



# Presbyterian Church of Aotearoa New Zealand

## FINANCE NEWSLETTER 144

**TO:** Parish and Presbytery Treasurers  
**FROM:** Brendan Sweeney, Manager, Financial Services  
**DATE:** 27 June 2012

1.	<b>Ministers Funds Deposited with FSD</b>
2.	<b>Church Management Support (CMS) Project</b>
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### 1. Ministers Funds Deposited with FSD

For many years the Financial Services Department have managed a revolving credit facility that allows ministers loans to be paid off in full and converted into interest earning deposits. We currently hold about 80 ministers deposits with a combined value of some \$340,000.

With the well publicised upheaval of the financial services industry in the last few year's statutory legislation governing the capability of institutions acting as deposit takers has been enhanced. Specifically the Reserve Bank of New Zealand Amendment act 2008 – Deposit Takers, section 5 list requirements which include, but are not limited to:

- A credit rating from an approved rating agency
- A risk management program
- A minimum capital base and liquidity compliance
- Trustee and directorship governance
- A Trust deed

PCANZ is not a finance company. We do not meet these requirements and are currently in breach of the Act. Therefore we have no alternative but to discontinue accepting deposited funds and to refund existing deposits. Minister's will shortly be advised that their deposits will be refunded to them after quarterly interest is calculated on 30 September 2012. From that date, once minister's loans have been paid off in full, we cannot accept any further payments and request that automatic payments be cancelled.

We have been in contact with Presbyterian Savings and Development Society (PSDS) who have expressed their agreement to assume the administration of deposits. We will suggest to ministers that they re-deposit funds with PSDS and advise that this will ensure their funds are managed by an accredited agency, and that the Presbyterian link is maintained with ongoing PSDS investment in parish projects by way of loans and grants to the Church. It is stressed that there is no obligation for ministers to re-deposit funds with PSDS or any other institution.

It is regrettable that this service has to be discontinued but we cannot continue to be non-compliant with the law. I apologize if this causes any disruption and appreciate your cooperation and that of ministers in this process. Please contact me if you have any queries.

## 2. **Church Management Support (CMS)**

This is the second of what will be regular updates on Church Management Support (CMS), an initiative undertaken at Assembly Office to improve our support of church administration. This programme is to better support the churches and enable them to more effectively fulfil their management responsibilities.

CMS is a result of the feedback received from the parish business needs survey conducted in March and April, and will be rolled out in phases. Phase one is structured around the three areas the survey identified as greatest need:

1. To communicate what management support is available, how it can be accessed, and who can use this support.
2. To provide centralized documentation on these core business skills that is up-to-date; clear and simple to understand; easy to find and navigate around.
3. To provide individual support and guidance on church management.

A project workgroup has been established to respond to requirements. This workgroup is comprised of representatives of the PCANZ finance and human resources functions and the consultant who conducted the survey. We have also sought input from the Church Property Trustees Office. Together we have defined two initial tasks:

### **a) Produce a parish business resource guide for administration and management.**

This guide will provide PCANZ guidelines on:

- Human resources - staff and ministry management
- Occupational health and safety
- Parish finance and accountancy
- Property management and insurance

Its scope will be management and administration as applied to churches. It will include business aspects of mission and ministry,

therefore will reference the Book of Order but not replicate it. It will, however, review, update and consolidate material already in place to support parishes, e.g. Treasurers' Manual, parish and property handbooks, etc. We are in the process of finalising the table of contents, which will be published in the July newsletter and will give you a better idea of scope and content.

When finalised, the guide will be available on the PCANZ website and hard copies will be issued to parishes. After this initial publication, it will be updated regularly on the web, and updated hard copies will be available from the Assembly Office upon request.

**b) Confirm parish support contacts**

The Assembly Office offers advisory assistance to churches on finance, administration and human resources. In response to the request for single points of contact, please find below the initial contact people for queries:

Brendan Sweeney/Katrina Graham	Finance and administration
Margaret Fawcett	Human resources Payroll Insurance
Miki Seifert	Police checks Presbytery queries
Heather McKenzie	Book of Order Property Presbyterian Investment Fund Beneficiary Fund

We are maintaining a register of the type and number of queries received, and actions taken. If we cannot respond personally, we will refer the matter to the appropriate person or available contracted resource. If queries are not responded to adequately or quickly, you may refer the matter to me.

We feel that this is an important project that will raise the level of business management awareness within the Church and are fully committed to its success. As it develops, we will keep you, along with ministers and presbyteries, updated.

**3. 2012-13 Assembly Assessment**

Council of Assembly has signed off the 2012-13 operating budget and confirmed that Assembly Assessment is unchanged at \$2.944m. Individual parish assessments may change due to changes in membership and finance statistics in the year to 30 June 2011. Notification of AA changes, to be implemented on 1 July, was sent to parishes last week.

Assembly Assessment is now 8.3% of accessible parish income, or 4.7% if adjusted for the Beneficiary Fund component.

Please advise me if you require a copy of the budget.

#### **4. 2012 Insurance Renewal**

The process for the renewal of the current parish insurance policy, through the Presbyterian Insurance Group, has commenced. Next Monday, 2 July, the PIG will be circulating property damage/business interruption insured values to parishes (and other PIG insured parties). Please review the schedule and respond with notification of adjustments to Margaret Fawcett at this office by 20 July to enable insurance to be negotiated and placed by the next renewal date of 30 October.

#### **5. Presbyterian Foundation Grants**

Applicants are now being sought for Presbyterian Foundation grants. For more information and application forms please see the Presbyterian Church website: <http://www.presbyterian.org.nz/for-parishes/grants/presbyterian-foundation> Applications close 15 September

The Foundation provides grants for:

- The ongoing regional and other mission of the Church.
- The development of innovative mission opportunities that are conceived at a local and regional level.

For enquiries about the application process, contact the Rev Martin Baker:

Further information for presbyteries is available online:

<http://www.presbyterian.org.nz/for-parishes/grants/presbyterian-foundation/presbyterycucc-guidelines>

There is approximately \$2.5 million capital invested in the Fund. Around \$140,000 - \$170,000 interest is currently available for distribution each year. There is no minimum or maximum limit for applications, but grants are typically in the \$3,000 - \$6,000 range.