

Discretionary Funds

Three guiding principles

- Caution! Handle with care.
- Confidential ≠ Secret
- Sunshine kills germs.

Information is in plain type,
REQUIREMENTS ARE IN SMALL CAPS,
recommendations are in italics.

Discretionary funds are parish funds, not personal funds.

Do not open a separate account. Use the main parish operating account, and get reimbursements and payments as needed. If you have a separate account now, consider closing it.

If there is a separate account, IT MUST BE OPENED USING THE TAX ID# OF THE PARISH AND IN THE PARISH'S NAME.

Because it is a parish fund, IT MUST BE AUDITED.

Because it is a parish fund, THERE MUST BE A REPORT ON IT AT LEAST ANNUALLY. *Include a summary report on it to the Annual Meeting. You'll encourage donations by being transparent and accountable.*

IT CANNOT BE USED FOR PERSONAL ITEMS (E.G., CAR REPAIRS) and should not be used for parish operating expenses.

THE LEGITIMATE USES ARE: 1) ASSISTANCE TO PERSONS IN NEED, AND 2) CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS THAT WOULD BE DEDUCTIBLE ON SCHEDULE A.

IF YOU WANT HONORARIA TO GO TO THE DISCRETIONARY FUND WITHOUT BEING TAXABLE INCOME TO YOU, HAVE THE VESTRY MAKE IT A CONDITION OF EMPLOYMENT.

See the sample report to the Annual Meeting.

Sample report on the Discretionary Fund

Income	
From parish budget	\$ 750.00
Contributions from 17 individuals	1,643.00
Honoraria	<u>975.00</u>
Total Income	\$ 3,368.00
Expenses	
Assistance	
Rent	\$ 1,450.00
Food	683.38
Prescriptions	124.78
Cash assistance	<u>210.00</u>
	2,468.16
Charitable contributions	<u>700.00</u>
Total Expenses	\$ 3,168.16
Excess(deficit) revenue over expenses	\$ 199.84
Balance as of January 1	\$ 57.73
Balance as of December 31	\$ 257.57