



# Presbyterian Church of Aotearoa New Zealand

## FINANCE NEWSLETTER 197

**TO:** Parish Treasurers, Presbytery and Parish clerks  
**FROM:** Brendan Sweeney, Manager, Financial Services  
**DATE:** 25 July 2017

1.	<b>Legal status and grant applications</b>
2.	<b>ESCT on church contribution to the Beneficiary Fund</b>
3.	<b>Health and Safety self-assessment tool</b>
4.	<b>Beneficiary Fund Product Disclosure Statement</b>

### 1. Legal status and grant applications

I have received a query regarding the legal status of churches with regard to the eligibility for Department of Internal Affairs (DIA) administered grants (for example grant applications to lotteries of community funding agencies)

I can confirm that the Department of Internal Affairs require any charitable entity to be incorporated (for example, under the Incorporated Societies Act 1908, the Charitable Trusts Act 1957, or the Companies Act 1993) in order to access grant funding over \$10,000.

It is important to make the distinction between churches as charitable entities (which qualifies us to issue tax receipts to donors and allows exemption from income tax) as opposed to incorporated entities (which qualifies for grant funding).

Refer:

[www.communitymatters.govt.nz/Generic-Supporting-documents-requirements](http://www.communitymatters.govt.nz/Generic-Supporting-documents-requirements)

Key points of this document, under the heading “Funding Limits and other requirements” are reproduced:

## **Legal entities**

*If you are requesting a grant of \$10,000 or more, your organisation must be a 'legal entity'. A legal entity is an organisation that has its own legal identity, separate from its members.*

*Our online system will not accept a request for \$10,000 or more unless the 'legal entity status' section of the organisation profile has been completed.*

### **Notes:**

- *Legal entity status includes incorporated societies, trusts registered under the Charitable Trusts Act 1957, companies with charitable purposes, local authorities, school boards of trustees and Māori trust boards.*
- *Being registered with Charities Services does not make an organisation a legal entity."*

The DIA have indicated that the \$10,000 restriction has applied to applicants for many years and applies to all grants administered by the DIA, refer:

<http://www.communitymatters.govt.nz/Funding-and-grants>).

However, if your church is considering applying for grant funding and does not wish to become an incorporated entity it should be noted that DIA-administered grants do not exhaust the sources of grant funding, and alternative options are available. For example, Generosity New Zealand (<http://generosity.org.nz/>) maintains a database of potential sources of funding. Each funder will have its own criteria, and in most cases do not appear to require applicants to be incorporated or governed by a Trust.

Please call me if you wish this point or if you need advice on grant funding options and processes.

## **2 . ESCT on church contribution to the Beneficiary Fund**

Thank you to treasurers and administrators who have worked with Melville Jessup Weaver over the past few weeks in setting up the revised direct debit payments for ministers and church contributions to the Beneficiary Fund. The MJW calculations for ESCT on the church contribution is slightly different to that advised by me in the March newsletter. (Basically the ESCT percentage band applied to the contribution considers the total of stipend, seniority allowance and housing allowance paid to the minister). The calculation is unlikely to effect you as MJW would have calculated the amount for you, but I have posted the revision on pages 82 and 83 of the [Church Management Support](#) document.

### **3. Health and Safety self assessment tool**

For those churches that have not yet established a workplace health and safety plan, or are looking to update and revise it, worksafe New Zealand have a new self assessment tool on their website. This replaces the old audit style assessments with a Safety Star Rating Scheme and it looks pretty good. Go to:

<http://www.worksafe.govt.nz/worksafe/about/what-we-do/the-safety-star-rating-scheme>

Also remember that H and S awareness is not overly combersome and is required for all workplaces. For further information go to page 66 of the CMS guide (link above), [the Interchurch Bureau Website](#) or you may call this office.

### **4. Ministers Beneficiary Fund Product Disclosure Statement**

This may be of interest to you. It is the link to the Beneficiary Fund Product Disclosure Statement issued to members of the Beneficiary Fund by the Church Property Trustees Beneficiary Fund committee:

[http://www.presbyterian.org.nz/sites/public\\_files/for\\_parishes/cpt/2017\\_PDS.pdf](http://www.presbyterian.org.nz/sites/public_files/for_parishes/cpt/2017_PDS.pdf)