



Evangelical Lutheran Church in Canada
Eglise Evangélique Luthérienne au Canada

Treasurer's Information Booklet 2007

**302 – 393 Portage Avenue
Winnipeg, MB R3B 3H6**

www.elcic.ca

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CONTACT INFORMATION - ELCIC

ELCIC National Office

Tel: 204.984.9150 or 1.888.786.6707
Fax: 204.984.9185
General Information: fschultz@elcic.ca
Finance & Administration: finance@elcic.ca
Web site: www.elcic.ca

Treasurer information can be found by choosing
Treasurer's link on www.elcic.ca home page.

ELCIC Group Services Inc.

302 - 393 Portage Ave., Winnipeg, MB R3B 3H6
Tel: 204.984.9181 or 1.877.352.4247
Fax: 204.984.9179
E-mail: gsi@elcic.ca
Web site: www.elcicgsi.ca

ELCIC Synod Offices

- Synod of Alberta and the Territories 10014 – 81 Ave. N., Edmonton, AB T6E 1W8
Tel: 780.439.2636
Fax: 780.433.6623
E-mail: abtsynod@elcic.ca
Web site: www.albertasynod.ca
- British Columbia Synod 80 East 10 Ave., New Westminster, BC V3L 4R5
Tel: 604.524.1318
Fax: 604.524.9255
E-mail: bcsynod@elcic.ca
Web site: www.bcsynod.org
- Eastern Synod 74 Weber St. W., Kitchener, ON N2H 3Z3
Tel: 519.743.1461 or 1.877.373.5242
Fax: 519.743.4291
E-mail: easternsynod@elcic.ca
Web site: www.easternsynod.org
- Manitoba/Northwestern Ontario Synod 201-3657 Roblin Blvd., Winnipeg, MB R3R 0E2
Tel: 204.889.3760
Fax: 204.896.0272
E-mail: mnosynod@elcic.ca
Web site: www.mnosynod.org
- Saskatchewan Synod 707–601 Spadina Cres. E, Saskatoon, SK S7K3G8
Tel: 306.244.2474
Fax: 306.664.8677
E-mail: sksynod@elcic.ca
Web site: www.sasksynod.elcic.ca

CONTACT INFORMATION - CANADA REVENUE AGENCY (CRA)

General Web Site	www.cra-arc.gc.ca
Charities Directorate	Tel: 1.800.267.2384 www.cra-arc.gc.ca/charities
Forms & Publications	Tel: 1.800.959.2221 www.cra-arc.gc.ca/formspubs/menu-e.html
GST, Payroll Deductions and Other Business Inquiries	Tel: 1.800.959.5525 www.cra-arc.gc.ca/tax/business www.cra-arc.gc.ca/tax/business/topics/payroll
Electronic Mailing Lists	www.cra-arc.gc.ca/eservices/maillist/menu-e.html
Personal Tax Inquiries	Tel: 1.800.959.8281
Ministère du Revenu du Québec	Tel: 1.888.413.2277 www.revenu.gouv.qc.ca/

1. GENERAL INFORMATION FOR CONGREGATIONAL TREASURERS

The information in this booklet is to be used by the treasurer and should also be shared with other persons in the congregation. Forms are available in this booklet for photocopying and also on the ELCIC web site.

1A. Charitable Organization Registration Numbers

The Evangelical Lutheran Church in Canada (ELCIC) began operations January 1, 1986. It was incorporated by Special Act of Parliament, Chapter 55, and is registered as a charitable organization with the Canada Revenue Agency (CRA). Each of the five synods is separately incorporated in a province and registered as a separate charitable organization. Each congregation also has its own registered charitable organization number.

For your information and for the completion of Form T3010, Registered Charity Information Return, following are the charity registration numbers for some of the commonly supported Lutheran entities:

ELCIC	10735 4334 RR0001
Synod of Alberta and the Territories.....	13055 9404 RR0001
British Columbia Synod	10677 9184 RR0001
Eastern Synod.....	10727 3666 RR0002
Manitoba/Northwestern Ontario Synod	11903 0567 RR0001
Saskatchewan Synod	13073 9865 RR0001
Evangelical Lutheran Women Inc.....	89486 7530 RR0001
ABT Synodical ELW	89486 7530 RR0002
Saskatchewan Synodical ELW	89486 7530 RR0003
BC Synodical ELW	89486 7530 RR0004
Eastern Synodical ELW	89486 7530 RR0005
MNO Synodical ELW	89486 7530 RR0006
Lutheran Theological Seminary, Saskatoon.....	11902 6292 RR0001
Waterloo Lutheran Seminary, Waterloo.....	10820 8786 RR0001
Luther College, Regina.....	10765 0061 RR0001
Lutheran Collegiate Bible Institute, Outlook	10764 9899 RR0001
Bethany Nursing Home, Camrose.....	11880 4459 RR0001
Lutheran Sunset Home, Saskatoon.....	13104 5613 RR0001
St. Paul's Lutheran Home, Melville.....	10808 5668 RR0001
Canadian Lutheran World Relief.....	10686 3038 RR0001
Lutheran Association of Missionaries and Pilots, Edmonton	11900 4810 RR0001

1B. Flow of Funds

For **general mission support**, the flow of funds is from individual to congregation to synod to national office. Each is responsible for using or sharing the gifts in accordance with the intent of the donor.

For **certain other items**, the congregational treasurer will send remittances directly to the national office or directly to another charity as specified by the donor.

For any donations received by the congregation, whether general or specified, and the funds are deposited into the congregation's bank account, the congregation is responsible for issuing the **donation receipts** and also ensuring all directed gifts are properly forwarded.

1C. Special Purpose Funds

By law, funds that are donated for specific purposes must be kept separate, e.g. building fund, synod benevolence, organ fund, cemetery fund. In theory, special bank accounts should be set up for each special fund. However, as this most often is impractical, it is essential that separate accounts be maintained in the church financial records for each special fund.

Once the gift has been accepted, the funds cannot be used for a purpose other than that stipulated by the donor. Depositing a cheque into the charity's bank account acknowledges acceptance. Therefore, if you are unsure of whether a directed gift can be spent as directed, do not deposit funds until this information is confirmed. If unable to fulfill the obligation of a directed gift, the gift must either be returned to the donor, or the donor must be asked to provide, in writing, alternative uses of the gift. The only legal way to change the purpose of the funds once they have been accepted is to obtain a court order. Even the donor cannot change the original intention once the gift has been accepted.

Special purpose accounts should only be set up after the congregational council has approved the purpose. Also, when the congregational council establishes a new special purpose fund, council should indicate where extra monies will be applied should the specific fund be over-subscribed or when the project is completed and funds are remaining in the account (essentially, how and when the special fund can be closed.)

Borrowing from special funds should not be done. As well, interest on special funds being held cannot be allocated to a different purpose.

Suggested wording for a donor to modify the restrictions of a gift in order to give the congregation ultimate control over the use of the funds:

“The donor hereby authorizes the church to use the designated funds for other church programs if the program or project for which the enclosed gift is designated has been fully funded or if the church council, in its sole discretion, decides that the program or project for which the funds are designated will not be carried out.”

Example for the council to use in establishing a new special purpose fund or for promoting donations to an existing fund in the event the purpose is over-subscribed:

“If the new organ fund is over-subscribed, all extra donations will be applied to the general operating fund.”

2. FUNDS TO BE REMITTED TO THE SYNOD OFFICE

2A. Mission Support through the Synod

Regular Mission Support of Synod

This consists of remittances from the congregation's budget for benevolence of church wide programs. The funds are to be sent from the congregation to the synod office on a monthly basis. A completed synod remittance form must be enclosed with each payment. See forms in Section B.

Directed Gifts for Synod Purposes

This consists of remittances for causes carried out in the synod program as part of its budget. These may include support for the seminaries, campus ministry, outdoor camps, homes and other programs or agencies located within a synod boundary.

2B. Mission Support through the National Church

Regular Support of National Church Mission

As a basic part of its budget, each synod has an amount for the mission and programs carried out together with other synods through the National Church. This is a budgeted amount agreed on by each synod in convention. Part of a congregation's remittances to a synod will be used for the national and worldwide responsibilities.

Directed Gifts for ELCIC Causes

Individual members and congregations frequently choose to provide donations for specific causes. These donations are additional support over and above the basic regular support of the congregation. National Church programs include mission in the world, volunteers in mission, missionaries of ELCIC, Global Hunger and Development Appeal, public policy, stewardship and leadership. These donations should flow from the congregation to the synod to the national office. Donations to Canadian Lutheran World Relief, an agency of the church, should also be sent through the synod.

The Global Hunger and Development Appeal (GHDA)

The Global Hunger and Development Appeal (GHDA) of the Evangelical Lutheran Church in Canada is the means by which the ELCIC raises money for development and relief work in Canada and around the world. GHDA gifts are allocated to meet the following objectives:

- provide immediate relief of hunger and other emergency needs;
- deal with the causes and effects of poverty through long-range development;
- educate to understand and confront the causes of poverty; and
- promote social and economic justice.

The largest portion of GHDA gifts is allocated to Canadian Lutheran World Relief (CLWR) in support of overseas development initiatives and emergency assistance. CLWR is a service

delivery agency funded by donations from the ELCIC and Lutheran Church–Canada as well as grants from the Canadian International Development Agency (CIDA).

Local and congregational projects that address poverty in Canada are funded through annual grants to synod GHDA committees. Other grants are allocated to support work done with the ELCIC’s ecumenical partners on issues of hunger, poverty and justice, and to provide education programs and materials to ELCIC congregations. GHDA also responds to special appeals for assistance in disaster situations through its emergency appeal fund.

Undesignated gifts to GHDA are allocated as indicated above. Gifts designated to CLWR or a special appeal will be forwarded in their entirety according to the donor’s instructions.

3. FUNDS TO BE REMITTED TO THE ELCIC NATIONAL OFFICE

There are some remittances of a congregation that must be sent directly to the ELCIC national office. These do not pertain to mission support of either the synod or the national church. Each of these payments must be made by separate cheque and have a completed remittance form enclosed with it.

3A. Church Extension and Capital Fund (CECF)

All mortgage payments of Canadian Mission congregations are to be sent directly to the ELCIC national office. These monthly payments include interest and principal and should be made in accordance with the agreement with the CECF. As of January 1, 2007, congregations can make their monthly mortgage payments by pre-authorized debit. With the pre-authorized payment option, your payment is made automatically on the payment due date. There is no cost to the congregation for this service. To join, complete and sign the enrolment/authorization form found in Section B and attach a congregation business blank cheque marked “void”. Mail the form and the void cheque to the national office.

Additional payments can be applied to the principal at any time. To submit an additional payment, cheques can be made payable to the “Evangelical Lutheran Church in Canada” and forwarded to the national office. We also request that you attach a completed remittance form to the cheque to ensure that your additional payment is applied to your loan. These forms are available in Section B and also in the Treasurer’s section on the ELCIC website.

For those congregations paying by cheque, it is preferable that, on an annual basis, the regular monthly cheques for the year are postdated and forwarded to the national office. A mortgage remittance form should accompany each cheque. See forms in Section B.

3B. Lutheran Investment Funds and Endowments (LIFE)

Monthly payments for LIFE loans are to be made directly to the ELCIC national office. As of January 1, 2007, congregations can make their monthly mortgage payments by pre-authorized debit. With the pre-authorized payment option, your payment is made automatically on the payment due date. There is no cost to the congregation for this service. To join, complete and

sign the enrolment/authorization form found in Section B and attach a congregation business blank cheque marked “void”. Mail the form and the void cheque to the national office.

Additional payments can be applied to the principal at any time. To submit an additional payment, cheques can be made payable to the “Evangelical Lutheran Church in Canada” and forwarded to the national office. We also request that you attach a completed remittance form to the cheque to ensure that your additional payment is applied to your loan. These forms are available in Section B and also in the Treasurer’s section on the ELCIC website.

