the easier it is for our volunteers to complete their work.
4. All of the data are forwarded to the Archdiocese by **July 1**.
5. During **July**, representatives from all metropolises gather to review one another's data for consistency. The Archdiocese then allocates the budgeted National Ministries Commitment to the metropolises in proportion to the aggregate net expenses of their parishes.
6. During **August**, the Metropolis assigns specific allocation amounts to each parish. Parishes can appeal that allocation by **February 1**, following a prescribed format.
7. Parishes are responsible for paying the assigned amount in equal monthly installments at the beginning of each month.

Total Commitment Sharing



- The Metropolis Finance Committee is responsible for administering the parish allocation process.
- Each parish submits 2 years of gross expenditures and deductions, so that each parish's fair share allocation can be calculated. An example of proportional allocation is shown below:

PARISH APPROVED NET-EXPENSES (WITHIN METROPOLIS EXAMPLE)

PARISH A	\$400,000	31.25%
PARISH B	\$225,000	17.58%
PARISH C	\$80,000	6.25%
PARISH D	\$575,000	44.92%
TOTAL PARISH EXPENSES	\$1,280,000	100%

- In order for the allocations to be fair, it is important that parishes not determine for themselves which expenses to report. All activities under the parish's tax ID must be reported on a gross basis, and deductions must be in accordance with the guidelines provided by the Archdiocese Finance Committee.
- Use of the standardized Archdiocese chart-of-accounts will simplify reporting and improve consistency across our parishes.



THANK YOU

Additional information and updates can be found at
<https://sanfran.goarch.org/resources/finance>



GREEK ORTHODOX METROPOLIS OF SAN FRANCISCO
ΙΕΡΑ ΜΗΤΡΟΠΟΛΙΣ ΑΓΙΟΥ ΦΡΑΓΚΙΣΚΟΥ

Metropolis Ministry & Parish Financial Audit Guidelines



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Forward

Dear Metropolis Ministry and Parish Internal Auditors,

Congratulations on being selected and elected for this important task. Auditing the Church's financial records and related controls is a mark of great responsibility that should be taken with seriousness and the highest level of confidentiality. Auditing demonstrates good stewardship for all to see. It is a message to your donors, stewards, and parishioners that you care about their gifts and that you manage them, for the benefit of growing in Christ, in a fiscally responsible manner.

Reasons for auditing are:

- to protect the persons in the church or ministry responsible for handling funds
- to build the trust and confidence of the financial supporters of the church in the way their money is being accounted
- to set habits of fiscal responsibility to assure that when there is a turnover in those who handle funds there will be continuity in accountability
- to assure that gifts made to the church or ministry with special conditions attached are consistently administered in accordance with the donors' instructions and within the requirements of U.S. Generally Accepted Accounting Principles (U.S. GAAP) **[Note: this latter point is of particular importance if the parish has their financials independently reviewed or audited]**
- to provide checks and balances for sums received and expended.

In addition to tracking the cash through the system, internal auditors typically

evaluate:

Accounting controls (systems and procedures that reduce the possibility of loss

or errors)

- Segregation of duties (assurances that more than one person is involved in critical steps in handling money so that there can be checks and balances)
- Reasonableness of systems and procedures in the light of all factors
- Systems for retaining and accessing meeting minutes that have financial implications

This handbook has been put together to make your task easier. Please read it carefully and feel free to add whatever you may find helpful for future auditors. You should also consult the IRS publication:

Tax Guide for Churches and Religious Organizations to be found at <http://www.irs.gov/pub/irs-pdf/p1828.pdf> .



GREEK ORTHODOX METROPOLIS OF SAN FRANCISCO

ΙΕΡΑ ΜΗΤΡΟΠΟΛΙΣ ΑΓΙΟΥ ΦΡΑΓΚΙΣΚΟΥ

Since this the initial version of this document we anticipate suggestions for improvement.

Please send suggestions for improvements to:

George Psefteas, Chair Finance Committee, Metropolis Council of The Greek Orthodox Metropolis of San Francisco, at: finance@sanfran.goarch.org or (925) 309-9050.

Our sincere thanks to those who assisted in preparing and reviewing these guidelines.

George Psefteas

Note: Recognition is to be given to the Diocese of the Western Pennsylvania, Orthodox Church in America, on which these guidelines were based and customized.



Introduction

Why were these guidelines prepared?

- To help build the trust and confidence of the financial supporters of our Metropolis and our parishes in the way their money is being accounted (transparency, trust, and confidence lead to improved patterns of financial support);
- To help protect persons the local church elects to offices of financial responsibility from unwarranted charges of careless or improper handling of funds;
- To assure that when there is turnover in personnel there will be continuity in accountability;
- To help assure that gifts made to the ministry or church with special conditions attached are consistently administered in accordance with the donors' instructions, and thus let donors know their gifts are used as intended.

The person(s) conducting the audit obtain access to confidential information and must treat that information accordingly. The audit performed should be documented and these work papers will help the person performing the work the following year. These work papers should be retained for at least seven years in a secure, limited access, fireproof storage area.

These guidelines were prepared to help parishes improve the oversight of their financial controls and reporting. *These guidelines do not constitute an audit or review as defined by professional standards in the United States.* Rather, use of the term “audit” in these guidelines allows for an evaluation of the financial reports and records and the internal controls of the local church by a qualified person or persons for the purpose of reasonably verifying the reliability of financial reporting and determining indicators as to whether assets are being safeguarded. Inherent in such work is the concept of using limited sampling for auditing and so all transactions are not being verified.

Ideally parishes are encouraged to consider engaging an independent accounting firm to perform a full audit or review in accordance with professional standards. While this is considered a best practice, and is now a requirement of both the Greek Archdiocese of America and all the Metropolises within the Archdiocese¹, it is the size of the parish and the amount of revenue derived from sources other than pledges are a few of the situational variables to be considered when making this decision.

As required under the Uniform Parish Regulations² and Uniform Metropolis Regulations³, the auditor(s) will be selected from the faithful at a Local (Metropolis) or Parish General Assembly, as applicable.

¹ Greek Orthodox Archdiocese Audit Committee; Standards for Metropolis Financial Statements and Audit Committees; Uniform Metropolis Regulations – January 2019

² [Regulations of the Greek Orthodox Archdiocese of America \(January 2019\)](#); Article 33, Sections 1 – 5

³ [Regulations of the Greek Orthodox Archdiocese of America \(January 2019\)](#); Article 12, Sections 6 - 8



What constitutes a “qualified auditor”? As outlined in the Uniform Metropolis and Uniform Parish Regulations, members of the Audit Committee should have the financial competency to execute properly the responsibilities of the committee. What are some examples of financial competency? (Note: these are not mutually exclusive; these are merely examples):

- Candidate is a CPA (whether registered/licensed or not);
- Candidate has some bookkeeping or accounting background;
- Candidate has worked/works in a financial accounting, internal controls, or auditing field;
- Candidate has previously served on parish or other Audit Committees;
- Candidate is now or was previously a Parish Council Treasurer for a time period sufficient to where a financial competency has been developed;
- If more than one auditor is selected they must not be related
- No auditor can be related to anyone on Parish Council who handles any funds.

Although the work outlined here can be performed at any time, it is suggested that it be performed shortly after the end of the fiscal year and for a defined period of time like a month not the whole year.

We hope you will find these guidelines helpful as you work to fulfill your fiduciary responsibility by building upon these suggestions.

Guidelines

The following are suggested steps to be performed. The term Monthly Report means the set of financial reports given to the Metropolis Executive Committee, the entire Metropolis Council, the Parish Council or other oversight group. If you chose not to perform a step, document your rationale . When you have completed the step check the box.

