

TREASURERS' NEWS

The latest news for Presbyterian & Cooperating Venture parishes

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Treasurers' News

Camila Farias

Head of Finance and Operations

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Welcome to our July newsletter...

As mentioned in the last Treasurers Newsletter, we say thank you and goodbye to Martyn Vincent Consolidation Accountant, on the 29 July; he worked on the consolidation project for over three years. Martyn will be available to help with the handover to, and training of, his replacement. We have made substantial progress in the consolidation, which we wish to continue, so we will start the process to appoint someone to replace Martyn.

From August onwards, if you have any questions that you would have contacted Martyn about, please forward them to the email address PCANZFC@presbyterian.org.nz.

We encourage all members of your parish who are involved with the financial management of the parish to subscribe to the Treasurers' Newsletter. That includes treasurers, parish clerks and members of a finance committee. The Treasurers' Newsletter is the PCANZ Finance Department main communication with parishes, it has important updates and news on finance. Please encourage those members of the parish leadership to subscribe to the newsletter. This [link](#) will take you straight to the Treasurers' Newsletter subscription request page. Please forward it to your leadership team.

Contacts

Contact (until the end of July) [Martyn Vincent](#) if you have any questions on the Financial Consolidation or Charities Services filing. For more general and assessment enquiries, email [Katrina Graham](#).

Thank you to all the parish treasurers for your assistance. I appreciate the work that you do for your parish.

Camila Farias

Head of Finance and Operations

FINANCIAL CONSOLIDATION TIMETABLE 30 JUNE 2022

The timetable for the 2022 Financial Consolidation will be:

27/05/2022	Distribution Complete Parish Consolidation Packs to Parishes/Trusts & Reviewers.
31/05/2022	Parishes/Trusts send the Financial Reviewer form to PCANZFC@presbyterian.org.nz
10/06/2022	Parishes and Trusts send bank audit certificate request to their banks and Christian Savings if not completed in previous years.
30/06/2022	Consolidation Financial Year End
31/08/2022	Parishes and Trusts submit Year End Pack along with supporting documentation to PCANZFC@presbyterian.org.nz . Please send before this date if possible.
For Parishes & Trusts that have an official audit/review process	
30/09/2022	<ul style="list-style-type: none"> Submit Audited Final Accounts & Report (for Parishes and Trusts that have official audit) and, Final updated Trial Balance after all audit adjustments

If have any issues with meeting any of the above dates, please contact the Consolidation Team, email PCANZFC@presbyterian.org.nz. Please note this is a remarkably busy time for our small team at the Assembly Office, so there may be a delay in getting back to you. We appreciate your patience.

Note: the deadline for parishes and trusts' trial balances to be sent to us is by the **31 August 2022**. The earlier deadline is to enable us to complete the accounts, have them audited by our auditors, and file the accounts to Charities Services by the end of December. If you have any comments or suggestions to aid with the 2022 consolidation, please email PCANZFC@presbyterian.org.nz.

Year End Financial Reporting Packs

A reminder that in May we sent out the reporting packs for parishes and reviewers. The pack included a variety of documentation, guidelines and templates which will aid the 2022 Consolidation, helping both parishes and the PCANZ (Presbyterian Church of Aotearoa New Zealand) for the 2022 Consolidation. If you have not received the pack, please contact Grace Webster at grace@presbyterian.org.nz.



Access by PCANZ Staff

We have been asked by parishes if we still need access to parishes' Xero. They have noticed that our user accounts may not have been used for some time. Yes, we do need the access. The link that we use to download parishes trial balance is through an application that works through Xero, in the background, and so does not open the users access directly in parishes' Xero. Please do not remove access for Camila Farias, Martyn Vincent and Glen Williams. If you have any questions, please contact us.

UCANZ (United Churches of Aotearoa New Zealand) parishes and PCANZ Financial Reporting

We have received a few queries on whether a UCANZ parish and Cooperating Ventures are included the PCANZ Consolidation. There is no change from the previous year's consolidations when we included UCANZ parishes.

PCANZ Group is a Tier 1 reporting entity, the PCANZ Group must submit consolidated annual accounts and is required to consolidate all the "controlled entities" that come under its umbrella.

This means that cooperating and uniting parishes with a Presbyterian component are all included in the PCANZ Group consolidation. Cooperating and uniting parishes are included in the consolidation to the extent of the Presbyterian capital ratio. We need to have full reporting from parishes so that we can get the financial value relating to that capital ratio.



The PCANZ Group must also disclose additional details under Tier 1 reporting in its consolidated financial statements about balances such as loans and investments, including maturity dates, loan terms, etc. This level of detail is unfortunately not available from parish reports.

