The Presbyterian Church
Property Trustees

Building up the Presbyterian Church for God's Mission

AUGUST 2026

NEWSLETTER

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PIF On Call Interest Rate on the up

The Interest Rate for the Presbyterian Investment Fund **On Call Fund increased to 3.5% p.a. from 1 August 2026.**

The PIF On Call interest rate increase follows the Reserve Bank of New Zealand's July decision to increase the Official Cash Rate to 2.50%. The PIF On Call interest rate is linked to the Official Cash Rate (OCR). Most commentators expect two more increases in the OCR before the end of the year, with the first of these at the RBNZ's next meeting early in September. The Trustees' Investment Committee, which sets the PIF rates, has already determined that the PIF On Call rate will mimic the OCR in September. That is, if the OCR goes up, so will the PIF rate. If the OCR remains as is, so will the PIF On Call rate.

The **Long Term Fund continues to pay regular interest of 3% p.a. plus inflation**. Inflation for the June 2026 quarter was +1.49 %, so this was added to balances, bringing inflation for the last 12 months to 4.1%. With inflation running above average, this makes the hurdle for the Long Term Fund more challenging. That is, the Fund has to earn at least 7.1% so it can inflation-proof capital balances and provide income of 3% p.a. Fortunately, investment returns have been strong, with the Fund earning over 11%. As a result, Long Term accounts were credited with an extra 4% reserve interest at the end of the quarter, leading to a return for the 12 months to 30 June 2026 of 11.1%.

You can get in touch with us via email at **trustees@presbyterian.org.nz** or by calling 04 381 8296.

For Beneficiary Fund enquiries, please contact Melville Jessup Weaver (MJW), the Fund's Administrator, via email at **presbyterian@mjw.co.nz,** or calling **0800 266 787.**

Bequests and Trusts

The Presbyterian Church has been blessed by the generosity of its members, past and present. Our members give in so many ways: time, talent and skill, passion and compassion, and money and possessions.

Many of our congregations and different parts of the Church benefit from financial gifts, whether a bequest from an estate or a gift from someone still living. Gifts create a 'trust' – a fiduciary responsibility. The receiving party is entrusted with carrying out the giver's instructions or wishes, whether expressed in a will or the terms of a gift.

When it comes to administering a financial gift, there are a few key things to note:

1. The **purpose** of the gift. In general, gifts are given for either:
   a. **General Purposes** – funds can be given for the general purposes associated with a congregation (or with a particular part of the Church, e.g. Presbyterian Youth Ministry).
   b. **Special Purposes** – funds can be given for a particular purpose. For example, the upkeep and maintenance of a particular building, to train leaders, to promote organ music, or to support mission activity in Vanuatu. Funds can usually only be used for the stated purpose (as below).
2. The special purpose may be expressed either as:
   a. An **instruction or direction** – some benefactors will provide a clear instruction or direction that the gift is to be applied for a special purpose. You must follow this instruction.
   b. A **wish, desire or preference** – other benefactors will express a wish or desire that the gift is to be applied for a special purpose. Ideally, you would follow this wish or desire, but if it's not possible to do so or you really want to apply it for another purpose, you can do so. You should at least show that you considered the wish or desire in your decision-making.

   If there is no instruction or wish, the gift should be applied for the general purposes associated with the receiving entity.
3. Whether the capital can be spent. A gift can either create:
   a. A **capital endowment** – a gift that requires you to keep the capital and only apply the income for the purpose stated. You must keep the capital, invest it (and inflation-proof it), and can only spend the income it generates on the stated purpose. As a legal entity, the Church Property Trustees are the best entity to hold the trust property on behalf of the congregation and ensure it is applied as instructed.
   b. An outright **gift** – if there is no requirement to keep the capital, **you are generally required to spend the gift** on the purpose for which it has been given, and you must spend it if it has been given for a current purpose or project. If not, you need not spend it immediately, and you can elect to create a reserve so that you can spend it over time, or hold onto it so that it generates income you can spend.

      However, Charities Services expects you to actively apply your funds towards your charitable purposes. Indefinitely hoarding funds without a plan might jeopardise your charitable status. After all, if the giver had wanted you to hold onto the capital, they would have made this clear. If not, they are trusting you to put their gift to good use by spending it for the purpose for which it is given.

