

MARCH 2023 (NO. 243)

TREASURERS' NEWS

The latest news for Presbyterian & Cooperating Venture parishes

Highlights this issue:

- **Staff Changes at Assembly Office**
- **Spotlight on GST**
- **Payroll reminders**
- **Beneficiary Fund**

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Greetings Treasurers

Welcome to the first newsletter for 2023. It's March already, and the beginning of Autumn. The next few months will be a flurry of activity here at PCANZ Assembly Office as we prepare budgets, plan for the 2023 Consolidation and prepare for year end.

In this newsletter we highlight recent staff changes at the Assembly Office, provide a spotlight on GST, and provide you with some important payroll reminders for next tax year.

The team and I look forward to working with you.

Staff Changes at Assembly Office

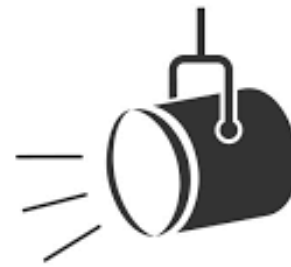
You may have noticed that there have been several staff changes in the Finance and Operations Team at the Assembly Office over the past six months. The Team now comprises:

- Michaela Press — Finance Manager & Head, Group Consolidation (Acting)
- Camila Farias — Head, Group Consolidation (parental leave)
- Bela Shmatko — Financial Consolidation Accountant
- Katrina Graham — Finance Administrator
- Kate Wilson — Compliance Support Officer
- Angela Singer — Communications Director
- Grace Webster — Office Administrator

Over the next few newsletters, we will profile a team member so you get to know each of us a little better.



In the Spotlight: GST



A church council recently brought an issue to our attention following a GST review by the Inland Revenue Department (IRD). The IRD had concluded that the church was over-claiming GST expenses against its taxable activity, which the church had specified as “hall hire”. The IRD advised that only GST expenses relating to that activity could be claimed (such as rates, insurance, power, and cleaning) and that other expenses incurred in carrying out their religious activities, were not deductible for GST purposes.

We bring the following key points to your attention:

- There are different rules in the GST Act affecting non-profit bodies – for which parishes qualify. For the purposes of the GST Act, a non-profit body is any society, association, or organisation, whether incorporated or not, that is:
 - carried on other than for the purposes of profit or gain to any proprietor, member, or shareholder; and
 - by the terms of its constitution, rules or other document constituting or governing the activities of that society, association, or organisation, prohibited from making any distribution whether by way of money, property, or any other way, to any such proprietor, member, or shareholder.
- The threshold for mandatory GST registration for a non-profit body is the same as for any other entity, as is the requirement for keeping GST records. Non-profit bodies operating below the threshold for mandatory GST registration may register voluntarily.
- The non-profit body must have a “taxable activity” to qualify. For a non-profit, a taxable activity:
 - must be a continuous or regular activity involving the making of supplies of goods and/or services for “consideration”,
 - is not defined in restrictive terms. The taxable activity could be the smallest activity of a non-profit, but it brings every other activity in.
- GST-registered non-profit bodies can claim an input tax deduction for most goods and services they acquire, even if the goods and services do not directly relate to the making of taxable supplies, to the extent that they are not used for the making of exempt supplies. Exempt supplies include, for example, the sale of donated clothing.

The church council presented the IRD with their interpretation of the Act, including the advice above. In the end, the IRD agreed with and accepted this interpretation.

We recommend that if you are contacted by the IRD that you contact us in the first instance before you go back to them as we may be able to help.



Consolidation 2022 Update

Thank you everyone for your hard work and cooperation in supplying your church's financial information for the 2022 Consolidation.



This a massive task each year. The activities and transactions of more than 400 parishes, presbyteries and other entities must be collated and analysed and then refined down to a single set of Group accounts. This year—with your help—we were able to send the first draft of the Group accounts to Ernst & Young on 3 February. We will keep you posted on how and where things go from here.

We are aware that this year some aspects of the consolidation process did not work as well as either you or we would have liked. In the next 2-3 months we will be inviting your feedback on what worked and what didn't and will build that into our planning for the 2023 Consolidation.

Payroll reminders for your diary—Mar/Apr 2023



- **Increase in minimum wage:** The minimum wage increases to \$22.70 per hour from 1 April. If you have any employees on minimum wage you will need to increase their wages, and recalculate PAYE and Kiwisaver.
- **PAYE changes:** ACC employee premiums increase on 1 April each year, usually deducted as a component of PAYE. So for any of wages or stipends you usually pay by automatic payment (i.e., their pay is the same every period), from 1 April, you will need to check and update PAYE, and adjust the net amount paid. The change is not usually large, but it's a good idea to get it right!
- **Public Holidays Easter 2023:** Good Friday and Easter Monday are statutory holidays, but NOT Easter Sunday. For employees who usually work Fridays or Mondays, if they work on either of those statutory holidays, you will need to pay them time-and-a-half and provide a day in lieu. If they don't work on those statutory holidays, pay them what they would normally have earned on a standard working Friday or Monday. Ministers do not get paid extra for working on a statutory holiday. Instead, they should be credited a full day in lieu for any full or part day if they work on a statutory holiday. In addition, if Monday is not a standard working day for your minister but they preached on the Sunday, they will STILL need to be credited a day in lieu for any statutory holiday (including Easter Monday) that falls on a Monday.

If in doubt, call Rowena at Laurensen Chartered Accountants

on the free support line 0800 567 957 or email her at rowena.janes@laurensen.co.nz



Xero Price Rises

From 15 March 2023, the monthly price of Xero Cashbook is increasing:

- Non-GST Cashbook plans will increase by \$1 to \$14/month
- GST Cashbook plans will increase by \$2 to \$25/month

If you have a current discount or Xero promo code, that will continue to be applied to the new pricing until the discount or code expires.



Who can you contact about what?

Administering the Fund

The administration of the Beneficiary Fund is handled by the team at Melville Jessup Weaver. They keep all the member records, process contributions and withdrawals, maintain the Fund accounts, prepare and send out member statements, and are available for parish and member queries.

Please contact the team at Melville Jessup Weaver – at Presbyterian@mjw.co.nz or **0800 266 787** - for any of the following:

- Setting up contributions for a new minister
- Changes to your direct debit or automatic payment contributions
- Changes to your bank account details
- Ceasing contributions for a minister who is finishing at your parish.

Setting Contribution Amounts

Contribution amounts are determined by the PCANZ in accordance with current stipends and relevant tax legislation. These are updated on the 1st of July each year. If you are unsure about calculating contribution amounts, please email **Rowena Janes** at Laurensen Chartered Accountants at rowena.janes@laurensen.co.nz.

General Queries

The Trustees' Office is available to answer any general queries you might have about the Fund or to point you in the right direction. They also process new member applications, which they then pass on to MJW. Please contact them at trustees@presbyterian.org.nz or **04 381 8289**.

