



# GREEK ORTHODOX METROPOLIS OF NEW JERSEY

## ΙΕΡΑ ΜΗΤΡΟΠΟΛΙΣ ΝΕΑΣ ΙΕΡΣΕΗΣ

April 30, 2018

The Very Reverend and Reverend Clergy  
Presidents and Esteemed Members of the Parish Councils of the  
Greek Orthodox Communities of our Holy Metropolis of New Jersey

Beloved,

Christos Anesti.

As you are aware from past years, the Archdiocesan Finance Committee will once again this year collect certain financial data from all Parishes in the Archdiocese in order to determine the National Ministries Commitment and, more importantly, determine each Metropolis' and the Archdiocesan District's National Ministries Allocation for 2019. You will recall that last year the data form to be used to collect this information was changed. The new form has been changed by eliminating several deductible line items.

The financial data form together with a clarification sheet that provides a detailed description of each line item to assist you in completing the data form is enclosed. Please review the sheet carefully prior to completing the form.

This information will be used by the Archdiocesan Finance Committee in calculating the Greek Orthodox Metropolis of New Jersey National Ministries Commitment for 2019. The Greek Orthodox Metropolis of New Jersey Finance Committee will also use this information to calculate your Parish's share of our Metropolis' National Ministries Commitment. **Therefore, it is important that the financial information provided is accurate and complete together with all supporting documentation.** Inaccurate or incomplete data may result in an incorrect and possibly higher National Ministries commitment for our Metropolis and/or your parish. It is important to note that deductible items need to be traced back to the financial statements, specifically the statement of income and expenses. In the event the deductible items cannot be traced back to the income statement they will be rejected and your allocation will be higher.

To further assist you in understanding the history and objectives of the National Ministries Allocation, we have included a manual describing the National Ministries Allocation System in greater detail that also includes instructions for preparing the financial data form. We have also placed this manual on our Metropolis website, [www.nj.goarch.org](http://www.nj.goarch.org).

Last year, each Metropolis' National Ministries Commitment for 2018 was kept the same as 2017. Metropolitan Evangelos determined that the 2018 National Ministries Commitment for each parish in our Metropolis would remain the same as 2017.

The proposed Greek Orthodox Archdiocese of America budget for 2019 calls for an increase in the Archdiocese National Ministries Commitment of 3%. If your parish provides incomplete or inaccurate financial information, it is likely that the New Jersey Metropolis will be penalized and the increase to our Allocation for 2018 will be higher than the 3% increase. This increase caused by incomplete or inaccurate information will need to be absorbed by all the parishes in our Metropolis.

Additionally, it is extremely important that **the form be completed as soon as possible and delivered no later than June 1, 2018**, in order to give the GOMNJ Finance Committee enough time to review and discuss any questions with your representatives. Members of the Metropolis Finance Committee are available to explain the program and to assist you with the accurate preparation of the new data form. We have attached a list of all parishes together with their primary and secondary finance committee contacts. You should be aware that each parish's data form and financial information will also be reviewed by representatives of the Archdiocese Finance Committee to ensure consistency and accuracy.

Finally, we thank you in advance for your assistance in providing this information as it is important in calculating a fair and equitable National Ministries Commitment for each parish in the Archdiocese. Please remember to include copies of your **2016 and 2017 income statements and balance sheets** with the data form. The completed and signed form together with the financial statements should be mailed to the Greek Orthodox Metropolis of New Jersey, 215 East Grove Street, Westfield, NJ 07090-1656 **Attention: Finance Committee**.

Please be aware that in accordance with the UPR (Article 34, Section 7), the 2017 financial statements for each parish are required to be submitted to the Archdiocese and Metropolis by May 15, 2018.

Thanking you for your dedicated stewardship to the Church and to God's work, and conveying the paternal blessings of His Eminence, Metropolitan Evangelos of New Jersey, we remain

At the Direction of the Metropolitan,

Peter T. Arbes  
Finance Committee Chairman

Enclosures (4)

## Data Form Clarification Sheet

### General comments:

1. In order to be deductible, an expense **must be included** in the "Total Parish Expenditures" on Line B of the Allocation Form. For example, if you have income from a fundraiser and report it as net of expenses on your financial statement in your "Total Parish Income" on Line A you cannot deduct any expenses associated with the fundraiser. You are supposed to show the gross income from the fundraiser on Line A and the gross expenses from the fundraiser on Line B and then the expenses are deductible..
2. Forms **MUST** be accompanied by proper financial statements. This includes the **balance sheet and income statement for 2015 and 2016**
3. Figures on financial statements must correspond to total expenses and deductions on Allocation Form. If the expenses and deductions on the Allocation Form are not readily apparent, there should be a supplemental schedule that traces the expenses and deductions to the financial statements. Refer to Appendix A in the Allocation Manual for an example.

### Total Parish Income:

1. Stewardship, candles, all parish fundraising events, trays, holiday offerings, special trays, restricted and unrestricted funds.
2. Rental Income, interest income, transfers and/or income from any parish endowment.
3. School income.
4. Any other income or transfers not listed above.

### Total Parish Expenditures:

1. All expenses paid by the parish or on behalf of the parish for any purpose. Refer to Appendix B of the Manual for guidance regarding parish expenses paid by a related foundation or endowment fund.
2. Asset depreciation should not be included.

### Allowable Deductions:

Expenses in the following expense categories are deductible to the extent they are included in the **Total Parish Expense** on Line B of the Allocation Form and are fully supported by the attached parish financial statements.

1. **Funds paid to the Archdiocese for National Ministries Allocation.**

Actual amount paid during the calendar year toward its national ministries allocation.

**2. Capital Expenditures - Funds paid for facility construction and renovation.**

All claimed deductions must be supported by itemized list of projects including the start date, estimated completion, estimated total cost, and date approved by the Metropolis. Payment for work by church employees may not be applied to this item. Capital expenditures include the following:

- A. Land purchase
- B. Building construction
- C. Iconography, Interior décor (pews, iconostasion, proskinitaria, etc.)
- D. Capital improvements – improvements made to extend the useful life of a property or add to its value, such as roof replacement, kitchen equipment replacement, HVAC unit replacement, parking lot resurfacing, and window replacement
- E. Major repairs – Repairs exceeding \$2,500 for each repair or event, such as roof repairs, and damage from fires and storms that exceed insurance reimbursement

**3. Interest on Loans for Property and Improvements to Real Property**

- A. Funds to pay the interest and/or principal of construction loans.
- B. Funds to pay the interest and/or principal of mortgages held by the parish.

**4. Fundraising Expenses.**

- A. Funds paid exclusively to hold fundraising events and directly caused by the fundraising event such as festivals, raffles, fundraising dinners, golf tournaments etc.
- B. Customary Stewardship program expenses are not deductible.
- C. Bookstore expenses are not deductible because the primary function of the bookstore is to provide religious items to the parishioners.
- D. Any funds paid to parish clergy or employees are not deductible fundraising expenses.
- E. Allocated Church expenses such as utilities, security and insurance which are not separately measured and tracked are not allowable deductions.

**5. Day/Parochial School and Greek and Catechetical/Sunday School**

- A. Day School
  - 1. To be deductible expenses, the Day/Parochial School must operate at least 8 months per year, 5 days per week and at least 3 hours per day.

2. Expenses must be paid from the General Fund.
3. Allowable expenses include teacher's salaries and associated payroll taxes, insurance, supplies, books and any expense that is directly attributable to the operation of the school.
4. Allocated Church expenses such as utilities, security and insurance which are not separately measured are deductible to the extent that the method and rationale of the allocation method are clearly documented and quantified by the parish.
5. Priest allocated expenses are not allowable deductions.

**B. Greek Afternoon/Catechetical/Sunday School**

1. Expenses must be paid from the General Fund.
2. Allowable expenses include teacher's salaries and associated payroll taxes, insurance, supplies, books and any expense that is directly attributable to the operation of the school.
3. Allocated Church expenses such as utilities, security and insurance which are not separately measured are deductible to the extent that the method and rationale of the allocation method are clearly documented and quantified by the parish.
4. GOYA, JOY, HOPE, etc. and Dance Expenses are not allowable deductions.
5. Priest, Pastoral Assistant and Youth Director allocated salaries and expenses are not allowable deductions.

**6. Charitable Giving**

A gift made by the parish from General Funds to a non-profit organization, charity, individual or private foundation. To include

1. Gifts to Metropolis, Archdiocese or Patriarchate or any of their related ministries.
2. Gifts to Organizations under the Assembly of Canonical Orthodox Bishops in the United States
3. Other 501(c)(3) organizations.
4. Gifts to parish controlled foundations or trusts are not allowable deductions.