Getting Started

- ☐ Obtain a listing of all bank and investment accounts.
- ☐ Review the list of authorized check signers for propriety and verify against the signature card at the financial institution.
- ☐ Verify the church is the owner of the account.
- ☐ Select (1 or more) months during the year and for all accounts fill in Audit Schedule #1.
- ☐ Agree the beginning, ending, receipts total and disbursements amounts to the Monthly Report.
- ☐ Using the ending balances from Audit Schedule #1, examine the related bank account reconciliation noting that the “book” balances agree to Audit Schedule #1 and that the bank balances agree to the bank statement.
- ☐ Examine supporting documents for items included in the reconciliation (for example, are outstanding checks not more than 30 days old, are they to unusual parties, did they clear the bank the next month).
- ☐ Review the Treasurer’s records to determine monthly bank account reconciliations are being prepared for the other months of the year.
- ☐ Summarize any exceptions in the final audit report.
- ☐ Have all Metropolis Council or Parish Council official meeting minutes available to verify the approval of certain expenditures that may be outside of an approved budget or approved budget threshold (i.e., donation or gift to charity that exceeds 5% of the approved budget line item).

Verifying Income

Gain an understanding of how weekly collections are counted, deposited and recorded into the books. For example:

- ☐ Do two unrelated/independent people count the money?
- ☐ Does the second person initial the deposit slip?
- ☐ Is the money being deposited timely?
- ☐ Select _____ weeks of collections and verify the deposit amount appearing on the bank statement equals the total deposit per the books.
- ☐ Select _____ parishioners and send a confirmation letter (attached in Appendix C) to verify the amount contributed per the books for accuracy. ⁴
- ☐ Select _____ contribution pledge forms and compare the pledge to the total actually contributed.
- ☐ Review the Monthly Reports for other income sources. If significant, test the recorded information and the related controls around the handling of any cash.
- ☐ Inquire as to whether there have been restricted gifts or designated assets and select _____ to verify the gifts were recorded appropriately.

An example of a **restricted gift** would be:

Suppose Jane Doe gives \$10,000 and simultaneously delivers a letter that her gift is to be used to help buy a new furnace. If the gift is accepted, the \$10,000 would be a restricted gift to be accounted for in the church's records as a restricted asset. Jane's letter should be kept in the church's financial records and the money spent only to buy a new furnace.

A second example would be to suppose parishioner John Q. Public gives \$5,000 and writes to say that his gift is to be invested and the income from it used to buy music for the choir. The \$5,000 is a restricted asset.

While both are restricted assets, the money for the furnace is called "temporarily restricted." That means that the donor-imposed stipulation can be fulfilled by the action of the church in deciding to buy that new furnace, then doing it. Assets that are "**temporarily restricted**" can ultimately be spent, though they must be spent for the specified purpose.

⁴ This can be a time-consuming step since any confirmation not returned should be pursued through phone calls or other dialogue. In addition, this activity may require explanation as to why it is occurring. This step is to verify that the contribution made was in fact properly received, recorded and deposited.

The money given by Jack to be invested is “**permanently restricted**,” meaning that the full \$5,000 was stipulated by the donor to be held permanently. Note that the income from the gift is to be used only for a specific purpose. To make a fine point, the income is temporarily restricted in that it can be spent by action of the church in deciding to buy music, but the gift itself is permanently restricted.

These two types of assets should be reported separately. The church cannot change any restriction without the specific consent of the donor, which should be in writing.

Designated assets are those assets that have been voted by the Metropolis or local church’s governing board, such as its parish council or equivalent body, to be used for a particular purpose. For example, suppose the board decides this fall to set aside from money on hand in the amount of \$5,000 to send parishioners next year to an appropriate Assembly meeting. Following the vote, the \$5,000 should be reported as a “designated” asset.

Because the stipulation for its particular use was made by the church itself, that stipulation (or designation), can be changed by the action of the body that put it in place. There is no other party involved as in the case of the receipt of restricted gifts. Next year, if the board decides, the \$5,000 can be better used for some other purpose, it can vote to apply the money for that purpose.

Exceptions should be summarized in the final audit report.

Verifying Disbursements

- ☐ Obtain the minutes from all Metropolis Council or Parish Council meetings during the year. Review for restrictions and designations (for use in the steps above which tested income), as well as disbursement authorizations.
- ☐ Select _____ disbursements from the cancelled checks and verify the disbursement:
- ☐ Was recorded in the books correctly and timely
- ☐ Was authorized (from review of minutes or other correspondence)
- ☐ Agrees with the invoice being paid (amount and payee)
- ☐ Was consistent with an underlying restriction or designation if applicable
- ☐ Determine that invoices are being marked as paid to prevent double payment
- ☐ Summarize any exceptions in the final audit report.

Compensation and Taxes

- ☐ Verify appropriate tax returns are being timely filed (Form 941, W-2 and 1099).
 - ☐ Any contract worker for the church for whom you do not take out any taxes from their fees must be given a 1099 at the end of the year. For example, if the person who cleans your church is a private individual and you pay them a set fee each week, they must be given a 1099 at the end of the year.
- ☐ Verify current W-4's and I-9's are on file for all employees.
- ☐ Determine if the clergy has elected to have social security taxes withheld or not. If the taxes are to be withheld, verify that withholdings are occurring and being remitted.
- ☐ Verify the amounts actually paid in total to employees agree with the compensation per the Monthly Report and with the authorized amount of pay.
- ☐ If there are any other pay related arrangements or bonuses, review for proper approval.
- ☐ Verify that housing allowances are approved and have properly reduced the clergy's taxable income.
- ☐ Summarize any exceptions in the final audit report.

Overview of Controls

The internal control structure for receipts and disbursements procedures should be reviewed regardless of the size of the church. The internal control structure is the process that assures the local church's operational efficiency and effectiveness, that its financial reporting is reliable, and that its assets are safeguarded. Hold discussions and look for improvement ideas to include in the Audit Report.

Areas to consider include:

Segregation of duties:

- ☐ Important duties should be segregated among two or more persons, if possible. In small churches this may be difficult, but not impossible. Here are some examples. The financial secretary and the church treasurer(s) should not be related. These should be separate offices occupied by different individuals, who are not related by blood, marriage or employment relationships.
- ☐ The person(s) performing the audit should not be related to either the financial secretary or church treasurer.
- ☐ At least two persons should count the Sunday morning collections and they should not be related to each other nor should either one be the financial secretary or church treasurer.
- ☐ Receipt and disbursement functions should be performed by different people.

Authorization for Disbursements:

- ☐ Are there actions in the minutes of the board that address authorizations? In the local by-laws (if applicable)?
- ☐ The check signer should not be the authorizer of expenditures or the person who performs bank reconciliations.

Other:

- ☐ Does the church have fidelity bond coverage for people handling funds (i.e., counters, financial secretary, treasurer, etc)?
- ☐ Are decisions with financial implications being documented in minutes in sufficient detail?
- ☐ Are checks and cash stored in the church safe, deposited or placed in a bank night depository, and not taken to private homes or elsewhere until deposited?
- ☐ Are computer software and data files backed up on a regular basis, and are back-ups kept off the premises?
- ☐ Do all appropriate persons have a clear understanding of and is there documentation on church ownership of software and data files?