For those congregations paying by cheque, it is preferable that, on an annual basis, the regular monthly cheques for the year are postdated and forwarded to the national office. A mortgage remittance form should accompany each cheque. See forms in Section B.

The LIFE fund provides an opportunity for established congregations to borrow money to improve facilities and, at the same time, provides an opportunity for other congregations and individuals to be partners in the mission of ELCIC.

To generate funds available for loans, the LIFE fund obtains investments from individuals and congregations. Congregations and individuals may invest in cashable demand certificates or five-year term certificates at competitive interest rates. The LIFE fund then lends the money out to the borrowing congregations at a reasonable interest rate. Further information is available from the ELCIC national office.

3C. Continuing Education Plan (CEP)

The ELCIC national office has the responsibility for overseeing the Continuing Education Plan (CEP). A separate cheque, payable to ELCIC, along with a completed CEP remittance form is to be used for the monthly CEP payments. Please ensure that all details are completed on the form so that the funds are credited to the correct employee’s account. Also please ensure that the monthly CEP remittances are not combined with any other ELCIC remittances. When a new employee joins the plan, a CEP Application for Membership form should be completed and sent along with the first remittance. See forms in Section B.

Each professional leader and employee of a congregation or specialized ministry is eligible to participate in the plan. The plan offers provisions for short-term and long-term study grants. All study grants should further the individual’s goals for ministry and serve the goals for mission of the congregation or agency that employs the individual.

Each synod’s salary guidelines provide a suggested minimum contribution to CEP. If the guidelines are exceeded, contributions should be made on the basis of 1/3 paid by the employee and 2/3 paid by the employer. The national office minimum contribution is \$37.50 per month, \$12.50 by the employee plus \$25.00 by the employer.

The total contribution is credited to the account of each participating employee. If the employee changes employers within the ELCIC organization, the CEP account moves with the employee. An annual statement is sent out to all CEP participants in January of each year.

Interest on accumulated funds is designated for the Long-term Study Fund that provides grants to members of CEP for extended study leaves.

It is recommended that all professional leaders, employees, congregations and employers join CEP. Further information and forms can be found on our web site at www.elcic.ca.

4. FUNDS TO BE FORWARDED TO ELCIC GROUP SERVICES INC. (GSI)

4A. ELCIC Pension Plan for Clergy and Lay Workers

The official title of the ELCIC pension plan is “Pension Plan for Clergy and Lay Workers of the Evangelical Lutheran Church in Canada.” The pension registration number is 0533240.

Details of this plan as described in the pension plan document can be made available to members upon request. Information and remittance requirements are available on the ELCIC GSI website at www.elcicgsi.ca.

Cheques should be made payable to “ELCIC Group Services” and should be accompanied by a completed remittance form in order to ensure all payments are properly allocated.

Please note that the employer’s supplemental contribution will be used to finance the experience deficiency that has emerged in the retired life portion of the fund. The supplement must not be included in the employees’ pension adjustment calculation for T4 purposes.

Per the Canada Revenue Agency, the maximum pension contribution to an employee’s pension plan account is 18% of “earned income” as reported in Box 14 of the T4. The employer’s and the employee’s mandatory contributions are each 5% of the “salary basis.” In many cases the “salary basis” will not be the same as the “earned income” as reported in Box 14 of the T4, and therefore, it is essential to ensure that the maximum of 18% of “earned income” is not exceeded. For further information regarding the definitions of “income,” refer to Section 8C.

4B. ELCIC Employee Benefits Plan for Clergy and Lay Workers

GSI also administers the ELCIC Employee Life and Disability Benefits plan, the Employee Assistance Plan, and the Health and Dental Benefits plan.

Information and remittance requirements are described on the ELCIC GSI website at www.elcicgsi.ca.

Cheques should be made payable to “ELCIC Group Services” and should be accompanied by a completed remittance form.

4C. GSI Information and Forms

Further information on the pension and benefits plans can be obtained at www.elcicgsi.ca. Pension and benefit forms can also be downloaded from this site.

5. FUNDS TO BE FORWARDED DIRECTLY TO OTHER CHARITIES

5A. Gifts to Evangelical Lutheran Women (ELW)

Evangelical Lutheran Women (ELW) organization is separately incorporated for the national and synodical levels but not for the congregational level. All gifts from the local ELW are to be sent to the Synodical ELW treasurer, and they, in turn, will channel funds to the National ELW. ELCIC is committed to a strong working relationship with the Evangelical Lutheran Women. The ELW web site is located at www.elw.ca.

The congregational ELW's activities fall under the corporate umbrella of the congregation. Normally, a congregational ELW will have its own bank account and statement of income and expenses. As the congregational council must be informed on the activities of all committees and groups within its organization, ELW must submit reports to the congregational council. The minimum reporting requirement to the congregational council would be an annual report that includes the income and expenses statement and a report on the group's activities for the past year, as well as the budget and activity projections for the coming year. This report should be included in the congregation's annual report to members.

For donation receipting, the charitable organization number used by the congregational ELW is that of the congregation. As such, the books of the congregational ELW must be made available for review by the congregation's treasurer, auditor or other appointed person who reports to the council.

When completing the T3010, Registered Charity Information Return, the information from the ELW regarding donation receipts issued, benevolence distributed and other expenses must be included with the congregation's activities and finances. The benevolence funds distributed by the congregational ELW are remitted to the synodical ELW; therefore the charitable organization number to record on the T3010, Gifts to Qualified Donees, is that of the Synodical ELW. The charitable organization numbers for all the Synodical ELWs are provided in Section 1A.

5B. Directed Gifts for Non-ELCIC Causes

For gifts received by a congregation for local causes or non-ELCIC causes, the congregation should send these directly to the beneficiary. Some examples include the World Mission Prayer League, Lutheran Association of Missionaries and Pilots, On Eagle's Wings, Lutheran Bible Translators, and Wycliffe Bible Translators. Congregations are encouraged to process receipts only for known registered charities.

Remember that funds transferred to other charities have to be reported on the annual filing of the Registered Charity Information Return Form T3010. To find the registration numbers for charitable organizations other than those listed in Section 1A, search on the CRA web site located at: www.cra-arc.gc.ca/tax/charities/online_listings/charity_listings-e.html.

5C. Gifts from Other Groups

Other committees or groups such as Sunday school, youth, etc. should report their activities to the congregational council on a monthly basis. Any special fundraising projects should only

occur after the approval of the congregational council. Directed gifts from these groups must be channeled as specified.

Any special or directed funds for synod or national ELCIC projects should be channeled to the synod office in the same way as other congregational funds. These gifts will become a part of the congregational financial support to the synod and the national church.

6. GROUP PROGRAMS FOR ELCIC CONGREGATIONS

6A. Property Insurance Program for Congregations

A property and liability insurance program has been developed to provide comprehensive and integrated coverage. The program is available to all congregations, synods and the national office. Each congregation will need only one comprehensive insurance policy that will include all property, liability and bonding coverage, as well as specific liability coverage for directors and officers, pastors, counselors, etc., and any other special coverage requirements.

The program provides cost savings due to the elimination of duplicate coverage and the pooling of all ELCIC premiums within one national program. More importantly, if covered under this program, there is assurance that complete and proper insurance is in place with universal comprehensive coverage. All congregations are encouraged to examine this program.

AON Reed Stenhouse is the broker for the ELCIC group insurance program. Further information on this program can be found in the Treasurer's section on our web site at www.elcic.ca. To obtain a price quote or request further information, please contact the consultant for your synod:

Alberta and the Territories

Sue Cardinal
Tel: 780.423.9420
Fax: 780.423.9876
E-mail: sue.cardinal@aon.ca

British Columbia

Yarko Petriw
Tel: 604.443.2471
Fax: 604.682.4026
E-mail: yarko.petriw@aon.ca

Eastern

Toronto

Geoff Haddock
Tel: 416.868.2433
Fax: 416.868.5580
E-mail: goeff.haddock@aon.ca

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Fax: 514.842.3456
E-mail: nathalie.godbout@aon.ca

Halifax

Paul Brown
Tel: 902.429.7310
Fax: 902.429.9087

E-mail: paul.brown@aon.ca

Manitoba/Northwestern Ontario

Jennifer Lohnes
Tel: 204.934.0234
Fax: 204.956.2148
E-mail: Jennifer.lohnes@aon.ca

Saskatchewan

John G. Spooner
Tel: 306.975.8855
Fax: 306.665.2606
E-mail: john.spooner@aon.ca

Regina

Jeremy Wendling
Tel: 306.569.6712
Fax: 306.359.0387
E-mail: jeremy.wendling@aon.ca

6B. Payroll Preparation Program for Congregations

A payroll preparation program for our congregations and related organizations has been established through Ceridian Canada Inc. This program has been set up to assist employers in fulfilling payroll obligations and to greatly reduce the time and commitment required of the volunteer treasurers.

Once payroll for your organization has been set up with Ceridian, the deductions for each of your employees can be calculated and the net pay directly deposited to their bank accounts. Ceridian can also calculate and submit remittances to the Receiver General, prepare Record of Employment forms, and generate T4s at year-end. For further information, check the Treasurer's section of our web site at www.elcic.ca.

Ceridian also maintains a web site at www.ceridian.ca and toll free line 1.877.237.4342 which provides information on payroll matters.

To enroll in the program and receive the group discount offered by Ceridian, contact:

Denise Lavallee-Arndt
E-mail: denise_lavallee@ceridian.ca
Tel: 204.975.5724 or 1.800.691.6085
Fax: 204.975.8521

6C. Pre-Authorized Remittances (PAR)

If your congregation wishes to use a pre-authorized remittance plan for member donations, check with your financial institution to see if they can provide the service at a reasonable cost. FaithLife Financial has a Pre-authorized Offering Program (POP). Details can be found on their website at www.faithlifefinancial.ca. Another alternative solution is the Pre-Authorized Remittance (PAR) program offered to ELCIC congregations by The United Church of Canada.

The PAR program allows congregational members to contribute to their local church through an automatic monthly withdrawal from their bank account. A donation can be designated to current expenses and/or other special funds, just like it is on an offering envelope.

The **cost** of the program to the congregation is \$0.50 per month per participating donor. There is no minimum number of donors required for a congregation to initiate the program. However, the more people on the program, the more valuable it is to the congregation.

Withdrawal **transactions** are made on donors' accounts on the 20th of each month, or the following business day if the 20th falls on the weekend. Congregational accounts are credited on the same day for the total amount less service charges. The deposit amount is recorded on the congregation's bank statement as a credit memo.

To **set up the program**, The United Church of Canada requires the following:

- *From the donor:* a completed authorization card and a void cheque on the donor's bank account.
- *From the congregation:* a void cheque on the bank account(s) that is to be credited with the funds collected. The system can accommodate up to three different bank account numbers, e.g. general account, mission account, reserve account, etc.
- *Also from the congregation:* the name of one contact person, with a daytime phone number for use during business hours. The contact person will also receive the monthly reports. The contact person may be the parish secretary, the treasurer, the financial secretary, etc.

A **monthly report** is mailed to the congregation from The United Church of Canada showing the breakdown of individual donors, the monthly service charges, and the net amount credited to the congregational bank accounts. Both the treasurer and financial secretary should share this information. The congregation's bank statement should be checked to ensure that the amounts deposited are equal to the amounts recorded on the monthly report.

In the month following an **NSF cheque**, a notation is made on the monthly report indicating that an amount equal to the returned cheque has been deducted from the amount credited to the congregational bank account. The United Church of Canada also sends a letter regarding the NSF amount to the congregation. The contact person in the congregation is then responsible for informing the donor.

For **further information and materials** on the Pre-Authorized Remittance program, please contact:

The United Church of Canada
PAR Office
300 - 3250 Bloor Street West
Toronto, ON M8X 2Y4

Tel: 416.231.5931
Fax: 416.231.3103
E-mail: par@united-church.ca
Web Site: www.united-church.ca/par/

7. OTHER INFORMATION FOR TREASURERS

7A. Official Donation Receipts

Issuing Official Donation Receipts

The congregation is responsible for issuing donation receipts for any donations received by the congregation, whether general or specified, and the funds are deposited into the congregation's bank account. Congregations must carefully evaluate all contributions to ensure the qualifications for an official receipt for income tax purposes are met.