## Common Errors

Before the Allocation Form is signed and submitted, take one last look for the following common errors:

- Not including all expenses in Line B: Gross Expenses. Some income statements have a supplemental P&L section for "Other Expenses" which needs to be added to the Total Expense Line B. Expenses that are reported as negative income should be converted to expenses added to Line B. All accounts and funds should be included in Line B, for example a building fund or a festival fund should be included in Line B. If you have a question about a particular situation, reach out to your Metropolis Finance Committee.
- Deducting expenses that are not included in Line B. It's very important to verify that every deduction corresponds to an expense that was included in Line B. For example, if mortgage principal payments were not included in Line B, then they cannot be deducted. Another common example would be deducting capital improvement expenses when those expenses were capitalized and not included in Line B.
- Deducting expenses that do not qualify for any deductible category according to the Archdiocese's guidelines. A common case is trying to deduct a portion of undifferentiated parish operational expenses as fundraising expenses.
- Misreporting transfers as expenses. A transfer of money into a savings account or between accounts and report is not an expense. This is an accounting error. As long as the money is still held/owned by the parish, the transfer is not an expense.
- Reporting depreciation, lost income, or other kinds of write-offs as an expense in Line B. For the purpose of our allocation formula, depreciation, lost income, and other kinds of write-offs should not be included in Line B. Unfulfilled pledges are not expenses. Parishes should not be booking pledges as income and should not be reporting unfulfilled pledges as an expense.

**Calculation errors and typos.** Please double check the values entered on the allocation forms to make sure there is no typo or transposition. Also, please check the sums and the additions for accuracy. **Looking for Consistency or Does This Make Sense?**

Look for the following signs that something may be amiss:

- If you see a large change in net expenses (B - C) from one year to the next, this may indicate a reporting error in one year or the other (or both). Large changes in any individual line of the allocation form should also be investigated and verified.
- If the reports contain just a few large line items that are summations from the financial statements, it's very difficult to verify the deductions. A parish should provide a detailed breakdown of the large items. .

If you as the preparer of the Allocation Form are just not comfortable with the instructions or are concerned that the compilation is incorrect, you should call your member of the Metropolis Finance Committee to assist with preparation of the Allocation Form. The Metropolis Finance Committee members are there to assist the parishes. Please refer to the list of Metropolis Finance Committee members.

## National Ministries Commitment Data for 2018 Archdiocese Allocation Metropolis of New Jersey

Due Date: **JUNE 1, 2018.** Please print or type all information on this form> Please note: All Philoptochos funds excluded.  
 Please print telephone numbers and email addresses clearly

Name of Parish \_\_\_\_\_ Telephone: \_\_\_\_\_ Parish Number \_\_\_\_\_  
 Address \_\_\_\_\_ City: \_\_\_\_\_ Email: \_\_\_\_\_  
 Person preparing this form: \_\_\_\_\_ Telephone: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Parish Council Treasurer: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_  
 Parish Council President: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

	Y/E 12/31/16	Y/E 12/31/17
<b>A TOTAL PARISH INCOME</b> , all funds from all sources including all fund raisers, etc. excluding any donations from all sources to any parish endowment/foundation but including any funds transferred from any such endowment/foundation to the parish for any purpose.	\$0	\$0
<b>B TOTAL PARISH EXPENDITURES</b> for all purposes:	\$0	\$0
<b>C DETAILED DEDUCTIBLE EXPENDITURES:</b> (Deductible expenses must be included in line B, above)		
1 Funds paid to the Archdiocese for Parish National Ministries Commitment	1 \$ _____	\$ _____
2 Funds paid for facility construction, iconography, and/or land --excluding any mortgage payments including capital expenditures (attach a list of projects including dates started, anticipated completion, estimated total cost and date approved by the Metropolis)	2 \$ _____	\$ _____
3 Funds paid on loans for property and improvements to real property	3 \$ _____	\$ _____
4 Funds paid to hold any fund raiser such as a Festival, etc.	4 \$ _____	\$ _____
5 Funds paid to operate a Day/Parochial, Greek or Catechetical School	5 \$ _____	\$ _____
6 Archdiocese, Metropolis and other charitable giving	6 \$ _____	\$ _____
<b>TOTAL NET PARISH EXPENDITURES</b>	<b>C. \$0</b>	<b>\$0</b>
<b>TOTAL FOR ITEM C(1 THRU 6)</b>	<b>\$0</b>	<b>\$0</b>
<b>LINE B MINUS LINE C</b>	<b>\$0</b>	<b>\$0</b>

We certify that the information on this data submission form is, to the best of our knowledge, complete and accurate: And further certify:  
 All expenses incurred and paid by a supporting foundation, private foundation, public charity, an individual, or any other entity; (i) on behalf of the parish, (ii) as required to operate the parish, or (iii) maintain parish related assets, are included on Line B above, as required. The Archdiocese Finance Committee shall have the discretion to work with the parish to impute expenses to the parish and such discretion shall be binding.

**Signatures:**

Parish Priest: \_\_\_\_\_  
 Parish Council President: \_\_\_\_\_



Parish Council Treasurer: \_\_\_\_\_

Chair Person of the Parish Audit Committee: \_\_\_\_\_

Revised 7/26/2016

\* **Year end complete financial statements for each year must accompany this form.  
This includes a full Balance Sheet and Profit and Loss Statement for all operations.**

Is the parish engaged in any business activities? List any and all business related activities such as property rental, catering, weekly food sales  
Provide financial statements for these businesses if not in the total income and total expense above.

1 \_\_\_\_\_  
\_\_\_\_\_  
2 \_\_\_\_\_  
\_\_\_\_\_  
3 \_\_\_\_\_  
\_\_\_\_\_

**E-mail the complete package to:**

**and Mail complete package to:**



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**GREEK ORTHODOX  
ARCHDIOCESE OF AMERICA**

**NATIONAL MINISTRIES  
ALLOCATION SYSTEM**

Revised December 2016

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## **Introduction to the National Ministries, The Archdiocese and the Metropolises**

The Greek Orthodox Church in America is our direct link to Christ Jesus and His Church. For more than 2,000 years we have had a continuous link to the one God, the one Church, and the one Faith – through our Ecumenical Patriarchate in Constantinople.

Besides providing this direct connection to the Mother Church (established by the Apostle Andrew, the first called), the Archdiocese, the Metropolises and our Parishes maintain comprehensive ministries so that Orthodoxy is available to all who seek salvation.

The Archdiocese fosters a national presence for our Faith in the United States and beyond and develops programs in liturgical and religious education, outreach, youth and internet ministries, all vital for our spiritual growth.

The Archdiocese Finance Committee, which is a standing committee of the Archdiocesan Council, is comprised of volunteers from across the country as well as members from the Archdiocesan Council. The 2004 Clergy Laity Congress set forth a charge to the Archdiocesan Finance Committee to develop an equitable system of allocating and collecting the funds from parishes needed for the Archdiocese and Metropolises. As a result, the Archdiocese has experienced positive results in many areas of finance. Some of these results included decreases in operating expenses, staff reductions, substantial settlement in legal fees, and a reduction in total debt of the Archdiocese. The Finance Committee worked closely with Archdiocese administration and staff to implement many changes regarding the financial activities of the Archdiocese.

As part of the charge by the 2004 Clergy Laity Congress, the Archdiocese Finance Committee developed and submitted an improved assessment process to the 2006 Clergy-Laity Congress held in Nashville. The process was adopted by the Congress and has been implemented in all Metropolises and the Archdiocesan District beginning with the calendar year 2007 parish allocations. Appendix D shows the resolution adopted by the Congress.

## **Theory behind the Allocation Process**

The basic premise of the Allocation process is that each parish's share of the total amount to be allocated that is assigned to the Metropolis by the Archdiocese is the same as its share that its Net Expenditures is of the total Net Expenditures for all the parishes in the Metropolis, be it 0.1 percent, 1 percent or 10 percent of the total. The reason this is the most equitable (fair) approach is that the parish's Net Expenditures represents what it can afford to pay to the Archdiocese for its support of the National Ministries.

Metropolises will be allocated using the same format as the parishes within the Metropolis. A Metropolis' share of the total amount authorized by the Clergy Laity Congress is the same share that its Net Expenditures is of the total Net Expenditures of all the Metropolises.

### **METROPOLIS FINANCE COMMITTEE AND THE ALLOCATION PROCESS**

The Metropolis Finance Committee's primary responsibility is the implementation and maintenance of the parish allocation process. The Committee will have to make collective judgments in such matters as appeal and enforcement determinations.

The Chair of the Committee is responsible for the day-to-day administration, including the supervision of the work of assigned staff and/or volunteers assisting in this process. The Committee should have at least five members, including the Metropolis Chancellor and Metropolitan Council Treasurer. As with all Metropolis committees, the Metropolitan presides over the committee at all times.

Annually, the Committee receives and reviews each parish's audited expenses to determine the net expenditures of the Metropolis. Each parish's net expenditure is combined with all the parishes in the Metropolis to determine its percentage of the total as shown in the hypothetical example below.

#### **PARISH APPROVED NET-EXPENSES (WITHIN METROPOLIS EXAMPLE)**

<b>PARISH 1</b>	<b>\$400,000</b>	<b>2.67%</b>
<b>PARISH 2</b>	<b>\$225,000</b>	<b>1.50%</b>
<b>PARISH 3</b>	<b>\$80,000</b>	<b>0.53%</b>
<b>PARISH 4</b>	<b>\$575,000</b>	<b>3.83%</b>
<b>PARISH 5 thru 40</b>	<b>\$13,720,000</b>	<b>91.47%</b>
<b>TOTAL PARISH NET EXPENSES FOR METROPOLIS A</b>	<b>\$15,000,000</b>	<b>100%</b>

For the allocation process to be successful, the parishes must provide the Metropolis with accurate information concerning their total and detailed expenditures. In particular, those expenditures that will be deducted from the total expenditures must be detailed. If parishes are to be committed to providing this accurate information on a timely basis,

representatives of these parishes must be actively involved in the major decisions and understand all aspects of the allocation process

**ARCHDIOCESE ALLOCATION TO THE METROPOLISES**

Upon receipt of net expenditures from all the Metropolises and the Archdiocesan District the Archdiocese calculates the percentage of each Metropolis with respect to the total net expenses within the Archdiocese. The hypothetical example below shows the Metropolis distribution.

