

FINANCE NEWSLETTER 178

TO:

Parish Treasurers, Presbytery and Parish clerks

FROM:

Brendan Sweeney, Manager, Financial Services

DATE:

30 November 2015

1.	Filing church annual accounts on Charities register
2.	Health and Safety update
3.	Tier 2 accounting standards
4.	Infoodle church management software

1. Filing church annual accounts on Charities Register

Further to the June and August newsletters, this is a reminder that if your church has a June balance date, the filing of annual accounts on the Charities register is required by 31 December. The process is detailed by Charities Services on their website:

https://charities.govt.nz/im-a-registered-charity/annual-returns/how-to-complete-an-annual-return/

The return is in four sections:

- Charitable Entity details
- People (including staff and volunteers)
- Financial Information (Profit and Loss and Balance Sheet summary)
- Supporting Information (including the attachment of annual accounts)

A link to the Annual Return form (Charities Services form 4) is below, and the form is presented (without accompanying notes contained in the link) in appendix 1.

https://charities.govt.nz/assets/Uploads/Resources/Annual-Return-Form-4.pdf

Please note that the financial information required closely replicates the information required under the new tier 3 and 4 reporting standards to be introduced next year. I have been informed that Charities Services are undertaking a project to align the required fields in order to reduce the workload in filing annual returns from 2016.

The return may be completed manually and mailed to Charities Services, or posted online. If done online, you will need the Charities username and password issued when your churches registration was confirmed, to update the churches information on the register. Refer to:

https://www.register.charities.govt.nz/Account/LogOn

The return will incur a fee of \$51.11 if completed online, and \$76.67 if done manually, to be paid prior to the accounts being posted on the register.

When completing the return, you may be guided by the financial and membership statistics of the church to June 2015. Please refer to charities services or to me if you need assistance in completing and posting the annual return

2. Health and Safety update

Further to the July newsletter, the following is an extract from my October report to Council of Assembly on the communication of the Health and Safety in the Workplace Act 2015, to churches:

The Health and Safety Reform Act has been passed into law and takes effect from 1 April 2016. The Act is big on liability for accidents in workplaces and actions that should be taken to mitigate risk.

This is going to be the next big challenge for churches as it is another new piece of legislation that has to be complied with. There are complexities due to different requirements in different church settings (ministry, volunteers, children and youth) and a possible impact on existing liability cover.

I am a member of a workgroup that has been established by the Inter Church Bureau (ICB) and tasked with communicating the Act and promoting compliance tools to churches of all denominations. The workgroup has retained an Employment Relations Consultant, Paul Diver and Associates (recommended by the Methodist Church) who will host a test workshop to 100 invited attendees (16 Presbyterian), in Auckland on 24 November. Feedback from that workshop will refine the content for a planned series of workshops to be held throughout the country in the New Year. It is likely that to reduce cost the leadership of these workshops will move from the consultants to Church people as the roadshow develops.

Subsequent to this communication, I attended the test workshop at Manukau Baptist Church last week, and my thanks go to the 15 or so representatives from the Presbyterian Church who attended. I thought it was a good presentation that could use some development and the feedback from attendees will be valuable in making the proposed roadshow valuable to church administrators and governors.

My opinion is that a greater understanding of terms such as "Person Conducting a Business or Undertaking"; "Officer" and "Duty of Care" is required, and I will keep the church updated on presentations and compliance tools.

2. Tier 2 accounting standards

2014 parish statistics show that there are a few churches with operating expenditure over \$500,000. It is possible that, with the inclusion of trusts and associated entities that are not included in statistics, these churches may report consolidated operating expenditure in 2016 of over \$2m. If this is the case the church will be required to report to Tier 2 rather than Tier three standards from next year.

PCANZ is a Tier 2 entity (operating expenditure \$6.5m) and I am in discussion with our auditors, Ernst Young, to define our disclosure requirements. If you think your church may be a T2 Public Benefit Entity, (or if you are not sure), and if you would like assistance with planning for the new standards, please let me know. I have already advised this to the treasurers of some of our bigger churches but would welcome enquiries from any churches that may be captured by this requirement.

3. Infoodle Church Management Software

Last week I attended a presentation by the good people at Infoodle. Infoodle ("oodles of info") is a software pack that has been designed specifically for use in churches and automates church administration tasks such as membership role maintenance, donations recording and receipting, asset tracking and communications. The software interfaces with Xero and the presentation was impressive in my opinion.

If you want further information on Infoodle please go to www.infoodle.com or refer to the overview presented in appendix 2.