To qualify to receive an official donation receipt, the donation of money or property must be an outright gift. A gift is made in any circumstance where all three of the following conditions are satisfied:

- 1) Property (usually cash) is transferred to a registered charity. Non-cash gifts such as stocks, real estate, used furniture, etc, must be appraised by a qualified independent appraiser.
- 2) The transfer of property is voluntary.
- 3) The transfer is made without expectation of return. No consideration, or benefit of any kind to the donor, or to anyone designated by the donor, may result from the payment.

In most cases, this rule can be applied relatively easily to determine whether a particular payment is a gift or some form of non-qualifying contribution. If the contribution does not qualify as a donation, an official receipt for income tax purposes cannot be issued. If doubt exists about a particular transaction, contact the synod office or the Charities Directorate.

Following are some **examples of special situations**:

- Donation receipts cannot be issued for **volunteer time**. If a volunteer service is provided and the supplier wishes to receive a donation receipt, the supplier must present an invoice to the congregation; the congregation pays the invoice; the supplier then provides the cash donation back to the congregation. A donation must involve property, and "time" does not qualify as "property" until it has been paid for. The Charities Directorate states that the transfer of funds must flow through the bank accounts of both the charity and the donor. If donating out-of-pocket expenses, the provider should be reimbursed and then return the funds to the charity. In this way, the donation flows through the bank account of both the donor and the donee.
- If a donor directs funds to a **specified person** inside a specified program, the funds received by the charity might not qualify for an official receipt for income tax purposes. Donations made to charities can be subject to a general direction, but decisions regarding specific beneficiaries of one of its established programs must be the exclusive responsibility of the charity. The gift must be directed towards the charity and not towards the individual.
- A charity may not act as a conduit to simply **transfer funds** to a person or an organization whose activities, although charitable, are not considered to be related in any way to the activities of the charity. To qualify as a donation to a charity, the amount must be given to the charity for its use in pursuing its own charitable objectives.

- Donations directed to a **foreign agency** might not be qualifying contributions. When a donor directs a charity to send a gift to another charity, that other charity must normally be a registered Canadian charity. A charity's charitable objectives may include activities carried on jointly with another charity, or may include the funding of charitable activities carried on by other charities, including foreign charities. The national office of ELCIC, through GHDA works with CLWR and LWF to assist in carrying out our commitments to the rest of the world. Funds to missionaries and world missions, CLWR and LWF should be sent through the synods to the national office to be distributed.

Information Appearing on Official Donation Receipts

Canada Revenue Agency indicates that an official donation receipt must include, in a manner that cannot be readily altered, the following information:

For cash gifts -

- statement “Official Receipt for Income Tax Purposes”
- serial number of receipt
- congregation’s name
- congregation’s address
- charity registration number
- date donation received
- eligible amount of gift for tax purposes
- name, initial and address of the donor
- date receipt was issued
- location receipt was issued
- authorized signature
- statement “For information on all registered charities in Canada under the Income Tax Act, please contact: Canada Revenue Agency www.cra.gc.ca/charities”

For non-cash gifts – in addition to the above, also include the following:

- description of property
- name and address of appraiser
- the eligible amount of gift for tax purposes is the fair market value of the property at the time the gift was made

For gifts with an advantage – when the donor receives something in return for the gift other than a nominal amount (i.e. meal, book, golf tournament, etc.), the receipt must also include:

- total amount received (cash or fair market value)
- value of advantage (cash or fair market value of property or services)
- eligible amount of gift for tax purposes (total amount received less value of advantage)

For example, a donor pays \$50 to attend a fundraising dinner where they receive a meal valued at \$20. The total amount received by the charity is \$50 and the value of the advantage (the meal) is \$20. Therefore the eligible amount of the gift is \$30. If the amount of the advantage exceeds 80% of the fair market value of the gift, the charity is advised to contact the CRA before issuing a receipt.

Each **receipt must be prepared** in duplicate, must be signed by an authorized person, and must bear its own serial number. In preparing official donation receipts, a congregation must indicate

the year in which it actually received a gift. If a gift is dated, mailed, and postmarked in one year and received in the next year, the congregation can issue a receipt indicating the year appearing on the postmark as the date it received the gift. A charity must keep on file a copy of all official receipts that it issues.

Receipts can have a **facsimile signature** if they are imprinted distinctly (usually by a commercial printer) with the name, address, and BN/Registration number of the congregation and are serially numbered by a printing press or numbering machine. In addition, all unused receipt forms must be kept at the charity's Canadian address.

To replace a **lost or spoiled receipt**, a congregation can issue a replacement which must contain all required information plus a notation to the effect that it "cancels and replaces receipt No. "XXX" (insert the serial number of the lost receipt). The congregation's copy of the lost receipt must be retained and marked "cancelled." In the case of a spoiled receipt, all copies must be retained by the charity and marked "cancelled." The congregation can then issue another receipt.

To **correct printed receipts**, a congregation can use a stamp that clearly shows a change of name, address, or BN/Registration number if you want to use the remaining stock of official donation receipts before ordering a new supply. Make sure that the incorrect information is crossed out, either by the stamp or by hand.

CRA indicates that a registered charity can issue **computer-generated electronic official donation receipts** as long as they are readable and the reliability of the computer data entries is sufficiently protected. Protection against unauthorized changes to the data entries is the key security concern. An ideal computer system should incorporate user authentication (user-identifications validated by passwords) with access controls to restrict entry to and modification of donor contribution records. CRA recommends that donor records be stored on nonerasable media, such as CD-ROMs, micro-fiche, or printouts, with copies kept off-site for recovery purposes. When electronically-kept records are changed from one format to another, the record-keeper is responsible for ensuring that the change does not result in the loss, destruction, or alteration of the information.

A registered charity is required by law to keep adequate books and records. If it fails to adequately safeguard and maintain records in a readable and reliable manner, it could be considered to have failed to meet this requirement.

Sample Donation Receipt

Following is a sample of a donation receipt for a **cash** donation. Please note that this receipt contains the information that must be provided according to the Income Tax Act. However, this sample receipt is only a guide and your receipts do not have to appear exactly as presented but must contain all the relevant information. Adjustments to the receipt will be necessary to accommodate information requirements for non-cash donations or gifts with an advantage.

Official Donation Receipt for Income Tax Purposes	
Congregation Name	Serial No. of Receipt
Congregation Address	
City, Province, Postal Code	Date Receipt Issued
Charity Registration Number	Location Receipt Issued
	Date Donation Received
	Eligible Amount of Gift for Tax Purposes
Name of Donor (first name, initial, last name)	
Address of Donor	
City, Province, Postal Code	Authorized Signature
For information on all registered charities in Canada under the Income Tax Act, please contact: Canada Revenue Agency www.cra.gc.ca/charities	

7B. Financial Controls

Congregations must ensure the following basic financial controls are in place:

With Respect To Cash Receipts – Required Financial Controls

- Two persons should be responsible for counting and recording cash receipts. Both counters should sign off the record of cash receipts for each particular count.
- The two persons responsible for counting must not be related.
- Upon completing and recording the count, the bank deposit is prepared and placed in safe-keeping until it can be taken directly to the bank.

With Respect To Cash Receipts – Desired Financial Controls

- The two-person counting teams should be rotated so the same two people do not always count together.
- The two-person team that counts and records the deposit should not include the Treasurer or Financial Secretary.
- If a deposit cannot be made immediately or if a night deposit is not available, a safe should be available to store the deposit until it can be taken to the bank. Some financial institutions have experienced tampering of their night deposit boxes. Do not leave your

deposit in the night deposit box if it does not appear to be working properly. Place the deposit in another locked and safe location, delivering it to the bank on the next business day and notifying the bank of the suspected problem.

With Respect To Cash Disbursements – Required Financial Controls

- Two signing officers for cheques are required.
- Signing officers must not be related.
- Cheques must not be signed in advance and left blank.
- Prior to signing cheques, supporting invoices and vouchers must be reviewed and initialed by cheque signatories where applicable.

With Respect To Cash Disbursements – Desired Financial Controls

- Cancelled cheques should be returned with bank statements.

With Respect to Online Disbursements – Required Financial Controls

- Password only access to internet banking
- On a regular basis – weekly, if transactions are done on a weekly basis or monthly, if transactions are done on a monthly basis – the second signatory to the bank account to review a print-out of the online transactions and the supporting documentation (invoices and vouchers).
- Both the supporting documentation and the online transaction report to be initialed by two cheque signatories. The online transaction report to be retained in a file for audit purposes

Monthly Reporting

- Monthly review of revenue and expenditures by the congregational council.
- Monthly review of bank statement and bank reconciliation by a representative of the congregational council.

Other Reporting

- The pastor should periodically inform the church council that all statutory remittances have been made. Board members are personally liable if certain payments such as CPP, EI and incomes taxes are not submitted.

Annual Audit

Congregational councils should consider a formal audit when size and resources allow. However, if not financially feasible, an option is to have two unrelated individuals knowledgeable in finances to review the financial records.

The preparation and review of annual financial statements and records be done on a timely basis by persons not involved in the day to day financial administration. The essential areas to be reviewed include the following:

- Cheques reviewed for two signatures, proper payee corresponding to related supporting documents (invoices or expense claims), and cheque endorsement corresponds to payee;
- Bank deposits compared to the bank statements, signed counting records, and monthly bank reconciliations; and
- Financial statements compared to the previous year and budget on a line-by-line basis and any unusual fluctuations explained.

7C. Registration with Companies/Societies Acts

Depending on provincial law, there will be annual forms to file with the province. Completing these forms maintain the congregation as a corporation so that it can hold title to property and limit liability of members, etc. In most provinces, a copy of the latest audited financial statement will have to be submitted to the registrar of companies with the annual filing. For further information, check your provincial government's website under the corporations or business branch or registry.

7D. Tax Filing Requirements for a Charitable Organization

All ELCIC congregations that are registered charities are annually required to complete form T3010A, Registered Charity Information Return. The T3010A return and detailed guide (Completing the Registered Charity Information Return, T4033A) are sent directly to each registered charity by the Canada Revenue Agency. To complete the return, please refer to the guide and to the copy of the prior year's return for your congregation. If you require further assistance, contact your synod treasurer or the Charities Directorate. See pages A-3 & A-4 for contact information.

The T3010A form is to be completed and filed annually within six months of your fiscal year-end and is to be accompanied by the congregation's financial statements. A copy of the return should be kept with the congregation's files for reference in the following year.

If the annual filing is not completed and submitted, the congregation will be subject to a \$500 penalty in addition to having the charitable registration status revoked. Your congregation will be required to pay this penalty before a request for re-registration is considered. If this happens, the donation receipts issued by the congregation will not be deductible on the income tax returns of the donors.

It is recommended that church council make a permanent agenda item for the same council meeting each year to approve the T3010A and authorize someone to sign it. This way, the church council will know it has been done and the charity's status is protected.

Be sure to have all important documents and forms mailed to the permanent address of the congregation so that filings won't be missed if a member is longer involved with the congregation.

7E. Record of Employment Forms

Whenever an employee, including clergy, leaves their position, the employer must complete a Record of Employment form within five days of termination. One copy of the form is given to the employee, one copy is sent to Human Resources Development Canada, and one copy is kept by the employer.

These forms are serially numbered and must be requested from the Human Resources Development Canada office that is listed under the government contacts in the back of your local telephone directory. If you utilize the services of Ceridian, they will assist you in completing this form.

7F. T5 Summary and Supplementary

The T5 forms are used to report interest paid to individual investors if the congregation has issued trust certificates on which interest is paid. This does not include interest paid to a bank on a bank loan. These forms are to be filed annually before the last day of February.

