

Accounting Services

Treasurers' Manual

*The Uniting Church in Australia
Synod of Victoria and Tasmania*

Treasurers' Manual

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Topic 1 – General Information

(Information for Treasurers)

Note of Appreciation

***The church gratefully acknowledges
the valuable contribution of time and energy
made by so many treasurers and finance committees.***

***The generosity and preparedness of these people
in offering their skills and their time
greatly contributes to the smooth running of the church.***

1. Purpose

The information provided in the Treasurers' Manual outlines the procedures necessary for transactions being undertaken by various councils of the church. Please carefully read the information that is relevant to your church council.

2. What are the responsibilities of a treasurer?

Treasurer's responsibilities are:

- 2.1 to keep the books of account and to enter therein the day to day financial transactions (recording all monies received and all payments made);
- 2.2 to lodge all monies received in an identified account, ensuring safe custody of the church's money;
- 2.3 to provide regular financial reports to church council as required by the church council. (This should include as a minimum receipts and payments, statement of financial resources and budget information);
- 2.4 to protect the Church against fraud and theft, ensuring safe custody of the money and prompt banking;
- 2.5 to complete annual reports for presbytery;
- 2.6 to furnish annually an audited financial statement;
- 2.7 to submit all taxes as required to the ATO and lodge the Business Activity Statement (BAS);
- 2.8 to organise and arrange payment of all ministers and staff employed at the congregation;

- 2.9 to complete the Synod annual financial return;
- 2.10 to lodge the Annual Information Statement as required by the Australian Charities and Not for Profit Commission (ACNC).

In fulfilling these responsibilities, complete, orderly records need to be maintained.
UCA Regulations: 3.6.1 (d, e), 3.8.6 and 3.8.7.

3. Further queries? Check the contact guide below.

Query	Contact	Phone	Fax
General Information	Heather Ackland or Accounting Services heather.ackland@victas.uca.org.au	9251 5236	9654 1019
Ministerial expenses Mercer Super Trust (Beneficiary Fund)	Mercer help line	1800682525	
Central stipends	Michelle Blackney or Vivian Farrugia payroll@victas.uca.org.au	9251 5240 9251 5234	9654 1019 9654 1019
Ministers' Benefit Account	Priya Nagarajah mba@victas.uca.org.au	9251 5232 9251 5226	9654 1019 9654 1019
Stipend rates and allowances Supply costs Long Service Leave (Ministers)	Associate General Secretary	9251 5208	9650 7019
Payroll costs Salary payments Superannuation Long service leave	Michelle Blackney or Vivian Farrugia payroll@victas.uca.org.au	9251 5240 9251 5234	9654 1019 9654 1019
Award rates	People and Culture – Paula Bradshaw	9251 5477	9654 4179
Taxes Fringe Benefit (FBT) GST Withholding tax PAYG	Heather Ackland or Cindy Wu	9251 5236 9251 5235	9654 1019
Payments Building account payments Synod general account payments Mission Support Fund grants	Jackie Man Hang Nguyen	9251 5227 9251 5239	9654 1019 9654 1019

Receipts Synod – amounts paid to Synod (e.g. Mission and Service Giving, insurance)	Jackie Man	9251 5227	9654 1019
Other Budgets	Malay Patel Michael O’Toole	9251 5229 9251 5935	9654 1019 9654 1019
People and Culture Employment of staff Awards Termination of staff	Paula Bradshaw	9251 5200	

Topic 2 – Receipts (Information for Treasurers)

1. Objectives

To ensure that

- 1.1 all funds to which the church is entitled are received;
- 1.2 all funds received are banked;
- 1.3 receipts are reported in a meaningful format;
- 1.4 GST is identified (the implications of GST need to be considered for each type of transaction. Refer GST Manual).

Hint: It's best to write down the reason and the amount of money received money promptly, as if you don't write it down, you may forget.

Warning: Never pay expenses from cash waiting to be deposited.

2. Offerings

The following general principles apply to weekly offerings:

- 2.1 offerings should be counted by two people (on a roster basis) on Sunday;
- 2.2 envelope amounts should be shown on outside of envelopes and counted separately;
- 2.3 record the total amounts in the Sunday register, which should be kept at the church. This may be loose leaf, in duplicate form. A suggested format is noted below with the headings down the side of the page and Sundays across the top;

Date	3 Nov 20XX	10 Nov 20XX	17 Nov 20XX	24 Nov 20XX
Minister				
Number attending				
Envelopes				
Open plate				
Special offerings (indicate type)				
Total				
Signature of Counter (1)				
Signature of Counter (2)				
Comments				

- 2.4 counters provide a summary of the amounts received for the treasurer. This may be a duplicate copy of the Sunday register. The bank deposit form should also be completed on Sunday ready for banking by a different person on Monday;
- 2.5 arrange with the bank to provide monthly statements and check to ensure that deposits agree with the Sunday register;

Note: Church cash in transit is insured by the Synod.

3. Pledged giving

Offerings in respect of pledged giving should be the subject of a separate system to the main cash receipts. A Pledge Register should be maintained and monitored by a person other than the treasurer.

Offerings received direct to your bank account should be recorded as part of your bank reconciliation.

4. Direct Offering

Direct Offering is an alternative way of making an offering commitment. It is a system that allows an authorised direct debit from a bank, credit union or UCA Funds Management Development Fund account into the congregation's account held with UCA Funds Management.

There are no transaction fees to individuals and the giving can be debited weekly, fortnightly, monthly, quarterly or annually. A transaction description of Direct Offering will appear on the congregation's UCA Funds account statement.

Schedules to assist with the management of Direct Offerings are available for Treasurers or Recorders.

For more information or to obtain Direct Offering forms contact UCA Funds Management, 9650 7074 or email info@ucafunds.com.au. **Forms are also available at www.ucafunds.com.au**

5. Electronic Offering

With internet banking treasurers may also wish to encourage members to contribute by EFT to the congregation's bank account. This can be undertaken in three ways

1. Direct Offerings (refer above),
2. Individuals may set up a regular payment through their internet banking facilities to the church's bank account or UCA Funds accounts or
3. Individuals may wish to ask their payroll officer to deduct the amount from their pay.

6. Property receipts

When the church owns property that is let, (see note 1) there should be records to ensure that rental receivable is readily determined, including any GST obligation, and regularly collected. A typical record would be a rent book that shows the lessee's name, date of lease, date of

termination, rent review date and details of rental and dates due and received. Tax invoices should be prepared in duplicate. Details of tax invoice requirements are in the GST manual.

It is helpful to keep a diary to record donations for use of hall and other property.

Property income must be recorded in the accounts as rental income.

7. Other receipts

Receipts should be written for all funds received, except for offerings. Use either a duplicate receipt book or printed receipts from an accounting software package. If requested tax invoices will need to be prepared within 28 days of receiving such a request.

Treasurers can expect income from other organisations within the Uniting Church (e.g. UCAF) towards local expenditure or for transmission to Uniting Church appeals or other organisations. Local organisations and/or auxiliaries should not make donations or pay expenditure directly because this would distort the donations and expenses disclosed (refer Topic 11 – Uniting Church Adult Fellowship).

8. Recording Receipts

Record receipts, classifying according to the standard chart of accounts (see note 3). If there are several congregations, you may wish to set up separate cost centres/ for each congregation. Each time you enter a transaction determine if GST is included (refer to GST manual)

Note 1: Contact Property Services for advice:
Phone 9251 5949 or email property@victas.uca.org.au

Note 2: Limited stocks of the manual Cash Book sheets are available from <http://www.ctmresourcing.org.au/>

MYOB Account Right Basic software is the preferred computer package for congregations and can be purchased from retail computer shops. A chart of accounts file is being developed by Accounting Services that can be loaded into this package and then be adapted to suit the congregation's needs.

Note 3: Refer Notes Concerning Uniform Accounting in Congregations [Example 9](#).

Topic 3 – Payments

(Information for Treasurers)

1. Objectives

To ensure that

- 1.1 all payments are authorised by appropriate people;
- 1.2 payments are made only for:
 - approved stipends, allowances and tax;
 - Mission and Service Giving;
 - goods and services actually received;
 - approved donations.
- 1.3 payments are reported in a meaningful format;
- 1.4 GST is identified and recorded

2. Payment Procedures

The following general principles apply:

- 2.1 a tax invoice should be obtained for each payment;
- 2.2 ensure that a signature or approval is obtained from the person receiving the goods or authorising payment. Where you personally are involved in the expenditure, have another church officer contra sign the documentation;
- 2.3 where there are insufficient details on the invoice ask the authorising person to attach a written explanation of the expenditure;
- 2.4 arrange payment by internet banking and print confirmation or write out cheque and cheque butt
- 2.5 For internet banking attach confirmation to invoice and file in date order. For cheques show cheque number clearly on the docket or invoice and file in cheque number order. Do not send the invoice back to supplier.
- 2.6 where a remittance advice is not provided by the supplier complete a remittance advice (see example 3 - some software package will print remittance advices). Indicate the date of the invoice, invoice number and amount paid. If there is no invoice number, provide details of goods and services supplied;
- 2.7 if cash payment is required, a receipt and tax invoice must be obtained;

- 2.8 it is preferable to use only one cheque book at a time;
- 2.9 all payments should be made by crossed cheque or electronic payments approved by two users (refer Topic 9 – Bank Accounts).
- 2.10 all cheques and other instruments drawn against the bank account should be signed by any two of three or more persons appointed for that purpose by the church council. One of these persons should be the treasurer;
- 2.11 a list of payments should be presented to each Finance Committee or Church Council meeting and duly approved (refer [example 12](#));
- 2.12 Capital Gains tax is covered by the Income Tax Act and most church organisations (being religious/charitable) are exempt;
- 2.13 If an invoice is more than \$82.50 and ABN is not provided, withholding tax may need to be deducted (refer GST Manual).
- 2.14 *Cheques should not be forward signed (or presigned in advance of payment being made).***

3. Prompt Payment

It is important to pay accounts regularly for several reasons as follows:

- a) suppliers often give a discount to congregations and it is unfair to delay payment;
- b) donations received for specific appeals are really trust funds and should be remitted promptly. Examples of these appeals include Lenten Offering, Uniting Appeals, Christmas Bowl and Act for Peace;
- c) PAYG deducted from wages must be remitted monthly (refer [Example 10](#)), or quarterly depending upon dollar value of tax paid each year;
- d) a Business Activity Statement will normally need to be remitted quarterly (refer GST Manual).

4. Recording Payments

Record Payments in Cash Book or computer accounting software, classifying according to the standard chart of accounts. If there are several congregations, you may wish to classify payments by cost centre for each congregation. Each time you enter a transaction determine if GST is included (refer to GST manual)

5. Typical Payments

5.1 Minister's Stipend (refer [Example 10](#))

In 2004 the Synod requested that all congregations and presbyteries make use of the Centralised Stipend Payroll Service (CSPS) for the payment of ministers. This service can provide for the

payment of minister, lay preachers, pastors and other staff, and administers the Minister's Benefit Account. It includes:

- production of pay slips,
- remittance of PAYG tax to the Australian Tax Office,
- production of annual payment summaries,
- provision of reports for the employer,
- forwarding of National Home Endowment Fund and superannuation payments to the relevant funds complying with Superstream legislation,
- managing of the Ministers' Benefit Account for each Minister on behalf of the employer (if required), and
- payment of Ministers Special Insurance and LSL levy.

Application forms are available on the Synod website:

<https://www.victas.uca.org.au/UCA%20Resources/AccountingServices/Pages/Central-Stipends-and-Payroll-Services.aspx>

If you are not using CSPS guidelines on how to pay ministers and staff are included in [example 10](#).

5.2 Fixed charges

5.2.1 Ministers' Insurance and Long Service Leave

If you are not using the Centralised Stipend Payroll Service, invoices will be forwarded quarterly by Synod (March, June, September, December).

Please make cheques payable to *UCA – Synod of Victoria and Tasmania* or by *Bpay*.

5.2.2 Mercer Super Trust (previously Beneficiary Fund)

The Uniting Church in Australia Beneficiary Fund has closed and member's benefits transferred to a new Plan within Mercer Super Trust from 1 July 2015. This superannuation fund provides benefits to Ministers (Ministers includes Ministers of the Word, Deacons, Deaconesses, Ordained Ministers from other denominations, or from overseas, who are working in Uniting Church placements). Other employees e.g. Youth Workers and Lay Pastors need to be members of a complying Superannuation fund of their choice.

The rates for ministers in full time placement are detailed in the Summary of Ministerial Provisions and Charges produced by the Synod each year.

Employees who have attained the age of 70 years will no longer be classified under exceptions. The Super Guarantee age limit of 70 was removed from **1 July 2013** and employers will be required to contribute to complying super funds of eligible mature age employees aged 70 and older.

The employer is required to contribute for ministers who provide supply or relief ministry to a church regardless of their age under new laws passing 1 July 2013. In these circumstances a compulsory superannuation contribution of 9.5% of supply fees and travel allowance should be paid to the "accumulation category" of their chosen fund.

Where you are using the Centralised Stipend Payroll Service (CSPS) contributions to Superannuation funds are made on your behalf.

Otherwise, superannuation payments including the minister's personal contribution and the employer's (Church Council) contribution should be paid to the relevant super fund in the prescribed electronic format.

5.2.3 National Home Endowment Fund

The National Home Endowment Fund is a fund established to provide a benefit for retirement: the benefit is intended to assist minister's purchase their own homes.

Membership of the Ministers' National Home Endowment Fund is compulsory for Ministers of the Word, Deacons, Deaconesses and Youth Workers in approved placements, unless they have been granted exemption by the Ministers' National Home Endowment Fund Committee. If a church council has not been advised of an exemption in respect of a particular minister, a payment should be made according to the Summary of Ministerial Provisions and Charges.

This payment is not a deduction from the stipend. It is a payment made by the Church Council and the minimum rate of stipend has been adjusted accordingly.

If you are using the CSPS this payment will be made as part of that service.

Otherwise, National Home Endowment Fund payments are remitted monthly. Payment and queries should be directed to: UCA Funds Management The Home Endowment Fund Officer 5th floor, 130 Little Collins Street Melbourne 3000 Ph.: (03) 9251 5450 email: hef@ucafunds.com.au

5.3 Mission and Service Giving

“Mission and Service” is the name given to funds contributed by congregations throughout the Uniting Church Synod towards the total mission and service work of the Synod. Presbyteries and congregations work together to decide the contribution of each congregation to Mission and Service for the following year.

Remittance advices are available from the Synod office. Please contact Jackie Man on 9251 5227 or e-mail Jackie.man@victas.uca.org.au if you require a remittance advice. Mission and Service Giving can be paid by cheque, BPay or Direct Debit.

It is requested that Mission and Service Giving be remitted by the tenth of each month. The remittance form provides space for the congregation's monthly giving as well as any additional amounts beyond the congregation's original commitment.

Congregations may pay their Mission and Service Giving through Direct Debit (Electronic Funds Transfer) at no cost to the congregation. The congregation's nominated bank or UCA Funds account is automatically debited on the tenth of each month for the authorised amount.

If you wish to change your EFT for Mission & Service contribution, please inform Accounting Services before 8th of the month.

To remit your congregation giving by EFT please forward a written request to Accounting Services or telephone Accounting Services on 9251 5229 or 9251 5227. The following forms are available on the website:

<https://www.victas.uca.org.au/UCA%20Resources/AccountingServices/Pages/Forms-and-Manuals-for-Treasurers.aspx>

- “Direct Debit Request via WBC” – complete this form for direct debit from your nominated bank account
- “Direct Debit Request Service Agreement WBC” – This is the service agreement between yourselves and the Synod for the Direct Debit service.
- “Form to Remit Mission & Service Giving from UCA Funds Account (Direct Debit)” – complete this form for direct debit from your UCA Funds account
- “Mission Service Direct Debit changes amount - Form to amend direct debit for Mission and Service Giving amounts or Change of Bank details” – complete this form to notify the Synod of any change to your monthly direct debit amount or changes in bank account details.

BPAY details are included in each congregation’s personalised remittance form.

5.4 Donations – Contribution to the Synod

Please send a covering note with donations including:

- name and address details so that your donations can be acknowledged;
- advice of the mission you are supporting.

Please forward donations and payments to Accounting Services, UCA - Synod of Victoria and Tasmania, 130 Little Collins Street, Melbourne 3000. Payments for donations to the following are received by the Synod office:

- Mission and Service;
- 2% for Development;
- Lenten Offering;
- UCAF appeals;
- Chaplaincy;

Please make cheques for the above payable to UCA - Synod of Victoria and Tasmania.

5.5 Telephone/postage/office

These payments, if in respect of a minister, are usually covered by the terms of placement. The original of the invoice is required to enable the church council to claim the GST. It is also important to retain a copy of the way in which payments are calculated.

5.6 Printing and stationery

A bulk purchasing arrangement has been negotiated by the Assembly with Church Resources. Church Resources is a charitable trust, established by the Bishops of the Catholic Church to help the Church and not-for-profit community to work collectively for the common good. The Uniting Church is member along with Lutheran, Anglican and Jewish church groups.

They offer a diverse range of discount products and services, including flooring, information and communication technology (ICT), aged care supplies, environmental produces, telecommunications, recruitment, travel, office supplies and vehicles.

Contact details:

E-mail: info@cr.org.au

Web: www.churchresources.com.au

Phone: 1300 CHURCH (1300 248 724)

Mail: PO Box 1579, Chatswood NSW 2057.

VIC/TAS Office

The Cardinal Knox Centre

383 Albert Street

East Melbourne VIC 3002

5.7 Property Expenses

5.7.1 Rates and Land tax – Topic 10.

5.7.2 Insurance

Invoices are forwarded in April for property / Public Liability insurance and October for Worker compensation insurance. Please make cheques payable to *UCA – Synod of Victoria and Tasmania* or remit by *BPay* (Refer Topic 3 – Payments).

5.7.3 Loan Repayments

Payment for Synod loans and ministers' car loans should be sent to the Loans Officer, Funds Management, 130 Little Collins Street, Melbourne. Please make cheques payable to *UCA Funds*.

Topic 4 – Payroll Employer Obligations

The Fair Work Act 2009 requires the church to comply with the following with regard to paying and employing staff:

- Provide employment letter confirming terms and conditions
- Provide Fair Work information statement
- Pay in accordance with correct award
- Pay minimum award pay rates
- Pay penalty rates and other allowances in accordance with awards
- Confidentiality: keep employment records in locked storage
- Provide payslips within one working day
- Collect timesheets for casual staff (and part time where applicable)
- Pay withholding tax
- Pay 9.5% superannuation (SuperStream refer Superannuation Topic 10)
- Provide annual Payment summary
- Keep record of leave and long service leave
- Comply with other relevant award terms and conditions

Congregations are encouraged to contact the Synod People & Culture team or Payroll team when considering employment of staff.

1. Employment letter

When a new employee is offered a position an employment letter is provided that informs the employee about their terms and conditions with your congregation. It includes start date, position, hours of work, probationary/trial periods, pay and other entitlements etc. If the person accepts the position based on the terms offered in this letter they would sign a copy of the letter to confirm their acceptance. The Synod People and Culture Unit of the Synod Team can provide assistance.

2. Fairwork Information statement

The Fair Work Information Statement (FWIS) is a document that must be provided to all new employees. It lists minimum employment conditions or the known as the National Employment Standards.

The Fair Work Information Statement It can be found and downloaded from www.fairwork.gov.au/fwis.

For more information about the NES visit www.fairwork.gov.au/nes.

3. Minimum pay rates and pay penalty rates and allowances (where applicable)

Minimum pay rates, penalties and allowances are set by the relevant awards or agreements. Pay rates cannot be less than the base pay rates in the relevant award. If there is no award it cannot be less than the national minimum wage set by Fair Work Australia.

Please contact our pay officers in Payroll if you require information about correct awards and pay rates:

Vivian Farrugia ph. 9251 5234
Michelle Blackley ph. 9251 5240
Email Payroll-UCA@victas.uca.org.au

4. Confidentiality: keep employment records in locked storage

You are obligated to keep detailed records for each employee about their employment, such as pay, hours of work, leave, superannuation and other matters.

These records must:

- be in a form that is readily accessible to a Fair Work Inspector
- be legible and in English
- be kept for seven years
- not be changed, except for the purposes of correcting an error
- not be false or misleading to the employer's knowledge.

Confidentiality must be maintained over these records and be kept in locked storage.

5. Provide payslips within one working day

Employees must be issued a pay slip within one working day of being paid. Pay slips can be issued electronically or in hard copy.

Pay slips must include details of an employee's pay for each pay period. Below is a list of what to include:

- the employer's name and ABN
- the employee's name
- date of the payment and period the pay slip covers
- before and after tax amounts
- if paid hourly – the employee's hourly rate, the hours worked at that rate, and the total amount paid at that rate
- if paid a salary – the employee's salary rate
- loadings/allowances/bonuses/incentive payments/other separate monetary amounts
- any deductions
- super contributions made or required for that pay period and the fund name or name and number.

