



# THE EPISCOPAL DIOCESE OF HAWAII

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The Right Reverend Robert L. Fitzpatrick  
Bishop

December 21, 2017

TO: RECTORS/MICARS  
CC: TREASURERS  
FROM: Peter Pereira, Diocesan Treasurer  
SUBJECT: **2017 Parochial Report (PR)-Due Date: March 1, 2018**

Greetings to all clergy and treasurers. God's blessings on you and your ministry. The annual parochial report is a requirement of the Canons of our Church. It is a tool to assess our mission and assist each parish/mission and diocese in reflecting as accurately as possible a picture of the ministry in each place. I am grateful to the clergy and lay leaders who will take time to respond to this request for information

Congregations must file the *2017 Parochial Report* on line at the Episcopal Church Center Website, <http://pr.dfms.org> **Congregations should then print copies of the filed reports and send the Diocese a signed copy by March 1, 2018.** Instructions for filing on line are enclosed in this packet. **Please file online. Online filing will be available on January 4, 2018**

1. Memo from the Office of the General Convention.(This will be mailed directly to you by the National Church Office)  
Please read this memo for details. **Please see card enclosed in the envelope mailed to you by the National Church office. It provides your user I.D. # and password to log onto the Episcopal Church Web page.** It is the same user ID # and password as previous years.
2. General Instructions for the 2017 Parochial Report  
Please read instructions.
3. Detailed line-by-line instructions. Workbook Page 2- Membership, Attendance & Services  
Please read instructions to complete Page 2. It will be posted online:  
<http://www.episcopalchurch.org/page/parochial-report>
4. Detailed line-by-line instructions. Workbook Page 3-Stewardship & Financial Information.  
Please read instructions to complete Page 3. It will be posted online:  
<http://www.episcopalchurch.org/page/parochial-report>

Note: Please use these two workbooks to prepare figures in pencil. Then transfer figures from Workbook to the forms online. I have attached them in my email

### Changes to the 2017 Parochial Report

Please note that there are a few changes to the 2017 Parochial Report. In response to General Convention resolution A084, we have revised the Membership page and added an additional page of the 2017 Parochial Report. Attached is a copy for you to preview. Page 2 now includes an opportunity to report the “**Languages in which worship is conducted**” (Line 25 and 26) for congregations who hold services in additional languages.

Another change you will see is that we have also implemented a Page 5 “**Outreach Ministries and Volunteer**” section for congregations to indicate how many volunteers involved in the various outreach ministries.

A completed copy should be retained for your church records and the original should be sent to the Diocese. After filing on line, be sure to print a copy of the report, sign it, and send it to the Diocese together with the 2018 Clergy Compensation Report and the 2017 Financial Statements.

**Please ensure that the Parochial Report is approved by your Vestry/ Bishops Committee.**

### Additional Instructions-Page 3 of Parochial Report

#### A. Clarification of Plate Offerings and Pledge Payments & Regular Support (Line 3)

If plate offerings and pledge payments are unrestricted at point of receipt, then they are subject to assessment. The Vestry/Bishop’s Committee cannot exclude from assessment the plate offerings and pledge payments it subsequently designates for outreach or for capital projects.

#### B. Assistance from Diocese (Line 7)

Please also include subsidy received by missions from parishes also on this line.

#### C. Donation from Parish Schools to the Church

A question has been raised as to whether this income is subject to assessment. Per the National Church, if the money is for reimbursement of expenses, it would be the recorded net of the operating expenses on line 14. If the money is to subsidize the church’s income, it would be included on line 5 (Other Operating Income) provided it is used for operating expenses.

### 2018 Clergy and Lay Compensation Report

The Diocesan Compensation Review Committee needs a detailed breakdown of the Clergy compensation for 2018 and report confirming that you did a review of clergy and lay compensation. Please complete **Exhibit II** and attach it to the Parochial Report when returning it to me. **Please do not forget to note clergy’s year of service on schedule attached.** I have attached a copy of 2018 Clergy Compensation Benefits Policy.

### 2017 Financial Statements

**Please attach a copy of your 2017 Financial Statements with the Parochial Report.**

### Explanation of assessment income

See Exhibit III

### Note (CHECKLIST)



## **NOTE: CHECKLIST**

**Don't forget** to send the following to **Rae Costa** by **MARCH 1, 2018:**

- 1) Parochial Report Form(pages 1 thru 4)
- 2) 2017 Financial Statements
- 3) 2018 Clergy Compensation Report
- 4) **Sign** Parochial Report!

EXHIBIT I



**Clergy-in-Charge Compensation**

Please provide the information requested below regarding the 2018 year.

| Position | Yrs of Service <sup>1</sup> | Cash Salary | Housing <sup>2</sup> Cash | Utilities | Auto <sup>3</sup> | Social Security Amount Reimbursed |
|----------|-----------------------------|-------------|---------------------------|-----------|-------------------|-----------------------------------|
|          |                             |             |                           |           |                   |                                   |

**Notes**

1. See pages 3 & 9 of the Compensation Benefits Policy for determining years of service and minimum compensation for your congregation.
2. If clergy is living in church-provided housing (rectory), please mark **R** in this column and write in the amount reported to the Church Pension Fund.
3. If clergy is provided an auto please mark **A** in this column or if reimbursed on a mileage basis, please mark **M**.

In compliance with Diocesan Canon 38.2, we hereby certify that

1. The mandatory annual compensation review for all clergy and all lay employees took place on (date) \_\_\_\_\_.
2. We reviewed compensation for 2018.
3. The amount of compensation for the clergy-in-charge in 2018 is as shown above, and
4. The amount stated in the prior years' parochial report was actually paid to the clergy-in-charge in the current year.(2017)

\_\_\_\_\_ Date

Compensation Review Committee Chair (Print/Type Name)

Committee Chair's Signature: \_\_\_\_\_  
*Once you have completed this form, please print and sign this document.*

**EXHIBIT II**

### Diocesan Assessment

The Diocesan Assessment is based on each congregations operating income. The 2018 assessment is based on 18% of the 2016 congregations operating income

Operating Income includes

1. Plate Offering, Pledge payments & other regular support
2. Unrestricted investment and endowment income used for operations
3. Restricted investment and endowment income used to cover costs in the operating budget,
4. Other operating income including rental and fundraising income net of direct expenses and
5. Unrestricted bequests used for operations.

It is intended that income shall include revenues that fund normal operating and program expenses of the congregation. It is not intended to include pass-through income that is used for expenses for programming that are simply administered by the congregation (like an after school program may receive fees from participants, other agencies or a grant from the diocese). Funds for transmittal to other organizations are also not included (i.e. UTO, Bishop Pastoral fund, Episcopal relief Development, Theological education). It does not include funds raised for capital expenditures.

### Capital expenditures for purposes of the Parochial report

Additions to property, major repairs and any other improvements tending to extend the life of the property by 10 years or more.

Capital expenditure is a long-term investment project requiring relatively large sums to acquire, develop, improve, and/or maintain a capital asset (such as land, buildings, etc.)

Also includes legal expenses on raising loans for the purchase of land and building and interest on loans during the construction period.

## EXHIBIT III