



PLANNED INTERVENTION FOR PARISHES WITH FINANCIAL ARREARS

Approved by Diocesan Council

14 June 2012

Review due

PREAMBLE

The Parish Governance Statute 2016 provides that Diocesan Council may require an intervention where a Parish falls into arrears or otherwise cannot meet its financial commitments.

The purpose of this policy is to keep arrears (stipends, assessments or any other financial commitments) under control by clearly specifying the limits to which arrears can accrue and the action to be taken when arrears reach those limits.

In terms of the *Parish Governance Statute 2016*, contributions to the Diocese are payable by Parishes in calendar monthly instalments, each instalment either being based on the income of the previous month or being one-twelfth of the budgeted assessment for the financial year. In either case, once a Parish's accounts for the financial year are finalised, an adjustment for any under or over payment is made.

Diocesan Office pays the following components of remuneration on behalf of Parishes through the Diocesan payroll on the 15th of every month:

- stipends and allowances to clergy;
- salaries and allowances of lay staff; and
- other associated costs such as superannuation and long service leave contributions.

Parishes are to remit monies to Diocesan Office to meet these costs by the 22nd of each month, by way of direct debit unless otherwise authorised by the Diocesan Secretary.

TERMS USED IN THIS POLICY

- "Assessment Arrears" refers to unpaid assessments for previous financial years where the Parish's accounts and assessment payable have been finalised.
- "Estimated Assessment Arrears" refers to the difference between assessment payments made by a Parish for the current financial year and the expected payments based pro-rata on the previous financial year's actual assessment.
- "Stipend Arrears" refers to monies for the various components of remuneration (referred to above) which have not been remitted by a Parish.
- "Financial Commitments" refers to all other financial obligations as they become due and payable.

THEOLOGICAL PRINCIPLES

God pours out boundless blessings for us.

Forgiveness, spiritual gifts, abundant life, physical prosperity, and Good News worth sharing have been given to us in Christ. We want to be a Church with a culture shaped by abundance and blessing, not by scarcity and fear.

God invites joyful, sacrificial generosity from us.

In time, talents and money God asks not for our leftovers, but for our very best. We want to be a Church that constantly stretches in the Holy Spirit to go further in mission, rather than shrinking our effort to match our existing resources.



God calls us to be accountable.

When we break our promises or fail in our financial commitments, God calls us to repentance, forgiveness and new life. We want to be a Church where we are honest about sin and failure and their impact on ourselves and each other, and where we receive grace to change our ways and not to sin in the same way again.

PROCEDURES

1. The role of the Chief Financial Officer (CFO) in this policy is to administer the financial aspects of the policy including:
 - the provision of financial information on levels of Stipend Arrears and Assessment Arrears to the Bishops and Archdeacons and wherever else requested,
 - budgeting and management accounting advice to the Treasurers of Parishes.

The CFO reports to the Diocesan Secretary.

2. The role of the Bishops and Archdeacons in this policy is to provide advice and support to Parish Councils on the potential restructuring and mission implications for the Parish and clergy, as well as pastoral care.
3. When a Parish has stipend arrears of three months, the appropriate Bishop and Archdeacon will arrange a face to face meeting with the Parish Council to address the issue, consistent with the following Diocesan Statutes and Policies:
 - Parish Governance Statute 2016
 - Clergy Appointments Statute 1996
4. Processes for addressing stipend arrears with a view to developing a clear action plan will take into consideration:
 - any Mission Action Plan in the Diocese
 - other ministry goals, and
 - relevant administrative issues.
5. When assessment arrears of a Parish exceed \$10,000 and have not been settled within 6 months of the end of the relevant financial year, or when the total of the assessment arrears and estimated assessment arrears of a Parish exceed \$20,000, the action set out in paragraph 3 (above) will be taken.
6. The Bishop is to provide a written report to Diocesan Council in respect of Parishes with three months or more arrears of stipend arrears **and/or** assessment arrears in excess of \$20,000, detailing action being taken.
7. If a Parish is unable to meet any of its financial commitments, it is to advise the relevant Bishop or Archdeacon as soon as possible after it is aware that it cannot meet those financial commitments. The Bishop/Archdeacon will then discuss options with the DoF and the Parish.
8. If an appropriate solution cannot be reached in relation to sections 3, 4 and 6, and done so in a timely manner, then the Diocesan Council will intervene (in accordance with section 68.2 of the *Parish Governance Statute 2016*) by requesting the DoF to work with the Parish Council and the Bishop/Archdeacon to find an appropriate solution(s) to settle the arrears, covering both the short and long term.
9. Should the intervention indicated in 7 above be unsuccessful, the Diocesan Council would then consider a further intervention, which may include action pursuant to section 69 of the *Parish Governance Statute 2016*.