6. Timesheets

Where an employee is not employed for specific times, it is necessary for the employee to complete timesheets. This generally applies to casual employees and/or part time employees who work in excess of their contracted hours of work in a specified period. These records must be retained to support payment

7. Pay withholding tax

Pay as you go (PAYG) withholding tax needs to be deducted at the appropriate rate from an employee's pay and forwarded to the ATO.

Further details refer to www.ato.gov.au.

Or call the Synod Finance & Payroll Manager Jacqueline Vanderholt ph. 9251 5985
Jacqueline.vanderholt@uca.victas.org.au

8. Provide annual payment summary

A payment summary needs to be issued to employees showing their earnings for the financial year and how much tax was withheld by 14th July each year.

9. Record keeping - leave and long service leave

Employees are entitled to take leave holidays (annual leave), personal leave (sick leave or to take care of sick family members) and Long Service Leave. Please note that casual employees in Victoria are entitled to Long Service Leave after 7 years of employment.

It is important to keep records of an employee's leave entitlements and leave taken. Leave application forms must be completed and signed by the employee and approved by the congregation.

10. Penalties and fines have increased

Fines for failing to pay properly, keeping accurate records and/ or any other legal employment requirement outlined in this information sheet have increased recently.

It is very important that we all do the right thing and employ people by following the legal requirements. There is now no excuse for non-compliance in the eyes of the law.

11. Employing contractors

An independent contractor is someone who is self-employed and contracts their services to other businesses or clients.

It's important to understand the difference between contractors and employees.

Having an Australian Business Number (ABN) does not automatically qualify a person to be a contractor.

Misrepresenting or disguising what is actually an employment relationship, as an independent contracting arrangement, is known as ‘sham contracting’. Sham contracting is against the law.

Dismissing or threatening to dismiss an employee to then engage them as an independent contractor is also against the law.

For information about independent contractors and how they differ from employees as well as more information on sham contracting visit www.fairwork.gov.au/contractors or ATO decision tool: <https://www.ato.gov.au/business/employee-or-contractor/how-to-work-it-out--employee-or-contractor/>

Also contact Synod People and Culture (HR) if you need more information about employing a contractor.

Phone: (03) 9251 5268

Email: People&Culture@victas.uca.org.au

12. Single touch payroll

Single Touch Payroll is a new reporting system to help employers. It starts from 1 July 2018 for employers with 20 or more employees. You will report payments such as salaries and wages, pay as you go (PAYG) withholding and superannuation information from your payroll solution each time you pay your employees.

Single Touch Payroll may be expanded to include employers with 19 or less employees from 1 July 2019, subject to legislation being passed in parliament

Further information and support

The Synod Payroll and People & Culture (HR) teams can offer further information and advice during business hours.

People & Culture (HR)

Phone: 03) 9251 5268

Email: People&Culture@victas.uca.org.au

Payroll (including Central Stipends Payroll Service)

Phone: 9251 5234 / 9251 5240

Email: Payroll-UCA@victas.uca.org.au

Other helpful information sites

Web: www.victas.uca.org.au/Resources/PeopleAndCulture/Pages/Congregational-Resources

ATO: <https://www.ato.gov.au/business/employee-or-contractor/how-to-work-it-out--employee-or-contractor/>

Fairwork: www.fairwork.gov.au/nes and www.employersupport.com.au/Fair-Work/Australia

Topic 5 – Superannuation Lay Staff

(Information for Treasurers)

1. Superannuation

This is information on superannuation for all lay staff of the Uniting Church. For ministers refer to Topic 3 - 5.2.2 Mercer Super Trust (previously Beneficiary Fund).

1.1 Superannuation Legislation

The Superannuation Guarantee (Administration) Act 1992 was amended on 29th March 2012 with the Superannuation Guarantee (Administration) Amendment Act 2012. The act requires all employers to contribute to complying superannuation funds at minimum levels specified in the Act in respect of EVERY employee.

The purpose of the Act is to provide the facility to assist every worker with a level of retirement savings that will either eliminate or at least reduce the need for Government financed age pensions. It is intended to achieve this by requiring employers to provide minimum levels of superannuation benefits for all of their employees.

Employees who have attained the age of 70 years will no longer be classified under exceptions. The Super Guarantee age limit of 70 will be removed from **1 July 2013** and employers will be required to contribute to complying super funds of eligible mature age employees aged 70 and older.

1.2 Superannuation Rates

The level of compulsory superannuation is 9.5%

The Super Guarantee rate will continue to gradually increase up to 12% by 2025.

YEAR	RATE
1 July 2014	9.5%
1 July 2021	10.0%
1 July 2022	10.5%
1 July 2023	11.0%
1 July 2024	11.5%
1 July 2025	12.0%

1.3 Exceptions

It is intended that all employees be covered by the Superannuation Guarantee (SG). There are a number of exceptions. The following employees are specifically excluded:

1.4.1 Employees earning less than \$450 per month.

1.4.2 Salary or wages paid to a part-time employee (working less than 30 hours per week) who is under 18 years of age.

1.4.3 There are certain other limited exemptions, which deal with non-resident employees and foreign employees.

1.5 Payment of Contributions

It is imperative that contributions are forwarded to superannuation funds each quarter. Employers must contribute superannuation payments by 28th of the month for superannuation contributions belonging to the previous quarter. The Synod recommends that all congregations contribute to superannuation funds on a monthly basis.

The ATO introduced new requirements from 30/06/2016 called SuperStream. Under this new law, you need to pay super contributions for employees electronically (electronic funds transfer or BPAY®) and send the associated data electronically.

The data is in a standard format so it can be transmitted consistently across the super system – between employers, funds, service providers and the ATO. It's linked to the payment by a unique payment reference number.

This means you can make all your contributions in a single transaction, even if they are going to multiple super funds.

All congregations should now be SuperStream compliant. We encourage congregations to use the Synods Stipend and Payroll Service to ensure compliance.

1.6 Non Compliance

If an employer doesn't meet their super guarantee (SG) obligations, they may be liable for a range of penalties or charges on top of the super guarantee charge.

General interest charge

If you do not pay superannuation by the due date, you incur an additional charge – the general interest charge. It accrues from the date superannuation is due up to the date you pay the superannuation account in full. The interest charge is calculated on a daily compounding basis.

Administrative penalty

If you pay less superannuation than you should because you made a false or misleading statement, the ATO can impose an administrative penalty. The base penalty amount can be up to 75% of the shortfall. It can be varied according to the circumstances.

Topic 6 – Petty Cash

(Information for Treasurers)

1. Setting up a petty cash system

- 1.1 It is necessary to have a lockable tin, (or drawer as appropriate), and a petty cash voucher pad (available from Newsagents) and an exercise book.
- 1.2 One person should be allocated responsibility for issuing money and ensuring the tin is balanced regularly.
- 1.3 To commence your petty cash a cheque should be drawn for the petty cash float (\$100 or \$200 is suggested). The cheque should be drawn in favour of Cash and signed as usual and then signed again with Please Pay Cash written on the cheque and if crossed signed on cross. The treasurer should record the Petty Cash Float as an Asset called Petty Cash.
- 1.4 Cash the cheque at your bank in appropriate notes and coins and place in your petty cash tin.

2. Procedures

- 2.1 For each payment out of the petty cash tin, a voucher must be filled in and signed by the person requiring the cash and a receipt docket attached.
- 2.2 At the end of the month (or as the petty cash tin needs to be replenished), a reconciliation and cheque request should be completed.
- 2.3 The reconciliation can be set up in an exercise book. Across the top of the page write headings for date, item, voucher number, GST and types of expenditure (i.e. printing and stationery, housekeeping, property maintenance, postage).
- 2.4 Then arrange the petty cash vouchers in number order or date order and record each voucher under the headings as appropriate.
- 2.5 Total all columns down and add the columns together. This total is the amount of reimbursement to be requested.
- 2.6 Then total the amount of cash left in the tin and record this in the book. The total of the cash and the amount to be reimbursed together must equal the original petty cash float (refer [example 22](#)).
- 2.7 In requesting a cheque to reimburse the petty cash tin a summary should be prepared from your reconciliation and the petty cash vouchers attached as support for this request.
- 2.8 A cheque should be written out to cash for the reimbursement amount (refer item 1.4 above)

2.9 In the congregation books the treasurer records the petty cash reimbursement under the bank column and the appropriate columns as described in the summary. For example, GST, printing and stationery, property maintenance, telephone.

Topic 7 – GST and FBT

(Information for Treasurers)

The church is classified by the Australian Taxation Office as an Income Tax Exempt Charity. This gives the church exemption from income tax, capital gains tax, payroll tax and reduced Fringe Benefits Tax.

The church is not a Gift Deductible Recipient and therefore is not able to issue tax deductible receipts.

1. Goods and Services Tax (GST) and Australian Business Numbers (ABN)

Each congregation, presbytery, cluster or parish is required to have an ABN and be registered for GST. For further information refer to the GST Manual available on the Synod Website:

<https://www.victas.uca.org.au/UCA%20Resources/AccountingServices/Pages/Taxation-and-GST-Information.aspx>

2. Fringe Benefits Tax (FBT)

Where a benefit is provided to Lay Staff the Church may be liable for FBT. In broad terms a fringe benefit is a benefit provided in respect of employment. Benefits can include accommodation, loans, provision of motor vehicles, and payment of personal expenses. For further details refer to [Example 7](#).

Topic 8 – ACNC

(Information for Treasurers)

ACNC

The Australian Charities and Not-for-profits Commission (ACNC) is the independent national regulator of charities in Australia and was established as part of the not-for-profit sector and government reforms. The ACNC aims to

- Maintain, protect and enhance public trust and confidence in the sector through increased accountability and transparency
- Support and sustain the not-for-profit sector
- Promote the reduction of unnecessary regulatory obligations on the sector

All Congregations and Presbyteries need to be registered with the ACNC and also need to complete the Annual Information Statements in June each year.

Lodgement of the Annual Information Statement (AIS) is through the online portal on the Australian Charities and Not-for-profits Commission (ACNC) website. To do this, you will need your username (11 digits ABN) and password that will have been sent out by the ACNC in a letter. If you have forgotten or never received your password, contact the ACNC on 13 22 62 or email advice@acnc.gov.au.

Please note that the 2016 AIS is now due by **30 June 2018**.

Refer example 24 is a checklist to assist in completing the statement. You can also find some helpful guide and information here on the ACNC website.

If you do not wish to complete the return online, hard copy of the form is also available upon request. Please note that ACNC process paper submission in batches, so there may be considerable delay until your AIS submission status is updated. ACNC has advised that online entry remains the preferred method of submission.

If you have any further query, please contact Accounting Services.

For additional help in completing the form, the ACNC website may also be a useful resource, particularly: <http://www.acnc.gov.au/ACNC/Report/2017AISChecklist.aspx>

You can also email advice@acnc.gov.au or call 13 22 62 for their helpful advice.

Topic 9 – Bank Accounts

(Information for Treasurers)

1. Banks and Building Societies

Regulation 3.8.7 (b) states that “All monies received from time to time shall be placed to the credit of an account in the name of the body responsible in any one or more of the financial institutions approved by the Synod.”

Regulation 3.8.7 (b) goes on to say that “The body responsible shall appoint two or more persons to operate on such an account.” Cheque signatories must be formally recorded by the authorising body in its minutes.

2. Tax File Numbers and Exemptions

The Federal Government legislated that for all accounts with banks and other investment bodies (including the Development Fund) a Tax File Number or exemption must be recorded against the account. Failure to provide this information will result in interest, dividend or distribution income being taxed at 49%.

To avoid this tax you must advise the bank or investment body in writing that your organisation is claiming an exemption from quoting a TFN. Your written advice should include:

- your organisation’s name and address
- your organisation’s ABN
- details of the accounts and investments your organisation is claiming an exemption for (include every account operated by the Church including Sunday Schools, UCAF, Sporting Clubs, Fund Raising Activities etc.)
- the reason that your organisation is not required to lodge an income tax return (The organisation is claiming an exemption from quoting a tax file number because it is an income tax exempt organisation that is not required to lodge a tax return).

Your letter should be signed by two office bearers. Individual banks may have forms for this purpose.

3. Investments

It is Synod policy that congregations, agencies and programs of the Uniting Church are expected to deposit funds that are not required for day to day operations in the UCA Enhanced Cash Portfolio, UCA Growth Portfolio or UCA Aust. Equities Portfolio.

4. Bank Overdraft Facilities

The arrangement of any bank overdraft facilities is not personally guaranteed by individual members of the borrowing group, but ultimately must be approved by the Property Trust. This is because any breach of the arrangement becomes a charge on the assets of the church and the titles are held in the name of the Property Trust.

When overdrafts are being contemplated, enquiries should be directed to the Synod Property Officer as other avenues may be available. (Mr Jim Milne 9251 5231)

Topic 10 – Rates and Land Tax

(Information for Treasurers)

1. Victorian Land Tax

Land Tax is payable in Victoria by owners on the unimproved value of any land. The land value is determined by the Local Council with the valuation deemed to be the Municipal Site Value. Land Tax is calculated on a progressive sliding scale on the value of the land.

Land Tax applies where land holdings have a total taxable value of \$250,000 or more, unless it falls under the category of exempt land.

Exemptions to land tax are:

- Principal place of residence
- Land used for primary production
- Land used for Charitable, Religious / Educational purposes
- Land owned and used by municipalities

Note: Land owned by Charitable, Religious / Educational Bodies is not exempt if it is used for banking or insurance purposes; or it is leased to others or occupied by others for business purposes.

Land used by a charitable institution exclusively for charitable purposes is exempt. No ownership test is required.

Land is exempt if exclusively used and occupied as a commercial or charitable retirement village.

Special Land Tax is a 'once only' tax calculated at a rate of 5.5% when certain lands cease to be exempt. Land may cease to be exempt when sold to an owner not eligible for exemption, there is a change in use or there is a change in zoning resulting in that exemption no longer being available.

The annual Victorian UCA Land Tax Assessment(s) is forwarded to the Synod Centre for settlement. Invoices are then forwarded to each respective congregation for their liability.

Further information is available from Accounting Services 9251 5233 or from the State Revenue Office.

2. Rates

Rates may be divided into:

- | | |
|-----------|--|
| * Water | * Sewerage |
| * General | * Specific charges such as garbage removal |

There is specific provision in the Local Government Act for church properties to be exempt from general rates. However, this is a concession afforded to non-income producing properties that are used for religious purposes.

2.1 Council Rates and Victorian Fire Services Levy

Background

On 1 July 2013, the Victorian Fire Services Levy was removed from insurance premiums and replaced by a property based levy collected with Council rates. Previously, the Metropolitan Fire Brigade and the Country Fire Authority were funded by a Fire Services Levy that insurance companies applied to building and contents insurance premiums. The Victorian State Government believes this is a fairer way to pay for Victoria's fire services since many property owners do not have adequate insurance.

How is the new levy calculated?

There will be a fixed charge of \$107 for residential properties and \$216 for non-residential properties, plus a variable charge based on the property's capital improved value listed on your rates notice.

Will my property be assessed for the new Fire Services Levy if my property is exempt from council rates?

The Fire Services Levy is a State Government levy that is collected on behalf of the government by councils through the rate notice system.

Section 154 of the Local Government Act provides for exemptions from property rates for some categories. UCA properties that have been deemed non-rateable will now receive a council rate notice for the Fire Services Levy only. The levy will not affect your non-rateable status.

Do exemptions from the Fire Services Levy apply to UCA properties?

Section 15(2) of the Fire Services Property Levy Act refers to classifications of properties that are exempt from the Fire Services Levy. Exemptions from the Fire Services Levy are assessed separately and under different criteria to a rates exemption. Generally, exemptions will not apply to UCA owned property.

How can I get more information on the Fire Services Levy?

Visit <http://www.firelevy.vic.gov.au/> for more detailed information on the Victorian Fire Services Levy.

Tasmanian Fire Services Rate

The Tasmanian Fire Services rate continues to be collected with Council Rates.

The Fire Service Rate of 1.30 cent in the dollar of the AAV is levied on all ratable land within the municipal area. A fire rebate of 1.01 cents in the dollar is applicable for rural properties and a fire rebate of 0.94 cents in the dollar is applicable for properties in the Fern Tree area. The minimum fire levy is \$39.00.

Topic 11 – Uniting Church Adult Fellowship

(Information for Treasurers)

1. Bank Accounts

UCAF group treasurers should open an interest-bearing cheque account.

2. Donations to Church Council for Mission and Service Giving

UCAF group treasurer sends cheque to Church Council treasurer, who then includes the amount in the monthly remittance to Synod.

3. Synod projects/appeals – opportunities for giving

- (a) UCAF group treasurer sends cheque to Church Council treasurer earmarked for specific project/s.
- (b) Church Council treasurer sends donation to Synod Office with "Remittance Advice" and listed under "Other payments", stating name of project/s.

4. UCAF Christmas/Special Appeals

- (a) Christmas Gift appeal
- (b) Significant Conferences appeal
- (c) Any other appeal

UCAF group treasurers send cheques to Church Council treasurer, earmarked UCAF appeal, stating which appeals the money is for. Please give details. Treasurer sends donation to Synod Office with "Remittance Advice" and listed under "Other payments", stating name of UCAF appeal/s and details.

5. "Net Work" Subscriptions

"Net Work" secretary sends separate cheque with completed yellow form, direct to UCAF Office, 130 Little Collins Street, Melbourne 3000.

6. Affiliation Fee

The UCAF group secretary/treasurer should send a cheque with completed white form direct to UCAF Office, 130 Little Collins Street, Melbourne 3000.

7. Financial Report

UCAF groups should provide a financial report at least annually to the Church Council.

UCAF group treasurers are requested to forward an audited copy of previous year's financial report to the UCAF Presbytery Representative by 31 March.

Topic 12 – Reports

(Information for Treasurers)

Treasurers are not required to report on an accrual basis.

1. Regular Reports to Church Council

Regular reports (at least quarterly) should be prepared for Church Council preferably giving the following information on receipts and payments related to:

- Current period
- Year-to-date figures
- Budget figures
- Copy of Bank Reconciliation and period end Bank Statement

As the treasurer you need to be able to explain your report simply and clearly. Remember that others on the Church Council may not have your financial skill. You need to show how much was spent and received and what it was for.

Refer [example 13](#).

2. Payments Report

A list of payments paid between meetings should be presented to Church Council or the appropriate committee for approval each meeting. (refer [example 12](#))

3. Bank Reconciliation

Good bookkeeping practice requires that Cash Book and bank balances be reconciled monthly (refer [example 14](#)).

4. Annual Reports

Part of the accountability of the Church Council is the preparation of the Annual Financial Statements, which are required by regulation to be audited.

The regulations state at 3.8.7(g): "Audited financial statements bearing an audit or independent review's report in such form as the Synod may prescribe shall be submitted to the Church Council, or other appointing body or the body responsible for their administration and control, as may be appropriate, at least once in every year, and to the Synod and the Presbytery Property Committee (in respect of Congregations and their organisations) whenever required."

These statements should be designed to discharge the duty of accountability and also be useful in decision-making.

The users are both general (the members of the congregation) and specific (presbytery).

To comply with the above, it will be necessary for the treasurer (usually) to prepare operating statements and a statement of the financial position each year (refer [example 15](#)).

4.1 Operating Statement

This statement should show the receipts, separately divided into significant classifications. Payments should be shown as a deduction, in appropriate classifications, maybe in summary form.

Whilst it may be necessary to show receipts and payments by program (refer item 7 below), it will be necessary to show it by type, e.g. "stipends", "organist/choir/music", in order to comply with presbytery requirements so that presbyteries may conveniently summarise information for Synod-wide reporting.

4.2 Financial Returns (Online survey – formally A/B forms)

In 2016 the Synod launched a new Financial Return and a Community Life Return.

There are several reasons for this redevelopment:

1. It will be more useful to local churches in the longer term as the information will be stored in the online directory and your past financial and ministry history will be able to be downloaded;
2. It will be easier to complete – by putting it online it means you will only see the questions that are relevant to you;
3. It will focus more on the mission of the church rather than just the institutional arrangements;
4. It will integrate information gathering for all sections of the Uniting Church.
5. Ultimately it will mean you won't be filling out countless forms for the Synod – from property or accounts or placements. It will become a one stop shop.

This information will be used by your presbytery and the Synod for the purposes of understanding the health and wellbeing of the Uniting Church Synod of Victoria and Tasmania.

If you are finding the process difficult, please contact your Presbytery Minister Administration or Accounting Services: heather.ackland@victas.uca.org.au

Church Council Accounts do NOT have to be audited before the Financial Return is submitted.

4.3 Statement of Financial Resources (Balance Sheet)

At least once a year, as part of the treasurer's report to Church Council, a listing should be made of all monetary assets. This would include bank balances, investments, monies owed to the congregation etc. on the one hand and liabilities and monies owed by the congregation on the other.

Notes relating to other assets such as income producing and other property, primary production, marketing schemes should also be included.

Please note that this statement must include all organisations sponsored by the congregation e.g. Sporting organisations, Sunday Schools, Property Committees (including community service programmes).