If you are required to file these forms, contact CRA Forms & Publications at 1.800.959.2221 to order the T5 Supplementary, the T5 Summary, and the Guide for assisting in the completion of the forms.

7G. GST Rebates

Registered charities are entitled to claim a 50% rebate of the GST paid on expenses for charitable purposes. If the expense is one on which GST is normally paid, but the GST is not clearly shown on the receipt as a separate amount, the GST has most likely been included and can be calculated using this formula:

$$\text{Total Payment} \times 6/106.$$

$$\textit{Example} - \$15.00 \times 6/106 = \$0.85 \text{ GST included in the } \$15$$

The GST rebate claim form, GST 66, must be submitted semi-annually for the periods of January to June and for July to December. For further information, contact the Canada Revenue Agency.

7H. Federal Gasoline Excise Tax Refund

If a registered charity reimburses volunteers or employees for use of the individual's automobile, a federal gasoline excise tax refund may be claimed. The refund is either \$0.0015 per kilometer driven and reimbursed or \$0.015 per litre of gasoline purchased. The rebate may be applied for using the form "XE8 – Application for Refund of Federal Excise Tax on Gasoline". The form and instructions can be located in the forms and publications section of the CRA web site.

Example:

If 50,000 km is reimbursed, the refund would be $50,000 \text{ km} \times \$0.0015 = \$75$

Or

If 5,000 litres of gas is purchased, the refund would be $5,000 \text{ litres} \times \$0.015 = \$75$

7I. Financial Record Retention

Retain permanently:

- Ledgers, journals, current and old insurance policies, employment and payroll records, receipts and records applying to gifts where donor directed that funds be held for at least 10 years

Retain for a minimum of 6 years after the year end to which they pertain:

- Supplies invoices, mileage logs, GST records, income tax receipts and all records backing up such gifts.

Books and records may be destroyed at an earlier time than outlined above if CRA gives written permission for their disposal. To get such permission, complete and send in CRA Form T137, *Request for Destruction of Books and Records*.

Further information on record retention can be obtained in the CRA Information Circulars IT78-10R4 – *Books and Records Retention/Destruction* and IC05-1 - *Electronic Record Keeping*.

7J. Personal Information Protection and Electronic Documents Act (PIPEDA)

Effective January 1, 2004, the Personal Information Protection and Electronic Documents Act (PIPEDA) came into force for all organizations. In November 2003, National Church Council (NCC) adopted a Policy to Protect Personal Information in the ELCIC. This policy ensures that the personal information provided to us from ELCIC members is collected, used and protected appropriately. To ensure your congregation or organization is properly protected, it is recommended that PIPEDA be followed.

Personal information covers all information an organization collects, retains or uses that can in any way identify or give information about an individual. It does not include the name, title, and business address or business contact information of an organization's employee.

In order to protect personal information, PIPEDA lays out ten principles that an organization's privacy policy should reflect:

1. Accountability
2. Identifying Purposes
3. Consent
4. Limiting Collection
5. Limiting Use, Disclosure and Retention
6. Accuracy
7. Safeguards
8. Openness
9. Individual Access
10. Challenging Compliance

The national office privacy policy and compliance practices are located on the ELCIC web site at www.elcic.ca. Choose the "Privacy" option.

For questions or queries regarding the Policy to Protect Personal Information in the ELCIC, please contact:

Trina Gallop
ELCIC Privacy Officer
Evangelical Lutheran Church in Canada
302-393 Portage Avenue
Winnipeg, Manitoba R3B 3H6
Phone: 204.984.9172
Email: tgallop@elcic.ca

7K. Correspondence

It is recommended that all important documents, correspondence, banking information and government forms be mailed to the permanent address of the congregation. As volunteers in the church change from time to time, this would prevent any correspondence from being missed if the volunteer is no longer involved in the church.

7L. ELCIC Software Licensing Program

Available to all ELCIC synods and congregations, the Software Licensing Program (SLP) provides congregations with the opportunity to purchase software at a reduced price under a license for charities and not-for-profits. Many Microsoft products are available under this program, as well as some Adobe and Corel products too. As all software is registered to the ELCIC and not to the individual user, the software must be used explicitly for business and is not for personal use. For further information, please contact Rick Natividad, Information Technology Coordinator at the national office. Rick can be reached at rnatividad@elcic.ca or 204-984-9191 or toll free 1-888-786-6707 Ext 191. An order form is provided in Section B.

8. PAYROLL AND T4 FORMS

Examples for calculating payroll and the corresponding year-end T4 Supplementary Forms are illustrated starting on page A-37. Please note that these examples are for illustrative purposes only. When preparing the payroll for your employees, please use the salary and benefits amounts that are indicated in the employee's call documents, your synod's salary guidelines, and your province's current year tax tables. If information on statutory or general holidays is not covered in your synod salary guidelines, check your provincial government's website under employment or labour standards for the eligibility and minimum requirements for your province.

The year used for the payroll examples is 2006. Please note the change in calculating the Pension Adjustment in Box 52 of the T4. The employer supplemental contribution to the pension plan will be used to finance the experience deficiency that has emerged in the retired life portion of the fund. Therefore the supplemental amount should not be included in the calculation of the employee pension adjustment.

If you wish to use a payroll preparation service, a group discount has been arranged with Ceridian. Please refer to the information in 6B – Payroll Preparation Program for Congregations.

8A. Payroll Information

To prepare payroll, please read through this section in its entirety and the GSI website for the Pension and Group Benefit Plans of the ELCIC. As well, further information is available on the CRA web site at www.cra-arc.gc.ca/tax/business/topics/payroll/ or from any tax office:

- T4001 - Employers' Guide - Payroll Deductions (Basic Information)
- T4130 - Employers' Guide - Taxable Benefits
- T4032 - Payroll Deductions Tables for your province for the current year

8B. Taxable Benefits

Taxable benefits are those benefits or allowances paid by the employer on behalf of the employee that must be recorded on the T4. The payment is made either to the employee or directly to the creditor who supplied the goods or services to the employee. If the employer pays an expense directly to a supplier on behalf of an employee, and the expense is not deductible on the employee's personal tax return, the total amount paid by the employer must be included in the income of the employee.

8B.1 Taxable Life Insurance Premiums

The life insurance coverage for employees under the ELCIC Group Benefits Plan is 3 times annual salary. "Salary" is defined under the Pension and Benefits Plans information on the GSI website. The premium for this coverage is part, but not all, of the 3% of salary paid by the employer to Group Services for life, disability and EFAP coverage.

According to CRA, any life insurance premiums paid by an employer on behalf of an employee are taxable and pensionable (CPP must be deducted) but are not insurable (EI is not deducted). On the T4 slip, this benefit would be reported in Box 14 "Employment Income" and also included in Box 40 "Other Information - Other Taxable Benefits & Allowances".

To calculate the taxable benefit, refer to the information provided on the GSI website at www.elcicgsi.ca.

8B.2 Clergy Housing Allowance Benefit and Clergy Residence Deduction

Definitions:

- "Allowance" is the amount paid by the employer to the clergy employee.
- "Deduction" is the amount a qualified clergy employee may deduct on his/her personal tax return according to the CRA regulations found in Interpretation Bulletin IT-141R for the Clergy Residence Deduction.
- In all cases, the "Deduction" is the fair market (rental) value of the housing plus the cost of the utilities of the home in which the clergy resides. The "Allowance" and "Deduction" may be the same amount, but they do not have to be the same.

- Utilities include hydro, gas, water, sewer but not telephone or internet.

If a **cash allowance** is paid, the housing allowance benefit is the total of the cash allowance paid for housing. If a **parsonage** is provided, the housing allowance benefit is the fair market (rental) value of the parsonage plus the utilities paid by the employer.

The taxable housing benefit is pensionable (deduct income taxes and CPP) and insurable (deduct EI). See exception for income tax and CPP deduction for the clergy residence deduction below.

To claim a deduction from income for his or her residence, an employee has to complete Parts A and C of Form T1223, **Clergy Residence Deduction**. The employer has to complete Part B of the Form T1223 that will certify the employee has met the required conditions. The employee should file a copy of the form with his or her income tax return and keep a copy of the signed form for their records.

If the employee tells you in writing that he or she will claim a deduction from income for the residence, do not include the rent and utilities portion of the housing benefit in income when you calculate the income tax and CPP deductions required.

On the T4 slip, the housing allowance benefit must be included in Box 14 “Employment Income” and in Box 30 “Housing, Board and Lodging”. Although the rent and utilities can be excluded from income for the purposes of tax deductions, you still have to report it on the T4 slip.

For detailed information on the Clergy Housing Deduction, refer to Interpretation Bulletin IT-141R available in the forms and publications section of the CRA web site (see page A-4).

8B.3 Housing Equity Allowance

In each synod’s salary guidelines, a housing equity allowance is suggested for those employees provided with a parsonage. Deduct income taxes, CPP and EI from this allowance. On the T4, include this amount in Box 14, “Employment Income” and also in Box 40 “Other Information – Other Taxable Allowances and Benefits”.

8B.4 Utilities Allowance

Utilities include electricity (hydro), heating (gas), water and sewer. It does not include telephone, internet or cable. If the employer provides either a utilities allowance to the employee or pays the utilities directly to the supplier, this amount is included with the Clergy Housing Benefit. If the employee has advised you in writing that he or she will be claiming the Clergy Residence Deduction, do not deduct income taxes and CPP from the utilities allowance. EI deductions are required.

On the T4 slip, the utilities allowance is included in Box 14, “Employment Income” and in Box 30, “Other Information – Housing, Board and Lodging”.

If the congregation requires the employee to be accessible by telephone and to have internet access in his or her home, the congregation should pay the ministry usage for these expenses. If

the congregation pays the full cost of the home phone and internet expenses, the ministry usage would not be taxable to the employee. However the personal use of these expenses would be a taxable benefit and would be reported on the T4 slip in Box 14 and Box 40.

8B.5 Book Allowance

Canada Revenue Agency considers all book allowances paid to pastors to be a taxable benefit. This includes either a monthly cash allowance or a reimbursement for the cost of books that are purchased for, and will be retained in the possession of, the employee. Income taxes, CPP and EI are to be deducted on the Book Allowance. On the T4 slip, this benefit will be included in Box 14 “Employment Income” and in Box 40 “Other Information – Other Taxable Benefits and Allowances”.

8B.6 Clergy Auto Allowance

In order for the auto allowance to be non-taxable, it must be a reimbursement based upon actual kilometers driven for clergy duties, and the reimbursement rate on a per kilometer basis must be reasonable. A logbook must be maintained by the clergy and a copy submitted when requesting reimbursement. Each synod sets out mileage reimbursement rates that are considered to be within CRA’s guidelines for “reasonable”. This rate reflects the key components of owning and operating an automobile such as depreciation, financing, and operating expenses (i.e. gas, maintenance, insurance and license fees).

The auto allowance will be considered taxable if the auto allowance is a flat monthly amount that is not based on actual mileage driven or if a logbook is not maintained by the employee. If the allowance is taxable, income tax, CPP and EI must be deducted on this allowance. The allowance would be included in Box 14 “Employment Income” and in Box 40 “Other Information – Other Taxable Allowances and Benefits”.

The reporting of mileage used by the pastor is the deciding factor on which method is used:

- The pastor can be reimbursed on a per kilometer basis that is considered reasonable. The pastor must maintain a logbook supporting the clergy-use kilometers and submit this logbook to the employer periodically. Under this condition, the amount received (reimbursement) would not have to be included in income, nor would it be reported on the T4. In this case, the auto expense reimbursement is not reported on the pastor’s personal income tax return.

Or

- The pastor can receive a flat auto allowance, and have this allowance included in income and reported on the T4 slip. On the personal income tax return of the pastor, the actual expenses in relation to clergy-use kilometers could be claimed as a deduction if a logbook is maintained for CRA purposes, but is not submitted for the congregation’s records. In this situation, the employer must complete form T2200 – Declaration of Conditions of Employment form.

