



## FAQ FOR CHURCH WARDENS AND TRUSTEES

On June 14, 2023, the Synod Office held a Q&A Session of Church Wardens and Trustees to address questions surrounding the permissive tax exemptions, rental issues, Safe Church, property insurance, liability insurance for usage of parish property, licence required when serving alcohol, CRA Requirements, among others.

Below is a summary of the relevant questions and answers:

### LEASES

Leases over one year must come to Diocesan Council for review and approval.

**Q: Can the leases be one year with the option to renew?**

A: If the effect of a lease that a parish wishes to enter is to create a term of longer than one year, it requires Diocesan Council's approval. What is important to understand is that the workaround is not to enter a lease for one year with a renewable one-year term because the practical effect of that is a lease for longer than a year.

**Q: Several parishes have a one-year lease that isn't renewable, so legally, it can be terminated after the year. But suppose you've got a suitable lessee. In that case, there is a general understanding on both parties that, essentially, you're prepared to renew it, particularly when there's an investment in a daycare.**

A: If you have a handshake arrangement that if everything is going well, we'll renew every year. Effectively, that must come to Diocesan Council for approval because you are committing your church property to use for a period longer than a year. Please reconsider how to approach that. Any arrangement like that will make your property, or at least a portion of it, assessable for property tax purposes. It will be important to have a complete record and ensure that you have protection against those taxes being assessed.

**Q: If a daycare or preschool is incorporated as a society and not-for-profit, will property tax assessment apply?**

A: Instinctively, yes, because that is the emerging trend. Most municipalities and BC Assessment take the position that a longer-term lease, by way of example, a daycare, constitutes commercial use of your property. At least some portion of your land and building may be assessed for tax purposes, and no permissive exemption may be available.

**Q: Our church has had the same nursery school groups for over 30 years - they are nonprofit parent participation programs. The leases were initially drawn up by a lawyer at some point. Should we send it to the Diocese for review?**

A: It would be helpful to have it reviewed. One of the key provisions that we have asked people to watch out for is if you are going to be assessed for property tax because of the presence of a daycare or preschool, you will want a provision in your lease that the daycare or preschool will pay for whatever tax is assessed.

Our registrar has assisted a parish in the last few years where they did not have a lease with a clause such as that described. They were assessed for property tax. In fact, the rent they were receiving from the daycare was less than the overall property tax that was assessed, so they lost money. It's important to have those ducks in a row.

Some parishes have not charged market rates for the use of their building. Parish lease agreements that come to Diocesan Council for approval are first reviewed by the Standing Committee on Finance and Property, where the rental rates are also reviewed to ensure that parishes are getting fair value for the use of their buildings. Because we see lease agreements regularly, we become familiar with market rates. Ensuring the lease has provisions that the tenant covers a portion of the property tax and insurance premium is critical.

**Q: Do leases include leasing equipment such as printers/photocopiers, etc.?**

A: The leases we're talking about are leases of your property, not necessarily equipment leases. Nonetheless, before entering any equipment lease, it is strongly recommended to have a lawyer, accountant, or somebody in the industry look at the lease before signing it.

We have recently concluded some lengthy litigation that resulted in settlement payments made by a series of parishes to an equipment leasing entity to buy out leases, so a review must occur.

**Q: If a property is being leased to another church, will it be subject to a property tax?**

A: Under the BC Assessment Act and Rules, if the property is being used by a faith group that falls within the definition of a religious entity, that should not be a problem. There was one occasion where the building was being used primarily for that purpose, but there was a daycare use. Only the daycare use became assessable for property tax purposes.

**Q: What is the current time to get approval from Diocesan Council?**

A: Between two to three months, depending upon the timing of the Committee review and the next Council meeting. We do have a mechanism between meetings of the Council to do e-mail polls, but all documentation needs to be in order.

