

## Line Item Instructions for the Statement of Cash Receipts and Disbursements

There are 5 parts to the statement this year. Part 1 covers operating receipts (line 1 income) and operating expenses. Shaded cells contain formulas. **Do not enter information in those blocks.** Other Income is below **Annual Operating Receipts (Line 1 Income.)** Part 2 covers the Capital Items Extraordinary Repairs and Benevolences. Part 3 covers the breakdown of Cash Balances. Part 4 – List all expenses that you used a designated fund to cover. List the name of the fund that you drew out of. Do not also include these expenses in Part 1’s operating expenses or in **the Income Section.** Part 5 – Funds and Special Accounts. It is very important this section is completed correctly and completely. The funds are divided into 3 types. Unrestricted, Board Designated and Donor restricted. For the “Board Restricted” and “Donor Restricted” please specify if the Principal is restricted or if both the principal and income from the fund is restricted. If the income portion from these funds are unrestricted, list the income amount under the unrestricted section. Please ask if you are unsure on classifying any of the funds.

### PART 1

#### 1. Annual Operating Receipts

The definition of what has been termed “Line 1 Income” shall mean all components of “Annual Operating Receipts” as broken out under Line 1 on the audit form. Annual Operating Receipts shall include receipts garnered for the general operations of the church congregation, as follows:

- a. Offering Plate Collections, in the year received:
  - Regular pledged tithes and offerings of church members;
  - Unpledged tithes and offerings of church members;
  - Offerings/donations from non-members of the congregation;
  - All loose offerings;
  - Prepaid pledges and offerings;
- b. **Memorial and Other gifts not designated for special purpose or fund.**
- c. **Receipts from Fundraising into operating fund.**
- d. Transfers into the Operating Account from investment accounts or other funds – if funds are originally classified as “non-operating,” but are subsequently transferred into the operating account, they should be treated as “Line 1 Income” when they are moved to the operating account;
- e. Less Transfers to Investment accounts. Money that you received but move to investments for use in another year for operations may be subtracted out of line 1 income. It will be treated as line 1 when it is moved back. (This eliminates double accounting of receipts as “line 1 income”.)
- f. Investment Income on operating funds (e.g. interest on the operating fund checking or savings account);
- g. Rental Income for operations

- h. Pass-through income and expense – Net. (List Receipts and on the next line -Expenses)  
This is the net of reimbursements and expenses for items that are purchased for the congregation but later reimbursed by members. For example: Daily Texts are purchased for the members but the members pay back the congregation. Another example would be flowers placed in the sanctuary that are paid for by members in honor or memory of a loved one.
- i. Miscellaneous Operating Receipts. List separately a description and amount of receipts not classified above. **Examples – Preschool Income paid to the church, Amazon Smile, Dewey’s Stores, facility use fees etc.**

**Other Income:**

- 2. Receipts in Trust or Endowment Funds
- 3. Receipts into Designated or Restricted Funds
- 4. Fundraising Income designated to a specific non-operating cause;
- 5. Income and capital gains associated with non-operating funds, which are not transferred to the operating account;
- 6. Sales tax refunds;
- 7. Rental Income designated to a specific non-operating cause;
- 8. **Pass through special offerings or benevolences that go to an outside organization.**
- 9. Miscellaneous – List each separately.

**Disbursements: Operating Expenses** (Do not include expenses paid with designated funds. List those in Part 4)

**Line 44** List technology expenses on line 44. For example: expenses for live streaming services, etc.

**Line 47:** Do not include Capital Improvements on line 47 Building Repairs and Maintenance. List those in Part 2

**Line 55:** A new line is added for any special expenses for safe sanctuary. For example: special security hired for services, walkie talkies etc.

**PART 2**

**Capital Items:** List Mortgage payments and transfers to/from the building fund or capital improvements funds. List amounts paid for Capital Improvements and Extraordinary Repairs on line 61

**Benevolences:** List the total of money disbursed for benevolences

**Provincial Budget Share:** List the amount paid for the required items and list separately any amounts paid toward the requested items.

**Receipts over (under) Disbursements:** This is the net amount of all money received less disbursed for the year.

**Beginning Cash Balance:** This amount should agree with the ending cash balance from the prior year’s audit.

**Ending Cash Balance:** This is the total of the activity for the current year added to the beginning balance.

### Part 3

**Cash Balance is represented by:** List the balances in each of the accounts that makes up the ending cash balance. Make sure that this total agrees with ending cash balance in part 2.

(Line 77 can be used for any explanations of items that cause you not to balance.)

### Part 4

**Operating Expenses Paid with Designated Funds:** Itemize all expenses that were paid with a designated fund. Do not include the expenses under Part 1 if a designated fund was used to pay the expenses. List the name of the Designated Fund used to pay the expense.

**For example:** The Graveyard Fund was used for \$700.00 of the mowing and maintenance expenses. \$700 would be listed under the amount and Graveyard Fund would be listed under "Designated Fund Used". The \$700 expense would not be included on line 49 under Part 1. Do not include the transfer from the fund under the income section either.

### Part 5

**Funds and Special Accounts:** It is very important that this section is completed in detail. Errors or omissions can affect your Church's Provincial Share. Make sure you distinguish between Unrestricted, Board Restricted and Donor restricted. It is possible to have one fund listed in several different categories.

- 1. Unrestricted Funds, Endowments, Investments and Savings Accounts.** List all funds that can be used for any purpose. If you had to transfer money out of the fund for any expenses, be sure to list the transfer. If you moved money into the funds list that as a positive number under "Transfers". Any notes on the fund can be added under the "Notes". List also in this category, funds that the Principal is either board restricted or donor restricted but the income can be used for any purpose. List the balance of the spendable (unrestricted) portion of those funds and list the principal under board or donor restricted funds.
- 2. Board Restricted Funds, Endowments, Investments and Savings Accounts** – List all funds that the board has directed the use of the fund. Under "Purpose", list the things that the fund can be used. **Balance Restricted Principal Only-** If the Principal is restricted or cannot be used, but the income is unrestricted, list the restricted balance in this column. (List the unrestricted income under the Unrestricted section.) **Restricted Principal and Income** – If the board has restricted the entire fund, list it here.
- 3. Donor Restricted Funds, Endowments, Investments and Savings Accounts** – List all funds that donors have given but can only be used for specific expenses. **Purpose** – List the items the funds can be used. **Balance Restricted Principal Only** – If the donated fund only has the "gifted" amount restricted, list that amount here. **Restricted Principal and Income** – If the donor has restricted the entire fund for a specific purpose, list the entire fund balance here.