**METROPOLIS TOTAL NET EXPENSES (WITHIN THE ARCHDIOCESE)**

<b>METROPOLIS A</b>	<b>\$15,000,000</b>	<b>10.00%</b>
<b>METROPOLIS B</b>	<b>\$25,000,000</b>	<b>16.67%</b>
<b>METROPOLIS C</b>	<b>\$12,000,000</b>	<b>8.00%</b>
<b>METROPOLIS D</b>	<b>\$20,000,000</b>	<b>13.33%</b>
<b>METROPOLIS E</b>	<b>\$22,000,000</b>	<b>14.67%</b>
<b>METROPOLIS F</b>	<b>\$13,000,000</b>	<b>8.67%</b>
<b>METROPOLIS G</b>	<b>\$19,000,000</b>	<b>12.67%</b>
<b>METROPOLIS H</b>	<b>\$13,000,000</b>	<b>8.67%</b>
<b>METROPOLIS I</b>	<b>\$11,000,000</b>	<b>7.33%</b>
<b>TOTAL METROPOLIS NET EXPENSES</b>	<b>\$150,000,000</b>	<b>100%</b>

The resulting percentages are then applied to the amount that the Archdiocese needs to receive from all the assessments. For the purpose of the hypothetical example an amount of \$20,000,000 is assumed as the total obligation to the Archdiocese. The assessment amounts for the hypothetical Metropolises are shown below.

<b>METROPOLIS A</b>	<b>10.00%</b>	<b>\$2,000,000.00</b>
<b>METROPOLIS B</b>	<b>16.67%</b>	<b>\$3,333,333.33</b>
<b>METROPOLIS C</b>	<b>8.00%</b>	<b>\$1,600,000.00</b>
<b>METROPOLIS D</b>	<b>13.33%</b>	<b>\$2,666,666.67</b>
<b>METROPOLIS E</b>	<b>14.67%</b>	<b>\$2,933,333.33</b>
<b>METROPOLIS F</b>	<b>8.67%</b>	<b>\$1,733,333.33</b>
<b>METROPOLIS G</b>	<b>12.67%</b>	<b>\$2,533,333.33</b>
<b>METROPOLIS H</b>	<b>8.67%</b>	<b>\$1,733,333.33</b>
<b>METROPOLIS I</b>	<b>7.33%</b>	<b>\$1,466,666.67</b>
<b>TOTAL ARCHDIOCESE ALLOCATION</b>	<b>100.00%</b>	<b>\$20,000,000.00</b>

These amounts are assessed to each Metropolis for distribution to their parishes.

## **METROPOLISES ALLOCATIONS TO THEIR PARISHES**

The amounts are increased to provide for a cushion in the event any parish has any unforeseen financial difficulties. For the hypothetical case the Metropolis Example amount of \$2,000,000.00 is increased by 10 percent to account for a cushion. This results in an amount of \$2,200,000.00 to be distributed to its parishes in accordance with the percentages of the total Metropolis expenses. Therefore the breakdown of the parishes in the Metropolis Example is as follows.

<b>PARISH 1</b>	<b>2.67%</b>	<b>\$58,740.00</b>
<b>PARISH 2</b>	<b>1.50%</b>	<b>\$33,000.00</b>
<b>PARISH 3</b>	<b>0.53%</b>	<b>\$11,600.00</b>
<b>PARISH 4</b>	<b>3.83%</b>	<b>\$84,260.00</b>
<b>PARISH 5 thru 40</b>	<b>91.47%</b>	<b>\$2,012,400.00</b>
<b>PARISH ASSESSMENTS FOR METROPOLIS A</b>	<b>100%</b>	<b>\$2,200,000.00</b>

## **TRANSPARENCY, ACCOUNTABILITY, RESPONSIBILITY AND FAIRNESS**

Healthy, vibrant parishes are essential for the ultimate mission, to grow the Church. The process approach is equitable, levels the playing field, simple to calculate and fair. It is incumbent on the parishes to provide timely, accurate and complete information for the process to be successful. Each parish of the Archdiocese must responsibly take part in funding the National Church. Parishes that do not meet their obligations put an undue burden on the Archdiocese, the Metropolis and their sister parishes.

## **ARCHDIOCESE SUPPORT OF METROPOLISES**

Each Metropolis will allocate as a minimum to its parishes the total amount assigned to it by the Archdiocese. Each Metropolis will annually receive the greater of \$440,000 or 25 percent of the funds collected from its parish payments toward their allocations during the year. Thus, every Metropolis is ensured sufficient funds to provide the core services needed to serve its constituent parishes.

Each Metropolis is encouraged to add a "cushion" to its Archdiocese Allocation used in the parish allocation calculation. This cushion amount is usually decided by the local committee in conjunction with the Priests and Parish Council Presidents meeting of the Metropolis. This allows the Metropolis to give any necessary relief during the course of the year while not falling short of the Archdiocese Allocation amount due. If the parishes of a Metropolis pay at least 100 percent of the Archdiocese-assigned amount, the Metropolis will receive an additional bonus of 2 percent of the total amount collected from the parishes during the calendar year for current year assigned amounts. Additionally, a Metropolis receives 75% of every dollar over 100% as a bonus. If a Metropolis allocates only the assigned amount to the parishes, it will most likely not be able to obtain the bonus as there

will always be some parishes which do not meet their allocation by the end of the calendar year. Furthermore, if the Metropolis has an allocation appeal process, the total amount collected relative to the Archdiocese-assigned amount will fall short.



## **The National Allocation Process**

### **The Two-Tiered Allocation**

The process of allocating the portion of the Archdiocese budget to the parishes is relatively straight-forward as was discussed. Over the years, though, it became evident that the process was, in fact, two-tiered.

Tier 1 refers to the allocation of fiscal obligations of each Metropolis at the Archdiocese level. Across the Archdiocese, certain deductions and accounting interpretations have been agreed upon at the Archdiocese Finance Committee (with representation from all Metropolises). This is done to ensure that the amounts allocated to each Metropolis are based on parish net expenses using consistent deductions across the entire Archdiocese.

Once it is determined the amount each Metropolis is required to allocate to its parishes, the process moves into the Tier 2 level. At this point, each Metropolis Finance Committee, along with the Hierarch and Chancellor, can (and do) consider local issues or specific parish situations to provide relief within their Metropolis. While the Metropolis may consider other deductions in order to allocate within its confines, it cannot alter the amounts across Metropolises.