4.4 Statement of Non-financial Resources

A statement of non-financial resources such as equipment, land and buildings (whether valued or not) should also be prepared for the Church Council. By assessing the value thereof, adequate insurance cover review will be prompted (see Insurance Handbook and 'Notes Concerning Uniform Accounting in Congregations').

5 Accrual Accounting

In more complex organisations, where a "receipts and payments" basis may distort or not give a fair view of the congregation's operations, it may be necessary to prepare accrual accounts, recognising income receivable but not received into the bank, and expenditure incurred but not paid for, and perhaps even providing depreciation.

6 Comparative Figures

In addition to the year's actual income and expenses, the annual financial statements should provide last year's figures. (refer [example 15](#)).

7 Reporting by Program

In addition to receipts and payments statements conforming with the Financial Return requirements (refer 4.2 above), a congregation may wish to have more comprehensive financial reports (e.g. by program).

8. Audit

The Uniting Church regulations provide as follows:

8.1 Audit

3.8.7 (c) The books of account shall be audited and certified by the auditors at least once in every year and at such other times as may be required by the chairperson of the Church Council or other appointing body as the case may require.

Appointment of Auditors

3.8.7 (d) The auditor or auditors shall be appointed annually. Subject to the variation in (e) below, the auditor(s) shall be a qualified accountant or, if more than one, shall include at least one qualified accountant. For the purpose of this Regulation a qualified accountant means:

- (i) a person who is a member of the Institute of Chartered Accountants in Australia or the Australian Society of Certified Practising Accountants, or

- (ii) any other person who has qualifications and experience requisite for registration as a company auditor under the Corporations Law and who in the opinion of the appointing body is a fit and proper person to undertake the responsibility.

8.2 Variations to Qualifications

- 3.8.7 (e) Where the gross income of a Congregation or body or fund in the year is below a figure that equates to 2.5 times the notional stipend the books of account may be audited and certified by two persons who are not qualified in terms of (d) above, but who are, in the opinion of the appointing body, fit and proper persons to undertake the responsibility. Notional stipend for the purpose of this Regulation means the amount determined for the year by the Board of Directors of Benefund Limited.

8.3 Eligibility as Auditor

- 3.8.7 (f) The auditor appointed shall not be a member of the board, council or committee whose accounts are being audited unless a Presbytery with respect to accounts of Congregations or Congregational organisations within its bounds, or the Synod Property Board with respect to accounts of other councils or organisations, determines, at the request of the appointing body, that special circumstances exist in which case a member of the board, council or committee may be appointed to be auditor.

The difficulty of audit is usually governed solely by the availability, neatness and organisation of the financial records. If the guidelines set out in this manual are adhered to, then there should be no difficulty with the audit of the operating statement.

So far as the Statement of Financial Position is concerned, each item should be supported by substantiation, such as bank certificates, loan statement, listing of equipment etc.

The Synod Audit Committee has produced guidelines for Auditors, specifically for those not trained as an Auditor, refer Topic 16.

8.4 Independent Examination for Small Congregations

The Synod Standing Committee approved new rules in 2008 which allow for a report to be prepared by an 'Independent Examiner'. It should be noted that whilst the qualifications of auditors or independent examiners have not changed, the type of work that these people will do and the report they provide are now different.

The task of the independent examiner is much less onerous. Where the independent examiner approach is adopted, congregations will receive a different report based on a degree of scrutiny that is sufficient for smaller congregations.

A small congregation is defined as one where the annual financial statement for the previous year shows a gross income of less than 2.5 times the 'notional stipend'. The notional stipend is determined each year by the Church, and in 2017 the notional stipend was \$56,228.

Please note that the independent examiner approach is not mandatory, and a small congregation may choose to have a full audit undertaken.

9. Efficiency Audit

If the auditor is to perform efficiency audit, then he/she may require further information, such as rates of interest being paid/received, how often property income is reviewed, how many quotes are obtained for the supply of goods etc. However, in most churches this function is, or should be performed by the finance or other committees.

Topic 13 – Budgets

(Information for Treasurers)

A Church Council must ensure that it has sufficient funds to carry out its work. The Council must plan adequately and exercise control over both income and expenditure.

Church Councils are encouraged to prepare financial budgets as essential planning and management tools. It is recommended that budgets be prepared for both operating expense and capital expense, in both cases prior to the start of each year and including projections for the next three years. Preparing three years ahead is especially important if a church seeks a grant from the Mission Support Fund.

The task of setting up budgets may appear daunting, but it is essential discipline for a congregation with a serious intention of surviving or, better still, growing.

1. Annual Budgets

It is the responsibility of the Church Council to prepare an operating budget for the ensuing year [Regulation 3.5.1(c) (ii)]. To be of maximum assistance to the majority of members and gain their support, it should be drawn up as an "action" document rather than a "purely figure" document.

However, in its simplest form, a budget is based on the previous year's experience. It should NOT merely be an exercise in adding a fixed percentage to each item. Setting figures for the future involves making a realistic assessment of past performance and compensating for problems which occurred in the past. Those framing budgets need to be sufficiently informed to be able to make reasonable predictions about future trends. There must be an emphasis on planning and forethought. In estimating ahead, Accounting Services in the Synod Office may be able to help with advice about projected increases in the Consumer Price Index at least for the first twelve months.

In preparing a three-year budget the first year should be prepared to show estimates of the expected income and expenditure for each month of the year. This process should assist the Council in timetabling expenditure and allocating funds between different priority areas.

At monthly intervals the actual levels of income and expenditure for each item should be compared to budget levels to highlight any differences. This exercise should be done as a treasurer's report to the Church Council.

Each significant variation from the budget should be examined to determine its cause so that future income or expenditure can be adjusted if necessary.

A suggested format for a three year budget is attached (refer [example 16](#)).

2. Action/Program Budgets

Where a congregation is already using a conventional budget system as outlined in 1 above, it is recommended that the Church Council consider preparing action budgets as well. The Action

Budget emphasizes the results the Church Council expects from the purposes, goals and mission of the congregation. An Action Budget is an excellent document for motivating giving.

This means gathering together the visions and enthusiasm of the people of the congregation after consideration of all the opportunities for ministry which exist in the life of the people.

Through this program budgeting process, programs to meet needs and opportunities are formed and it is these that are costed into financial terms. What action is intended provides the cost, not the other way around.

Using this method, every activity can be evaluated in the terms of the mission goals of the congregation. This covers its investments in leadership and member participation as well as funds.

What priorities are appropriate can be worked out and understood by all involved. A purely financial budget tends to obscure most of this picture and is to be avoided.

Details of the process involved in preparing action budgets are set out in the enclosed copy of "Action Budgeting - First Look" (refer [example 17](#)).

3. Annual Capital Budget

This document sets out the funds required for major capital items, any loan arrangements including terms of repayment and interest. Transfers of receipts from the Operating Budget to service any loans will be shown in both places.

Opportunity should be taken in constructing capital budgets to review any options to consolidate or re-finance outstanding debts to better advantage.

A sample Capital Budget is attached (refer [example 20](#)).

Topic 14 – Preservation and Destruction of Financial Records

1. Why keep records?

It is important to keep accurate records for auditors, tax office audits, internal audit and to satisfy legal requirements.

By law, you are required to keep financial records for seven years after they are prepared, obtained or you complete the transactions, whichever occurs latest. Records must be in English or in a form that can be understood by Australian Government authorities.

For capital items you need to keep records of:

- The date you acquired an asset and the cost of that asset
- The date you disposed of an asset and any proceeds you received when you disposed of it
- Details of commissions you paid or legal expenses you incurred for an asset
- Details of improvements you made to an asset; for example, building costs
- Any other records relevant to calculating your capital gain or capital loss.

You must keep these records for seven years after you sell or otherwise dispose of an asset.

2. What records to keep?

You must keep the following records:

- Sales records – invoices, vouchers or receipts, cash register tapes (for Op shops etc.),
- Sunday offering register
- Receipt books
- Bank deposit books and account statements
- Records of purchases expenses – tax invoices, receipts, reimbursement claims
- Cheque butts and bank account statements
- Credit card statements
- Debtors and creditors lists
- Stocktake sheets
- Depreciation schedules (where you depreciate assets – most congregations do not depreciate assets)
- Business Activity Statements
- FBT returns
- Annual financial statements – including Profit and loss statement and balance sheet

Employee records: Under Fairwork legislation employers must keep a number of written records of their employees for 7 years after the employee leaves. This includes records about time and wages.

- Tax file number declarations and withholding declarations
- Withholding variation notices
- Wages and salary, stipend records – timesheets, pay slips and wages
- Payment summaries
- Pay as you go (PAYG) payment summaries
- Annual reports
- Super records

- Records of any fringe benefits you provided.
- Workplace agreement, awards and employment contracts
- Worksafe injury insurance

PAYG withholding:

You must keep the following records:

- Records of amounts you withheld from payments where no ABN was quoted
- A copy of any PAYG withholding voluntary agreements
- Records of voluntary agreement payments
- All PAYG payment summaries including PAYG payment summary - employment termination payments
- All PAYG annual reports.

3. How to keep records?

Be organized.

- Set up a good filing system for your paperwork.
- Obtain the required paperwork from suppliers and customers at the time of a transaction.
- Make sure your records contain enough information; for example, tax invoices with all the required information and cheque butts correctly filled out. It is a good idea to cross-reference records; for example, when you pay bills, write the invoice number on the cheque butt and the cheque number on the invoice. You can also add notes to paperwork that will remind you later of special circumstances.

4. How to destroy records?

All personnel records or records containing any private information should be shredded or securely destroyed.

Other financial records can be disposed of responsibly.

5. How to store records?

- Ensure that all records are in dry and secure conditions
- Avoid storage in basements
- Keep regular backups of all electronic records

Topic 15 – Bequests & Inter Vivo Gifts

(Information for Treasurers)

A bequest to the Church is a gift left to it under a Will. All enquiries received from solicitors about Wills should be directed to Synod Legal Services.

Bequests and inter vivos gifts also need to be directed to Synod Legal Services first. Legal Services will correspond with the Executors or the solicitors. Legal Services will advise the congregation or presbytery once funds have been received, how the account is to be established, and the purpose for which the funds can be used.

Upon receipt each bequest or inter vivos gift needs to be recorded as income under the Bequests and Legacies account number.

All expenditure from bequest or gift funds must be identified separately. Part of your reporting to the Church Council should include how the funds have been used. This could be a separate note to the main Income and Expenditure report:

<i>Mr Smith Bequest</i>	
Bequest received	\$10,000
Interest earned	\$100
Less	
Payment to XXX [name] on XXX [date] for repairs to Church windows needed because XXX [e.g. they were damaged in a storm on XXX']. ¹	\$5,000
Balance at 31/12/xx	\$5,100

Topic 16 – Review Guidelines for Small Congregation Funds

(Information for Auditors)

Audit Guidelines

These guidelines have been prepared to assist congregation auditors, particular those who are not qualified in terms of the Uniting Church Regulations, in the review of small funds.

Reviews by an independent person usually make people feel more comfortable about the accuracy of an organisation's annual financial statements.

The difficulty of the audit is usually governed by the availability and organisation of the financial records. If the guidelines as set out in the Treasurers Manual are adhered to, then there should be no difficulty with the audit of the operating statement.

So far as the Balance Sheet position is concerned, each item should be supported by supporting documentation, such as bank statements, loan statements, listing of equipment etc. If this documentation is created/sourced external to the organisation being audited, the assurance gained from this evidence is usually better than if it is internally generated.

The Audit Regulations:

The Uniting Church regulations provide as follows:

Audit

- 3.8.7 (c) The books of account shall be audited and certified by the auditors at least once in every year and at such other times as may be required by the chairperson of the Church Council or other appointing body as the case may require.

Appointment of Auditors

- 3.8.7 (d) The auditor or auditors shall be appointed annually. Subject to the variation in (e) below, the auditor(s) shall be a qualified accountant or, if more than one, shall include at least one qualified accountant. For the purpose of this Regulation a qualified accountant means:
- (i) a person who is a member of the Institute of Chartered Accountants in Australia or the Australian Society of Certified Practising Accountants, or
 - (ii) any other person who has qualifications and experience requisite for registration as a company auditor under the Corporations Act 2000 as amended or replaced from time to time and who in the opinion of the appointing body is a fit and proper person to undertake the responsibility.

Variations to Qualifications

3.8.7 (e) Where the gross receipts of a Congregation or body or fund in the year is below a figure that equates to 2.5 times the notional stipend the books of account may be audited and certified by two person who are not qualified in terms of (d) above, but who are, in the opinion of the body responsible, fit and proper persons to undertake the responsibility. Notional stipend for the purpose of this Regulation means the amount determined for the year by the Board of Directors of Benefund Limited.

Eligibility as Auditor

3.8.7 (f) The auditor appointed shall not be a member of the board, council or committee whose accounts are being audited unless a Presbytery with respect to accounts of Congregations or Congregational organisations within its bounds, or the Synod Property Board with respect to accounts of other councils or organisations, determines, at the request of the appointing body, that special circumstances exist. In such case a member of the board, council or committee may be appointed to be auditor.

Timeliness of audit

Auditors should advise treasurers of the estimated time needed to complete the audit and that it may be necessary for the treasurer to meet with the auditor to clarify questions. Obtain the date of the Annual General Meeting or appropriate council meeting and ensure that the audit is complete by this date (if possible)

Organisations to be audited

The auditor should provide a written report on the financial statements of specific organisations audited: e.g. Church Council, Church Trust Fund.

They should also obtain an outline the functions of the various accounts and the accounting system.

Records to be obtained:

It will be necessary to obtain the following records:

- Payments and Receipts sheets/journals
- Duplicate receipts books, payment vouchers (invoices etc.)
- Stipend and pay records
- Bank Deposit books
- Offering count sheets
- Bank Passbooks or statements
- Synod Investment fund statements
- Ledger (if any)
- Computer print-outs
- Minute books (Church Council, Finance Committee)
- Financial Statement

If there is no Balance Sheet, then any significant assets or liabilities should be stated.

Audit Program

The following is a suggested audit program for performing annual financial statement audit procedures:

UNITING CHURCH (SMALL CONGREGATION AUDITS)

SUGGESTED AUDIT PROGRAM

Cash receipts	Performed By	Date	Working paper Ref
Objective <i>To ensure cash receipts are correctly identified and recorded.</i>			
Procedures			
1 Document the system for receipts (e.g. offerings counted by 2 people and signed for). Note any weaknesses in controls and report to finance committee or church council together with recommendations. Consider audit implications.			
2 Select a sample of receipts from the cash receipts journal (cash book) and test as follows: <ul style="list-style-type: none">(i) agree details to duplicate receipt books(ii) ensure the receipt is classified correctly(iii) agree amounts to stamped bank deposit slips and trace through to bank statements(iv) check the promptness of banking(v) check additions review other receipts for unusual items test-check to planned giving records.			
3 Review weekly offering count sheets for date sequence and test check to banking.			
4 Review the cash receipts book for receipt number sequence, to ensure completeness, and sight any cancelled receipts.			
5 Sight receipt book register (if any) and make sure it is up to date.			

UNITING CHURCH (SMALL CONGREGATION AUDITS)

SUGGESTED AUDIT PROGRAM

Cash payments	Performed By	Date	Working paper Ref
Objectives <i>To ensure cash payments are:</i> (i) <i>made according to approved procedures</i> (ii) <i>supported by documentation.</i>			
Procedures 1 Document the system for payments. (e.g. names of cheque signatories, whether cheques are pre-signed, electronic payment method approved by 2 authorised people) Note any weaknesses in controls and report to finance committee or Church Council together with recommendations. Consider audit implications.			
2 Select a sample of payments made from the cash payments book and test as follows: (i) agree details to cheque requisitions (if any) (ii) agree to supporting documentation; i.e. invoice, supplier statement etc. (iii) trace for evidence of receipt of goods/services. (e.g. Invoice signed by church officer) (iv) check additions (v) consider appropriateness of account classification (vi) ensure that monthly payments (Synod, stipends etc. are up to date) (vii) ensure cancelled cheques accounted for.			
3 From the Bank Statement check a selection of debits to ensure they are correctly shown in the Cash Payments Book.			
4 Review the cash payments book for any large and unusual items and assess overall reasonableness of the payment. Inspect supporting documentation.			
5 Note if any payments made from cash receipts.			
6 Examine insurance and verify that cover is adequate.			

UNITING CHURCH (SMALL CONGREGATION AUDITS)

SUGGESTED AUDIT PROGRAM

Stipends/Wages	Performed By	Date	Working Paper Ref
Objectives			
(i) <i>To ensure expense is not materially misstated.</i>			
(ii) <i>To ensure appropriate presentation and disclosure in the financial statements.</i>			
Procedures			
1 Document the system of payment of stipend and wages and note any control weaknesses and report to finance committee together with recommendations. Consider audit implications.			
2 Select a representative payment to each minister, employee and agree with Terms of Settlement and conditions approved by the Church Council and Ministerial Stipend and Provisions available on the Synod website: victas.uca.org.au			
3 Where fringe benefits are paid, ensure that these are in accordance with church guidelines and the Minister's benefits account is in order and being reported regularly to the minister.			
4 Agree PAYG tax payments from source documentation to cashbook and agree June Payment summaries to total wages.			
5 Examine copy of Payment Summaries certificates for accuracy (Refer attached Example 10 in Treasurers manual).			

UNITING CHURCH (SMALL CONGREGATION AUDITS)

SUGGESTED AUDIT PROGRAM

Cash/bank/deposits	Performed By	Date	Working Paper Ref.
<p>Objectives</p> <p>(i) <i>To ensure balances are not materially misstated.</i></p> <p>(ii) <i>To ensure existence and ownership.</i></p> <p>(iii) <i>To ensure appropriate presentation and disclosure in the financial statements.</i></p>			
1			
<p>Obtain confirmation from Banks of cash balances at balance date.</p>			
2			
<p>Review the bank reconciliation at balance date as follows:</p> <ul style="list-style-type: none"> • check the additions • ensure there are no large and unusual reconciling items • obtain a listing of unpresented cheques and trace to cash book prior to balance date and to January bank statements to ensure they are presented in a timely manner • check deposits in transit to subsequent banking • review January bank statements for unusual payments or receipts; inspect supporting documentation. 			
3			
<p>Agree balances to general ledger and trial balance. Review:</p> <p>(i) classification and description of amounts;</p> <p>(ii) accounting principles for appropriateness and consistency.</p>			
4			
<p>Additional procedures</p> <p>(Auditor to add additional procedures as required by the nature of the engagement.)</p>			

UNITING CHURCH (SMALL CONGREGATION AUDITS)

SUGGESTED AUDIT PROGRAM

Investments and Investment Properties	Performed By	Date	Work Paper Ref.
Objectives			
<i>(i) To ensure balances are not materially misstated.</i> <i>(ii) To ensure existence and ownership</i> <i>(iii) To ensure appropriate. Presentation and disclosure in the financial statements.</i>			
Procedures			
1 Obtain confirmation from borrowers of amounts invested at balance date.			
2 Agree balances to general ledger and trial balance.			
3 Ensure any profit or loss on disposal of investments has been correctly calculated.			
4 Ensure income earned from investments has been correctly accounted for.			
5 Obtain the market value of the investment at balance date and determine whether adjustments to carrying values are appropriate.			
6 Check income from investments based on prior year and/or budget.			
7 Additional procedures where the church owns investment properties. (Auditor to add additional procedures as required by the nature of the engagement.)			

OTHER ASPECTS:	Performed By	Date	Work Paper Ref.
1 Agree the financial statements with the financial records.			
2 Compare results with budget and investigate any large or unusual differences to ensure they are reasonable.			
3 Consider reading the minutes to determine whether matters have financial implications, e.g. large commitments for future expenditure. Consider disclosing any such items in the financial statements.			
4 Depending on the significance of above implications, review amounts owing at the end of the financial year TO and BY the Church Council.			
5 Prepare Audit Report. See attached example. You may also like to report to the Church Council on areas for further improvement.			

Example Audit Report

INDEPENDENT AUDIT REPORT

To members of the XYZ Uniting Church

Scope

I have audited the special purpose financial report, comprising a Statement of Income and Expenditure and accompanying notes of the XYZ Uniting Church for the year ended 31 December XXXX. The Church Council is responsible for the financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the Constitution and Regulations of the Uniting Church in Australia and are appropriate to meet the needs of the members. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the XYZ Uniting Church. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

My audit has been conducted in accordance with Australian Auditing Standards (* or Synod Guidelines for Small Congregation Audits). My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respect, the financial report is presented fairly in accordance with the accounting policies described (in note 1 * or describe the policies)

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly, in accordance with the accounting policies described (in note 1), the excess of income over expenditure for the year ended 31 December XXX.

Date:

Name

Qualification:

- * Applicable for non members of recognised accounting bodies
- * Note 1: should describe accounting policies (i.e. cash basis or accrual)

Topic 17 – Examples

(Information for Treasurers)

(Information for Treasurers) The following pages have been prepared or supplied by Accounting Services as examples of particular treasurer's tasks.