- ☐ Is a current list of the contents of all safety deposit boxes maintained, and is a list of persons with authorized access likewise kept?
- ☐ Are reports to the finance committee and board accurate, timely and complete enough to provide necessary information for the committee to make prudent decisions? Is the oversight board asking questions? When they review the Monthly Report?
- ☐ If being utilized, is the finance committee providing to the board sufficient information to allow it to exercise its fiduciary duties; are members of the finance committee and the board free to express opinions and to question management when appropriate?
- ☐ Are loan documents being read and complied with?
- ☐ Is there a policy on records retention, and if so, is it complied with (generally 7 years)?
- ☐ Does the church have procedures in place to review its insurance policies for adequate coverage?
- ☐ Summarize any exceptions in the audit report

Appendix A

Audit Schedule #1

Monthly Audit Report

For the Period Beginning: _____, and Ending: _____

LOCAL CHURCH FUNDS (Use those applicable to your Church).	(a) Balance at Beginning of Period	(b) Cash Received and Recorded	(c) Total Disbursements for Period	(d) Transfers + (-)	(e) Balance End of Period
General Fund					
Benevolence Fund					
Building or Improvement Fund					
Board of Trustees' Fund					
Women's Group					
Youth Group					
Men's Group					
Church School					
Other Organizations or Funds:					
Name:					
Name:					
Name:					
Name:					
Name:					
Name:					
Total amount of cash in all treasuries of the church.	\$	\$	\$	\$	\$

Appendix B

Audit Report (to be issued by Internal Auditors)

Fiscal Year _____

All planned audit steps were performed except for:

Exceptions found in the testing were:

Recommendations for improvements are:

Respectfully submitted:

Signed: _____

Date: _____

Appendix C

Donation Confirmation Letter

(Parish Letterhead)

MMMM DD, YYYY

Parishioner's Name

Parishioner's Address

City, State Zip

Dear _____:

In connection with an examination of our parish accounts, please confirm your donation to [insert parish name] as of December 31, ____.

Donation in the Amount of \$_____intended for use in [insert appropriate fiscal year] not restricted [or restricted, if appropriate, as to use].

If the above information is consistent with your records, please sign the confirmation below and return it directly to me. If your records do not confirm the above information, please note your exceptions below. A business reply envelope is enclosed for your convenience in replying.

Thank you.

Parish Auditor

Appendix D

Sample Pre-Audit Questionnaire⁵

Prior to the current year Audit, the Internal Auditor(s) may choose to ask certain questions in advance to prepare for the sampling and review at a later date. The following are the questions and answers. Most of the questions were answered are typically answered by the Parish Treasurer or Ministry Lead.

Question	Answer
1. How are accounting records maintained?	Treasurer's procedure manual addresses this.
2. Are financials prepared and presented at least once per year to the membership at large? If so, how are the financials prepared and what is presented? Please provide a copy of the full year financials presented to the membership, if any, for each of the years xxxx through yyyy.	The treasurer presents the Profit & Loss (Income) Statement once a month during the monthly PC meeting. This is an agenda item for every meeting.
3. Who are the current signatories and those with online banking permission? Who makes changes to these when positions change?	The PC President, Vice-President, Treasurer and Secretary are current signatories. The current President makes the changes after annual elections.
4. Where are records maintained? Where is check stock maintained?	The treasurer maintains current records and check stock.
5. Does anyone on the Board, Council, or general membership audit check stock in terms of sequence or voided items?	Voided checks & check sequence were included during the last audit. Any member may request to review any financial transaction.
6. Please provide a list of all voided checks from xxxx through yyyy. A sample will be reviewed.	List will be provided at the audit meeting.
7. Does the parish provide an accounting to the Metropolis or the Archdiocese (i.e., for Total Commitment purposes)? If so, please provide copies from xxxx through yyyy.	We are obligated to provide information when requested and specifically for the annual Total Commitment Process.
8. Who makes deposits? Who writes checks? Who performs the accounting? Who does the bank reconciliations?	Current Treasurer, Assist. Treasurer, President or any assigned office staff may make a deposit.
9. Please provide a list of all written but uncleared checks at December 31/xx. Alternatively, please provide copies of the bank reconciliations at December 31 xxxx, yyyy, zzzz and aaaa.	These will be provided at the audit meeting.

⁵ Sample derived from Ladies Philoptochos Society of Resurrection Parish in Castro Valley, CA

The Greek Orthodox Metropolis of San Francisco

Metropolis Accounting & Financial Policies and Procedures

(Required for use within the Metropolis of San Francisco.

Recommended for Parishes within the Metropolis)



April 2023 (Approved update)

The effective date of all accounting policies described in this manual is January 2023. If a policy is added or modified after this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

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INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to THE GREEK ORTHODOX METROPOLIS OF SAN FRANCISCO, which shall be referred to as “Organization” or “the Organization” throughout this manual.

THE GREEK ORTHODOX METROPOLIS OF SAN FRANCISCO is incorporated in the state of California. Organization is exempt from federal income taxes under IRC Section 501(c)(3) as a nonprofit corporation, whose tax-exempt mission is to:

Proclaim the Gospel of Christ; Teach and spread the Orthodox Christian Faith; and energize, cultivate, and guide the life of the Church in the Western United States of America according to the Orthodox Faith and Tradition.

We accomplish our mission by:

- Overseeing 60 parishes in the western region of the Greek Orthodox Archdiocese of America.
- His Eminence Metropolitan Gerasimos leads over 150,000 Greek Orthodox faithful in Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington.
- Under the direction of His Eminence, the Metropolis supports the ministries and work of local parishes and through the life of the parish, extends its support to both clergy and laity.
- The Metropolis has developed thirteen distinct Ministries which support the unique needs of its parishes and provides spiritual and educational programs for the preservation and perpetuation of our Orthodox faith and Hellenic culture, as well as social and outreach activities to support local and international communities.
- In addition to our parishes, there are also three vibrant monastic communities:
 - St. Anthony Monastery in Florence, Arizona
 - The Monastery of the Theotokos the Life-Giving Spring in Dunlap, California
 - St. John the Forerunner Monastery in Goldendale, Washington
- Raising funds to accomplish the organization’s mission and goals.

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The Metropolis Council approved the contents of this manual as official policy of the Organization. All Organization staff is bound by the policies herein and any deviation from established policy are prohibited.

ORGANIZATIONAL STRUCTURE

The Role of the Metropolis Council

Its Metropolis Council governs the Organization, which is responsible for the oversight of the organization by:

1. Planning
2. Establishing broad policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting the organization's mission to the faithful
5. Soliciting prospective contributors
6. Supporting the Metropolitan (the Chief Executive Officer/CEO)
7. Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants

Committee Structure

The Metropolis Council shall form committees in order to assist in fulfilling its responsibilities. These committees parcel out the work to smaller groups, thereby removing the responsibility for evaluating all the details of issues from their consideration.

Standing committees consist of the following:

Audit Committee

- Comprised of at least three members in order to conduct internal audits, review internal financial statements, and verify the existence of accounting procedures.

Finance Committee

- Responsible for overseeing the financial operations of the Metropolis, including the administration of the Total Commitment Program at the Metropolis level, and the implementation of Financial Controls and Procedures

Ad Hoc committees consist of the following:

Arts and Architecture Committee

- Responsible for working with local parishes to ensure consistent and artistic standards throughout the Metropolis

Fundraising and Development Committee

- Responsible for overseeing the stewardship ministry for the Metropolis (Faith Forward), and all other fundraising initiatives and events including the biennial Gala and special campaigns

Legal Committee

- Provides legal services and advice to the Metropolis, as well as, to parishes as needed, excluding any litigation.

Insurance and Real Estate Committee

- Responsible to assure that the Metropolis' insurance coverage and real estate transactions are handled properly, as well as, advising parishes contemplating of buying or selling properties or encumbering their existing properties

OVERVIEW OF THE ACCOUNTING SYSTEM

Conformity with Generally Accepted Accounting Principles (GAAP)

The Metropolis of San Francisco has adopted the accrual basis of accounting for its financial statements, which provides for functional classification of expenses while maintaining natural expense accounts.

Additionally, the classes of net assets will have two classes of “Net Assets” – net assets with donor restrictions and net assets without donor restrictions. Further, enhanced disclosures regarding the *composition* of net assets with donor restrictions. It is appropriate from time to time for the Metropolis Council to provide self-imposed designations of the use of assets without donor-imposed restrictions.