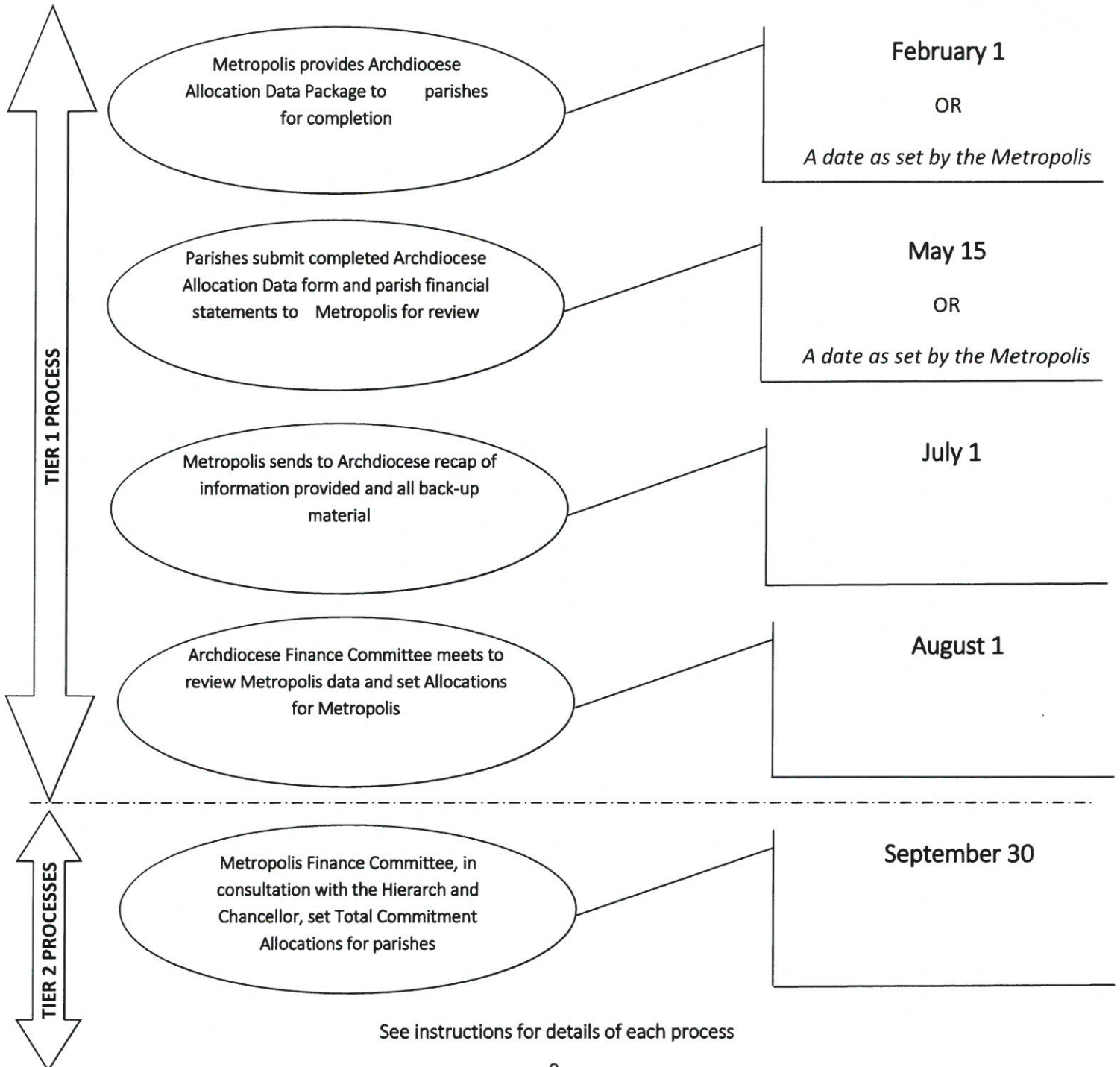
# GREEK ORTHODOX ARCHDIOCESE OF AMERICA

## Basic Allocation/ Assessment Process Timeline

### Best Practices

#### Process

#### Due Date



## **National Ministries Allocation Clarification Form Income, Expense, and Allowable Deduction Definitions**

### **General comments:**

1. In order to be deductible, an expense **must be included** in the "Total Parish Expenditures" on Line B of the Allocation Form. For example, if you show a fundraiser as a net in your "Total Parish Income" on Line A you cannot deduct the expenses. You would have to show the gross income on Line A and the gross expenses on Line B and then deduct the expenses.
2. Forms **MUST** be accompanied by proper financial statements. This includes the balance sheets and income statements for each church account for both reported years.
3. Figures on financial statements must correspond to total expenses and deductions on the Allocation Form. If the expenses and deductions on the Allocation Form are not readily apparent, there should be a supplemental schedule that traces the expenses and deductions to the financial statements. Refer to Appendix A for an example.

### **Total Parish Income:**

1. Stewardship, candles, all parish fundraising events, trays, holiday offerings, special trays, restricted and unrestricted funds.
2. Rental Income, interest income, income from parish endowment.
3. School income.
4. Any other income not listed above.

### **Total Parish Expenditures:**

1. All expenses paid by the parish or on behalf of the parish for any purpose. Refer to Appendix B for guidance regarding parish expenses paid by a related foundation or endowment fund.
2. Asset depreciation should not be included.

### **Allowable Deductions:**

Expenses in the following expense categories are deductible to the extent they are included in the **Total Parish Expense** on Line B of the Allocation Form and are fully supported by the attached parish financial statements.

1. **Funds paid to the Archdiocese for parish National Ministries Allocation.**  
Actual amount paid during the calendar year toward its national ministries allocation.

**2. Capital Expenditures - Funds paid for facility construction and renovation.**

All claimed deductions must be supported by itemized list of projects including the start date, estimated completion, estimated total cost, and date approved by the Metropolis. Payment for work by church employees may not be applied to this item. Capital expenditures include the following:

- A. Land purchase
- B. Building construction
- C. Iconography, Interior décor (pews, iconostasion, proskinitaria, etc.)
- D. Capital improvements – improvements made to extend the useful life of a property or add to its value, such as roof replacement, kitchen equipment replacement, HVAC unit replacement, parking lot resurfacing, and window replacement
- E. Major repairs – Repairs exceeding \$2,500 for each repair or event, such as roof repairs, and damage from fires and storms that exceed insurance reimbursement

**3. Interest on Loans for Property and Improvements to Real Property**

- A. Funds to pay the interest and/or principal of construction loans.
- B. Funds to pay the interest and/or principal of mortgages held by the parish.

**4. Fundraising Expenses.**

- A. Funds paid exclusively to hold fundraising events and directly caused by the fundraising event such as festivals, raffles, fundraising dinners, golf tournaments etc.
- B. Customary Stewardship program expenses are not deductible.
- C. Bookstore expenses are not deductible because the primary function of the bookstore is to provide religious items to the parishioners.
- D. Any funds paid to parish clergy or employees are not deductible fundraising expenses.
- E. Allocated Church expenses such as utilities, security and insurance which are not separately measured and tracked are not allowable deductions.

**5. Day/Parochial School and Greek and Catechetical(Sunday School)**

- A. Day School
  - 1. To be deductible expenses, the Day/Parochial School must operate at least 8 months per year, 5 days per week and at least 3 hours per day.
  - 2. Expenses must be paid from the General Fund.
  - 3. Allowable expenses include teachers' salaries and associated payroll taxes, insurance, supplies, books and any expense that is directly attributable to the operation of the school.
  - 4. Allocated Church expenses such as utilities, security and insurance which are not separately measured are deductible to the extent that the method and rationale of the allocation method are clearly documented and quantified by the

parish.

5. Priest allocated expenses are not allowable deductions.

**B. Greek Afternoon/Catechetical (Sunday School)**

1. Expenses must be paid from the General Fund.

2. Allowable expenses include teacher's salaries and associated payroll taxes, insurance, supplies, books and any expense that is directly attributable to the operation of the school.

3. Allocated Church expenses such as utilities, security and insurance which are not separately measured are deductible to the extent that the method and rationale of the allocation method are clearly documented and quantified by the parish.

4. GOYA, HOPE, JOY, etc. and Dance Expenses are not allowable deductions.

5. Priest, Pastoral Assistant and Youth Director allocated salaries and expenses are not allowable deductions.

**6. Charitable Giving**

A gift made by the parish from General Funds to a non-profit organization, charity, individual or private foundation. To include

1. Gifts to Metropolis, Archdiocese or Patriarchate or any of their related ministries.

2. Gifts to Organizations under the Assembly of Canonical Orthodox Bishops in the United States

3. Other 501(c)(3) organizations.

4. Gifts to parish controlled foundations or trusts are not allowable deductions.

## Common Errors

Before the Allocation Form is signed and submitted, take one last look for the following common errors:

- Not including all expenses in Line B: Gross Expenses. Some income statements have a supplemental P&L section for “Other Expenses” which needs to be added to the Total Expense Line B. Expenses that are reported as negative income should be converted to expenses added to Line B. All accounts and funds should be included in Line B, for example a building fund or a festival fund should be included in Line B. If you have a question about a particular situation, reach out to your Metropolis Finance Committee.
- Deducting expenses that are not included in Line B. It’s very important to verify that every deduction corresponds to an expense that was included in Line B. For example, if mortgage principal payments were not included in Line B, then they cannot be deducted. Another common example would be deducting capital improvement expenses when those expenses were capitalized – in the Balance Sheet - and not included in Line B.
- Deducting expenses that do not qualify for any deductible category according to the Archdiocese’s guidelines. A common case is trying to deduct a portion of undifferentiated parish operational expenses as fundraising expenses.
- Misreporting transfers as expenses. A transfer of money into a savings account or between accounts and report is not an expense. This is an accounting error. As long as the money is still held/owned by the parish, the transfer is not an expense.
- Reporting depreciation, lost income, or other kinds of write-offs as an expense in Line B. For the purpose of our allocation formula, depreciation, lost income, and other kinds of write-offs should not be included in Line B. Unfulfilled pledges are not expenses. Parishes should not be booking pledges as income and should not be reporting unfulfilled pledges as an expense.

**Calculation errors and typos.** Please double check the values entered on the allocation forms to make sure there is no typo or transposition. Also, please check the sums and the additions for accuracy. **Looking for Consistency or Does This Make Sense?**

Look for the following signs that something may be amiss:

- If you see a large change in net expenses (B - C) from one year to the next, this may indicate a reporting error in one year or the other (or both). Large changes in any individual line of the allocation form should also be investigated and verified.
- If the reports contain just a few large line items that are summations from the financial statements, it’s very difficult to verify the deductions. A parish should provide a detailed breakdown of the large items. .

If you as the preparer of the Allocation Form are just not comfortable with the instructions or are concerned that the compilation is incorrect, you should call your member of the Metropolis Finance Committee to assist with preparation of the Allocation Form. The Metropolis Finance Committee members are there to assist the parishes

### **Why a Correctly Prepared Allocation Form Matters**

All of the Parishes report their expenses net of allowable deductions to their Metropolises. Each Metropolis reports its cumulative parish net expenses to the Archdiocese. The budget necessary to fund our Archdiocese and Metropolises is then apportioned to each Metropolis based on net parish expenses.

Accordingly, this process works if each parish makes an honest and accurate report. A parish that claims improper deductions or does not report its expenses fairly shifts its pro rata share of the allocation to other parishes. A parish that misses deductions unfairly shifts its pro rata share of the allocation to itself.