Example 1 – Cash Book Receipts

EXAMPLE 1

Refer Topic 2

UNITING CHURCH CASH BOOK - RECEIPTS
(CAPITAL TRANSACTION TO BE ENTERED IN COLUMNS 20 TO 28)

DATE	PARTICULARS	BANK	1 GST	2 SYSTEMATIC ENVELOPE OFFERINGS	3 OPEN PLATE OFFERINGS	4 SPECIAL EFFORTS & DONATIONS		5 UC APPEALS/ PROJECTS	6 OTHER APPEALS	7 GENERAL PURPOSE GRANTS		8 PREBYTERY /OTHER PARISHES	9 GOV'T	10 LEGACIES & BEQUESTS	11 INTEREST AND DIVIDENDS	12A RENTS AND PROPERTY GST
						GENERAL PURPOSE	OTHER APPEALS			SYNOD	GOV'T					
20XX	BROUGHT FORWARD	2244.00		1100.00	260.00	200.00	300.00			84.00						300.00
FEB	5 Offerings	210.00		200.00	10.00											
	12 Offerings	330.00		260.00	70.00											
	15 Rent - Dance Group	330.00	30.00													300.00
	19 Offerings	360.00		280.00	80.00											
	19 Synod Grant	84.00								84.00						
	26 Offerings	460.00		360.00	100.00											
	27 UCAF People in Partnership P1 3	200.00						200.00								
	MONTHLY TOTAL	1974.00	30.00	1100.00	260.00	200.00	200.00	200.00	0.00	84.00	0.00	0.00	0.00	0.00	0.00	300.00
	YEAR TO DATE	4218.00	30.00	2200.00	520.00	200.00	500.00	0.00	0.00	168.00	0.00	0.00	0.00	0.00	0.00	600.00
MAR	2 Offerings	510.00		360.00	150.00											
	9 Offerings	540.00		380.00	160.00											
	15 Donation - Guides Hall use	110.00	10.00													100.00
	16 Offerings	460.00		360.00	100.00											
	17 Synod Grant	84.00								84.00						
	23 Offerings	540.00		370.00	170.00											
	MONTHLY TOTAL	2244.00	10.00	1470.00	580.00					84.00						100.00
	YEAR TO DATE	6462.00	40.00	3670.00	1100.00	200.00	500.00	0.00	0.00	252.00	0.00	0.00	0.00	0.00	0.00	700.00
APR	2 Offerings	540.00		380.00	160.00											
	5 A. BROWN DONATION			100.00												
	Offerings	640.00		380.00	160.00											
	7 Donation - Guides Hall use	110.00	10.00													100.00
	9 Offerings	460.00		360.00	100.00											
	17 Synod Grant	84.00								84.00						
	23 Offerings	640.00		380.00	160.00											
	31 Offerings	640.00		380.00	160.00											
	MONTHLY TOTAL	3114.00	10.00	1880.00	740.00	100.00				84.00						100.00
	YEAR TO DATE	9576.00	50.00	5550.00	1840.00	300.00	500.00	0.00	0.00	336.00	0.00	0.00	0.00	0.00	0.00	800.00
	CARRIED FORWARD BALANCE															

Example 2 – Cash Book Payments

Refer Topic 3

EXAMPLE 2

DATE	PARTICULARS	CHK. No.	BANK	29	30	31	32	33	34	35	36		37	38	39	40
											STIPENDS	CAR ALLOWANCE				
UNITING CHURCH CASH BOOK - PAYMENTS																
(CAPITAL TRANSACTION TO BE ENTERED IN COLUMNS 54 TO 57)																
20XX	BROUGHT FORWARD		2816 00		998 70	248 80	431 00			45 00	275 00	217 50		500 00	100 00	
Feb	5 B.Brown	001	45 00						45 00							
	5 A.Smith	002	100 00													100 00
	5 Mission & Service Giving	003	275 00							275 00						
	12 Rev. Joe	004	2370 00		1215 00	388 00	767 00									
	19 Christmas Bowl	005	50 00										50 00 A			
	19 Art Work Supplies	006	210 00	10 00											200 00	
	20 Beneficiary Fund	007	418 00		132 00			286 00								
	20 Home Endowment Fund	008	84 00					84 00								
	MONTHLY TOTAL		3552 00	10 00	1347 00	388 00	767 00	370 00	45 00	275 00	0 00	50 00	50 00	0 00	200 00	100 00
	YEAR TO DATE		6368 00	10 00	2345 70	636 80	1198 00	370 00	90 00	550 00	217 50	50 00	50 00	500 00	300 00	100 00
Mar	2 LCA - People in Partnership	009	200 00													
	7 A TO	010	663 00		663 00											
	10 Mission and Service	011	275 00							275 00						
	LCA Fixed Charges	012	186 00					186 00								
	12 Rev Joe	013	2370 00		1215 00	388 00	767 00									
	15 Beneficiary Fund	014	418 00		132 00			286 00								
	20 Home Endowment Fund	015	84 00					84 00								
	MONTHLY TOTAL		4196 00	0 00	2010 00	388 00	767 00	556 00	0 00	275 00	0 00	0 00	0 00	0 00	0 00	0 00
	YEAR TO DATE		10564 00	10 00	4355 70	1024 80	1965 00	926 00	90 00	825 00	217 50	50 00	50 00	500 00	300 00	100 00
Apr	2 LCA - Workover insurance	015	200 00													
	7 A TO	016	683 00		663 00											
	10 Mission and Service, Lent Appeal	017	375 00													
	12 Rev Joe	018	2370 00		1215 00	388 00	767 00									
	15 Beneficiary Fund	019	418 00		132 00			286 00								
	15 Home Endowment Fund	020	84 00					84 00								
	MONTHLY TOTAL		4130 00	20 00	2010 00	388 00	767 00	570 00	0 00	275 00	100 00	0 00	0 00	0 00	0 00	0 00
	YEAR TO DATE		14694 00	30 00	6365 70	1412 80	2732 00	1496 00	90 00	1100 00	317 50	50 00	50 00	500 00	300 00	100 00
	CARRIED FORWARD BALANCE															



Anytown Uniting Church

ABN:

Address:

Phone:

REMITTANCE ADVICE

Supplier Name:

Supplier Address:

Date: 22/02/2018
Cheque Number: Cheque number or reference
Amount: \$XXX

Details of payment:		\$
TOTAL		

INCOME TAX - PAY AS YOU GO REQUIREMENTS

Deductions of withholding tax must be made from ... **payments of honoraria, allowances, remuneration, and token payments for services** ... Including such as may be paid to: caretakers, choir leaders, cleaners, consultants, gardeners, guest artists & speakers, organists, secretarial & administrative assistants, typists, youth workers etc.

Whoever makes the payment is required to deduct withholding tax, according to PAYG (Pay as you go) provisions of the Income Tax Act ...

UNLESS

- a) The amount is a reimbursement of actual expenses incurred (e.g. Fares, Telephone, Postage, Tea and Coffee) and any invoices or some detail of the expenses is held by the paying body. (See note on page 3 regarding car expense reimbursements.)

OR

- b) The person receiving payment has completed a Tax File Number Declaration, and the amount is not high enough to incur a tax deduction. (A declaration must be given to the employing body before any payment is made.)

OR

- c) The person receiving payment is a contractor in business in his/her own right (e.g. a plumber, a secretarial agency). Contractors will be able to quote an Australian Business Number (ABN). Where an individual can not quote an ABN and the supply is of a private recreational pursuit or hobby they will need to complete a “Statement by a supplier – Reason for not quoting an Australian Business Number (ABN) to an enterprise”. These forms are supplied by the Australian Taxation Office.

MINISTERS AND DEACONESSES

The Australian Taxation Office (ATO) regards Ministers, Deacons and Deaconesses as employees of the church for taxation purposes. As such PAYG (Pay as You Go) withholding tax must be deducted from their earnings.

GIFTS AND PRESENTATIONS

A gift would not normally attract tax, but if the gift could be interpreted as a gesture in return for past, present or future specified labour, then that gift could become liable for tax. For example ...

A congregation may decide to collect donations from individuals and to give the amount collected to a member. That is a gift and no tax applies, irrespective of whether the money was paid into and out of a church or organisation account. But a problem could arise if the

church or organisation pays an amount in excess of the amount collected. If the excess amount could be identified as a gesture in return for labour, the excess is taxable income.

UNLESS the excess portion of the payment can be recorded legitimately as a reimbursement of expenses,

OR

the excess payment is for the benefit of some charitable or religious activity.

If given in return for labour, care needs to be taken to ensure that gifts and presentations, particularly expensive items, are being covered by specific collections or legitimate reimbursements of expenditure.

REIMBURSEMENT OF EXPENDITURE

In many instances related to church work, recipients of gifts have previously spent considerable amounts on expenses not claimed from the church or organisation accounts. Therefore, any amounts paid as gestures for services rendered, may be in reality a part or full reimbursement of expenses over a period of years. Such reimbursements could be considered to be paying for such expenses as telephone, stationery, postage, car costs (petrol maintenance and depreciation), refreshments, maintenance of equipment and tools, mower expenses, etc. actually incurred relating to the work.

There must be an implied responsibility on the church or organisation making the payment to ensure that such reimbursements are legitimate, and some appropriate notation made in the books of account to identify what the payment is intended to reimburse. For items of equipment, which do not belong to the church or organisation, there must not be any reimbursement for the cost of the item. Any reimbursement must be for the share of maintenance or depreciation of the equipment which is incurred by an individual for the benefit of the church or organisation.

CAR EXPENSE REIMBURSEMENTS

In most circumstances, a reimbursement to a voluntary person for use of his/her own car to attend a meeting or conference would not attract tax.

If the same voluntary person used the car to perform tasks requested by the meeting or conference and received reimbursement, the amount is taxable. Such reimbursements would need to be expressed at a "per km." rate, an employment declaration should be obtained, and eventually, a payment summary issued.

Where there is difficulty in determining whether there is a need to deduct tax, professional tax advice should be sought before any payment is made.

P.A.Y.G. provisions require the "employer" to be responsible for the following matters ...

- **REGISTRATION AS A "INCOME TAX WITHHOLDER"**

If the employer is not currently registered, it will be necessary to apply to the Australian Taxation Office requesting "registration as an Income Tax Withholder". (This should be done before any wages or allowances are paid). Applications can be online, by phone or by completing the appropriate ATO form. Information is available <https://www.ato.gov.au/Business/PAYG-withholding/Registering-for-PAYG-withholding/>

- **KEEPING ACCURATE RECORDS**

Every payment must show date on which payment is made, gross, tax, other deductions, and net amounts for each employee.

Do not include the value of any **exempt** fringe benefits in the above employees' records or on any Payment Summaries.

- **TAX FILE NUMBER (TFN) DECLARATIONS**

Every employee should provide a completed declaration before any payment is made. A Tax File Number should be included, and if the person being paid hasn't a tax file number, an application should be made immediately by the employee to the Tax Office. Unless an application is in progress and indicated on the Tax File Number Declaration, tax must be deducted at the highest rate.

- **PENALTIES**

Failure to deduct correct tax instalments or failure to pay to the Tax Office amounts by due dates can result in severe penalties in addition to the tax involved and heavy interest.

TAX ON MINISTERS' ALLOWANCES

Where a minister is receiving allowances rather than being paid into a Ministers Benefit Account P.A.Y.G. withholding deductions may need to be deducted. Please refer to the ATO website to determine if tax needs to be deducted:

<https://www.ato.gov.au/Business/PAYG-withholding/In-detail/Allowances,-leave-payments-and-repayments/Withholding-from-allowances/>

Where the minister receiving any allowances is also in receipt of a wage or stipend from which tax instalments are deducted, each allowance must be shown separately on the annual group certificate irrespective of whether tax has been deducted.

GRATUITOUS PAYMENTS

The Taxation Office will allow nominal "Gratuitous Payments" to be made to voluntary workers without income tax being deducted or later payable ...

BUT ...the Church or other organisations paying must be able to prove, if requested, that such payments were not made in return for services for which the paying organisation held a right to determine how and when the voluntary worker should perform some task.

A farewell or Christmas gift of nominal value given to a voluntary worker would appear to be a gratuitous payment free of tax. If the gift was substantial or paid in money, it may be difficult to prove that the payment was not for services rendered as a result of some employment arrangement.

ADVICE FROM THE VICTORIAN EMPLOYERS' CHAMBER OF COMMERCE AND INDUSTRY (V.E.C.C.I.)

The following information explains the Income Tax Act subsection which indicates that a payment will be defined as salary or wages and thus be subject to PAYG provisions where:

- a) the payment is made under a contract which is wholly or principally for the provision of any person's labour and
- b) i) where labour is provided before payment is made, the person who received the payment performed the whole or principal part of the work

OR

- ii) where the payment is made before the work is performed, the payer can reasonably expect at the time of making payment that the payee will perform the whole or principal part of the work.

It should be noted that even if a person contractually reserves the right to delegate the actual performance of the work, the payments will still be subject to the PAYG provisions where a person receives payment for the provision of personal services and he/she provides or will ultimately provide those services.

Section 221 A (21) (c) makes it clear that the definition of salary and wages includes **personal, artistic, physical, intellectual and musical skills**. This means that payments made to theatrical artists, musicians, sportsmen, television personalities, public speakers, etc. are caught by the PAYG provisions.

The definition of salary and wages includes within the definition any payment under contract that is wholly or principally for labour.

FURTHER ADVICE

Enquiries should be directed to the Payroll Office at the Synod Office (telephone 9251 5200) or to your appropriate Australian Taxation Office.

Revised: 2016

Example 6 – Pay slip

Topic 3

Pay Slip

Employee's name:	Rev J. Blog
Employer's name:	XYZ Uniting Church
ABN :	2222 222 2222
Annual Stipend/Salary	\$33,374.60
Pay period:	1/12/XX to 31/12/XX
Date of payment	15/12/XX

Entitlements	Total
Wages/Stipend	2,781.21
Additions before tax	
Portion of stipend	1,191.95
Travel Allowance – 10,000 km	545.83
Petrol Allowance	150.00
PR & DG allowance	183.33
Manse Allowance	1,126.67
Deductions before tax	
Tfr to MBA	-3,197.78
GROSS PAY	2,781.21
Deductions	
Tax	-308.00
Voluntary Beneficiary Fund Contribution	-233.00
NET PAY	2,240.21

Banking		
Account number:1111 1111 1111		2,240.21
Superannuation Beneficiary Fund – member number xxxxx – Fixed amount		
Employee contribution	This Pay	583.00
	Year to date	5,704.00
Employer contribution	This Pay	816.00
	Year to date	7,986.00

FRINGE BENEFITS TAX

1. What is Fringe Benefits Tax?

In broad terms a fringe benefit is a benefit provided in respect of employment. Benefits include rights, privileges or services. Fringe Benefits Tax (FBT) is a separate tax in respect of “fringe benefits” provided to employees. Congregations are not exempt from FBT.

2. Employee/Employer relationship

FBT is payable by an employer who either directly or by arrangement with others provide their employees or associates of employees with taxable fringe benefits. An employee includes past and future employees.

FBT must be paid unless there is an exemption allowable.

3. Exemptions

Benefits provided to Ministers, Deacons and Deaconesses by a religious institution (Church, Presbytery, Synod, Theological College) are exempt from FBT.

Ministers employed by Colleges, Schools, Pre-schools, Camp Sites, Conference Centres and Educational Institutions are **not** exempt from FBT.

A Taxation Office ruling indicates that "Private Schools, private universities and residential university colleges established or conducted by religious institutions generally are not religious institutions" for FBT purposes.

Any uncertainty could be removed by applying to the Australian Taxation Office.

4. Public Benevolent Institutions

These are organisations that have been approved by the Taxation Office as authorised to issue tax deductible receipts. Generally the Uniting Church is not a Public Benevolent Institution but sections such Uniting Aged Care and UnitingCare Agencies are. Benefits provided by public benevolent institutions to their employees are exempt benefits.

5. What benefits are subject to FBT?

The type of benefits on which FBT must be paid by the "employer" are listed below. Further information is available from the ATO website: [https://www.ato.gov.au/General/Fringe-benefits-tax-\(FBT\)/](https://www.ato.gov.au/General/Fringe-benefits-tax-(FBT)/)

- The private use of employer provided motor vehicles
- Interest free or low interest loans
- Releases of employee debts
- Payment or reimbursement of private expenses

- Free or subsidised residential accommodation
- Excessive living-away-from-home allowances
- Free or subsidised board
- Discounted air travel
- Free or discounted goods or other property
- Free or discounted services or other benefits
- Entertainment of employees engaged in non-taxable income producing activities of an employer.

6. "Typical Benefits"

6.1 Motor Vehicles

Exemption does not extend to benefits provided in respect of a minister's appointment where his role is not religious in nature. For example: if a minister uses a car for private purposes and that car has been provided principally on account of his employment in a school or charitable (but not "Public Benevolent") or commercial enterprise, the employer must pay FBT. However, if a car is provided for a minister in a normal ministry appointment, he can enjoy private use without FBT having to be paid.

If the same or another car is used by lay staff and private use is allowed (even travel to or from work constitutes private use) FBT is payable. Cars provided for the use of youth workers, parish assistants and other field staff would incur FBT if available at any time for private purposes.

Payments on behalf of or to employees as reimbursements of expenses incurred for private use of a car create a liability for FBT. Any contribution the employee pays, or any benefit the employee includes in his/her income tax return is deductible from the employer's liability for FBT. The situation can be very complicated.

Whether for FBT or Income Tax Purposes, wherever private use is made of a vehicle, no matter to whom the vehicle belongs, it is essential that a log book be kept for a twelve week period for each vehicle. The ATO website explains the many complexities and the methods available for the calculation of the tax.

6.2 Ministers' Manses

Notwithstanding the fact that a manse will have other uses, a typical manse situation will be regarded as "principally in respect of pastoral duties", and therefore attracts exemption. No exemption applies to a school that provides a manse for a chaplain employed by the school.

6.3 Live-in domestic employees

Accommodation, household fuel, meals and other food and drink provided to an employee may be exempt benefits provided where the following conditions are satisfied:

- The employee must be employed by a "religious practitioner" (e.g. a minister) or a "religious institution" (e.g. a church)

- The employee's duties must be principally the provision of domestic and/or personal services to one or more religious practitioners or their relatives (the relative must reside with the religious practitioner);
- The employee must reside in a building on the same parcel of land as that on which the religious practitioner resides; and
- The employee must reside in that building directly as a result of the principal duties he/she must perform, that is, to perform domestic or personal services.

Domestic services may include childcare, gardening, repairs or maintenance to the home, house cleaning, nursing care and preparation of meals. Personal services may include those of a personal secretary or chauffeur.

6.4 Live-in residential care workers

Accommodation, household fuel, meals and other food and drink provided to an employee and their spouse or child) of government bodies, religious institutions and non-profit organisations may be exempt where:

- The employees are engaged in caring for elderly or disadvantaged people or their children who reside with them;
- The employees reside in the same residential premises as do those they are caring for;

Elderly people are those over 60 years of age and disadvantaged people are those who are intellectually, psychiatrically or physically handicapped or who are in necessitous circumstances. Residential premises relates to a house or hostel used exclusively for the purpose of providing such accommodation.

6.5 Accommodation other than Manse Situations

A "religious house" exemption covers accommodation in which ministers, members of religious orders and/or theological students reside. However, this exemption does not apply to accommodation and meals provided to:

- Lay assistants and other church related staff;
- Caretakers for churches and related buildings; or
- Caretakers and cooks for church related campsites.

A liability for FBT arises if any accommodation is let to employees at less than "rental market value".

6.6 Salary Packaging and FBT

Salary Packaging is an arrangement where an employee and employer come to an agreement to pay some of the salary as benefits rather than as salary. The Synod's policy on Salary Packaging is that no more than 30% of an individual's total remuneration can be packaged. Under FBT legislation this also needs to be less than \$30,000 grossed up (including cars provided, accommodation provided). Further information on this issue is provided in the GST Manual. Salary packages attract FBT where the benefits are not exempt benefits.

6.7 How do I calculate FBT?

There are two types of costs for FBT purposes. Type 1 costs are when GST has been paid on the benefits. Type 2 costs are when GST is not payable.

FBT is payable quarterly on 21 July, 21 October, 21 January, and 21 April based on the grossed-up taxable value of the fringe benefits. An annual return must be lodged by 21 April each year.

Religious institution, preschools, kindergartens and non-profit schools are eligible for a rebate of 48% of the fringe benefits tax payable.

Type 1 Costs

The current type 1 gross up rate is 2.0802

Type 2 Costs

The current type 2 gross up rate is 1.8868.

FBT Payable

Grossed up type 1 fringe benefits

+

Grossed up type 2 fringe benefits

Total multiplied by 47%

Less the rebate of 48% of tax payable

Penalties

The penalties for underpaying or not paying FBT are severe, up to 200% of the amount due plus 20% per annum interest.