The matrix below might help you manage any gifts/trusts you have:

	Capital Endowment	**Gift**
General Purposes	Keep (and inflation-proof) the capital and spend income on any purpose associated with your congregation	Spend the gift and any income it earns on any purpose associated with your congregation
Special Purpose	Keep (and inflation-proof) the capital and only spend income on the stated purpose On dissolution, the trust property (capital and income) is not considered part of the congregation's net assets available for general distribution. It endures beyond the life of the congregation.	Spend the gift and any income it earns on the stated special purpose On dissolution, any unspent gift is not considered part of the congregation's net assets available for distribution. It endures beyond the life of the congregation.
To	The Presbyterian Church Property Trustees (on behalf of the congregation)	Congregation or Church entity
Investment	Because you must keep the capital, and should inflation-proof it, you will need to take more investment risk. The PIF Long Term Fund is the right option here.	Because you are expected to spend the gift (and any income it generates), you should only take limited investment risk. The PIF On Call Fund is the right option here.
Accounting treatment	Record the total gift as income in the year it is received, but then transfer from accumulated surplus to a special capital reserve to ensure the trust property is ring-fenced as being capital-protected and, if necessary, having a special purpose.	Record the total gift as income in the year it is received. Any unspent gift contributes to your accumulated surplus at year end, although you should reserve this if the gift is for a special purpose, or you wish to spend it over multiple years.

What is the ideal gift?

Most congregations will probably appreciate gifts that do not create a capital endowment and can be applied for the general purposes of the congregation.

Capital endowments require more administration. They are more demanding in terms of investment. That said, if someone wants to gift a substantial amount, and wants that gift to create an enduring benefit, a capital endowment might suit best.

Gifts for a special purpose are also more demanding to administer (e.g., you need to reserve unspent amounts), and of course, that special purpose might not endure.

It is much better to have a conversation with a potential giver before they settle on the terms of the gift. That conversation can help to clarify their intentions and ensure the gift has sufficient flexibility to be put to good use and endure (if a capital endowment). The giver should also seek legal advice.

We favour (in order of preference):

1. **Gifts for general purposes** associated with the congregation (or a particular part of the Church, e.g. Global Mission) (and any Church entity that succeeds the congregation or that part of the Church). This gives the congregation or entity the power to apply the funds for its purposes as it sees fit.
2. **Gifts for general purposes** associated with the congregation (or a particular part of the Church) (and any succeeding Church entity), **with a wish or desire** that the funds be applied for a

particular purpose. This gives the congregation some flexibility in choosing how to apply the funds. Ideally, you would adhere to the wish, but you are not required to do so.

3. **Gifts for special purposes** associated with the congregation (or a particular part of the Church) (and any succeeding Church entity), **but if it becomes impossible or impracticable or inexpedient or the amount of trust property is inadequate** to apply the funds for that purpose, the gift is to be applied for **an associated purpose or the general purposes** associated with the congregation (or a part particular of the Church) (and any succeeding Church entity). This ensures that the funds can be applied for the stated purpose, but if that is no longer possible, the funds can still be put to good use.

What if you have a frustrated gift or trust?
A gift that can no longer be applied because it is impossible or impracticable or inexpedient to do so is often called a frustrated trust. If you have a frustrated trust, the Church Property Trustees have special legislation we can use to vary the terms of the trust and free the funds up for use. Please let us know if you have any frustrated trusts we can help with.

Trusts administered by the Trustees

The PCANZ benefits from a number of trusts with a wide variety of purposes associated with the Church. These trusts are administered by different parts of the Church. For instance, KCML administers trusts for the purposes of ministry and leadership training. The Global Mission office administers trusts associated with global mission. Trusts associated with mission in a certain area are likely to be administered by a Presbytery. And of course, congregations administer trusts associated with their congregation.

