

# TREASURERS' NEWS

*The latest news for Presbyterian & Cooperating Venture parishes*

## *Highlights This Issue*

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## **Treasurers' News**

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## **Welcome to our August newsletter...**

I hope you are coping well with the lockdown. I know many of you will be working from home like the Finance team, thank you for continuing to support your parish in less than ideal circumstances. I hope you find our Laurenson's article helpful, it addresses some parish Covid-19 lockdown questions.

A big thank you to the parishes and trusts that sent their trial balances or accounts well before the deadline, we can start entering this data into our consolidation in preparation for the busy period when all parishes will have sent their trial balances.

To our parishes still to submit trial balance or accounts, if your trial balance is ready please send it before the deadline. If possible please send in EXCEL format.

It is encouraging to see parishes move onto XERO. Thank you! This makes the financial consolidation process easier and benefits parishes with an application that suits parish needs, plus utilises the support PCANZ can offer through Laurenson's. There are now 200 parishes using XERO, up from the 168 last year, and 118 in 2019.

If your parish uses XERO, please consider providing us with access to XERO so we can connect your parish to our consolidation application - it downloads the trial balance without any input from you. We will not make any changes into the ledger or post any journals. To find out more please contact Martyn Vincent, email [Martyn@presbyterian.org.nz](mailto:Martyn@presbyterian.org.nz) Also contact Martyn if you have any questions on the Financial Consolidation or Charities Services filing.

For more general and assessment queries, contact Katrina Graham [katrina@presbyterian.org.nz](mailto:katrina@presbyterian.org.nz)

Please send your 30 June 2021 trial balance, or accounts if you do not have a trial balance, to [PCANZFC@presbyterian.org.nz](mailto:PCANZFC@presbyterian.org.nz)

Thank you, and stay safe.

# Financial Consolidation 30 June 2021

Key dates for the Financial Consolidation:

- 31 August 2021 – Parish Statistic forms to Katrina Graham [katrina@presbyterian.org.nz](mailto:katrina@presbyterian.org.nz)
- 7 September 2021 – Send the parish or trust 30 June 2021 trial balance or accounts (or the latest year-end balance if not June 2021) to PCANZ email address [PCANZFC@presbyterian.org.nz](mailto:PCANZFC@presbyterian.org.nz). Our preference is to receive the trial balance or accounts in either a CSV or EXCEL format if possible.
- 7 September 2021 – If the parish uses XERO and has not given PCANZ access to XERO, please could you do so by this date. This access is appreciated as it makes the consolidation easier for processing. The advisor access needs to be given to Martyn Vincent, email [martyn@presbyterian.org.nz](mailto:martyn@presbyterian.org.nz) and Glen Williams, email [glenwilliams63@outlook.com](mailto:glenwilliams63@outlook.com)

## Trusts & inclusion in the consolidation

We have received enquiries from parishes and trusts on why we are including trusts in the PCANZ Financial Consolidation. The annual reporting requirements for the Presbyterian Church Aotearoa of New Zealand (PCANZ) are in accordance with PBE IPSAS 35: Consolidated Financial Statements (PBE IPSAS 35). Since 2018 PCANZ has been working through the financial consolidation of its parishes and related trusts. This is a long-term project with over 450 parishes and trusts to be reviewed and included.

Until 2018, PCANZ did not include parishes and trusts in its annual financial accounts. Following the repeated qualification of our accounts by our auditors Ernst Young, PCANZ obtained independent advice from Deloitte on whether it should consolidate its parishes and trusts as required in accordance with PBE IPSAS 35 Consolidated Financial Statements ("PBE IPSAS 35"). Deloitte's view was that PCANZ does need to include parishes and controlled trusts in the Consolidation.

In 2019 we started the process to consolidate the parishes, and at the same time review trusts that have a connection with either a parish, presbytery or PCANZ.

The review of the trust deed ascertained the level of control, if any, the local parish, presbytery or PCANZ could be deemed to have in relation to the Trust. Key factors were considered, including (but not limited to):

- Appointment of trustees - who appoints the trustees?
- Is the appointment approved by the parish, presbytery or PCANZ?
- Can the parish, presbytery or PCANZ remove trustees?
- Purposes of the trust - are they in line with the parish, presbytery and PCANZ?

- Was the parish, presbytery or PCANZ involved in creating the Trust?
- Does the parish, presbytery or PCANZ benefit financially from the Trust? This can either be regularly throughout the life of the Trust or directing where the surplus funds are distributed at the point if the Trust is wound up.
- Changes in the trust deed - are these referred to parish, presbytery or PCANZ for approval?
- If the trust is to be wound up, does the parish, presbytery or PCANZ need to approve such action?
- Does the trust deed specify that accounts (either management and/or annual financial accounts) are to be forwarded to parish, presbytery or PCANZ?
- Does the PCANZ Moderator or their representative have membership of the trust (whether it is an honorary role or a voting role)?

The review of the trust does not need to answer yes to all the criteria to indicate control by a parish, presbytery or PCANZ, if any one of the criteria is answered with a "yes", this would indicate control.