Rental Values

Rental market values need to be reviewed as from 1st April each year according to percentages declared by the Taxation Office.

6.8 How do I calculate rental market values?

This value is not the value shown on a rate notice, but the value at which the room, flat, house or caravan could be let. FBT is payable on the rental market value LESS any rent received.

For example:

A congregation may provide a house for a caretaker free of charge or at a nominal rent. FBT must be paid by the employer (the congregation, in this example) on the difference between the rental market value and the actual rent charged:

Rent market value is \$100 per week	=	\$1,300 per quarter
Caretaker pays \$ 20 per week	=	\$ 260 per quarter
The difference subject to FBT \$ 80 per week	=	\$1,040 per quarter

FBT is calculated using the above formula (refer 6.8).

To arrive at the rental market value, consideration needs to be given to any restrictions on free use of the house at all times by the caretaker. For example the space within the house may be used for storage of property owned by the employer, or an area may be used for frequent visits by other persons on work-related matters or attending employer related (e.g. church) meetings held in the house.

The Taxation Office has also issued the following rulings on this matter:

6.9 Caretaker's Accommodation – Market value calculation

The market rental value of caretaker accommodation comprising a flat or unit etc. within a residential block would be set by comparison with rents charged for comparable flats or units in the block. If, as may occur, the caretaker's unit of accommodation is less favourably placed than others, e.g. it faces a noisy thoroughfare or it is by its location less private than other units, the market value may be discounted. The extent of the discount would depend upon the nature of any inconvenience caused by the location but, as a guide, it is considered that no more than 10% discount should be allowed for such factors.

Caretakers' accommodation contained within a non-residential building or complex, e.g. an apartment in a city office block: - market rental value could be set by reference to rentals charged for equivalent accommodation in the nearest residential quarter. An appropriate market rental value of a one bedroom flat in a city office block would be the rent charged for a flat of similar size and quality in the nearest residential area. However, to allow for isolation and lack of amenity due to the fact of having to live within a complex that is essentially non-residential in character, that value could be discounted by 20%.

Where a caretaker has the right to use only part of a unit of accommodation, the market rental value is appropriately reduced. In the case, for example, where one bedroom of a three bedroom caretaker's house was required for storage of the employer's equipment, the market rental value would be based on rents for comparable two bedroom rather than three bedroom houses.

6.10 Accommodation in schools, universities or other institutions

The general valuation rules would apply to houses or other accommodation within the grounds of schools, universities or other institutions. That is, the market rental value would be set by reference to commercial rent charges for comparable residential accommodation in the general area. In many such cases, however, the general living conditions would be affected in some degree by external physical factors such as noise from students and school bells, the noise and proximity (e.g. in a university) of campus traffic, and other disturbances caused by institution routine. Where such conditions exist to an appreciable extent the market value established by reference to comparable nearby accommodation could be discounted by up to 10%.

Reporting requirements

You are required to report individual employee's fringe benefits exceeding \$2000 per year on the employee payment summary. The amount reported is the grossed up fringe benefit. For information on Reportable Benefits refer GST manual.

Help?

Australian Taxation Office 13 28 66

DIRECT DONATIONS ADDRESSES

Mission and Service Giving

UCA Synod of Victoria
Accounting Services
130 Little Collins Street
Melbourne 3000

Uniting Victoria & Tasmania

Level 6, 250 Victoria Parade
East Melbourne VIC 3002

Frontier Services

Uniting Church Assembly
P O Box 2527
Sydney 2001

Act for Peace (Christmas Bowl)

Locked Bag Q199,
Queen Victoria Building NSW 1230.

The Bible Society

GPO BOX 9874
MELBOURNE VIC 3000

UNIFORM ACCOUNTING IN CONGREGATIONS (CHART OF ACCOUNTS)

Introduction

WHY UNIFORM ACCOUNTING ?

FINANCING THE WIDER WORK OF THE CHURCH

Providing financial resources for the mission and service activities of the Uniting Church is a large and complex task.

These notes set out some aspects which need to be known.

Uniform Data

To enable equitable judgements to be made at all levels and to facilitate comparisons from year to year it is essential that certain basic data be provided in a uniform way. Accordingly, it is the practice in the Uniting Church that all congregations and presbyteries record financial data in a standard format to enable a consolidated Return (Online Survey) to be produced as at 31st December each year and that congregations submit financial data to support funding applications on the same basis.

Accounting Software

MYOB Account Right Basic software is the preferred computer package for congregations and can be purchased from retail computer shops.

Standard Cash Book

Where records are to be maintained on a manual recording basis paper cash book sheets, limited supplies are available from CTMresources at CTM (Phone 9340 8807).

Some blank columns are provided in the cash book sheets for treasurers who need to present more than the uniform dissection of receipts and payment. Greater detail can also be obtained by simple dissection of a column containing only a few entries.

The Financial Return and Funding Forms list categories of receipts and payments corresponding to the following Chart of Accounts.

General Information

By recording your financial data using the Standard Chart of Accounts, presbyteries and the Synod will have objective, comparable data to assist their committees in decision making.

Proper use of the standard sheets by all treasurers will

- Simplify bookkeeping,
- Facilitate budgeting,
- Assist auditors, and
- Enable comparability to be achieved.

CHART OF ACCOUNTS

Topic 2 & 3

Manual Account Number	Computer Account Number	Name and purpose
Bank	NA	<p><i>Bank Account (manual accounts only)</i></p> <p>For all amounts deposited and interest credited to a bank account. Please note that all transactions during the year must be entered in the bank account, GST account and classified in one of accounts.</p> <p>(If are using a computer accounting software refer assets section below)</p>
1	NA	<p><i>GST collected (manual accounts only)</i></p> <p>Record the Good and Services Tax charged to other organisations or individuals. Also record GST paid to ATO.</p> <p>(If are using a computer accounting software refer assets section below)</p>
2	4-1100 4-1110	<p><i>Offerings Systematic Envelope</i></p> <p>For all offering received through systematic envelope. Fulfilment of pledges or promises by cheque or cash paid directly to the treasurer on a regular basis should also be included in this recording of weekly, fortnightly, monthly, quarterly or even annual envelope offerings</p> <p><i>Offerings Direct Giving</i></p> <p>For offerings received through Direct Offerings, electronic bank deposits and where appropriate Special Assistance Plan Grants.</p>
3	4-1150	<p><i>Offerings Open Plate</i></p> <p>Include loose offerings received through the Offering plate.</p>

Example 9

Topic 2 & 3

Manual Account Number	Computer Account Number	Name and purpose
4	4-1175	<p><i>Donations & Special Efforts General Purpose</i> - for use within parish or congregation</p> <p>All irregular donations and proceeds should be included here and classified as general purpose</p> <ul style="list-style-type: none"> (a) Personal donations paid directly to the treasurer. (b) Special fundraising efforts such as fairs, fetes, entertainments, crop growing and collections at foundation stone laying and dedication ceremonies. (c) Transfers of funds from sporting clubs and other organisations which have ceased to exist. (d) Donations by local organisations and auxiliaries such as Uniting Church Fellowship Groups, Men's Societies, Sunday Schools, Mission Groups towards local expenditure. <p>Under no circumstances should financial assistance by a local organisation and/or auxiliary take the form of direct payments of expenditure which are the accepted responsibility of the congregation because this would distort the costs disclosed.</p> <p>If you are using computer software and where regular fundraising events are held you might like to create a separate account to record each major event. Accounts could be created in the same range as this account (e.g. 1176, 1177 etc.)</p>
5	4-1250	<p><i>Uniting Church Appeals/Projects</i></p> <p>Include results of special efforts and donations received for appeals, projects and activities run solely by the Uniting Church. This includes:</p> <ul style="list-style-type: none"> Lenten Offering Share Appeal Uniting Vic/Tas (e.g. Lentara, UnitingCare Gippsland, Kalkee) Frontier Services Uniting World Local Mission and Welfare Activities <p>Moneys raised for Uniting Church Appeals/Projects or other fundraising by local organisations and auxiliaries should be remitted via the congregation treasurer and not directly to the Uniting Church Body or organisation. This procedure ensures that such amounts are included in the record of contributions kept by the congregation</p> <p>If you are using a computer accounting software additional accounts (between 4-1250 and 4-1299) could be created for each type of appeal. For example 4-1260 Donations UCA Share Appeal.</p>

Manual Account Number	Computer Account Number	Name and purpose
6a	4-1300	<p><i>Other Appeals</i></p> <p>Include of special efforts and donations received for appeals other than Uniting Church appeals and projects. These are classified into two categories. Indicating beside the amount in Account 6 the letter A or B will make annual reporting easier.</p> <p>Category A (Supported by the Uniting Church) Christmas Bowl (Act for Peace) Victorian Council of Churches Tasmanian Council of Church Council for Christian and Jews The Bible Society Inter Church Trade & Industry Mission (ITIM)</p> <p>If you are using a computer accounting software additional accounts (between 4-1300 and 4-1349) could be created for each type of appeal. For example 4-1310 Donations Christmas Bowl.</p>
6b	4-1350	<p><i>Other Appeals</i></p> <p>Include of special efforts and donations received for appeals other than Uniting Church appeals and projects. These are classified into two categories. Indicating beside the amount in Account 6 the letter A or B will make annual reporting easier</p> <p>Category B All other non-Uniting Church appeals (e.g. Austcare, Freedom from Hunger, World Vision, Red Cross).</p> <p>If you are using a computer accounting software additional accounts (between 4-1350 and 4-1399) could be created for each type of appeal. For example 4-1360 Donations World Vision.</p>
7	4-3100	<p><i>Grants Received Synod</i></p> <p>Include grants (not loans) from Synod for current (running/operating costs) transactions e.g. Ministry, minor repairs, minor equipment etc. (For capital grants see account 22). For example funds from Mission Support Fund/BOMAR Grants.</p>
8	4-3200	<p><i>Grants Received Presbyteries and/or other Congregations</i></p> <p>Include financial assistance from Presbytery or other congregations for current (running/operating) costs. (For capital grants see account 23). For example Contribution from other congregations for Lay Mission Areas and Lay Teams</p>

Manual Account Number	Computer Account Number	Name and purpose
9	4-3300	<p><i>Grants Received Government</i></p> <p>Include grants received from the Government for current (running/operating) cost transactions. (For capital grants see account 23).</p>
10	4-4100	<p><i>Legacies & Bequests</i></p> <p>Include Legacies, Bequests and Memorial Funds for specific or general purposes.</p>
11	4-4200	<p><i>Interest & Dividends</i></p> <p>Include interest and dividends received on bank accounts balances, bank term deposits, Development Fund deposits, UCA Cash Management Fund deposits, UCA Growth Fund deposits, debentures, stocks, shares, marketable securities and interest on loans to other church bodies, including local auxiliaries and sporting clubs.</p>
12a	4-5100	<p><i>Property Income GST inclusive</i></p> <p>Include rents and other amounts received for occupancy or use of land and site improvements, commercial shops and properties, houses, kindergarten facilities and equipment, etc. where GST is included in the rental and claimable.</p>
12b	4-5300	<p><i>Property Income other</i></p> <p>Include rents and other amounts received for occupancy or use of land and site improvements, commercial shops and properties, houses, kindergarten facilities and equipment, etc. where GST is not claimable.</p>
13	4-4300	<p><i>Long Service Leave Fund Reimbursement</i></p> <p>Include the grant received from the Synod Long Service Leave Fund when a minister is on Long Service Leave.</p>
14	4-4400	<p><i>Insurance Claims</i></p> <p>Include the moneys received as the result of claims under any insurance policy (e.g. WorkSafe, property damage, fire).</p>

Manual Account Number	Computer Account Number	Name and purpose
15	4-4500 4-4505	<p>Miscellaneous Income (Not capital) Include items not covered by the previous accounts or by accounts in the Capital Transaction section. Moneys paid into the bank account as offsets or contras to local expenditure items, such as telephone calls, presentations, attendance at camps and conferences, should be included in this account. Do not include moneys raised for transmission to Appeals. (please use accounts 5 and 6 for this purpose).</p> <p>Indicate beside the amount in the account an explanation of the receipt.</p> <p><i>Op Shop</i> income should be recorded here.</p>
16		<p>Missions Only – Welfare Activity Receipts Please do not use Account 16 as in the Online Survey (A form return) this is specific for Parish Missions. If you have receipts for local mission and welfare activities record these under account 5.</p>
17 & 18	4-4600	<p>Internal Transfers These accounts are for transfers within the congregation controlled groups/accounts.</p> <p>When consolidating the figures for a congregation, these items cancel out against Accounts 50 & 51 because if one part of the organisation transfers amounts to another, or to the Congregation Fund then the recipient should show the same amount as a receipt. So the total in a congregation consolidation of all items in Accounts 17 & 18 MUST AGREE WITH the total of all items in the payment accounts for intra-congregation transfers (Accounts 50 & 51).</p> <p>At the end of the year transfer cheques should be drawn in time to ensure their receipt before 31st December, and thus effect a complete offsetting in these contra accounts otherwise it will be necessary for the receiving church to show the amount as a deposit in transit.</p> <p>All allocations and transfers, whether for local spending or subsequent remission to appeal/projects should be included in these two accounts. To facilitate reporting to congregations please indicate beside the amount in the account the ultimate destination of transfer. E.g. Christmas Bowl.</p>
19	4-4700	<p>Other Receipts This account is for regular receipts not covered by the previous accounts or the Capital Transaction Accounts.</p>

Manual Account Number	Computer Account Number	Name and purpose
CAPITAL TRANSACTIONS		
20	4-7100 4-7150	<p><i>Donations - Capital Debt Reduction</i></p> <p>Include special efforts and donations from individuals or groups received specifically for the reduction of capital debt</p> <p><i>Donations - Capital</i></p> <p>Include special efforts and donations from individuals or groups received specifically for the acquisition of Capital items e.g. Church Organ, Photocopier, Building, Renovations etc.</p>
21	4-7200	<p><i>Loans converted to gifts</i></p> <p>This account is provided to record what occurs when a church offers to pay back a loan and the lender says "keep the money as a donation". It is best to get the lender to provide this in writing to avoid any confusion. To reflect this in the books of account, record a receipt in account 21 and a repayment against account 56.</p> <p>Where you are using a computer system, record a journal entry to Debit the Loan account and credit Loans converted to Gifts.</p>
22	4-7300	<p><i>Capital Grants – Synod</i></p> <p>Includes Capital grants from the Synod (not loans) for buildings, major extension, items which are not current (running cost) transactions. For property sale proceeds use account 26.</p>
22	4-7300	<p><i>Capital Grants – Govt & Other</i></p> <p>Includes Capital grants from other sources (not loans) for buildings, major extension, items which are not current (running cost) transactions. In account 23 indicate source of grant beside the amount. For property sale proceeds use account 26.</p>
24	4-7400	<p><i>Proceeds of minor assets sales</i></p> <p>Include amounts received in cash from sale of land, buildings, furniture & equipment.</p>

Manual Account Number	Computer Account Number	Name and purpose
25		<p><i>Loans Received</i></p> <p>Include interest free, interest bearing loans, bank loans, Development Fund loans and other loans, but not bank overdraft accommodation.</p> <p>For computer accounting software use 2-1100</p>
26	4-7550	<p><i>Property Sale Proceeds Received</i></p> <p>Include amounts released from capital from Property Sale proceeds.</p>
27		<p><i>Investments realised</i></p> <p>Include amounts received in cash from sale or redemption of debentures, stocks, shares and other securities including bank term deposits. Also include repayments by other church bodies of amounts lent to them.</p> <p>For computer accounting software use 1-1100</p>
28	4-7065	<p><i>Miscellaneous Capital Receipts</i></p> <p>Include capital receipts which cannot be classified in Accounts 20-27. Clearly identify these items.</p>
(B) CASH BOOK – PAYMENTS		
Bank	NA	<p><i>Bank Account (manual accounts only)</i></p> <p>For all withdrawals by cheque or electronic. Please note that all transactions during the year must be entered in the bank account, GST account and classified in one of accounts.</p> <p>(If are using a computer accounting software refer assets section below)</p>
		<p><i>Accounts 30-33 - Payments to Ministers and Agents</i></p> <p>The other agents include deaconesses, retired ministers, youth workers, lay pastoral assistants, or other persons engaged in pastoral work but not visiting preachers - (see account 34). If using the Centralised Stipend Payroll Service and/or Minister Benefit Account service, include figures from the monthly General Ledger Reports provided by the Synod Pay Office.</p>
30	6-5215	<p><i>Stipends</i></p> <p>Include net stipends actually paid to ministers, and other agents. Also include amounts paid for income tax deducted, personal contributions for the Beneficiary Fund and stipend amounts paid to the Ministers, Benefit Account.</p>

Manual Account Number	Computer Account Number	Name and purpose
31	6-5225	<p><i>Car and Petrol Allowances</i></p> <p>Include allowances paid to ministers and other agents. Also include the cost of running and maintaining vehicles which are owned by the congregation.</p>
32	6-5250	<p><i>Other allowances</i></p> <p>Include manse allowance, personal resource and development allowance, postage and other allowances paid to ministers and other agents.</p>
33	6-5400	<p><i>Fixed Charges/Workcare</i></p> <p>This includes fixed charges as set by the Synod for Long Service Leave, Beneficiary Fund, Ministers' Special Insurance and Home Endowment Fund and also Workers Compensation Insurance premiums. Do not include minister's personal contribution to the Beneficiary Fund, which should be recorded in account 30.</p>
34	6-5500	<p><i>Visiting Preachers</i></p> <p>Include preaching fees, travelling and other expenses paid to visiting preachers, including retired ministers and others not engaged as pastors in the congregation. Also include payments for substitute or supply appointments for which a Long Service Leave allowance is received from Synod/Presbytery funds or a payment is received from a Minister's Insurance Claim. (Account 14).</p>
35	6-5620	<p><i>Mission and Service Giving</i></p> <p>Include contributions to Mission and Service. All fundraising by individual groups with the congregation which form part of the allocation should be remitted to the congregation. The congregation is responsible for payment of the annual allocation to the Synod by monthly instalments. The amount of the annual allocation will usually be determined by the presbytery to which the congregation belongs.</p> <p>Please note: Previous years giving and additional giving should also be allocated at Account 35.</p>

Manual Account Number	Computer Account Number	Name and purpose
36	6-5630	<p><i>Donations to Uniting Church Appeals/Projects</i></p> <p>Payments under this heading are for donations to appeals, projects and activities run solely by the Uniting Church.</p> <p>Lenten Offering Share Appeal Uniting Church Community Services (e.g. UnitingCare Lentara) Frontier Services Uniting World Local Mission and Welfare Activities</p> <p>If you are using a computer accounting software additional accounts (between 6-5630 and 6-5659) could be created for each type of appeal. For example 6-5640 Donations to UCA Share.</p>
37	6-5660 6-5665	<p><i>Contributions to Other Appeals</i></p> <p>Include contributions to other than Uniting Church Appeals and Projects. For example:</p> <p>Category A (Supported by the Uniting Church)</p> <ul style="list-style-type: none"> • Christmas Bowl (World Christian Action) • The Bible Society • Council for Christian Education in Schools (CCES) • Inter Church Trade & Industry Mission (ITIM) • Hospital Sunday Appeal <p>Category B</p> <p>All other non-Uniting Church appeals (e.g. Austcare, Freedom from Hunger, World Vision, Save the Children Fund).</p> <p>Indicate in account next to amount the letter A or B for easy reference when completing A Forms.</p> <p>If you are using a computer accounting software additional accounts (between 6-5660 and 6-5669) could be created for each type of appeal. For example 6-5661 Donations to Christmas Bowl.</p>
38	6-5670	<p><i>Grants to Presbytery/Other Congregations</i></p> <p>Include grants or assistance paid to presbytery and other congregations.</p>

Manual Account Number	Computer Account Number	Name and purpose
39	6-5701	<p><i>Sunday School, Local Organisations etc.</i></p> <p>Include payments for Sunday Schools, local church organisations, (not property fund) and auxiliaries such as Uniting Church Fellowship, Men's Societies, mission groups regardless of the ultimate spending or distribution by those bodies.</p>
40	6-5710	<p>Organist, Choir, Music</p> <p><i>Include salaries and expenses paid to an organist, choir master, soloist etc. Also include hymn books, choir and organ music.</i></p>
41	6-5775	<p><i>Secretarial Assistance</i></p> <p>Include salaries, allowances and expenses paid to secretarial assistants and office staff.</p>
42	6-5730	<p><i>Telephone/Postage/Office Expenses</i></p> <p>Includes telephone charges, postage/stamps, costs of advertising and other office expenses</p>
43	6-5740	<p><i>Printing & Stationery</i></p> <p>Includes printing, paper, certificates, books, public notice sheets, photocopies, letterhead, pens, pencils, staples, folders, ink, sticky tape, note books, receipt/invoice books, etc.</p>
44	6-5750	<p><i>Stewardship Expenses</i></p> <p>Include all payments incurred in the conduct of a Stewardship Program. Also include the cost of envelopes, printing and postage etc., for regular collection of the pledges or promises.</p>
45	6-5810	<p><i>Caretaking, cleaning etc.</i></p> <p>Include salaries, allowances and expenses paid to caretaker, cleaner, gardener, etc. Also include supplies such as tools and cleaning materials.</p>
46	6-5820	<p><i>Property Utilities and Rates</i></p> <p>Include payments for electricity, gas and other fuel, water and sewerage rates, municipal rates services and other property services.</p> <p>If you are using a computer accounting software additional accounts (between 6-5820 and 6-5829) for the different properties</p>

