

Regulation 7-2 Schedule F
Diocese of Fredericton
Parish Payroll Arrears

Background

The central payroll processing service ensures that the sometimes complicated aspect of payroll is processed accurately and on a consistent and timely basis. The service greatly reduces the administrative workload at the parish level. There are over 120 clergy and lay employees on the system, representing a monthly outlay of over \$330,000.00.

The central payroll system operates with clearly defined responsibilities:

- a) The Diocese has responsibility for processing and reporting of payroll on behalf of the parishes and their employees.
- b) The primary parish responsibility is to provide the funding required to cover the total cost related to their employees, including stipend, travel, benefits, and related costs - defined as the Payroll Assessment. That Assessment is to be paid by the 22nd of each month. (For parishes on direct debit, payment is processed nearer the end of the month.)

The provision of funding is a key component. The intention is not that the Diocese be the payroll source or "banker" for these parish costs. It is an administrative service only. Failure to meet this obligation as required places the Parish in default on its employment responsibilities, which ultimately can result in the employee(s) not receiving their pay.

What follows is a specific process for tracking and following up in all cases where payroll is in arrears. The follow-up is very direct and intentional and, essentially reflects a zero tolerance to payroll arrears.

Payroll Arrears Monitoring Process

Month End Status	Direction	Consequence
Arrears 1 month	Inform Archdeacon with request for follow-up	If not in by end of month, move to 2 month arrears follow-up
Arrears 2 months	Contact Parish, CC Bishop, who will arrange meeting with Parish Advisory Committee, Archdeacon and Finance Committee	Parish has until cut off for next pay (10th) to meet minimum 50% of arrears:: if met, monitoring continues - if not met, payroll is run on the 15th but notice given that the 30th pay will be the last

As can be seen, under this process if a parish falls into payroll assessment arrears for a third month, the central pay processing for that Parish will cease at the end of that month and it will become the responsibility of the Parish to make arrangements to pay their Incumbent and any other employees they may have.

An Example:

If at the close of the Diocesan books on April 30th the Parish has not met its April payroll assessment, the Archdeacon of the area will be informed and the Parish contacted for payment. If that payment is not made by the end of May, the Parish will then be two months in arrears (April and May) and will be given until June 10th to meet at least 50% of its arrears amount. If this payment is not made the parish would be informed that the pay for June 30th will be the last processed under the payroll system.

It should be noted that the process is designed for monitoring and followup on an ongoing basis. It should be seen as tool for the parishes as well as for the Diocese. If a parish is consistently among those in arrears and being followed up, that may be a sign of a long term problem that requires immediate address.

All clergy, treasurers and wardens are to be aware of this process and bring it to the attention the Corporation when necessary. Many parishes have never been in arrears on payroll and may see this as being of passing interest. Others, however, will need to pay close attention to the process and its possible implications.

Adopted
March 2005