It is a GAAP requirement for the publication of financial statements to include:

- Statement of Financial Position
- Statement of Activities
- Statement of Cash Flows

SEPARATION OF DUTIES

Separation of duties for the purpose of ensuring fiduciary oversight

Metropolis Council Treasurer or Metropolitan (based on availability):

1. Reviews and approves all contracts, following legal and other required reviewed based on nature of contract
2. Reviews and approves all disbursements
3. Reviews all checks and is a signatory on all checks > \$5,000
4. Orders checks, deposit slips and other bank supplies as needed or designates office staff to do so
5. Maintains ongoing relationship with bankers or designates office staff as primary contacts
6. Reviews monthly Cash Summary for all Bank Accounts (coordinates level of review with Chancellor)
7. Reviews monthly bank reconciliations all Bank Accounts (coordinates level of review with Chancellor)

Chancellor:

1. Reviews and approves all contracts, as required by Metropolitan, and approves all disbursements (provides Expenditure and Payment authority)
2. Compares weekly check detail with disbursement report from bank
3. Reviews and approves weekly check detail
4. Reviews monthly Cash Summary for all Bank Accounts
5. Reviews monthly bank reconciliations all Bank Accounts
6. Signs checks if Metropolis Council Treasurer Ex Officio is unavailable.

Chair, Finance Committee:

1. With the Metropolis Council Treasurer, and Chancellor, develops the annual budget for review by the Finance Committee for presentation to the Metropolis Council for approval
2. Receives and reviews monthly budget/actual financial results and provides comments and reporting to Treasurer and Executive Committee and Metropolis Council at the direction of the Treasurer or Metropolitan
3. Acts as primary liaison with independent bookkeeper and CPA firm conducting annual Review Engagements/Audits
4. Oversees the two subcommittees of the Finance Committee – Financial Procedures and Controls and National Ministries Allocation – and provides updates to procedures and controls, in coordination with the Chancellor, Treasurer, and other Finance Sub-committee Chairs.

Independent Bookkeeper and/or designated office staff:

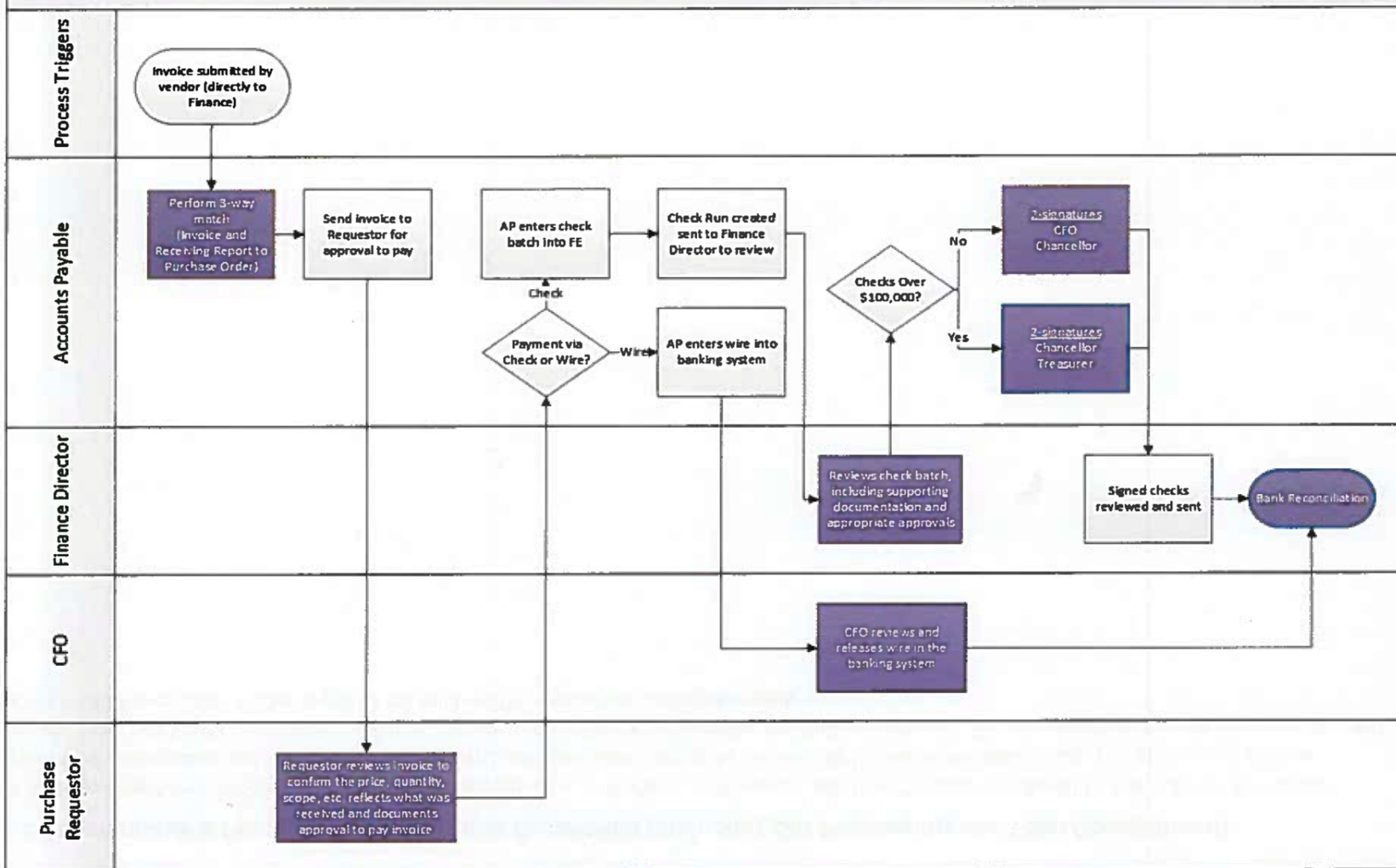
1. Reviews and posts cash receipts for donations
2. Prepares invoices for reimbursable expenses
3. Prepares bank reconciliations
4. Enters invoices in Accounts Payable
5. Prepares weekly checks for payables
6. Processes regular Advocates credit card donations and updates General Ledger for payment
7. Prepares and balances quarterly operating expense report for approval by the Metropolitan
8. Prepares monthly financial statements including Statement of Financial Position, Statement of Activities, Statement of Cash Flows for review by the Metropolis Finance Committee chair, Metropolis Treasurer, and Chancellor
9. Prepares year-end financial statements for the outside auditor, and coordinates the annual audit providing the auditor with all required information and materials