The process begins with each parish completing the form accurately with the appropriate documentation. Each parish allocation form is reviewed by the respective Metropolis Finance Committee; members of this committee are well versed in the completion of these Allocation Forms. The final step is the Archdiocese level review that is intended to ensure that all parishes throughout the United States are preparing the forms similarly.

Perhaps the most important reason for reviewing parish reports and providing feedback to the parishes is to help the parishes learn good techniques for reporting and tracking their finances. Not only does this help safeguard the parish's resources, it can also help the parish make better financial decisions.

## **ENFORCEMENT PROCESS**

If a parish intentionally submits inaccurate information, it is being unfair to its sister parishes in its Metropolis and throughout the Archdiocese as the other parishes will be assuming an increased allocation to make up for the reduced allocation to this parish. In an effort to ensure that neither intentionally nor unintentionally inaccurate data is being submitted the Metropolis may select 5 parishes at random each year for financial review by the Metropolis finance committee. Any parish providing inaccurate information may also be subject to a financial review. Unfortunately, some parishes will not complete their allocation by the end of the year and will not commit to a plan to complete the allocation in a timely fashion during the new year while also paying toward the new allocation. Thus, a process is needed to deal with such parishes. The following process is being used by more than one Metropolis with great success:

Any Parish refusing/failing to meet its Archdiocese allocation is subject to the following actions:

1. Most recent Parish Council election will not be ratified
2. If appropriate action not taken, Metropolis Finance Committee shall meet with the Parish Council of the parish in question.
3. If appropriate action not taken, a complete audit of the parish's accounts and funds is conducted by a CPA at the parish's expense.
4. If appropriate action not taken, Metropolis Finance Committee meets with the Parish's General Assembly. If appropriate action not taken, Metropolis will apply the appropriate sanction to the parish.



## **Wrap Up**

*We are followers of our Lord Christ Jesus. We are expected to put Him and His Church first (Honor your Lord God with all your heart, with all your soul, with all your being). This means we all must make a major effort to support our National Church ---as well as our Metropolis and individual Parish.*

*Should a parish find itself in an unforeseen financial difficulty, that parish can make an appeal to their Metropolis Chancellor and the Metropolis Finance Committee to request relief.*

**For more information, or for assistance, please contact the Chancellor of the Metropolis, who will assist you, or put you in contact with the appropriate committee members.**

*Thank you for your dedication and stewardship to the Church, and for the unselfish stewardship of your parish towards God's work.*

**Appendix A. Example of Completed Allocation Form and Financial Statements**

**National Ministries Commitment Data for 2018 Archdiocese Allocation Metropolis of**

Due Date: May 15, 2017. Please print or type all information on this form> Please note: All Philoptochos funds excluded.  
 Please print telephone numbers and email addresses clearly

Name of Parish Holy Trinity Telephone: 555-782-1234 Parish Number 9999  
 Address 1250 Sparta Rd City: Anytown State: USA Zip: 11111  
 Person preparing this form: Yanni Kaloyanni Telephone: 555-746-8852 Email:  
 Parish Council Treasurer: Yanni Kaloyanni Telephone: 555-746-8852 Email:  
 Parish Council President: Stavros Smith Telephone: 555-289-4518 Email:

**A TOTAL PARISH INCOME**, all funds from all sources including all fund raisers, etc. excluding any donations from all sources to any parish endowment/foundation but including any funds transferred from any such endowment/foundation to the parish for any purpose.

A.	\$	713,087	\$	800,072
B.	\$	754,549	\$	757,471

**C DETAILED DEDUCTIBLE EXPENDITURES: (Deductible expenses must be included in line B, above)**

1	\$	67,925	\$	69,150
2	\$	10,040	\$	17,067
3	\$	17,223	\$	17,223
4	\$	204,898	\$	185,864
5	\$	27,864	\$	27,481
6	\$	500	\$	400

TOTAL NET PARISH EXPENDITURES	C.	\$	328,450	\$	317,185
TOTAL FOR ITEM C(1 THRU 6)					
LINE B MINUS LINE C					
					440,286

We certify that the information on this data submission form is, to the best of our knowledge, complete and accurate: And further certify:  
 All expenses incurred and paid by a supporting foundation, private foundation, public charity, an individual, or any other entity; (i) on behalf of the parish, (ii) as required to operate the parish, or (iii) maintain parish related assets, are included on Line B above, as required. The Archdiocese Finance Committee shall have the discretion to work with the parish to impute expenses to the parish and such discretion shall be binding

Parish Priest: \_\_\_\_\_  
 Parish Council President: \_\_\_\_\_  
 Parish Council Treasurer: \_\_\_\_\_  
 Chair Person of the Parish Audit Committee: \_\_\_\_\_

**Appendix A. Example of Completed Allocation Form and Financial Statements**

Is the parish engaged in any business activities? List any and all business related activities such as property rental, catering, weekly food sales  
Provide financial statements for these businesses if not in the total income and total expense above.

1 \_\_\_\_\_  
\_\_\_\_\_  
2 \_\_\_\_\_  
\_\_\_\_\_  
3 \_\_\_\_\_  
\_\_\_\_\_

**E-mail the complete package to:**

**and Mail complete package to:**

**Appendix A. Example of Completed Allocation Form and Financial Statements**

**Holy Trinity Greek Orthodox Church**

*Total Commitment Reconciliation*

	<u>2015</u>	<u>2016</u>
<i>Parish Income</i>		
General	\$ 551,106	\$ 568,458
Adjustments:		
5950 Gain/Loss Securities		47
7010 Festival Income	145,694	212,943
7050 Golf Tournament	16,287	18,624
<b>A. Total Parish Income</b>	<b><u>\$ 713,087</u></b>	<b><u>\$ 800,072</u></b>
<i>Parish Expenditure</i>		
General	\$ 556,969	\$ 581,707
Adjustments:		
3333 Mortgage - Bank of America	12,855	13,292
6399 Depreciation	(15,943)	(17,781)
8010 Festival Expenses	186,342	167,267
8050 Golf Outing Expenses	14,326	12,986
<b>B. Total Parish Expenditures</b>	<b><u>\$ 754,549</u></b>	<b><u>\$ 757,471</u></b>
<b>C.1 Archdiocese Total Commitment</b>	<b><u>\$ 67,925</u></b>	<b><u>\$ 69,150</u></b>
6805 Archdiocese Total Commitment	67,925	69,150
<b>C.2 Capital Expenditures, Construction, Iconograph</b>	<b><u>\$ 10,040</u></b>	<b><u>\$ 17,067</u></b>
1745 Capital Improvements	2,224	12,781
6360 Repair & Maintenance	7,816	4,286
<b>C.3 Loans for Property, Construction, Improvement</b>	<b><u>\$ 17,223</u></b>	<b><u>\$ 17,223</u></b>
3333 Mortgage - Bank of America	12,855	13,292
6650 Mortgage Interest	4,368	3,931
<b>C.4 Fundraiser Expenses</b>	<b><u>\$ 204,898</u></b>	<b><u>\$ 185,864</u></b>
8010 Festival Expenses	186,342	167,267
8050 Golf Outing Expenses	14,326	12,986
6700 Facility Rental Costs	4,230	5,611
<b>C.5 Day/Parochial, Greek or Catechetical School</b>	<b><u>\$ 27,864</u></b>	<b><u>\$ 27,481</u></b>
6001 Religious Education Exp	3,184	2,800
6127 Greek Language School	82	56

**Appendix A. Example of Completed Allocation Form and Financial Statements**

**Holy Trinity Greek Orthodox Church**

*Total Commitment Reconciliation*

	<u>2015</u>	<u>2016</u>
6522 Greek School Salaries	22,850	22,875
6539 Payroll Tax Expense (Greek School only)	1,748	1,750
C.6 Archdiocese, Metropolis, Charitable Giving	<u>\$ 500</u>	<u>\$ 400</u>
6810 I.O.C.C	250	200
6815 Holy Cross Donation	250	200
C <i>Total Adjustments</i>	<u>\$ 328,450</u>	<u>\$ 317,185</u>
<i>Total Net Expenses</i>	<u><u>\$ 426,099</u></u>	<u><u>\$ 440,286</u></u>

## Appendix A. Example of Completed Allocation Form and Financial Statements

9:49 AM  
01/29/17  
Accrual Basis

### Holy Trinity Greek Orthodox Church Profit & Loss Previous Year Comparison January through December 2016

Ordinary Income/Expense	<u>2015</u>	<u>2016</u>
<b>Income</b>		
5000 · Stewardship		
5006 · Pledges	461,621	478,259
5030 · Candles/Trays	38,354	36,692
5036 · Christmas Donation	650	645
5040 · Contributions and bequests	1,458	2,358
5042 · Easter Offering	286	428
5045 · Flowers	198	269
5055 · Memorial	1,885	586
<b>Total 5000 · Stewardship</b>	<u>504,452</u>	<u>519,237</u>
<b>5400 · Ministries Income</b>		
5405 · Religious Education		
5410 · Adult Intro/Orthodoxy Classes	505	635
5420 · Catechism School	1,082	1,057
5445 · Vacation Bible School Income	804	849
<b>Total 5405 · Religious Education</b>	<u>2,391</u>	<u>2,541</u>
5449 · Youth Ministries		
5450 · Athletics	149	158
5460 · Faith, Hope & Joy	202	211
5470 · GOYA		
5471 · Retreats	289	247
5472 · General	1,049	1,258
5473 · Summer Camp	760	780
<b>Total 5470 · GOYA</b>	<u>2,098</u>	<u>2,285</u>
<b>Total 5449 · Youth Ministries</b>	2,449	2,654
5510 · Greek Language & Cultural School		
5511 · Adult Greek School/Tuition	1,475	1,550
5512 · Childrens Greek School Tuition	915	950
5515 · Greek School - Donations	1,945	2,000
<b>Total 5510 · Greek Language &amp; Cultural School</b>	<u>4,335</u>	<u>4,500</u>
5540 · Choir	155	185
5560 · Missions	275	125
5566 · Pictorial Dir-Sponsorships	0	350
<b>Total 5400 · Ministries Income</b>	<u>9,605</u>	<u>10,355</u>
<b>5700 · Other Revenues</b>		
5760 · Facilities Rental	36,419	38,429
5850 · Misc Income	629	482
5950 · Gain/Loss on Securities	0	-47
5960 · Interest Income	1	2
<b>Total 5700 · Other Revenues</b>	<u>37,049</u>	<u>38,866</u>
<b>Total Income</b>	<b>\$ 551,106</b>	<b>\$ 568,458</b>