Manual Account Number	Computer Account Number	Name and purpose
47	6-5830	<p><i>Insurance, Rents</i></p> <p>Include insurance premiums other than Workers Compensation Insurance and rental payments made for use of land, building, furniture and equipment owned by others.</p>
48	6-5840	<p><i>Property Maintenance</i></p> <p>Include all costs (other than those related to the caretaker, cleaner and gardener - see account 46) of maintaining land, building site improvements, furniture and equipment in good order and condition. Also include the cost of alterations and additions which are not of a major character.</p> <p>If you are using a computer accounting software additional accounts (between 6-5840 and 6-5859) for the different properties</p>
49	6-6400	<p><i>Interest, Bank Charges</i></p> <p>Include interest paid on bank overdrafts and on all outstanding loans. Also include any other bank fees or charges.</p>
50 & 51	6-5702	<p><i>Internal Transfers</i></p> <p>Include all allocations, transfers and payments to other bank accounts of the congregation regardless of the ultimate destination whether for local spending, appeals/projects or to Mission and Service Giving. Manse rents passing within the congregation accounts are to be included herein. (Refer to comments relating to accounts 17 & 18). Indicate next to amount ultimate destination for reporting to congregation.</p>
52	6-6510	<p><i>Miscellaneous Payments (Not Capital)</i></p> <p>For payments not covered by the other accounts of an irregular nature and which are for current (running/operating costs) expenses. Indicate beside the amount in the account an explanation of the payment.</p>
53		<p><i>Mission Only – Welfare Activities Payments</i></p> <p>Please do not use account 52 as in the Online Survey (A form return) this is specific for Parish Missions. If you have Local Mission and Welfare Activities record these under account 36.</p>

Manual Account Number	Computer Account Number	Name and purpose
CAPITAL PAYMENTS		
54	6-7100	<p><i>Assets acquired</i></p> <p>All property in Victoria and Tasmania is held in trust for the whole Church by the Synod's two property trusts. All property is a 'common wealth' for the whole church. But, the church has determined for each property the body who gains benefit of the property for use for God's Mission is the Beneficial User. A congregation is a beneficial user of the property they worship in and do mission in. As such they have a responsibility to use it only for God's mission. They are stewards of these properties.</p> <p>Land and buildings and site improvements are not recorded as assets but as an expense in the year for which building, improvements etc. are paid.</p> <p>(Refer to the notes at the end of this section regarding 'Payment of Accounts direct by Synod office')</p> <p>Record cost of furniture and equipment.</p>
55	N/A	<p><i>Loan repayments (manual accounts only)</i></p> <p>Include repayments, (in full or in part) of outstanding loans. Interest thereon is recorded in Account 50. Loans converted to gifts (see account 21) should be recorded here, identified with the letter B. (for subsequent recording on A Form as item 55B).</p> <p>(Refer to the note at the end of this section regarding 'Payment of Accounts direct by the Synod office'.)</p> <p>For those using Computer Accounting Software refer Liabilities.</p>
56	N/A	<p><i>Investments made (manual account only)</i></p> <p>Include investments in marketable securities, Development Fund, Common Fund and bank term deposits. Also include loans to other church bodies.</p> <p>For those using Computer Accounting Software refer Assets.</p>
57	6-7115	<p><i>Miscellaneous Capital Payments</i></p> <p>Include miscellaneous payments which cannot be classified in any other account. Clearly identify what is included in this account. Indicate beside the amount in the account an explanation of the entry.</p>

Manual Account Number	Computer Account Number	Name and purpose
ASSETS		
N/A	1-0100	<p><i>Bank Account</i></p> <p>For all amounts deposited, interest credited to a bank account and all withdrawals by cheque, electronic and in cash. Please note as you enter transactions in the accounting software you will need to determine the account number and if GST applies. Do not worry about minor 1 cent differences</p> <p>(If are using a computer accounting software and you have more than one Bank Account separate account numbers will need to be created for each bank account)</p>
N/A	1-0160	<p><i>Petty Cash Float</i></p> <p>If you run a Petty Cash tin – record the original amount advanced to create the cash float. This should be the amount that is reconciled back to each period. Reimbursements to the Petty Cash tin should be costs against the various expense accounts for which the cash was used.</p>
N/A	1-0200	<p><i>Debtors</i></p> <p>Where invoices are raised through an Accounting Software package for rent etc. the amount will be recorded against an income account and a Debtors account will be created. When you receive payment for this invoice you will need to record the receipt through the Sales register to match the receipt against the invoice.</p>
NA	1-1100	<p><i>Investment</i></p> <p>Include amounts received and repayments from investment accounts. For investments in UCA Growth Fund record any change in the unit value (Increase in value is recorded against xxx, decrease is recorded against yyy).</p> <p>If using a computer accounting software when payments are made into an investment account or amounts received from an investment, record the transaction through the Banking module spend money or receive money and select the investment account.</p>
N/A	1-1210	<p><i>GST collected</i></p> <p>For Good and Services Tax charged to other organisations or individuals. GST is automatically recorded each time a transaction is entered.</p>

Manual Account Number	Computer Account Number	Name and purpose
N/A	1-1220	<i>GST paid</i> For GST paid in payments to suppliers for goods and services. GST is automatically recorded each time a transaction is entered.
LIABILITIES		
N/A	2-1000	<i>Loans Received</i> Include receipt and capital repayments of interest free, interest bearing loans, bank loans, Development Fund loans and other loans.

Payment of Accounts direct by Synod Office

Certain large amounts are paid by the Synod Office on your account for building projects. In these circumstances an entry will need to be made in both the Cash Receipts and the Cash Payments.

For example:

- (1) Payment of builder's account from Property Sale Proceeds for \$10,000:

Enter - as a receipt - Property Sale Proceeds realised:
Column 1 \$10,000 and Column 26 \$10,000

As a payment - Assets Acquired:
Column 29 \$10,000 and Column 54 \$10,000

Record amount exclusive of GST as this is claimed through the Synod BAS.

- (2) Repayment of a loan from Capital Works Fund grant:

Enter - as a receipt – Synod Grant:
Column 1 \$10,000 and Column 22 \$10,000

As a payment - Loan repayment:
Column 29 \$10,000 and Column 55 \$10,000

- (3) Payment of Builder account from a loan for \$10,000:

Enter - as a receipt - Loans received:
Column 1 \$10,000 and Column 25 \$10,000

As a payment - Assets Acquired:
Column 29 \$10,000 and Column 54 \$10,000

Record amount exclusive of GST as this is claimed through the Synod BAS.

To calculate the balance of your account (For manual accounts only)

The following is an example of how to calculate the balance of your accounts at the end of each month:

Balance of the accounts at the commencement of the year 1/1/XX	\$1,000
ADD receipts total per Cash Book	
Receipts	8,000
	\$9,000
LESS payments total per Cash Book	
Payments	8,100
	\$ 900

NOTE: That overdraft balances will require reverse treatment of ADD/LESS.

(C) RECORD OF LOANS, INVESTMENTS AND PROPERTY

As the formal accounting for local churches is generally based on a Cash Book, with no ledger and no balance sheet of assets and liabilities, it is desirable that an adequate record of loan liabilities, investments and property are kept by all congregations.

1 Record of Loan Liabilities and Investments (manual accounts only)

For each loan or investment a separate record should be maintained.

Record a description of each investment or loan including the interest rate (administration charge, if any) and where appropriate, the date of maturity which together with the recorded date of investment or loan will enable the interest received or paid during each year to be readily checked with the amount due.

Bank balances (credits and overdrafts) are excluded as they represent the balance of the cash book. Bank term deposits and loans on mortgage, however, should be included.

Date	Narration	Amount	Balance
1/1/12	Investment in UCA funds	\$10,000	\$10,000
30/6/12	Interest earned	\$500	\$10,500
31/7/12	Withdrawal for operating costs	(\$1000)	\$ 9,500

In this way you can reconcile to statements provided by investment funds.

For Loans

Date	Narration	Amount	Balance
1/1/12	Loan received from Development Fund	\$10,000	\$10,000
30/6/12	Interest charged	\$500	\$10,500
31/7/12	Repayment	(\$1000)	\$ 9,500

The year's transactions of principal and interest for all investments or loans should be reconciled with the total of the following columns in the Cash Book:

Account no. 11
Interest & Dividends
received

Account no. 25
Loans received

Account no. 27
Investment realised

Account no. 49
Interest and Bank
Charges

Account no. 55
Loans repaid

Account no. 56
Investments made

In reconciling the year's interest with the interest columns in the Cash Book, it will be necessary to deduct bank account interest and administration charges on interest free loans from the Cash Book totals.

2 Record of Property

A record should be maintained of property of the congregation recording the cost of all land, site improvements and buildings, furniture and equipment. Entries should be made to the nearest dollar.

The annual transactions should include not only the addition of new expenditure but also the reduction of the cost of property items which are sold or otherwise retired from use.

Each purchase of land, site improvements and buildings, and each contract for the erection of buildings and site improvements can be recorded separately. Furniture and equipment, however, can be group recorded according to the buildings in which they are normally housed, with moveable equipment (e.g. a projector) being recorded separately.

The exact form of the record should however be decided by the local treasurer.

If a commencement cost is not readily apparent reference should be made to past financial records to the extent that this is practicable. Where the cost cannot be ascertained in this manner the congregation property committee should make an estimate and the entry in the property record should be shown as an estimate.

Where a building is reconstructed or altered, cost of the work should be added to the recorded cost of the building provided the total is not more than the present-day value of the altered structure.

Although some minor additions and alterations to building and purchases of equipment are treated as maintenance in lieu of capital expenditure in the Cash Book, such items should be included in the property record which represents the up-to date recording of the cost of the property in use. Such cost should always be known by the treasurer as important general information relating to the property, and as some guide in determining the present-day cost of replacement of adequate insurance cover.

1. Wages System

The Uniting Church Payroll Office can arrange to pay all your staff, and administer the Minister's Benefit Account, through the Centralised Stipend Payroll Service (CSPS). The service includes:

- production of pay slips,
- remittance of PAYG tax to the Australian Tax Office,
- production of annual payment summaries,
- provision of reports for the employer,
- forwarding of National Home Endowment Fund and Beneficiary Fund and superannuation payments to the relevant funds, and
- managing of the Ministers' Benefit Account for each Minister on behalf of the employer (if required).
- payment of Ministers Special Insurance and LSL levy.

Application forms are available on the Synod website:

<https://www.victas.uca.org.au/UCA%20Resources/AccountingServices/Pages/Central-Stipends-and-Payroll-Services.aspx>

2. CSPS Process

If the congregation selects to use the CSPS, an application form will be required to ensure the employee is set up correctly. These forms will need to be fully completed and signed off by the Treasurer and Employee.

The forms are available on the Synod Website:

<https://www.victas.uca.org.au/UCA%20Resources/AccountingServices/Pages/Central-Stipends-and-Payroll-Services.aspx>

If you are unsure which forms to use or do not have accessed to the internet please contact the Payroll Office on 9251 5234 or 9251 5240 or by emailing payroll@victas.uca.org.au

The following forms are available:

1. Application form for Minister - for use when employing a Minister in an Approved Placement.
2. Application form for a Lay Person – for use when employing any other staff, i.e. secretary, cleaner – please include a Letter of Appointment and Position Description.
3. Application form for Long Term Supply – for use when a Relief Minister is working for a period of over 4 months. Note: This is not a Placement.
4. CSPS Short Term Supply – for use when a Relief Minister is working with a congregation for a period of 1 to 3 months.
5. Occasional Supply – for use when a Relief Minister is working with a congregation for a period of less than 1 month.

In the event where a Minister or an Employee has not been previously paid by the CSPA office, the following forms will need to accompany the application form:-

- Tax File Number declaration (obtain from Newsagent)
- Superannuation choice form (found on CSPA website)

If the congregation has not used the CSPA previously then a Direct Debit form will need to be completed. This will give the CSPA office access to recover the funds paid for all costs involved with the congregation's payroll. Please call the CSPA office to obtain this form.

When a Lay Staff employee takes leave (scenario 2 from the list above – not a Minister), a Leave form will be required to be completed:-

- CSPA Leave Application Form – NOTE: most Modern Awards allow for 17.5% Leave Loadings

Ministers' Annual Leave will need to be managed in house and a record kept by the congregation.

At the point where a Placement or Long Term supply has concluded, or in the situation where a staff member resigns, (scenario 1, 2 or 3 from list above), the following form will be required from the congregation and returned to CSPA for action:-

- CSPA Cessation form

If not using CSPA the following matters and PAYG responsibilities will need to be addressed:

3. Ministers, Deacons and Deaconesses

The Australian Taxation Office (ATO) regards Ministers, Deacons and Deaconesses as employees of the church for taxation purposes. As such PAYG (Pay as You Go) withholding tax must be deducted from their earnings.

4. Registration as a "Withholder"

If the congregation is paying staff and not currently registered as an Income Tax Withholder you will need to phone the Australian Taxation office on 13 28 66 to register as a withholder. This is different to registering for an ABN. (This should be done before any wages or allowances are paid.).

5. Keeping Accurate Records

You will need to set up a pay record for each employee/minister. An employees' record book will need to include name, address, hourly rate, salary, gross wages paid, allowances, tax deducted, and net pay. Every payment must show date on which payment is made, gross tax, allowances, other deductions and net amounts for each employee. Using the total columns, the task of preparing Statements of Payments summaries becomes easier.

Ideally you will use an accounting software package which includes a payroll module.

NOTE: Payroll Records are to be retained until 7 years after termination.

5.1 Calculation of Wages / Stipend

5.1.1 Ministers' Stipends

The gross amount is determined by reference to advice from the Synod Office, plus any special amounts referred to in your minister's "terms of settlement".

Stipend rates are usually adjusted on 1st January each year. The Synod Office provides these rates in a document called Summary of Ministerial Provisions and Charges. It is available on the Synod Web:

<https://www.victas.uca.org.au/UCA%20Resources/AccountingServices/Pages/Central-Stipends-and-Payroll-Services.aspx>

Payments to a minister can now be calculated in two different ways:

1. Under FBT rulings and the Assembly recommendation, ministers can elect to transfer up to 30% of the minimum basic stipend and up to 100% of allowances into a Minister's Benefit Account (MBA). The minister receives the balance of stipend less income tax as in the first option. The amount transferred into a MBA can then be used to pay approved expenses.
2. The minister may be paid 100% of stipend plus 100% of allowances. Income tax is then deducted according to the PAYG Withholding Tax instalment guides published by the Australian Taxation Office.

6. How to calculate the wages/stipend (monthly example based on option 1)

- 6.1 Using the employee records book record the following:
- 6.2 Determine the annual stipend from the Synod advice and divide by 12 to obtain the monthly amount.
- 6.3 Repeat this for Minister's Personal Beneficiary Fund contribution, and allowances such as travel.
- 6.4 Take gross stipend less 30% allocated to a Ministers Benefit Account.
- 6.5 Check tax instalment schedule and deduct tax according to Tax File Number declaration and withholding tax declaration.
- 6.6 Take the gross stipend less the tax, less the minister's personal Beneficiary Fund contribution, to give the net pay. (The Beneficiary Fund contribution is an after tax contribution.)
- 6.7 Draw a cheque or process an internet banking transfer for this amount and write out a pay slip detailing your calculations (Example 6).

7. Ministers Benefit Accounts (MBA)

Where you are not using the Centralised Stipend Payroll Service you will need to administer the Ministers Benefit Account. The MBA must be administered by a third party and not by the minister.

Within your accounts you will need to be able to track how much the minister can claim. In an accounting package you would prepare a journal debiting Stipend and Allowances and crediting an MBA Account. When payments are made these would be a charge against this account. Alternatively a separate Church bank account could be established into which the MBA amount is paid each pay period and from which expenses are paid (**Please note this is operated by the congregation and the minister must not be a signatory**).

Payments can be made for direct payment of unpaid accounts, reimbursement of accounts or payment of a corporate credit card.

7.1 Direct Payment of Unpaid Accounts

Invoices are submitted with an acquittal form to the treasurer for payment of the amounts directly to the suppliers of goods and services.

7.2 Reimbursement of Expenses

Expenses are paid by the minister and reimbursed by the treasurer. Reimbursements can be made on behalf of the minister on the provision of receipts and a signed acquittal form.

7.3 A Corporate Card

Note: This option is only available for an MBA that is administered by Accounting Services

For locally administered MBA's, the congregations should NOT pay the MBA amount (the portion of stipend and allowances) into the Corporate Card account. The Corporate Card is an expense account and must be treated as one.

Note: Cash withdrawals or travellers cheques are not allowed as this would incur a personal income taxation liability for the minister.

8. Other Staff

Other staff must be paid according to Employee Agreements or the appropriate awards. For information about awards and award rates contact the Synod Human Resource Services. It is also important to identify Fringe Benefits provided to lay employees. Refer FBT and GST Manual.

8.1 Lay staff – salaries and conditions of employment

The Synod recognises that while some of the larger “employers” within the church have their own human resource departments and ready access to professional advice, the smaller employer (particularly congregations) needs to keep up to date with the changes in industrial conditions

which may affect them. Any updates of wages and conditions of employment are posted on the website:

<https://www.victas.uca.org.au/UCA%20Resources/AccountingServices/Pages/Central-Stipends-and-Payroll-Services.aspx>

In a congregation this includes not only lay staff involved in direct ministry but also office staff and musicians.

8.1.1 New Awards

Modern Awards and National Employment Standards cover terms of employment for administration and cleaning employees for congregations who were previously subject to the Personal and Other Services Industry Sector. For further information on Modern Awards and pay rates, please contact the Synod People and Culture Coordinator on 9251 5477.

9. Tax File Number (TFN) declaration and withholding declaration

Ministers, deacons and deaconesses and all other employees must provide a completed TFN declaration before any payment is made. A Tax File Number should be included, and if the person being paid hasn't a tax file number, an application should be made immediately by the employee to the Tax Office. Unless an application is in progress and indicated on the TFN Declaration, tax must be deducted at the highest rate. In some instances an employee is exempt from quoting a Tax File number, for example pensioners and those under 18 years.

Check to see that a tax file number is on the form, that all sections on the form are completed, and that the form is signed and dated.

This form will tell you at what rate to deduct tax from an employee's wage.

Complete the employer section. Tear off the front page and send it to the ATO. The copy should be placed in a safe place for auditing purposes and as a reference if a taxation query should arise.

10. How much tax do I deduct?

The completed TFN Declaration Form will determine the rate at which tax is to be deducted. You should also obtain an Income Tax Instalment schedule for the appropriate pay period (i.e. Fortnightly, Monthly). These are available from the Taxation Officer or Post Offices or via the website:

<http://www.ato.gov.au/Rates/Tax-tables/>

10.1 Question 1. Tax File Number

Did the employee quote a tax file number?

If not, did the employee tick the box to state that they have lodged a Tax File Number Application/Enquiry form?

If the employee did not give a tax file number, and did not tick the box, you must deduct 49% (inclusive of the Medicare Levy) tax from their pay.

If the employee did not give a tax file number, but ticked the box stating that they are applying for a TFN, they have 28 days to give you a tax file number. In this instance, tax the employee according to questions 7, 8, 9, 10 and 11 until you receive a tax file number from the employee. If after 28 days you have not received a tax file number, you must deduct 49% tax from their pay.

If the employee did give a tax file number, the employee is taxed according to questions 7, 9, 10 and 11 of the form.

10.2 Question 7. Are you an Australian resident for taxation purposes?

If the employee ticked yes, tax according to questions 8, 9, 10 and 11.

If the employee ticked 'no,' the foreign resident tax rates apply. Where you are not given a valid TFN, 49% tax is withheld. There are also separate rates for interest, unfranked dividends and royalties that may apply instead. Otherwise, refer to the ATO website (www.ato.gov.au) for the correct rates and the relevant fortnightly or monthly tax tables.

10.3 Question 8. Tax-free Threshold

If the employee ticked yes, you may tax the employee according to the Income Tax Instalment schedule in the "With general exemption" column.

If the employee ticked no, you may tax the employee according to the Income Tax Instalment schedule in the "No general exemption" column.

If this job is the employee's second job, they must tick the "no" box.

Ministers are not paid a leave loading; however lay staff may be paid leave loading under an award. There is no longer a separate withholding scale in the tax tables for employees who are entitled to leave loading and they will no longer have higher withholding from every pay. These employees will now be taxed more accurately when the leave loading is paid. Any payment of leave loading can be added to annual leave payments.