ADDENDUM

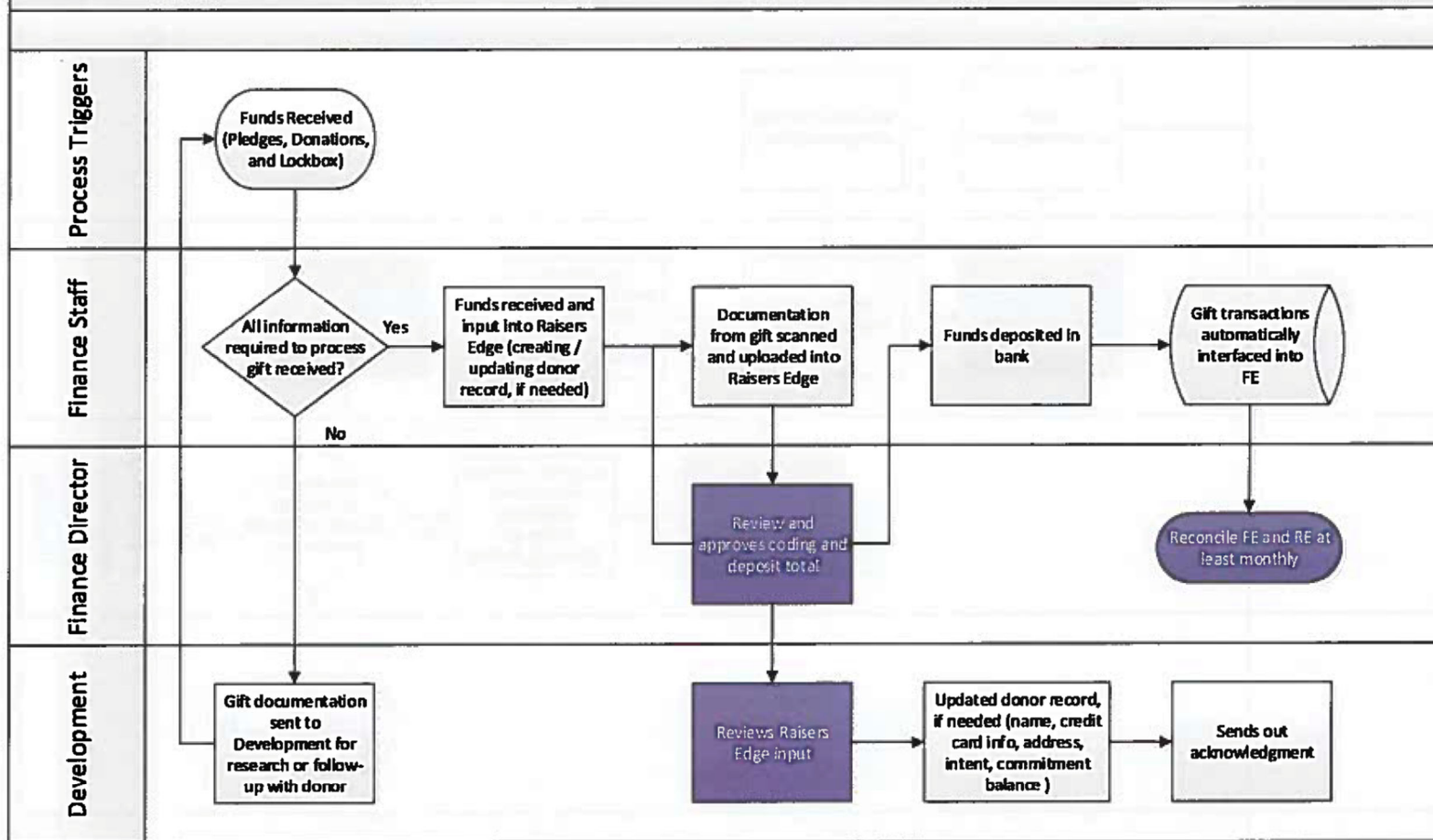
Process Flow and Best Practices

(incorporated with permission from the Greek Orthodox Archdiocese of America)

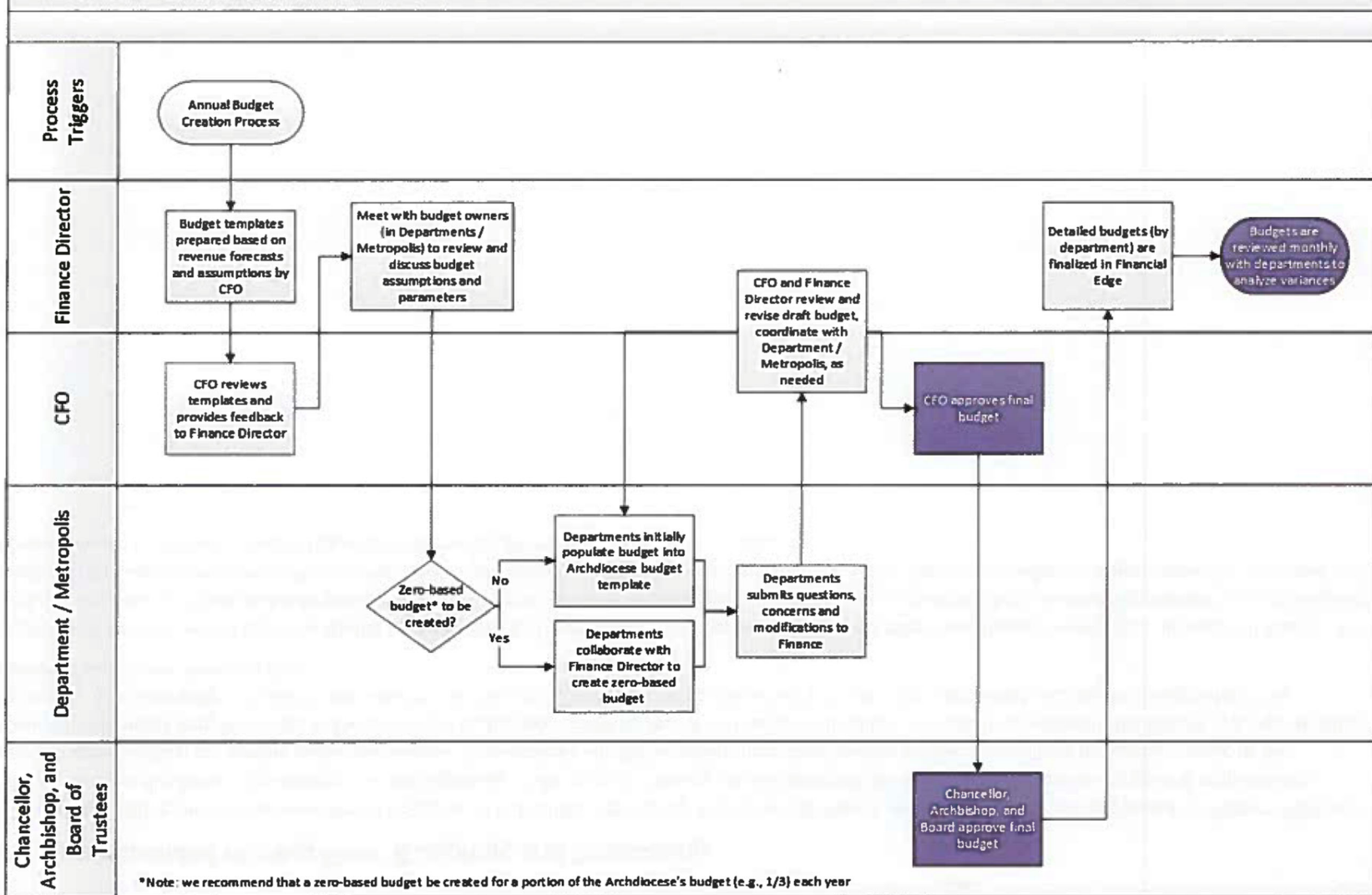
Greek Orthodox Archdiocese – Accounts Payable