The Trustees also administer some of these trusts, including the following (unfortunately, none of these trusts have the purpose of assisting property development and management):

Trust Name	Purpose
Presbyterian Benevolent Fund	Financial support for ministers and families
Burnett Loans	Loans to ministers
Elsie Steele Trust	Support for the old, infirm, or needy of Auckland
Te Whaiti-Nui-A-Toi Trust	College scholarships for Māori
Drummond Trust	Scholarships for students from St Andrew’s College
Thornton Blair Scholarship	Training for ministry and leadership
Social Services Fund	Presbyterian Support Services
Robert Malcolm Estate Trust	Global and home missions, St Paul’s Trinity Pacific
Shannon Assistance Fund	Partners/spouses of deceased ministers
Stewart Mackay Sanderson	Tertiary scholarships for those named Stewart, MacKay or Sanderson
Lucy Duncan Hewitt Fund	Support for organ tuition and music
McNutt Trust	Holiday accommodation for ministers and children in NZ
Clark Estate Trust	PCANZ global and home missions

Please contact the Trustees at trustees@presbyterian.org.nz if you would like to know more about these trusts.

Reviewing Decisions of the Trustees

General Assembly 2025 accepted the following addition to the Book of Order under the special legislative procedure, which requires presbyteries and congregations to consider the proposal before it is reconsidered by the next Assembly.

14.10 (3) The General Assembly may, as part of its function of oversight, review a decision by a presbytery, the Church Property Trustees or a body that reports to the General Assembly, either on its own initiative or on the application of a party to the decision.

What do the Trustees think?

To be fair, no one has asked what the Trustees think about the proposal, but just in case, we thought congregations and presbyteries might like to know that the Trustees support the proposal (in specific circumstances). In saying this, we note that the Trustees cannot speak for all the other entities that will be captured by the proposal. The Trustees are only one of several entities that report to General Assembly.

Answering to a higher power

The General Assembly is the highest governing body and top court of the Church. It creates the regulations and laws that govern the order and life of the Church. The Trustees are part of the Church and are subject to the decisions of the Assembly. At the same time, the Trustees are also subject to the Acts of Parliament the Church put in place to establish the Trustees. In fact, the Trustees' first duty is to this legislation, and to any trust deeds or documents that govern the trusts administered by the Trustees. Decisions of the General Assembly cannot override these duties. It is also worth noting that this legislation, and trust documents, may also grant rights, powers, and obligations to congregations and presbyteries that cannot be overridden by General Assembly.

Review welcomed – in certain circumstances

A review is not the same as an appeal. An appeal is a request to change a decision outcome. A review focuses instead on whether the decision-making process was fair, lawful, and followed proper rules. As a result, the proposed review power is not a remedy for a party that disagrees with a decision of the Trustees (or any other entity that reports to the General Assembly).

The Trustees support the right to review - in certain limited circumstances - as follows:

1. Whether the Trustees have complied with the Church governance framework (that includes legislation and the Book of Order among other things);
2. Whether the Trustees have failed to perform an obligation prescribed by duty (i.e., where the Trustees do not have a discretion); and
3. Whether the Trustees have exercised any remaining discretion in accordance with trust law principles.

The outcome might be a direction to the Trustees to reconsider or revisit specific aspects of a decision, including: correcting a procedural irregularity; taking into account a relevant consideration to which the Trustees did not have proper regard; disregarding an irrelevant consideration that influenced the Trustees' decision; and disregarding a purpose identified by the Review Body to be an improper purpose, or motivated by bad faith or improper motives.

The Trustees have suggested that, to prevent trivial review requests, any request for a review should: include a statement of the ground on which the claim for review is being lodged; fall within a prescribed timeframe and materiality level; and be able to be 'struck out'.

Porirua Pacific Island Church of Christ the King Hall

PIC House Hall in Porirua, seen here in 2016, is over 60 years' old and has reached the end of its life.

The congregation has decided it needs to build a new Hall to continue its ministry and mission in the community.

Here's an artist's impression of what the new build will look like! The design has a Pasifika influence, with the main hall being influenced by a Malae, a communal, open space used for social and religious purposes.

In addition to the main hall space, which includes a stage, there are several break out spaces for use by children and youth, and community groups. These rooms are adjacent to an outdoor activity space situated on the north side of the building. There will a kitchen of sufficient size to cater for large events, along with facilities. A minister's office will be located at the entrance, for ease of access, along with a lounge space with tea-making facilities.

Buildings like this aren't cheap, and the congregation does not have any property capital (from the sale of other buildings) to put towards the project. However, it has committed to raising the funds it needs, alongside contributions from Central Presbytery and the Mission Enterprise Fund, a loan from the Presbyterian Investment Fund, and grant applications to several entities.

Please join the Trustees in praying for successful fundraising and a speedy (uneventful) build.