10.4 Question 9 Senior Australian Tax Offset

If the employee has ticked yes they will need to provide a "Withholding declaration". You must tax the employee according to the "Tax table for senior Australians". Refer <http://www.ato.gov.au/Rates/PAYG-withholding-2011-12/Schedule-22---Tax-table-for-senior-Australians/>

10.5 Question 10 Tax offset for zone, overseas forces, dependent spouse or special tax offset.

If the employee has ticked yes they must complete “Withholding declaration (NAT 3093). Question 9 of the Withholding declaration will include the amount claimed as the tax offset. Normal tax will be reduced by this amount. If paid monthly, take the rebate amount and divide by 12, then take this amount off the “General Exemption” tax amount.

For example: An employee’s normal fortnightly salary is \$1055. They are due to take four weeks annual leave and will receive a total payment of \$4220. As your employee has claimed the tax-free threshold, *column 2 in the Weekly Tax Table (NAT 1005)* should be referred to. The withholding amount (calculated using the Weekly Tax Table) for the weekly earnings of \$1055 is \$202. This figure is then multiplied by the number of weeks leave, which is $\$202 \times 4 = \808 . Therefore, the total amount to be withheld from the annual leave payment is \$808.

10.6 Question 11 Higher Education Loan Project (HELP) and Financial Supplement Debt (SFSS)

If the employee has answered yes to this question, additional tax will need to be deducted per the PAYG withholding – HELP fortnightly tax table (NAT 2185) OR PAYG withholding – SFSS fortnightly tax table (NAT 3307). Refer www.ato.gov.au

10.7 What if the employee gave me a special notice from the ATO?

Sometimes the ATO may request that deductions be made a special way (i.e. daily), not at all or reduced. Before calculating tax, make sure that the letter from the ATO is valid for the current financial year.

If the form says deductions are to be made daily you can get a schedule of daily tax instalments from the ATO.

If the form says no deductions are to be made, do not deduct tax.

If further information is required contact Accounting Services Payroll Office 9251 5240 or visit the Australian Taxation Office website.

How do I tax Lump Sum Payments or Eligible Termination Payments?

These payments require special attention. Lump sum payments on retirement or termination are for unused annual leave or long service leave.

If the payment relates to an amount that accrued after 17 August 1993 and is greater than \$300.00: Calculate the gross amount,

- Divide the sum by 12 (if monthly or 26 if fortnightly),
- Add this amount to the normal gross earnings for the pay period,
- Calculate the tax on the new gross amount,
- Subtract the tax on the employees normal pay and
- Multiply by 12 (or 26 if fortnightly).

For amounts of \$300 or less, deduct tax at the rate of 32%.

Different rates of tax instalments apply where the lump sum is paid as a result of bona fide redundancy, invalidity or early retirement or where the lump sum is payment on termination is for amounts accrued before 18 August 1993.

Eligible Termination Payments are paid to a person as a result of termination of their employment. It includes bona fide redundancy that exceeds the tax-free limit, invalidity or early retirement, golden handshakes, payments in lieu of notice and unused sick leave paid.

The ATO booklet Eligible Termination Payments provides a practical group to help you tax these payments correctly and complete the ETP Group Certificate.

11. Pay As You Go Withholding Tax

The Australian Taxation Office will advise you when taxation payments are payable. Usually this will be paid quarterly but it could be monthly, twice monthly or weekly depending on the amount of the annual tax bill.

At the end of the month or quarter, a cheque (or for larger organisation an EFT) should be drawn to pay the Australian Taxation Office for the value of all employee tax instalments for the payroll processed during the month or quarter. This should be forwarded to the ATO with the appropriate pre-printed form supplied by the ATO.

Payments can also be paid through your nearest Post Office.

12. Superannuation

Refer Superannuation Topic 12

13. Workcover

Workcover for your staff is be paid through Insurance Services of the Uniting Church in Australia. Refer Payments Topic 3, 5.7.

14. Issuing Payment Summaries

All employees must receive a Payment Summary by 14 July. The Payment Summary records details of wages and allowances paid, termination payments, tax deductions and other deductions. Do not include amounts paid to a Minister's Benefit Account (MBA).

Payment Summaries are supplied by ATO and provides for:

PAYEE DETAILS	
Tax File Number	<p>If the employee quoted his/her Tax File Number on the employment declaration form, write it here. If the employee did not quote a number or state that they were applying to the tax office, leave blank.</p> <p>If the employee did not quote a number, but ticked that they were applying to the tax office, write 111 111 111</p> <p>Other variations, see form – Tax File Number Advice for Employers</p>
Surname or Family name	Employee’s Surname/Family Name
Given name/s	Employee’s Given Name(s)
Residential Address	Employee’s residential address: street number and street name, Suburb/Town/City, Postcode
Date of birth (if known)	
PAYMENT DETAILS	
Period during which payments were made	<p>Period of Employment (If not employed for the full year, state period employed) The first day of work to the last day of work in the financial year, but only if you do not work the full year. If employee started on 4/5/17 then dates would be 4/5/17 - 30/6/17. If employee finished on 3/2/17, then dates would be 1/7/16- 3/2/17</p>
Total Tax Withheld (whole dollars)	Tax Instalments deducted. For example write \$541 in figures:
Gross Payments (do not include amounts shown under allowances, lump sum payment) (whole dollars)	<p>Gross salary, stipend, wages, i.e. normal wages, plus holiday pay, plus sick pay.</p> <p>Do not include amounts that are shown separately as:</p> <ul style="list-style-type: none"> •Community Development Employment Projects (CDEP) payments •allowances •lump sum payments •reportable fringe benefits amounts.
Reportable fringe benefit amount	<p>Do not include MBA</p> <p>If an employee’s individual fringe benefit is more than \$2000 you must report the grossed up value of that amount. This is calculated using the following formula:</p> <p style="text-align: center;"><u>Individual fringe benefits amount</u> (1 – FBT rate)</p> <p>The FBT rate for 2016 is 47%. This is the same as multiplying the benefits amount by 1.8868.</p>

Reportable employer superannuation contributions	Include Salary Sacrifice Super and super contributions above the super guarantee payment (Do not include normal payments to the Beneficiary Fund or Super Guarantee payments).
Lump Sum Payments: (whole dollars)	A: termination pay – unused annual leave on termination and unused long service leave that accrued between 15/08/1978 and 18/08/1993
	B: unused long service leave accrued after 17/08/1993
	D: Tax free genuine redundancy payments
	E: Back payments which accrued more than 12 months ago.
Allowances: (whole dollars)	Total travel, manse or book allowance. (do not include allowances paid to the MBA)
Union/professional association fees	Name and amounts paid to unions or professional associations on behalf of Employees.
Workplace giving	Show amounts paid to deductible gift recipients on behalf of your employees and name of Charity.
PAYER DETAILS	
Australian business number (ABN) or withholding payer number (WPN)	Write your ABN or the number that the ATO advised when you registered as a group employer. This number also appears on any correspondence from the ATO.
Name	This is the name of employer – the same name that appears on your business activity statement
Declaration	When office bearers change the ATO will need to be advised of the Authorised Person for signing payment summaries
Date:	

ETP Payment Summary

Where you terminate an employee you may need to issue an Employment Termination Payment Summary. This certificate is used for payment in lieu of notice, unused sick leave, golden handshakes, gratuities, compensation for loss of job or wrongful dismissal, genuine redundancy payments, and lump sum payments paid on the death of an employee. Details need to be provided:

Date of Payment

Taxable component: Payments for notice periods, unused sick leave etc. where this payment relates to service after July 1983

Non Taxable component: Payments for unused sick leave, gratuities where the entitlement relates to service before July 1983
Payments in relation to post June 1994 invalidity component

Total Tax withheld

If you need help refer to the **instruction guidelines** issued by the ATO, or telephone the Tax office on 13 28 66 or the Synod Payroll Office.

Annual Return

An annual return is also given to the ATO, which shows the number of payment summaries issues, total gross payments and total of amounts of tax withheld. The total tax on the Payment Summary and the total tax paid to the ATO should agree.

Example 12 – Payment register

Topic 12

Payments Register Jan/Feb 2016

ID No.	Date	Memo/Payee	Withdrawal	Memo
EFT354	14/01/2016	UCA - CSPS	\$193.37	Corina Fong
EFT355	14/01/2016	Jims Mowing Sunbury South	\$440.00	Mt Ridley Mowing
EFT356	14/01/2016	UCA - CSPS	\$6,486.06	Stipend and Allowances
EFT357	21/01/2016	Telstra	\$45.27	Telephone - Manse and Church
EFT358	21/01/2016	Uniting Church in Australia Synod of	\$100.00	UCA Mission & Service Contrib
EFT359	27/01/2016	Telstra	\$60.00	Telstra - Ministers Mobile 70% Sept
EFT360	29/01/2016	UCA - CSPS	\$29.50	Visiting Preacher fees
EFT361	10/02/2016	Uniting Church in Australia Synod of	\$20.00	Donation Share
EFT362	10/02/2016	NCCALTD - ACT FOR PEACE	\$623.55	Christmas Bowl
EFT362A	10/02/2016	AGL	\$287.92	Gas Church
EFT363	11/02/2016	Uniting Church in Australia Synod of	\$100.00	UCA Mission & Service Contrib
EFT364	12/02/2016	AGL	\$187.08	Electricity
EFT365	12/02/2016	UCA - CSPS	\$250.98	Lyn Bromage
EFT365A	12/02/2016	UCA - CSPS	\$391.62	Bruce Hill
EFT366	12/02/2016	AGL	\$492.21	Electricity
EFT367	12/02/2016	UCA - CSPS	\$6,486.06	Stipend and Allowances
EFT368	22/02/2016	Telstra	\$41.57	Telephone - Manse and Church
EFT369	24/02/2016	Telstra	\$60.00	Telstra - Ministers Mobile
EFT370	29/02/2016	Hume City Council	\$55.00	Rates Mickleham
EFT371	29/02/2016	Hume City Council	\$67.00	Rates Church
EFT372	29/02/2016	ATO - GST Refund	\$320.00	ATO - GST Refund
EFT374	29/02/2016	Hume City Council	\$111.00	Rates Manse
			\$16,848.19	

Example 13 – Statement Receipts and Payments

Topic 12

ANYTOWN UNITING CHURCH

Statement of Receipts and Payments for the Quarter Ended 30 September 20XX

	THIS MONTH			YEAR TO DATE			TOTAL YEAR
	Actual	Budget	+/-	Actual	Budget	+/-	Budget
RECEIPTS							
Offerings							
- Systematic Envelope	\$8,000	\$7,000	\$1,000	\$62,000	\$63,000	(\$1,000)	\$84,000
- Open Plate	\$1,500	\$1,308	\$192	\$10,000	\$11,775	(\$1,775)	\$15,700
Donations							
- General Purpose	\$100	\$175	(\$75)	\$1,900	\$1,575	\$325	\$2,100
- Fete	\$2,000	\$172	\$1,828	\$2,000	\$1,545	\$455	\$2,060
- Uniting Church appeals	\$250	\$103	\$147	\$250	\$930	(\$680)	\$1,240
Legacies / Bequest	\$0	\$110	(\$110)	\$100	\$990	(\$890)	\$1,320
Interest	\$140	\$15	\$125	\$140	\$139	\$1	\$185
Rents and property income	\$1,300	\$1,288	\$13	\$12,000	\$11,588	\$413	\$15,450
GST Refund	\$155	\$0	\$155	\$2,308	\$0	\$2,308	\$0
GST included in receipts and payable	\$330	\$0	\$330	\$1,400	\$0	\$1,400	\$0
TOTAL RECEIPTS	\$13,775	\$10,171	\$3,604	\$92,098	\$91,541	\$557	\$122,055
PAYMENTS							
Ministry							
Stipend	\$3,450	\$3,450	\$0	\$31,050	\$31,050	\$0	\$41,400
Car Allowance	\$933	\$933	\$0	\$8,400	\$8,400	\$0	\$11,200
Other Allowances	\$17	\$17	(\$0)	\$150	\$150	\$0	\$200
Parish Fixed Charges	\$633	\$633	\$0	\$5,700	\$5,700	\$0	\$7,600
Workcover insurance	\$260	\$258	(\$2)	\$2,325	\$2,325	\$0	\$3,100
	\$5,293	\$5,292	(\$1)	\$47,625	\$47,625	\$0	\$63,500
Christian Education							
Sunday School	\$210	\$202	(\$8)	\$1,000	\$1,815	\$815	\$2,420
	\$210	\$202	(\$8)	\$1,000	\$1,815	\$815	\$2,420
Property Services & Maintenance							
Cleaning Material	\$85	\$7	(\$78)	\$85	\$64	(\$21)	\$85
Property Services	\$500	\$585	\$85	\$5,000	\$5,261	\$261	\$7,015
Property insurance, rents	\$600	\$641	\$41	\$6,000	\$5,771	(\$229)	\$7,695
Property maintenance	\$50	\$250	\$200	\$2,000	\$2,250	\$250	\$3,000
Interest and loan charges	\$0	\$8	\$8	\$50	\$75	\$25	\$100
Loan repayments	\$0	\$43	\$43	\$0	\$386	\$386	\$515
	\$1,235	\$1,534	\$299	\$13,135	\$13,808	\$673	\$18,410
Communication, Fundraising							
Choir, Music	\$50	\$9	(\$41)	\$50	\$79	\$29	\$105
Office expenses/Printing	\$250	\$238	(\$12)	\$2,500	\$2,145	(\$355)	\$2,860
Telephone/postage	\$200	\$208	\$8	\$1,900	\$1,875	(\$25)	\$2,500
Fundraising expenses	\$1,000	\$792	(\$208)	\$2,000	\$7,125	\$5,125	\$9,500
	\$1,500	\$1,247	(\$253)	\$6,450	\$11,224	\$4,774	\$14,965
Mission and Service							
Donations	\$1,333	\$1,333	\$0	\$12,000	\$12,000	\$0	\$16,000
	\$250	\$250	\$0	\$2,250	\$2,250	\$0	\$3,000
	\$1,583	\$1,583	\$0	\$14,250	\$14,250	\$0	\$19,000
Equipment	\$300	\$292	(\$8)	\$2,000	\$2,625	\$625	\$3,500
Miscellaneous	\$30	\$31	\$1	\$250	\$278	\$28	\$370
GST included in payments and receivable	\$485	\$0	(\$485)	\$3,708	\$0	(\$3,708)	\$0
Total Payments	\$10,636	\$10,180	(\$456)	\$88,418	\$91,624	\$3,206	\$122,165
SURPLUS (DEFICIT)							
Opening Bank Balance	\$3,139	(\$9)	(\$3,148)	\$3,680	(\$83)	(\$3,763)	(\$110)
	\$1,100			\$699			\$699
Closing Bank Balance	\$4,239			\$4,379			\$589

Example 14 – Bank Reconciliation

Topic 12

ANYTOWN UNITING CHURCH

BANK RECONCILIATION AS AT

Balance at the commencement of year		\$4,000
<u>ADD</u>	Receipts total per Cash Book Receipts	\$9,266
		<u>\$13,266</u>
<u>LESS</u>	Payments per Cash Book Payments	\$12,908
	CASH BOOK BALANCE AS AT XX/XX/XX	<u><u>\$358</u></u>

BALANCE AS PER BANK STATEMENT

\$750

<u>ADD</u>	Amounts received as per Cash book not yet on statements:	
	Offering 30/9/XX	\$300
		<u>\$1,050</u>
<u>LESS</u>	Unpresented cheques:	
	610	\$492
	611	\$100
	2	\$100
		<u>\$692</u>
	CASH BOOK BALANCE	<u><u>\$358</u></u>

NOTE

Overdraft balances will require reverse treatment of ADD/LESS

ANYTOWN UNITING CHURCH

Statement of Receipts and payments for the year ended 31/12/XX

Previous year	<u>RECEIPTS</u>		\$
\$17,082	Bank credit at 1/1/XX		\$13,652
	<u>Offerings</u>		
\$81,547	Systematic Envelope offerings		\$85,527
\$15,334	Open Plate		\$13,375
	<u>Donations</u>		
	- General Purpose	\$2,068	
	- G. Green Bequest - manse heating	\$700	
	- Fete	\$2,000	
\$5,074	- Old accou Bible Soceity	\$142	\$4,910
	<u>Donations - Uniting Church appeals</u>		
	- Christmas Bowl	\$1,300	
	- Share appeal	\$490	
	- People in Partnership	\$370	
	- Lenten offering	\$200	
	- Conference costs	\$30	
\$4,001	- Youth ministry	\$10	\$2,400
\$2,302	Capital Donation - Building		\$2,800
\$1,278	Legacies / Bequest		\$590
\$178	Interest		\$440
\$15,236	Rents and property income		\$14,300
\$3,894	Insurance Claims		\$6,300
	<u>Miscellaneous</u>		
	- Sale Equipment	\$200	
	- Equipment Hire	\$20	
	- Study books	\$14	
	- Diner dance	\$1,100	
	- Film night	\$460	
\$942	- camps	\$506	\$2,300
\$958	Religious Instruction in Schools		\$1,535
\$7,000	Investments realised		\$42,900
	GST		\$5,420
	ATO Refund		\$230
	GST included in receipts		
<u>\$154,826</u>	TOTAL RECEIPTS		<u>\$196,679</u>

Example 15

Topic 12

Previous year	<u>PAYMENTS</u>	\$
	<u>Ministry</u>	
\$40,228	Stipend	\$42,187
\$10,851	Car Allowance	\$11,182
\$200	Other Allowances	\$2,570
\$7,400	Fixed Charges	\$7,874
\$2,984	Workcover insurance	\$689
<u>\$61,663</u>		<u>\$64,502</u>
	<u>Christian Education</u>	
\$1,862	Sunday School	\$912
	Religious instruction	\$1,535
<u>\$1,862</u>		<u>\$2,447</u>
	<u>Property Services & Maintenance</u>	
\$82	Clean Material	\$92
\$6,811	Property Services	\$7,925
\$7,469	Property insurance, rents	\$9,622
\$5,528	Property maintenance	\$9,729
\$100	Interest and loan charges	\$127
\$500	Loan repayments	\$15,500
<u>\$20,490</u>		<u>\$42,995</u>
	<u>Communication, Fundraising</u>	
\$102	Choir, Music	\$498
\$2,773	Office expenses/Printing	\$2,690
\$2,434	Telephone/postage	\$3,360
\$9,221	Fundraising expenses	\$2,360
<u>\$14,530</u>		<u>\$8,908</u>
\$15,533	<u>Mission and Service</u>	\$17,100
	<u>Donations</u>	
	- Christmas Bowl	\$1,300
	- Share appeal	\$490
	- People in Partnership	\$370
	- Lenten offering	\$200
	- Conference costs	\$30
\$5,585	- Youth ministry	\$10
<u>\$21,118</u>		<u>\$2,400</u>
		<u>\$19,500</u>
\$3,371	Equipment	\$1,953
	<u>Miscellaneous</u>	
	Gift	\$377
	Diner Dance costs	\$1,069
	Parish Camp costs	\$437
\$1,505	Film night costs	\$767
		<u>\$2,650</u>
	GST included in payments	\$5,650
<u>\$4,876</u>		<u>\$10,253</u>
\$124,539	Sub Total	\$148,605
\$16,635	Investments made	\$40,708
\$13,652	BANK CREDIT AT 31/12/XX	\$7,365
<u>\$154,826</u>	Closing Bank Balance	<u>\$196,678</u>

Example 16 – 3 year Budget

Topic 13

ANYTOWN UNITING CHURCH - 3 Year Budget 2017 to 2020

	2017 Actual	2018 Budget	2019 Budget	2020 Budget
RECEIPTS				
Offerings				
Systematic Envelope offerings	\$81,547	\$84,000	\$86,500	\$89,095
Open Plate	\$15,334	\$15,700	\$16,180	\$16,600
Donations				
- General Purpose	\$2,068	\$2,100	\$2,170	\$2,230
- Bequest	\$700	\$720	\$720	\$740
- Fete	\$2,000	\$2,060	\$2,100	\$2,160
- Uniting Church appeals	\$500	\$520	\$530	\$540
Legacies / Bequest	\$1,278	\$1,320	\$1,360	\$1,400
Interest	\$178	\$185	\$190	\$195
Rents and property income	\$15,000	\$15,450	\$15,900	\$16,400
Insurance Claims	\$4,000			
Miscellaneous	\$395	\$400	\$410	\$420
Net GST refund	\$2,188	\$2,000	\$2,000	\$2,000
TOTAL RECEIPTS	\$125,188	\$124,455	\$128,060	\$131,780
PAYMENTS				
Ministry				
Stipend	\$40,228	\$41,400	\$42,600	\$43,800
Car Allowance	\$10,851	\$11,200	\$11,500	\$11,800
Other Allowances	\$200	\$200	\$205	\$210
Parish Fixed Charges	\$7,400	\$7,600	\$7,800	\$8,100
Workcover insurance	\$2,984	\$3,100	\$3,200	\$3,295
	\$61,663	\$63,500	\$65,305	\$67,205
Christian Education				
Sunday School	\$1,862	\$1,920	\$1,980	\$2,040
Religious instruction		\$500	\$500	\$500
	\$1,862	\$2,420	\$2,480	\$2,540
Property Services & Maintenance				
Clean Material	\$82	\$85	\$90	\$95
Property Services	\$6,811	\$7,015	\$7,200	\$7,400
Property insurance, rents	\$7,469	\$7,695	\$7,900	\$8,100
Property maintenance	\$5,528	\$3,000	\$2,000	\$2,000
Interest and loan charges	\$100	\$100	\$100	\$105
Loan repayments	\$500	\$515	\$530	\$540
	\$20,490	\$18,410	\$17,820	\$18,240
Communication, Stewardship				
Choir, Music	\$102	\$105	\$110	\$110
Office expenses/Printing	\$2,773	\$2,860	\$2,950	\$3,040
Telephone/postage	\$2,434	\$2,500	\$2,580	\$2,660
Stewardship expenses	\$9,221	\$9,500	\$9,780	\$10,080
	\$14,530	\$14,965	\$15,420	\$15,890
Mission and Service				
Donations	\$15,533	\$16,000	\$16,500	\$17,000
	\$2,000	\$3,000	\$4,000	\$5,000
	\$17,533	\$19,000	\$20,500	\$22,000
Equipment				
Miscellaneous	\$3,371	\$3,500	\$3,500	\$3,500
	\$353	\$370	\$400	\$400
Total Payments	\$119,802	\$122,165	\$125,425	\$129,775
SURPLUS (DEFICIT)	\$5,386	\$2,290	\$2,635	\$2,005

ACTION BUDGETING – FIRST LOOK

Action budgeting offers a fresh way to look at, and interpret, the mission and ministry of your congregation. It can help members apply their resources to the goals which your church seeks to achieve, rather than merely giving to a budget.

