

TREASURERS' NEWS

The latest news for Presbyterian & Cooperating Venture parishes

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[Camila Farias](#)

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Welcome to our June newsletter...

Business in the Presbyterian Church of Aotearoa New Zealand Assembly Office continues.

In July we will say thank you and goodbye to Martyn Vincent, Consolidation Accountant, who has worked on the consolidation project for over three years. Martyn will be available to help with the handover to, and training of, his replacement after July. 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.

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

Contacts

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

[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 the 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

Last month 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 for the 2022 Consolidation. **If you have not received the pack, please contact Grace Webster at grace@presbyterian.org.nz.**

AGREED UPON PROCEDURES (AUP)

In earlier newsletters we told parishes that we are preparing Agreed Upon Procedures (AUP) review for parishes' reviewer to complete. The AUP will cover standard procedures that good financial governance should follow in any organisation. For example, retention of supporting documents for payments, two signatories required for payments of accounts, regular council meetings to review the accounts of the parish etc. These are a few examples there will be others, and we will keep the AUP process simple and easy to follow.

The AUPs do not need to be used where a parish has a review or an audit by a chartered accountant or a chartered accountant firm. The chartered accountant will have their own audit processes that they will follow, they do not need to use the AUPs. The chartered accountant will produce an audit report which will meet the requirements of the PCANZ Consolidation auditors, to prove that an audit has been completed for the parish.

The AUP was included in the Reviewer Pack we sent to treasurers in May. Please review it and if you have any questions, please email us at pcanzfc@presbyterian.org.nz.



ANNUAL FINANCIAL REVIEWS

We had a few queries on whether a parish needs to have an annual financial review or not. Every parish must have a financial review or audit. Under the PCANZ Book of Order, the reviewer or auditor must be approved by PCANZ as part of the PCANZ Group. There are statutory and regulatory guidelines on who may complete a review or audit. In the April '22 Treasurers' News No.238, we prepared a summary of the regulations and definition of suitable qualified persons or firms.

The financial reviewer form will need to be completed by all parishes for this year, this will be part of our consolidation records for our files, even if you have had the same person reviewing your accounts for many years. Once you have sent us the form, we will not require the form for future years unless to change your reviewer. Please complete the financial reviewer form and send it to the following email address PCANZFC@presbyterian.org.nz. The deadline is now past, if you have not sent it in, we encourage you to do so, it is not too late. If you have sent the financial reviewer form to us already, thank you, we will reply to you.



Financial Consolidation Frequently Asked Questions

We have prepared answers to questions we have received from parishes on the Financial Consolidation. The questions and answers are included on the PCANZ Website under the Treasurers Information section. [Click here](#).

In May we sent out instructions to parish treasurers, ministers, and presbyteries on changes to the stipend for the 2022-2023 period. If you didn't receive the instructions, please contact Katrina Katrina@presbyterian.org.nz.



Stipend 2022-2023

Vehicle Mileage Reimbursement Rates



See the [Church Management Support Guide \(CMS\)](#) Section 3.3.4 [note that the CMS will be updated on the 1 July 2022 to reflect the new rates shown below]. The tables include hybrid and electric vehicles. The following rates are based on the Inland Revenue rates. Any person wishing to use the kilometre rate to calculate in the first table must keep a logbook or be able to supply other evidence that establishes the church use of the vehicle for an income year (tax year – 31 March is each year).

The following are the rates per kilometre that apply from 1 July 2022 and assume a logbook is being kept:

Kilometre Rates – With logbooks maintained		
Vehicle Type	Tier Two Rates (Up to 14,000km)	Tier Two Rates (Above 14,000km)
Petrol or Diesel	83 cents	31 cents
Petrol Hybrid	83 cents	18 cents
Electric	83 cents	10 cents

In the absence of records as set out in the preceding paragraph, the use of the Tier One rates will be limited to the first 3,500km of business kilometres. The Tier Two rates will be used for the kilometres travelled for employment purposes above the 3,500km threshold.

Kilometre Rates – With logbooks NOT being maintained		
Vehicle Type	Tier One Rates (Up to 3,500km)	Tier Two Rates (Above 3,500 km)
Petrol or Diesel	83 cents	31 cents
Petrol Hybrid	83 cents	18 cents
Electric	83 cents	10 cents

The IRD Commissioner's kilometre rates are calculated on a GST (Goods and Services Tax) inclusive basis. However, input tax cannot be claimed on the estimated allowances paid to reimburse an employee. GST input tax may only be claimed on an actual basis with the proper tax invoice being held at the time of claiming.