**Q: Would rent from Alcoholics Anonymous at our hall be subject to property tax assessment?**

A: Using our church halls and buildings by community-based not-for-profits, essentially, volunteer scouts, AA, and choir rehearsals, that are either episodic or perhaps once a month or once a week will not be the target of property tax assessment.

What is of concern is those longer-term lease arrangements, particularly daycares. A parish may enter a longer-term contract for a food bank, for example, to use its kitchen in the parish hall as the center for distribution. That will be a different matter.

**Q: Would renovations require Diocesan Council approval?**

A: If financing is arranged, it must come to Diocesan Council. Please also review Canon 11 in the [Diocesan Handbook](#). The extent of any renovations or redevelopment will determine whether Council approval is required if financing is not being arranged.

## SAFE CHURCH

An email with a spreadsheet showing everyone in the parish with a Criminal Record Check (CRC) on file with the Diocese is sent yearly to parishes. The clergy or Screening-in-Faith (SiF) contact is responsible for advising people in high/medium-risk roles when their CRCs are due to be renewed. The wardens must ensure that the CRC record check and safe church training are being reviewed.

For more information about Online Safe Church training, SiF Policy and Best Practices, please visit <https://www.vancouver.anglican.ca/resources/screening-in-faith>. If you need help, please contact our SiF Coordinator, Deirdre Thornton, at [SiF@vancouver.anglican.ca](mailto:SiF@vancouver.anglican.ca).

**Q: Could we use the older format – gather together as a group?**

A: The new modules of the new program can be done in a group. People have done it as a group because it generates discussion and people can ask questions. Parishes that have completed it as a group say that it takes approximately 90 minutes. Taken as an individual, it usually takes about 45 minutes.

When you get to more focused stuff for the Sunday school teachers, youth group leaders, and small group leaders – they have two or three courses that must be done via

Praesidium Academy, the American provider. It is more time-consuming, and unfortunately, it does not do well in a group.

## CONFLICT RESOLUTION

The Diocese has a one-day training for all clergy on conflict resolution. The intention is not that they would all suddenly become experts on this topic but to raise their knowledge on average within the Diocese.

We are working with a conflict resolution specialist to train others within the Diocese. We have one priest who has increased her training around Conflict Resolution and specifically to be called in, if necessary, when a conflict requires a third party to step in.

The Regional Dean, Regional Archdeacon, has also received more training in conflict resolution and can be involved and is also a great place to start if there's a concern around conflict.

## SYNOD FOOD COST

When we gather as the Synod for the Diocese of New Westminster, there are many expenses related to the organization of this meeting. The Synod Office asks that every parish pay the minimum required spending for the synod catering (per the invoice sent to parishes) to support their delegates coming to Synod and the Diocese as a whole. The cost allocation is based on the number of anticipated delegates.

The budget of the Diocese covers the other costs related to Synod.

In the future, when assessments are sent, parishes will be reminded to accrue or include an amount for the synod food costs in their Annual Budget.

## INSURANCE

Many parishes receive revenue through donations and/or rental income from individual users or other groups. The Anglican Diocese of New Westminster Insurance program does not cover these third parties. This means an incident arising from their activities could result in a claim against the individual or group users. In some cases, the Parish or the Diocese may also be looked to for damages.

To protect the interest of the parish, an insurance certificate must be requested from the individual or group in accordance with the Diocesan policies as follows:

*The Rental Group shall maintain in force a Commercial General Liability or a Personal Liability policy in an amount of at least \$2,000,000 covering its legal*

*liability for the use of the parish premises for the described event. A certificate of insurance should be provided to the parish as evidence of this coverage, and such certificate shall show as an additional insured, (insert name of parish here)*

If the individual or group user does not have insurance in place, they can purchase inexpensive liability coverage through the Diocesan Group Insurance Program. The user group needs to fill out [Form #1 – Application Form](#) and issue a cheque to the parish for the appropriate fee. Refer to the [User Group Rating Schedule](#) for the applicable premium.