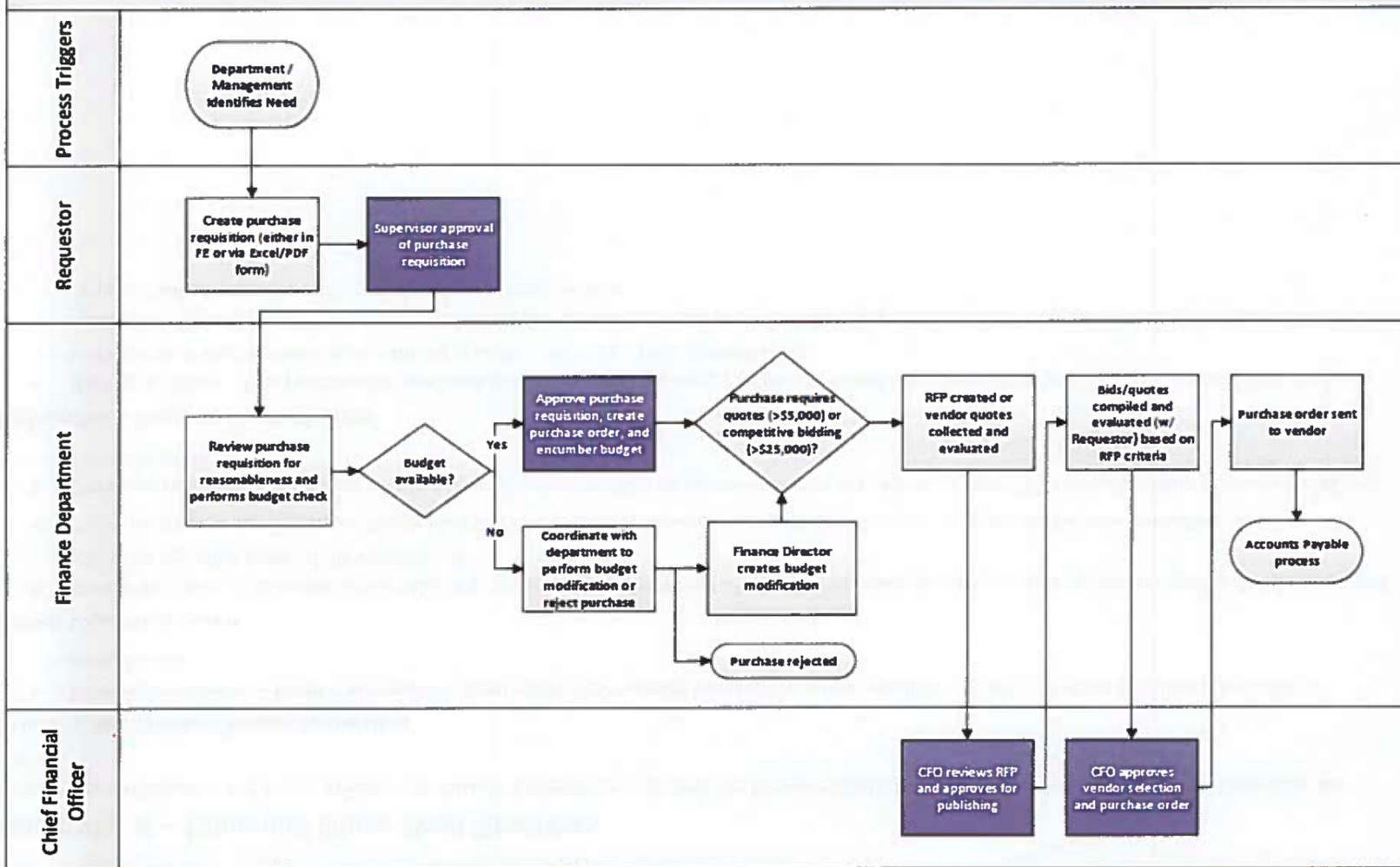
Greek Orthodox Archdiocese – Accounts Receivable (Gift Processing)



Greek Orthodox Archdiocese – Budgeting



Greek Orthodox Archdiocese – Procurement



ACCOUNTS PAYABLE

Invoice submitted by vendor

Executive Assistant/Admin:

- Performs 3-way match (Invoice, Receiving report and Purchase Request Form)
- Forwards invoice to Requestor (Department head/Ministry Leader) for approval to pay

Requestor:

- Reviews invoice to confirm the price, quantity, scope, etc. Reflects what was received and documents the approval to pay invoice (Dates and Initials the invoice)

Bookkeeper/Executive Assistant or Admin:

- Enters check batch into QuickBooks

Checks are sent to Director of Ministries & Administration for review

Director of Ministries & Administration

Reviews check including supporting documentation and appropriate approval

Checks over \$5,000?

NO = 2 signatures a) Director of Administration

b) Chancellor

YES = 2 Signatures a) Chancellor

b) Treasurer or Metropolitan

Executive Assistant or Admin:

Signed check is sent to vendor

Bank Reconciliation

Best Practice: Must be completed by an individual not involved with bank deposits (i.e., independent bookkeeper performs monthly bank reconciliations for all bank accounts and credit cards).

Accounts Payable Workflow:

Executive Assistant/Admin Duties

Independent Bookkeeper Duties

- Invoice is received in office either via mail or email
- Office writes the GL account(s) to be coded to on the invoice (a copy of the Chart of Accounts should be available in print or electronic form to assist with this effort)
- The coded invoice is taken to Chancellor, or appropriate level, for review and expenditure approval.
- The approved and coded invoice is scanned to be a PDF
- The PDF is renamed with the vendors name / date received
- The PDF is uploaded into OneDrive folder "Unprocessed Invoices (Payables)"
- All invoices should be coded and placed in the OneDrive folder within one week of receipt
- Bookkeeper enters the invoice into Quickbooks Online (QBO) as a bill.
- Twice per month, an accounts payable aging schedule is run to determine bills coming due
- A list of checks to be issued is emailed back to the office.
- The checks are issued via handwritten check, or utilizing the QBO check printing system, with this latter being the preferred method.
- Once checks are generated, they are taken to get the required signatures.
- Once signed, the checks are mailed.
- Once mailed, reply to the email from Bookkeeper confirming payments have been issued.
- Bookkeeper marks the bills as paid in Quickbooks Online.
- When checks clear the bank account, Bookkeeper matches them against the payments.

Prepared by: David Callahan, Myst Bookkeeping

Reviewed and approved by: George Psefteas, Chair Finance Committee, Metropolis of San Francisco

Date updated: December 23, 2022

ACCOUNTS RECEIVABLE (GIFT PROCESSING)

Funds Received (Pledges, Donations, and Lockbox)

Director of Communications, Executive Assistant, or Admin:

All information required to process gift received?

YES, Funds received and input into Donor Perfect (DP) system creating/updating donor record, if needed

Documentation from gift scanned and updated into DP

Funds deposited in bank

Gift transactions automatically interfaced into QuickBooks

Director of Ministries & Administration, Executive Assistant, Independent Bookkeeper:

Review and approves coding and deposit total

Reconciles PDS and QuickBooks at least monthly

Director of Communications / Admin:

Update donor record, (name, credit card info, address, intent, commitment, and balance)

Sends acknowledgement

PAYROLL

Normal pay cycle/payroll change: new hire, termination, promotion salary adjustment

HR/Payroll is managed and processed by Archdiocese for the Metropolis. Parish to add their own procedure here, incorporating the below if it makes sense to do so:

Chancellor

Reviews and approves Non-Exempt time sheet.

Reviews and approves all Metropolis sick/vacation time

Director of Ministries & Administration:

Maintains sick/vacation days and submits data into ADP portal

Metropolis Council Executive Committee:

Considers salary changes, annual gifts and/or bonuses

Communicates changes, via Chancellor, to Archdiocese HR

Archdiocesan HR & Finance Representatives:

Maintains employee records and submits changes (e.g., address, compensation)

Input payroll into ADP system

Creates required Cash voucher and sends to AP to process payroll wire

Advises Metropolis for journal entry into QuickBooks

PROCUREMENT

Department/Management/Identifies Need

Requestor must use Purchase Requisition Form

Supervisor approval

Director of Ministries & Administration

With input/assistance from Executive Assistant and Independent Bookkeeper:

Review requisition for reasonableness and performs budget check

If budget is available then Approves purchase requisition, create purchase order, and encumber budget. Purchase requires quotes (> \$x,xxx) or competitive bidding (> \$xx,xxx)?