What is the difference between an action budget and an accounting budget?

The accounting budget is arranged by categories such as stipend/salaries and benefits, utilities (property), supplies, and postage/telephone. It is a necessary tool for the treasurer as he or she allocates income against the costs of doing ministry. However, such a budget says little about the purpose, goals, mission of the church. It is difficult to use as a motivating force for giving.

An action budget, on the other hand, is arranged according to functions. It describes the goals that the congregation wishes to accomplish, and lists the expected costs. Rather than making building and minister the focal point of cost, an action budget places emphasis on the desired results and incorporates building and minister as instruments for action.

The aim is to provide a tool for planning and decision making, for evaluating, and for communicating. While still showing the estimated needs, the action budget keeps the discussion centred on the congregation's major priorities in fulfilling the mission it has been given.

Procedure for Setting up an Action Budget

Setting up an action budget is not a task which can be done by a small committee the week before the annual church council meeting. It is a process which may cover several months, especially during the first year it is attempted. It is worth it, however, since an action budget's value is not only in keeping financial operation of the congregation orderly, but in stimulating the whole congregation to be aware of its purpose as a church of Christ. Councils which continue action budgeting over several years find the results becoming increasingly helpful.

HERE'S A WAY TO GET STARTED:

Step 1 - Stating the Congregation's Purposes

While constitutions contain an article designating the purpose of the congregation, this article is normally very general. A more specific Mission Statement or purpose is helpful, one which will speak more directly to the situation in which the church council ministers. While written in ultimate terms, the statement will cover the congregation's mission to its own members and to the community and world-at-large. The church councils provides leadership in the process, and as many persons as possible are encouraged to participate in writing the statement.

Step 2 - Developing the Congregation's Vision Objectives

The congregation's mission statement may be written in one or two meetings. Then more specific objectives are developed, outlining the particular direction in which the congregation plans to move. Again, the church councils, committee leadership, staff, and other persons are involved.

Objectives are more specific than the mission statement but are related to it. For example, the mission statement may include a sentence such as, "We will enable all of our members to witness their faith in their daily lives." An objective growing out of this could be, "to help members prepare to witness to their faith by providing four learning experiences."

In addition to being specific, objectives are stated in a way that enables easy evaluation. If, by the end of the year, only three of those learning experiences have been held, it is readily apparent that this objective has been only partially fulfilled.

Objectives will be needed for every aspect of the church's life. Sometimes a major activity, such as education, will require several statements to adequately cover the plans.

We would then develop the Vision Objectives into more specific goals. Goals are SMART - Specific, Measurable, Available, Result orientated and Time determinate. They describe who will do what, when and how its effectiveness will be measured.

Step 3 - Setting up the Budget

Once the vision objectives and goals are developed, possibly over the course of several meetings, the activities and the budget itself are organised. The various committees and people guiding the major aspects of the congregation's ministry will estimate

- 1) the amount of money necessary to carry out their programs
- 2) the amount of staff time
- 3) the use of church facilities
- 4) the amount of administration support needed.

This information is then put together by the church councils or finance committee in the form of an action budget.

A further step may also be added to recognise the hours contributed by volunteers.

Dollar expenditures are not the only costs of mission.

Volunteer hours contributed by members are an additional input to achieving the objectives.

Here is an example. A choir includes twenty persons each of whom spends a minimum of two hours weekly in practice and one-and-one half hours in performance. That means that approximately 3,500 hours of voluntary time are necessary annually to carry out choral support for congregational worship.

COMPARISON OF AN ACCOUNTING BUDGET WITH AN ACTION BUDGET:

Compare the action budget on the right with the accounting budget on the left. They are both for the same year of the same congregation, but the categories are changed so that the emphasis in the action budget is on ministry rather than maintenance.

In changing from the accounting budget to the action budget in the example, items which clearly belonged in one of the new categories were assigned there. Then the more general items, such as postage, supplies, the total pastoral package, including the minister's travel and car allowance were divided and inserted into the appropriate program categories.

As your action budget becomes more complex, you may wish to allocate the building, maintenance, and associated expenses according to the amount the facilities contribute to the various programs. In that case, for example, you will want to allocate under "Ministry of Local Concern" an amount representing building use by outside organisations.

Step 4 - Communicating to the Congregation

The action budget and the various studies, research, and discussion which go into developing it provide excellent material for informing the people of the ministries being planned. The Mission Statement should be disseminated widely, certainly in the congregation paper, Sunday bulletins and discussed with various groups.

Annual objectives can be prepared in printed form and also presented in short talks during worship services.

Vision objectives of course, can be changed annually, and the congregations should be informed of progress made in achieving them.

An important use of the action budget for communication is during stewardship visits where it can be used to present the challenges for mission. It is easier to stress ministry and mission than maintenance and money. The approach will not tend to be "We need dollars to pay our bills' rather "Here is how we plan to pursue our mission during the coming year and what we expect to accomplish.

When using the action budget for communicating to the congregation it is important to enter against each area of ministry details of appropriate events and activities planned for the budget year.

For example

Ministry of Education	\$4,895
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These ministries include our regular Sunday School programs for child youth and adults. During the Lenten period an additional adult program of four discussions will be held. In September/October a nine session study of the Book of Romans will be led by our minister.

Some Advantages

Since this may be your first attempt to use action budgeting to help motivate your church in response to stewardship, regard it as a tool that will need continued refinement.

The first purpose of an action budget is to help church members understand its objectives and the cost to achieve those objectives.

The second purpose is to tell the story of your church's work in order to secure support where action budgeting has been used in stewardship efforts, a significant increase in pledge support has resulted.

A third purpose is the management of program priorities of your congregation. The church council can assess the value of its objectives and the appropriate resources necessary to implement the objectives.

Congregations that have used action budgeting over five years have found that they can measure trends and shifts in priorities and implement a change in future emphasis.

Reproduced by Accounting Services, Synod of Victoria, Uniting Church in Australia.

ANYTOWN UNITING CHURCH - Capital Budgets 2015 to 2018

<u>Estimated Future Capital Needs</u>	2015	2016	2017	2018	Total
Renovations:					
- Covered walkway between hall and church				\$50,000	\$50,000
- repaint manse			\$5,000		\$5,000
	\$0	\$0	\$5,000	\$50,000	\$55,000
<u>Proposed Funding:</u>					
Gifts from members	\$5,000	\$5,000	\$5,000		\$15,000
Fundraising events	\$1,000	\$2,000			\$3,000
Development Fund Earmarked loan (6% interest)*				\$10,000	\$10,000
Property Sale Proceeds				\$25,000	\$25,000
Investments realised				\$2,000	\$2,000
	\$6,000	\$7,000	\$5,000	\$37,000	\$55,000

* Principal and interest repayments of \$2850.00 to be made over the following 5 years by transfer from the operating budget

Example 21 – Acknowledgement Letter

ACKNOWLEDGMENT LETTER

ANYTOWN UNITING CHURCH

Recorder's Address:

Dear Fellow Christian,

Re: Any town Uniting Church Stewardship Program 20X7 - 20X9

On behalf of the Stewardship Committee we wish to thank you for your continued support.

Your total contribution of \$..... during the twelve month period to 27/11/X8 is gratefully acknowledged.

Yours sincerely,

Recorder's Name

Example 22 – Petty Cash

Topic 6

Petty Cash Reconciliation									
Date 2005	Item	Voucher No.	TOTAL REIMBURSED	GST	Printing & Stationery	Maint.	Sunday School	Postage	Office expense
5-Mar	Milk	A21	1.10						\$1.10
6-Mar	Typewriter ribbon	A22	5.50	\$0.50	\$5.00				
7-Mar	Mowing	A23	11.00	\$1.00		\$10.00			
10-Mar	Coffee, milk	A24	4.90						\$4.90
11-Mar	Diary	A25	11.00	\$1.00	\$10.00				
12-Mar	Stamps	A26	45.00	\$4.10				\$40.90	
14-Mar	Book for Sunday School	A27	5.50	\$0.50			\$5.00		
15-Mar	Milk	A28	1.10						\$1.10
26-Mar	Committee meal	A29	15.00						\$15.00
31-Mar	Milk, Pens	A30	6.60	\$0.50	\$5.00				\$1.10
			<u>106.70</u>	<u>\$7.60</u>	<u>\$20.00</u>	<u>\$10.00</u>	<u>\$5.00</u>	<u>\$40.90</u>	<u>\$23.20</u>
	Reimbursement				\$106.70				
	Cash in hand				\$93.30				
	Float				<u>\$200.00</u>				

CENTRALISED STIPEND PAYROLL SERVICE

The 1995 Synod approved the establishment of a centralised stipend and wages payroll service to commence from 1 July 1996. This service is provided by the Synod on a fee per minister/employee basis. Payments to ministers, casual parish workers, lay parish assistants, specified youth workers, cleaners, gardeners, etc., are available. There is an application form enclosed.

The Service has been established by the Synod office to meet the needs of treasurers, ministers and church councils. This need has become more pressing as recent legislative changes in the employee remuneration area and the changes to the Ministers' Remuneration guidelines have increased the burden on each treasurer.

Accounting Services have the expertise, resources and payroll systems to provide a service for the Church to help alleviate this burden and to simplify the treasurer's work.

Should your congregation/presbytery decide to take advantage of the payroll service, simply fill out the application form for each minister and/or employee and send them back to Accounting Services. Please complete one application form per minister/employee. Should you require extra forms please contact the Payroll Office on 03 9251 5200.

What will the service entail?

Accounting Services will act as a payroll bureau for the church and will agree to pay your minister/employee on a monthly or fortnightly basis by deposit in a nominated bank account.

Accounting Services will also: -

- Pay stipends and wages on a monthly or fortnightly basis
- Provide pay slips to all employees via email or regular mail
- Administer Minister's Benefit Accounts (MBA's)
- Remit PAYG tax to the Australian Taxation Office
- Remit Beneficiary Fund payments
- Remit Home Endowment fund payments
- Remit other superannuation contributions (i.e. Lay Staff)
- Provide Payment Summaries
- Provide reports for the employer.
- Salary figures are included on Synod BAS Statement

The service will enable you to choose between the following possibilities:

1. Both stipend/salary and allowances AND Ministers' Benefit Account to be administered by Synod, or
2. Payment of Stipend/Allowances ONLY or Salary for employees ONLY, or
3. Ministers' Benefit Account administration ONLY.

Just as if the Synod were an independent payroll bureau, there are two ways the congregation can reimburse the Synod for the stipend/salaries and costs each month/fortnight. They are:

CENTRALISED STIPEND PAYROLL SERVICE

1. Transfer from a nominated church council UCA Funds Cash Management Account, or
2. By Direct Debiting a nominated congregation Bank Account.

The preferred option is No 1. This interest rate is higher and calculated on a daily basis in the UCA Funds accounts, whereas money deposited into a bank account usually earns lower interest. Also, UCA Funds accounts incur no transaction fees. If your congregation/presbytery does not have an account with UCA Funds or has an account and does not want to mix investments funds with operating accounts, it is suggested that you might consider opening a new account with UCA Funds. Application forms are available from Funds Management at the Synod office.

Note: - It is the responsibility of the Treasurer to ensure that funds are available, in whichever account is nominated, at the time stipend/salary payments are processed.

Monthly Stipend/Payroll Processing

You may choose to have the minister/employee paid on a monthly or fortnightly basis. If the pay date falls on a weekend, the pay will be in the minister's/employee's account on the Friday before.

The monthly payroll service is paid on 15th of the month and the Minister will be paid two weeks in advance for the month.

All payments for Beneficiary Fund, HEF and Superannuation Funds will be processed monthly. Payments to the Australian Taxation Office will be processed twice a week.

Congregations will be direct debited for the reimbursement of costs at the same time as the payroll is deposited in the Minister's/employee's bank account i.e. overnight on the night before payment is due. Funds are usually available to the employee first thing in the morning if accessed by A.T.M. or when the bank opens for business.

The service fee for processing of monthly stipend/payroll will be \$27.75 per month per minister/employee. This fee is reviewed yearly and is subject to change.

Fortnightly Stipend/Payroll Processing

You may choose to have the minister/employee paid on a fortnightly basis.

The service fee for processing fortnightly stipend/payroll will be \$31.10 per month per minister/employee. Pay day is on a Friday, for the two weeks up to and including that Friday. This fee is reviewed yearly and is subject to change.

CENTRALISED STIPEND PAYROLL SERVICE

Ministers' Benefit Account Processing.

The MBA provides real financial advantage at no cost to the congregation. Participating in this centralised service will relieve treasurers of the complexity of administering it.

From January 1st 2013, there will be no MBA fee which the minister is obliged to pay.

The MBA service will entail the full management of each ministers' benefit account via the synod office. Separate ledger accounts will be maintained for each MBA.

Car Loan, HEF loans and mortgage payments can be automatically deducted from the MBA via Electronic Transfer, saving the need for cheques to be written each month.

When a minister changes settlements and both congregations agree to use the service for MBA, there will be no need to transfer closing balances to the new congregation.

It will mean that there will be a more strict enforcement of documentation/substantiation of credit card transactions being supplied to the synod for account payment validation.

Should you have any queries please do not hesitate to call either the Payroll Office or myself at the Synod office.

We look forward to providing you with an efficient service to free up your time so that you can concentrate on other important day to day management of your congregation/presbytery resources.

Prepared by:

Heather Ackland,
Director Accounting Services

PAPER Basic Religious Charity (“BRC”) Checklist

This checklist applies only to Congregations, Presbyteries and Synod Boards who are endorsed by the ATO as a Charitable Institutions and recognised by the ACNC as a Basic Religious Charity and are intending to lodge their Annual Information Statement in paper form.

This does not apply to organisations that:

- are intending to lodge their Annual Information Statement ON-LINE
- have PBI taxation endorsements; or
- have Deductible Gift recipient (DGR) status; or
- are registered charitable child care centres; or
- are educational institutions such as primary and secondary schools.

Note: The checklist is generic and would support all congregations/ presbyteries. However there may be cases where your 2017 Annual Information Statement is tailored to your individual congregation/ presbytery requirements

How to complete the ACNC 2017 Annual Information Statement in PAPER format

The table below sets out the standard responses to be provided by Uniting Church organisations that meet the definition of a Basic Religious Charity, when completing their 2017 Annual Information Statement in paper format.

Lodgement of completed PAPER forms

This Statement must be lodged with the ACNC after 1 January 2018 and before 30 June 2018
The completed forms can be lodged with the ACNC in one of two ways.

1. By direct e-mail scanned to advice@acnc.gov.au; or
2. By sending a hard copy of the AIS to the ACNC.

ACNC
GPO Box 5108
MELBOURNE VIC 3001

Please note that the ACNC does not require Basic Religious Charities to submit financial returns and Basic Religious Charities should not submit an annual financial return.

Checklist answers

Please use black pen only to complete the form.

Question	Response
Section A – Charity Information	
1	Insert the organisation ABN that is registered with the ACNC.
2	Insert organisation name as detailed on your ABN registration for the ABN

	<p>listed in 1 above with the Australian Business Register</p> <p><i>Note:</i></p> <p><i>This can be sourced through the ABR website</i></p> <p>https://abr.business.gov.au/</p> <p><i>by keying in your ABN.</i></p>
3	<p>Insert all the trading or business names being operated under the ABN registration. Add additional names as necessary</p>
4 (a)	<p>Provide full details of the <u>address for service</u> for your organisation.</p> <p>If an e-mail address is to be included it <u>must</u> be an e-mail address specifically for the organisation and <u>not</u> a personal e-mail address.</p>
4 (b)	<p>Provide full details of the contact person for your organisation.</p>
5	<p>Provide details of your organisation's street address to be displayed in the public domain on the ACNC website.</p> <p>If an e-mail address is to be included it <u>must</u> be an e-mail address specifically for the organisation and <u>not</u> a personal e-mail address.</p>
6	<p>Place an X in the small, medium or large box as applicable.</p>
7	<p>Place an X in the NO box</p>
7(a)	<p>Place an X in the NO box</p>
7(b)	<p>Place an X in the NO box</p>
7(c)	<p>Place an X in the NO box</p>
7(d)	<p>Place an X in the NO box</p> <p>If your organisation is holds DGR status it is NOT a BRC you must use the "<i>Checklist for Organisations other Than Basic Religious Charities</i>" and must comply with the ACNC financial reporting regime</p>
7(e)	<p>Place an X in the YES or NO box as applicable.</p> <p>If Yes, your organisation is NOT a BRC and you must use the "<i>Checklist for Organisations other Than Basic Religious Charities</i>" and must comply with the ACNC financial reporting regime</p> <p><i>Additional information regarding Basic Religious Charity:</i></p> <p><i>A Basic Religious Charity is an ACNC category for a particular type of registered charity. To be considered a Basic Religious Charity, a charity must meet all of these criteria:</i></p> <ul style="list-style-type: none"> • <i>It can only be registered with the charitable subtype of 'advancing religion',</i> • <i>It must not be incorporated or otherwise registered under certain legislation,</i> • <i>It has not been approved by the ACNC to report as part of a group for a particular reporting period</i> • <i>It must not, as a whole, be endorsed as a deductible gift recipient</i>

(DGR) or not operate a DGR fund(s) that had total revenue of \$250,000 or more in the 2015 reporting period, and

- It must not have received more than \$100,000 in government grants in the reporting period or in the previous two reporting periods.

More information can be found on the ACNC website at acnc.gov.au/basicreligiouscharity

Section B - Activities

8 Place an X in the **YES** Box

9 Under Main Activity please select **Religious Activities** only.

9(a) Do not answer

10 Insert

The organisation pursued its charitable purposes by facilitating worshipping, witnessing and serving as a fellowship of the Spirit in Christ. Its members meet regularly to hear God's Word, to celebrate the sacraments, to build one another up in love, to share in the wider responsibilities of the Church, and to serve the world.

11 Under Main Activity please select **General Community in Australia**

11(a)(i) Do not answer

11(a)(ii) Do not answer

12 Place an X in the VIC and/or TAS box as applicable

13 Place an X in the **NO** box

Section C – Human Resources

14(a) Insert numbers as applicable. : Include any minister or staff paid through Synod Centralised Stipend Payroll Services (CSPS).

14(b) Insert number

Section D – Finance

15 Please **DO NOT ANSWER** and do not provide financials.

16(a) Please do not answer

16(b) Please do not answer

16(c) Please do not answer

16(d) Please do not answer

16(e) Please do not answer

Section E – Annual Report	
17	Please do not answer
Section F – Streamlined reporting	
19(a)	Place an X in the YES or NO box as applicable
19(b)	If you answered YES to 19(a) place an X in VIC and/or TAS as applicable If you answered NO to 19(a) do not answer 19(b)
19(c)	Place an X in the NO box
Section G – Other Obligations	
20	Check list of responsible persons . If list does not contain all current members of your governing body e.g. Church Council, Standing Committee or Board. Please amend accordingly Tick box to confirm that the details for all responsible persons are correct.
Section H – Declaration	
Please insert details of the person completing and signing the 2017 Annual Information Statement. This person must be on the list of responsible persons for the organisation.	
Section AF – Ancillary Fund Information requirements	
Please do not complete	

Further Information

If you have any queries please contact Jacqueline Vanderholt on 03-92515985 or e-mail jacqueline.vanderholt@victas.uca.org.au