Some examples to help you determine whether the automobile usage is for clergy duties are as follows:

If clergy office is in church

- home to church is personal
- home to hospital, parishioner, etc., is business

If clergy office is in home

- home to church is business
- home to hospital, parishioner, etc., is business

If you have questions, you should discuss them with your local accountant, your synod treasurer or the CRA office.

8B.7 Summary of Taxable Benefits

Taxable Benefit	Benefits Subject to Deduction			T4 Requirements	
	Pensionable CPP	Insurable EI	Taxable Income Tax	Income Box	Taxable Benefit Box
Life Insurance Premiums	Yes	No	Yes	Box 14	Box 40
Housing Benefit *	No	Yes	No	Box 14	Box 30
Utilities Allowance *	No	Yes	No	Box 14	Box 30
Housing Equity Allowance	Yes	Yes	Yes	Box 14	Box 40
Book Allowance	Yes	Yes	Yes	Box 14	Box 40
Auto Allowance – flat monthly allowance amount	Yes	Yes	Yes	Box 14	Box 40
Auto Allowance – reimbursed for actual business kilometers	No	No	No	N/A	N/A
Telephone/Internet – personal use portion if paid by church	Yes	Yes	Yes	Box 14	Box 40

* Written notice received from clergy that they are claiming Clergy Residence Deduction.

8C. Definitions of “Income”

8C.1 Employment Income (Box 14 on the T4 Slip)

Employment Income is the base salary plus all taxable benefits that include life insurance premiums, housing allowance benefit, utilities allowance, housing equity allowance, book allowance, taxable auto allowance, and personal use portion of telephone and internet if paid for by the congregation.

The exclusions from “Employment Income” are the non-taxable benefits that include contributions paid into the Continuing Education Plan (CEP), and the health and dental premiums paid by the employer except in Québec.

8C.2 ELCIC Pension and Benefits “Salary Basis”

The ELCIC pension and benefits “salary basis” is the amount on which the premium remittances to the ELCIC Registered Pension Plan and Group Benefits Plans are calculated. See GSI website for further information.

- For lay employees, the salary basis is the base salary before taxable benefits.
- For clergy who are provided with housing, the salary basis is the base salary plus 30% of base salary plus the housing equity allowance.
- For clergy who are paid a cash housing allowance, the salary basis is the base salary plus the housing allowance.

8C.3 CPP Pensionable Income (Box 26 on the T4 Slip)

CPP pensionable income is earned income on which CPP premiums must be paid. This includes base salary plus the taxable benefits of life insurance premiums, housing equity allowance, book allowance and auto allowance if taxable. The exclusions from CPP Pensionable Income are the housing allowance and the utilities allowance as long as the employee is eligible for the clergy housing deduction.

The employee will not have any pensionable income if he or she is under the age of 18, over the age of 70, or receiving CPP retirement or disability benefits.

<u>The Employee Cost of CPP:</u>	<u>2006</u>	<u>2007</u>
Employee contribution rate	4.95%	4.95%
Maximum pensionable earnings for CPP	\$ 42,100	\$ 43,700
Basic yearly exemption	\$ 3,500	\$ 3,500
Maximum employee annual contribution	\$1,910.70	\$1,989.90

As an employer, you have to contribute the same amount that you deduct from your employees pensionable income. You stop deducting CPP contributions when you reach the maximum employee contribution.

8C.4 EI Insurable Earnings (Box 24 on the T4 Slip)

EI insurable earnings are earned income on which EI premiums must be paid. This includes base salary, housing allowance, housing equity allowance, utilities allowance, book allowance, and auto allowance if taxable. The exclusion from EI insurable earnings is the life insurance premiums paid by the employer.

There is no age limit for withholding EI premiums.

<u>The Employee Cost of EI:</u>	<u>2006</u>	<u>2007</u>
Employee premium rate	1.87%	1.80%
Maximum insurable earnings for EI	\$39,000	\$40,000
Maximum employee annual contribution	\$729.30	\$720.00
Maximum employer contribution	\$1,021.02	\$1,008.00

As an employer, your EI premium is 1.4 times the EI premium deducted for each employee. You stop deducting EI premiums when you reach the yearly maximum employee contribution.

8C.5 Taxable Income

Taxable income is the earned income on which the employer is required to withhold income taxes from the employee's pay. This includes base salary plus the taxable benefits of life insurance premiums, housing equity allowance, book allowance, taxable auto allowance, and personal use portion of telephone/internet if paid for by the congregation less the employee's contributions to the registered pension plan.

8C.6 Pastoral Supply

If a pastor, seminary student, speaker or volunteer is self-employed, they should be asked to provide an invoice. No withholding for deductions is necessary and no T4 would be issued.

Otherwise, any payment for pastoral supply is considered employment income and subject to deductions as per CRA payroll deduction and exemption guidelines. A T4 would be issued if deductions are made or if the total income for the year exceeds \$500. If the pastoral supply is a one time occurrence, pastors can be asked to provide an invoice. However, the pastor may prefer to receive the payment as T4 income so that the clergy residence deduction will be available.

8C.7 Other Income to be Reported on a T4A

A T4A slip and summary form will have to be completed if you pay income for honoraria for services provided to your congregation, research grants, scholarships, study grants, fellowships, bursaries and prizes, and the total of all payments in the calendar year were more than \$500. You will have to obtain the recipients social insurance number, correct name and address.

Information on T4A filing can be obtained from the Canada Revenue Agency website and is outlined in the publication "RC4157 (E), Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary Form".

8D. Completing the T4 Information Return

Employers have to file their T4 information return by the last day of February following the calendar year to which the information return applies, (for example, you have to file the 2006 T4

or T4A Information Return by the last day of February 2007). If the last day of February is a Saturday, Sunday, or a statutory holiday, your information return is due the next business day.

You have to give two copies of the slips to your employees by the last day of February following the calendar year to which the slips apply.

A T4 information return includes the T4 slips and the related T4 summary form. For more information on how to file a T4 return, see the Employer's Guide – Filing the T4 Slip and Summary Form available on the CRA web site.

T4 internet/electronic filing service is available to businesses that file 70 or fewer T4 slips. There are three Internet filing options available:

- T4 Web forms are available to employers that have to file three slips or less;
- T4 Desktop application is a downloadable CRA software, available to employers that file 70 or fewer T4 slips;
- T4 Internet file transfer (XML) is available to employers using compatible payroll software to transmit 70 or fewer T4 slips.

An electronic amendments service is also available to filers to cancel or amend information slips. For information on these electronic services, check out the CRA web site.

Employers can file paper T4 information returns that contain fewer than 500 slips. These returns should be mailed to the Ottawa Technology Centre.

If the T4 slips are handwritten, the forms must be completed using blue or black ink. When entering information in boxes that have framed spaces, print the characters within the lines of the frame and ensure that numbers or letters are legibly written and do not touch each other.

8E. Completing the T4 Statement of Remuneration Paid

Employer's Name: Enter the name of the employer as registered with CRA and used to remit employee deductions. Generally, this will be the name of your congregation.

Employee's Name and Address: Print or type the employee's last name in capital letters, followed by the first name and initials. Do not enter the title of office or courtesy title of the employee. Enter the employee's address, including the province or territory, postal code, and country if other than Canada.

Year: Enter the four digits of the calendar year in which you paid the remuneration to the employee.

Box – Void: Enter an “X” in this box only if the T4 is cancelled. Otherwise leave blank.

Box 10 – Province of Employment: Enter one of the following abbreviations to indicate the province or territory in which the employee reported to work.

AB - Alberta	ON - Ontario
BC – British Columbia	PE – Prince Edward Island
MB – Manitoba	QC – Quebec
NB – New Brunswick	SK - Saskatchewan
NF – Newfoundland & Labrador	YT – Yukon
NS – Nova Scotia	US – United States
NT – Northwest Territories	ZZ – Other than Canada or US
NU - Nunavut	

Box 12 – Social Insurance Number: Enter the employee’s social insurance number (SIN) as it appears on the employee's SIN card.

Box 14 – Employment Income: Report the total employment income paid before deductions. This includes the total of all salary, wages, bonuses, vacation pay, allowances and the value of all taxable benefits. Include each of the amounts that are also reported in the “Other Information” area of the T4 supplementary.

Box 16 and 17 – Employee’s CPP/QPP Contributions: Enter the amount deducted from the employee’s earnings for contributions to the Canada Pension Plan (CPP) or Québec Pension Plan (QPP). Make the entry under CPP (Box 16) or QPP (Box 17) depending on the province of employment. Do not enter the employer’s share of premiums.

Box 18 – Employee’s EI Premiums: Enter the amount of Employment Insurance (EI) deducted from the employee’s earnings. Do not enter the employer’s share of premiums.

Box 20 – Registered Pension Plan (RPP) Contributions: Enter the total amount deducted from the employee’s earnings for contributions to the ELCIC Pension Plan for Clergy and Lay Workers, or other registered pension plan. This amount will include any additional voluntary contributions deducted from the employee’s earnings during the year. Do not include the employer’s contribution to the registered pension plan in this box.

Box 22 – Income Tax Deducted: Enter the total income tax deducted from the employee’s earnings. This includes federal, provincial (except for Québec) and territorial taxes that apply. Do not include any amount withheld under the authority of a "garnishee" or a "requirement to pay" which applies to the employee's previously assessed tax arrears.

Box 24 – EI Insurable Earnings: Enter the amount of insurable earnings you used to calculate the employee’s EI premiums. Leave this box blank if:

- There are no insurable earnings;
- Insurable earnings are the same as employment income in Box 14; or
- Insurable earnings are over the maximum for the year.

Box 26 – CPP/QPP Pensionable Earnings: In most cases, this box will be left blank. Complete the box for the employee who, during the year:

- was a clergy member for whom the annual housing allowance or annual fair rental value of accommodations provided was not included in the calculation of CPP premiums;
- reached the age of 18 or 70 during the year;
- was considered to be disabled and received disability pension under the CPP or QPP,
- received a retirement pension under the CPP or QPP; or
- was subject to QPP and the pensionable earnings are more than employment income reported in Box 14, regardless of the employee’s province of residence.

Box 28 – CPP/QPP and EI Exempt: Leave box blank if you entered an amount in Box 16, 17 or 26. Enter an "X" under "CPP/QPP" if the earnings were exempt for the entire period.

Do not complete the EI part of this box if you entered an amount in box 18 or 24. Enter an "X" under "EI" if the earnings were exempt for the entire period.

Box 29 – Employment Code: Leave this box blank.

Box 44 – Union Dues: Use this box only if you and the union agree that the union will not issue receipts for union dues of employees.

Box 46 – Charitable Donations: Enter the amount you deducted from the employee’s earnings for donations to registered charities in Canada.

Box 50 – RPP Registration Number: Enter the seven-digit registration number issued for an employee's pension plan. The registration number for the ELCIC Pension Plan for Clergy and Lay Workers is 0533240.

Box 52 – Pension Adjustment: The amount of an employee’s pension adjustment is the total of:

- the Employee’s 5% mandatory contributions to the plan for the year; plus
- the Employee’s voluntary contributions to the plan during the year, plus
- the Employer’s 5% contributions to the plan (The supplemental contribution by the employer will be used to finance the experience deficiency that has emerged in the retired life portion of the fund and should not be included in calculation of the pension adjustment.)

Leave box 52 blank if the employee died during the year.

Box 54 – Business Number: Enter the 15-digit Business Number (BN) that you use when remitting employee deductions.

Other Information Area: At the bottom of the T4 supplementary, additional information regarding taxable benefits is reported for government statistical purposes. On the back of the T4, there is a listing of benefits and the corresponding box numbers. Most congregations will need to note the following two benefits in particular:

- Box 30 – Housing, Board and Lodging: If the employee was paid a cash housing allowance, enter the amount paid including any amounts paid for utilities. If a parsonage was provided, enter the fair market (rental) value of the housing provided plus utilities paid. The amount reported in Box 30 is also included in Box 14 “Employment Income”.