Appendix 1: Charities Services Form 4: Annual Return for a charitable entity

F4/MAR14	Figure 12 to 1					
		Form 4				
	Charitable entity details					
	1	Legal name of the charitable entity				
	Charities registration number:					
	Your people					
	3	Paid employees - in an average week, how many people does the charity employ?				
		Paid full time Paid part time				
	4	Paid employees - in an average week, how many paid hours are worked in total by all employees?				
	5	Volunteers - in an average week, how many people work as volunteers for the charity?				
	6	Volunteers - in an average week, how many volunteer hours are worked in total by all volunteers?				
	Financ	cial information				
	7	What accounting method does your charity use?				
		Cash Accrual Read the help notes on the left hand page for an explanation				
		Please attach a copy of your charity's financial statements. They don't have to be audited. If you do have audited financial statements available, attach those. If not, please attach what you do have.				

Complete the financia whole dollars by drop details.	Complete the financial information below entering '0' if applicable. Note: enter your amounts in whole dollars by dropping off any cents. Read the guidelines on the left hand page for more details.				
Part 1: Statement of	financial performance for	the year ended Day Month Year			
Gross income		Expenditure			
Government grants/ contracts	.00.	Grants/donations paid .00 within New Zealand			
All other grants and sponsorship	.00.	Grants donations paid .00 outside New Zealand			
Income from service provision/trading operations	.00	Salaries and wages .00			
Membership fees	.00	Depreciation .00			
Donations/koha	.00	Interest paid .00			
Bequests	.00.	Cost of service provision (excluding salaries and wages) .00			
New Zealand dividend	.00	Cost of trading .00 operations (excluding salaries and wages)			
Other investment income	00,	All other expenditure .00			
All other income	.00.	Total expenditure .00			
Total gross income	.00	Net surplus/deficit for the year (Total gross income less total expenditure)			
Part 2: Statement of	financial position as at				
Current assets		Day Month Year Liabilities			
Cash and bank baland	ces .00	All current liabilities			
Inventory	.00.	All non-current liabilitties .00			
All other short-term assets	.00.	Total liabilities .00			
All current assets	.00	Equity			
Non-current assets	5	Endowment funds .00			
Land	.00.	Restricted purpose .00 funds			
Buildings	.00.	General accumulated .00 funds			
Computers and office equipment	.00	Total equity .00			
All other fixed assets	.00.	Total liabilities plus .00 total equity			
Investments	.00				
All non-current asse	.00				
Total assets (Total of all current and non-current assets)	.00.				
l Affairs		Form 4: Annual Return for a charitable entity			

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Certification

I certi Retur	fy that the information in this Annual Return is correct and that I am authorised to complete this n.			
Signature of person completing this Annual Return				
Full n	name of person completing this Annual Return			
Date Day Month Year				
Checklist				
You must include:				
\bigcirc	a copy of your financial statements - see question 7			
\bigcirc	completed question 8			
\bigcirc	a tick on the Contact Details page of this Form to indicate how (if applicable) you intend to pay the Annual Return fee			
0	completed certification			

Privacy and information use

The information that you have provided in this form is held and used by Internal Affairs and the Charities Registration Board to determine your ongoing eligibility for registration and to carry out its functions under the *Charities Act 2005*.

The Charities Act 2005 authorises the supply of information or documents held on the Register to the Inland Revenue Department to assist in the carrying out of powers and functions under any of the Inland Revenue Acts.

The Statistics Act 1975 allows for the information, once collected, to be used for statistical purposes by Statistics New Zealand. Information supplied to Statistics New Zealand is used for statistical purposes only and is arranged to prevent particulars published about any person from being identifiable (except by the person who supplied the information), unless the person has agreed or publication identifying the person is unavoidable.

The Privacy Act 1993 provides that you may access or correct personal information about you held by Internal Affairs.

If you wish to access or correct your personal information, please contact Internal Affairs - Charities Services, PO Box 30112, Lower Hutt 5040.

Appendix 2: Infoodle church software overview:







Manage



Connect



Track ASSETS



- Store name and address information.
- Record notes about individuals or households.
- Store digital assets and meeting notes.
- Manage events and rosters.
- Provide check in facilities for programmes and events
- Print labels and a directory.
- Send emails, letters and texts.
- Create to-do actions against individuals.
- Track physical assets.
- Track individuals' financial donations, generate receipts and purchases.
- Xero integration.



To find out more – please visit www.infoodle.com or call us on 07 579 3085