## Appendix A. Example of Completed Allocation Form and Financial Statements

9:49 AM  
01/29/17  
Accrual Basis

### Holy Trinity Greek Orthodox Church Profit & Loss Previous Year Comparison January through December 2016

	2015	2016
<b>Expense</b>		
6000 · Ministries Expenses		
6001 · Religious Education Exp		
6002 · Adult Intro/Orthodoxy Class	116	196
6010 · Catechism School	1,946	1,806
6011 · Oratorical Festival	68	76
6045 · Vacation Bible School	1,054	722
Total 6001 · Religious Education Exp	3,184	2,800
6049 · Youth Ministries Expense		
6050 · Athletics	37	22
6060 · Faith, Hope & Joy	26	17
6070 · GOYA - Jr & Sr		
6071 · Retreats	286	256
6072 · General	1,103	1,097
6073 · Summer Camp	817	778
Total 6070 · GOYA - Jr & Sr	2,206	2,131
Total 6049 · Youth Ministries Expense	2,269	2,170
6105 · Choir	125	125
6127 · Greek Language School	82	56
6133 · In-Church Supplies	4,209	4,186
6196 · Flowers	687	432
Total 6000 · Ministries Expenses	5,103	4,799
6300 · Facilities Expenses		
6320 · Janitorial	12,500	12,500
6321 · Cleaning Supplies	754	625
6335 · Landscaping/Lawn Maintenance	1,800	1,800
6360 · Repair & Maintenance	11,658	18,564
6380 · Utilities & Telephone/Internet		
6381 · Electricity	75,896	78,659
6382 · Water	4,875	4,695
6383 · Gas	2,058	2,189
6384 · Telephone	12,487	12,754
6385 · Internet	1,919	1,991
Total 6380 · Utilities & Telephone/Internet	97,235	100,288
6399 · Depreciation	15,943	17,781
Total 6300 · Facilities Expenses	139,890	151,559
6500 · Human Resource Expense		
6510 · Total Salaries		
6511 · Clergy Salaries, Housing & Taxes	132,847	134,521
6516 · Administrative Salaries	32,485	32,505
6522 · Greek School Salaries	22,850	22,875
6531 · Janitorial Salaries	19,546	20,487
6539 · Payroll Tax Expense	5,728	5,804
Total 6510 · Total Salaries	213,456	216,192
6550 · Insurance - Group Health	7,689	8,753
6552 · Insurance & Pension - Clergy	26,947	27,542
6560 · Moving & Interview Exp	0	0
6570 · Travel & Accomodations	848	274

## Appendix A. Example of Completed Allocation Form and Financial Statements

9:49 AM  
01/29/17  
Accrual Basis

### Holy Trinity Greek Orthodox Church Profit & Loss Previous Year Comparison January through December 2016

	2015	2016
6585 · Archdiocese - Clergy/Laity Cong	0	1,857
6586 · Metropolis - Clergy/Laity Cong	485	0
6590 · Outside Clergy - Honorariums	100	200
<b>Total 6500 · Human Resource Expense</b>	<b>249,525</b>	<b>254,818</b>
<b>6600 · General &amp; Administrative</b>		
6605 · Advertising	685	642
6610 · Auto Expenses	3,951	2,847
6615 · Audit, Legal, Othr Professional	4,215	4,084
6620 · Bank Fees	1,261	1,148
6630 · Credit Card Fees	842	861
6635 · Fellowship Coffee & Luncheons	4,851	4,709
6646 · Insurance - General	41,586	46,817
6650 · Mortgage Interest	4,368	3,931
6660 · Office Expense	5,916	6,827
6667 · Pictorial Directory	0	1,284
6670 · Postage	8,964	9,124
6675 · Printing & Duplicating	13,472	12,895
6680 · Stewardship Drive Exp	184	202
<b>Total 6600 · General &amp; Administrative</b>	<b>90,295</b>	<b>95,371</b>
<b>6700 · Facility Rental Costs</b>		
6710 · Janitorial Salaries	3,624	4,752
6715 · Linens	420	485
6720 · Other costs	186	374
<b>Total 6700 · Facility Rental Costs</b>	<b>4,230</b>	<b>5,611</b>
<b>6800 · National Ministries</b>		
6805 · Archdiocese Total Commitment	67,425	69,150
6810 · I.O.C.C.	250	200
6815 · Holy Cross Donation	250	200
<b>Total 6800 · Archdiocese Contribution</b>	<b>67,925</b>	<b>69,550</b>
<b>Total Expense</b>	<b>556,969</b>	<b>581,707</b>
<b>Net Ordinary Income</b>	<b>\$ (5,863)</b>	<b>\$ (13,249)</b>
<b>Other Income/Expense</b>		
<b>Other Income</b>		
7000 · Other Income		
7010 · Festival Proceeds	145,694	212,943
7050 · Golf Tournament	16,287	18,624
<b>Total 7000 · Other Income</b>	<b>161,981</b>	<b>231,567</b>
<b>Total Other Income</b>	<b>\$ 161,981</b>	<b>\$ 231,567</b>
<b>Other Expense</b>		
8000 · Other Expense		
8010 · Festival Expenses	186,342	167,267
8050 · Golf Outing Expenses	14,326	12,986
<b>Total 8000 · Other Expense</b>	<b>200,668</b>	<b>180,253</b>
<b>Total Other Expense</b>	<b>200,668</b>	<b>180,253</b>
<b>Net Other Income</b>	<b>(38,687)</b>	<b>51,314</b>
<b>Net Income</b>	<b>\$ (44,550)</b>	<b>\$ 38,065</b>



**Appendix A. Example of Completed Allocation Form and Financial Statements**

9:43 AM  
1/29/17  
Accrual Basis

**Holy Trinity Greek Orthodox Church**  
**Balance Sheet**  
As of December 31, 2016

	<u>Dec 31, 15</u>	<u>Dec 31, 16</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
1033 · Alpha Bank - Checking	16,302.49	25,436.28
1034 · Alpha Bank - Savings	3,015.84	12,406.32
1040 · Alpha Trust	49.24	12,149.65
<b>Total Checking/Savings</b>	<u>19,367.57</u>	<u>49,992.25</u>
<b>Accounts Receivable</b>		
1200 · Accounts Receivable	1,726.92	2,459.84
<b>Total Accounts Receivable</b>	<u>1,726.92</u>	<u>2,459.84</u>
<b>Total Current Assets</b>	21,094.49	52,452.09
<b>Fixed Assets</b>		
1700 · Buildings	2,531,694.00	2,531,694.00
1705 · Equipment & Autos	58,263.14	79,485.14
1710 · Furniture & Fixtures	14,526.34	15,628.59
1715 · Religious Artifacts and Icons	68,975.24	69,572.36
1733 · Land	135,492.57	135,492.57
1745 · Capital Improvements	265,843.21	278,624.05
1750 · Accumulated Depreciation	-988,462.39	-1,006,243.59
<b>Total Fixed Assets</b>	<u>2,086,332.11</u>	<u>2,104,253.12</u>
<b>TOTAL ASSETS</b>	<u><u>2,107,426.60</u></u>	<u><u>2,156,705.21</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
2001 · Accounts Payable	1,587.96	241.59
<b>Total Current Liabilities</b>	<u>1,587.96</u>	<u>241.59</u>
<b>Long Term Liabilities</b>		
3333 · Mortgage - Bank of America	107,846.27	94,554.05
<b>Total Long Term Liabilities</b>	<u>107,846.27</u>	<u>94,554.05</u>
<b>Total Liabilities</b>	109,434.23	94,795.64
<b>Equity</b>		
3900 · Retained Earnings	2,042,541.90	2,023,845.00
Net Income	-44,549.53	38,064.57
<b>Total Equity</b>	<u>1,997,992.37</u>	<u>2,061,909.57</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,107,426.60</u></u>	<u><u>2,156,705.21</u></u>

## **APPENDIX B DEFINING PARISH EXPENSES**

Equitable administration of the National Ministries Allocation Program (or Total Commitment Program) requires (i) full disclosure of each Parish's Financial Statements and (ii) the dollar amount spent on behalf of a Parish by other organizations that support the Parish as further described below. The total of these two amounts are reported on Line B of the Allocation Form. Parish expenses must include:

1. The direct expenses paid by a Parish from its general operating fund, building fund, festival accounts, special appeal accounts, endowment funds and all restricted fund accounts,
2. Expenses paid on behalf of a parish or parish related property by Type I, Type II or Type III Supporting Organizations and any other tax exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code.

a. Type I, Type II or Type III Supporting Organizations are classified as such by the Internal Revenue Code based on the type of relationship the supporting organization has with its supported organization. Type I, Type II or Type II Supporting Organizations are described as follows:

- i. Type I. A Type I Supporting Organization must be operated, supervised or controlled by its supported organization (the Parish), typically by giving the supported organization the power to regularly appoint or elect a majority of the governing body of the supporting organization. The relationship between the supported organization and the supporting organization is sometimes described as similar to a parent-subsidiary relationship.
- ii. Type II. A Type II Supporting Organization must be supervised or controlled by its supported organization (the Parish), typically by having a majority of the members of the governing body of the supported organization (the Parish Council) serve as a majority of the members of the governing body of the supporting organization. The relationship between the supported organization and the supporting organization is sometimes described as similar to a brother-sister relationship.
- iii. Type III. A Type III Supporting Organization must be operated in connection with a publically supported organization (the Parish). It must be responsive to the needs and demands of, and must constitute an integral part of or maintain significant involvement in, their supported organization. Because a Type III Supported Organization is not subject to the same level of control by its supported organization, it must fulfill a notification requirement as to the type and amount of support that it provides and pass both a responsiveness test and an

integral part test. The responsiveness and integral part tests are designed to ensure that the supporting organization is responsive to the needs of the supported organization and conducts activities that would have otherwise been conducted by the supported organization (the Parish). Examples of these types of activities might include ministry activities that otherwise would have been conducted by the Parish. Fundraising and grant-making activities do not meet the integral part test.

3. The Parish Financial Statements should include any and all corporations, institutions and entities under the direct or indirect control of the Parish or Parish Council. Type I and Type II Supporting Organizations are under the direct control of the Parish or the Parish Council and must be included with the Parish Financial Statements. Type III Supporting Organizations are under the indirect control of the Parish by virtue of the type of activities that they conduct on behalf of the Parish and must be included with the Parish Financial Statements.
4. Financial activities outside of the normal Parish operating statements must be reported; however, they can be presented separately and need not be consolidated into the Parish operating statements. These financial activities would include, but not be limited to expenses incurred on behalf of the Parish by another tax exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code.

The National Allocation Program (or Total Commitment Program) is critical to the operation of the Archdiocese and each Metropolis in the fulfillment of the Church's missions and ministries. The respective Hierarch is responsible for ensuring that each Parish in his Archdiocesan District/Metropolis submits the financial records required under these regulations and meets its Total Commitment to the Archdiocese, as required under these Regulations. As such, he has the authority to take such measures and to impose such financial and other restrictions, as he deems necessary and appropriate to enforce the Parish's obligations.

**APPENDIX C**  
**GREEK ORTHODOX ARCHDIOCESE OF AMERICA**  
**ENDOWMENT FUNDS CUSTODY GUIDELINES**

A Parish of the Archdiocese is “the local eucharistic community of the Church in a given locality” (UPR, Chapter 1, Article 15, Section 1). Although a spiritual entity, a Parish must also be organized in compliance with certain civil law requirements in order for it to function in the external society. Under Part Three (Uniform Parish Regulation) section of the Regulations of the Greek Orthodox Archdiocese of America (“**UPR**”), a Parish is organized with a Parish Council that serves as the executive and administrative body of the Parish for civil law purposes (UPR, Chapter 3, Article 30, Section 2), and with a Parish Assembly which serves as “the general policy making and appropriating body of the Parish” (UPR, Chapter 3, Article 31, Section 1).

The Parish Assembly, as the appropriating body of the Parish, may establish an endowment fund (an “**Endowment Fund**”) and set the fund guidelines, investment restrictions and rules and use limitations (the “**Endowment Rules**”) of such Endowment Fund. In addition, the Parish Council, as the board of directors of the Parish, may also establish an Endowment Fund and set the Endowment Rules, provided that such Endowment Fund and Endowment Rules must be confirmed and approved by the Parish Assembly. The UPR provides that all committees and boards of the Parish, except for the Board of Elections and the Board of Auditors, will be under the jurisdiction of the Priest and Parish Council (UPR, Chapter 3, Article 30, Section 3). The administration of the Endowment Fund, therefore, is under the jurisdiction of the Parish Council and Priest, in accordance with the provisions of the UPR, Chapter 3.

However, in some Parishes of the Archdiocese, an Endowment Fund has been established as a separate body from the Parish Council, or as a direct committee of the Parish Assembly. Further, the monies of the Endowment Fund in some Parishes have been held in the name of another entity or in the name of the members of the committee overseeing the Endowment Fund. Such custodial practice could violate the UPR, (Chapter 3, Article 34, Section 1) unless it is clear that the Parish Council is the ultimate custodian of all Parish funds. Accordingly, the Legal Committee of the Archdiocese advises as follows:

1. **Organization.** All Parishes should place the custodianship of any Endowment Fund under the ultimate control of the Parish Council, to be maintained in accordance with the UPR. The Parish Council or Parish Assembly may establish a separate Board (the “**Endowment Board**”) that is itself under the control of the Parish Council. The Parish Council should develop specific and detailed Endowment Rules, all of which must be ratified by the Parish Assembly. The Parish can establish a separately incorporated entity that has obtained 501(c)(3) status from the Internal Revenue Service (an “**Endowment Corporation**”) which is under the control of the Parish Council and in trust for the Parish (or which is under the control of a separate Endowment Board that is under the control of the Parish Council and in trust for the Parish).

2. **Accounts.** All monies or accounts of any Endowment Funds should be held in the name of the Parish, except that: (a) an Endowment Corporation may create accounts

and hold monies in its name (subject to the Endowment Rules and Paragraph 3 below); and (b) the Endowment Fund monies of a Parish without an Endowment Corporation may be deposited into an account under the control of the Parish Council bearing some version of the words "endowment fund" (or a similar designation) along with the name of the Parish.

3. **Transactions and Control.** All transactions with the Endowment Fund or any Endowment Corporation should be subject to the oversight of the Parish Council and audited by the Board of Auditors of the Parish, even if the day to day investment and other affairs are managed by an Endowment Board or any other committee or board designated by the Parish Council. The Parish Council should approve all grants, awards or other expenditures of any kind or nature of the Endowment Fund, consistent with the applicable Endowment Rules and any applicable donor restrictions or limitations. Parish Assembly ratification of all Endowment Fund expenditures is encouraged, but not required. In any event, the financial statements of the Endowment Fund (and any Endowment Corporation, if applicable) should be regularly reported to the parishioners, Parish Council and Parish Assembly.

4. **Endowment Board.** Any Endowment Board overseeing the administration of the Endowment Fund (whether as a committee of the Parish Council or pursuant to a separate Endowment Corporation) should report to the Parish Council on its activities and should conduct its investments of the Endowment Fund solely in accordance with the Endowment Rules. The Endowment Board should be appointed by the Parish Council unless it is elected by the Parish in the same manner as the Parish elects its Parish Council.

5. **Reversion.** The Endowment Rules, and any charter, articles of incorporation and bylaws of any Endowment Corporation, must provide that, in the event of any dissolution, liquidation, termination, disbanding, prolonged inactivity or cessation of the Endowment Fund (or any Endowment Corporation) for any reason or at any time, all of its monies and accounts revert solely to the Parish (or, if the Parish is not viable, as provided in Chapter 3, Article 22 of the UPR).

NOTE: These guidelines do not address the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Until UPMIFA requirements are added, please contact your Metropolis Finance Committee of the Archdiocese Finance Committee if planning to establish an endowment fund.

**APPENDIX D**  
**ADOPTED RESOLUTION OF THE FINANCE COMMITTEE**  
**2006 CLERGY-LAITY CONGRESS**

**WHERE AS:**

The 2004 Clergy-Laity Congress charged the Archdiocese Council Finance Committee to Propose:

A Credible Budget for 2007 and 2008

A Fair and Equitable Fund Method for Support of the National Ministries

An Adequate Funding Method for Supporting the Metropolises

The Presentation of the 2006 Clergy-Laity Congress Budget

**WHERE AS:**

The Archdiocese significantly reduced operational expenses and debt during 2005

**WHERE AS:**

There is significant need to strengthen and expand the National Ministries as well as the Ministries of the Metropolises and our Parishes,

**BE IT RESOVLED BY THE 2006 CLERGY-LAITY CONGRESS;**

1. That the total National Ministries Commitment Allocation to each Metropolis shall increase by 10 percent from calendar year 2006 to 2007
  - a. The basis being a 4 percent cost of living increase plus a 6 percent growth factor, calculated on a 93 percent historical collection of allocations during the calendar year that they were assigned
2. That the National Ministries Commitment to each Metropolis shall be increased by 8 percent from calendar year 2007 to 2008
  - a. The basis being a 4 percent cost of living increase plus a 6 percent growth factor, calculated on a 93 percent historical collection of allocations during the calendar year that they were assigned.