If no budget is available then Coordinates with department to perform budget modification or reject purchase

Finance creates budget modification for the purchase

RFP created or vendor quotes are collected and evaluated

Treasurer

Review RFP and approves for publishing

Bids/quotes compiled and evaluated (with Requestor) based on RFP criteria)

Approves vendor selection and purchase order

Executive Assistant and/or Director of Ministries & Administration

Purchase order sent to vendor

See Accounts Payable process upon receipt of invoice

METROPOLIS PURCHASE PROCEDURE

All purchases, regardless of purpose or amount, must be approved by the Metropolitan or His designee prior to actual purchase. It is the responsibility of the employee initiating the purchase request to provide the following information:

1. Item
2. Statement of Need/Purpose
3. Estimated cost (provide written quote, if available)
4. Name of Vendor
5. Alternate vendors and cost (if item is estimated to be more than \$500)

Once pre-approval is granted, the actual purchase will take place and payment will be made in one of the following ways:

1. Metropolis Credit Card - the initiator of the purchase request will provide to the Metropolis Office the name of the vendor, item and date of purchase, and the total amount paid.
2. Metropolis Check - the initiator of the purchase will provide the invoice and all supporting documentation referenced above to the Metropolis Office (presently Presbytera Aliko Kyriacou) to prepare a check. She will then present the check to the person who pre-approved the purchase and, after final approval, the check will be signed by two of the four individuals who have signature authority and who are available at that time.

Regardless of the payment method, the Metropolis Office will record in the General Ledger the details of the purchase.

No purchases will be made by any employee of the Metropolis without approval as specified above unless there is an emergency or extenuating circumstances and the purchase is justified as critical and time sensitive. In this case, the employee will be reimbursed accordingly.



PURCHASE REQUEST FORM

Employee Name: _____ **Today's Date** _____

Item: _____

Statement of Need/Purpose: _____

Estimated Cost: \$ _____

Name of Vendor: _____

Please attach copy of written quote (required if purchase is over \$500).

If the item(s) to be purchased are estimated to be over \$500, please provide at least one additional quote for the cost of these goods and services:

Estimated Cost: \$ _____

Name of Vendor: _____

Please attach copy of written quote (required if purchase is over \$500).

Approved By: _____ **Date** _____

BUDGETING

Metropolis Budget and Procedures

Brothers and Sisters in Christ,

As we approach the end of the calendar year it is time once again to develop the Metropolis financial operating budget for the upcoming year.

We realize that all our Ministries and Departments are unique and therefore have unique needs. The budget templates that accompany these guidelines should allow sufficient flexibility to meet those needs but will also provide the needed visibility to the Metropolis office and Metropolis Council Financial Procedures & Controls Subcommittee in putting together the overall budget for the Metropolis, as well as the Metropolis Council Executive Committee in reviewing actual performance against budget on a monthly basis. What follows are general budgeting guidelines for all to adhere to in the preparation of individual budgets in addition to targeted guidelines for the three types of Ministries we have within the Metropolis. Please direct any questions to Paul Gikas, the Director of Metropolis Ministries and Administration, or to myself, George Psfteas, Chair of the Metropolis Finance Committee.

As background, it is important to understand the budget process timeline for the Metropolis. The budgeting process begins in the fourth quarter of each year with the exercise outlined in this document. In other words, the budget process begins with each of you. This is where individual Ministry and Department needs are developed and incorporated into the overall Metropolis budget for the coming year. All submissions are compiled and reviewed by the Finance Committee and an overall budget is presented to the Executive Committee of the Metropolis council for further review and changes, if necessary. The Executive Committee endorses the budget and presents it to the Metropolis Council for approval. Once approved by the Metropolis Council, the budget is presented to the entire Metropolis Clergy Laity Assembly in attendance early in the following year, where final approval is received following a vote.

Thank you.

General Budget Guidelines

The mindset we should all be following in building our budgets is that of starting from scratch, without regard to the prior-year budget or actual results – start from a “zero base.” This approach is intuitively called zero-based budgeting. This approach forces each of us to examine every source of revenue and every cost/expense and justify first, whether they are valid and warranted, and second, what those amounts are expected to be in the coming year based on the objectives we have set out for our individual organizations (department or Ministry). All expenses are judged and must be justified in order to remain in the budget.

In some cases, it makes sense for each of us to look for a benchmark to set spending goals. We can easily look at the prior year's budget and adjust it a few percentage points up or down and this is an acceptable approach for largely fixed, recurring expenses (i.e., utilities, rent, bank charges). Other expenses may be tied to the sources of revenue – the more revenue, the more proportional expense in some cases (i.e., more kids coming to camp, more expenses likely). In all cases, however, we are to approach the budget exercise as a clean sheet of paper and with our upcoming objectives in mind, build our revenue and associated expenses.

Procedurally, budget templates are provided with this document that are generic to a degree. **We ask that those budget templates be filled out with as much detail as possible and returned to the Metropolis office no later than the end of November.** If assistance is needed in developing a budget, please contact either Paul Gikas (pgikas@sanfran.goarch.org) or George Psefteas (George.psefteas@gmail.com), either of which will be happy to assist. Ministries and departments that do not submit their templates by the requested date will be assigned a budget by the Metropolis office for which they will be held accountable.

On a go-forward basis, we will provide each Ministry with quarterly actual/budget amounts on these same templates.

The purpose of this is to provide transparency with what the Metropolis financials have recorded for the financial activity of your Ministry as well as to provide each of you with an accounting to foster discussion and correction of course for the remainder of the year should that be necessary. Reports will be provided to you no later than one month following the financial close of each quarter.

Templates and guidance have been partially customized for the general expenses of the Metropolis and each of the three types of Ministries that fall under the guidance of the Metropolis. Those guidelines and templates follow.

I. Expenses Fully Funded by Metropolis General Revenues

The expenses fully funded by Metropolis General Revenues are largely those associated with maintaining the Metropolis office (other than salaries), the calendar of His Eminence, The Metropolitan (including travel and honoraria from the Metropolis), the calendar of The Chancellor of the Metropolis (including travel and honoraria from the Metropolis), Metropolis House, and the Hellenic Education and Culture Committee.

The “general” revenue sources covering the aforementioned expenses are largely coming from the annual Archdiocese Total Commitment (TC) and TC Sharing¹, donations directly to the Metropolis (i.e., Faith Forward), and the Metropolis Ministry Funding Sharing coming from all parishes in the Metropolis.

The Financial Procedures & Controls Subcommittee and Executive Committee of the Metropolis Council, with input from Metropolis office staff and others, prepare the budget and the Metropolis office, headed by the Chancellor and the Metropolitan, is responsible for these categories of revenue and expense.

II. Ministries Fully Funded by the Metropolis Strategic Plan Accounts

The Ministries and departments fully funded by the Metropolis Strategic Plan accounts (other than payroll where applicable) are the following named:

- Family Wellness Ministry (George Papageorge)
- Christian Education (Dr. Eve Tibbs)
- Clergy Continuing Education (Fr. Dino Pappademos)
- Missions & Evangelism (Thomaida Hudanish)
- Parish Strategic Planning & Leadership Development (Steve Tibbs)
- Stewardship (Steve Pappas)
- Metropolis Website (Kristen Bruskas)
- Youth Website (Johanna Duterte)
- Ministries Office (Paul Gikas)
- Development and Communications (Kristen Bruskas)

Revenue to support these Ministries and Departments is provided from past years’ Metropolis Gala net income, raised specifically to support the growing Ministries of the Metropolis. This source of revenue is limited and provided by the generosity of faithful stewards across the Metropolis who believe in the Strategic Plan of the Metropolis and want to see its Ministries flourish. The Metropolis, and each of us therefore, has a fiduciary duty to each of these stewards to spend wisely as we grow each of our Ministries.

¹ The Archdiocese TC and TC Sharing refers to an amount from the Greek Orthodox Archdiocese of America that is essentially reimbursed to the Metropolis if the annual “Supreme” number is met from the annual allotments made to the Archdiocese from the collective parishes in the Metropolis. The number is derived as 25% of the amount received by the Archdiocese in excess of the Supreme number calculated for the Metropolis. Payment is not guaranteed and is lagged by a number of months following the end of the calendar year.

Budgets should be realistic and based on the goals and objectives each of us have set out for our individual Ministries for the coming year. Budgets will be reviewed by the Finance Committee of the Metropolis Council and will be discussed individually with each Ministry head should adjustments need to be made.

