



DOCUMENT NUMBER	AD001
TYPE	Policy
SUBJECT	Contribution to Diocese and Aboriginal Ministry Deduction Policy
AUTHORISED BY	Diocesan Council, endorsed by Property & Finance Committee on 2 nd November 2021
DATE AUTHORISED	13 th November 2021

1. Objective

This Policy sets out items that the Diocesan Council has approved as exempt income and deductible expenses for the purposes of calculating the Contribution to Diocese and Remote Ministry of each parish.

2. Guiding Principles

The first strategic objective of the Diocesan Business Plan is “for all of our churches to be growing and celebrating communities”. Contributions to Diocese and Remote Ministry serve this strategic objective, albeit indirectly, in that:

- a) the shared services provided by the Diocesan Office enables all churches to function with a significant level of autonomy, supported by centralised governance and administration; and
- b) ministry in remote communities is directly supported through urban parish contributions.

From a pragmatic perspective, the policy also recognises that moneys received by a parish on behalf of an external organisation and forwarded within a reasonable time frame to that organisation should not be included when determining Income Available for Ministry and Maintenance.

3. Predetermined Definitions

The main definition of *Income Available for Ministry and Maintenance* is central to determining *Contributions to Diocese and Remote Ministry*. *Income Available for Ministry and Maintenance* comprises all income received by the parish in year (in cash terms) less:

- a) *Excluded income*, which comprises the following:
 - i) Funds received from the Anglican Church of Australia *Long Service Leave* Fund for continuation of stipend and allowances (incl. sabbatical);
 - ii) Funds received from the Diocesan insurers to *reimburse costs of insurance claims*;
 - iii) *Gains from legal actions* as verified by the Diocesan Business Manager;

- iv) *Government subsidies* received as approved by Diocesan Council (or its delegate);
 - v) *Bequests from deceased estates* received as income in the year as verified by the Diocesan Business Manager;
 - vi) *GST recovered* from Ministry/Religious Practitioners Expense Accounts; and
 - vii) *Specific grants* to be expended for particular purpose as verified by the Diocesan Business Manager;
- b) *Fundraising expenses to third parties*; that is, fundraising expenses to organisations operating at arm's length from the parish and its members, which shall not be more than associated fundraising income for that specific activity, and shall include the following:
- i) Mission giving; and
 - ii) Expenses associated with parish "businesses" or "events" (e.g. opportunity shops, car parks, camps, play groups, holiday programs);
- c) *Rental/hire expenses*: which are directly related to the provision of rental or hall hire income; and
- d) *Contribution free threshold*: the first \$25,000 of "income available for ministry/maintenance" will be not be levied with the Contribution to Diocese and Remote Ministry.

In short, *Contributions to Diocese and Remote Ministry* shall be **9%** of *Income Available for Ministry and Maintenance*, with a contribution free threshold on the first \$25,000 of same.

Importantly, the mapping of these definitions to each respective parish is set out in *Appendix 1*. This will be amended time-to-time as charts of accounts of respective parishes change, with the encouragement that they become *less rather than more divergent*.

4. Procedure for Verification by Diocesan Business Manager and Approval of Deduction of Excluded Income

In order to claim certain amounts above as deductible so as to not be included in *Income Available for Ministry and Maintenance*, written evidence of such excluded income (such as an agreement or memorandum explaining the nature of the excluded income) shall be provided to the Diocesan Business Manager with the confirmation or request for amendment of Determination. Government subsidies will be determined as to whether they are excluded from *Income Available for Ministry and Maintenance* where they are applicable on the whole to all parishes.

5. Procedure for Issuing Contribution Determinations

Whereas Parish Assessments were self-assessed by parishes under the previous policy, the Diocesan Business Manager shall now prepare a Determination of the amount of Contribution to Diocese and Remote Ministry of each parish based on the financial accounts from two years prior and based on Predetermined Definitions, matched to the specific categories in respective accounts. These shall be issued to the rector (or equivalent), churchwardens and treasurer for review by 15th November 2021. The parish shall review and confirm or request amendment to the Determination by 15th December 2021. The Diocesan Business Manager shall confirm



and/or amend the Determination at their discretion within the Predetermined Definitions. Appeals on Determinations may be made to Property & Finance Committee with leave of the Bishop as Chair.

Assessments invoices will be sent out quarterly, on the first day of the first month of each quarter, due for payment on standard 30-day terms.

For completion when document supersedes and existing policy, procedure or protocol.

VERSION NUMBER OF THIS DOCUMENT	DATE OF PREVIOUS DOCUMENT	SUMMARY OF CHANGE	REASON FOR CHANGE
V2	12 th February 2016	Substantial change to the basis upon which Contributions are made and refinement of definitions	Lack of clarity in definitions and inequity in allowances between parishes

