

TREASURERS' NEWS

The latest news for Presbyterian & Cooperating Venture parishes

Highlights This Issue

2020 Statistics

Changes to Trustee's Responsibilities

Consolidation Update

Parish Payroll Pitfalls

Treasurers' News

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Welcome to our February newsletter...

Welcome to our first newsletter for 2021. We hope you had an enjoyable break over Christmas/New Year and managed to spend some time relaxing with friends and family.

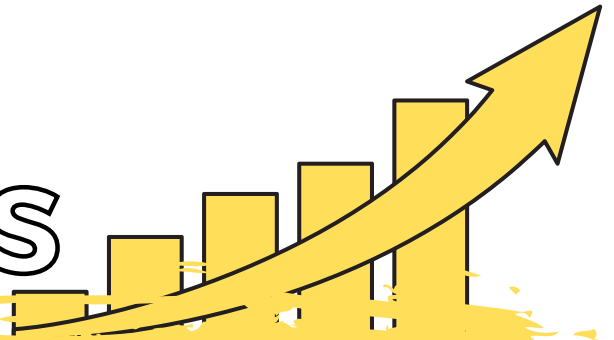
This is our sixth week back in the office – it is crazy how quickly time goes by! We are already putting in place plans and timelines for the coming year. It is looking to be a busy time, as I am sure it will be for you all too.

I would like to start by thanking all of you for the amazing job you do for your parishes. The requirements and pressures placed on you are large and we deeply appreciate your valued contribution. Thank you!

This month we include updates on statistics filing, changes to trustees' responsibilities and the financial consolidation. We also have our first article by Laurenson Chartered Accountants. This will be a regular feature that touches on common issues they have found when working on parish accounts. This month they cover common payroll pitfalls.

Don't forget our team at Assembly Office is here to support you, so please contact us if you have any questions. Katrina Graham (katrina@presbyterian.org.nz) can help with all your financial queries, and Kate Wilson (kate@presbyterian.org.nz) with minister related queries such as stipend.

2020 STATISTICS



All parishes should now have sent in their statistical information (as at June 2020). If any parish has not yet sent this in, can you please do so by Friday 12 March. Please check the 2020 information sent to your parish this week and ensure it is correct. If you have any questions, or wish to query any information, please contact Katrina Graham at katrina@presbyterian.org.nz. By the end of March, we will be publishing the 2020 statistics on the PCANZ website.

Changes to Trustee's Responsibilities

You may be aware that in January 2021 the law relating to trusts changed with the commencement of the Trusts Act 2019. In March, our Legal and Compliance Team will be sending out information on these changes to all parishes. Please keep an eye out for this as it is important to ensure that trustees are aware of their additional responsibilities.



Consolidation Update

Group Reporting with Charities Services for fully Presbyterian parishes ONLY!

Over the past year we have indicated that Presbyterian parishes and their related entities will have options on how their financial information is reflected on the Charities Services website - once PCANZ (Presbyterian Church of Aotearoa New Zealand) produces group accounts.

In the next couple of weeks, we will send out correspondence explaining your registration options. Along with this, there will be a link to a survey where we will ask you to choose the method of group reporting for your parish and related entity.

It would be very much appreciated if you could complete this survey by **31 March 2021** to allow us sufficient time to do a bulk change with Charities Services. So please keep an eye out and get your response back ASAP!

Please note:

- This change only affects the way your financial information is shown –it does not affect your registration or charitable status in any way.
- This change does not affect the management or operation of your parish - it is for reporting purposes only.
- UCANZ parishes are not able to participate in the group reporting option and will need to continue to file full financial data with Charities Services as they currently do.

Other consolidation info

We have now completed a “practice” consolidation for the June 2020 year. Within this we included information from over 350 parishes, plus camps and other associated trusts. Our auditors have reviewed this work and together we have looked at what has worked well and areas requiring further attention.

As a result, we would like to highlight several changes we are looking at putting in place for our first full consolidation for 30 June 2021.

Changes to Treasurer Support Roles

Over the past 18 months, we have worked with presbyteries as an intermediary to communicate with parishes around the consolidation, keeping you up to date with what's happening, and requesting information as needed.

This year, we will be bringing this task in-house. This will allow for more consistency around our approach and a more centralised method of communication.

Unfortunately, we are not able to continue to offer any internal help with setting up Xero in your parish.

We can, however, recommend our preferred providers who can set you up within the Presbyterian Xero Group and ensure that your setup is correctly done, plus supply ongoing help.

If you are interested in using Xero, please email xero@presbyterian.org.nz.

We will continue to update you on the progress of the consolidation each month via either this newsletter or direct emails.

Please email
PCANZFC@presbyterian.org.nz
if you have any specific
questions on the
consolidation.

LAURENSEN'S TIP\$

BY ROWENA JANES

PAYROLL Parish Pitfalls

During the three years I've been providing accountancy support to Presbyterian parishes through Laurenson's, I have either met or spoken with many of you doing the valuable work of safeguarding and accounting for your parish's finances. Over that period, there have been a number of issues or areas of concern that we see cropping up in parishes repeatedly. This column is the first of what we hope will be a regular feature in the monthly Treasurers' newsletter, designed to help you avoid these issues, and make life generally easier for you. - Rowena Janes, Laurenson's.

This month I want to focus on a common pitfall I encounter with parish payrolls; that of not accounting for holidays correctly in parishes. In my experience, parishes fall loosely into one of three categories when it comes to payroll:

1. You run a manual payroll, using a wages book or a spreadsheet, manually returning PAYE (Pay as You Earn) to the IRD (Inland Revenue Department).
2. You use a payroll bureau or your own payroll software, but don't have it set up to accurately track holidays for your employees.
3. You are doing everything completely "by the book", accurately tracking your employees' entitlements – in which case, well done! You don't need to keep reading!

Those of you in categories 1 and 2 are unfortunately courting potential headaches at some point in the future, not to mention potentially not complying with the law when it comes to what you have to calculate and disclose to your employees. You may feel confident that your relationship with your employees is characterised by sufficient goodwill that they will not 'make waves', but I have seen many instances where this can change in a heartbeat - most often at the point at which employment ceases, when employees (and sometimes their loved ones) reflect on what they have received, versus what they thought they were entitled to. Disputes can wind up being extremely costly, both in time and money. As an absolute minimum, all employees (either part-time or full-time) are entitled by law to:

- A written employment agreement, outlining the major terms of their employment and their contract with the parish as employer, as well as the process to resolve any disagreements.
- Have accurate records kept of leave of all types they are entitled to (Annual Leave, Sick Leave and Lieu Leave). These records must be made available to them on demand. While you don't have to provide employees with a payslip (unless it's agreed that you will in the Employment Contract), they CAN demand one at any time, along with records of all leave they're owed, both in time and money.
- There are many other things employees are entitled to, but we will not focus on those here.

There are great tools available online at no charge for drafting employment agreements, but when it comes to correctly calculating holiday entitlements, this can get quite technical. Unless you happen to have an employment law expert on tap, we strongly recommend you review the records you keep for your employees to ensure that you are doing things correctly. If in doubt, give us a call, we can help you figure out whether you're on the right track, or whether you need to improve your systems. Best of all, think seriously about subscribing to an accredited payroll programme or application that will eliminate almost of the guesswork. There are programmes out there to suit all budgets, including one that runs on Xero (approx. \$10/month).

Remember that you can call me toll-free on the parish **payroll helpline (0800-567957)** if you have queries.

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.