Each complete application must be added to [Form #2 – Reporting Form](#), which is then submitted to the Synod Office along with copies of [Form #1 – Application Form](#) during monthly remittances.

For more information about Insurance Coverage, please refer to [Diocesan Insurance Booklet](#).

**Q: Who are the groups that must provide liability insurance coverage?**

- A: The following must provide separate liability insurance coverage:
- a) Wedding / Anniversary and other receptions
  - b) Non-parish and non-diocesan group meetings (i.e., Alcoholics Anonymous)
  - c) Any events involving serving of liquor except parish events
  - d) Civic parades, assemblies, bazaars, craft fairs
  - e) Groups entering into a rental contract with the parish

If you are not sure, feel free to get in touch with the Synod Office.

**Q: Do you have any information regarding liability insurance for churches that open their doors to emergency shelters?**

- A: Our insurer responded to this inquiry by stating the following:

*It is understood that, although designated as places of worship, churches may provide shelter to those in need from time to time. If the parish is providing temporary shelter – for instance, in the case of the need to evacuate a town due to a wildfire and the church offer to provide shelter to people in need until the danger has passed, the insurance company must be notified.*

*If the shelter offered by the parish will be longer than one week, the insurance company needs to review the request – churches are not designed as habitational risks and may expose themselves to situations they are not equipped to deal with.*

## SPECIAL EVENTS PERMIT

Anyone renting a hall for an event that includes the sale or serving of liquor is required to have a Special Event liquor permit (SEP) that can be applied for online at [www.gov.bc.ca/special-event-liquor-permit](http://www.gov.bc.ca/special-event-liquor-permit)

There are some exceptions, but most events held in a parish facility where liquor is served will require a permit.

All individuals hosting or serving liquor at a SEP event – including family events - must complete a Responsible Beverage Service (RBS) training program.

- [A Special Event Server \(SES\)](#) certificate - required for all events under 500 guests.
- [A Serving it Right \(SIR\)](#) certificate - required for events with over 500 guests.

## CRA REQUIREMENTS

Every June 30<sup>th</sup> (six months after the end of the parish fiscal/calendar year), CRA requires parishes to submit their Annual Charity Return. This can be done on paper and online.

Online submission through [CRA My Business Account \(MyBA\)](#) is the most efficient way to submit, and CRA provides immediate confirmation of receipt. Having the ability to access the parish account online also allows you to apply for GST Rebates, change directors, and update the parish profile at CRA in a more efficient manner.

Please remember to submit the Charity Return by June 30<sup>th</sup> to avoid the revocation of the parish charity status. When the charitable status is revoked, the parish can no longer issue tax receipts and the parish must give 100% of its net assets to an eligible donee (i.e., the Diocese or another parish) or pay a revocation tax to CRA equivalent to 100% of the net assets. If the charitable status is revoked, which might be a year, two years, or three years down the line, any tax receipts that have been issued retroactive to that date of the last filing will not be honoured. Re-application fee is \$500 plus legal fees.

**Q: Who needs to be listed as Officer at CRA?**

A: Trustees, Church Wardens, Treasurer, and the Priest-in-Charge.

Whoever is named as Priest-in-Charge by the Bishop is, by definition, ex-officio Chair of the Trustees during the time of their appointment by the Bishop.

**Q: If the Treasurer is not a Trustee, should the Treasurer be listed as an Officer at CRA?**

A: Yes. CRA often looks for the Treasurer about questions related to the parish finances. The Treasurer has the designated role of overseeing the financial matters of the Parish

and ensuring the Trustees are adequately informed of financial-related issues.

**Q: Does CRA require SIN to access My Business Account?**

A: Yes. Your SIN is CRA's way of validating your identity. The other option is to use your login credentials to access your bank account online.