III. Self-funded, Pass-through Ministries

The self-funded, pass-through Ministries are those that have their own source of revenue and are therefore responsible to budget both income and expenses but arrive at a net income of no less than zero within the overall Metropolis budget. In other words, these Ministries cannot incur a loss as the Metropolis will be unable to cover losses. These Ministries are, by name:

- Greek Village Immersion Camp
- Office of Youth & Young Adults
- Camp Programs (St. Nicholas Ranch Summer Camp; St. Nicholas Ranch Winter Camp; other like programs)
- Faith, Dance, Fellowship; **see below section**
- Young Adult (YAL) Conference

The principles of zero-based budgeting apply equally here, although the challenge is two-fold in that revenue projections should be based on a challenging-yet-attainable objective for the coming year and associated expenses should be commensurate with revenues. Any net income will be applied against the other operating needs of the Metropolis. Any potential net loss should be identified early and corrected/covered by reducing further expenses from the point identified or engaging in fundraising to make up any shortfall.

IV. Self-funded, Self-governed Ministries

The self-funded, self-governed Ministries are those that have their own charter, their own governance board, and their own source of revenue and are therefore responsible to budget both income and expenses outside the Metropolis budget and financial accounts. While these are Ministries under the umbrella of the Metropolis, some of which may receive partial funding from the Metropolis, they are considered day-to-day independent from a Metropolis budget and finance perspective, but they are still required to be reported in the financial statements, and therefore the budget, of the Metropolis. The one notable exception is the Ladies Philoptochos Society, which is not required to submit either a budget to the Metropolis nor is it required to report actual financials together with the Metropolis financials.

These Ministries are, by name:

- Church Music Federation
- FDF (see above section)
- St. Nicholas Ranch & Retreat Center

As a result of their self-governing nature, budget templates have not been provided for these Ministries as it is assumed each Ministry has their own. If any of the Ministries would like to have a budget template provided for their use, please contact the Metropolis office (Paul Gikas) to make the request and one will be provided, along with budget assistance if needed.

Despite the independent nature of these organizations, the Metropolis is required to incorporate/consolidate the financial activity of these ministries in its overall financial reporting, in accordance with Generally Acceptable Accounting Principles. In addition, the Metropolis requests quarterly budget/actual financial reporting from each of these Ministries to foster transparency and to facilitate discussion if/when needed.

This budget procedure became effective with the preparation of the 2019 Metropolis budget and reporting became effective following adoption of the budget by the Metropolis Clergy-Laity Assembly in early 2019. Updates to these procedures were last made in November, 2021 in preparation for the 2022 fiscal/calendar year budget and financial reporting cycle.

Questions specific to Ministry revenues or expenses should be directed to Paul Gikas at the Metropolis office (pgikas@sanfran.goarch.org). Questions regarding this procedure or the templates and guidelines provided should be directed to the Finance Committee of the Metropolis Council (finance@sanfran.goarch.org). Thank you.

BEST PRACTICES

Separation of duties is the keystone of a sound internal control system

Receipts

- Written Policies/Procedures
- Two persons control until counted
- Advise donors to use checks instead of cash
- Reconcile Parish Data System to accounting system each month
- Monthly bank reconciliations performed by objective party, who does not have recording responsibilities

Disbursements

- Written Policies/Procedures
- Set appropriate thresholds/limits for approval (dual signatures)
- Authorized check signer should not have recording function, and vice versa
- Custody of check stock, bank cards and passwords is properly restricted
- Voided and canceled checks must be properly noted
- Monthly bank reconciliations performed by objective party, who does not have recording responsibilities
- Adequate review of all requests for reimbursement

METROPOLIS EMPLOYEE TRAVEL PROCEDURE

The purpose of this procedure is to assist the Metropolis Employees in following the same process when traveling and that all documentation related to travel has been provided.

I. ***Prior to travel***, every Metropolis Employee will prepare the **Travel Expense Form** which is part of this procedure by specifying the travel dates, travel destination, purpose of travel and estimated cost. This information will then be submitted to the Metropolitan for approval. In case the Metropolitan is not available, His designated representative may approve the travel request.

2. ***At the conclusion of the approved travel***, the traveler (employee) will provide receipts of all travel related expenses such as airfare, ground transportation, lodging and meals as applicable and present them to Presbytera Alikí Kyriacou along with the approved travel form.
3. Presbytera Alikí Kyriacou will prepare a check, payable to the traveler (employee) for reimbursement. She will submit the check, along with the supporting documentation to the Metropolitan for approval.
4. The check, once approved by the Metropolitan or His designee, will be signed by two of the four individuals who have signature authority, with the stipulation that neither of the two signers should be the recipient of the check.
5. Presbytera Alikí Kyriacou will post the travel expense in the General Ledger, including the name of the traveler and with a notation that details of this approved travel are on file in the individual's travel

folder.



TRAVEL EXPENSE FORM

Employee Name: _____ Today's Date _____

Dates of Travel: *From* _____ *to* _____

Travel Destination: _____

Purpose of Travel: _____

*Costs:	Estimated	Actual
Airfare:	_____	_____
Lodging:	_____	_____
Car Rental:	_____	_____
Mileage (<i>.55.5 ¢ per mile</i>):	_____	_____
Meals:	_____	_____
Miscellaneous: <i>Please specify:</i>	_____	_____
TOTAL:	_____	_____

Approved By: _____ Date _____

METROPOLIS EMPLOYEE EXPENSE REPORTING PROCEDURE

Reporting

Staff (and volunteers if applicable and authorized) should report each expense under the specific date when the expenditure occurred. Automobile mileage or flight expenses should be reported on the specific days of departure and return. For example, you should record the expense of your departure flight on the day you leave, then write down the price of the return trip when you return. Also, If you drive 100 miles to and from the airport, divide your mileage in half. Next, multiply the company mileage allotment (i.e. [\\$0.14 cents per mile](#)) by 50 miles and record it under the day of departure. Subsequently, report the other half of both the return flight and drive home on that exact date. Record all expenses in succession on the expense report. It helps to arrange your receipts by day ahead of time, which can save you time. You will need to write in specific dates on the expense report, as these spaces are usually blank. Finally, add the sums of daily expenses vertically, then calculate your totals for each type of expense horizontally. Subtract out any advance payments the company provided from those that are due you. Make sure you double check your calculations before turning in your expense report.

Receipt Requirements

1. You should keep all of your receipts, including cab and ride-share fare, each time you spend money on your trip. Generally, you will only be required to include receipts for meals that exceed five dollars. Still, keeping all receipts will better help you accurately report your expenses. Additionally, make sure you attach all required receipts to your expense report. Besides meal receipts over five dollars, attach receipts that exceed \$25 for all other expenses. This requirement applies regardless of whether the Metropolis Travel Card (BoA issues) was used. Please also note that the receipt is what is provided by the vendor showing the itemization and applicable taxes – a credit card slip/receipt is not the same as, or substitute for, the actual vendor receipt.

Non-Reimbursable Expenses

1. Some expenses cannot be included on your expense statement. For example, you should never include parking tickets, excessive baggage expenses or payments for family members on your expense statement. If you spend extra days in a particular city for vacation, do not add those expenses to your expense report. For more guidelines on non-reimbursable expenses, check with the Chancellor, Metropolitan, or Finance Committee ([mailto:finance@sanfran.goarch.org?subject=Expense Report Question](mailto:finance@sanfran.goarch.org?subject=Expense%20Report%20Question)). You can also refer to the travel expense guidelines.

Authorization

1. Please turn in your expense report to the Chancellor. Make sure you first sign and make a copy of it. It may take a few weeks to get reimbursed for your trip or other expenses, as accounts payable will usually need to review it. A suggested expense report template follows and the Excel version is also attached:

[illegible]