What does this mean for the trust? On an annual basis the trust will provide PCANZ with a trial balance as at the end of the trust's fiscal year. The trial balance will be loaded into the PCANZ consolidation. At a later stage when the trust's accounts have been audited, a copy of the audited accounts will be required.

There will not be any change to the way the trust operates day-to-day or at management level.

If a parish has an associated trust and is uncertain if it should be included in the consolidation, please contact Martyn Vincent, email [martyn@presbyterian.org.nz](mailto:martyn@presbyterian.org.nz) to review the trust deed.





# Tax Donations Receipts

Earlier this year parishes completed a survey on whether or not the parish would file their annual returns with the Charities Services. Any parishes that elected the option that they would not file individual returns, will continue to ensure the Charities Services website is updated for details such as officer details, addresses and other contact details.

A number of parishes have asked if they will continue to issue tax donation receipts. The answer is yes, all parishes will continue to issue tax receipts for donations or offerings received, and will use the parish's own individual Charities Services number the parish was issued by the Charities Services.

If you have any questions please contact Martyn Vincent, email [martyn@presbyterian.org.nz](mailto:martyn@presbyterian.org.nz)

## Housekeeping for tidying financial accounting applications such as XERO, MYOB etc

Some housekeeping items for users of accounting systems such as XERO, MYOB etc:

- On a regular basis review who has access to your accounting system and remove access given to users who no longer require access e.g. staff who no longer work for the parish or trust, ex-treasurers, auditors who have been given access for the audit. For XERO users, please keep Camila Farias, Glen Williams, Martyn Vincent, and if you use the PCANZ XERO help, parishes on the PCANZ subscription plan please keep Avril Hillind and Rowena Janes.
- Some parishes show PIF as bank in XERO, PIF should not be classified as bank, could you please change classification and coding structure to investments?
- The PIF balances (and other investments) should be reconciled regularly to bring in interest earned, this is important at financial year-end. During last year's consolidation there were a number of parishes where the PIF balances did not agree to the Church Property Trustees records. For good accounting practice ensure that the parish's details agree with the investment providers records. If you want to find out details on your PIF investments please contact CPT John White, email [johnw@presbyterian.org.nz](mailto:johnw@presbyterian.org.nz).
- Archive any account numbers that are not being used and have remained unused for several years. In XERO, you can easily reactivate an archived account number if required.

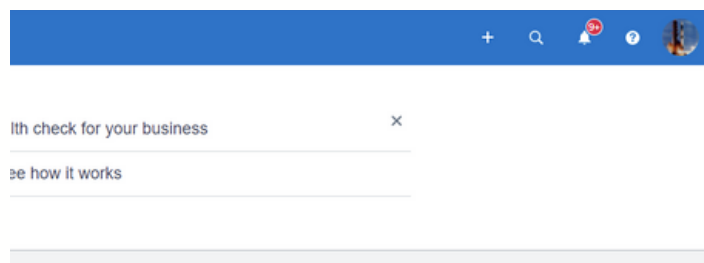


# **Training**

We recommend that parishes take advantage of online training. The training is available through XERO and is free.

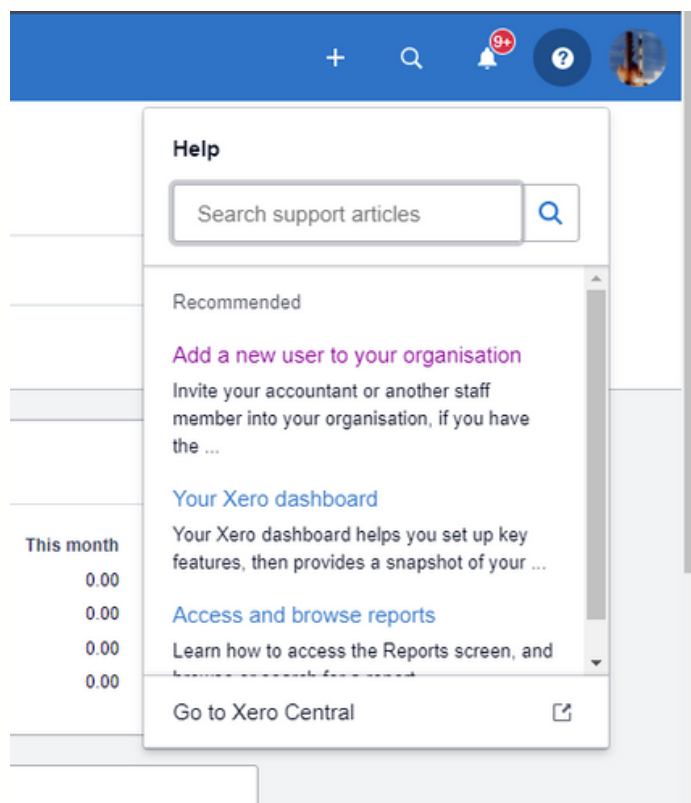
There are several training options available:

(1) Use the help search tool available online. Select the “?” on the top right of your XERO screen. This is search engine for XERO topics can be helpful.