**Q: How do we update the list of officers at CRA?**

A: 1) Complete the [T1235 Directors/Trustees and Like Officials Worksheet](#) (part of the Charity Return Package) **AND** "[Change Director Form](#)". The following information will be required:

- first and last name
- position on the board
- effective date
- whether this person is at arm's length with other board members
- home address
- phone number
- date of birth
- social insurance number (SIN) (only if you want the director, trustee or like official to have access to your charity RR account on [MyBA](#))

The [Change Director Form](#) does not have a field for SIN. Please add the SIN number of your parish officer who would access the [CRA My Business Account \(MyBA\)](#) after the Email address field. Otherwise, CRA cannot add the officers to the list of authorized officers who can access the parish account online.

2) Prepare a copy of the Vestry Minutes, which has the list of parish officers on the parish letterhead and must be signed by the parish secretary.

3) Mail the completed forms to:

Charities Directorate  
Canada Revenue Agency  
Ottawa ON K1A 0L5  
Fax: 613-954-8037

Directors can also be updated by uploading the list of directors at [CRA My Business Account \(MyBA\)](#) on the CRA Website.

**Q: How do we register for [CRA My Business Account \(MyBA\)](#)?**

A: First, the parish list of officers at CRA must be updated by mailing/faxing a hard copy of the "[Change Director Form](#)" for each parish officer.

Afterwards, you may associate your personal login credentials at CRA with the parish business account number. Refer to [DONW Guidelines to Register for CRA My Business Account](#) for detailed instructions on registering CRA My Business Account.

Sending your annual [T1235 List of Parish Directors](#) when submitting your Annual Charity Returns will not automatically update the list of officers that can access the [CRA My Business Account \(MyBA\)](#).

## ANNUAL DIOCESAN REQUIREMENTS

After the end of each year, parishes must submit their annual Parochial Report to the Synod Office via the [Wonderworker](#) portal. This internal and secure portal was developed and tailored to our diocesan needs. Each parish has its own credentials to log into the system. The Parochial Reports are divided into basically four sections, namely:

- a) Section 1: Parish Statistics for the previous year
- b) Section 2: Screening-in-Faith Report for the previous year
- c) Section 3: Parish Officials elected and nominated for the current year
- d) Section 4: Document Uploads, which include:
  - a. Annual Vestry Meeting Report
  - b. Parish Operating Receipts
  - c. Financial Statements (Statement of Financial Position or Balance Sheet and Income Statement)

Parishes must submit their Parochial Report to the Synod Office by March 31st of each year.

It is important to note that submitting the Parochial Reports is a **requirement** and not an option for parishes. The data your parish submit helps the Synod Office plan our programs better and understand each deanery and parish's unique financial positions and pastoral realities.

Also, be mindful that since the Wonderworker was implemented, the Synod Office **no longer accepts submissions of Parochial Reports by email or post.**

**Q: Didn't the Society Laws change in the province in the last several years, and do people on the parish Council need to be listed?**

A: The changes in the Society Laws only apply to non-profit organizations incorporated under the BC Society Act. Diocesan parishes are incorporated and governed by the Private Act of the Diocese of New Westminster. They are not required to submit the Annual Report (which requires the list of officers) to the BC Societies. Instead, parishes are required to submit Parochial Reports to the Synod Office.



**Q: When a lay staff within the Diocesan payroll resigns, what information must be submitted to the Synod Office?**

A: For the Record of Employment and proper payroll calculation, please email Michèle at [payroll@vancouver.anglican.ca](mailto:payroll@vancouver.anglican.ca) the following information:

- 1) Reason for Leaving
- 2) Vacation Pay Owing
- 3) Last Day of Work
- 4) Hours Worked for the Month
- 5) Nature of any extra \$\$\$ paid to the staff (i.e., lieu pay, severance pay, bonus, etc.)

For future questions on any of the above matters, please contact:

The Ven. Philippa Pride, Executive Archdeacon, at [ppride@vancouver.anglican.ca](mailto:ppride@vancouver.anglican.ca)

Ms. Shailene Caparas, Director of Finance, at [scaparas@vancouver.anglican.ca](mailto:scaparas@vancouver.anglican.ca)