We, therefore, ask that cooperating and uniting parishes all complete the year-end packs in full so that we can collect that information. For some parishes there are parts of the year-end packs are not applicable and will not need to be completed, e.g. if a parish does not have a long-term loan liability. UCANZ parishes are not required to fill in the financial or membership statistics forms.

We understand that there may already be compliance requirements with other CV partners and UCANZ. The consolidation process is still evolving, and, with each iteration, we are aiming to streamline data collection and reporting as much as possible.

Stipend 2022-2023 Contributions to the Beneficiary Fund



A reminder for treasurers about some of the processes associated with the contributions that parishes make to the Beneficiary Fund. We've noticed recently some parishes have made processing errors that have impacted minister returns. There are further comments on the Beneficiary Fund payments in the Laurenson's article in this newsletter.

Beneficiary Fund - Who to contact and when

If you need help to understand the process with the Beneficiary Fund contributions:

- The Fund is administrated by the team at Melville Jessup Weaver. You can call them on 0800 266 787 or email them at Presbyterian@mjlw.co.nz
 - Please contact them:
 - When a minister leaves your parish,
 - When a minister starts at your parish – including for stated supply,
 - When a minister changes his/her hours of work (full/part time).
- Or you can contact the PCANZ Church Property Trustees Office – 04 381 8289 or email trustees@presbyterian.org.nz



Contacts for support

Where to find accounting advice and support

- For XERO users, if you need accounting advice, please contact Laurenson's, particularly if you want ongoing support. Email Laurenson's [Rowena Janes](#).
- If you have non-Xero accounting questions, please contact Church Finance, email [Martyn Vincent](#). From August onwards, if you have any questions that you would have contacted Martyn about, please forward them to the email address PCANZFC@presbyterian.org.nz.
- Another accounting supplier to consider for ongoing accounting support is CATAS (Church and Trust Accounting Services). They supply a full range of accounting services and cater for charities, phone (04) 282 1377 or [email](#) them. They are based in Christchurch and have clients throughout New Zealand.
- There are many chartered accounting firms throughout New Zealand that can supply help, advice and support for your parish. However, we recommend that you consider either Laurenson's or CATAS as above, they have experience with the charity sector, and in particular, church organisations.

LAURENSEN'S TIP\$

BY ROWENA JANES

Payroll and End of Financial Year

Thirtieth of June has again rolled around, which means it's time for end of year accounting, and all the reconciliations and checks that we do regularly as part of that exercise. One of the things we spend the most time on in reviewing parish accounting files is payroll and all its associated issues.

The accounting treatment of stipends and the associated allowances ministers receive are very technical, not just in correctly determining the correct amount they should be paid, but also, which items generate holiday pay liability, and which don't. This is important, because if your payroll is set up incorrectly, your parish will be potentially subjected to a much greater holiday pay liability than it should be.

For clarity, here is the status of each of the components of a minister's stipend:

- Stipend – subject to income tax, generates holiday pay, sick pay, KiwiSaver, and beneficiary fund liability
- Seniority Allowance – subject to income tax, generates holiday pay, sick pay, KiwiSaver, and beneficiary fund liability
- Housing Allowance – subject to income tax and KiwiSaver, does NOT generate holiday pay or beneficiary fund liability
- Notional rent (where minister lives in manse or other parish-provided housing) - subject to income tax and KiwiSaver, does NOT generate holiday pay or beneficiary fund liability
- Reimbursing allowance – NOT subject to income tax or KiwiSaver, does NOT generate holiday pay or beneficiary fund liability
- Any other reimbursing-type allowances (e.g. phone, vehicle etc) - NOT subject to income tax or KiwiSaver, does NOT generate holiday pay or beneficiary fund liability

Many, many payrolls that we see are incorrectly set up in terms of the above. If you would like us to check over your payroll, and it's in Xero or iPayroll, let us know. Assistance with Payroll is supported by PCANZ, so this will not be an expense to the parish.

The second thing which we see very commonly is miscoding of Beneficiary Fund payments. The only Beneficiary Fund expense to any parish is the gross contribution (i.e., including ESCT) made by the parish to the Beneficiary Fund. The minister's contribution is part of the stipend – it's a simple deduction from what the minister receives, and not an expense to the parish, so should not be coded to Beneficiary Fund expense.

Finally, a reiteration that ministers should not in general ever be paid more than the stipend and allowances as set down by PCANZ. If your minister works extra hours, or works on a public holiday, this should be recognised by the crediting of paid time off in lieu, rather than extra money. The Beneficiary Fund contribution should certainly not vary from pay to pay, as the Beneficiary Fund bases what it takes from each parish on the standard stipend.

If you have any questions regarding any of the above, please contact us either on 0800-567-957 or rowena.janes@laurenson.co.nz.



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.