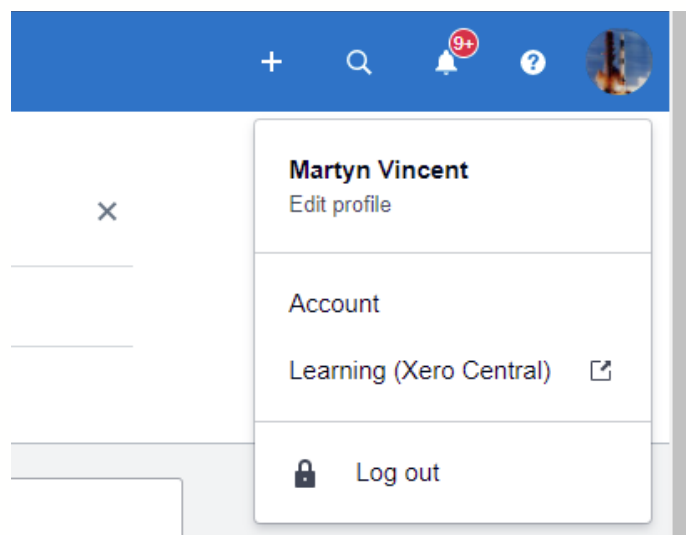


(2) There are articles available. Select “?” at the bottom of the drop box select

“Go to XERO Central”. Popular topics are listed that allow a drill down to specific questions.

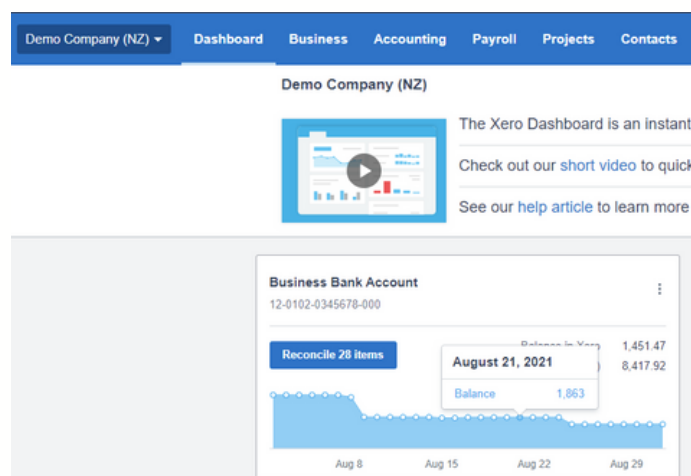


(3) Another option is to click on your profile top right of the XERO screen, then click on the Learning (XERO Central).



This will take you to a screen where you can search for courses, videos and webinars. We encourage you to look at this training. It is very helpful and may make your use of XERO easier and productive.

(4) We recommend that you take advantage of the Demo Company that is available to all XERO users. This is an area where you can try your new skills before you use them in the parish's XERO.



A great source of training available is the XERO training <https://central.force.com/s/live-events>. There are webinars on the latest product updates, basic bookkeeping skills, GST etc. A worthwhile option to improve our skills.



# LAURENSEN'S TIP\$

BY ROWENA JANES



## Financial Support for Parishes in COVID-19 Lockdowns

Our current COVID-19 Level 4 lockdown will impact on many parishes in a number of ways. The most obvious physical affect is the inability to conduct church services in the way you usually would. While the advent of software such as Zoom and Microsoft Teams allows for meeting remotely, older parishioners may be less likely to access technology.

However, there may be a significant financial impact on some parishes arising principally from three factors:

1. Loss of loose or envelope offerings which would normally be given via church services;
2. Loss of income from hiring out church and related facilities to community groups etc;
3. Where a parish operates a subsidiary operation, eg. a childcare facility, and grants rent relief, income will be reduced.

There are currently several financial supports offered by the government, the most commonly applicable of which are the Wage Subsidy and the IRD's resurgence payment.

**Wage Subsidy:** this is available for entities which employ staff and is paid to assist with personnel costs. Entities must have seen a fall of 40% in revenue over the period of the lockdown. This could be measured by income cancelled or lost, which would have been received were the lockdown not in place. For parishes this should be simple to calculate, by looking at (say) your average loose and envelope offerings per week, and specific income lost from rentals, hireage etc.

**Resurgence Payment:** this is to support with other expenses (i.e. not limited to personnel costs). To qualify for this payment, entities must have seen a 30% decline in revenue. This is not an additional decline to the 40% required for the wage subsidy (above) i.e. the same items of lost revenue may be counted.

While you may feel that you are still receiving your AP offerings and are "doing okay", we are also aware that many parishes do not have huge cash reserves, and these programmes are there to help. The subsidies are easy to apply for and paid out very quickly.

If you have any queries at all around whether your parish will qualify for either support, please email me ([rowena.janes@laurenson.co.nz](mailto:rowena.janes@laurenson.co.nz)).

In the meantime, stay safe, stay well and stay connected to each other. We'll get through this together!



XERO ADVISOR  
CERTIFIED

DISCLAIMER: This article has been carefully prepared but has been written in general terms only. The article should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.