Rates are for total church-related travel undertaken over the course of the year, so an estimate of mileage over a year, therefore a reimbursement rate band should be agreed between the church and the minister (or employee) in advance. As a registered charity, mileage reimbursement for church business is not subject to Fringe Benefit tax, but reimbursement at higher rates might be. You may contact Inland Revenue or the Assembly Office for further advice.

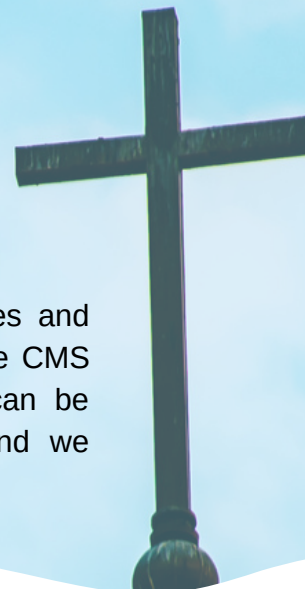
The Inland Revenue Department (IRD) has an operational statement that relates to the tax-exempt portion of an amount paid to a presbyter, an employee or other person. It is simply a way to calculate the reimbursement rates of expenditure incurred by the presbyter, employee, or other person where that person uses their private motor vehicle for church related travel.

Please note that in nearly all cases (there are limited exemptions to this general rule), travel between your home and place of work is considered private use and therefore the information set out here does not relate to that travel.

A more detailed guide on Vehicle Mileage Reimbursement rates can be found in the CMS guide.

Church Management Support (CMS) Guide Update

The CMS will be updated for the changes to the Stipend Rates and Vehicle Mileage Reimbursement Rates. The effective date for the CMS update will be the 1 July 2022, version 7. The CMS guide can be [downloaded here](#) and is a useful reference for treasurers, and we recommend that you read it for day-to-day guidelines for a parish.



Summary of the PCANZ annual accounts from the 2021 Financial Consolidation

Thank you to our parish treasurers for your support to produce the 30 June 2021 PCANZ Consolidated accounts. We have made substantial progress over the last three years with your help. The 2021 accounts are far from perfect, and we still have some way to go to be able to produce accounts required by the Tier 1 reporting standards. For your information we have produced a summary of the PCANZ consolidated accounts for the newsletter. Note that the amounts are in \$000's. [Click here](#).



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](#).
- 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

Annual Accounts Assistance

For 10 years now we have been helping parishes transition their accounting onto the online accounting system Xero and providing assistance with preparing financial information for end of year reporting.

Now that the process of Consolidation is underway, participating parishes have been asked to have their financial reports completed and submitted to PCANZ Assembly Office no later than 31 August. This leaves us with a very much shorter timeframe than in previous years to complete our part of the reporting process.

Accordingly, all parishes who require our assistance with reporting for the 2022 financial year will need to book in with us before 30 June and agree a timeline to provide the relevant information. It will be important that we get all the information we need before we start work on any parish's file. At the point at which you book in, we will communicate with you to agree on the timeline. This will enable us to allocate our resources to ensure we complete each parish's reporting as efficiently as possible.

For those parishes new to Xero, PCANZ will continue the subsidy of \$300 towards our costs to assist you for the first two years working with Xero. From year three onwards, parishes will be liable for the full cost. We offer a substantially reduced rate for Presbyterian parishes and often the cost is less than \$500 plus GST but that will depend on the complexity of your work. We can discuss fees when you book in.

Our assistance will vary from parish to parish depending on how much you have completed in Xero but what we do includes:

- Review of report codes (which group your accounts in your financial reports).
- Reconciliation of bank accounts.
- A general review of your general ledger, with respect to consistency and GST treatment of transactions.
- Review of depreciation schedule, adding new assets and posting depreciation if required.
- Assistance with accruals and balance date adjustments.
- Formatting of your financial statements for audit or review.
- Answering of questions and updating reports for audit adjustments if required.

What we will not be completing is the notes disclosures on page 7 to 16 of the consolidation pack as this requires more information than we can ascertain from your Xero reports. We are happy to discuss them with you and help in directing you to where you may find the necessary information, but each parish will need to complete this section themselves.

If you would like to book in for our team to assist you with your annual financial statements, please email xero@presbyterian.org.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.