- Box 40 – Other Taxable Allowances and Benefits: Report the total of all taxable benefits such as life insurance premiums, housing equity allowance, personal use of telephone/internet, book allowance, and taxable auto allowance. For Québec residents only, health and dental premiums paid by the employer must also be included as taxable benefits on the Releve 1. The total amount reported in Box 40 is also to be included in Box 14 “Employment Income”.

8F. Completing the T4 Summary Form

In the boxes at the top of the form, enter the 15-digit Business Number (BN), your organization’s name and address information.

Year – Enter the two last digits of the calendar year for which you are filing the return.

Line 14 – Employment Income: Add the amounts reported in Box 14 of all the T4 slips and enter the total on line 14.

Line 16 – Employees CPP Contributions: Add the amounts reported in Box 16 of all the T4 slips and enter the total on line 16.

Line 18 – Employees EI Premiums: Add the amounts reported in Box 18 of all T4 slips and enter the total on line 18.

Line 19 – Employer EI Premiums: Enter the employer’s share of Employment Insurance premiums. Multiply the employee’s total premiums reported in line 18 by 1.4 and enter this number on line 19.

Line 20 – Registered Pension Plan Contributions: Add the amounts reported in Box 20 of all T4 slips and enter the total on line 20.

Line 22 – Income Tax Deducted: Add the amounts reported in Box 22 of all T4 slips and enter the total on line 22.

Line 27 – Employer CPP Contributions: Enter the employer’s share of CPP contributions. The employer’s premiums are equal to the employees’ premiums as reported on line 16.

Line 52 – Pension Adjustment: Add the amounts reported in Box 52 of all the T4 slips and enter the total on line 52.

Lines 76 and 78 – Person to Contact: Enter the name and telephone number of a person who can be contacted to clarify any of the information on the T4 Summary or T4 Slips.

Line 80 – Total Deductions Reported: Add the amounts reported on lines 16, 18, 19, 22, and 27 of the T4 Summary form and enter the total on line 80.

Line 82 – Remittances: Enter the total amount of remittances to the Receiver General for the year.

Difference: Subtract Line 82 from Line 80 and enter this amount under “Difference”. If the result on line “Difference” is zero, leave lines 84 and 86 blank.

Line 84 – Overpayment:

If the result on line “Difference” is negative, enter the result on Line 84, “Overpayment.” Attach a note indicating the reason for the overpayment.

Line 86 – Balance Due: If the result on line “Difference” is positive, enter it on line 86, “Balance Due”.

Amount Enclosed: If there is a balance due, attach a cheque made payable to “Receiver General for Canada”.

Line 88 – Total Number of T4 Slips Filed: Enter the total number of T4 slips that are included with the T4 Summary form.

Certification: A current officer of the organization must sign the T4 information return.

8G. Completing the T1223 - Clergy Residence Deduction Form

For an individual to be eligible for the clergy residence deduction they must meet both the “status test” and “function test” as defined by CRA. Part B of form T1223 must be completed by the employer to certify that the employee fits the criteria.

To satisfy the “status” test, the employee must belong to a recognized clergy group of their religious order. The recognized clergy groups in the ELCIC are the three recognized rosters: bishops, ordained ministers and diaconal ministers. The employee must be on one of these rosters to satisfy the status test.

To satisfy the “function” test, the rostered employee must minister to a congregation or be in full-time administration with the religious order and the clergy employee must be recognized by the religious order to provide the Sacraments. Chaplains in hospitals, correctional facilities and the military are considered to be ministering to congregations. Teachers in educational institutions are specifically excluded by CRA from being allowed the clergy residence deduction.

For further information, refer to CRA’s Interpretation Bulletin IT-141R (Consolidated).

9. EXAMPLES FOR CALCULATING PAYROLL FOR CLERGY

Two examples of a monthly payroll for clergy are provided using 2006 rates. The corresponding T4 slips have also been provided.

- Example 1 is for a clergy employee receiving a cash housing allowance.
- Example 2 is for a clergy employee provided with a parsonage.

Where to obtain payroll information:

- Salary and benefits amounts: from the Call documents and your synod's salary guidelines.
- Pension and benefits deductions remitted to Group Services: Information is available on the Group Services web site and further letters received from Group Services throughout the year informing of any changes.
- CPP, EI and income tax deductions remitted to the Receiver General: from the CRA "Payroll Deductions Tables" for your province for the current year and from the TD1 completed by the employee.

The assumptions used in the examples:

- Employee is a clergy who is married and employed in Manitoba, claiming Code 1 for tax deductions.
- Base salary is \$2,600 per month or \$31,200 per year.
- Housing Allowance in example 1 - cash housing allowance of \$1,000 per month or \$12,000 per year.
- Housing Allowance in example 2 – provided with a parsonage with total housing benefits equivalent to \$1,000 per month, fair market (rental) value is \$735 per month, utilities paid by the congregation are \$140 per month, and cash housing equity allowance is \$125 per month.
- Book allowance is a cash benefit of \$30 per month or \$360 per year.
- Auto allowance is reimbursed on actual mileage at the rate set by the synod. A travel log is submitted monthly. As the employee is reimbursed based on the actual mileage driven for clergy purposes and is reimbursed at a reasonable rate, the auto expenses are not taxable under these circumstances. Reimbursed \$3,500 for actual mileage during the year.
- Continuing Education Plan contributions are based on the employer paying 2/3 and the employee paying 1/3. The employer pays \$34 per month and the employee pays \$17 per month for a total of \$51 per month.
- Pension benefits are based on employer contributions of $(5\% + 6\%) \times$ "salary basis" and the employee contributions of $5\% \times$ "salary basis". "Salary basis" is defined in information provided on the GSI website.
- Health & dental premiums are based on family coverage. For these examples, in accordance with the minimum salary guidelines of the MNO Synod, the cost sharing agreement is that each the employer and the employee pay 50% of the premiums. The monthly rates are established for each province. In Québec, the health and dental premiums paid by the employer must be reported as a taxable benefit on the Relevé 1 but are not reported on the T4.

- Life and disability premiums are fully paid by the employer, and are based on 3% of “salary basis” as defined in the Pension and Benefits information on GSI website.

Employer-paid premiums for Life Insurance and Dependent Life are taxable. Employer-paid premiums for Accidental Death & Dismemberment, Disability Insurance and the Employee Assistance Plan are not taxable. In Ontario and Quebec, the taxable benefit must include the sales tax that is remitted to the government by Group Services.

In Québec, the AD&D portion of the insurance premium must also be added to the life insurance taxable benefit on the Releve 1.

EXAMPLE 1 - CALCULATING PAYROLL FOR CLERGY RECEIVING A CASH HOUSING ALLOWANCE

PLEASE REFER TO THE PREVIOUS PAGE FOR THE ASSUMPTIONS USED IN THIS EXAMPLE

- Where to obtain info =
- 1 Call documents and Synod Guidelines
 - 2 Pension and Benefits information and correspondence from GSI
 - 3 CRA current year Payroll Deductions Booklet for your province
 - 4 TDI forms completed by the employee and the CRA current year Payroll Deductions Booklet for your province

Example Year: 2006

MONTHLY PAYROLL CALCULATION:

	Where to Obtain Info.	Employee Monthly Cheque	Pension Base	Benefits Base	CPP Pensionable Income	EI Insurable Income	Taxable Income	Employer Costs
<u>Earnings:</u>								
Base salary	1	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00
Cash housing allowance	1	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Book allowance	1	30.00			30.00	30.00	30.00	30.00
Taxable portion of life insurance	2				36.90	36.90	36.90	36.90
Auto expenses reimbursed & not taxable								(\$43,200 x 3 x 2.56 / 1000) + \$3.72
Total employment income		3,630.00	3,600.00	3,600.00	2,666.90	3,630.00		7,130.00
			x 12	43,200.00				Total salary costs
<u>Deductions to be remitted to ELCIC:</u>								
Continuing Education Plan	1	(17.00)						34.00
<u>Deductions to be remitted to GSI:</u>								
Pension contributions - 5%	2	(180.00)	5% x 3,600				(180.00)	180.00 5% x \$3,600
Pension supplement - 6%	2							216.00 6% x \$3,600
Health & dental premiums	2	(118.00)	50% x (142.00 + 94.00)					118.00 50% x (142.00 + 94.00)
Life & disability premiums	2							108.00 3% x \$3,600
							2,486.90	
<u>Deductions to be remitted to CRA:</u>								
Canada Pension Plan	3	(117.57)	Based on 2,666.90					117.57 Equal to employee cost
Employment Insurance	3	(67.88)	Based on 3,630.00					95.03 1.4 x employee cost
Federal Income Tax	4	(242.40)	Based on 2,486.90					
Provincial Income Tax	4	(184.75)	Based on 2,486.90					
Total benefits deductions		(927.60)						868.60 Total benefits costs
Net Pay		2,702.40						7,998.60 Total salary and benefits

**EXAMPLE 1 - MONTHLY REMITTANCES AND YEAR-END T4 SLIP
FOR CLERGY RECEIVING CASH HOUSING ALLOWANCE**

PLEASE REFER TO THE PREVIOUS PAGES FOR THE ASSUMPTIONS USED IN THIS EXAMPLE

MONTHLY PAYMENTS:

	Benefit	Employee	Employer	Total
Pay to employee	Net pay			2,702.40
Remittance to ELCIC	CEP	17.00	34.00	51.00
Remittance to Group Services	Pension - 5%	180.00	180.00	360.00
	Pension - 6%	0.00	216.00	216.00
	Health/dental	118.00	118.00	236.00
	Life/disability - 3%	0.00	108.00	108.00
				<u>920.00</u>
Remittance to Receiver General	CPP	117.57	117.57	235.14
	EI	67.88	95.03	162.91
	Tax	427.15	0.00	427.15
				<u>825.20</u>

YEAR-END T4 SLIPS:

	Example Year: 2006
Other information (bottom of the T4):	
Box 30 - Clergy housing	(1,000 x 12)
Box 40 - Taxable benefits	See note 1 below
Box 14 - Employment income	[(2,600+1,000+30) x 12] + (442.80)
Box 16 - CPP contributions	(117.57 x 12)
Box 26 - CPP pensionable earnings	(2,666.90 x 12)
Box 18 - EI premiums	2006 maximum premium = 729.30
	see Note 2 (67.88 x 12 = 814.56)
Box 24 - EI insurable earnings	Exceeds 2006 maximum earnings of \$39,000 (3,630 x 12 = 43,560)
Box 20 - RPP contributions	(180.00 x 12)
Box 52 - Pension adjustment	((180 + 180) x 12)
Box 22 - Income tax deducted	(242.40 + 184.75) x 12
	2,160.00
	4,320.00
	5,125.80
	leave blank

Items not reported on the T4:

- actual premiums paid for life & disability insurance (3% of salary basis)
- health & dental premiums paid
- Continuing Education Plan contributions
- auto reimbursements if based on actual mileage

NOTES:

- 1) Calculation for Box 40, Taxable Benefits:

2006 taxable life premiums: 36.90 x 12 mos. =	442.80
Book allowance: 30.00 x 12 mos. =	360.00
Total: Life + Book Allow.	<u>802.80</u>

- 2) Do not continue to deduct premiums for CPP or EI once the annual maximum has been reached.