**BE IT FURTHER RESOVED BY THE 2006 CLERGY-LAITY CONGRESS**

That each Metropolis, including the Archdiocese District, Be granted \$375,000 or 25 percent of the total amount collected from the allocations to its Parishes for the calendar year, whichever is greater. Provided, however if a Metropolis does not raise at least 93 percent of its current year total allocation, the Archdiocese Council Finance Committee will review the Grant amount for the ensuing year. In addition, the Metropolis will receive 2 percent of the total amount of the collected allocations, if this total is equal to or exceeds the total amount that has been assigned to the Metropolis by the Archdiocese.

**BE IT FURTHER RESOLVED BYT EH 2006 CLERGY-LAITY CONGRESS**

That each Metropolis allocates to its Parishes, at least the TOTAL AMOUNT assigned to it by the Archdiocese, provided however that;

1. So long as at least the total allocation assigned by the Archdiocese is equitably distributed, the Metropolitan, at His discretion, may also exclude one or more additional expenditures of the smallest Parishes of His Metropolis

2. Any Parish not providing the Metropolis with complete and verified financial information will have its allocation increased 25 percent from the immediately preceding year.
3. A Metropolis may increase the amount to be allocated to its Parishes in an effort to create a reserve so that it may assist Parishes experiencing financial problems, without jeopardizing its ability to meet its total commitment to the National Ministries.
4. Once a Metropolis finalizes the allocations to the Parishes for the current year, it will be required to distribute a list of final allocations, to all Parishes in its Metropolis.

FINALLY, BASED ON THE FORGOING RESOLUTIONS, THE ARCHDIOCESE FINANCE COMMITTEE HAS PREPARED AND APPROVED 2007-2008 BUDGET AND IS REQUESTING ACCEPTANCE FROM THE CONGRESS.

Approved by the 2006 Clergy-Laity Congress, Nashville, TN

**Appendix E Allocation Form, Page 1**

**National Ministries Commitment Data for 2018 Archdiocese Allocation Metropolis of \_\_\_\_\_**

Due Date: \_\_\_\_\_ Please print or type all information on this form> Please note: All Philoptochos funds excluded.

Please print telephone numbers and email addresses clearly

Name of Parish \_\_\_\_\_ Telephone: \_\_\_\_\_ Parish Number \_\_\_\_\_  
 Address \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Person preparing this form: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_  
 Parish Council Treasurer: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_  
 Parish Council President: \_\_\_\_\_ Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

	Y/E 12/31/15	Y/E 12/31/16
<b>A TOTAL PARISH INCOME</b> , all funds from all sources including all fund raisers, etc. excluding any donations from all sources to any parish endowment/foundation but including any funds transferred from any such endowment/foundation to the parish for any purpose.	A. \$ _____	\$ _____
<b>B TOTAL PARISH EXPENDITURES</b> for all purposes:	B. \$ _____	\$ _____
<b>C DETAILED DEDUCTIBLE EXPENDITURES:</b> (Deductible expenses must be included in line B, above)	C. 1 \$ _____	\$ _____
1 Funds paid to the Archdiocese for Parish National Ministries Commitment	2 \$ _____	\$ _____
2 Funds paid for facility construction, iconography, and/or land --excluding any mortgage payments including capital expenditures (attach a list of projects including dates started, anticipated completion, estimated total cost and date approved by the Metropolis)	3 \$ _____	\$ _____
3 Funds paid on loans for property and improvements to real property	4 \$ _____	\$ _____
4 Funds paid to hold any fund raiser such as a Festival, etc.	5 \$ _____	\$ _____
5 Funds paid to operate a Day/Parochial, Greek or Catechetical School	6 \$ _____	\$ _____
6 Archdiocese, Metropolis and other charitable giving	C. \$ _____	\$ _____
TOTAL NET PARISH EXPENDITURES	TOTAL FOR ITEM C(1 THRU 6)	
	LINE B MINUS LINE C	

We certify that the information on this data submission form is, to the best of our knowledge, complete and accurate: And further certify: All expenses incurred and paid by a supporting foundation, private foundation, public charity, an individual, or any other entity; (i) on behalf of the parish, (ii) as required to operate the parish, or (iii) maintain parish related assets, are included on Line B above, as required. The Archdiocese Finance Committee shall have the discretion to work with the parish to impute expenses to the parish and such discretion shall be binding.

**Signatures:**

Parish Priest: \_\_\_\_\_  
 Parish Council President: \_\_\_\_\_  
 Parish Council Treasurer: \_\_\_\_\_

Chair Person of the Parish Audit Committee: \_\_\_\_\_

Revised 7/26/2016



**Appendix E Allocation Form Page 2**

\* Year end complete financial statements for each year must accompany this form.  
This includes a full Balance Sheet and Profit and Loss Statement for all operations.

Is the parish engaged in any business activities? List any and all business related activities such as property rental, catering, weekly food sales  
Provide financial statements for these businesses if not in the total income and total expense above.

1 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
2 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
3 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E-mail the complete package to:

and Mail complete package to:

		Parish Assignments					
		Primary					Back up
1033	Tenafly	NJ	Savas Tsivicos				Andy Comodromos
1016	Baltimore (Annunciation)	MD	Peter Kakoyiannis				George Colonias
1036	Westfield	NJ	Stavros Antonakakis				Savas Tsivicos
1019	Bethesda	MD	George Colonias				Peter Kakoyiannis
1092	Falls Church	VA	Maria Stefanis				Peter Kakoyiannis
1096	Norfolk	VA	Maria Stefanis				Nick Carras
1082	Broomall	PA	Tony Palmieri				Peter Dionisos
1032	Piscataway	NJ	Sotiris Sergiou				Andy Comodromos
1097	Richmond	VA	Maria Stefanis				Nick Carras
1018	Baltimore ( St. Demetrios )	MD	Peter Kakoyiannis				George Colonias
1095	Newport News	VA	Maria Stefanis				Nick Carras
1010	Wilmington	DE	Peter Dionisos				Stavros Antonakakis
1015	Annapolis	MD	George Colonias				Peter Kakoyiannis
1028	Roseland	NJ	Savas Tsivicos				Stavros Antonakakis
1085	Philadelphia (St. George )	PA	Tony Palmieri				Peter Dionisos
1023	Cherry Hill	NJ	Peter Dionisos				Tony Palmieri
1038	Wyckoff	NJ	Sotiris Sergiou				Andy Comodromos
1024	Randolph	NJ	Savas Tsivicos				Andy Comodromos
1029	Clifton	NJ	Sotiris Sergiou				Andy Comodromos
1030	Paramus	NJ	Savas Tsivicos				Andy Comodromos
1020	Fairview	NJ	Savas Tsivicos				Andy Comodromos
1017	Baltimore (St. Nicholas )	MD	Peter Kakoyiannis				George Colonias
1089	Virginia Beach	VA	Maria Stefanis				Nick Carras
1035	Trenton	NJ	Andy Comodromos				Savas Tsivicos
1084	Elkins Park	PA	Tony Palmieri				Peter Dionisos
1021	Asbury Park	NJ	Andy Comodromos				Savas Tsivicos
1088	Holmdel	NJ	Andy Comodromos				Savas Tsivicos
1039	Toms River	NJ	Andy Comodromos				Stavros Antonakakis
1086	Upper Darby	PA	Tony Palmieri				Peter Dionisos
1083	Media	PA	Tony Palmieri				Peter Dionisos
1009	Vineland	NJ	Peter Dionisos				Tony Palmieri
1081	Jeffersonville	PA	Tony Palmieri				Peter Dionisos

1012	Ocean City	MD	George Pappas	Peter Kakoyiannis
1040	Egg Harbor	NJ	George Pappas	Peter Dionisos
1098	Roanoke	VA	Maria Stefanis	Nick Carras
1027	Union	NJ	Savas Tsivicos	Andy Comodromos
1093	Hopewell	VA	Nick Carras	Maria Stefanis
1043	Philadelphia (Annunciation )	PA	Tony Palmieri	Peter Dionisos
1011	Frederick	MD	Peter Kakoyiannis	George Colonias
1090	Charlottesville	VA	Nick Carras	Maria Stefanis
1022	Atlantic City	NJ	Stavros Antonakakis	Stavros Antonakakis
1037	North Wildwood	NJ	Peter Dionisos	Stavros Antonakakis
1032	Perth Amboy	NJ	Savas Tsivicos	Andy Comodromos
1014	Lanham	MD	Peter Kakoyiannis	George Colonias
1042	Flemington	NJ	George Pappas	Andy Comodromos
1087	Fredericksburg	VA	Nick Carras	Maria Stefanis
1041	Elizabeth	NJ	Andy Comodromos	Savas Tsivicos
1091	Danville	VA	Nick Carras	Maria Stefanis
1025	Jersey City ( Evangelismos )	NJ	Stavros Antonakakis	Savas Tsivicos
1026	Jersey City ( St. Demetrios)	NJ	Stavros Antonakakis	Savas Tsivicos
1094	Lynchburg	VA	Nick Carras	Maria Stefanis
1099	Winchester	VA	George Colonias	Peter Kakoyiannis
	Loudon County	VA	Nick Carras	Maria Stefanis
	Bel Air	MD	Peter Kakoyiannis	George Colonias