EXAMPLE 1

T4
STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: **2006**

Employer's name - Nom de l'employeur: **Your Church Name STREET CITY, PROVINCE, POSTAL CODE**

Business Number / Numéro d'entreprise: **YOUR 15 DIGIT NUMBER**

Province of employment / Province d'emploi: **MB**

Employment code / Code d'emploi: **1410 84**

Employee's name and address - Nom et adresse de l'employé: **LAST NAME, FIRST NAME STREET CITY, PROVINCE POSTAL CODE**

Income tax deducted - Impôt sur le revenu retenu: **5125 80**

Employment income - Revenus d'emploi: **44,002 80**

EI insurable earnings - Gains assurables d'AE: **32,002 80**

Employee's CPP contributions - Cotisations de l'employé au RPC: **1410 84**

Employee's QPP contributions - Cotisations de l'employé au RRQ: **32,002 80**

Employee's EI premiums - Cotisations de l'employé à l'AE: **729 30**

RPP contributions - Cotisations à un RPA: **2160 00**

Pension adjustment - Facteur d'équivalence: **4320 00**

RPP or DPSP registration number - N° d'agrément d'un RPA ou d'un RPDB: **0533240**

Other information (see the back):
 Box - Case 30: **12,000 00**
 Box - Case 40: **802 80**
 Box - Case 50: **0533240**

EXAMPLE 2 - CALCULATING PAYROLL FOR CLERGY PROVIDED WITH A PARSONAGE

PLEASE REFER TO THE PREVIOUS PAGE FOR THE ASSUMPTIONS USED IN THIS EXAMPLE

- Where to obtain info =
- 1 Call documents and Synod Guidelines
 - 2 Pension and Benefits information and correspondence from GSI
 - 3 CRA current year Payroll Deductions Booklet for your province
 - 4 TD1 forms completed by the employee and the CRA current year Payroll Deductions Booklet for your province

Example Year: 2006

MONTHLY PAYROLL CALCULATION:

	Where to Obtain Info.	Employee Monthly Cheque	Pension Base	Benefits Base	CPP Pensionable Income	EI Insurable Income	Taxable Income	Employer Costs
Earnings:								
Base salary	1	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00	
30% of base salary		780.00		780.00				
Fair rental value of housing estimate					735.00			
Utilities paid by congregation	1				140.00		140.00	
Housing Equity Allowance	1	125.00	125.00	125.00	125.00	125.00	125.00	
Book Allowance	1	30.00		30.00	30.00	30.00	30.00	
Taxable portion of life insurance	2			36.02		36.02		
Auto expenses reimbursed & not taxable								(42,060 x 3 x .256 / 1000) + 3.72
T total cash employment income		2,755.00	3,505.00	3,505.00	2,791.02	3,630.00		3,500.00
			x 12					6,395.00
Deductions to be remitted to ELCIC:								
Continuing Education Plan	1	(17.00)						34.00
Deductions to be remitted to GSI:								
Pension contributions - 5%	2	(175.25)	5% x 3,505			(175.25)		175.25
Pension supplement - 6%	2							210.30
Health & dental premiums	2	(118.00)	50% x (142.00 + 94.00)					118.00
Life & disability premiums - 3%	2							105.15
						2,615.77		
Deductions to be remitted to CRA:								
Canada Pension Plan	3	(123.72)	Based on 2,791.02					123.72
Employment Insurance	3	(67.88)	Based on 3,630.00					95.03
Federal Income Tax	4	(262.00)	Based on 2,615.77					
Provincial Income Tax	4	(200.80)	Based on 2,615.77					
T total benefits deductions		(964.65)						861.45
Net Pay		1,790.35						7,256.45

Total salary and benefits excluding actual cost of house and maintenance

Total benefits costs

Equal to employee cost
1.4 x employee cost

5% x 3,505
6% x 3,505
50% x (142.00 + 94.00)
3% x 3,505

Salary costs excluding actual cost of house.

34.00

3,500.00

6,395.00

175.25
210.30
118.00
105.15

2,615.77

861.45

7,256.45

**EXAMPLE 2 - MONTHLY REMITTANCES AND YEAR-END T4 SLIP
FOR CLERGY PROVIDED WITH A PARSONAGE**

PLEASE REFER TO THE PREVIOUS PAGES FOR THE ASSUMPTIONS USED IN THIS EXAMPLE

MONTHLY PAYMENTS:

	Benefit	Employee	Employer	Total
Pay to employee	Net payroll			1,790.35
Remittance to ELCIC	CEP	17.00	34.00	51.00
Remittance to Group Services	Pension - 5%	175.25	175.25	350.50
	Pension - 6%	0.00	210.30	210.30
	Health/dental	118.00	118.00	236.00
	Life/disability - 3%	0.00	105.15	105.15
				<u>901.95</u>
Remittance to Receiver General	CPP	123.72	123.72	247.44
	EI	67.88	95.03	162.91
	Tax	462.80	0.00	462.80
				<u>873.15</u>

YEAR-END T4 SUPPLEMENTARY:

	Other information (bottom of the T4):	Example Year: 2006
Box 30 - Clergy housing	(735 + 140) x 12	10,500.00
Box 40 - Taxable benefits	see Note 1 below	2,292.26
Box 14 - Employment income (includes Boxes 30 & 40)	[(2,600 + 125 + 30) x 12] + + 10,500 + 432.26	43,992.26
Box 16 - CPP contributions	(123.72 x 12)	1,484.64
Box 26 - CPP pensionable earnings	(2,791.02 x 12)	33,492.24
Box 18 - EI premiums	2006 maximum premium = 729.30	729.30
Box 24 - EI insurable earnings	see Note 2 (67.88 x 12 = 814.56) Exceeds 2006 maximum earnings of \$39,000 (3,630 x 12 = 43,560)	leave blank
Box 20 - RPP contributions	(175.25 x 12)	2,103.00
Box 52 - Pension adjustment	((175.25 + 175.25) x 12)	4,206.00
Box 22 - Income tax deducted	(226.00 + 200.80) x 12	5,553.60

Items not reported on the T4:

- actual premiums paid for life & disability insurance
- health & dental premiums paid
- Continuing Education Plan contributions
- auto reimbursements if based on actual mileage

NOTES:

- 1) Calculation for Box 40, Taxable Benefits:
 2006 taxable life premiums: 36.90 x 12 mos. = 432.26
 Book allowance: 30.00 x 12 mos. = 360.00
 Housing equity: 125.00 x 12 mos. = 1,500.00
 Total: Life, Book, Housing 2,292.26
- 2) Do not continue to deduct premiums for CPP or EI once the annual maximum has been reached.

EXAMPLE 2

T4
STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

Canada Revenue Agency / Agence du revenu du Canada
Year / Année: **2006**

Employer's name - Nom de l'employeur: **YOUR CHURCH NAME STREET CITY, PROVINCE POSTAL CODE**

Business Number / Numéro d'entreprise: **YOUR 15 DIGIT NUMBER**

Social insurance number / Numéro d'assurance sociale: **EMPLOYEE SIN**

Province of employment / Province d'emploi: **MB**

Employment code / Code d'emploi: **29**

Exempt - Exemption / CPP - CPP / EI / PPIP:

Employee's name and address - Nom et adresse de l'employé (Last name in capital letters - Nom de famille en lettres majuscules): **LAST NAME, FIRST NAME STREET CITY, PROVINCE POSTAL CODE**

Income tax deducted - Impôt sur le revenu retenu - ligne 437: **5,553 60**

Employment income - Revenus d'emploi - ligne 101: **43,992 26**

Employee's EI premiums - Cotisations de l'employé à l'AE - ligne 312: **729 30**

Employee's CPP contributions - Cotisations de l'employé au RPC - ligne 308: **1,484 64**

Employee's QPP contributions - Cotisations de l'employé au RRQ - ligne 308: **33,492 24**

Union dues - Cotisations syndicales - ligne 212: **44**

Charitable donations - Dons de bienfaisance - voir au verso: **46**

RPP or DPSP registration number - N° d'agrément d'un RPA ou d'un RPDB: **0533240**

Employee's PPIP premiums - Cotisations de l'employé au RPAP - voir au verso: **55**

Other information (see the back):
 Box - Case: **30** Amount - Montant: **10,500 00**
 Box - Case: **40** Amount - Montant: **2,292 26**
 Box - Case: **50** Amount - Montant: **4206 00**
 Box - Case: **60** Amount - Montant: **2103 00**

SECTION B - FORMS

Section B includes copies of forms for photocopying. These forms can also be downloaded from the Treasurer's section of the ELCIC website at www.elcic.ca in PDF, Excel or Word formats.

Synod Remittance Forms

Synod of Alberta and the Territories
British Columbia Synod
Eastern Synod of the ELCIC
Manitoba/Northwestern Ontario Synod
Saskatchewan Synod

Mortgage Programs

Church Extension and Capital Fund (CECF) Remittance Form – Loan Repayment
Lutheran Investment Funds and Endowments (LIFE) Remittance Form – Loan Repayment
Pre-Authorized Payment Authorization
Pre-Authorized Payment – Terms and Conditions

Continuing Education Plan

Continuing Education Plan (CEP) Application for Membership
Continuing Education Plan (CEP) Remittance

Information Technology

ELCIC Software Licensing Program Order Form



REMITTANCE REPORT

Synod of Alberta and the Territories

Address 10014 - 81 Avenue NW
 Edmonton AB T6E 1W8
 Phone 780.439.2636
 Fax 780.433.6623
 Email abtsynod@elcic.ca

For Month of _____

Date Sent _____

Congregation

Name _____

City _____

Number _____

Treasurer's Information

Check here if the treasurer's information has changed

Name _____

Address _____

City, Prov, Postal _____

Day-time Phone _____

Email _____

Please send remittance immediately after last Sunday of the month

Designation	Synod Account No.	Amount
I. Regular Mission Support through Synod		
a) Congregational Benevolence		
b) Specific Purpose within Synod's Budget		
1. Special Gifts		
2. Support our Students (SOS)		
3. Bishop's Discretionary		
4. Canadian Missions		
5		
II. Mission in the World Directed Giving		
a) World Mission - Unspecified		
b) Missionary, Program or Project (please specify)		
III. Development, Relief and Justice		
a) Global Hunger and Development Appeal (GHDA) - Unspecified		
b) Canadian Lutheran World Relief (CLWR) - Unspecified		
c) Special Appeal (please specify)		
IV. Other (please specify)		

Total of Cheque(s) Enclosed (payable to Synod) _____



REMITTANCE REPORT

Eastern Synod of the ELCIC

Address 74 Weber Street W
 Kitchener, ON N2H 3Z3
 Phone 519.743.1461 – 1.877.373.5242
 Fax 519-743.4291
 Email easternsynod@elcic.ca

For Month of _____
 Date Sent _____
Congregation
 Name _____
 City _____
 Number _____

Treasurer's Information
 Check here if the treasurer's information has changed
 Name _____
 Address _____
 City, Prov, Postal _____

Day-time Phone _____
 Email _____

Designation	Synod Account No.	Amount
I. Regular Mission Support through Synod		
a) Congregational Benevolence	4000-1000	
b) Specific Purpose within Synod's Budget		
Canadian Mission (specify congregation)	2655-3000	
Canadian Missions Undesignated	2650-3000	
Eastern Synod Lutheran	4200-1600	
Waterloo Lutheran Seminary Vision 2000+	2645-3000	
Waterloo Lutheran Seminary General Appeal	2645-3000	
Outdoor Ministry (specify camp)		
Campus Ministry (specify centre)		
Other (please specify)		
II. Mission in the World Directed Giving		
a) World Mission - Unspecified	2615-3000	
b) Missionary, Program or Project (please specify)		
Argentina	2610-3000	
Katherine Bergbusch	2610-3000	
Brian Rude	2610-3000	
Bonnie Weppler	2610-3000	
III. Development, Relief and Justice		
a) Global Hunger and Development Appeal (GHDA) - Unspecified	2630-3000	
b) Canadian Lutheran World Relief (CLWR) - Unspecified	2640-3000	
c) Special Appeal (please specify)		
IV. Other (please specify)		

Total of Cheque(s) Enclosed (payable to Synod) _____



REMITTANCE REPORT

Manitoba/Northwestern Ontario SynodAddress 201-3657 Roblin Blvd
Winnipeg MB R3R 0E2

Phone 204.889.3760

Fax 204.896.0272

Email mnosynod@elcic.ca

For Month of _____
Date Sent _____Congregation Name _____
City _____
Number _____**Treasurer's Information**Check here if the treasurer's information has changed Name _____
Address _____
City, Prov, Postal _____Day-time Phone _____
Email _____

Designation	Synod Account No.	Amount
I. Regular Mission Support through Synod		
a) Congregational Benevolence	4010	
b) Specific Purpose within Synod's Budget		
Canadian Mission	2560	
Second Mile Giving	4100	
c) Special Appeals of the MNO Synod		
Lutheran Urban Ministry	2720	
Luther Village	2630	
Multiplying Ministry Program	2724	
Student Aid (Support for Seminarians)	2681	
Bishop's Discretionary Fund	2687	
II. Mission in the World Directed Giving		
a) World Mission - Unspecified	2535	
b) Missionary, Program or Project (please specify)	2540	
III. Development, Relief and Justice		
a) Global Hunger and Development Appeal (GHDA) - Unspecified		
b) Canadian Lutheran World Relief (CLWR) - Unspecified	2550	
c) Special Appeal (please specify)	2520	
IV. Other - Gifts for Non-Synod and Non-ELCIC Causes (please specify)		
Total of Cheque(s) Enclosed (payable to MNO Synod)		



REMITTANCE REPORT

Saskatchewan Synod

Address 707-601 Spadina Cres E
 Saskatoon SK S7K 3G8
 Phone 306.244.2474
 Fax 306.664.8677
 Email sksynod@elcic.ca

For Month of _____
Date Sent _____

Congregation
 Name _____
 City _____
 Number _____

Treasurer's Information
 Check here if the treasurer's information has changed
 Name _____
 Address _____
 City, Prov, Postal _____

Day-time Phone _____
 Email _____

Designation	Synod Account No.	Amount
I. Regular Mission Support through Synod		
a) Congregational Benevolence	6100	
b) Specific Purpose within Synod's Budget		
Bishop's Discretionary Fund	6098	
Canadian Mission Undesignated	6023	
Seminary Student Sponsorship	6049	
Special Appeal	6102	
II. Mission in the World Directed Giving		
a) World Mission - Unspecified	6021	
b) Missionary, Program or Project (please specify)		
Argentina	6020	
Katherine Bergbusch	6084	
Brian Rude	3089	
III. Development, Relief and Justice		
a) Global Hunger and Development Appeal (GHDA) - Unspecified	6015	
b) Canadian Lutheran World Relief - Unspecified	6010	
c) Special Appeal (please specify)		
Guatamala		
IV. Other (please specify)		
Circle of Life, Regina	6045	
Saskatoon Native Ministry	6046	

Total of Cheque(s) Enclosed (payable to Synod) _____



REMITTANCE FORM – LOAN REPAYMENT EVANGELICAL LUTHERAN CHURCH IN CANADA

CHURCH EXTENSION AND CAPITAL FUND (CECF)

Forward Payment To: Evangelical Lutheran Church in Canada
302 – 393 Portage Avenue
Winnipeg, Manitoba R3B 3H6

Congregational Loan Number	
----------------------------	--

Congregation Information	
Name of Congregation	
Sender's Name	
Address	
City, Province, Postal Code	
Telephone	
E-mail	

Payment Details	
Payment for the Month of	
Monthly Loan Payment Amount	\$
Additional Principal Payment	\$
Total of Cheque Enclosed (Payable to ELCIC)	\$

Comments: _____

Signature: _____ Date: _____



REMITTANCE FORM – LOAN REPAYMENT EVANGELICAL LUTHERAN CHURCH IN CANADA

LUTHERAN INVESTMENT FUNDS & ENDOWMENTS (LIFE)

Forward Payment To: Evangelical Lutheran Church in Canada
302 – 393 Portage Avenue
Winnipeg, Manitoba R3B 3H6

Congregational Loan Number	
----------------------------	--

Congregation Information	
Name of Congregation	
Sender's Name	
Address	
City, Province, Postal Code	
Telephone	
E-mail	

Payment Details	
Payment for the Month of	
Monthly Loan Payment Amount	\$
Additional Principal Payment	\$
Total of Cheque Enclosed (Payable to ELCIC)	\$

Comments: _____

Signature: _____ Date: _____

Want to pay your loan on time – and save even more time and money?

Pay your loan the hassle-free way.

With our pre-authorized payment option, your payment is made automatically on the payment due date and you don't even have to sign the cheque.

* **Save Money**

Forget about buying stamps, incurring late payment charges and reduce your bank bill payment costs.

* **Save Time**

Forget about writing cheques or making trips to the bank or post office to pay your bills.

* **Save Worry**

Forget about cheques that get delayed in the mail or about missing your payment due date.

How do I join?

- Complete and sign the authorization form below.
- Attach a business blank cheque marked "void".



- Mail the authorization form and void cheque to our office:
ELCIC - Finance Dept.
302-393 Portage Avenue
Winnipeg, MB R3B 3H6

Please note: Terms and Conditions must also be given to customer

Pre-Authorized Payment Authorization Business PAD

Payor Names(s) _____
(Congregation)

Address: _____

City/Province: _____ Phone Number: _____
(Daytime)

I(we) authorize **ELCIC** to process a debit, in paper, electronics or other form in the amount of \$ _____
(Fixed Amount)

This amount may be increased/decreased at a future date as agreed to in writing by me(us).

ELCIC will to the best of their abilities advise me(us) in writing of the revised amount in advance of its (charged amount) effective date.

I(we) acknowledge that I (we) have read, understood and accepted all the provisions contained in the Terms and Conditions of the Pre-Authorized Payment Authorization and that I (we) have received a copy.

Business PAD

Name(s) of Authorized Signing Officer(s): _____

Signature(s) of Authorized Signing Officer(s): _____

Date: _____

PRE-AUTHORIZED PAYMENTS – TERMS AND CONDITIONS

“I(We) acknowledge that this Authorization is provided for the benefit of the ELCIC and TD Commercial Banking and is provided in consideration of TD Commercial Banking agreeing to process debits against my account in accordance with the Rules of the Canadian Payments Association.”

“I(We) warrant and guarantee that all persons whose signatures are required to sign on this account have signed this agreement below.”

“I(We) hereby authorize ELCIC to draw on Congregation/Organization account number through TD Commercial Banking, for the following purpose.”

“This authorization may be cancelled at any time upon notice by Congregation/Organization. I(We) acknowledge that, in order to revoke this authorization, I(We) must provide notice of revocation to ELCIC.”

“I(We) acknowledge that provision and delivery of this authorization to ELCIC constitutes delivery by Congregation/Organization to TD Commercial Banking. Any delivery of this authorization to you constitutes delivery by Congregation/Organization.”

“I(We) undertake to inform ELCIC, in writing, of any change in the account information provided in this authorization prior to the next due date of the PAD.”

“I(We) acknowledge that TD Commercial Banking is not required to verify that a PAD has been issued in accordance with the particulars of the ELCIC’s Authorization including, but not limited to, the amount.”

“I(We) acknowledge that TD Commercial Banking is not required to verify that any purpose of payment for which the PAD was issued has been fulfilled by ELCIC as a condition to honouring a PAD issued or caused to be issued by ELCIC on Congregation/Organization account.”

“Revocation of this authorization does not terminate any contract for goods or services that exists between Congregation/Organization and ELCIC. The Congregation/Organization’s Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged,”

“A PAD may be disputed by a Congregation/Organization under the following conditions:

- (1) the PAD was not drawn in accordance with the Congregation/Organization’s Authorization; or
- (2) the authorization was revoked; or
- (3) pre-notification was not received.

The Congregation/Organization, in order to be reimbursed, acknowledges that a declaration to the effect that either (1), (2) or (3) took place, must be completed and presented to the branch of the Processing Institution holding the Congregation/Organization’s account up to and including 90 calendar days in the case of a personal household PAD (or up to and including 10 business days in the case of a business PAD), after the date on which the PAD in dispute was posted to the Congregation/Organization’s account.

The Congregation/Organization acknowledges that a claim on the basis that the Congregation/Organization’s Authorization was revoked, or any other reason, is a matter to be resolved solely between the ELCIC and the Congregation/Organization when disputing any PAD after (90 calendar days in the case of a personal/household PAD or 10 business days in the case of a business PAD).”



Evangelical Lutheran Church in Canada
Eglise Evangélique Luthérienne au Canada

302-393 Portage Avenue, Winnipeg, Manitoba, R3B 3H6, Fax: 204.984.9185, Website: www.elcic.ca
Accounting Phone: 204.984.9176 or Toll Free 1.888.786.6707 ext. 176, Email: finance@elcic.ca

**CONTINUING EDUCATION PLAN (CEP)
 APPLICATION FOR MEMBERSHIP**

SECTION A – TO BE COMPLETED BY EMPLOYEE:

I wish to join the Continuing Education Plan as described in the statement of purpose and guidelines, and as administered by the ELCIC.

Employee Name	
Address	
City, Province, Postal Code	
Telephone (Daytime)	
Email	
Congregation/Employer	

In the event of my death, I wish any balance in my CEP account to be forwarded to the person named below or to any designated gift area of the ELCIC:

Name	
Address	
City, Province, Postal Code	

Employee Signature: _____ Date: _____

SECTION B – TO BE COMPLETED BY EMPLOYER:

As the employer of the above named, we agree to the following:

Be it resolved that we participate in the Continuing Education Plan with our employee as outlined in the CEP Guidelines. We agree further to abide by the procedures for approving study leaves and to continue to pay our employee's salary and benefits during the short-term leave and to arrange assistance during his/her absence.

Date: _____ Employer No.: _____

Signature of Secretary of Congregation/Employer: _____

IMPORTANT - The completed form should be forwarded with the first monthly remittance to Continuing Education Plan at the above address.



Evangelical Lutheran Church in Canada
Eglise Evangélique Luthérienne au Canada

302-393 Portage Avenue, Winnipeg, Manitoba, R3B 3H6, Fax: 204.984.9185, Website: www.elcic.ca
 Accounting Phone: 204.984.9176 or Toll Free 1.888.786.6707 ext. 176, Email: finance@elcic.ca

CONTINUING EDUCATION PLAN (CEP) REMITTANCE

Employer Number _____

Congregation/Employer _____

Address/Province/Postal Code _____

Contact Name _____ Telephone (daytime) _____

Email _____

Please remit funds for the Continuing Education Plan SEPARATELY from remittance to ELCIC Group Services Inc.

CONTRIBUTIONS FOR MONTH OF _____ **Date Sent** _____

Member's Name	Employee No.	Member Amount	Employer Amount	Total (Member & Employer)
Total Amount of Cheque Attached:				

Please make cheque payable to the ELCIC and send cheque with the remittance form to the address above.

NEW EMPLOYEES

The following are new employees with our organization.

IMPORTANT - Please remember to attach the CEP Application for Membership form for all new employees.

Member's Name	Employee No.	Start Date	Indicate Clergy or Lay

TERMINATIONS

The following employees have terminated their employment with our organization

Member's Name	Employee No.	Termination Date	Indicate Clergy or Lay



**ELCIC SOFTWARE LICENSING PROGRAM
ORDER FORM**

To place an order for software, please complete the order form and attach a cheque made payable to the “ELCIC”. Mail to:

Rick Natividad, IT Coordinator
ELCIC National Office
302 – 393 Portage Avenue
Winnipeg, MB R3B 3H6

Shipping Address:

Synod/Congregation Name	
Contact Person	
Address	
City	
Province	
Postal Code	
Daytime Telephone Number	
Email	

Software Required:

Product Description	Quantity	Cost Each	Total
Total Order			\$

Our organization agrees to comply with Microsoft Licensing Agreements and ELCIC Information Technology software policies. We understand that the software is to be used explicitly for business and is not for personal use.

Signed: _____ Date: _____

Evangelical Lutheran Church in Canada

302 – 393 Portage Avenue

Winnipeg, MB R3B 3H6

Telephone: 204.984.9150

Toll Free: 1.888.786.6707

Fax: 204.984.9185